

Travelocity/lastminute.com

“Building a simpler, more efficient, online powerhouse in Europe”

September 28th, 2005

Agenda

- **Strategy & Timing**
- **Financial Impact**
- **Operations and Integration**
- **Q&A**

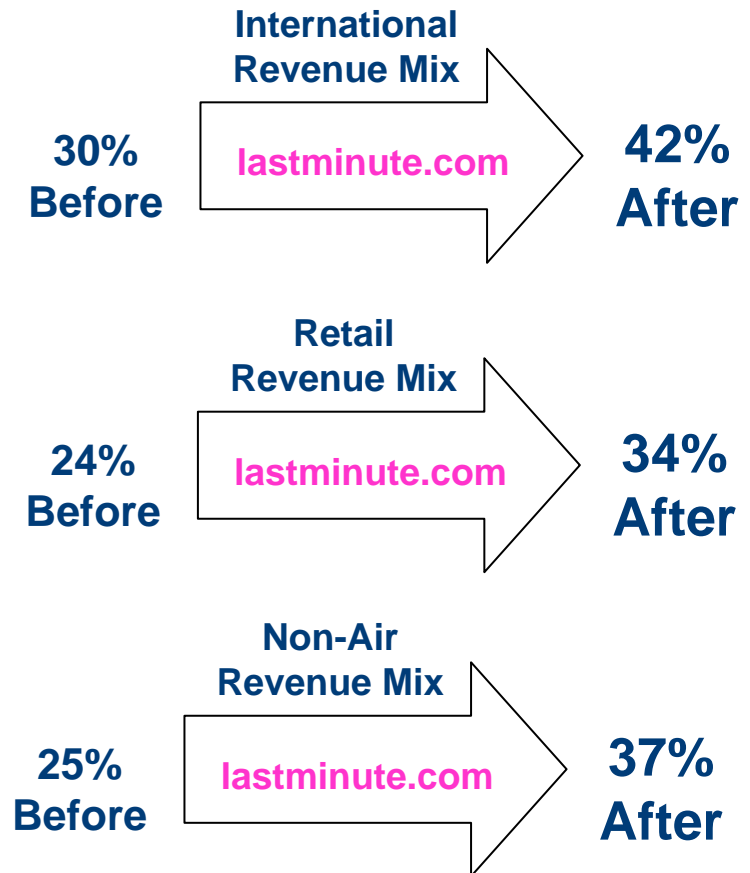
Strategy & Timing

Meets TSG Strategic Objectives



Transaction positions us to accomplish many of our 2005 strategic plans

- Invest internationally
- Grow our retailing business
- Diversify product mix



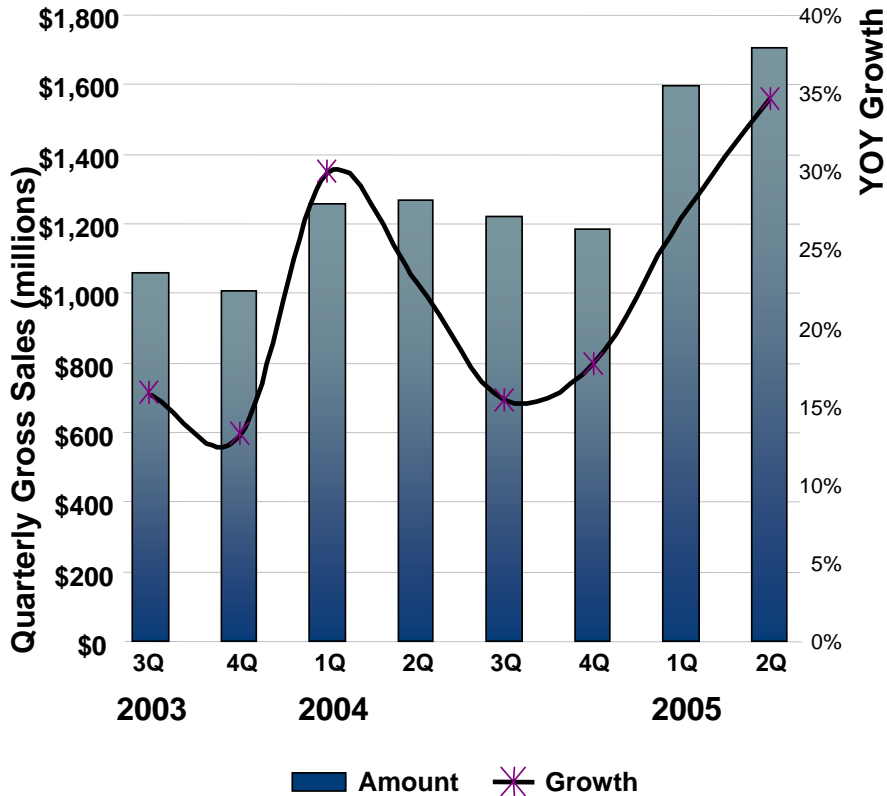
Why Now?

- **Increased Global Competition**
 - Agency and supplier competitors gaining share in Europe
 - Travelocity Europe operations lacked scale
- **Online travel in Europe projected to grow faster than US**
 - Represents the largest leisure travel marketplace in the world
- **Travelocity's Turnaround in North America**
 - Core business well positioned
 - Leading technology and merchant program in place
 - Overhauled brand, site, and advertising
 - Consistently outperforming online agency competitors on key metrics driving share gains

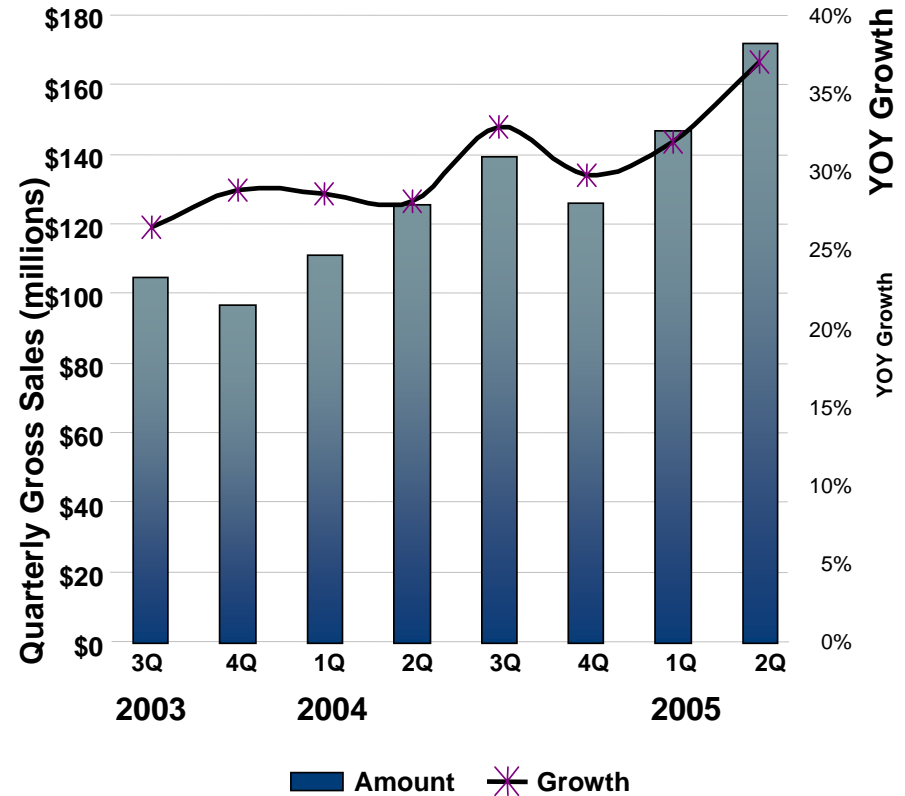
Travelocity Momentum is Strong



Gross Sales including International & YOY Growth



Total Revenue & YOY Growth



Strong Performance Enabled Share Gains



Q204 ~ Q205 Share Gap Change

	Travelocity vs Expedia	Travelocity vs Orbitz
Gross Sales	4.3 pts	4.1 pts
Revenue	2.6 pts	6.9 pts
Packages	18.4 pts	0.8 pts
Merchant Room Nights*	3.9 pts	n/a

* share data only available for Expedia

Note: Orbitz launched a packaging business in early 2004, which is why packaging share gain versus Orbitz is lower

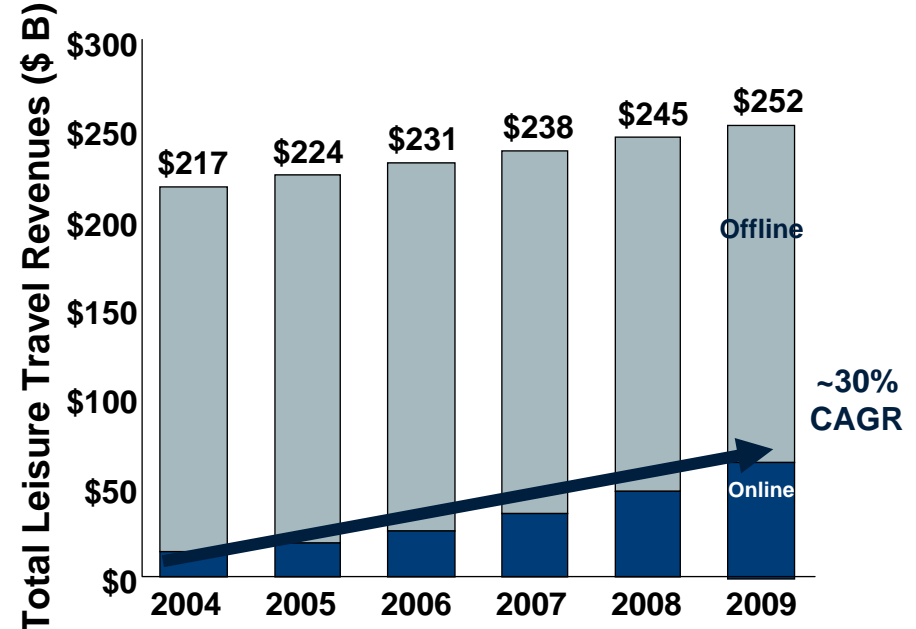
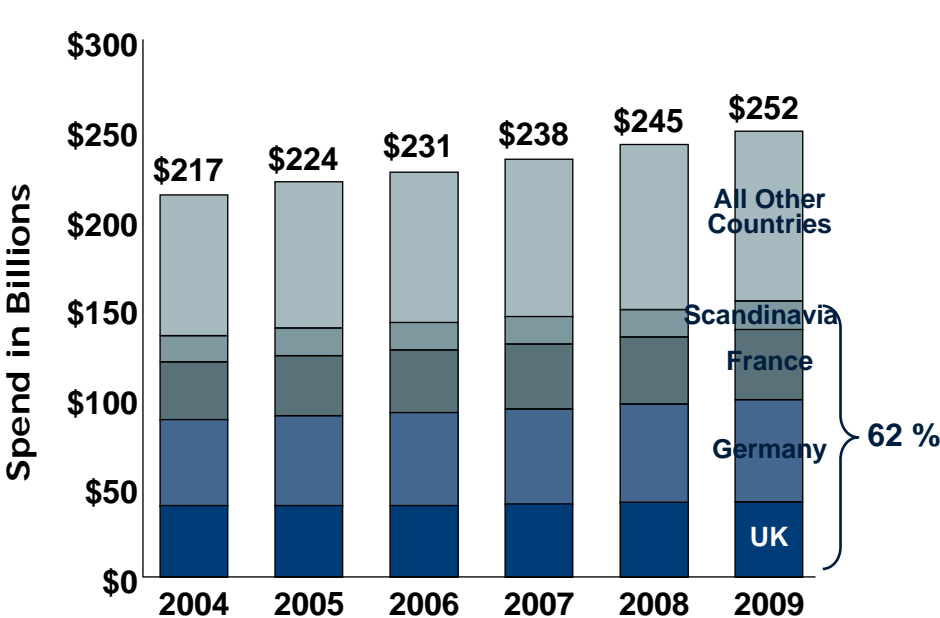
Europe – Large, Fast Growth Opportunity



Total Leisure Spend Growth to ~\$250B by 2009

UK, Germany, France and Scandinavia represents 62% of the market

Spending Shift From Offline to Online, Online Leisure Travel Growth ~30% Annually



Note: Online estimates include supplier websites and online travel agencies

Source: Jupiter, Forrester, Centre for Regional Tourism, Euromonitor, Phocuswright, Sabre Internal

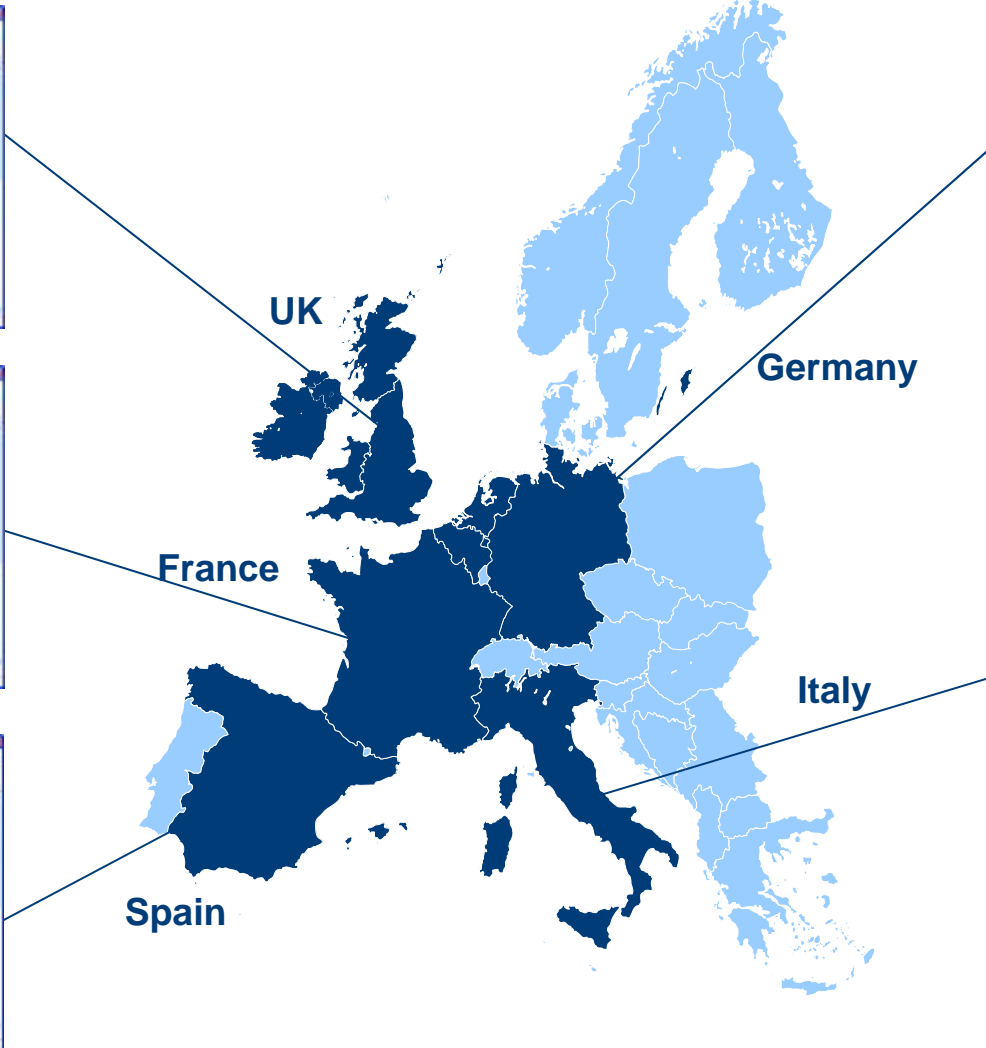
Compelling Market Environment



	United States	Europe
Population:	293m	302m
Average annual holidays:	23 days	31 days
GDP per capita:	\$37,800	\$31,456
Leisure spend as % of GDP:	6.4%	5.0%
% travel booked online:	31%	11%
Leisure travel purchase behavior:	Component	Package
Hotel characteristics:	Independent/ Chain	Highly Fragmented

Source: CIA World Factbook, Nielsen Ratings, Yankee Research Consultancy, Internet World Stats, Trades Union Congress, Euromonitor, IDC

lastminute.com European Leadership



Online Travel at Sabre Holdings Before lastminute.com



Great Fit

- **Highly complementary combination -- offers strategic, financial and operational benefits**
- **Significant scale and online presence in Europe**
 - Greatly increases reach in UK and France, supplements Germany presence and provides an entry into Italy and Spain
- **Immediate product diversification into high margin segments**
 - Over 80% of lastminute.com's sales are non-air
- **Strong lastminute.com brand that can be used across Europe**
 - Lower customer acquisition cost
- **Good launch pad for Sabre's wholesale initiatives in Europe**
 - Holiday Autos is world's largest leisure car rental broker
 - MedHotels is leading UK wholesaler for Mediterranean resort hotels
 - Leverage lastminute.com's broad merchant content for Sabre agency channel

New Combined Reach



Financials

2005 Financial Expectations

- **lastminute.com reported positive 1H 2005 fiscal year results that were in line with analyst consensus (The City)**
 - Total transaction value increased 57%
 - Positive EBITDA of £0.1M
- **Prior to the deal closing, we estimated lastminute.com would be neutral to Sabre Holdings 2005 full year EPS on an adjusted basis and dilutive on a GAAP basis.**
- **Our financial expectations changed due to adverse events that occurred in July/August peak travel months**
 - Terrorist bombings; currency movements
- **We now expect the acquisition of lastminute.com to be dilutive to Sabre Holdings full year 2005 adjusted and GAAP EPS**

2006 Financial Goals for Travelocity's European Operations



- **2006 Goals for Combined European Operations***
 - Revenue of approximately \$440M to \$460M
 - Adjusted operating income of approximately \$25M to \$30M
 - GAAP operating income of approximately (\$25M to \$30M)
 - Adjusted EBITDA of approximately \$47 to \$52M
- **This represents an approximate \$55M to \$60M YOY improvement in Travelocity European operations adjusted operating income, primarily driven by**
 - Addition of lastminute.com earnings
 - Significant narrowing of losses in standalone Travelocity Europe
 - Realization of synergies between the two companies partially offset by integration costs
- **Expected contribution to Sabre Holdings 2006 EPS**
 - Accretive on an adjusted basis and dilutive on a GAAP basis

2007 Financial Goals for Travelocity's European Operations



- **Significant long-term growth is expected from Travelocity's European operations under this set of assumptions:**
 - Online trends continue as expected in Europe
 - Revenue and cost synergy targets are met
- **Under these assumptions, Travelocity's European operations in 2007 would yield strong financial results***
 - Revenue of >\$500M
 - Adjusted operating income >\$70M
 - GAAP operating income ~\$20M
 - Adjusted EBITDA of >\$100M

Financial Transformation

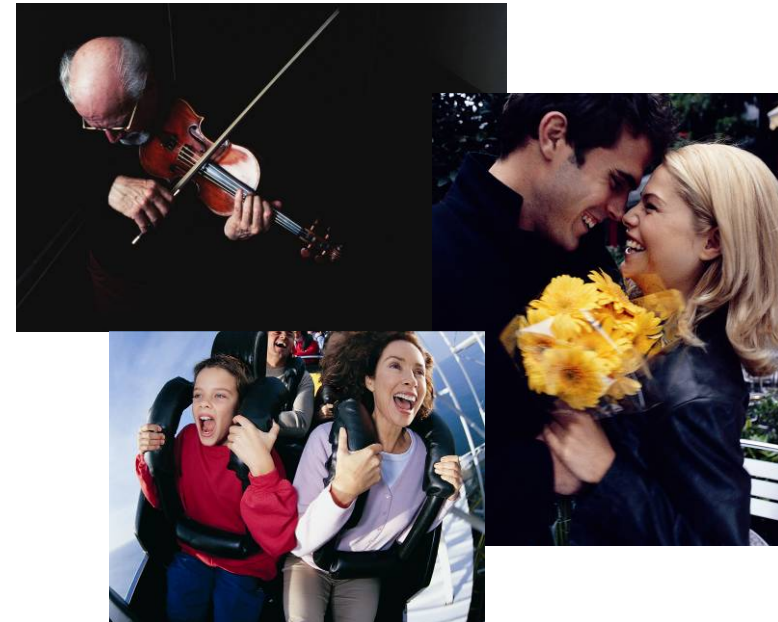
- **Capitalizing on a fast growing industry in Europe**
 - All about financial growth opportunities
 - We bought a business that we know very well
 - **proven by the Travelocity turnaround**
- **Valuations**
 - Best online asset in Europe and paid the right price
 - Conducted thorough due diligence
 - Very competitive multiple compared to recent peer acquisitions
 - **Implied EBITDA multiple of ~13 based on City's estimates**
 - **Very competitive multiple compared to recent peer acquisitions**
 - **Current expected EBITDA slightly less due to adverse impact on travel in the UK**

We believe growth in online travel in Europe and realized synergies will drive significant revenue and earnings growth for the long-term

Operations and Integration

What is lastminute.com?

- **Founded in 1998 by Brent Hoberman and Martha Lane Fox**
- **Europe's leading independent travel & leisure business**
- **Very strong brand that works well across Europe, enabling customer acquisition costs that are lower than competitors**
- **Strong presence in the UK, France, Germany, Italy, and Spain**
- **Differentiated products include tickets to shows, festivals and theme-parks as well as leisure experiences, DVDs, restaurants and gifts**
- **Completed 14 acquisitions to increase content and capabilities**
- **Strong relationship with suppliers**



What is lastminute.com?

Holidays

- Over 250 tour operator relationships

Airlines

- Over 100 partnerships

Hotels

- Over 15,000 contracted relationships

Car Hire

- Over 150 worldwide relationships with majors and national independents

Lifestyle

- More West-End theatre partners than Ticketmaster
- Over 1,000 restaurant partners

Source: Broker's Research

Retail

60% of TTV

Brands like:

lastminute.com
Travelselect
Degriftour
lastminute.de



Characteristics like:

Consumer
Fast Growing
Improving Margins
Growing Adoption

Trade

40% of TTV

Brands like:

Holidayautos
medhotels
First Option
OTC



Characteristics like:

Business to Business
Mature Growth Rates
High Margin
Well Established Market

A Strong Strategic Fit for Travelocity

Geographic diversification



Strategic benefit

- Creates a leading position in Europe
- Global supplier value proposition
- Complementary supplier relationships
- Significant combined brand power
- Strong management team
- Excellent cultural fit and entrepreneurial spirit

Product diversification



Key Areas of Opportunity

- **Revenue opportunities**

- Leverage the best content from each company
 - Travelocity merchant hotel program
 - Lastminute.com lifestyle and merchant program
- Customer referrals
- International brand leverage
- GDS conversion over time

- **Cost reduction opportunities**

- Achieve existing lastminute.com cost reduction targets
 - Focusing on simplification
- Rationalize marketing / advertising spend with lastminute.com as the lead brand
- Cost reductions:
 - Consolidate facilities
 - Rationalize technology platforms
 - Improve call center economics
 - Automate existing manual processes, like hotel payments

Already Accomplished

- **Overall organizational structure announced within two weeks of deal closing**
 - Reflects strong and diverse leadership team from both companies
- **Rapidly identified and prioritized integration and synergy opportunities**
- **Integration team and steering committee in place**
 - Leaders from both companies
 - High accountability
 - Responsible for refining integration model, overseeing execution, and tracking progress against a defined set of metrics
- **Executing quickly on high priority opportunities**
 - Announced possible plans to consolidate two major UK locations
 - Travelocity merchant hotels launched on lastminute.com
 - Marketing spend scaled back for Travelocity.co.uk
 - lastminute.com holidays launched on Travelocity.co.uk
 - Launched lastminute.com in the US with Site59/WCT technology and content

What is Coming

- **By the end of this year, we expect to have completed the following:**
 - Use underlying lastminute.com technology and content for Travelocity sites in the UK and France
 - Share all product and technology between Scandinavian Travelocity and lastminute.com sites (air, car, hotel, lifestyle, packaging)
 - Consolidate purchasing to leverage greater scale
- **In 2006 expect to complete**
 - Bring lastminute.com's hotel and dynamically packaged content to the Travelocity.com site
 - Launch Holiday Autos to the US online channel
 - Consolidate facilities throughout Europe
 - Convert a portion of lastminute.com's bookings to the Sabre GDS
 - Consolidate mid office and back office technology platforms
 - Share best practices in marketing, CRM and search

Summary of Our Goals

- Strengthen leadership position in Europe
- Achieve business simplification for existing lastminute.com business
- Execute flawlessly on the synergies of the combined business
- Significantly grow revenue and expand margins



Cautionary Statement



Statements in this disclosure which are not purely historical facts or which necessarily depend upon future events, including statements about projected revenues, transaction volumes or earnings, or the anticipated benefits to Sabre Holdings Corporation from the acquisition and integration of lastminute.com, or other statements about anticipations, beliefs, expectations, hopes, intentions or strategies for the future, may be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Readers are cautioned not to place undue reliance on forward-looking statements. All forward-looking statements are based upon information available to Sabre Holdings Corporation on the date this disclosure was issued. Sabre Holdings Corporation undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Any forward-looking statements involve risks and uncertainties that could cause actual events or results to differ materially from the events or results described in the forward-looking statements, including risks or uncertainties related to: the acquisition and integration of lastminute.com (such as determining the effectiveness of the design and operation of the disclosure controls and internal controls over financial reporting for lastminute.com), securing long-term financing for the lastminute.com acquisition, and competition within the European marketplace from established or emerging competitors. Sabre Holdings Corporation may not succeed in addressing these and other risks. Further information regarding factors that could affect our financial and other results can be found in the risk factors section of Sabre Holdings Corporation's most recent filing on Form 10-Q with the Securities and Exchange Commission.

References to non-GAAP financial statements and the reconciliation to GAAP can be found on the Sabre Holdings' website <http://www.sabre-holdings.com/investor/highlights/index.html> in the investor relations section.

Q&A