

“This was a strategic quarter for Sabre Holdings. Of particular note were the important steps taken to position our Sabre Travel Network company for continued leadership in a post-regulatory world and the critical milestones achieved by our Travelocity company in accelerating the growth of our merchant offerings.”

**WILLIAM J. HANNIGAN**

Chairman and Chief Executive Officer

### Sabre Holdings

- Total revenue, on a GAAP basis, was \$527 million.\*
- Operating income, on a GAAP basis, was \$44 million.\*
- Diluted earnings per share, on a GAAP basis, was \$0.18.\*
- Cash and marketable securities was slightly more than \$1 billion.

### Travelocity

- Revenue was \$106 million, an increase of 27.1 percent from the year-ago quarter.
- Gross travel booked was \$1.04 billion, an increase of 13.2 percent year over year.

### Sabre Travel Network

- Revenue was \$383 million, a decrease of 3.5 percent from the year-ago quarter.
- Global travel bookings were 95 million, a decline of 2.9 percent year over year.

### GetThere

- Revenue was \$14 million, an increase of 0.4 percent year over year.
- Total transactions processed were 2.5 million, an increase of 26 percent year over year.

### Sabre Airline Solutions

- Revenue was \$56 million, an increase of 10.7 percent compared to the year-ago quarter.
- Sabre Airline Solutions signed more than 130 contracts in the third quarter, representing the Americas, Europe, the Middle East, Africa and Asia Pacific.

- The Sabre Holdings Board of Directors approved a stock repurchase program, authorizing the company to buy back up to \$100 million of Sabre Holdings common stock.
- Travelocity reached a definitive agreement to acquire the assets of World Choice Travel, the U.S.-based hotel room consolidation and distribution business of MyTravel Group plc. (See Strategy Update.)
- Sabre Travel Network announced the creation of Jurni Network™, a leisure travel agency consortium. (See Strategy Update.)
- GetThere won a multi-year contract to support the U.S. government's initiative to streamline its travel reservations. Along with CW Government Travel, the largest provider of online travel solutions to the government, the GetThere DirectGovernment technology will help the U.S. government comply with the Bush Administration's E-Government goal to benefit from Internet efficiencies.
- The Sabre Airline Solutions reservations hosting business won a key contract renewal for the *Sabre® Passenger Reservation System* from ATA Airlines.
- For the 10th consecutive year, travel agents from around the world named the *Sabre® GDS* the "World's Leading Computer Reservations System/Global Distribution System" at the World Travel Awards. Also, Travelocity was named the "World's Leading Travel Internet Site," and GetThere won the "World's Leading Business Travel e-Procurement Solutions Provider" title.

\* Revenue, income and earnings per share on an adjusted basis (excluding one-time items) and reconciliations to their GAAP equivalents can be found at [www.sabre-holdings.com/investor/](http://www.sabre-holdings.com/investor/)

Sabre Holdings™ is a world leader in travel commerce, retailing travel products, and providing distribution and technology solutions for the travel industry. Sabre Holdings supports travelers, travel agents, corporations and travel suppliers through its companies: Travelocity®, the most popular online travel service; Sabre Travel Network,™ which includes the world's largest global distribution system (GDS), connecting travel agents and travel suppliers with travelers; GetThere®, the leading Web-based travel reservation system for corporations and suppliers; and Sabre Airline Solutions,™ the leading provider of decision-support tools, reservations systems, and consulting services for airlines.

Headquarters in Southlake, Texas	Approximately 6,000 employees in 45 countries	2002 revenues of \$2.06 billion	S&P 500 company
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Sabre Holdings is committed to improving the quality of life in the communities where it operates, primarily by supporting education initiatives with an emphasis on math, science and technology. To prepare students for the demands of tomorrow, Sabre Holdings invests in local schools and regional colleges through strategic contributions and the volunteer efforts of its employees. Sabre Holdings employees volunteer an average of 6,000 hours annually.

For the third year in a row, Sabre Holdings raised more than \$1 million for the United Way in 2003 through employee pledges, fund-raising activities and a dollar-for-dollar corporate match. Sabre Holdings employees made a difference in their local communities by volunteering and sponsoring fund-raising activities in our 15 largest employee-populated cities in the U.S. and Canada.

## Fueling Our Growth in Leisure Travel

Sabre Holdings recently announced two initiatives that will broaden its merchant distribution capabilities and further penetrate the leisure travel channel. Travelocity agreed to acquire the assets of World Choice Travel (WCT), the U.S.-based hotel room consolidation and distribution business of MyTravel Group plc. Also, Sabre Travel Network announced the creation of Jurni Network, a unique leisure travel agency consortium that offers off-line travel agencies sophisticated market intelligence to help them grow revenues and reduce costs.

Below are a few important questions and answers about the deals.

### **Why is Travelocity purchasing the assets of World Choice Travel from MyTravel Group?**

The proposed acquisition is expected to expand Travelocity's hotel distribution network by 20 percent, allowing it to reach more online consumers, thus increasing merchant hotel sales. The proposed acquisition should also enable member hotel suppliers to sell their products to a broader set of consumers.

### **What synergies does Travelocity expect to achieve from the acquisition?**

WCT is a hotel room consolidator and distributor with access to 57,000 hotels. The business has preferred rates with 8,000 hotels and owns 1,700 affiliates. Travelocity expects to be able to integrate its merchant hotel inventory into the WCT platform, which would increase WCT's merchant sales and drive wider distribution of Travelocity's merchant inventory. Travelocity anticipates utilizing its online merchandising capabilities to improve conversion rates of the affiliates and to cross-sell other travel inventory.

### **What is a travel agency consortium and why is Jurni Network an important new business model for Sabre Travel Network?**

A consortium is a group of travel agents receiving one-of-a-kind deals from preferred suppliers and marketing those deals to their customers on behalf of the suppliers. Jurni Network will provide Sabre Travel Network with a critical mass of top leisure-branded travel products sourced from Travelocity, Site59, Sabre® Exclusives<sup>SM</sup> merchant hotels, and Nexion, which was acquired as a component of the creation of Jurni Network. Sabre Travel Network will also gain access to negotiated products from preferred suppliers and easy-to-use shopping technologies.



**Travelocity** pioneered the online travel space and continues to be the most popular travel service on the Web. Travelocity enables travelers to get the most for their money as they design and book trips online, with instant access to valuable information on airlines, hotels, car rental companies, and cruise and vacation packages. With approximately 41 million members, Travelocity is the seventh largest travel agency in the United States. Recently, it announced Travelocity Business™, the most comprehensive travel service available for small- and mid-sized companies.

[www.travelocity.com](http://www.travelocity.com)



**Sabre Travel Network** connects travel buyers and sellers through the world's largest global distribution system, providing 56,000 travel agency locations with instant access to information from more than 400 airlines, nearly 60,000 hotel properties, 50 car rental companies, nine cruise lines, and more than 230 tour operators. Sabre Travel Network offers a broad range of products and services that enhance travel agency operations, including office automation and revenue management tools. Sabre Travel Network also enables travel agency customers to provide services via the Internet.

[www.sabretravelnetwork.com](http://www.sabretravelnetwork.com)



**GetThere** is the leading provider of Web-based travel reservation systems for corporations and airlines. Through GetThere, corporations offer employees a convenient way to make travel and meeting arrangements via their company intranets, while significantly reducing costs. GetThere, the first company to deliver a Web-based corporate travel system, now has 1,000 customers, including more than half of the Fortune 200. When using GetThere, many customers save more than 20 percent on travel costs, often representing millions of dollars. GetThere also powers Web-based travel bookings for leading airlines.

[www.getthere.com](http://www.getthere.com)



**Sabre Airline Solutions** is the world's largest provider of software products, reservations and departure-control systems, and consulting services to help airlines simplify operations and lower costs. More than 200 airlines worldwide use the Sabre Airline Solutions broad portfolio of software solutions for decision-support tools to increase revenues and improve operations. Ninety airlines rely on Sabre Airline Solutions for their reservations and departure-control systems. In addition, more than 100 clients worldwide turn to the Sabre Airline Solutions consulting group for strategic, commercial and operational consulting.

[www.sabreairlinesolutions.com](http://www.sabreairlinesolutions.com)

## Travel Value Chain Sabre Holdings delivers value to customers at all points across the travel value chain.

### New Products

Sabre Holdings develops products that improve travel:

- *Travelocity TotalTrip*™ allows consumers to book airfare and hotel together simply and at special rates not available when booked separately.
- *Sabre*® *Exclusives*™ preferred hotels program lets travel agents beat Internet specials and brand-name hotels.

### Promotion

Sabre Holdings helps stimulate demand for travel:

- Travelocity sends timely, targeted newsletters with information on the best travel deals to millions of customers.
- The *Sabre*® *Traverse*™ loyalty management system enables airlines to offer recognition awards and incentives to customers.

### Shopping/Buying

Sabre Holdings helps travelers, corporations, agencies and suppliers book travel:

- The *Sabre*® GDS handles 35 percent of all travel booked globally through GDS's.
- The *Sabre*® *Passenger Reservation System* manages reservations functions for airlines of all sizes and processes more than 300 million passengers a year.

### Traveling

Sabre Holdings improves the traveler's experience:

- The *Sabre*® *Aerodynamic Traveler*™ Self-Serve Kiosk module offers passengers a one-stop airport check-in process.
- Access to detailed GetThere itinerary, via computer or wireless devices, facilitates day of trip for travelers.

### Post-travel

Sabre Holdings helps travelers, corporations, agencies and suppliers complete the travel process and prepare for future trips:

- GetThere supplies data to corporations so they can create better policies and contracts with suppliers.
- Travelocity offers *Travelocity Preferred* memberships to customers completing five bookings in 12 months.



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