

JP Morgan Internet Conference

Michelle Peluso



New York
March 13, 2006

2005 Accomplishments & Financial Results

Travelocity 2005 Accomplishments



- **Acquired lastminute.com, significantly increasing scale and online presence in Europe**
- **Launched Travelocity's Service Guarantee program**
- **Strong North America growth rates, better than the industry average**
- **Achieved substantial share gains versus online agency competitors**
- **Gross travel booked for the year of \$7.4 billion – 51% growth**
- **Full year global revenue of \$830 million, growth of 65%**
- **More than doubled full year operating income**

Strong Gross Travel Booked Growth



Gross Travel Booked in 2005 grew to \$7.4 billion

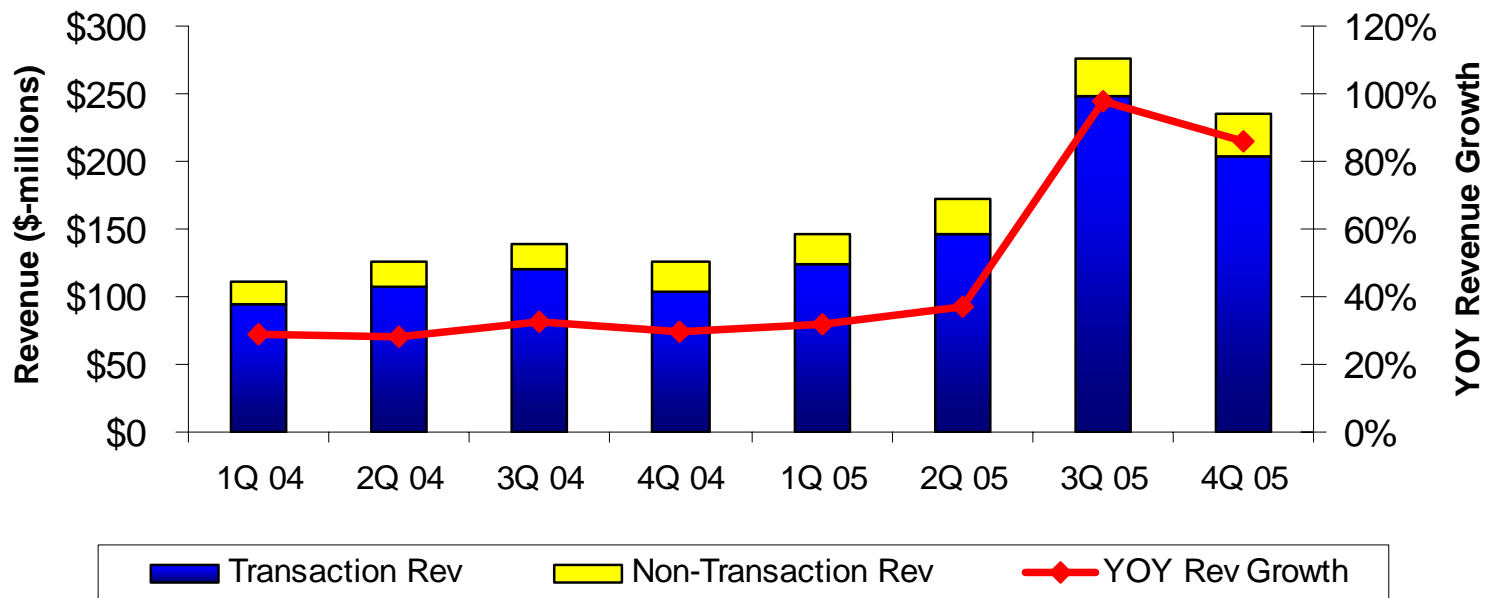
- Year over year growth of 51% in total



Robust Revenue Growth

Robust revenue growth of 65% for 2005

- Led by growth in non-air transaction revenue

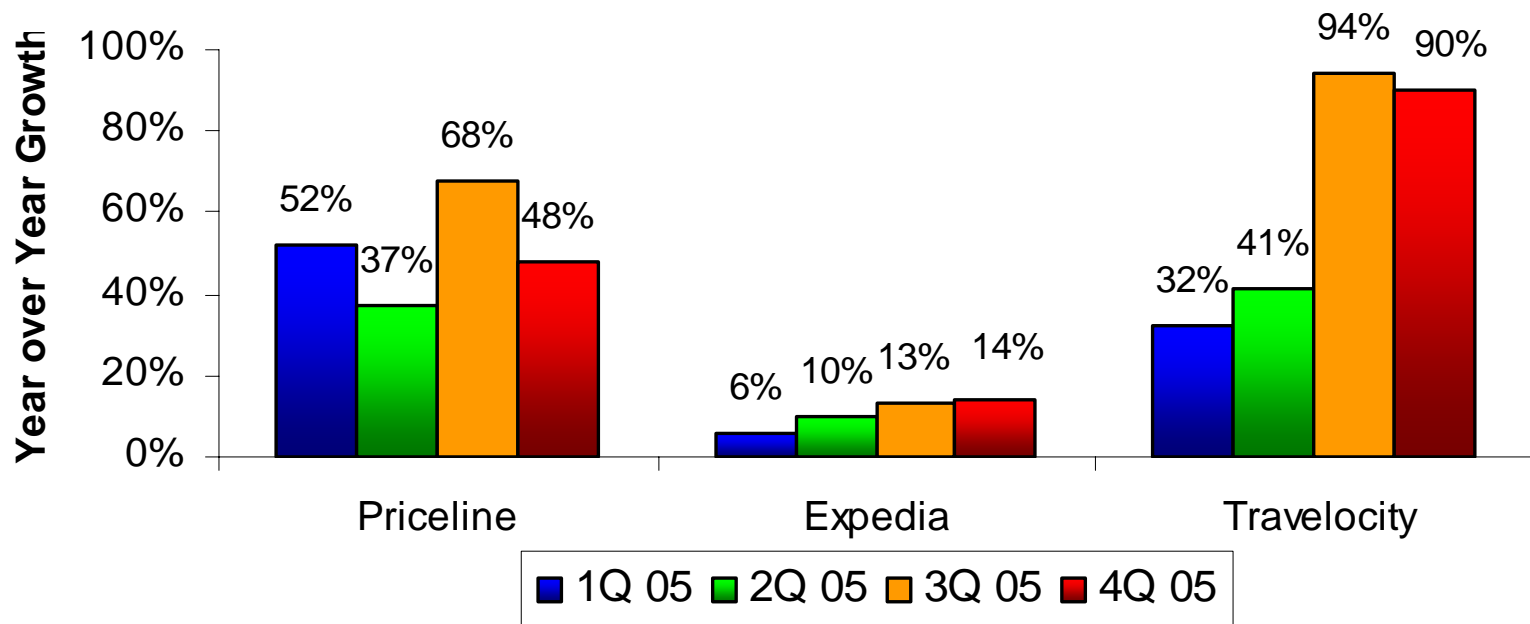


We've Gained Substantial Share on Our Competitors



Growing faster than competitors

2005 Total Room Night Growth YOY

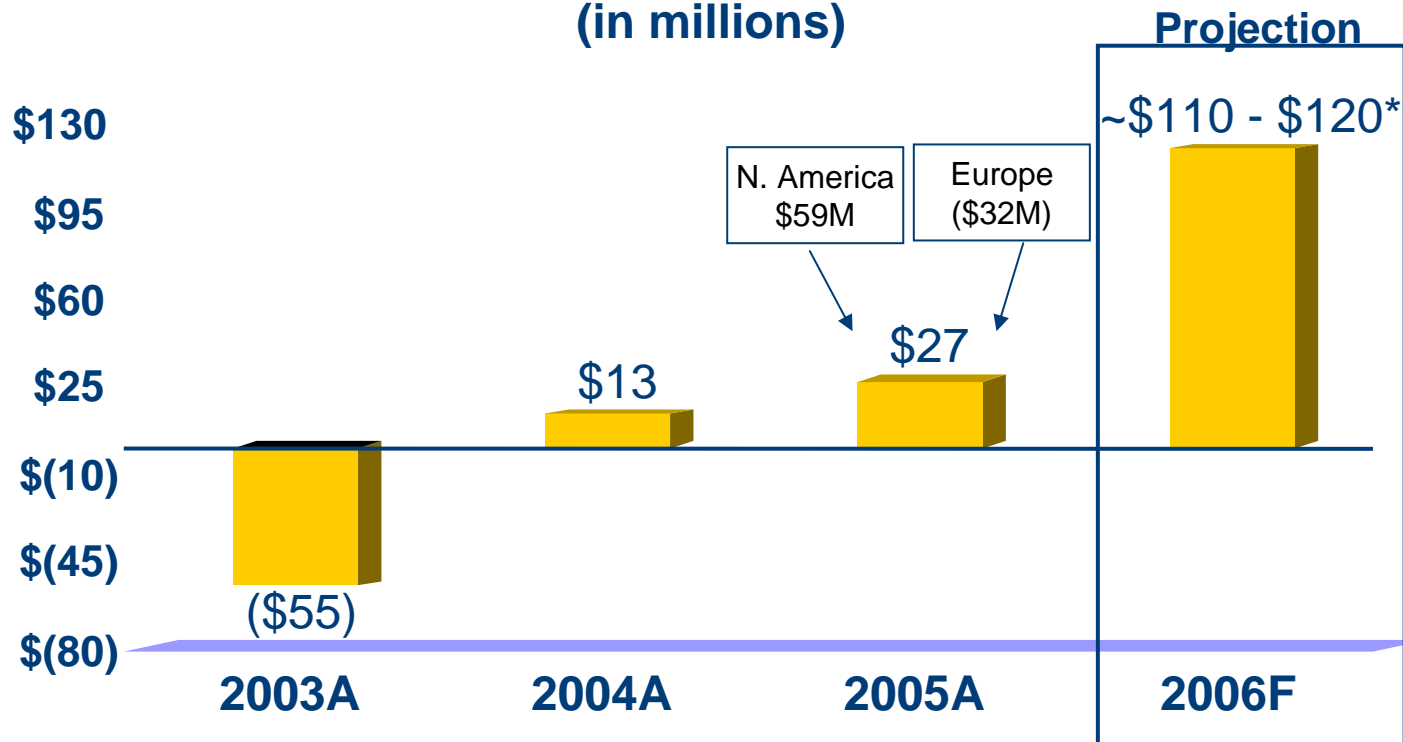


Grew gross travel booked and revenue at roughly double the rate of our competitors in North America

We've Registered Sizeable Improvements in Operating Income



Travelocity Adjusted Operating Income (in millions)



*2006 projected GAAP operating income of \$49 - \$59

lastminute.com

Who 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**

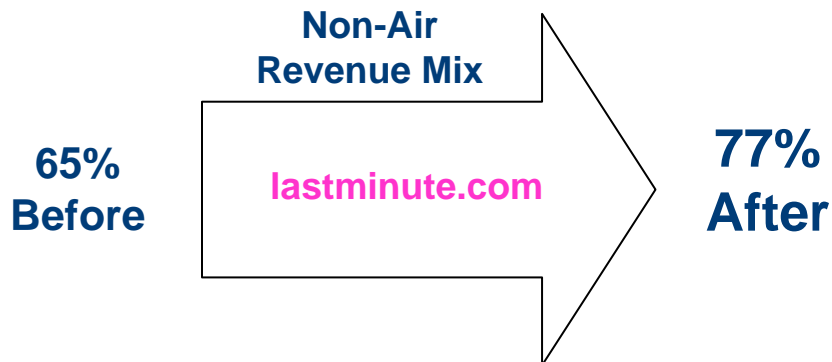
Source: Broker's Research

A Strong Strategic Fit for Travelocity

Geographic diversification



Product diversification



Strategic benefit

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

New Combined Reach



Key Areas of Opportunity

- **Revenue opportunities**
 - Leverage the best product from each company
 - Travelocity merchant hotels through lastminute.com and vice versa
 - Improve existing Travelocity Europe sites by using lastminute.com product
 - Refer customers between sites
 - Launch lastminute.com in the US
 - Travel Extras / Lifestyle product leveraged across geographies
 - Sabre GDS conversion
- **Cost reduction opportunities**
 - Achieve existing lastminute.com cost reduction targets
 - Rationalize marketing / advertising spend with lastminute.com as lead brand
 - Rationalize technology platforms
 - G&A opportunities
 - Improve call center economics
 - Automate existing manual processes, like hotel payments

Status of lastminute.com Integration

- **Integration activities and synergies well ahead of expectations**
- **Consolidated technology and operations in UK, France and Scandinavia**
- **Launched Travelocity Merchant Hotels throughout Europe**
- **Merged lastminute.com corporate travel assets with Travelocity Business**
- **Office consolidation across Europe**
- **Partial conversion to Sabre GDS completed in Q2 2006**

Customer Championship

Becoming a Customer Champion



Right Offer to the Right Customers at the Right Time



Low Fare Alert



Today's Best Fares From Tampa/St. Petersburg

Round-Trip Flights Starting at \$83+

[Read More](#)

To find deals from another airport, [click here](#)

- Deals from your hometown, using IP geo-location

Good Day to Buy



Fort Lauderdale For Less!

Chicago Departures From \$123+ Round-Trip

[Read More](#)

More deals from Chicago, [click here](#)



Seattle Hotel Deals

Just 3 Days Until Your Trip

Best Western Airport Executel	\$75 per night	◆◆◆◆◆
Country Inn and Suites Bothell	\$116 per night	◆◆◆◆◆
Hotel Monaco	\$269 per night	◆◆◆◆◆

[More Hotels](#)

Hotel & Car Cross Sell



Seattle Car Deals

Just 3 Days Until Your Trip

Dollar Rent A Car	Economy from \$16 per weekend day
Budget Rent A Car	Compact from \$17 per weekend day
Thrifty Rent A Car	Intermediate from \$19 per weekend day

[More Cars](#)

Delivering Great Offers Even After Purchase



An email to our travelers

- Best of the IgoUgo traveler blogs
- iTunes picks
- Movie picks and a month at Blockbuster
- 30 free photos printed
- Other local perks

Rewarding Our Best Users



 **Patrick Taylor**

Welcome Back!
Enjoy your VIP rewards
through:
March 16, 2006



Featured Reward



Save Up to \$100 On Weekend Getaways

As a Travelocity VIP, you get up to an additional \$100 off every Last Minute Deal you book – you can use this discount as many times per year as you would like.

The Travelocity Guarantee

We guarantee that everything about your booking will be right, or we'll work with our partners to make it right, right away.

[Learn more about the Travelocity Guarantee.](#)

VIP Rewards



Hotel

- [\\$10 Off GoodBuy Hotels](#)
Promo Code **HTL10**



Vacations

- [\\$40 Off Flight + Hotel](#)
Promo code **1VIPTT40**



Last Minute Deals

- [Up to \\$100 off Weekend Getaways](#)
Promo code **LMD100**



Service

- [Priority Customer Service](#)



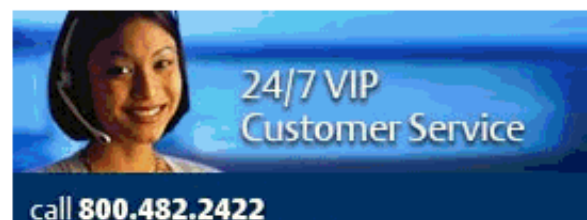
Other Discounts & Perks

- [SuperShuttle Discount](#)
- [Free Airport Parking](#)

Travel Tools

As a Travelocity VIP we know you like to make the most of your travel experiences. Here are a few tools to make your next trip even better!

- [My Trips](#)
- [Destination Guides](#)
- [Frommer's Guides](#)
- [Local Events](#)
- [Traveler Reviews](#)



Guarantee and Bill of Rights Are a Source of Real Differentiation



Customer Care | My Stuff

Home Flights Hotels Cars/Rail Vacations Cruises Last Minute Deals

Travel Info Center Flight Status Destination Guides Travelocity Business >About Travelocity

The Travelocity Customer Bill of Rights



You have the right to...

1 Get what you booked
Neither overbooked hotel, nor missing rental car, nor lost reservation should stand in the way of you and a smooth trip. That's why [Travelocity Guarantees](#) that everything about your booking will be right, or we'll work with our partners to make it right, right away. (Click on the link above for details on the new Travelocity Guarantee.)

2 The best overall value in travel
Travel enriches your life when it's done right, and that takes a lot more than just securing a low price. We understand that on top of great pricing, travelers need useful, insider information, the security of reliable customer support, and control over the details that make a trip smooth, efficient, and truly great.

3 Accurate and objective information upfront
That's why we offer objective travel ratings—not inflated ratings to sell you—and independent reviews where travelers share their experiences, both good and bad. It's also why we give you the full price of your rental car, including the taxes and fees that typically surprise a customer, upfront with car TotalPriceSM.

These are your rights. Let nothing stand between you and them—except maybe a pair of nice sunglasses.

In other words...

Here at Travelocity we believe that you deserve great travel experiences—so strongly that we've created our own Travelocity Customer Bill of Rights. This is a promise to our customers that we're on your side—a promise that when you book with Travelocity, "you'll never roam alone" before, during, or after your trip.

This promise of our advocacy isn't a marketing ploy to win your business. Over the past 12 months, we've taken serious steps to secure your traveler rights; we've realigned our entire organization so that our products, policies and employees support them. It's on the foundation of this work, strengthened by our commitment to continually get better at what we do, that we introduce the [Travelocity Guarantee](#).

4 Find what you're looking for quickly and easily
That's why we redesigned our site for complete ease-of-use—so you can find that great last minute deal to Paris, or the best brunch in Salt Lake City (served in a 75 year-old trolley car diner tucked in the hills of Emigration Canyon).

5 A straightforward presentation of your options
We want you to choose the options that best suit you. If a hotel has rooms available, we won't lead you to believe that the hotel is sold out. We also won't subject you to impossible terms and conditions that make an offer hollow.

6 Speak with someone and get help anytime
Call one of our knowledgeable representatives at 888-872-8356 or 210-521-5871 (for international callers) before you hit the "book" button. As soon as you hit the "book" button. All trip long. Even after your trip. That means every hour of every day, 365 days a year, and 366 days in a Leap Year.

7 Be inspired by your travel company
Like a well-traveled friend just back from a wine tour of Tuscany, we want to inspire you to see the world.

Consumers

- [Products and Services](#)
- [Privacy Policy](#)
- [Customer Care / FAQ](#)
- [Sweepstakes](#)
- [International Sites](#)
- [Employment](#)
- [Contact Us](#)

Investors

- [Corporate Profile](#)
- [Executive Team](#)
- [Investor Relations](#)

Press and Media

- [Press Releases](#)
- [Press Contacts](#)
- [Logos](#)
- [Awards](#)

Affiliates and Partners

- [Advertise with Travelocity](#)
- [Advertise with Virtually There](#)
- [Affiliate Program](#)
- [Hotel Supplier Relationships](#)

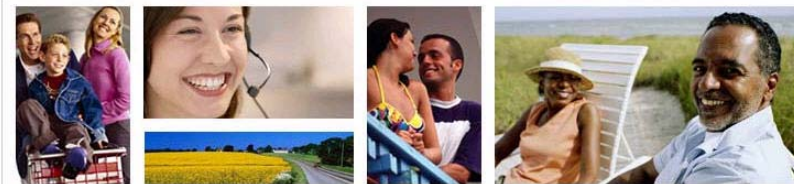


Customer Care | My Stuff

Home Flights Hotels Cars/Rail Vacations Cruises Last Minute Deals

Travel Info Center Flight Status Destination Guides Travelocity Business >About Travelocity

The Travelocity Guarantee



We're proud to introduce the Travelocity Guarantee.

Backing the [Travelocity Customer Bill of Rights](#), the Travelocity Guarantee is our commitment to you that everything about your booking will be right, or we'll work with our partners to make it right, right away.

When it comes to travel, bumps and snags happen. We can't control some things, like the weather or mechanical difficulties, but we can be there to help you navigate when the waters get rough. The Travelocity Guarantee is a promise of that advocacy. Book with Travelocity and we'll be there for you.

We've invested millions of dollars in our business to make this promise true. Over the past year, we've developed new technology to streamline shipping and give customers more control over their trip details. We've also spent hundreds of hours reading your comments and responded with the creation of dozens of new policies that answer your ideas and concerns.

In addition, we've invested over 10,000 hours in training every one of our employees on both the fundamentals and fine points of true customer advocacy. As a result, Travelocity, from president to programmer, is driven by the spirit of customer championship. We've put this spirit into all of our new products and innovations, including the Travelocity Guarantee.

What do we mean when we say that everything about your booking will be "right"?

All travel booked on Travelocity will be consistent with the promise of its detailed description on our site and your travel itinerary (as confirmed on our site 24 hours prior to departure)—be it airline flights, hotels, a TotalTripSM (flight + hotel package), a Last Minute Deal package, cruises, car rentals, or attractions/event tickets.

Human error happens; nobody's perfect—but in those rare cases that we make a mistake you can count on us to take responsibility for it, and to be thoughtful and fair as we work to resolve it. If, say, we inadvertently advertise a fare that's just "too good to be true," like a free trip to Fiji, we'll work with you and our travel partners to make it up to you and find a solution that puts a smile on your face.

How do you invoke the Travelocity Guarantee?

Call us. If anything is not delivered as promised in our description and reservation confirmation, call us anytime day or night—and we'll work with our partners to make it right. Should you encounter a problem with the travel you booked with us, don't let the problem get in the way of a smooth trip, call us right away so we can resolve it and get you back to enjoying your trip.

We have over 1000 travel professionals available to assist you. You can call our toll-free number 888-872-8356 (and 210-521-5871 for international callers) 24/7 to reach a representative. Also, you can email us about less urgent matters anytime at guarantee@travelocity.com, and we'll get back to you within 4 hours.

We guarantee that with Travelocity, "you'll never roam alone" because we have complete faith in the core strength of our partner relationships and the skill and passion of the entire Travelocity Team. We trust that if you book with us, just once, you'll share this faith in Travelocity, and continue to enjoy the peace-of-mind that comes with the Travelocity Guarantee.

The Travelocity Guarantee assures that when you book with Travelocity and encounter any problem with your booking, we'll work with our partners to make it right.

- If you purchase airline tickets and notify us within 24 hours of your purchase that you've booked the wrong dates, we'll rebook your airline tickets without charging a change or cancellation fee.
- If your arrival at your hotel to find that your reservation is lost or the hotel is overbooked, we'll manage the details and work directly with the hotel to get you a room in that hotel or a comparable one.
- If your airline cancels your flight and you're stuck without help to find a hotel for the night, we'll do the legwork to locate a hotel that meets your needs at a reasonable price.
- If you arrive at your hotel for your family vacation and find that the pool is closed for renovations, we'll find a comparable hotel with a pool for you at no additional cost.
- If you arrive at your hotel room to find that your ocean view is a parking lot view, we'll ask the hotel to honor their commitment to you, or find you a room with an ocean view at a comparable hotel at no cost to you.
- If the threat of a hurricane makes traveling to your destination unsafe, we'll contact you in advance of your departure to give you the opportunity to change your travel plans, and then we'll work with our travel partners to make any itinerary changes at the most reasonable cost to you.
- If you get to the rental car counter and the car type you reserved is sold out, we'll work with that rental company or another company to get you the car-type you booked.

Have a problem with your Travelocity trip? We'll do what it takes to resolve it.

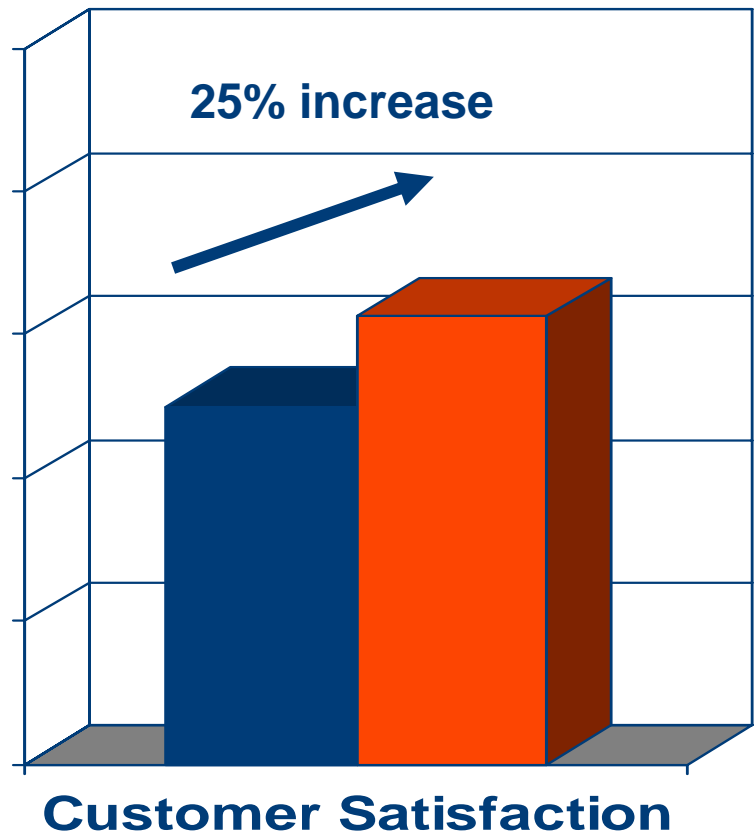
Call us 24/7: 888-872-8356
or email us at guarantee@travelocity.com.

The Travelocity Guarantee in Action:

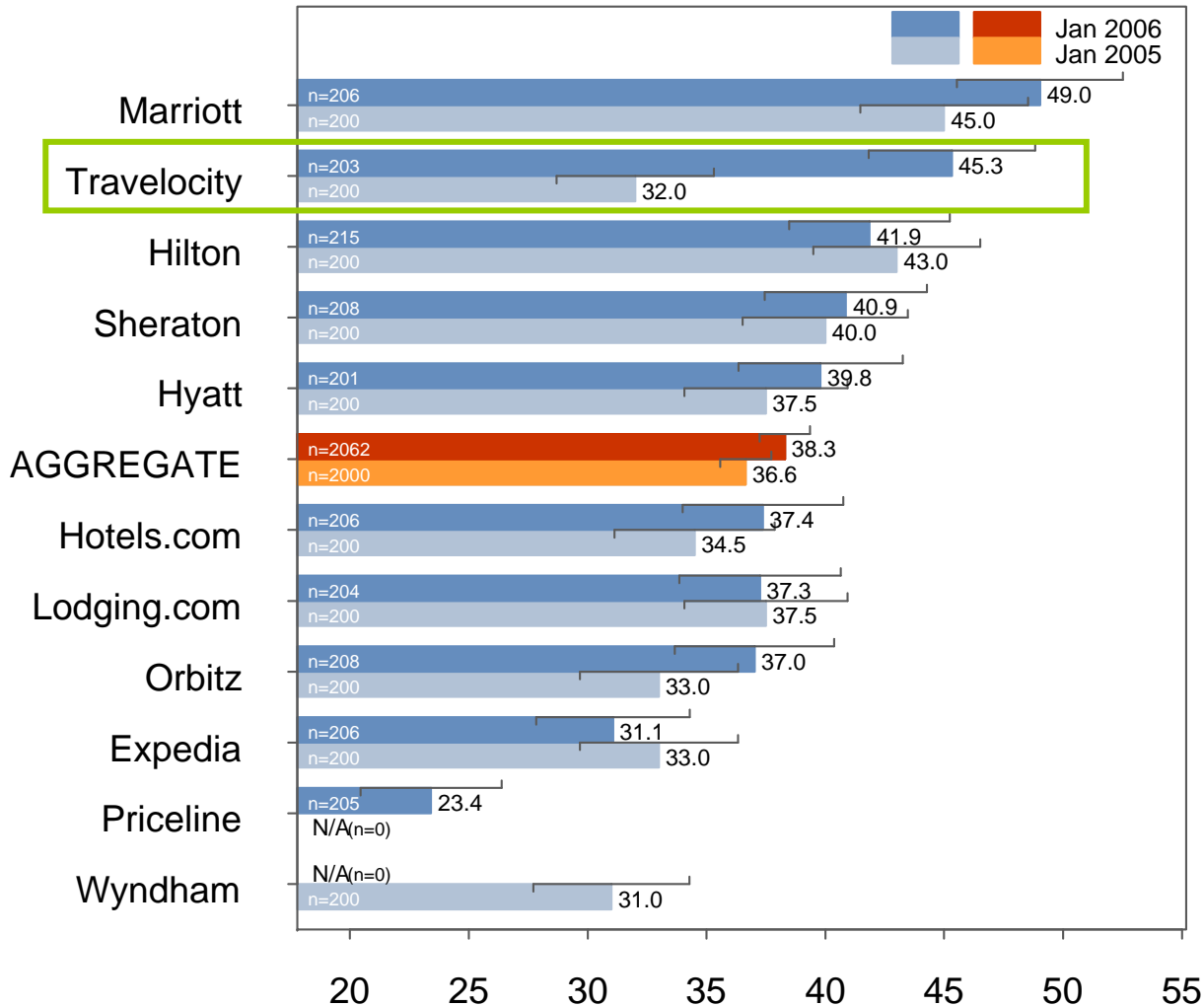
[Security Guarantee](#) | [* Means Some Taxes & Fees Additional](#) | [Travelocity World MasterCard](#)

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Results Are Encouraging



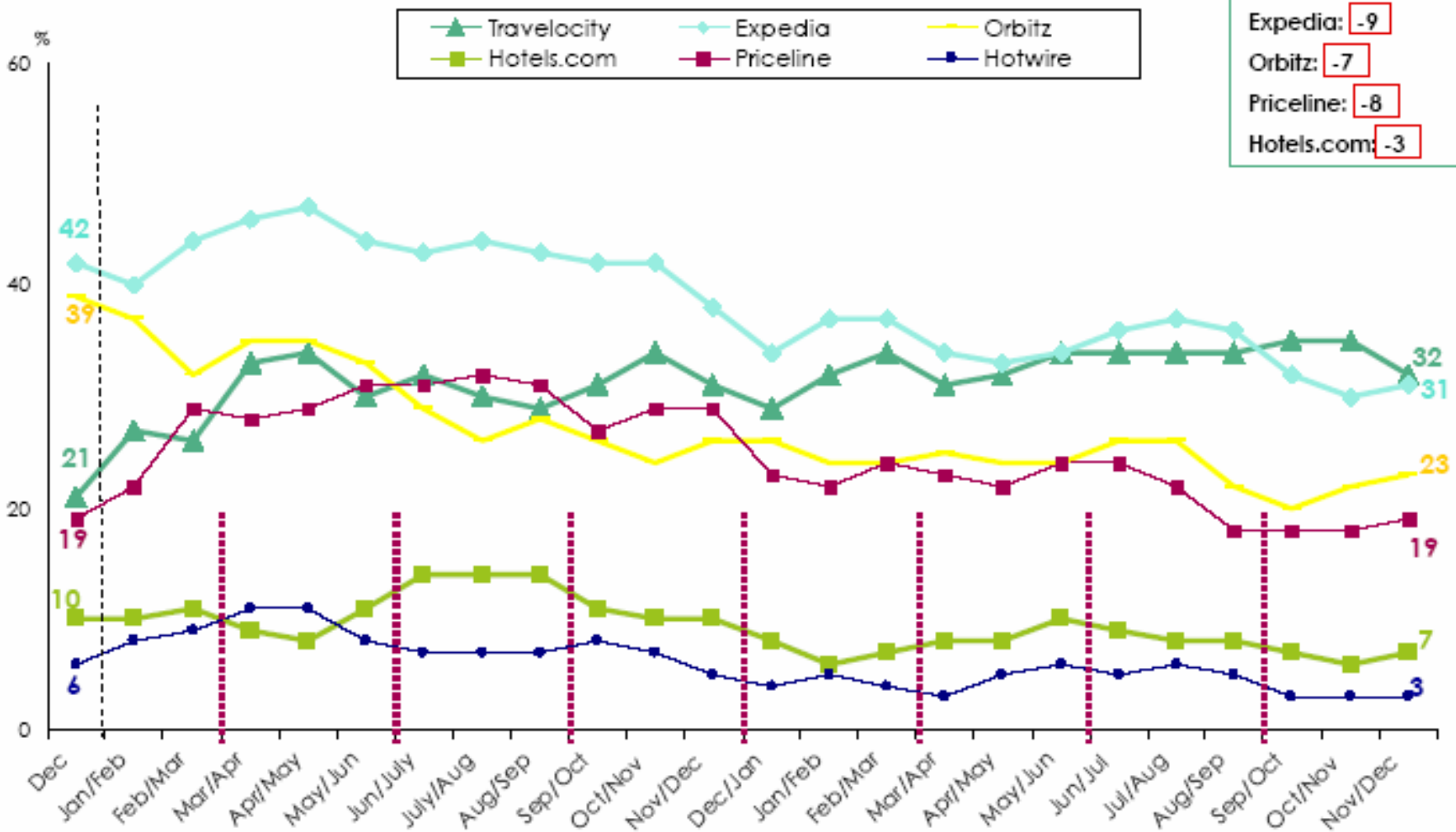
Particularly Versus Our Competitors



Which of the following, if any, do you associate with COMPANY?

Is committed to "Satisfaction Guaranteed"

Similarly, Our Marketing Effectiveness Has Improved Significantly



Q3 Which online travel sites have you seen or heard advertising for recently thinking both of more traditional places such as magazines, newspapers, on television, radio, or billboards, as well as less traditional places like stickers, postcards, events, the Internet, etc..?

□= significant difference at 90% confidence level vs. previous month

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2006 Priorities/Financial Projections

Travelocity 2006 Priorities

- **Grow profitability, domestically and internationally**
 - Top-line expansion
 - Ongoing cost reduction
- **Differentiate in North America by being the customers' champion and delivering on full travel experience**
- **Complete lastminute.com integration and drive operational excellence**
- **Succeed in our new business ventures, like corporate travel**
- **Enhance supplier relationships**
- **Recruit and retain the best team in travel**

2006 Financial Projections

- **Global revenue to approaching \$1.2 billion, > 40% growth**
 - North America growth approaching 20%
 - Europe revenue of \$440 - \$460 million, >100% growth
- **Operating margin approaching 10%, adjusted**
 - Operating margin mid-single digits, GAAP
- **Adjusted EBIDTA >\$155 million, more than tripling Y/Y**
 - GAAP operating income of ~\$50 million

***Provided on February 2nd, 2006. This is not a reiterate or update to guidance



The End

Cautionary Statement

Statements in this presentation which are not purely historical facts or which necessarily depend upon future events, including statements about forecasted financial performance 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 of this presentation. 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 Company's revenues being highly dependent on the travel and transportation industries. 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-K 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.

Appendix A – Reconciliation of Travelocity Operating Income



Travelocity Operating Earnings Reconciliation

	2003	2004	2005			2006 Guidance	
			N.A.	Europe	Total	Low	High
GAAP Operating Income (Loss)	(\$100)	(\$21)	\$52	(\$55)	(\$3)	\$49	\$59
Add: amortization of intangibles	42	28	6	22	28	52	52
Add: stock compensation	8	5	1		1	9	9
Add: facilities charge related to BU integration	4						
Less: recognition of deferred revenue on warrants	(8)						
Adjusted Operating Income (Loss)	(\$55)	\$13	\$59	(\$32)	\$27	\$110	\$120

Definitions for GAAP financial measures used in 2006 are different from those used in prior periods. Please refer to the Sabre Holdings' website <http://www.sabre-holdings.com/investor/highlights/statistics/gaap.html> for details.