



Slide 1: Title Slide

And while the votes are being tabulated, I am pleased to give you an update on our company.

Slide 2: Our Businesses

Many of you are familiar with our three primary businesses: Sabre Travel Network, which serves some 53,000 travel agency customers; Travelocity, our consumer-facing brand; and Sabre Airline Solutions, the world's largest provider of airline software products, passenger management solutions and consulting.

2004 was a very good year for us, both financially and strategically. It was, simply put, all about execution – reducing costs, maximizing the performance of individual businesses, with a continued emphasis on travel retailing across our businesses, and I'm pleased to report that we continue to make progress as we approach mid-year 2005.

Slide 3: 2004 Financial Results

As to our financial results, we delivered full year net earnings of \$203 million on an adjusted basis, and GAAP earnings of \$190 million – up 70 percent and 129 percent respectively. We also met our revenue target for the year.

We eliminated over \$80 million dollars in costs through our cost leadership initiatives, and we reduced the rate at which agency incentives grew.

We enhanced shareholder value in several ways. We returned approximately \$270 million to our shareholders in the form of share buybacks and dividends. And in January of this year, the Board of Directors increased the quarterly dividend by 20 percent, to \$0.09 per share.

But financial execution was only part of the story.

Slide 4: Our Strategy

Our strategy is clearly to grow our revenues beyond the traditional booking fee model through investments in travel retailing. We continued to

build out our strong, multi-channel travel distribution network, both online and offline, building upon a portfolio that several of our competitors are working to replicate today. Let's take a look at each of our businesses.

Slide 5: Maximizing Performance – Travelocity

At Travelocity, we saw a dramatic swing in profitability in 2004 versus the prior year. Its \$80 million year-over-year improvement in operating earnings put it back in the black on an adjusted basis. And Travelocity's top line grew at a very healthy rate of 27 percent on a GAAP basis and 30 percent on an adjusted basis.

Slide 6: Retail Progress – Travelocity

Travelocity's hotel offering continued to benefit from robust growth... by year's end, the program included over 17,000 properties, up 90 percent year-over-year, and it nears 20,000 today. At the same time, packaging at Travelocity grew at triple digit rates during 2004. All of this helped Travelocity grow non-air transaction revenue by roughly 85 percent during the year.

Travelocity's supplier-friendly philosophy over the past several years has also paid off handsomely. Travelocity became the first online third-party intermediary certified by Intercontinental Hotels Group, the largest hotel group in the world.

In August, 2004, we purchased Showtickets.com, the leading distributor of tickets to shows and events in Las Vegas, the most popular leisure destination in the United States. Showtickets has a tremendous retail presence in Las Vegas, and gives Travelocity more opportunities to merchandise more non-air products.

Slide 7: Maximizing Performance – Sabre Travel Network

At Sabre Travel Network, total bookings grew seven percent compared to 2003. This is clear evidence that the Sabre Global Distribution System continues to maintain its global leadership.

But we no longer look at bookings alone when we look at the GDS business. We now report "transactions" through the GDS instead of just bookings. This reflects the diversification of our business – all aligned with our goal to gain greater value for bookings made through the Sabre Travel Network.

Slide 8: Retail Progress – Sabre Travel Network

In 2004, we commenced our efforts to drive more value through the global distribution business.

A few examples of our early success in retailing there include...

Our Sabre Hotel Spotlight program, which produced some impressive gains for specific hotel properties.

Late last year, one of the largest hotel chains came to us asking what we could do for their top 100 properties. Merchandising through the travel agent channel and Travelocity, we were able to grow bookings for these properties by over 400 percent at Travelocity and over 50 percent through travel agents in just a few short weeks.

When you consider the higher yield, the lower cost, the volume of room nights we deliver, and the better processes we have, it's all very powerful for hotels.

And, like all retailers, what's good for suppliers is good for us.

Slide 9: Retail Progress – Sabre Travel Network (cont.)

We are also making retail progress in other areas. We launched the sale of Travelocity's last minute travel packages called Agent59, and we've begun to see very good monthly sales results early in 2005.

Meanwhile, Jurni Network, our consortium of leisure travel agencies, continued to grow as an effective retailer. Jurni developed strategic relationships with almost 50 preferred suppliers and more than 2,000 individual agent members. Jurni also launched last minute deals and dynamic packaging, again, leveraging Travelocity content and technology.

Slide 10: Maximizing Performance – Sabre Airline Solutions

Sabre Airline Solutions also executed well during the year, particularly in reservations hosting. We signed or announced numerous new customers for our SabreSonic passenger reservations product suite, including Aeroflot, Air One and Frontier Airlines.

Airline Solutions' software products and services business was affected much of the year by continued financial pressures in the airline business. But revenue rebounded nicely as the year ended. Altogether, Airline Solutions reported modest growth for the year.

Without a doubt, we had a strong 2004, and we continue to focus on superior execution in 2005 – with actions that we expect will position us for long-term growth.

Slide 11: Making Retail Real

To do that, we're focused on optimizing our core distribution business for scale and efficiency, and extending into higher margin retail opportunities.

The first tenet of this approach is about continuing growth of our retail offerings across our worldwide network, in both online and offline channels. We're primarily focused on high margin opportunities in the net rate hotel and travel package segments.

We're aggressively expanding our participation in the higher-margin retailing area, as a retailer and wholesaler of travel.

There are a number of key elements needed to be successful in this area, one is the ability to create product based on insight into our customers. Extremely successful retailers, such as Williams-Sonoma, Wal-Mart and Target, to name a few, provide lessons on how to do this effectively.

The key to their success is a deep understanding of their customers, based on transaction data. Understanding how consumers shop, what products they purchase together, and when they purchase, is information that enables these retailers to appropriately stock their shelves, and in many instances, create their own product offerings.

Of course, Sabre has more travel transaction data than anyone in the world. And we think this gives us a unique ability to understand our customers, build product to meet their needs, merchandise to them... and in the process, better serve suppliers.

Packaging travel components together allows us to create a unique value proposition versus an independent supplier... and provide a higher value offering to consumers.

It's not guess-work; this is how the world's best merchandisers and retailers work today... and where we're headed as well.

Slide 12: Making Retail Real

So, let's jump into some examples. First, four retailing vehicles in use today in connecting suppliers with buyers across our network.

Working from the bottom up... you might call our traditional Sabre Travel Network business "passive retailing"... it's really pure distribution.

Moving up... indirect retailing... we sell through a tremendous network of agents who are members of our Jurni Network, and then more broadly through our Agent59 last minute deals.

We also sell through the powerful brands of our partners... AOL, Yahoo!, Southwest Airlines, AARP, US Airways and American Express.

And, of course, we have many examples within Travelocity and Travelocity Business of direct retailing. Simply stated, we have a very powerful network of retailing opportunities.

And we want to make our network even stronger. Last week, we announced that we intend to purchase lastminute.com plc, Europe's leading online travel provider. This proposed acquisition directly supports our strategy of extending our role as a travel retailer, focusing on merchandising content and packages. We expect that it would grow our international points of sale and broaden the products and services we can offer to all customers through our travel distribution platform.

We're extremely pleased with the prospect of having lastminute.com, with its highly-regarded brands and well-established customer base, as a part of Travelocity.

Slide 13: Growing Globally

The lastminute.com announcement also speaks well to the second tenet of our approach – expanding rapidly in Asia and Europe. Together with lastminute.com, Travelocity would have strong positions in the UK, France, Germany, Italy, Scandinavia and Spain.

That's important because global travel spend is expected to reach \$903 billion in 2008, up from \$768 billion in 2004. Of course, increasing our global scale should extend the reach of all of our businesses. And for that reason, we continue to look for opportunities to grow our reach in places like China and India, both online and offline. In Asia, we entered into a put contract whereby Travelocity may have complete ownership of our online joint venture, Zuji, in 2006.

Our Airline Solutions business continues to grow the Sabre Holdings global footprint as well. In the first quarter of 2005, we announced or implemented agreements from North America, to New Zealand, to the Middle East, to Southern Europe. The migration of Aeroflot to the SabreSonic platform earlier this year was a perfect example of our expansion globally. As you can imagine, migrating an airline as big as Aeroflot is a huge undertaking.

Slide 14: Making Scale Matter

But the Aeroflot migration also proved our ability to meet the third tenet of our strategy: leveraging the scale and efficiency of our distribution business to maintain a leading cost position. In the case of Aeroflot, we grew our scale by adding 5,000 Russian travel agents to the Sabre distribution system.

Our distribution reach is significant worldwide. A clear number one position in North America with almost 45 percent booking share, number one in Latin America, and also in Asia through our joint venture relationships there.

This terrific distribution breadth is a key enabler for our retailing initiatives and is a compelling sales channel for all travel suppliers, and more specifically airlines.

The recent deregulation of our airline distribution business gives us much greater flexibility to negotiate differently with airlines. We clearly want to offer airlines more options and more services across our portfolio, while driving toward the low cost position in the industry.

Slide 15: Leading in Technology

Maintaining that leading cost position requires leading scaled technology, which is the fourth tenet of our strategy.

We continue our migration to an open-systems infrastructure that we believe will ensure cost leadership for years to come. Earlier this year, we moved American Express and Carlson Wagonlit's leisure agents to our low-cost air shopping and pricing system, ATSE. Today, more than 99 percent of North American agents use this open-systems technology.

Technology leadership is one of the legacies of Sabre Holdings, and it continues today. We recently honored 14 employees who have been awarded patents for their inventions. This kind of innovation and enthusiasm for new ideas will be the cornerstone of our technology leadership going forward.

Slide 16: Igniting the Passion

That leads us to our final and perhaps most important tenet that we talk about internally at Sabre Holdings. We call it, igniting the passion.

The idea is common sense, but it's not common practice at many companies. We recognize that without stimulating excitement among our people, we simply will not achieve greatness.

We have much to do in this area and in all of these areas, but we are proud of what we have accomplished, and we know that with innovation, integrity, customer focus and a drive for results, we will make this company great.

Slide 17: Connecting People

And we will deliver on the promise of connecting people with the world's greatest travel possibilities.

Slide 18: Cautionary Slide