

Defining times.
Defining company.

Sabre

Financial highlights⁽¹⁾

Year ended December 31,	2001	2000	Percent change
INCOME STATEMENT DATA (in millions, except per share data)			
Revenues			
Travel Marketing and Distribution	\$1,655.2	\$1,622.8	2.0%
Travelocity	301.8	192.7	56.6%
GetThere	42.5	12.0	254.2%
Airline Solutions and Emerging Businesses	199.6	180.9	10.3%
Elimination of intersegment revenue	(96.0)	(67.7)	
Total revenues	2,103.1	1,940.7	8.4%
Operating expenses			
Operating expenses	2,111.8	1,767.9	19.5%
Operating income (loss)	(8.7)	172.8	(105.0)%
Operating income before special items ⁽²⁾	314.0	308.2	1.9%
Income (loss) from continuing operations	(47.0)	96.1	(148.9)%
Income from discontinued operations, net	75.1	48.0	56.5%
Cumulative effect of accounting change, net	3.1	–	
Net earnings	\$ 31.2	\$ 144.1	(78.3)%
Net earnings before special items ⁽²⁾	\$ 231.8	\$ 256.7	(9.7)%
Operating margin	(0.4)%	8.9%	(9.3)pts
Weighted average shares, diluted	132.3	129.8	1.9%
Weighted average shares, diluted, before special items	134.9	129.8	3.9%
Earnings (loss) per share – diluted			
Income (loss) from continuing operations	\$ (0.35)	\$ 0.74	(147.3)%
Income from discontinued operations, net	\$ 0.57	\$ 0.37	54.1%
Cumulative effect of accounting change, net	\$ 0.02	\$ –	
Total earnings per share	\$ 0.24	\$ 1.11	(78.4)%
Earnings per share before special items – diluted			
Income from continuing operations	\$ 1.37	\$ 1.50	(8.7)%
Income from discontinued operations, net	\$ 0.35	\$ 0.48	(27.1)%
Total earnings per share⁽²⁾	\$ 1.72	\$ 1.98	(13.1)%
OTHER DATA			
Direct reservations booked using the Sabre® global distribution system (GDS) ⁽³⁾	372	394	(5.6)%
Total reservations booked using the Sabre GDS ⁽⁴⁾	431	467	(7.7)%

(1) The selected consolidated financial data included herein should be read in conjunction with the consolidated financial statements of Sabre Holdings Corporation ("Sabre") and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2001, as filed with the Securities and Exchange Commission.

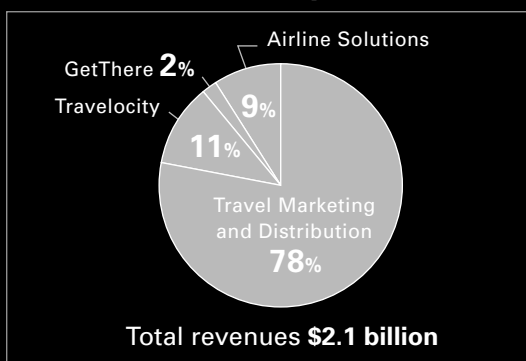
(2) Special items excluded from 2001 operating income are \$288.5 million, or \$237.3 million net of tax and minority interests, in amortization expense associated with goodwill and other intangibles, as well as stock compensation, arising from the merger of Travelocity.com Inc. and Preview Travel Inc., the acquisition of a 51 percent interest in Dillon Communication Systems GmbH, the acquisitions of Gradient Solutions Limited, GetThere Inc. and Sabre Pacific; severance expense of \$28.2 million, or \$17.5 million net of tax; and a write-off of software licenses of \$6.0 million, or \$3.7 million net of tax. In addition to the items listed above, net earnings and earnings per share ("EPS") before special items exclude a \$47.3 million gain, or \$29.2 million net of tax, as a result of the sale of shares in France Telecom; a loss of \$3.2 million, or \$2.3 million net of tax, related to the sale of HRN warrants; amortization expense of \$17.7 million, or \$10.9 million net of tax, related to the accounting treatment of options granted to US Airways Inc.; a gain of \$62.8 million, or \$38.8 million net of tax, on the sale of the infrastructure outsourcing business to Electronic Data Systems ("EDS") and a gain of \$3.1 million, net of tax and minority interests, for a cumulative effect of change in accounting principle. EPS after special items was \$0.24 for 2001.

Special items excluded from 2000 operating income are \$114.7 million, or \$85.9 million net of tax and minority interests, in amortization expense associated with goodwill and other intangibles, as well as stock compensation, arising from the merger of Travelocity.com Inc. and Preview Travel Inc., the acquisition of a 51 percent interest in Dillon Communication Systems GmbH, and the acquisitions of Gradient Solutions Limited and GetThere Inc.; expenses of \$12.5 million, or \$7.5 million net of tax, associated with the spinoff from AMR Corporation; and severance expense of \$8.2 million, or \$5.0 million net of tax. In addition to the items listed above, net earnings and EPS before special items exclude expenses of \$12.2 million, or \$7.5 million net of tax, related to the accounting treatment of options granted to US Airways Inc. and severance expense related to discontinued operations of \$10.8 million, or \$6.7 million net of tax. EPS after special items was \$1.11 for 2000.

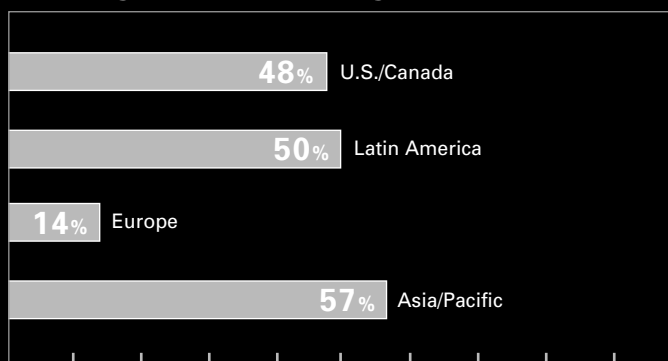
(3) GDS reservations for which Sabre collects a booking fee – excluding bookings transferred to our joint venture partners.

(4) Includes direct reservations plus GDS reservations processed by joint venture partners using the Sabre GDS.

2001 revenues by business



Total global bookings share 38%



**Defining times.
Defining company.**

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Just as adversity can reveal a person's true character, difficult times in an industry can reveal what a company is made of. In the aftermath of Sept. 11, 2001, the travel industry rallied to get the world traveling again – and to make long-term changes. At Sabre, we chose to lead in recovery efforts. We also focused on defining how the industry will look on the other side of recovery. We believe that's what leaders do. And Sabre is the leading provider of technology, distribution and marketing services for the travel industry.

Impact of Sept. 11 on Sabre

2001 monthly bookings change year over year



Revenue

Corporate annual estimate before 9/11	2001 results
High Teens Growth	8.4%

Earnings per share

Corporate annual estimate before 9/11	2001 results
>\$2.38*	\$0.24 actual
	\$1.72*

* All references to earnings are before special items, which are noted in footnote (2) on the inside front cover.

**Defining times.
Defining company.**

Sabre at a glance

Defining the future.

Defining the course.

Defining results.

Sabre at a glance

Corporate profile

Already the leading provider of technology, distribution and marketing services for the travel industry, Sabre is working to transform this \$5.2 billion global market through innovative products and services. Sabre has earned the leadership position in every travel marketing and distribution channel – including travel agency (38 percent bookings share in 2001), online consumer (44 percent), and online corporate (71 percent). Sabre also offers the most complete software and technology portfolio to travel suppliers – aimed at optimizing every aspect of their business.

Sabre is the travel industry's leading player worldwide in marketing and distribution by virtue of its No. 1 travel bookings share in three of the four major world regions. As of December 2001, the Sabre global bookings share was 38 percent. By region, it was 48 percent in North America, 50 percent in Latin America, 57 percent in Asia/Pacific and 14 percent in Europe/Middle East/Africa.

Recognized as a leader in information technology by magazines such as *BusinessWeek**, *Wired*** and many others in 2001, Sabre succeeds by identifying trends and opportunities in the travel industry and developing products and services that help transform travel. The company also keeps customers on the leading edge of e-commerce and gives travelers access to the best technologies.

Success has been a part of the Sabre culture for decades: Since introducing the first computer reservations system in the 1960s, Sabre has never stopped innovating. That's why today Sabre has the world's most expansive travel network – including more than 60,000 travel agency locations worldwide and providing instant links to approximately 400 airlines, 55,000 hotel properties, 52 rental car companies, nine cruise lines, 33 railroads and 229 tour operators.

In 2001, Sabre extended its tradition of notable "firsts" and "bests" by further migrating toward an open computing platform for the pricing, reservations and ticketing at the heart of the Sabre® global distribution system (GDS). The company's ability to continually innovate is one reason it has been named the world's leading GDS by World Travel Awards, a prominent trade association, for the past eight years.

Sabre research and development

Sabre has been a key contributor to the e-commerce revolution in the travel industry. The company builds on its successful track record by drawing upon applied technology and original research to introduce new products and services that enhance the travel experience. Recent innovations include:

- *Flight Notification* – allows travelers to automatically receive updates on their pagers, e-mail systems or mobile phones when their flight details change.
- *Sabre® Trip Shopping* – lets travel agents and consumers obtain prices simultaneously for airline tickets, rental cars and hotel rooms, to deliver a total trip price.

Sabre in the community

Sabre is committed to improving the quality of life in the communities where it operates, primarily by supporting educational initiatives with an emphasis on technology. To influence the workforce of tomorrow, Sabre invests in local schools and regional colleges through strategic contributions and the volunteer efforts of its employees. The company's primary human service initiative is the United Way. Since Sabre became independent in 2000, it has raised more than \$2 million for the United Way through employee and corporate contributions.

Headquarters: Southlake, Texas

For more information: www.sabre.com

BusinessWeek Info Tech 100 list, June 18, 2001* *Wired Index, June 2001*

Sabre businesses

TRAVEL MARKETING AND DISTRIBUTION



Sabre connects travel buyers and sellers by providing innovative products and services for agencies, corporations and consumers. The company's services and technologies offer customers simple, cost-effective means to research, shop for and buy airline seats and secure hotel room reservations, rental cars, cruises and more.

Along with offering the industry's leading GDS, Sabre provides a broad range of products and services that enhance travel agency operations and their ability to serve the traveler. *Sabre Connected*SM travel agencies use Sabre Web-based technologies and low-fare finding solutions to create new sales opportunities, to drive operational efficiencies and to improve customer service. Among the company's recent innovations is *Sabre[®] Virtually There[®]*, a personalized Web site that automatically gives travelers up-to-the-minute details about their itineraries, while also providing a wealth of information about their destinations.

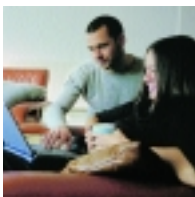
GETTHERE



GetThere is the leading provider of Web-based corporate travel procurement, including the purchase of air, hotel, car and meeting planning services. Customers include more than 800 leading corporations. Through the GetThere products, corporations can offer employees a convenient way to make travel and meeting arrangements through their company intranets, while significantly reducing costs. GetThere enables cost savings through lower service fees and through compliance with company travel policies. Many corporations using GetThere save more than 20 percent on travel costs, often representing millions of dollars.

GetThere also powers Web-based travel bookings for leading airlines. These airlines can incorporate value-added services into the tool – such as air, car and hotel reservations, awards programs and redemption, and flight status information.

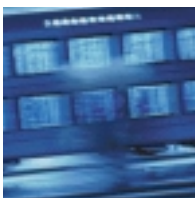
TRAVELOCITY.COM



Sabre owns a 70 percent stake in Travelocity.com, the industry's leading online consumer travel Web site. In 2001, Travelocity.com's 32 million members used the site, which generated more than \$300 million in revenues. Travelocity.com offers innovative technologies that help consumers find the best air, car, hotel and vacation reservations and make it easy to tailor travel packages to match their preferences. In addition, Travelocity.com generates revenues from advertisers who use the agency's popular Web site to reach potential customers with highly targeted marketing messages.

Note: In March 2002, Sabre began a tender offer to purchase the remaining outstanding shares of Travelocity.

AIRLINE SOLUTIONS



Sabre provides innovative software products and services that help airlines improve performance and increase revenue. Building on a 40-year history of technological advancement, Sabre continues to innovate with industry-specific solutions for each key business area, such as pricing and yield management and flight operations.

Sabre airline reservations hosting provides more than 60 airlines worldwide with vital functionality, from inventory management to departure control. This involves maintaining and storing airlines' schedules, fares and inventory on a central computer system for the purpose of creating reservations for the airlines' customers. A complete suite of product solutions and travel distribution capabilities allows airlines to offer passengers a seamless travel experience.

The consulting group at Sabre uses in-depth transportation experience and comprehensive industry knowledge to help airlines achieve their goals. The consulting group provides expertise to analyze airlines' challenges and opportunities and help them achieve optimum results.

Defining the future.

Letter from the **chairman**

To our shareholders: Before the September attacks that shook the world and the travel industry, 2001 was shaping up to be an extraordinary year for Sabre. Through the first eight months of 2001, we were on pace for earnings growth of 20 percent and revenue growth in the high teens. This performance reflected improvements across all lines of business as well as the moves we made to set the stage for future growth. We were, in short, building on our leadership position.*



WILLIAM J. HANNIGAN
Chairman and Chief Executive Officer

While our strategy hasn't been altered, our financial results have been. The effect was immediate and dramatic: In the days following the attacks, our total travel bookings dropped approximately 65 percent. Although bookings gradually improved during the fourth quarter (from a 22.9 percent year-over-year decline in October to a 15.5 percent decline in December), it's clear that recovery is far from complete for Sabre, our customers and the travel industry.

But tough times can prove to be defining times for a company. At Sabre, we understand that with leadership comes responsibility. That's why we immediately implemented several relief efforts (detailed on pages 7-8) to help our customers weather the downturn they experienced in the latter part of 2001. It's also why we are continuing our work to redefine how travel will be bought and sold in years to come. Sabre is not hunkered down, waiting for the industry's storm clouds to clear. We are moving forward with purpose and resolve.

Financial highlights

Before we review our progress in detail, let's first look at the company's financial performance. For the year, Sabre earned \$1.72* per share, excluding special items, compared to \$1.98* in 2000. Our revenues from continuing operations advanced 8 percent in 2001, to total \$2.1 billion. Look inside those numbers, and you'll find that our results dropped off significantly during the second half of the year.

2001 highlights

- Divested airline infrastructure outsourcing business to EDS, contracted with EDS to manage Sabre IT systems and agreed to jointly market key IT solutions and services with EDS to the travel industry
- Integrated our BTS and GetThere corporate travel systems and rationalized pricing

* All references to earnings are before special items, which are noted in footnote (2) on the inside front cover.

*Defining times.
Defining company.*

Defining the future.

Letter from the chairman

Defining the course.

Defining results.

Shortly after Sept. 11, we revised our financial guidance to reflect the industry's changed circumstances. Our revised expectations proved to be very close to what we achieved: a modest decline in earnings* and modest growth in revenues for the year. Considering the unprecedented turmoil our industry experienced, the results were respectable. And we believe that a disappointing second-half financial performance shouldn't obscure all that Sabre accomplished in 2001.

Still the leader

Much has changed in our business in recent months. But this has not: Sabre is a leader in every channel of travel distribution. What's more, we believe our fundamental strength as the leading provider of technology, distribution and marketing services puts us in a prime position to grow over the long term – and grow profitably – as the travel industry recovers from the difficulties of the past year.

Heading into 2002, the *Sabre* global distribution system (GDS) business still leads the industry. We have a 48 percent bookings share in North America and a 38 percent bookings share globally.

Sabre is strongly positioned in emerging segments of the marketplace, too. Our GetThere business is the world's leading provider of Web-based corporate travel and meeting planning systems. In addition, we own the majority of Travelocity.com, the world's leading online consumer travel Web site, with 32 million members and more than \$300 million in revenues during 2001. To further our ability to deliver products and services to travelers in multiple distribution channels, Sabre began a tender offer in March 2002 to purchase the remaining outstanding shares of Travelocity. We believe it makes

sense to combine the strengths of both companies to pursue new revenue opportunities and deliver greater value to our customers and suppliers.

Still, a No.1 ranking does not lead to complacency at Sabre. Just the opposite. We took steps throughout 2001 to improve the fundamentals of our business and to set the stage for long-term growth.

In July, we completed a significant strategic transaction. We divested our airline infrastructure outsourcing business to EDS. And we signed a 10-year outsourcing services agreement with EDS to manage our IT systems. By selling this business to EDS and outsourcing certain IT systems, we were able to sharpen our focus on higher growth opportunities in the travel marketing and distribution businesses – while significantly reducing our data-processing costs. We also entered a marketing agreement to jointly market key Sabre travel industry software products – and EDS' technology services – giving both companies access to new customers.

We restructured our Airlines Solutions business, too – making changes that led to significant revenue growth during the third quarter. This business unit added several airlines as new customers for its reservations hosting service. Airline Solutions also landed the first customers for the new *Sabre® eMergo™* Web-enabled and dedicated solutions. With this promising new business targeted to small to mid-sized carriers, we act as an application service provider (ASP) – charging customers usage fees to have leading-edge software applications delivered upon request from one of our Web servers.

- Restructured Airline Solutions business and saw a third-quarter revenue growth turnaround

- Invested in and acquired companies to strengthen positions in online travel and regional markets

- Strengthened balance sheet

- Began investing to migrate shopping applications to open systems computing platform

* All references to earnings are before special items, which are noted in footnote (2) on the inside front cover.

*Defining times.
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Defining the future.

Letter from the chairman

Defining the course.

Defining results.

Several investments in 2001 also promise to strengthen our hand going forward. We extended our presence in the European market by investing in Karavel.com, a new high-end consumer travel Web site based in France. We also acquired control of Sabre Pacific, a travel distribution business that strengthens our ties with travel agencies in Australia and New Zealand – the world's eighth largest travel market.

Last but not least, in August we began an investment that will reach more than \$100 million over the next several years and will migrate our shopping applications to an open systems computing platform. We believe our technology is the best in the industry today, and we are investing to make sure it remains the best down the road. We expect this migration to drive several benefits for our customers, including easier system access, richer content, and faster speed to market with new products and services. And we believe this investment in technology will result in a 40 percent reduction in our total cost of ownership – allowing Sabre to invest even more in products and services to serve our travel customers.

What's important to note about all of these investment activities is that we did them without diluting our focus on cost management or disciplined financial performance. Even before the events of Sept. 11, we were aggressively managing costs in response to a softening travel market and a weakening economy. We stepped up those efforts in the third and fourth quarters of the year – putting in place another \$100 million in cost savings for 2002.

At the same time, we took steps to strengthen our balance sheet – using our strong cash flow and proceeds from the EDS transaction to pay down \$859 million in debt during the year. Sabre is on solid financial footing: We carried just \$400 million in long-term debt, and we had more than \$650 million in cash and marketable securities on the books at year-end.

Outlook

Looking ahead, we believe it's still too soon to tell when the travel industry will recover completely from the turmoil created last September. So our plan for the short term is simple: We will continue to manage this business in a way that reflects the current realities of the marketplace. By doing so, we believe Sabre can – and will – achieve modest growth in revenues and earnings during 2002. And we believe it will be 2003 when we resume a growth trajectory in line with our performance expectations from the first half of 2001.

In some measure, our confident outlook is the result of experience. We were tested severely in 2001, and we proved that Sabre is resilient. Still, as an industry leader, our job is not yet done. Now more than ever, we are using our vision and resources to drive the long-term growth of the travel industry – and in the process, to define a winning future for Sabre and our shareholders.



WILLIAM J. HANNIGAN
Chairman and Chief Executive Officer

9/11/01
*a heartfelt
response*

Silence.

It was one experience shared by millions of people in the hours and days following the Sept. 11 terrorist attacks on America: the unnatural silence of daily routines disrupted. Brilliant blue skies, suddenly devoid of air traffic. Travelers, by the tens of thousands, stranded far from home.

That the world was able to break the silence of so tragic a week was due to people throughout the travel industry, including Sabre employees, who worked tirelessly to restore a part of our national fabric.

Sabre responded impressively to several immediate challenges in the wake of the attacks:

- The collapse of the World Trade Center buildings caused significant damage to the infrastructure of Sabre network suppliers in the Northeast – cutting off connections to nearly 300 U.S.-based travel agencies, plus another 1,500 in Canada. Sabre, in conjunction with its network suppliers, worked around the clock in New York and throughout the region to reroute network traffic and provide alternative connections to the *Sabre* system, so that most of the affected agencies were back online by 5 p.m. Sept. 12. Sabre also provided vital equipment, software – and even temporary office space in midtown Manhattan – to help travel agencies that were displaced by the attacks get back in business within a matter of days.
- Just two hours after the attacks, a major travel agency asked Sabre to help prepare the agency's government

call center, which was responsible for booking flights that would reposition U.S. military troops for deployment. Within 90 minutes, Sabre was ready with a shipment of 50 workstations and a team of field service technicians – to ensure that the call center would have sufficient resources to handle the unusually high demand.

- Even before the Federal Aviation Administration lifted its order grounding all commercial flights, the nation's stranded travelers were able to access a valuable source of information – Travel Bulletin Central (TBC) on the *Sabre Virtually There* Web site. Approximately 36 hours after the terrorist attacks, Sabre teams had designed and launched TBC, providing up-to-the-minute details about changes in security procedures; travel alerts and restrictions; contact information for airlines, airports and other travel suppliers; and answers to frequently asked questions.



9/11/01

a heartfelt response

(continued)

Beyond these emergency response measures, Sabre also took several steps to help the travel industry recover from the precipitous drop in business that followed the attacks.

Sabre:

- Provided airlines with booking fee credits for reservations canceled on the day of departure between Sept. 11 and Sept. 14.
- Relieved contracted travel agencies of booking productivity measurements for September and through the remainder of 2001.

- Waived the normal fees for accessing selected premium services on the Sabre system through the end of 2001.
- Subsidized 50 percent of membership fees for travel agencies to rejoin the American Society of Travel Agents, a group that provides education and training opportunities.
- Joined the airlines in calling upon the U.S. government to provide financial assistance for airlines and other companies that were directly affected by the attacks.
- Immediately implemented Sabre® BagMatch™, a system that matches baggage to passengers on a flight, for airlines.

"Sabre was nothing short of what you would want from an IT partner. Their team rallied and worked tirelessly with our team each step of the way. Thanks!" **SOUTHWEST AIRLINES**

"Bravo! This is exactly why we have been a Sabre agency for the past 20 years! Your support in all ways has been exceptional, and you have always taken that extra step. Thank you!" **LAKE MARY TRAVEL**

"What a valiant effort on the part of Sabre to be proactive as so many of us strive to see what we can salvage from this savage attack. ... Your actions have sealed a long-term partnership." **WORLDWIDE PILGRIMAGE MINISTRIES**

"It was not just a North American tragedy. Airlines the world over have felt the impact – in the form of weakening demand and rising security costs. Sabre consulting has provided invaluable help as we work to reduce costs and reposition our company for the new realities we face."

TAM LINHAS AÉREAS S/A

Defining the course.

Defining times.
Defining company.

Defining the future.

Defining the course.

Management Q+A

Defining results.

Management Q+A

1 What are some **key components** of Sabre's **financial strength** that give it the stability of a long-lasting company?

We have businesses that are in very different stages of financial maturity, so we're in the fortunate position of being diversified in that respect.

JEFFERY M. JACKSON Executive Vice President and Chief Financial Officer

JACKSON: The nature of our assets is one reason for Sabre's financial strength. We have businesses that are in very different stages of financial maturity, so we're in the fortunate position of being diversified in that respect. Our business of providing global distribution system (GDS) services to travel agencies generates excess cash flow, and we use this cash flow to invest in travel marketing businesses and technologies that will drive value for both our customers and our shareholders.

We have been able to produce the revenue and earnings growth to appeal to "growth" investors. We also generate substantial free cash flow, which is an important characteristic for other types of investors. Our success in the future will be about how we maintain our travel marketing leadership position and use our financial assets to reinvest to drive long-term growth.



2 How does **corporate development** play into the successful execution of **Sabre's strategy**?

JACKSON: Corporate development is an important capability in our financial toolbox. Mergers and acquisitions (M&A) give us an alternative way to acquire talent, product capability and customers.

We have worked hard not only to build the financial tools that make a good M&A shop, but also to build the teamwork across Sabre necessary to integrate companies successfully. We can maintain a company's autonomy or integrate it very quickly – depending on the nature of the acquisition and on where Sabre's capabilities lie.

M&A are also about divestiture. In 2001, we divested our airline infrastructure outsourcing business, which allowed us to focus on faster-growing travel marketing

and distribution and airline solutions businesses. At the same time, we reduced our data-processing costs by signing a service contract for EDS to manage our IT systems. And we agreed to jointly market key IT solutions and services with EDS to the travel industry. These agreements are important to our future growth.

Corporate development is vital because of the pace of change in our industry and at Sabre. And we know that our ability to effectively sort and prioritize different opportunities and fit them within our financial strategy is looked at very closely by our shareholders and the Wall Street community.

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Defining the course.

Management Q+A

Defining results.

3

What is Sabre's formula for continuing to lead in the industry?

M. SAM GILLILAND
Executive Vice President and Chief Marketing Officer



GILLILAND: Sabre's leadership formula is primarily based on the power of our network. That point-of-sale network includes more than 60,000 travel agency locations globally, our GetThere corporate desktop at most of the largest global corporations, more than 32 million members of Travelocity.com, and reservations technology at the world's leading travel suppliers. We distribute products and services to more than 80 million unique travelers and handle more than \$80 billion in travel each year.

When we have talked about our network in the past, we have primarily focused on air travel, and certainly there are still opportunities to expand and improve airline distribution. But we can expand the service and value we deliver to customers – travel agencies, airlines and ultimately travelers. And that's what gets us excited about the future – creating additional services with adjacent revenue streams.

Our GetThere corporate reservations platform is an excellent example of this. Originally envisioned as a tool to enhance productivity and therefore to drive down costs for the corporate travel distribution channel, GetThere is increasingly leading to other areas of opportunity. These include setting up small group meetings – automating that process – and adding value to travelers and hotels in terms of time savings and lower distribution costs.

But if you think across the entire network, we have the opportunity to introduce new travel content, which has been available in the past but perhaps not packaged or merchandized to the maximum benefit of the supplier or the buyer.

4 What are the opportunities for Sabre to deliver more to travel customers?

We also have the opportunity to deliver a set of tools that takes advantage of our strengths in distribution and in pricing and yield management.

GILLILAND: For suppliers, it's certainly all about better merchandizing their products, as I just mentioned. But we also have the opportunity to deliver a set of tools that takes advantage of our strengths in distribution and in pricing and yield management. There have been a lot of talk and few results in the expansive world of customer relationship management, or CRM.

There are some, including me, who would say that the crown jewel of CRM is the ability to take our best-in-class pricing and yield-management capabilities and marry them with our reservations capabilities and our deep knowledge of travel consumers. I believe this will deliver new value to suppliers, travel agencies and buyers in a way that no industry has seen thus far.

So it's important to continue our tradition of business-model and technology innovation, but our future success also rides upon simply applying, in new ways, the rich assets we already have in our portfolio today.

In 2001, how did Sabre help travel agencies and suppliers

improve the way they do business?

5

Sabre introduced tools during 2001 that helped agencies improve customer satisfaction, extend their reach, grow sales and reduce costs.

ERIC J. SPECK

Executive Vice President and Group President, Travel Marketing and Distribution

SPECK: Sabre introduced tools during 2001 that helped agencies improve customer satisfaction, extend their reach, grow sales and reduce costs. For example, we introduced a global Internet bookings solution that brings together advanced reservations tools with multilingual and multicurrency capabilities to help agents offer travelers more online. And our enhancements to the *Sabre Virtually There* online product let agents receive commissions from add-on sales booked through *Virtually There* – such as car, hotel or specialty bookings.

We helped agencies diversify revenue. We offered agents the most tour content of any GDS, and we provided industry-leading leisure content, which was important for agencies dealing with reduced airline commissions. In North America, we implemented *Sabre® Cruises*, a Web-based graphical shopping and booking tool that extended to nine leading cruise lines, including Disney Cruise Line – an industry first.

We also implemented *Sabre® Compensation Manager*, which automates commission calculations – improving efficiency and accuracy for agencies and suppliers and saving millions of dollars in both administrative and auditing costs.

I believe Sabre continued to provide suppliers the best value for travel distribution in the industry – by making supplier products available at the most points of sale. Airlines realized more than \$55 billion in sales generated through more than 60,000 *Sabre Connected* agency locations in 112 countries – all at a unit cost of less than 3 percent of the ticket value and at a 5 percent lower cost than the industry average in the world's largest travel market, the United States. Additionally, Sabre generated nearly \$12 billion in sales to hotel, car, cruise and tour suppliers through our global customer network.



6

What were some milestones or highlights in Sabre's travel marketing and distribution business regionally in 2001?

SPECK: In addition to maintaining our market-leading 48 percent bookings share in North America and winning the award for World's Best GDS for the eighth consecutive year, Sabre had several key accomplishments around the world in 2001.

In support of travel agents, we acquired control of Sabre Pacific, a distribution company serving Australia and New Zealand, the world's eighth-largest travel market. We converted Club Voyages, a leading French travel agency, to the *Sabre* system in February. We converted Turismo Cocha, Chile's largest travel agency, to Sabre in April. And we acquired a minority interest in and became the technology provider for Karavel.com, a European online travel site, in June.

We fully integrated the Dublin-based e-commerce specialist Gradient Solutions into Sabre after acquiring it in 2000. This included taking Gradient's outstanding Internet booking engine features and implementing them into the *Sabre® .Res* booking engine for agencies.

In support of suppliers around the world, we partnered with Tellme Networks, a voice application network provider, to provide interactive voice-activated flight information for our airlines' customers. I'm proud of what we accomplished on behalf of our customers in 2001, and you can watch for many more innovations in 2002.



The Sabre vision is to transform the business of travel through innovation.

How did Sabre support this vision in 2001?



Sabre brings the travel industry the most complete solutions – we are truly an end-to-end provider.

R. CRAIG MURPHY Senior Vice President and Chief Technology Officer

MURPHY: In general, Sabre brings the travel industry the most complete solutions – we are truly an end-to-end provider. Because our products and services span all travel marketing and distribution channels, we are able to leverage common solutions for different customers.

Last year, we applied our strengths as a technology innovator to increase our customers' capabilities and efficiencies. For example, we now offer travel agencies, airlines and corporations a variety of wireless products and services to assist their customers. With *Sabre® Trip Reminder*, our airline customers are able to send travelers up-to-the-minute flight departure information via their wireless devices. We also provide bookings capabilities for air, car and hotel reservations through cell phones and PDAs.

We added the “publish/subscribe” capability to several of our established systems, which means that customers are alerted immediately when a defined event requiring action occurs. So if a flight is arriving ahead of schedule, systems instantly notify airport personnel – enabling them to be in place at the proper time to service inbound passengers and aircraft.

New technologies, including movement to an open systems model, have also strengthened our product offerings in the areas of customer relationship management and trip shopping. *Sabre® Customized Data Delivery* gives travel suppliers and agencies the ability to receive travel reservations data in a file that's compatible with relational databases. That means our customers can more easily perform analyses and create reports. *Sabre Trip Shopping* lets travel agents and consumers shop for air, car and hotel content simultaneously. Trip components are bundled to deliver one total trip price.

8 How is Sabre's transition to an open systems environment benefiting customers and shareholders?

MURPHY: An open system is a computer platform that permits integration and interoperation of many different applications using a standardized format. Through the transition of our GDS and other systems to an open systems model, we are offering customers greater access, availability and content, faster integration and speed to market with new technologies and products, and the continued ability to provide the lowest airfares for travelers worldwide.

We are moving to a more service-oriented architecture. With this movement, we are helping our customers become more responsive to their customers – enabling them to be faster to market with new products and services.

We believe our open systems shopping platform will provide the only nonstop capability in the industry – in other words, virtually no downtime for our customers, scheduled or unscheduled. We expect it to offer the equivalent of being able to change a flat tire without stopping the car – because updates will be instantaneous while the system remains continuously available to customers.

With lower-cost platforms that provide greater flexibility, we can focus our investment on the business applications that best serve our customers and the travel industry.

*Defining times.
Defining company.*

Defining the future.

Defining the course.

Defining results.

Defining results.

Financial review

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Financial review

Selected consolidated financial data

The following table presents our historical financial data. Effective July 1, 2001, we completed the sale of our information technology infrastructure outsourcing business ("Outsourcing Business") to EDS. The results of operations of the Outsourcing Business have been presented as a discontinued operation for the years ended December 31, 2001, 2000, 1999 and 1998. During 2001, we acquired control of Sabre Pacific. During 2000, we acquired Preview Travel Inc., Gradient Solutions Limited, GetThere Inc. and a 51 percent ownership interest in Dillon Communication Systems GmbH. These acquisitions affect the comparability of the data presented.

Year ended December 31,	2001 ⁽⁴⁾	2000	1999	1998	1997 ⁽¹⁾
INCOME STATEMENT DATA⁽¹⁾⁽²⁾⁽³⁾					
(in millions, except per share data and other data where indicated)					
Revenues	\$2,103.1	\$1,940.7	\$1,699.0	\$1,560.9	\$1,788.4
Operating expenses, excluding amortization of goodwill and intangible assets	1,834.3	1,658.5	1,393.5	1,264.7	1,475.8
Amortization of goodwill and intangible assets	277.5	109.4	–	–	–
Operating income (loss)	(8.7)	172.8	305.5	296.2	312.6
Other income (expense), net	20.2	(13.9)	155.4	21.1	11.0
Minority interests	22.5	30.7	–	–	–
Income from continuing operations before income taxes	34.0	189.6	460.9	317.3	323.6
Income taxes	81.0	93.5	170.4	115.4	123.7
Income (loss) from continuing operations	(47.0)	96.1	290.5	201.9	199.9
Income from discontinued operations, net ⁽¹⁾⁽⁵⁾	75.1	48.0	41.4	30.0	–
Cumulative effect of accounting change, net ⁽⁶⁾	3.1	–	–	–	–
Net earnings (loss)	\$ 31.2	\$ 144.1	\$ 331.9	\$ 231.9	\$ 199.9
Earnings (loss) per common share – basic					
Income (loss) from continuing operations ⁽¹⁾	\$ (.35)	\$.74	\$ 2.24	\$ 1.55	\$ –
Income from discontinued operations, net ⁽¹⁾	.57	.37	.32	.23	–
Cumulative effect of accounting change, net	.02	–	–	–	–
Net income	\$.24	\$ 1.11	\$ 2.56	\$ 1.78	\$ 1.53
Earnings (loss) per common share – diluted					
Income (loss) from continuing operations ⁽¹⁾	\$ (.35)	\$.74	\$ 2.22	\$ 1.55	\$ –
Income from discontinued operations, net ⁽¹⁾	.57	.37	.32	.23	–
Cumulative effect of accounting change, net	.02	–	–	–	–
Net income	\$.24	\$ 1.11	\$ 2.54	\$ 1.78	\$ 1.53
BALANCE SHEET DATA (AT END OF PERIOD)⁽¹⁾					
Current assets	\$1,092.2	\$ 693.0	\$ 976.4	\$ 944.4	\$ 877.6
Goodwill and intangible assets, net	664.3	891.5	–	–	–
Total assets	2,376.0	2,650.4	1,951.2	1,926.8	1,504.0
Current liabilities	564.5	1,266.4	525.1	400.8	311.5
Long-term notes payable	400.4	149.0	–	317.9	317.9
Minority interests	219.7	239.5	–	–	–
Stockholders' equity	1,041.8	791.0	1,262.0	953.7	757.3
OTHER DATA⁽¹⁾					
Direct reservations booked using the Sabre system ⁽⁷⁾	372	394	370	358	360
Total reservations processed using the Sabre system ⁽⁸⁾	431	467	439	409	372
Operating margin	(0.4)%	8.9%	18.0%	19.0%	17.4%
EBITDA ⁽⁹⁾	\$ 402.7	\$ 475.5	\$ 480.6	\$ 455.5	\$ 497.8
EBITDA margin ⁽⁹⁾	19.2%	24.5%	28.3%	29.2%	27.8%
Ratio of earnings to fixed charges ⁽¹⁰⁾	0.97	4.47	23.58	15.41	10.48
Cash flows from operating activities ⁽¹⁾	\$ 410.2	\$ 310.8	\$ 495.4	\$ 450.8	\$ 372.8
Capital expenditures ⁽¹⁾	\$ 158.4	\$ 190.1	\$ 168.0	\$ 320.0	\$ 218.1

⁽¹⁾ Effective July 1, 2001, we completed the sale of our Outsourcing Business and also entered into agreements with EDS (i) for EDS to manage our IT systems for 10 years (the "IT Outsourcing Agreement") and (ii) for us and EDS to jointly market certain IT services and software solutions to the travel and transportation industries (the "Marketing Agreements"). The results of operations of the Outsourcing Business have been reclassified and presented as income from discontinued operations, net, for 2001, 2000, 1999 and 1998. Results of operations for 1997 have not been reclassified for discontinued operations due to changes in our organizational structure beginning in 1998 that limit our ability to accurately reclassify the results of operations for 1997 and to present the Outsourcing Business as a discontinued operation. Balance sheet and cash flow data have not been revised for the effects of our sale of the Outsourcing Business.

- ⁽²⁾ We have significant transactions with AMR and American Airlines. The terms of many of the agreements with AMR and its affiliates were revised in connection with AMR's divestiture of its entire ownership interest in us in the first quarter of 2000.
- ⁽³⁾ 2001 and 2000 results of operations were impacted by our merger and acquisition activities and the related goodwill amortization expense associated with those transactions.
- ⁽⁴⁾ Our results of operations for the year ended December 31, 2001, were negatively affected by a significant reduction in travel following the September 11, 2001, terrorist attacks on the United States. While it is difficult to quantify the amount of revenue lost as a direct result of the attacks, we believe a reasonable estimate is \$200 million. Certain initiatives we undertook to aid our customers following the attacks negatively impacted our results by approximately \$16 million during 2001.
- ⁽⁵⁾ Income from discontinued operations for the year ended December 31, 2001, includes a gain of approximately \$39 million, net of related income taxes of approximately \$25 million, recognized upon completion of the sale of our Outsourcing Business to EDS effective July 1, 2001.
- ⁽⁶⁾ On January 1, 2001, we adopted Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities*.
- ⁽⁷⁾ CRS reservations for which we collect a booking fee.
- ⁽⁸⁾ Includes direct reservations plus reservations processed by joint-venture partners using the *Sabre* system.
- ⁽⁹⁾ Earnings before interest, taxes, depreciation and amortization, or EBITDA, from continuing operations consist of the sum of income from continuing operations before provision for income taxes, net interest expense, depreciation and amortization, and other income (expense), net. EBITDA is not a measure of income or cash flows in accordance with generally accepted accounting principles. EBITDA may not be comparable to other similarly titled measures of other companies. EBITDA should not be considered in isolation or as a substitute for net income, operating cash flow or any other measure of financial performance prepared in accordance with generally accepted accounting principles or as a measure of our profitability or liquidity. EBITDA margin is calculated by dividing EBITDA by revenues from continuing operations for the applicable period.
- ⁽¹⁰⁾ For purposes of computing the ratio of earnings to fixed charges, earnings consist of the sum of income from continuing operations before income taxes and the cumulative effect of change in accounting method, interest expense and the portion of rent expense deemed to represent interest. Fixed charges consist of interest incurred, whether expensed or capitalized, including amortization of debt issuance costs, if applicable, and the portion of rent expense deemed to represent interest. Earnings for the year ended December 31, 2001, were inadequate to cover fixed charges by \$1.3 million.

Consolidated statements of income

Year ended December 31,	2001	2000	1999
REVENUES (in thousands, except per share amounts)	\$2,103,090	\$1,940,734	\$1,698,967
Operating expenses			
Cost of revenues	1,367,558	1,317,041	1,210,750
Selling, general and administrative	466,719	341,492	182,798
Amortization of goodwill and intangible assets	277,522	109,419	–
Total operating expenses	2,111,799	1,767,952	1,393,548
Operating income (loss)	(8,709)	172,782	305,419
Other income (expense)			
Interest income	24,659	16,248	27,673
Interest expense	(41,165)	(31,686)	(9,995)
Other, net	36,756	1,490	137,765
Total other income (expense)	20,250	(13,948)	155,443
Minority interests	22,469	30,754	–
Income from continuing operations before provision for income taxes	34,010	189,588	460,862
Provision for income taxes	80,963	93,483	170,379
Income (loss) from continuing operations	(46,953)	96,105	290,483
Income from discontinued operations, net	36,305	47,947	41,424
Gain on sale of discontinued operations, net	38,772	–	–
Income before cumulative effect of accounting change	28,124	144,052	331,907
Cumulative effect of accounting change, net	3,103	–	–
Net earnings	\$ 31,227	\$ 144,052	\$ 331,907
Earnings (loss) per common share – basic			
Income (loss) from continuing operations	\$ (.35)	\$.74	\$ 2.24
Income from discontinued operations, net	.57	.37	.32
Cumulative effect of accounting change, net	.02	–	–
Net earnings	\$.24	\$ 1.11	\$ 2.56
Earnings (loss) per common share – diluted			
Income (loss) from continuing operations	\$ (.35)	\$.74	\$ 2.22
Income from discontinued operations, net	.57	.37	.32
Cumulative effect of accounting change, net	.02	–	–
Net earnings	\$.24	\$ 1.11	\$ 2.54

Consolidated balance sheets

December 31,	2001	2000
ASSETS (in thousands)		
Current assets		
Cash	\$ 18,855	\$ 7,778
Marketable securities	648,032	137,258
Accounts receivable, net	327,816	448,463
Prepaid expenses	51,565	83,580
Deferred income taxes	45,970	15,889
Total current assets	1,092,238	692,968
Property and equipment		
Buildings and leasehold improvements	254,487	340,473
Furniture, fixtures and equipment	49,845	49,627
Service contract equipment	–	517,886
Computer equipment	189,298	527,085
	493,630	1,435,071
Less accumulated depreciation and amortization	(205,181)	(879,030)
Total property and equipment	288,449	556,041
Deferred income taxes	19,611	–
Investments in joint ventures	169,949	159,317
Goodwill and intangible assets, net	664,271	891,497
Other assets, net	141,499	350,531
Total assets	\$2,376,017	\$2,650,354
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 158,839	\$ 173,954
Accrued compensation and related benefits	73,274	91,196
Notes payable	–	710,000
Accrued subscriber incentives	89,337	80,402
Deferred revenues	59,591	35,244
Other accrued liabilities	183,415	175,592
Total current liabilities	564,456	1,266,388
Deferred income taxes	–	47,703
Pensions and other postretirement benefits	88,756	109,889
Other liabilities	60,938	46,877
Minority interests	219,716	239,480
Notes payable	400,375	149,000
Commitments and contingencies		
Stockholders' equity		
Preferred stock: \$0.01 par value; 20,000 shares authorized; no shares issued	–	–
Common stock:		
Class A: \$0.01 par value; 250,000 shares authorized; 133,527 and 131,632 shares issued, respectively	1,351	1,321
Additional paid-in capital	818,742	660,392
Retained earnings	227,986	196,759
Accumulated other comprehensive income	3,176	111
Less treasury stock at cost; 384 and 1,625 shares, respectively	(9,479)	(67,566)
Total stockholders' equity	1,041,776	791,017
Total liabilities and stockholders' equity	\$2,376,017	\$2,650,354

Consolidated statements of cash flows

Year ended December 31,	2001	2000	1999
OPERATING ACTIVITIES (in thousands)			
Net earnings	\$ 31,227	\$ 144,052	\$ 331,907
Adjustments to reconcile net earnings to cash provided by operating activities			
Depreciation and amortization	437,647	345,794	258,246
Deferred income taxes	(86,599)	22,334	(8,088)
Tax benefit from exercise of stock options	31,126	3,125	-
Minority interests	(22,469)	(30,754)	-
Gain on sale of outsourcing business, net of tax	(38,772)	-	-
Gain on sale of investments	(47,303)	-	(137,657)
Cumulative effect of accounting change, net of tax	(3,103)	-	-
Loss on disposal of equipment	8,347	-	-
Other	26,959	16,210	1,544
Changes in operating assets and liabilities			
Accounts receivable	159,794	(125,038)	48,827
Prepaid expenses	(2,601)	(88,861)	(9,810)
Other assets	(25,151)	(20,582)	3,586
Accrued compensation and related benefits	(18,702)	7,042	(4,284)
Accounts payable and other accrued liabilities	(723)	125,355	(3,308)
Receivable from and payable to related parties	-	29,100	(7,491)
Pensions and other postretirement benefits	(21,133)	(9,798)	15,113
Payment to US Airways	-	(81,469)	-
Other liabilities	(18,352)	(25,738)	6,797
Cash provided by operating activities	410,192	310,772	495,382
INVESTING ACTIVITIES			
Additions to property and equipment	(158,407)	(190,126)	(167,963)
Purchases of marketable securities	(3,293,584)	(9,987,302)	(8,846,530)
Sales of marketable securities	2,784,831	10,431,229	8,771,401
Purchases of Travelocity.com common stock	(17,908)	-	-
Loan to affiliate	-	-	(300,000)
Business combinations, net of cash acquired	(55,343)	(711,383)	-
Proceeds from sale of outsourcing business	660,763	-	-
Proceeds from sale of investments	47,303	-	137,657
Sale of HRN stock	36,604	-	-
Investments in joint ventures, net	-	-	5,965
Other investing activities, net	(41,963)	(15,397)	(38,042)
Cash used for investing activities	(37,704)	(472,979)	(437,512)
FINANCING ACTIVITIES			
Proceeds from issuance of common stock	15,467	1,704	-
Proceeds from exercise of stock options	93,794	16,494	20,645
Purchase of treasury stock	(9,064)	(34,472)	(60,454)
Dividends paid	-	(675,000)	-
Issuance of notes payable	397,392	859,000	-
Repayment of notes payable	(859,000)	-	-
Payments on debenture payable to affiliate	-	-	(17,873)
Other financing activities, net	-	(4,369)	(1,568)
Cash provided by (used for) financing activities	(361,411)	163,357	(59,250)
Increase (decrease) in cash	11,077	1,150	(1,380)
Cash at beginning of the period	7,778	6,628	8,008
Cash at end of the period	\$ 18,855	\$ 7,778	\$ 6,628
Cash payments for income taxes	\$ 177,415	\$ 117,131	\$ 173,907
Cash payments for interest	\$ 32,612	\$ 27,638	\$ 14,699

Consolidated statements of stockholders' equity

(in thousands)	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total
Balance at December 31, 1998	\$ 237	\$ 1,074	\$599,087	\$ 395,800	\$ -	\$(42,455)	\$ 953,743
Net earnings	-	-	-	331,907	-	-	331,907
Repurchase of Company stock	-	-	-	-	-	(60,454)	(60,454)
Issuance of 289 shares of Class A common stock pursuant to stock option, restricted stock incentive and stock purchase plans	3	-	1,276	-	-	29,305	30,584
Tax benefit from exercise of employee stock options	-	-	6,922	-	-	-	6,922
Unrealized loss on investments	-	-	-	-	(657)	-	(657)
Balance at December 31, 1999	240	1,074	607,285	727,707	(657)	(73,604)	1,262,045
Net earnings	-	-	-	144,052	-	-	144,052
Exchange of Class B common stock for Class A common stock	1,074	(1,074)	-	-	-	-	-
Dividends paid	-	-	-	(675,000)	-	-	(675,000)
Repurchase of Company stock	-	-	-	-	-	(34,472)	(34,472)
Issuance of 720 shares of Class A common stock pursuant to stock option, restricted stock incentive and stock purchase plans	7	-	(24,583)	-	-	40,510	15,934
Tax benefit from exercise of employee stock options	-	-	3,125	-	-	-	3,125
Options issued in connection with business combinations, net of unearned deferred compensation of \$46,855	-	-	75,271	-	-	-	75,271
Unrealized gain on investment	-	-	-	-	768	-	768
Other	-	-	(706)	-	-	-	(706)
Balance at December 31, 2000	1,321	-	660,392	196,759	111	(67,566)	791,017
Issuance of 3,063 shares of Class A common stock pursuant to stock option, restricted stock incentive and stock purchase plans	30	-	42,081	-	-	67,151	109,262
Tax benefit from exercise of employee stock options	-	-	31,126	-	-	-	31,126
Purchase of treasury stock	-	-	-	-	-	(9,064)	(9,064)
Reclassification of US Airways options to equity instruments	-	-	100,447	-	-	-	100,447
Change in fair value of contingent warrants to be issued to customer	-	-	(10,977)	-	-	-	(10,977)
Comprehensive income:							
Net earnings	-	-	-	31,227	-	-	31,227
Unrealized gain on foreign currency forward contracts, net of deferred income taxes	-	-	-	-	802	-	802
Unrealized gain on investments, net of deferred income taxes	-	-	-	-	2,372	-	2,372
Unrealized foreign currency translation loss	-	-	-	-	(109)	-	(109)
Total comprehensive income							34,292
Other	-	-	(4,327)	-	-	-	(4,327)
Balance at December 31, 2001	\$1,351	\$ -	\$818,742	\$ 227,986	\$3,176	\$ (9,479)	\$1,041,776

Report of Ernst & Young LLP, Independent Auditors

THE BOARD OF DIRECTORS AND STOCKHOLDERS SABRE HOLDINGS CORPORATION

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated balance sheets of Sabre Holdings Corporation and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2001, (not presented separately herein), and in our report dated January 14, 2002, except for Note 19, as to which the date is February 19, 2002, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated in all material respects in relation to the consolidated financial statements from which it has been derived.

Ernst & Young LLP

Dallas, Texas

January 14, 2002, except for Note 19, as to which the date
is February 19, 2002

Board of *directors*



(from left to right)

David W. Dorman, Richard L. Thomas, Mary Alice Taylor, Paul C. Ely, Jr., William J. Hannigan, Bob L. Martin, Pamela B. Strobel, Royce S. Caldwell, Glenn W. Marschel, Jr.

ROYCE S. CALDWELL
Retired Vice Chairman
SBC Communications Inc.

DAVID W. DORMAN
President
AT&T Corporation

PAUL C. ELY, JR.
Chairman
Santa Cruz Yachts

WILLIAM J. HANNIGAN
Chairman and
Chief Executive Officer
Sabre Holdings
Corporation

**GLENN W.
MARSCHEL, JR.**
Chief Executive Officer
NetNumber Inc.

BOB L. MARTIN
Retired President and
Chief Executive Officer
Wal-Mart International Inc.

PAMELA B. STROBEL
Executive Vice President
Exelon Corporation;
Chief Executive Officer
Exelon Energy Delivery

MARY ALICE TAYLOR
Former Chairman and
Chief Executive Officer
HomeGrocer.com Inc.

RICHARD L. THOMAS
Retired Chairman
First Chicago NBD
Corporation and
The First National Bank
of Chicago

Corporate *officers*

WILLIAM J. HANNIGAN
Chairman and
Chief Executive Officer

M. SAM GILLILAND
Executive Vice
President and
Chief Marketing Officer

JEFFERY M. JACKSON
Executive Vice
President and
Chief Financial Officer

DAVID A. SCHWARTE
Executive Vice
President and
General Counsel

ERIC J. SPECK
Executive Vice
President and
Group President,
Travel Marketing and
Distribution

JAMES F. BRASHEAR
Senior Vice President,
Corporate Secretary and
Deputy General Counsel

**BRUCE J.
CHARENDOFF**
Senior Vice President,
Government Affairs

STEVE M. CLAMPETT
Senior Vice President and
President,
Airline Products and
Services

ANDREW A. CUOMO
Senior Vice President and
Chief of Staff

MICHAEL E. HAEFNER
Senior Vice President,
Human Resources

HUGH W. JONES
Senior Vice President and
Controller

CAROL A. KELLY
Senior Vice President and
Chief Information Officer

ELLEN L. KESZLER
Senior Vice President,
North America,
Travel Agency Solutions

THOMAS KLEIN
Senior Vice President and
President,
Airline Solutions

JOAN C. KUEHL
Senior Vice President,
Product Development

JAMES E. MURPHY
Senior Vice President,
Corporate Development,
and Treasurer

R. CRAIG MURPHY
Senior Vice President and
Chief Technology Officer

LESLIE A. PRICE
Senior Vice President,
Corporate
Communications

BARRY C. SMITH
Senior Vice President and
Chief Scientist

JOHN S. STOW
Senior Vice President and
President,
Travel Agency Solutions

Investor information

We welcome inquiries from investors, prospective investors, security analysts and other members of the professional financial community. Please contact Sabre investor relations at 1 866 SABRE IR, or log on to www.sabre.com and click on "Investor Relations."

Common stock

The Class A Common Stock of Sabre Holdings Corporation is listed on the New York Stock Exchange under the symbol "TSG."

Quarterly per share market price of common stock

	TRADING		Close
	High	Low	
FISCAL 2001			
First Quarter	\$47.85	\$35.88	\$46.17
Second Quarter	54.98	43.34	50.00
Third Quarter	53.85	21.22	26.74
Fourth Quarter	43.02	25.70	42.35
FISCAL 2000			
First Quarter	\$53.50	\$34.19	\$36.94
Second Quarter	38.63	25.56	28.50
Third Quarter	30.56	22.31	28.94
Fourth Quarter	43.81	26.38	43.13

Sabre on the Internet

Additional information about Sabre, including a summary of its latest financial results, is available at www.sabre.com.

Form 10-K

A copy of Sabre Holdings Corporation's 2001 annual report (Form 10-K) to the Securities and Exchange Commission will be furnished without charge. To obtain the 10-K, log on to www.sabre.com, click on "Investor Relations," and click on "Order an Investors Packet," or call 1 866 SABRE IR.

Annual meeting

The Annual Meeting of Shareholders will be held at 10 a.m. CDT on Tuesday, May 14, 2002, at The Westin Beechwood Hotel in Fort Worth.

The Westin Beechwood Hotel, Trinity Ballroom
3300 Championship Parkway
Fort Worth, TX 76177
817 961 0800

Transfer agent and registrar

Investors who wish to change the name, address or ownership of their stock or report lost certificates should contact:

The Bank of New York
1 866 857 2220
E-mail: Shareowner-svcs@bankofny.com
Web site: www.stockbny.com

Address general investor inquiries to:
Shareholder Relations Department
P.O. Box 11258
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Investors, Travelocity stockholders, and other interested parties are urged to read the tender offer documents that were filed with the Securities and Exchange Commission by Sabre because they contain important information. Investors will be able to receive such documents free of charge by visiting the SEC Web site, www.sec.gov, or by contacting investor relations at Sabre at 1 866 SABRE IR.

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