Q3 2016 Earnings Report

Sabre Corporation

November 2, 2016

Sabre

Forward-looking statements

Forward-looking Statements

Certain statements herein are forward-looking statements about trends, future events, uncertainties and our plans and expectations of what may happen in the future. Any statements that are not historical or current facts are forward-looking statements. In many cases, you can identify forward-looking statements by terms such as "outlook," "guidance," “expect,” “momentum,” “estimate,” “will,” “positions,” “may,” “should,” “would,” “intend,” “believe,” “potential,” or the negative of these terms or other comparable terminology. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Sabre’s actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. The potential risks and uncertainties include, among others, dependency on transaction volumes in the global travel industry, particularly air travel transaction volumes, adverse global and regional economic and political conditions, including, but not limited to, the approval by voters in the U.K. for that country to exit the E.U. and economic uncertainty over related negotiations, economic conditions in countries or regions with traditionally high levels of exports to China or that have commodities-based economies, exposure to pricing pressure in the Travel Network business, risks arising from global operations, the implementation and effects of new or renewed agreements, the financial and business effects of acquisitions, including integration of these acquisitions, dependence on maintaining and renewing contracts with customers and other counterparties and collecting amounts due to us under these agreements, our ability to recruit, train and retain employees, including our key executive officers and technical employees, and the effort to identify a successor to our president and chief executive officer due to his intended resignation, dependence on relationships with travel buyers, changes affecting travel supplier customers, travel suppliers’ usage of alternative distribution models, the effects of litigation, and competition in the travel distribution market and solutions markets. More information about potential risks and uncertainties that could affect our business and results of operations is included in the “Risk Factors” section in our Quarterly Report on Form 10-Q filed with the SEC on August 2, 2016, in the "Risk Factors" and “Forward-Looking Statements” sections in our Annual Report on Form 10-K filed with the SEC on February 19, 2016 and in our other filings with the SEC. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, outlook, guidance, results, actions, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. Unless required by law, Sabre undertakes no obligation to publicly update or revise any forward-looking statements to reflect circumstances or events after the date they are made.

Non-GAAP Financial Measures

This presentation includes unaudited non-GAAP financial measures, including Adjusted Gross Profit, Adjusted Operating Income, Adjusted Net Income, Adjusted EBITDA, Adjusted Cost of Revenue, Adjusted SG&A, Adjusted JV Equity Income, Adjusted EPS, Adjusted Capital Expenditures, Free Cash Flow, and the ratios based on these financial measures. In addition, we provide certain forward guidance with respect to Adjusted EBITDA, Adjusted Net Income, Adjusted EPS and Free Cash Flow. We are unable to provide this forward guidance on a GAAP basis without unreasonable effort; however, see “Business Outlook and Financial Guidance” in the appendix for additional information including estimates of certain components of the non-GAAP adjustments contained in the guidance.

We present non-GAAP measures when our management believes that the additional information provides useful information about our operating performance. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by other companies. The presentation of non-GAAP financial measures is not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP. See “Non-GAAP Financial Measures” below for an explanation of the non-GAAP measures and “Tabular Reconciliations for Non-GAAP Measures” below for a reconciliation of the non-GAAP financial measures to the comparable GAAP measures.

Industry Data

This presentation and accompanying comments contain industry data, forecasts and other information that we obtained from industry publications and surveys, public filings and internal company sources, and there can be no assurance as to the accuracy or completeness of the included information. Statements as to our ranking, market position, bookings share and market estimates are based on independent industry publications, government publications, third-party forecasts and management’s estimates and assumptions about our markets and our internal research. We have not independently verified this third-party information nor have we ascertained the underlying economic assumptions relied upon in those sources, and we cannot assure you of the accuracy or completeness of this information.

Today's presenters

Tom Klein
President & CEO

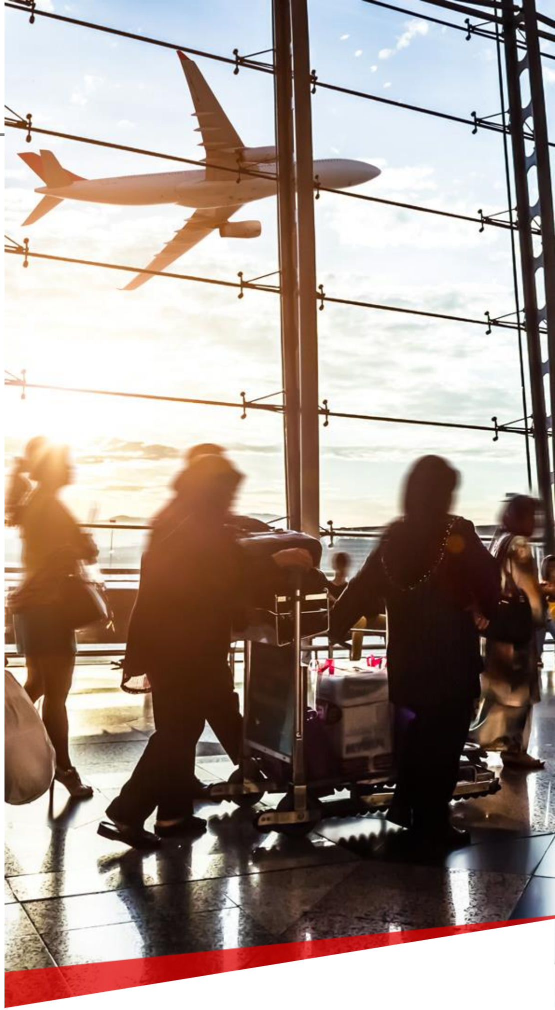
Rick Simonson
EVP & CFO

Q3 2016 highlights

- Q3 results impacted by corporate bookings weakness in North America and Europe, agency insolvency, and incremental technology expenses

- Expect fourth quarter to return to strong growth
  - October corporate bookings improving in key markets
  - Good visibility to agency conversions in EMEA and resulting bookings growth
  - Solutions strength driven by successful Alitalia SabreSonic implementation, accelerating Wyndham rollouts and double-digit growth in AirCentre and AirVision

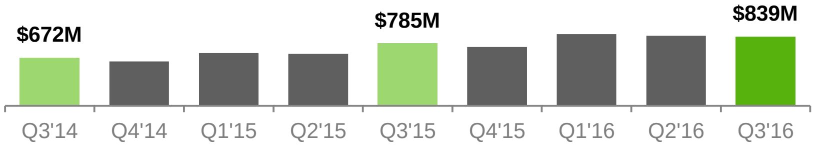
- Expect solid step off to 2017
  - Clarity on 2017 airline implementations and continued upsell opportunity
  - Continued strong growth in Hospitality Solutions, with expectations to announce one or more new enterprise wins before next earnings call
  - Commercial successes expected to support continued Travel Network bookings and share growth



Q3 2016 financial highlights

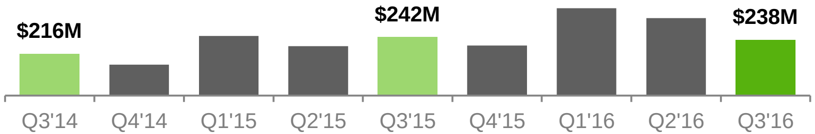
- Acceleration in Solutions - 20% revenue growth
- Increased Travel Network global share and bookings growth in all regions
- Results impacted by agency insolvency and higher technology expenses

Total Quarterly Revenue



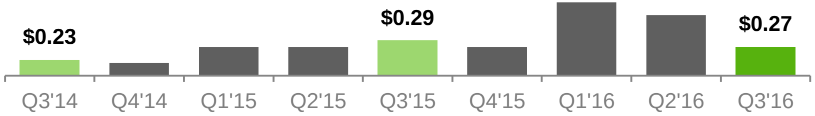
+7%
Q3 2016 YOY GROWTH

Total Quarterly Adjusted EBITDA

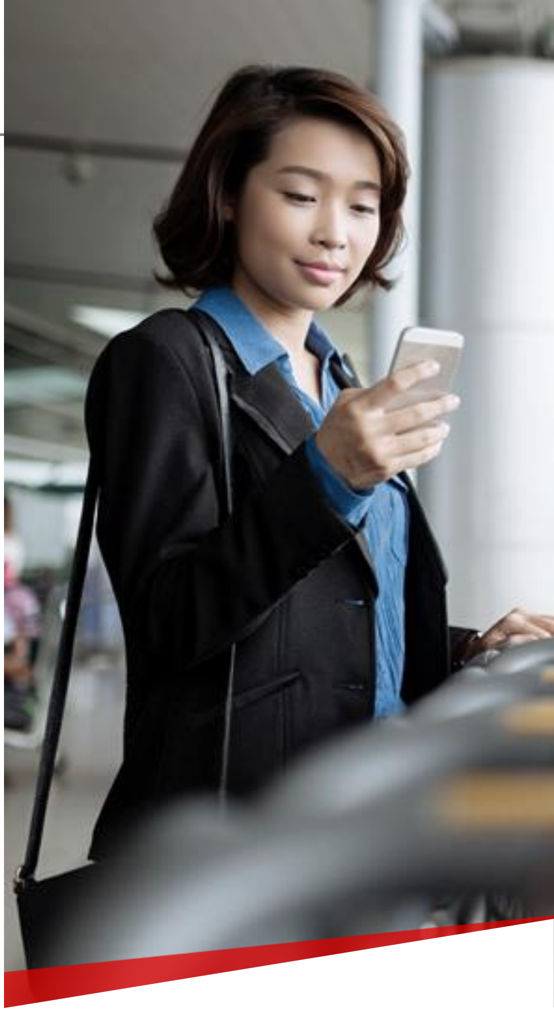


(2%)[1]
Q3 2016 YOY DECLINE

Total Quarterly Adjusted EPS



(7%)[2]
Q3 2016 YOY DECLINE



[1]+2% estimated YOY growth ex-agency insolvency impact. [2] Flat YOY growth ex-agency insolvency impact.
Ex-agency insolvency assumes agency bookings growth continued at H1'16 growth rates and assumes no impairment charge was taken. See slide 13 for additional information on the financial effects of the agency insolvency.

Q3 Airline & Hospitality Solutions revenue up 20%

A broad portfolio of solutions
and strong track record of innovation

+20%

SabreSonic

+Mid-teens

AirVision & AirCentre

Nearly 45%

Hospitality Solutions

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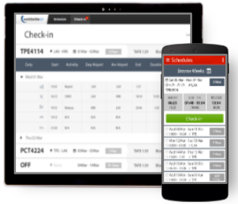
Continued momentum

Marketplace momentum for our new solutions



Crew Manager

Revenue Optimizer

- Alitalia went live on SabreSonic in October - adding nearly 25M annual passengers boarded
- American Airlines live on SabreSonic inventory
- Supporting airberlin restructure and Copa tech prioritization
- Strong quarter of Hospitality sales and implementations
- Marriott tour portal now live

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Travel Network bookings growth

- **3.0% Air bookings growth**
  - 2.4% Total bookings growth
  - Non-air bookings decline driven by continued softness in corporate travel and difficult year-over-year comparison

- **Bookings growth across all regions**
  - APAC continued to be a strong contributor to growth
  - Modest growth in North America
  - EMEA bookings growth impacted by agency insolvency (estimated 2 point impact)
  - Latin American bookings growth positive for second quarter in a row

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Travel Network highlights

Single-instance,
innovative solution

Sabre Red Workspace

Consumer grade graphical interface, agency analytics, efficient workflow, and ease of booking ancillary content

- Sabre Red Workspace in beta at hundreds of agencies
- Design aligned with agency and supplier priorities
- Technology-led approach drove Q3 agency sales worth over 2 million annual bookings

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Confidence in future performance

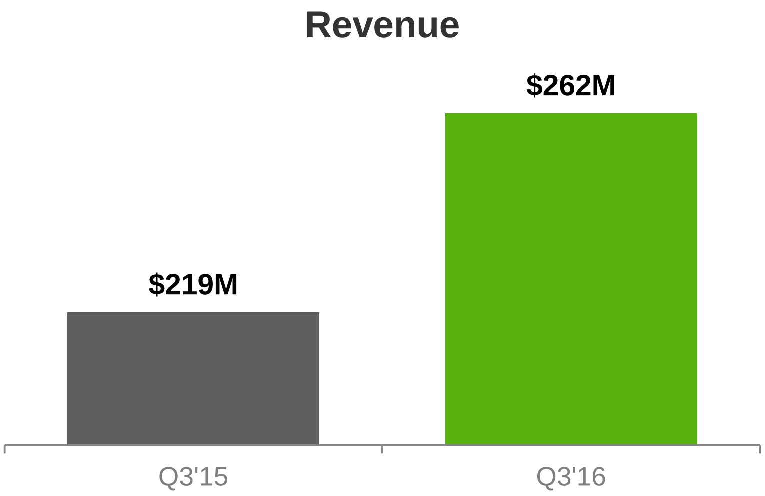
Relentless focus on innovation

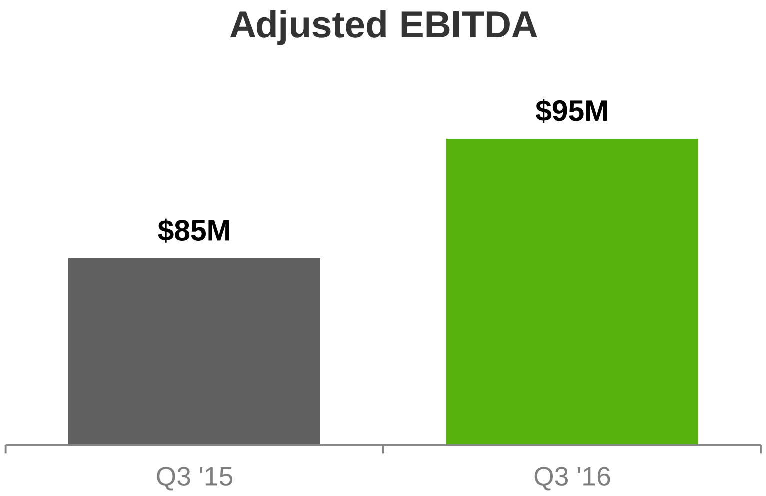
Underlying business performance strong

Expect accelerated growth in Q4 2016

Set up well for 2017

Q3 2016 Airline and Hospitality Solutions highlights



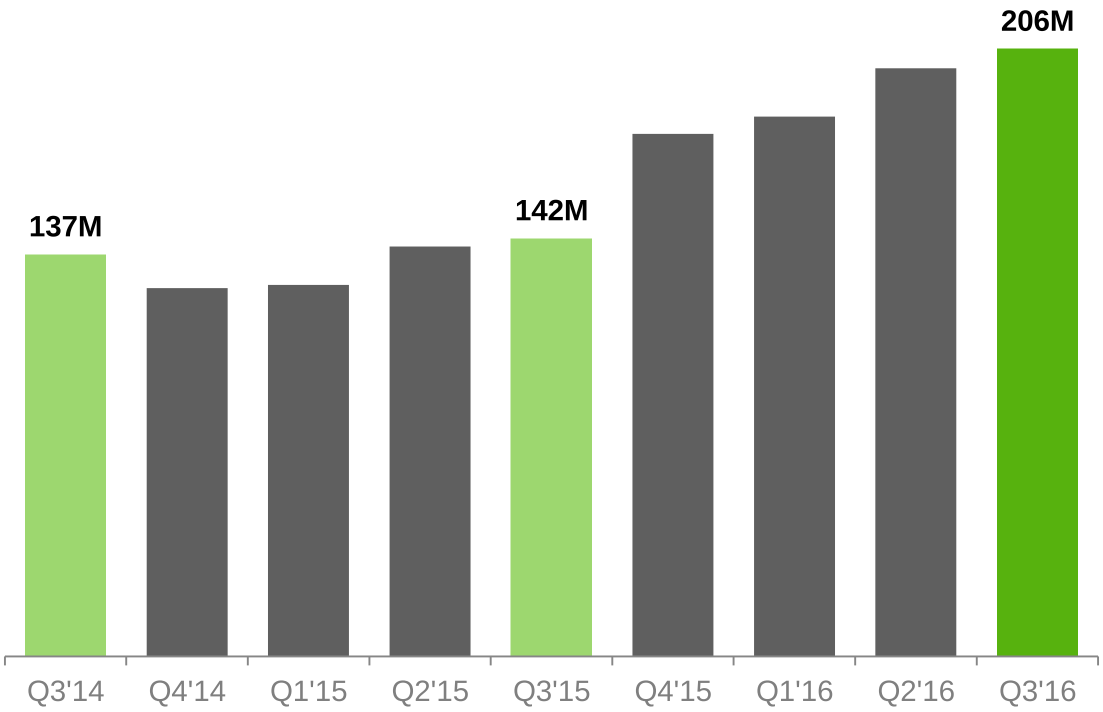


+20%
Q3 2016
YOY GROWTH

+11%
Q3 2016
YOY GROWTH

36.2%
Q3 2016
MARGIN

Total quarterly passengers boarded



+45%

Q3 2016
YOY GROWTH

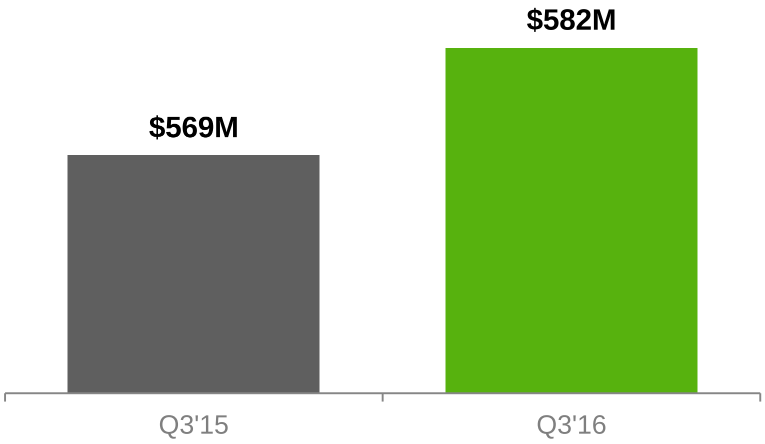
Agency insolvency impact[1,2]

	Q3 Impact	FY Impact Est.
Revenue	($3M)	($7M)
Adjusted EBITDA	($9M)	($11M)
EPS/Adjusted EPS	($0.02)	($0.03)
Bookings	EMEA (2.3pts) of growth Total (35bps) of growth	EMEA (1.2pts) of growth Total (20bps) of growth

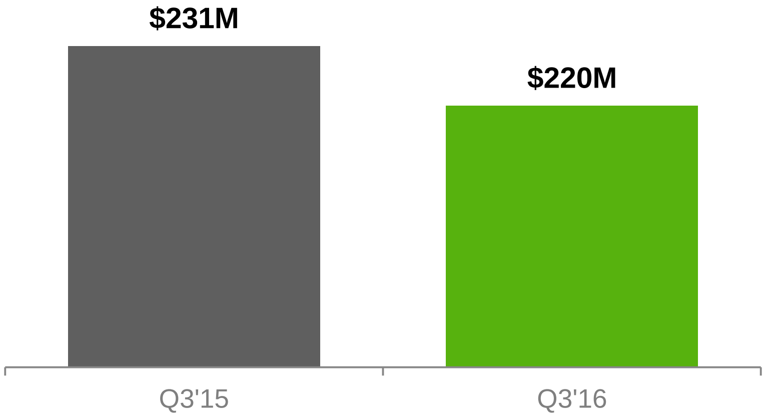
[1]Estimated agency insolvency impact assumes agency bookings growth continued at H1'16 growth rates and assumes no impairment charge was taken.
[2]The estimated impact on the GAAP amount of net income is $7 million and $8 million for Q3 and FYE, respectively.
The information presented here represents forward-looking statements and reflects expectations as of November 2, 2016. Sabre assumed no obligation to update these statements. Results may be materially different and are affected by many factors detailed in the accompanying release and in Sabre's second quarter 2016 10-Q and 2015 Form 10-K.

Q3 2016 Travel Network highlights

Revenue



Adjusted EBITDA



+2.3%[1]

Q3 2016
YOY GROWTH

(5%)[2]

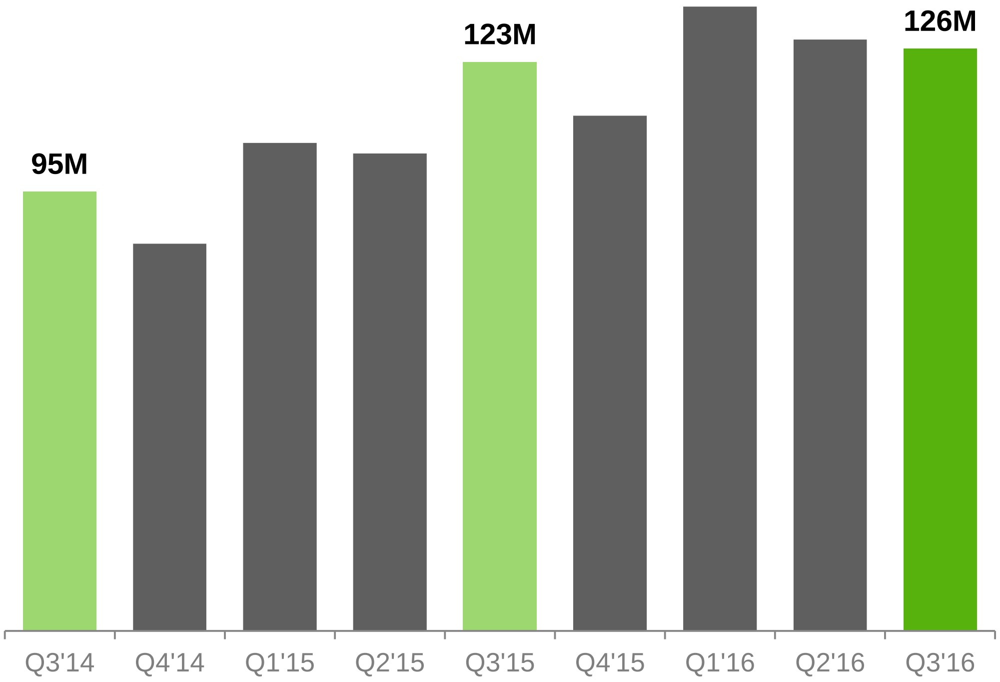
Q3 2016
YOY DECLINE

37.8%

Q3 2016
MARGIN

[1]Estimated 2.9% YOY growth ex-agency insolvency impact. [2](1%) Estimated YOY decline ex-agency insolvency impact.
Ex-agency insolvency assumes agency bookings growth continued at H1'16 growth rates and assumes no impairment charge was taken. See slide 13 for additional information on the financial effects of the agency insolvency.

Total Travel Network quarterly bookings



+2.4%[1]

Q3 2016
YOY GROWTH

37.3%[2] **37.2%**

Q3 2016 YTD 2016
GLOBAL AIR BOOKING SHARE

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[1] 2.7% estimated YOY growth ex-agency insolvency impact. [2] 37.5% estimated Q3 booking share ex-agency insolvency impact.
Ex-agency insolvency assumes agency bookings growth continued at H1'16 growth rates.

Q3 2016 bookings growth by region

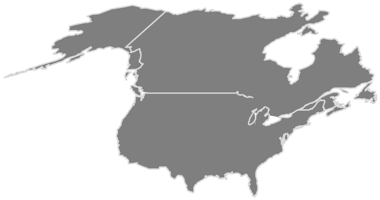
APAC

+6.8%

EMEA

+1.0%[1]

NAM



+1.6%

LAC

+0.6%

[1] 3.3% estimated YOY growth ex-agency insolvency impact.
Ex-agency insolvency assumes agency bookings growth continued at H1'16 growth rates.

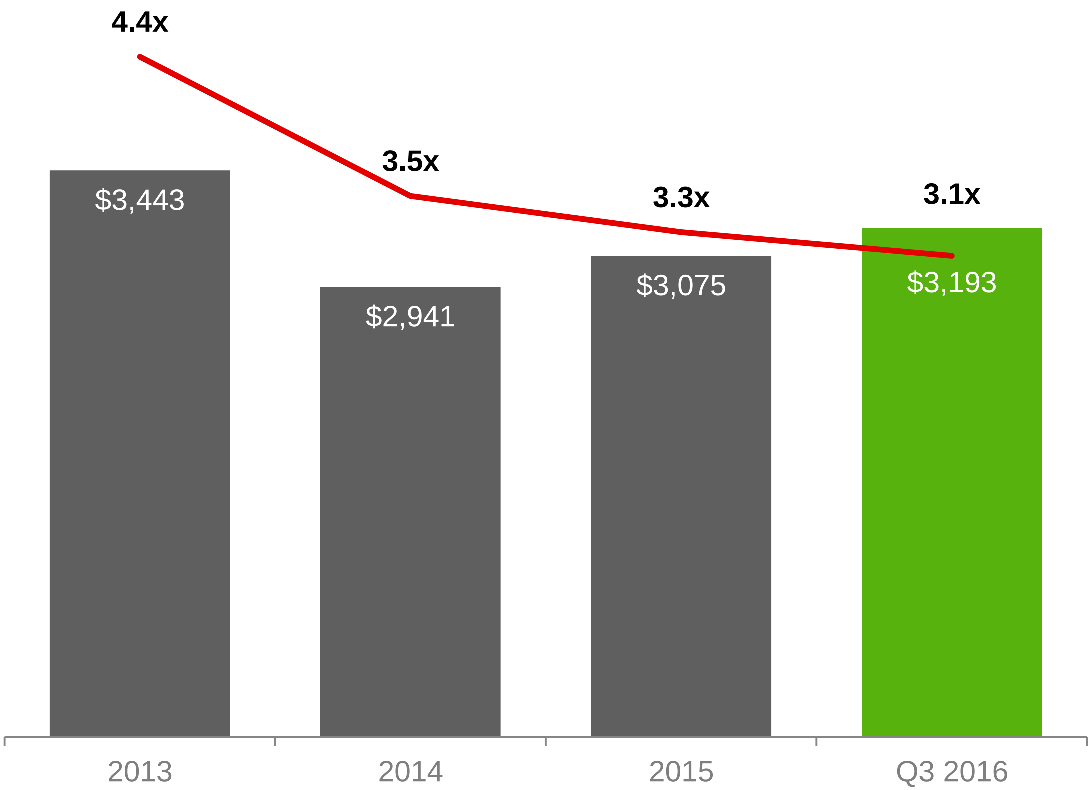
Q3 2016 Income Statement[1,2]

	(in $ millions, except EPS)		
	Q3 '16	$ B/(W)	% B/(W)
Revenue	**$839**	**$54**	**+7%**
Cost of Revenue	($494)	($56)	(13%)
Gross Profit	**$345**	**($2)**	**(1%)**
SG&A	($108)	($2)	(2%)
JV Equity Income	$1	$0	NM
EBITDA	**$238**	**($4)**	**(2%)**
Operating Income	**$151**	**($24)**	**(14%)**
Net Income	**$75**	**($6)**	**(7%)**
Earnings per Share	**$0.27**	**($0.02)**	**(7%)**

[1] 2% Gross Profit, 2% EBITDA, (8%) Operating Income, Flat Net Income, and Flat EPS estimated YOY growth ex-agency insolvency impact.
[2] All amounts adjusted, other than Revenue.

Ex-agency insolvency assumes agency bookings growth continued at H1'16 growth rates and assumes no impairment charge was taken. See slide 13 for additional information on the financial effects of the agency insolvency.

Net Debt and Leverage[1]



$79M
Q3 2016
FREE CASH FLOW

$178M
YTD 2016
FREE CASH FLOW

[1]Net Debt/LTM Adjusted EBITDA.

FY 2016 Guidance

	Guidance	Growth
Revenue	**$3,365M - $3,395M**	*13.6% - 14.7%*
Adjusted EBITDA	**$1,055M - $1,070M**	*12.0% - 13.6%*
Adjusted Net Income	**$380M - $395M**	*23.3% - 28.2%*
Adjusted EPS	**$1.34 - $1.40**	*21.8% - 27.3%*
Free Cash Flow	**Approaching $360M**	
GAAP Capital Expenditures	**~$325M**	
Capitalized Implementation Costs	**~$95M**	

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Summary

- Proven resilience
- Well positioned to continue to lead in delivering innovation
- Expect strong fourth quarter and continued momentum in 2017 and over the medium term

Thank you

Appendix

Tabular reconciliations for Non-GAAP measures

Reconciliation of net income (loss) attributable to common shareholders to Adjusted Net Income and Adjusted EBITDA (in thousands, except per share amounts; unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net income attributable to common stockholders	$ 40,815	$ 176,340	$ 218,001	$ 416,041
Loss (income) from discontinued operations, net of tax	394	(53,892)	(10,858)	(213,499)
Net income attributable to noncontrolling interests[1]	1,047	676	3,227	2,501
Income from continuing operations	42,256	123,124	210,370	205,043
Adjustments:				
Acquisition-related amortization[2a]	39,430	31,384	107,578	76,270
Loss on extinguishment of debt	3,683	—	3,683	33,235
Other, net [4]	(281)	(92,568)	(4,517)	(88,320)
Restructuring and other costs [5]	583	8,888	1,823	8,888
Acquisition-related costs[6]	90	9,350	714	13,214
Litigation costs, net[7]	7,034	9,318	5,089	14,797
Stock-based compensation	12,913	7,204	36,012	23,328
Tax impact of net income adjustments	(30,349)	(15,806)	(66,698)	(54,573)
Adjusted Net Income from continuing operations	$ 75,359	$ 80,894	$ 294,054	$ 231,882
Adjusted Net Income from continuing operations per share	$ 0.27	$ 0.29	$ 1.04	$ 0.83
Diluted weighted-average common shares outstanding	283,462	281,395	282,919	278,848
Adjusted Net Income from continuing operations	$ 75,359	$ 80,894	$ 294,054	$ 231,882
Adjustments:				
Depreciation and amortization of property and equipment[2b]	58,271	49,247	168,150	157,154
Amortization of capitalized implementation costs[2c]	11,529	7,606	28,228	23,032
Amortization of upfront incentive consideration[3]	17,139	9,525	43,372	31,575
Interest expense, net	38,002	40,581	116,414	129,643
Remaining provision for income taxes	37,557	53,813	146,603	139,539
Adjusted EBITDA	$ 237,857	$ 241,666	$ 796,821	$ 712,825

Tabular reconciliations for Non-GAAP measures

Reconciliation of net income (loss) attributable to common shareholders to Adjusted Net Income and Adjusted EBITDA (in thousands, except per share amounts; unaudited)

	Three Months Ended September 30,	
	2015	2014
Net income attributable to common stockholders	$ 176,340	$ 36,563
(Income) loss from discontinued operations, net of tax	(53,892)	3,946
Net income attributable to noncontrolling interests[(1)]	676	720
Income from continuing operations	123,124	41,229
Adjustments:		
Acquisition-related amortization[(2a)]	31,384	21,899
Loss on extinguishment of debt	—	—
Other, net [(4)]	(92,568)	(1,124)
Restructuring and other costs [(5)]	8,888	5,150
Acquisition-related costs[(6)]	9,350	—
Litigation costs (reimbursements), net[(7)]	9,318	4,252
Stock-based compensation	7,204	5,365
Management fees[(8)]	—	193
Tax impact of net income adjustments	(15,806)	(14,035)
Adjusted Net Income from continuing operations	$ 80,894	$ 62,929
Adjusted Net Income from continuing operations per share	$ 0.29	$ 0.23
Diluted weighted-average common shares outstanding	281,395	273,330
Adjusted Net Income from continuing operations	$ 80,894	$ 62,929
Adjustments:		
Depreciation and amortization of property and equipment[(2b)]	49,247	38,498
Amortization of capitalized implementation costs[(2c)]	7,606	9,083
Amortization of upfront incentive consideration[(3)]	9,525	10,388
Interest expense, net	40,581	50,153
Remaining provision for income taxes	53,813	44,491
Adjusted EBITDA	$ 241,666	$ 215,542

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Tabular reconciliations for Non-GAAP measures

Reconciliation of net income (loss) attributable to common shareholders to Adjusted Net Income and Adjusted EBITDA (in thousands, except per share amounts; unaudited)

	Three Months Ended				
	12/31/2015	**3/31/2016**	**6/30/2016**	**Sept. 30, 2016**	**LTM**
Net income attributable to common stockholders	$ 129,441	$ 105,167	$ 72,019	$ 40,815	$ 347,442
(Income) loss from discontinued operations, net of tax	(100,909)	(13,350)	2,098	394	(111,767)
Net income attributable to noncontrolling interests[1]	980	1,102	1,078	1,047	4,207
Income from continuing operations	29,512	92,919	75,195	42,256	239,882
Adjustments:					
Acquisition-related amortization[2a]	31,851	34,130	34,018	39,430	139,429
Loss on extinguishment of debt	5,548	—	—	3,683	9,231
Other, net [4]	(3,057)	(3,360)	(876)	(281)	(7,574)
Restructuring and other costs [5]	368	124	1,116	583	2,191
Acquisition-related costs[6]	1,223	108	516	90	1,937
Litigation costs, net[7]	1,912	(3,846)	1,901	7,034	7,001
Stock-based compensation	6,643	10,289	12,810	12,913	42,655
Depreciation and amortization of property and equipment[2b]	56,366	53,665	56,214	58,271	224,516
Amortization of capitalized implementation costs[2c]	8,409	8,488	8,211	11,529	36,637
Amortization of upfront incentive consideration[3]	11,946	12,337	13,896	17,139	55,318
Interest expense, net	43,655	41,202	37,210	38,002	160,069
Provision for income taxes	34,386	41,424	31,273	7,208	114,291
Adjusted EBITDA	$ 228,762	$ 287,480	$ 271,484	$ 237,857	$ 1,025,583
Net Debt (total debt, less cash)					$ 3,192,653
Net Debt / LTM Adjusted EBITDA					3.1x

Please reference SABR HISTORICAL Excel spreadsheet at investors.sabre.com for reconciliation of Net Debt / LTM Adjusted EBITDA for twelve months ended 12/31/2015, 12/31/2014, an 12/31/2013.

Reconciliation of Operating Income to Adjusted Operating Income

(in thousands; unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Operating income	$ 90,150	$ 108,772	$ 403,611	$ 350,369
Adjustments:				
Joint venture equity income	718	372	2,244	14,198
Acquisition-related amortization[2a]	39,430	31,384	107,578	76,270
Restructuring and other costs [5]	583	8,888	1,823	8,888
Acquisition-related costs[6]	90	9,350	714	13,214
Litigation costs, net[7]	7,034	9,318	5,089	14,797
Stock-based compensation	12,913	7,204	36,012	23,328
Adjusted Operating Income	$ 150,918	$ 175,288	$ 557,071	$ 501,064

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Reconciliation of Adjusted Capitalized Expenditures and Free Cash Flow

(in thousands; unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Additions to property and equipment	$ 89,639	$ 75,108	$ 254,232	$ 203,071
Capitalized implementation costs	21,309	20,081	64,577	49,642
Adjusted Capital Expenditures	$ 110,948	$ 95,189	$ 318,809	$ 252,713

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Cash provided by operating activities	$ 168,750	$ 121,711	$ 432,534	$ 389,710
Cash used in investing activities	(89,143)	(516,690)	(418,713)	(644,505)
Cash used in financing activities	127,687	(73,488)	(46,647)	(39,255)

	Three Months Ended March 31,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Cash provided by operating activities	$ 168,750	$ 121,711	$ 432,534	$ 389,710
Additions to property and equipment	(89,639)	(75,108)	(254,232)	(203,071)
Free Cash Flow	$ 79,111	$ 46,603	$ 178,302	$ 186,639

Reconciliation of Adjusted Gross Profit and Adjusted EBITDA by segment

(in thousands; unaudited)

	Three Months Ended September 30, 2016			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 182,489	$ 53,340	$ (145,679)	$ 90,150
Add back:				
Selling, general and administrative	37,583	19,405	98,194	155,182
Cost of revenue adjustments:				
Depreciation and amortization(2)	18,446	41,391	17,560	77,397
Amortization of upfront incentive consideration(3)	17,139	—	—	17,139
Stock-based compensation	—	—	5,113	5,113
Adjusted Gross Profit	255,657	114,136	(24,812)	344,981
Selling, general and administrative	(37,583)	(19,405)	(98,194)	(155,182)
Joint venture equity income	718	—	—	718
Selling, general and administrative adjustments:				
Depreciation and amortization(2)	1,073	341	30,419	31,833
Restructuring and other costs (5)	—	—	583	583
Acquisition-related costs(6)	—	—	90	90
Litigation costs(7)	—	—	7,034	7,034
Stock-based compensation	—	—	7,800	7,800
Adjusted EBITDA	$ 219,865	$ 95,072	$ (77,080)	$ 237,857

Reconciliation of Adjusted Gross Profit and Adjusted EBITDA by segment

(in thousands; unaudited)

	Three Months Ended September 30, 2015			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 205,386	$ 52,912	$ (149,526)	$ 108,772
Add back:				
Selling, general and administrative	34,258	14,287	117,779	166,324
Cost of revenue adjustments:				
Depreciation and amortization(2)	14,563	32,174	12,597	59,334
Amortization of upfront incentive consideration(3)	9,525	—	—	9,525
Stock-based compensation	—	—	2,853	2,853
Adjusted Gross Profit	263,732	99,373	(16,297)	346,808
Selling, general and administrative	(34,258)	(14,287)	(117,779)	(166,324)
Joint venture equity income	372	—	—	372
Joint venture intangible amortization(2a)	—	—	—	—
Selling, general and administrative adjustments:				
Depreciation and amortization(2)	1,384	189	27,330	28,903
Restructuring and other costs (5)			8,888	8,888
Acquisition-related costs(6)	—	—	9,350	9,350
Litigation costs(7)	—	—	9,318	9,318
Stock-based compensation	—	—	4,351	4,351
Adjusted EBITDA	$ 231,230	$ 85,275	$ (74,839)	$ 241,666

Reconciliation of Adjusted Gross Profit and Adjusted EBITDA by segment

(in thousands; unaudited)

	Nine Months Ended September 30, 2016			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 641,285	$ 155,875	$ (393,549)	$ 403,611
Add back:				
Selling, general and administrative	103,701	54,408	277,815	435,924
Cost of revenue adjustments:				
Depreciation and amortization(2)	54,199	113,198	41,879	209,276
Amortization of upfront incentive consideration(3)	43,372	—	—	43,372
Stock-based compensation	—	—	14,259	14,259
Adjusted Gross Profit	842,557	323,481	(59,596)	1,106,442
Selling, general and administrative	(103,701)	(54,408)	(277,815)	(435,924)
Joint venture equity income	2,244	—	—	2,244
Selling, general and administrative adjustments:				
Depreciation and amortization(2)	3,526	882	90,272	94,680
Restructuring and other costs (5)	—	—	1,823	1,823
Acquisition-related costs(6)	—	—	714	714
Litigation costs, net(7)	—	—	5,089	5,089
Stock-based compensation	—	—	21,753	21,753
Adjusted EBITDA	$ 744,626	$ 269,955	$ (217,760)	$ 796,821

Reconciliation of Adjusted Gross Profit and Adjusted EBITDA by segment

(in thousands; unaudited)

	Nine Months Ended September 30, 2015			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 576,328	$ 130,478	$ (356,437)	$ 350,369
Add back:				
Selling, general and administrative	82,742	47,302	281,998	412,042
Cost of revenue adjustments:				
Depreciation and amortization(2)	43,133	106,574	27,373	177,080
Amortization of upfront incentive consideration(3)	31,575	—	—	31,575
Stock-based compensation	—	—	9,288	9,288
Adjusted Gross Profit	733,778	284,354	(37,778)	980,354
Selling, general and administrative	(82,742)	(47,302)	(281,998)	(412,042)
Joint venture equity income	14,198	—	—	14,198
Joint venture intangible amortization(2a)	1,602	—	—	1,602
Selling, general and administrative adjustments:				
Depreciation and amortization(2)	2,438	696	74,640	77,774
Restructuring and other costs (5)	—	—	8,888	8,888
Acquisition-related costs(6)	—	—	13,214	13,214
Litigation costs(7)	—	—	14,797	14,797
Stock-based compensation	—	—	14,040	14,040
Adjusted EBITDA	$ 669,274	$ 237,748	$ (194,197)	$ 712,825

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Reconciliation of Adjusted Cost of Revenue, Adjusted SG&A, and Adjusted JV Equity Income

(in thousands; unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	**2015**	**2016**	**2015**
Cost of revenue [(1)] [(2)]	$ 593,650	$ 509,906	$ 1,704,232	$ 1,440,030
Depreciation and amortization[(2)]	(77,397)	(59,334)	(209,276)	(177,080)
Amortization of upfront incentive consideration[(3)]	(17,139)	(9,525)	(43,372)	(31,575)
Stock-based compensation	(5,113)	(2,853)	(14,259)	(9,288)
Adjusted Cost of Revenue	$ 494,001	$ 438,194	$ 1,437,325	$ 1,222,087

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	**2015**	**2016**	**2015**
SG&A	$ 155,182	$ 166,324	$ 435,924	$ 412,042
Depreciation and amortization[(2)]	(31,833)	(28,903)	(94,680)	(77,774)
Restructuring and other costs [(5)]	(583)	(8,888)	(1,823)	(8,888)
Acquisition-related costs[(6)]	(90)	(9,350)	(714)	(13,214)
Litigation reimbursements (costs), net[(7)]	(7,034)	(9,318)	(5,089)	(14,797)
Stock-based compensation	(7,800)	(4,351)	(21,753)	(14,040)
Adjusted SG&A	$ 107,842	$ 105,514	$ 311,865	$ 283,329

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	**2015**	**2016**	**2015**
Joint venture equity income	$ 718	$ 372	$ 2,244	$ 14,198
Joint venture intangible amortization[(2a)]	—	—	—	1,602
Adjusted Joint Venture Equity Income	$ 718	$ 372	$ 2,244	$ 15,800

Business outlook and financial guidance

With respect to the guidance provided, full-year Adjusted Net Income guidance consists of full-year net income attributable to common stockholders less the estimated impact of income from discontinued operations, net of tax, of approximately $10 million; net income attributable to noncontrolling interests of approximately $5 million; acquisition-related amortization of approximately $140 million; stock-based compensation expense of approximately $50 million; other items (primarily consisting of litigation and restructuring costs) of approximately $20 million; and the tax benefit of these adjustments of approximately $80 million. Full-year Adjusted EPS guidance consists of Adjusted Net Income divided by our projected weighted-average diluted common share count for the full year of approximately 283 million.

Full-year Adjusted EBITDA guidance consists of Adjusted Net Income guidance less the impact of depreciation and amortization of property and equipment, amortization of capitalized implementation costs and amortization of upfront incentive consideration of approximately $325 million; interest expense, net of approximately $160 million; and provision for income taxes less tax impact of net income adjustments of approximately $190 million.

Full-year Free Cash Flow guidance consists of full-year cash provided by operating activities of approaching $685 million less additions to property and equipment of approximately $325 million.

Non-GAAP financial measures

We have included both financial measures compiled in accordance with GAAP and certain non-GAAP financial measures, including Adjusted Gross Profit, Adjusted Operating Income, Adjusted Net Income, Adjusted EBITDA, Adjusted Cost of Revenue, Adjusted SG&A, Adjusted JV Equity Income, Adjusted Net Income from continuing operations per share (Adjusted EPS), Adjusted Capital Expenditures, Free Cash Flow and ratios based on these financial measures.

We define Adjusted Gross Profit as operating income (loss) adjusted for selling, general and administrative expenses, amortization of upfront incentive consideration, and the cost of revenue portion of depreciation and amortization and stock-based compensation.

We define Adjusted Operating Income as operating income adjusted for joint venture equity income, acquisition-related amortization, restructuring and other costs, acquisition-related costs, litigation (reimbursements) costs, net, and stock-based compensation.

We define Adjusted Net Income as net income attributable to common stockholders adjusted for income (loss) from discontinued operations, net of tax, net income attributable to noncontrolling interests, acquisition-related amortization, loss on extinguishment of debt, other, net, restructuring and other costs, acquisition-related costs, litigation costs (reimbursements), net, stock-based compensation and the tax impact of net income adjustments.

We define Adjusted EBITDA as Adjusted Net Income adjusted for depreciation and amortization of property and equipment, amortization of capitalized implementation costs, amortization of upfront incentive consideration, interest expense, net, and remaining provision (benefit) for income taxes.

We define Adjusted Cost of Revenue as cost of revenue adjusted for depreciation and amortization, amortization of upfront incentive considerations, and stock-based compensation.

We define Adjusted SG&A as SG&A adjusted for depreciation and amortization, restructuring and other costs, acquisition-related costs, litigation costs, and stock-based compensation.

We define Adjusted JV Equity Income as joint venture equity income adjusted for joint venture intangible amortization.

We define Adjusted EPS as Adjusted Net Income divided by the applicable share count.

We define Adjusted Capital Expenditures as additions to property and equipment and capitalized implementation costs.

We define Free Cash Flow as cash provided by operating activities less cash used in additions to property and equipment.

Non-GAAP financial measures

These non-GAAP financial measures are key metrics used by management and our board of directors to monitor our ongoing core operations because historical results have been significantly impacted by events that are unrelated to our core operations as a result of changes to our business and the regulatory environment. We believe that these non-GAAP financial measures are used by investors, analysts and other interested parties as measures of financial performance and to evaluate our ability to service debt obligations, fund capital expenditures and meet working capital requirements. Adjusted Capital Expenditures include cash flows used in investing activities, for property and equipment, and cash flows used in operating activities, for capitalized implementation costs. Our management uses this combined metric in making product investment decisions and determining development resource requirements. We also believe that Adjusted Gross Profit, Adjusted Operating Income, Adjusted Net Income, Adjusted EBITDA, Adjusted Cost of Revenue, Adjusted SG&A, Adjusted JV Equity Income, Adjusted EPS and Adjusted Capital Expenditures assist investors in company-to-company and period-to-period comparisons by excluding differences caused by variations in capital structures (affecting interest expense), tax positions and the impact of depreciation and amortization expense. In addition, amounts derived from Adjusted EBITDA are a primary component of certain covenants under our senior secured credit facilities.

Adjusted Gross Profit, Adjusted Operating Income, Adjusted Net Income, Adjusted EBITDA, Adjusted Cost of Revenue, Adjusted SG&A, Adjusted JV Equity Income, Adjusted EPS, Adjusted Capital Expenditures, Free Cash Flow, and ratios based on these financial measures are not recognized terms under GAAP. These non-GAAP financial measures and ratios based on them have important limitations as analytical tools, and should not be viewed in isolation and do not purport to be alternatives to net income as indicators of operating performance or cash flows from operating activities as measures of liquidity. These non-GAAP financial measures and ratios based on them exclude some, but not all, items that affect net income or cash flows from operating activities and these measures may vary among companies. Our use of these measures has limitations as an analytical tool, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Some of these limitations are:

these non-GAAP financial measures exclude certain recurring, non-cash charges such as stock-based compensation expense and amortization of acquired intangible assets;

although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted Gross Profit and Adjusted EBITDA do not reflect cash requirements for such replacements;

Adjusted Operating Income, Adjusted Net Income and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;

Adjusted EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our indebtedness;

Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to us;

Free Cash Flow removes the impact of accrual-basis accounting on asset accounts and non-debt liability accounts, and does not reflect the cash requirements necessary to service the principal payments on our indebtedness; and

Other companies, including companies in our industry, may calculate Adjusted Gross Profit, Adjusted Operating Income, Adjusted Net Income, Adjusted EBITDA, Adjusted Cost of Revenue, Adjusted SG&A, Adjusted JV Equity Income, Adjusted Capital Expenditures, Adjusted EPS or Free Cash Flow differently, which reduces their usefulness as comparative measures.

Non-GAAP footnotes

1) Net Income attributable to noncontrolling interests represents an adjustment to include earnings allocated to noncontrolling interests held in (i) Sabre Travel Network Middle East of 40%, (ii) Sabre Seyahat Dagitim Sistemleri A.S. of 40%, and (iii) Abacus International Lanka Pte Ltd of 40% beginning in July 2015.

2) Depreciation and amortization expenses:
    a) Acquisition-related amortization represents amortization of intangible assets from the take-private transaction in 2007 as well as intangibles associated with acquisitions since that date and amortization of the excess basis in our underlying equity in joint ventures.
    b) Depreciation and amortization of property and equipment includes software developed for internal use.
    c) Amortization of capitalized implementation costs represents amortization of upfront costs to implement new customer contracts under our SaaS and hosted revenue model.

3) Our Travel Network business at times provides upfront incentive consideration to travel agency subscribers at the inception or modification of a service contract, which are capitalized and amortized to cost of revenue over an average expected life of the service contract, generally over three to five years. Such consideration is made with the objective of increasing the number of clients or to ensure or improve customer loyalty. Such service contract terms are established such that the supplier and other fees generated over the life of the contract will exceed the cost of the incentive consideration provided upfront. Such service contracts with travel agency subscribers require that the customer commit to achieving certain economic objectives and generally have terms requiring repayment of the upfront incentive consideration if those objectives are not met.

4) In the first quarter of 2016, we recognized a gain of $6 million associated with the receipt of an earn-out payment related to the sale of a business in 2013. In the third quarter of 2015, we recognized a gain of $86 million associated with the remeasurement of our previously-held 35% investment in Abacus International Pte Ltd and a gain of $12 million related to the settlement of pre-existing agreements between us and AIPL. In the fourth quarter of 2014, we recognized a charge of $66 million as a result of an increase to our tax receivable agreement liability. In addition, other, net includes foreign exchange gains and losses related to the remeasurement of foreign currency denominated balances included in our consolidated balance sheets into the relevant functional currency.

5) Restructuring and other costs represent charges associated with business restructuring and associated changes implemented which resulted in severance benefits related to employee terminations, integration and facility opening or closing costs and other business reorganization costs.

6) Acquisition-related costs represent fees and expenses incurred associated with the acquisition of the Trust Group, Abacus and Airpas Aviation.

7) Litigation costs (reimbursements), net represent charges and legal fee reimbursements associated with antitrust litigation.

8) We paid an annual management fee, pursuant to a Management Services Agreement (“MSA”), to TPG Global, LLC (“TPG”) and Silver Lake Management Company (“Silver Lake”) in an amount between (i) $5 million and (ii) $7 million, the actual amount of which is calculated based upon 1% of Adjusted EBITDA, earned by the company in such fiscal year up to a maximum of $7 million. In addition, the MSA provided for reimbursement of certain costs incurred by TPG and Silver Lake, which are included in this line item. The MSA was terminated in April 2014 in connection with our initial public offering.

