Q3 2015 Earnings Report

Sabre Corporation
October 29, 2015

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 “guidance,” “expect,” “will,” “outlook,” “forecast,” “set-up,” “anticipate,” “grow,” “hope,” “opportunity,” “pipeline,” “plan,” “momentum,” “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, the financial and business effects of acquisitions, including integration of these acquisitions, adverse global and regional economic and political conditions, including, but not limited to, conditions in Venezuela and Russia, pricing pressure in the Travel Network business, the implementation and effects of new agreements, dependence on maintaining and renewing contracts with customers and other counterparties, dependence on relationships with travel buyers, changes affecting travel supplier customers, travel suppliers’ usage of alternative distribution models, risks arising from global operations 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” and “Cautionary Note Regarding Forward-Looking Statements” sections included in our Quarterly Reports on Form 10-Q and our Annual Report on Form 10-K. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, 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 Net Income, Adjusted EBITDA, Adjusted EPS, Adjusted Cost of Revenue, Adjusted Gross Profit and Margin, Adjusted SG&A, Adjusted JV Equity Income, Adjusted Capital Expenditures, Free Cash Flow, Adjusted Free Cash Flow and the ratios based on these financial measures. 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 the reconciliation of the non-GAAP financial measures to the comparable GAAP measures included below.

Today’s Presenters

Tom Klein
President & CEO

Rick Simonson
EVP & CFO

Innovation driven results

Retailing

Personalization

Data
& Analytics

over

$350M

Innovative new Airline Solutions sold*

since IPO

Fontainebleau Miami Beach
Oakwood Worldwide
Four Seasons Hotels and Resorts
Banyan Tree Hotels & Resorts
Wyndham Hotel Group

2015

Key Wins

Hospitality Solutions

New capabilities to market

American Airlines
Alitalia
Copa Airlines
air seychelles
airberlin
AirSERBIA
TAM

190M+

Annual Passengers

American Airlines
Largest SabreSonic Customer

110M

Passengers Boarded

2016 – 2017
implementation pipeline

Sabre

*Total contract value

Largest and fastest growing global travel market

Completed acquisition of Abacus on July 1st,
the leading GDS in the fast growing Asia-Pacific region

1

Align investments with high-growth opportunities

2

Strengthen position with global TMCs

3

Grow with continued growth of the region

Q3 2015 Highlights

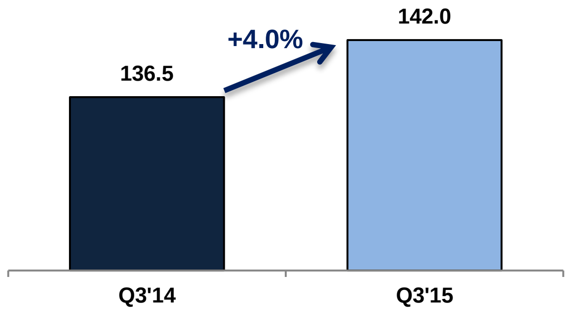
	($ MM)	% Change
Total Revenue	$785	+16.7%
Total Adjusted EBITDA	$242	+12.1%
Adjusted EPS	$0.29	+26.1%
Airline & Hospitality Solutions Revenue	$219	+4.9%
Airline & Hospitality Solutions Adjusted EBITDA	$85	+4.4%
Travel Network Revenue	$569	+22.1%
Travel Network Adjusted EBITDA	$231	+19.3%

Highlights

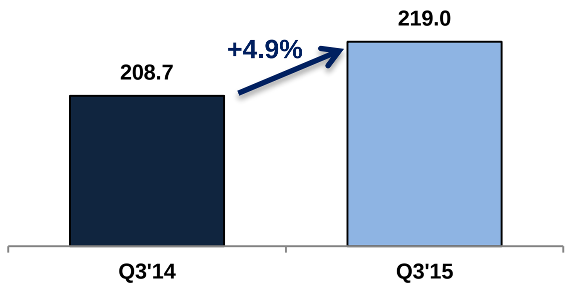
- 5% Solutions revenue growth
  - *Expect reacceleration in 2016 as we recognize full run-rate benefits of American Airlines and other implementations*
- Solid Travel Network growth
  - *Aided by July 1st close of Abacus acquisition*
  - *Growth in all regions except Latin America*
- Strong progress across multiple fronts. Well-positioned for strong full-year results and solid momentum into 2016

Airline and Hospitality Solutions

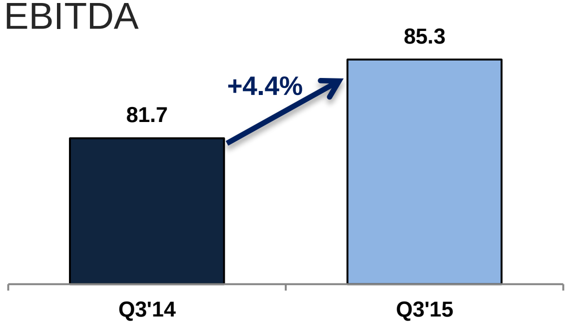
Passengers Boarded
(millions)



Revenue
(millions)



Adjusted EBITDA
(millions)

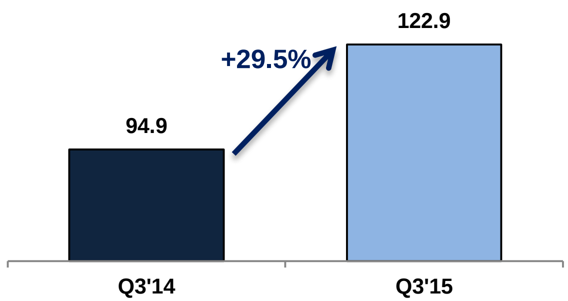


Highlights

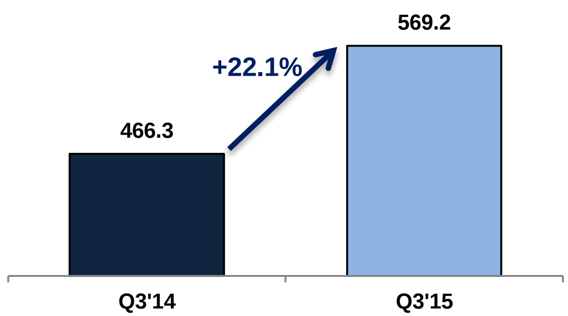
- 4% growth in passengers boarded
- Successful American Airlines technology integration on October 17th
- Strong Hospitality Solutions growth continues
- Adjusted EBITDA margin of 38.9%

Travel Network

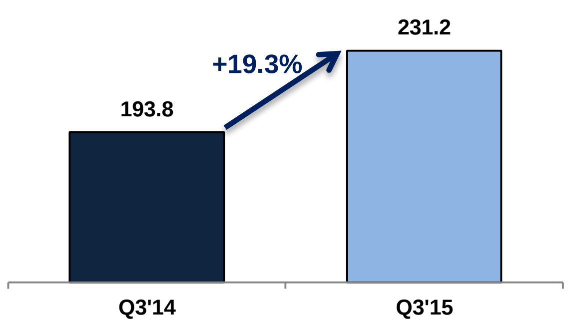
Bookings
(millions)



Revenue
(millions)



Adjusted EBITDA
(millions)



Highlights

- Completed the Abacus acquisition on July 1st
- Total bookings increased 29.5%, Q3 global share up 1.1 pts to 37.1%
- Bookings increased 6.5% excluding Abacus
  - North American bookings increased 6%
  - EMEA bookings increased over 15%
  - Latin America bookings declined 4%
- Solid growth in APAC despite pockets of China-driven softness

Income Statement

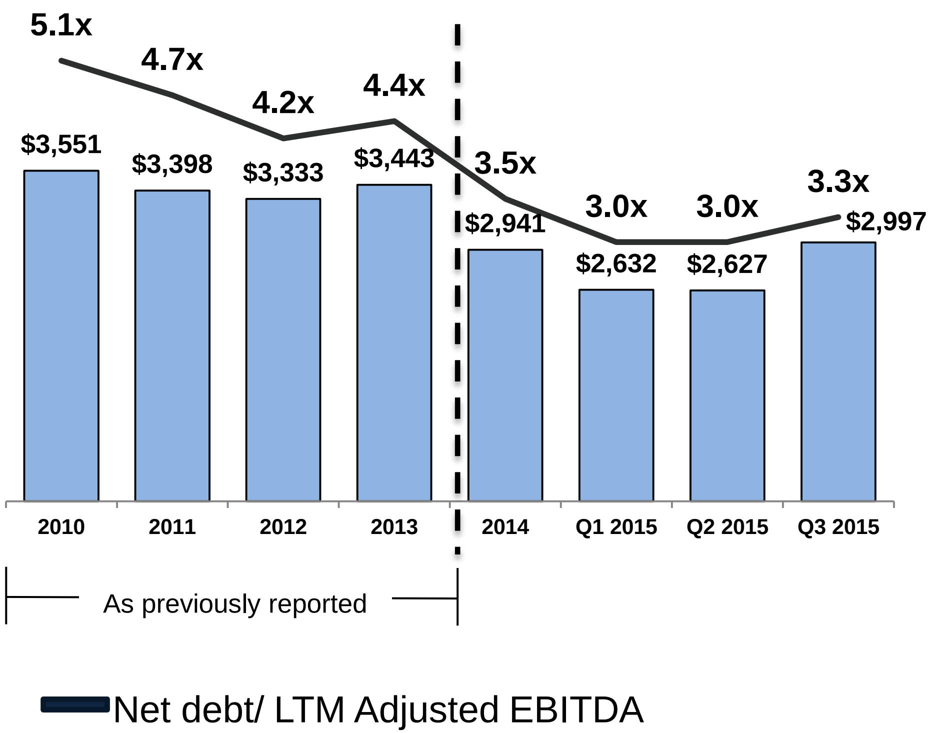
Adjusted Results

In $ millions, except EPS

	Q3'15	B/(W) vs. PY	
		$	%
Revenue	**$785**	**$113**	**17%**
Cost of revenue	($438)	($59)	(15%)
Gross profit	**$347**	**$54**	**18%**
SG&A	($106)	($25)	(30%)
JV equity income	$0	($3)	(90%)
EBITDA	**$242**	**$26**	**12%**
Net income	**$81**	**$18**	**29%**
Earnings per share	**$0.29**	**$0.06**	**26%**

Net Debt and Leverage

In $ millions



Highlights

- Q3 Free Cash Flow of $47MM
- YTD Free Cash Flow of $187MM

- Q3 Adjusted CapEx of $95MM
- YTD Adjusted CapEx of $253MM

- Q3 leverage ratio of 3.3x

Sabre

Reiterating and Narrowing FY15 Guidance

In $ millions, except EPS

	Sabre
Revenue	$2,955 - $2,975
Adjusted EBITDA	$935 - $943
Adjusted Net Income	$293 - $303
Adjusted EPS	$1.06 - $1.10
Free Cash Flow	Adj FCF $290+ FCF $240+
GAAP Capital Expenditures	~$260
Capitalized Implementation Costs	~$75

The information presented here represents forward-looking statements and reflects expectations as of October 29, 2015. Sabre assumes 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 Form 10-K filed on March 3, 2015 and Form 10-Q filed on October 29, 2015.

Summary

Solid third quarter results

Accomplished key competitive, financial, innovative and strategic milestones throughout first three quarters

Committed to solid finish to the year and to driving continued acceleration into 2016

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,	
	2015	2014	2015	2014
Net income attributable to common stockholders	$ 176,340	$ 36,563	$ 416,041	$ 11,442
(Income) loss from discontinued operations, net of tax	(53,892)	3,946	(213,499)	44,652
Net income attributable to noncontrolling interests(1)	676	720	2,501	2,168
Preferred stock dividends	—	—	—	11,381
Income from continuing operations	123,124	41,229	205,043	69,643
Adjustments:				
Acquisition-related amortization(2a)	31,384	21,899	76,270	76,741
Loss on extinguishment of debt	—	—	33,235	33,538
Other, net (4)	(92,568)	(1,124)	(88,320)	839
Restructuring and other costs (5)	8,888	5,150	8,888	8,834
Acquisition-related costs(6)	9,350	—	13,214	—
Litigation costs(7)	9,318	4,252	14,797	11,370
Stock-based compensation	7,204	5,365	23,328	13,849
Management fees(8)	—	193	—	23,701
Tax impact of net income adjustments	(15,806)	(14,035)	(54,573)	(65,959)
Adjusted Net Income from continuing operations	$ 80,894	$ 62,929	$ 231,882	$ 172,556
Adjusted Net Income from continuing operations per share	$ 0.29	$ 0.23	$ 0.83	$ 0.73
Diluted weighted-average common shares outstanding	281,395	273,330	278,848	237,994
Adjusted Net Income from continuing operations	$ 80,894	$ 62,929	$ 231,882	$ 172,556
Adjustments:				
Depreciation and amortization of property and equipment(2b)	49,247	38,498	157,154	119,608
Amortization of capitalized implementation costs(2c)	7,606	9,083	23,032	27,070
Amortization of upfront incentive consideration(3)	9,525	10,388	31,575	33,177
Interest expense, net	40,581	50,153	129,643	167,332
Remaining provision for income taxes	53,813	44,491	139,539	121,610
Adjusted EBITDA	$ 241,666	$ 215,542	$ 712,825	$ 641,353

Reconciliation of Adjusted Capitalized Expenditures and Adjusted Free Cash Flow:

(in thousands; unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	**2014**	**2015**	**2014**
Additions to property and equipment	$ 75,108	$ 47,742	$ 203,071	$ 154,212
Capitalized implementation costs	20,081	9,494	49,642	27,091
Adjusted Capital Expenditures	$ 95,189	$ 57,236	$ 252,713	$ 181,303

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	**2014**	**2015**	**2014**
Cash provided by operating activities	121,711	81,088	$ 389,710	$ 285,544
Cash used in investing activities	(516,690)	(79,542)	(644,505)	(185,777)
Cash used in financing activities	(73,488)	(55,705)	(39,255)	(59,284)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	**2014**	**2015**	**2014**
Cash provided by operating activities	$ 121,711	$ 81,088	$ 389,710	$ 285,544
Additions to property and equipment	(75,108)	(47,742)	(203,071)	(154,212)
Free Cash Flow	46,603	33,346	186,639	131,332
Adjustments:				
Restructuring and other costs(5) (9)	638	6,030	918	16,625
Acquisition-related costs(6)(9)	9,350	—	13,214	—
Litigation settlement(7) (10)	7,192	57,535	23,292	69,183
Other litigation costs(7) (9)	3,418	4,252	8,897	11,370
Management fees(8) (9)	—	—	—	23,508
Adjusted Free Cash Flow	$ 67,201	$ 101,163	$ 232,960	$ 252,018

Reconciliation of Adjusted Gross Margin 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 Margin	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 Margin and Adjusted EBITDA by Segment:

(in thousands; unaudited)

	Three Months Ended September 30, 2014			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 164,979	$ 55,640	$ (102,772)	$ 117,847
Add back:				
Selling, general and administrative	26,583	13,236	73,762	113,581
Cost of revenue adjustments:				
Depreciation and amortization(2)	14,264	25,871	6,013	46,148
Amortization of upfront incentive consideration(3)	10,388	—	—	10,388
Restructuring and other costs (5)	—	—	2,694	2,694
Stock-based compensation	—	—	2,165	2,165
Adjusted Gross Margin	216,214	94,747	(18,138)	292,823
Selling, general and administrative	(26,583)	(13,236)	(73,762)	(113,581)
Joint venture equity income	2,867	—	—	2,867
Joint venture intangible amortization(2a)	801	—	—	801
Selling, general and administrative adjustments:				
Depreciation and amortization(2)	524	160	21,847	22,531
Restructuring and other costs (5)	—	—	2,456	2,456
Litigation costs(7)	—	—	4,252	4,252
Stock-based compensation	—	—	3,200	3,200
Management fees(8)	—	—	193	193
Adjusted EBITDA	$ 193,823	$ 81,671	$ (59,952)	$ 215,542

Reconciliation of Adjusted Gross Margin 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 Margin	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

Sabre.

Reconciliation of Adjusted Gross Margin and Adjusted EBITDA by Segment:

(in thousands; unaudited)

	Nine Months Ended September 30, 2014			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 515,093	$ 117,957	$ (315,414)	$ 317,636
Add back:				
Selling, general and administrative	76,810	38,555	236,605	351,970
Cost of revenue adjustments:				
Depreciation and amortization(2)	44,943	79,034	29,095	153,072
Amortization of upfront incentive consideration(3)	33,177	—	—	33,177
Restructuring and other costs (5)	—	—	5,273	5,273
Stock-based compensation	—	—	5,523	5,523
Adjusted Gross Margin	670,023	235,546	(38,918)	866,651
Selling, general and administrative	(76,810)	(38,555)	(236,605)	(351,970)
Joint venture equity income	9,367	—	—	9,367
Joint venture intangible amortization(2a)	2,403	—	—	2,403
Selling, general and administrative adjustments:				
Depreciation and amortization(2)	1,654	695	65,595	67,944
Restructuring and other costs (5)	—	—	3,561	3,561
Litigation costs(7)	—	—	11,370	11,370
Stock-based compensation	—	—	8,326	8,326
Management fees(8)	—	—	23,701	23,701
Adjusted EBITDA	$ 606,637	$ 197,686	$ (162,970)	$ 641,353

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,	
	2015	2014	2015	2014
Cost of revenue (1) (2)	$ 509,906	$ 441,052	$ 1,440,030	$ 1,315,669
Depreciation and amortization(2)	(59,334)	(46,148)	(177,080)	(153,072)
Amortization of upfront incentive consideration(3)	(9,525)	(10,388)	(31,575)	(33,177)
Restructuring and other costs (5)	—	(2,694)	—	(5,273)
Stock-based compensation	(2,853)	(2,165)	(9,288)	(5,523)
Adjusted Cost of Revenue	$ 438,194	$ 379,657	$ 1,222,087	$ 1,118,624

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
SG&A	$ 166,324	$ 113,581	$ 412,042	$ 351,970
Depreciation and amortization(2)	(28,903)	(22,531)	(77,774)	(67,944)
Restructuring and other costs (5)	(8,888)	(2,456)	(8,888)	(3,561)
Acquisition-related costs(6)	(9,350)	—	(13,214)	—
Litigation costs(7)	(9,318)	(4,252)	(14,797)	(11,370)
Stock-based compensation	(4,351)	(3,200)	(14,040)	(8,326)
Management fees(8)	—	(193)	—	(23,701)
Adjusted SG&A	$ 105,514	$ 80,949	$ 283,329	$ 237,068

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Joint venture equity income	$ 372	$ 2,867	$ 14,198	$ 9,367
Joint venture intangible amortization(2a)	—	801	1,602	2,403
Adjusted Joint Venture Equity Income	$ 372	$ 3,668	$ 15,800	$ 11,770

Non-GAAP Financial Measures

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

We define Adjusted Gross Margin as operating income adjusted for selling, general and administrative expenses, amortization of upfront incentive consideration, and the cost of revenue portion of depreciation and amortization, restructuring and other costs, and stock-based compensation.

We define Adjusted Cost of Revenue as cost of revenue adjusted for impairments, restructuring and other costs, litigation and taxes, including penalties, stock-based compensation, amortization of upfront incentive consideration and depreciation and amortization.

We define Adjusted SG&A as SG&A adjusted for impairments, restructuring and other costs, litigation and taxes, including penalties, stock-based compensation, management fees and depreciation and amortization.

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

Adjustments to cost of revenue, SG&A, and JV Equity Income are shown in the 'Reconciliation of Adjusted Gross Margin and Adjusted EBITDA by Segment' Reconciliation table

We define Adjusted Net Income as income from continuing operations adjusted for acquisition-related amortization, loss on extinguishment of debt, other, net, restructuring and other costs, acquisition-related costs, litigation costs, stock-based compensation, management fees 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 for income taxes.

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 during the periods presented.

We define Free Cash Flow as cash provided by operating activities less cash used in additions to property and equipment. We define Adjusted Free Cash Flow as Free Cash Flow plus the cash flow effect of restructuring and other costs, acquisition-related costs, litigation settlement, other litigation costs and management fees.

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 includes 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 calculate these non-GAAP financial measures 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.

These non-GAAP financial measures and ratios based on the 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 Margin and Adjusted EBITDA do not reflect cash requirements for such replacements;
- 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 and Adjusted Free Cash Flow do not reflect the cash requirements necessary to service the principal payments on our indebtedness;
- Free Cash Flow and Adjusted Free Cash Flow do not reflect payments related to restructuring, litigation, acquisition-related and management fees;
- Free Cash Flow and Adjusted Free Cash Flow remove the impact of accrual-basis accounting on asset accounts and non-debt liability accounts; and
- other companies, including companies in our industry, may calculate these non-GAAP financial measures 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 Sabre Travel Network Middle East of 40% for all periods presented and in Sabre Seyahat Dagitim Sistemleri A.S. of 40% beginning in April 2014 for the three and nine months ended September 30, 2015 and 2014.

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) The three and nine month periods ending September 30, 2015 include a gain of $86 million associated with the remeasurement of our previously-held 35% investment in Abacus International Pte Ltd ("AIPL") to its fair value and a gain of $12 million related to the settlement of pre-existing agreements between us and AIPL. All periods presented include 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 represents 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 Abacus.

7) Litigation costs represent charges 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, as defined in the MSA, earned by the company in such fiscal year up to a maximum of $7 million. In addition, we paid a $21 million fee, in the aggregate, to TPG and Silver Lake at the closing of our initial public offering in April of 2014. The MSA was terminated thereafter.

9) The adjustments to reconcile cash provided by operating activities to Adjusted Free Cash Flow reflect the amounts expensed in our statements of operations in the respective periods adjusted for cash and non-cash portions in instances where material.

10) Includes payment credits used by American Airlines to pay for purchases of our technology services. The payment credits were provided by us as part of our litigation settlement with American Airlines.

Q3 2015 Earnings Report

Sabre Corporation
October 29, 2015