

SABRE CORP

FORM 10-Q (Quarterly Report)

Filed 08/02/16 for the Period Ending 06/30/16

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Telephone	682 605 1000
CIK	0001597033
Symbol	SABR
SIC Code	7370 - Computer Programming, Data Processing, And
Industry	Software & Programming
Sector	Technology
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2016

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-36422

Sabre Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

20-8647322

(I.R.S. Employer
Identification No.)

**3150 Sabre Drive
Southlake, TX 76092**

(Address, including zip code, of principal executive offices)

(682) 605-1000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 27, 2016, 278,069,943 shares of the registrant's common stock, par value \$0.01 per share, were outstanding.

SABRE CORPORATION
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue	\$ 845,242	\$ 707,091	\$ 1,704,785	\$ 1,417,439
Cost of revenue ^{(1) (2)}	556,317	461,126	1,110,582	930,124
Selling, general and administrative ⁽²⁾	146,886	123,360	280,742	245,718
Operating income	142,039	122,605	313,461	241,597
Other income (expense):				
Interest expense, net	(37,210)	(42,609)	(78,412)	(89,062)
Loss on extinguishment of debt	—	(33,235)	—	(33,235)
Joint venture equity income	763	5,307	1,526	13,826
Other, net	876	197	4,236	(4,248)
Total other expense, net	(35,571)	(70,340)	(72,650)	(112,719)
Income from continuing operations before income taxes	106,468	52,265	240,811	128,878
Provision for income taxes	31,273	19,676	72,697	46,959
Income from continuing operations	75,195	32,589	168,114	81,919
(Loss) income from discontinued operations, net of tax	(2,098)	696	11,252	159,607
Net income	73,097	33,285	179,366	241,526
Net income attributable to noncontrolling interests	1,078	1,078	2,180	1,825
Net income attributable to common stockholders	\$ 72,019	\$ 32,207	\$ 177,186	\$ 239,701
Basic net income per share attributable to common stockholders:				
Income from continuing operations	\$ 0.27	\$ 0.12	\$ 0.60	\$ 0.30
(Loss) income from discontinued operations	(0.01)	—	0.04	0.59
Net income per common share	\$ 0.26	\$ 0.12	\$ 0.64	\$ 0.89
Diluted net income per share attributable to common stockholders:				
Income from continuing operations	\$ 0.26	\$ 0.11	\$ 0.59	\$ 0.29
(Loss) income from discontinued operations	(0.01)	—	0.04	0.57
Net income per common share	\$ 0.25	\$ 0.12	\$ 0.63	\$ 0.86
Weighted-average common shares outstanding:				
Basic	277,392	271,948	276,480	270,574
Diluted	283,001	279,101	282,648	278,082
Dividends per common share	\$ 0.13	\$ 0.09	\$ 0.26	\$ 0.18
(1) Includes amortization of upfront incentive consideration	\$ 13,896	\$ 10,878	\$ 26,233	\$ 22,050
(2) Includes stock-based compensation as follows:				
Cost of revenue	\$ 5,072	\$ 2,902	\$ 9,146	\$ 6,435
Selling, general and administrative	7,738	4,428	13,953	9,689

See Notes to Consolidated Financial Statements .

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net income	\$ 73,097	\$ 33,285	\$ 179,366	\$ 241,526
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments, net of tax				
Foreign CTA gains (losses), net of tax	1,909	(4,590)	1,539	(1,581)
Reclassification adjustment for realized gain on foreign CTA, net of tax	—	—	(198)	—
Net change in foreign CTA gains (losses), net of tax	1,909	(4,590)	1,341	(1,581)
Retirement-related benefit plans:				
Amortization of prior service credits, net of taxes of \$130, \$129, \$259 and \$258	(228)	(230)	(457)	(459)
Amortization of actuarial losses, net of taxes of \$(516), \$(649), \$(1,031) and \$(1,272)	909	1,149	1,819	2,251
Total retirement-related benefit plans	681	919	1,362	1,792
Derivatives and available-for-sale securities:				
Unrealized gains (losses), net of taxes of \$1,062, \$(463), \$2,321 and \$3,575	777	882	285	(7,794)
Reclassification adjustment for realized losses, net of taxes of \$(55), \$(1,153), \$(340) and \$(2,177)	93	3,462	1,012	6,932
Net change in unrealized gains (losses) on derivatives and available-for-sale securities, net of tax	870	4,344	1,297	(862)
Share of other comprehensive (loss) income of joint venture	—	(43)	—	922
Other comprehensive income	3,460	630	4,000	271
Comprehensive income	76,557	33,915	183,366	241,797
Less: Comprehensive income attributable to noncontrolling interests	(1,078)	(1,078)	(2,180)	(1,825)
Comprehensive income attributable to Sabre Corporation	\$ 75,479	\$ 32,837	\$ 181,186	\$ 239,972

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)
(Unaudited)

	June 30, 2016	December 31, 2015
Assets		
Current assets		
Cash and cash equivalents	\$ 68,312	\$ 321,132
Accounts receivable, net	466,691	375,789
Prepaid expenses and other current assets	94,253	81,167
Total current assets	629,256	778,088
Property and equipment, net of accumulated depreciation of \$851,364 and \$850,587	689,712	627,529
Investments in joint ventures	25,203	24,348
Goodwill	2,543,515	2,440,431
Acquired customer relationships, net of accumulated amortization of \$605,912 and \$561,876	438,353	416,887
Other intangible assets, net of accumulated amortization of \$504,068 and \$480,037	421,836	419,666
Deferred income taxes	90,443	44,464
Other assets, net	709,104	642,214
Total assets	\$ 5,547,422	\$ 5,393,627
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 141,115	\$ 138,421
Accrued compensation and related benefits	74,040	99,382
Accrued subscriber incentives	219,451	185,270
Deferred revenues	193,367	165,124
Other accrued liabilities	200,569	221,976
Current portion of debt	174,048	190,315
Tax Receivable Agreement	111,678	—
Total current liabilities	1,114,268	1,000,488
Deferred income taxes	107,680	83,562
Other noncurrent liabilities	530,869	656,093
Long-term debt	3,081,919	3,169,344
Commitments and contingencies (Note 10)		
Stockholders' equity		
Common Stock: \$0.01 par value; 450,000,000 authorized shares; 282,305,528 and 279,082,473 shares issued, 277,798,062 and 274,955,830 shares outstanding at June 30, 2016 and December 31, 2015, respectively	2,823	2,790
Additional paid-in capital	2,057,341	2,016,325
Treasury Stock, at cost, 4,507,466 and 4,126,643 shares at June 30, 2016 and December 31, 2015, respectively	(121,130)	(110,548)
Retained deficit	(1,136,831)	(1,328,730)
Accumulated other comprehensive loss	(93,135)	(97,135)
Noncontrolling interest	3,618	1,438
Total stockholders' equity	712,686	484,140
Total liabilities and stockholders' equity	\$ 5,547,422	\$ 5,393,627

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2016	2015
Operating Activities		
Net income	\$ 179,366	\$ 241,526
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	194,726	166,617
Amortization of upfront incentive consideration	26,233	22,050
Litigation-related credits	(25,527)	(32,557)
Stock-based compensation expense	23,099	16,124
Allowance for doubtful accounts	6,131	5,329
Deferred income taxes	59,315	36,757
Joint venture equity income	(1,526)	(13,826)
Dividends received from joint venture investments	—	28,700
Amortization of debt issuance costs	3,892	3,181
Loss on extinguishment of debt	—	33,235
Other	3,030	7,505
Income from discontinued operations	(11,252)	(159,607)
Changes in operating assets and liabilities:		
Accounts and other receivables	(83,551)	(47,647)
Prepaid expenses and other current assets	(15,354)	(631)
Capitalized implementation costs	(43,268)	(29,561)
Upfront incentive consideration	(47,228)	(22,994)
Other assets	(13,639)	(43,618)
Accrued compensation and related benefits	(25,663)	(22,802)
Accounts payable and other accrued liabilities	12,963	62,039
Deferred revenue including upfront solution fees	22,037	18,179
Cash provided by operating activities	263,784	267,999
Investing Activities		
Additions to property and equipment	(164,593)	(127,963)
Acquisition, net of cash acquired	(164,977)	—
Other investing activities	—	148
Cash used in investing activities	(329,570)	(127,815)
Financing Activities		
Proceeds of borrowings from lenders	378,000	600,000
Payments on borrowings from lenders	(485,796)	(491,215)
Debt prepayment fees and issuance costs	—	(40,215)
Net proceeds on the settlement of equity-based awards	4,808	18,239
Cash dividends paid to common stockholders	(72,060)	(48,919)
Other financing activities	714	(3,657)
Cash (used in) provided by financing activities	(174,334)	34,233
Cash Flows from Discontinued Operations		
Cash used in operating activities	(12,407)	(26,036)
Cash provided by investing activities	—	278,834
Cash (used in) provided by in discontinued operations	(12,407)	252,798
Effect of exchange rate changes on cash and cash equivalents	(293)	(4,861)
(Decrease) increase in cash and cash equivalents	(252,820)	422,354
Cash and cash equivalents at beginning of period	321,132	155,679
Cash and cash equivalents at end of period	\$ 68,312	\$ 578,033

See Notes to Consolidated Financial Statements.

SABRE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. General Information

Sabre Corporation is a Delaware corporation formed in December 2006. On March 30, 2007, Sabre Corporation acquired Sabre Holdings Corporation ("Sabre Holdings"). Sabre Holdings is the sole subsidiary of Sabre Corporation. Sabre GLOB Inc. ("Sabre GLOB") is the principal operating subsidiary and sole direct subsidiary of Sabre Holdings. Sabre GLOB or its direct or indirect subsidiaries conduct all of our businesses. In these consolidated financial statements, references to "Sabre," the "Company," "we," "our," "ours," and "us" refer to Sabre Corporation and its consolidated subsidiaries unless otherwise stated or the context otherwise requires.

We are a leading technology solutions provider to the global travel and tourism industry. We operate through two business segments: (i) Travel Network, our global travel marketplace for travel suppliers and travel buyers, and (ii) Airline and Hospitality Solutions, an extensive suite of travel industry leading software solutions primarily for airlines and hotel properties.

Basis of Presentation— The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, these financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the financial position, results of operations and cash flows for the periods indicated. Operating results for the three and six months ended June 30, 2016 are not necessarily indicative of results that may be expected for any other interim period or for the year ended December 31, 2016. The accompanying interim financial statements should be read in conjunction with the consolidated financial statements and related notes thereto included in our Annual Report on Form 10-K filed with the SEC on February 19, 2016.

We consolidate all majority-owned subsidiaries and companies over which we exercise control through majority voting rights. No entities are consolidated due to control through operating agreements, financing agreements, or as the primary beneficiary of a variable interest entity.

The consolidated financial statements include our accounts after elimination of all significant intercompany balances and transactions. All dollar amounts in the financial statements and the tables in the notes, except per share amounts, are stated in thousands of U.S. dollars unless otherwise indicated. All amounts in the notes reference results from continuing operations unless otherwise indicated.

Use of Estimates—The preparation of these interim financial statements in conformity with GAAP requires that certain amounts be recorded based on estimates and assumptions made by management. Actual results could differ from these estimates and assumptions. Our accounting policies, which consist of significant estimates and assumptions, include, among other things, the estimation of the collectability of accounts receivable, estimation of future cancellations of bookings processed through the Sabre global distribution system ("GDS"), revenue recognition for software arrangements, determination of the fair value of assets and liabilities acquired in a business combination, determination of the fair value of derivatives, the evaluation of the recoverability of the carrying value of intangible assets and goodwill, assumptions utilized in the determination of pension and other postretirement benefit liabilities, estimation of loss contingencies, and estimation of uncertainties surrounding the calculation of our tax assets and liabilities. Our use of estimates and the related accounting policies are discussed in the consolidated financial statements and related notes thereto included in our Annual Report on Form 10-K filed with the SEC on February 19, 2016.

Stockholders' Equity— During the six months ended June 30, 2016, we issued 3,223,055 shares of our common stock as a result of the exercise and settlement of employee equity-based awards. In addition, we received \$15 million in proceeds from the exercise of employee stock-option awards and paid \$11 million of income tax withholdings associated with the settlement of employee restricted-stock awards. We paid a quarterly cash dividend on our common stock of \$0.13 per share, totaling \$72 million, and \$0.09 per share, totaling \$49 million, during the six months ended June 30, 2016 and 2015, respectively. In July 2016, we declared a cash dividend of \$0.13 per share, payable on September 30, 2016, to stockholders of record on September 21, 2016.

During the six months ended June 30, 2016, certain of our stockholders sold an aggregate of 20,000,000 shares of our common stock through a secondary public offering. We did not offer any shares or receive any proceeds from this secondary public offering.

Adoption of New Accounting Standard—In the first quarter of 2016, we adopted Accounting Standards Update ("ASU") 2016-09, Improvements to Employee Share-Based Payment Accounting. This guidance was issued by the Financial Accounting Standards Board ("FASB") under their initiative to reduce complexity in financial reporting. The amendments of the updated standard include, among other things, the requirement to recognize excess tax benefits (or deficiencies) through earnings, the election of a policy to either estimate forfeitures when determining periodic expense or recognize actual forfeitures when they occur, and an increase in the allowable income tax withholding from the minimum to the maximum statutory rate.

In recent years, we have incurred significant excess tax benefits associated with settled equity-based awards that have not been recognized due to certain accounting policy elections we made under the previous accounting standard, combined with the significant amount of our net operating loss carryforwards. As a result of the adoption of ASU 2016-09, we recorded a cumulative-effect adjustment as of January 1, 2016 to increase retained earnings by \$89 million with a corresponding increase to deferred tax assets in order to recognize excess tax benefits that can be used to reduce income taxes payable in the future. Effective January 1, 2016, excess tax benefits or deficiencies are recognized in our results of operations and are included in cash flows from operating activities in our statement of cash flows.

In accordance with the updated standard, we elected to recognize actual forfeitures of equity-based awards as they occur. As we previously estimated forfeitures to determine stock-based compensation expense, this change resulted in a cumulative-effect adjustment as of January 1, 2016 to reduce retained earnings by \$2 million, net of tax.

There were no other material impacts to our consolidated financial statements as a result of adopting this updated standard.

Reclassifications—We reclassified all of our \$30 million litigation settlement liability as of December 31, 2015 to other accrued liabilities in our consolidated balance sheet to conform to our current period presentation. As of June 30, 2016, our litigation settlement liability included in other accrued liabilities totaled \$6 million.

2. Acquisitions

Airpas Aviation

In April 2016, we completed the acquisition of Airpas Aviation, a software provider and consultancy company which offers route profitability and cost management software solutions. We acquired all of the outstanding stock and ownership interest of Airpas Aviation for net cash consideration of \$9 million, excluding the effect of net working capital adjustments. Assets acquired and liabilities assumed were recorded at their estimated fair values as of the acquisition date. The preliminary allocation of purchase price includes \$10 million of assets acquired, primarily consisting of \$8 million of goodwill, not deductible for tax purposes, and intangibles assets, and \$1 million of liabilities assumed. The intangible assets consist mainly of \$1 million of purchased technology with a useful life of 3 years. The preliminary purchase price allocation is subject to change, which is expected to be finalized in the fourth quarter of 2016. Airpas Aviation is integrated and managed as part of our Airline and Hospitality Solutions segment. The acquisition of Airpas Aviation did not have a material impact to our consolidated financial statements, and therefore pro forma information is not presented.

Trust Group

In January 2016, we completed the acquisition of the Trust Group, a central reservations, revenue management and hotel marketing provider, expanding our presence in Europe, the Middle East, and Africa ("EMEA") and Asia Pacific ("APAC"). The net cash consideration for Trust Group was \$156 million, which includes the effect of net working capital adjustments. The acquisition was funded using proceeds from our 5.25% senior secured notes due in 2023 and cash on hand. The Trust Group is integrated and managed as part of our Airline and Hospitality Solutions segment.

Preliminary Purchase Price Allocation

The purchase price allocation presented below is preliminary and based on available information as of the filing date of this Quarterly Report on Form 10-Q. Accordingly, the purchase price allocation is subject to change when finalized. We expect to finalize the purchase price allocation during 2016. A summary of the acquisition price and estimated fair values of assets acquired and liabilities assumed as of the date of acquisition is as follows (in thousands):

Cash and cash equivalents	\$	4,209
Accounts receivable		10,564
Other current assets		793
Goodwill		89,725
Intangible assets:		
Customer relationships		65,502
Purchased technology		21,834
Trademarks and brand names		4,367
Property and equipment, net		1,556
Current liabilities		(11,071)
Noncurrent deferred income taxes		(27,104)
Total acquisition price	\$	<u>160,375</u>

The goodwill recognized reflects expected synergies from combined operations and also the acquired assembled workforce of the Trust Group in EMEA and APAC. The goodwill recognized is assigned to our Airline and Hospitality Solutions segment and is not deductible for tax purposes. The useful lives of the intangible assets acquired are 15 years for customer relationships, 5 years for purchased technology and 5 years for trademarks and brand names.

The acquisition of the Trust Group did not have a material impact to our consolidated financial statements, and therefore pro forma information is not presented.

Abacus

On July 1, 2015, we completed the acquisition of the remaining 65% interest in Abacus International Pte Ltd, a Singapore-based business-to-business travel e-commerce provider that serves the Asia-Pacific region, which is now named Sabre Asia Pacific Pte Ltd ("SAPPL"). Prior to the acquisition, SAPPL was 65% owned by a consortium of 11 airlines and the remaining 35% was owned by us. Separately, SAPPL has signed new long-term agreements with the consortium of 11 airlines to continue to utilize the Abacus GDS. In the third and fourth quarters of 2015, SAPPL completed the acquisition of the remaining interest in three national marketing companies, Abacus Distribution Systems (Hong Kong), Abacus Travel Systems (Singapore) and Abacus Distribution Systems Sdn Bhd (Malaysia) (the "NMCs" and, together with SAPPL, "Abacus"). SAPPL previously owned noncontrolling interests in the NMCs. The net cash consideration for Abacus was \$443 million, which includes the effect of net working capital adjustments. The acquisition was funded with a combination of cash on hand and a \$70 million draw on our revolving credit facility.

Purchase Price Allocation

The summary of the acquisition price and estimated fair values of assets acquired and liabilities assumed as of the date of acquisition is as follows (in thousands):

Cash and cash equivalents	\$ 65,641
Accounts receivable	49,099
Other current assets	12,522
Goodwill	292,267
Intangible assets:	
Customer relationships	319,000
Reacquired rights ⁽¹⁾	113,500
Purchased technology	14,000
Supplier agreements	13,000
Trademarks and brand names	4,000
Property and equipment, net	6,402
Other assets	66,423
Current liabilities	(123,307)
Noncurrent liabilities	(44,245)
Noncurrent deferred income taxes	(78,054)
	<u>710,248</u>
Fair value of Sabre Corporation's previously held equity investment in SAPPL	(200,000)
Fair value of SAPPL's previously held equity investment in national marketing companies	(1,880)
Total acquisition price	<u>\$ 508,368</u>

(1) In connection with the acquisition of Abacus, we reacquired certain contractual rights that provided Abacus the exclusive right, within the Asia-Pacific region, to operate and profit from the Sabre GDS.

The goodwill recognized reflects expected synergies from combined operations and also the acquired assembled workforce of Abacus. The goodwill recognized is assigned to our Travel Network business and is not deductible for tax purposes. The useful lives of the intangible assets acquired are 20 years for customer relationships, 7 years for reacquired rights, 3 years for purchased technology, 7 years for supplier agreements and 2 years for trademarks and brand names.

The purchase price allocation includes estimates for contingent liabilities of \$25 million related to tax uncertainties.

As part of the integration strategy for Abacus, management evaluated actions to optimize the investment's potential, including the implementation of a restructuring plan to align the acquired business with Travel Network. This plan includes the elimination of redundant positions, centralization of key operations and termination of particular product offerings. As of December 31, 2015, our restructuring accrual associated with this plan was \$8 million, of which \$1 million was paid in the six months ended June 30, 2016. We did not recognize material restructuring charges in the six months ended June 30, 2016. The plan is expected to be substantially complete by the first quarter of 2017, and we currently do not expect to incur significant additional charges in connection with the plan.

Unaudited Pro Forma Financial Information

The following unaudited pro forma results of operations information give effect to the acquisitions of Abacus as if it occurred on January 1, 2014. The unaudited pro forma results of operations information include adjustments to: (i) eliminate historical revenue and cost of revenue between us, SAPPL and the NMCs; (ii) remove historical amortization recognized by SAPPL associated with its upfront incentive consideration and software developed for internal use, which are replaced by acquired intangible assets; and (iii) add amortization expense associated with acquired intangible assets.

The following unaudited pro forma results of operations information is presented in thousands:

	Three Months Ended June 30, 2015	Six Months Ended June 30, 2015
Revenue	\$ 779,240	\$ 1,568,135
Income from continuing operations	35,289	93,055
Net income attributable to common stockholders	34,866	250,796

The unaudited pro forma financial information is for informational purposes only and is not necessarily indicative of what our financial performance would have been had the acquisition been completed on the date assumed nor is such unaudited pro forma combined financial information necessarily indicative of the results to be expected in any future period.

3. Discontinued Operations

In the first quarter of 2015, we completed the divestiture of our Travelocity business through the sale of Travelocity.com and lastminute.com. Our Travelocity segment has no remaining operations subsequent to these dispositions. The financial results of our Travelocity business are included in net income from discontinued operations in our consolidated statements of operations for all periods presented.

Travelocity.com—On January 23, 2015, we sold Travelocity.com to Expedia Inc. (“Expedia”), pursuant to the terms of an Asset Purchase Agreement (the “Travelocity Purchase Agreement”), dated January 23, 2015, by and among Sabre GBLB, Travelocity.com LP, and Expedia. The signing and closing of the Travelocity Purchase Agreement occurred contemporaneously. Expedia purchased Travelocity.com pursuant to the Travelocity Purchase Agreement for cash consideration of \$280 million. The net assets of Travelocity.com disposed of primarily included a trade name with a carrying value of \$55 million. We recognized a gain on sale of \$143 million, net of tax, in the first quarter of 2015.

lastminute.com— On March 1, 2015, we sold lastminute.com to Bravofly Rumbo Group. The transaction was completed through the transfer of net liabilities as of the date of sale consisting primarily of a working capital deficit of \$ 70 million, partially offset by assets sold including intangible assets of \$ 27 million. We did not receive any cash proceeds or any other significant consideration in the transaction other than payments for specific services being provided to the acquirer under a transition services agreement, which concluded on March 31, 2016. Additionally, at the time of sale, the acquirer entered into a long-term agreement with us to continue to utilize our GDS for bookings, which generates incentive consideration paid by us to the acquirer. We recognized a gain on sale of \$24 million, net of tax, in the first quarter of 2015.

The following table summarizes the results of our discontinued operations (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue	\$ —	\$ 2,112	\$ —	\$ 23,254
Cost of revenue	—	1,737	—	14,025
Selling, general and administrative	3,273	2,267	8,199	21,508
Operating loss	(3,273)	(1,892)	(8,199)	(12,279)
Other income (expense):				
Gain on sale of businesses	—	—	305	263,567
Other, net	(511)	2,974	(1,828)	2,499
Total other (expense) income, net	(511)	2,974	(1,523)	266,066
(Loss) income from discontinued operations before income taxes	(3,784)	1,082	(9,722)	253,787
(Benefit) provision for income taxes ⁽¹⁾	(1,686)	386	(20,974)	94,180
Net (loss) income from discontinued operations	\$ (2,098)	\$ 696	\$ 11,252	\$ 159,607

(1) In the first quarter 2016, we recognized a \$17 million tax benefit associated with the resolution of uncertain tax positions; see Note 4, Income Taxes.

4. Income Taxes

Our effective tax rates for the six months ended June 30, 2016 and 2015 were 30% and 36% , respectively. The decrease in the effective tax rate for the six months ended June 30, 2016 as compared to the same period in 2015 was primarily driven by an increase in forecasted earnings in lower tax jurisdictions, excess tax benefits associated with employee equity-based awards (see Note 1, General Information, for additional information related to our adoption of ASU 2016-09) and U.S. federal research tax credits, partially offset by an increase in foreign withholding taxes. The differences between our effective tax rates and the U.S. federal statutory income tax rate primarily result from our geographic mix of taxable income in various tax jurisdictions as well as the discrete tax items referenced above.

We recognize liabilities when we believe that an uncertain tax position may not be fully sustained upon examination by the tax authorities. This requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. When facts and circumstances change, we reassess these probabilities and record any changes in the consolidated financial statements as appropriate. In the first quarter of 2016, we recognized a tax benefit of \$17 million associated with the effective settlement of uncertain tax positions in our discontinued Travelocity business. Our net unrecognized tax benefits, excluding interest and penalties, included in our consolidated balance sheets, were \$56 million and \$69 million as of June 30, 2016 and December 31, 2015 , respectively.

Tax Receivable Agreement

Immediately prior to the closing of our initial public offering in April 2014, we entered into a tax receivable agreement (“TRA”) that provides stockholders and equity award holders that were our stockholders and equity award holders, respectively, immediately prior to the closing of our initial public offering (collectively, the “Pre-IPO Existing Stockholders”) the right to receive future payments from us. The future payments will equal 85% of the amount of cash savings, if any, in U.S. federal income tax that we and our subsidiaries realize as a result of the utilization of certain tax assets attributable to periods prior to our initial public offering, including federal net operating losses (“NOLs”), capital losses and the ability to realize tax amortization of certain intangible assets (collectively, the “Pre-IPO Tax Assets”). Consequently, stockholders who are not Pre-IPO Existing Stockholders will only be entitled to the economic benefit of the Pre-IPO Tax Assets to the extent of our continuing 15% interest in those assets. These payment obligations are our obligations and not obligations of any of our subsidiaries. The actual utilization of the Pre-IPO Tax Assets, as well as the timing of any payments under the TRA, will vary depending upon a number of factors, including the amount, character and timing of our and our subsidiaries’ taxable income in the future.

Based on current tax laws and assuming that we and our subsidiaries earn sufficient taxable income to realize the full tax benefits subject to the TRA, we estimate that future payments under the TRA relating to the Pre-IPO Tax Assets to total \$387 million , excluding interest. The TRA payments accrue interest at a rate of LIBOR plus 1.00% beginning on the 15th day of March subsequent to the tax year in which the tax benefits are realized through the date of the benefit payment. The estimate of future payments considers the impact of Section 382 of the Code, which imposes an annual limit on the ability of a corporation that undergoes an ownership change to use its net operating loss carryforwards to reduce its liability. We do not anticipate any material limitations on our ability to utilize NOLs under Section 382 of the Code. We expect future payments under the TRA to be made over the next five years with no material payments occurring in 2016. As of June 30, 2016 , the current portion of our Tax Receivable Agreement liability totaled \$112 million , which includes accrued interest of less than \$1 million . We expect to pay the current portion of the Tax Receivable Agreement liability in the first quarter of 2017. The remaining portion of \$276 million is included in other noncurrent liabilities in our consolidated balance sheet as of June 30, 2016 . Payments under the TRA are not conditioned upon the parties’ continuing ownership of the company.

5. Debt

As of June 30, 2016 and December 31, 2015, our outstanding debt included in our consolidated balance sheets totaled \$3,256 million and \$3,360 million, respectively, which are net of debt issuance costs of \$27 million and \$30 million, respectively, and unamortized discounts of \$5 million and \$6 million, respectively. The following table sets forth the face values of our outstanding debt as of June 30, 2016 and December 31, 2015 (in thousands):

	Rate	Maturity	June 30, 2016	December 31, 2015
Senior secured credit facilities:				
Term B facility	L + 3.00%	February 2019	\$ 1,712,875	\$ 1,721,750
Incremental term loan facility	L + 3.50%	February 2019	340,375	342,125
Term C facility	L + 3.00%	December 2017	49,313	49,313
Extended Revolver, \$370 million	L + 2.75%	February 2019	63,951	—
Unextended Revolver, \$35 million	L + 3.75%	February 2018	6,049	—
Senior unsecured notes due 2016	8.35%	March 2016	—	165,000
5.375% senior secured notes due 2023	5.375%	April 2023	530,000	530,000
5.25% senior secured notes due 2023	5.25%	November 2023	500,000	500,000
Mortgage facility	5.80%	April 2017	80,371	80,984
Capital lease obligations			4,944	6,502
Face value of total debt outstanding			3,287,878	3,395,674
Less current portion of debt outstanding			(174,048)	(190,687)
Face value of long-term debt outstanding			\$ 3,113,830	\$ 3,204,987

Senior Secured Credit Facilities

Our senior secured credit facilities, as amended and restated ("Amended and Restated Credit Agreement"), provided for a revolving credit facility totaling \$405 million, of which \$370 million was set to expire in February 2019 ("Extended Revolver") and \$35 million was set to expire in February 2018 ("Unextended Revolver," collectively, the "Prior Revolver"). We had \$70 million outstanding under the Prior Revolver as of June 30, 2016, all of which is classified as current portion of debt in our consolidated balance sheet. No balance was outstanding under the Prior Revolver as of December 31, 2015. We had outstanding letters of credit totaling \$37 million and \$25 million as of June 30, 2016 and December 31, 2015, respectively, which reduced our overall credit capacity under the Prior Revolver.

In July 2016, Sabre GBLB entered into a series of amendments to our Amended and Restated Credit Agreement; see Note 12, Subsequent Events, for additional information.

Senior Unsecured Notes Due 2016

In March 2016, the remaining principal balance of \$165 million of our senior unsecured notes matured. We repaid this remaining balance on the senior unsecured notes with a draw on our Prior Revolver and cash on hand.

6. Derivatives

Hedging Objectives —We are exposed to certain risks relating to ongoing business operations. The primary risks managed by using derivative instruments are foreign currency exchange rate risk and interest rate risk. Forward contracts on various foreign currencies are entered into to manage the foreign currency exchange rate risk on operational exposure denominated in foreign currencies. Interest rate swaps are entered into to manage interest rate risk associated with our floating-rate borrowings. In accordance with authoritative guidance on accounting for derivatives and hedging, we designate foreign currency forward contracts as cash flow hedges on operational exposure and interest rate swaps as cash flow hedges of floating-rate borrowings.

Cash Flow Hedging Strategy —To protect against the reduction in value of forecasted foreign currency cash flows, we hedge portions of our revenues and expenses denominated in foreign currencies with forward contracts. For example, when the dollar strengthens significantly against the foreign currencies, the decline in present value of future foreign currency expense is offset by losses in the fair value of the forward contracts designated as hedges. Conversely, when the dollar weakens, the increase in the present value of future foreign currency expense is offset by gains in the fair value of the forward contracts.

We enter into interest rate swap agreements to manage interest rate risk exposure. The interest rate swap agreements modify our exposure to interest rate risk by converting floating-rate debt to a fixed rate basis, thus reducing the impact of interest rate changes on future interest expense and net earnings. These agreements involve the receipt of floating rate amounts in exchange for fixed rate interest payments over the life of the agreements without an exchange of the underlying principal amount.

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income (loss) and reclassified into earnings in the same line item associated with the forecasted transaction and in the same period or periods during which the hedged transaction affects earnings. The remaining gain or loss on the derivative instrument in excess of the cumulative change in the present value of future cash flows of the hedged item, if any (ineffective portion), and hedge components excluded from the assessment of effectiveness, are recognized in the consolidated statements of operations during the current period.

Forward Contracts—In order to hedge our operational exposure to foreign currency movements, we are a party to certain foreign currency forward contracts that extend until June 2017. We have designated these instruments as cash flow hedges. No hedging ineffectiveness was recorded in earnings relating to the forward contracts during the three and six months ended June 30, 2016 and 2015. As of June 30, 2016, we estimate that \$1 million in losses will be reclassified from other comprehensive income (loss) to earnings over the next 12 months.

As of June 30, 2016 and December 31, 2015, we had the following unsettled purchased foreign currency forward contracts that were entered into to hedge our operational exposure to foreign currency movements (in thousands, except for average contract rates):

Outstanding Notional Amounts as of June 30, 2016				
Buy Currency	Sell Currency	Foreign Amount	USD Amount	Average Contract Rate
US Dollar	Indian Rupee	55,000	810	0.0147
Australian Dollar	US Dollar	20,750	14,934	0.7197
Euro	US Dollar	5,450	6,135	1.1257
British Pound Sterling	US Dollar	18,300	26,360	1.4404
Indian Rupee	US Dollar	1,218,500	17,472	0.0143
Polish Zloty	US Dollar	256,750	65,649	0.2557
Singapore Dollar	US Dollar	42,000	30,261	0.7205

Outstanding Notional Amounts as of December 31, 2015				
Buy Currency	Sell Currency	Foreign Amount	USD Amount	Average Contract Rate
US Dollar	Australian Dollar	2,080	1,570	0.7548
US Dollar	Euro	2,870	3,169	1.1042
Australian Dollar	US Dollar	1,260	939	0.7452
Euro	US Dollar	2,870	3,122	1.0878
British Pound Sterling	US Dollar	18,075	27,415	1.5167
Indian Rupee	US Dollar	1,880,500	27,736	0.0147
Polish Zloty	US Dollar	226,500	59,120	0.2610

Interest Rate Swap Contracts—Interest rate swaps outstanding during the six months ended June 30, 2016 and 2015 are as follows:

Notional Amount	Interest Rate Received	Interest Rate Paid	Effective Date	Maturity Date
\$750 million	1 month LIBOR ⁽¹⁾	1.48%	December 31, 2015	December 30, 2016
\$750 million	1 month LIBOR ⁽¹⁾	2.19%	December 30, 2016	December 29, 2017
\$750 million	1 month LIBOR ⁽¹⁾	2.61%	December 29, 2017	December 31, 2018

(1) Subject to a 1% floor.

In December 2014, we entered into eight forward starting interest rate swaps to hedge interest payments associated with \$750 million of floating-rate liabilities on the notional amounts of a portion of our senior secured debt. We have designated these interest rate swaps as cash flow hedges. The total notional amount outstanding is \$750 million in each of 2015, 2016 and 2017. There was no material hedge ineffectiveness for the three and six months ended June 30, 2016. The effective portion of changes in the fair value of the interest rate swaps is reported as a component of other comprehensive income (loss) and reclassified into earnings in the same line item associated with the forecasted transaction and in the same period or periods during which the hedged transaction affects earnings. As of June 30, 2016, we estimate that \$6 million in losses will be reclassified from other comprehensive income (loss) to earnings over the next 12 months.

The estimated fair values of our derivatives designated as hedging instruments as of June 30, 2016 and December 31, 2015 are as follows (in thousands):

Derivatives Designated as Hedging Instruments	Consolidated Balance Sheet Location	Derivative Assets (Liabilities)	
		Fair Value as of	
		June 30, 2016	December 31, 2015
Foreign exchange contracts	Prepaid expenses and other current assets	\$ 1,750	\$ —
Foreign exchange contracts	Other accrued liabilities	(3,157)	(1,759)
Interest rate swaps	Other accrued liabilities	(6,249)	(3,912)
Interest rate swaps	Other noncurrent liabilities	(14,303)	(9,822)
		<u>\$ (21,959)</u>	<u>\$ (15,493)</u>

The effects of derivative instruments, net of taxes, on OCI for the three and six months ended June 30, 2016 and 2015 are as follows (in thousands):

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in OCI on Derivative (Effective Portion)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Foreign exchange contracts	\$ (3,599)	\$ 1,292	\$ (558)	\$ (3,045)
Interest rate swaps	(1,025)	(410)	(4,396)	(4,749)
Total	<u>\$ (4,624)</u>	<u>\$ 882</u>	<u>\$ (4,954)</u>	<u>\$ (7,794)</u>

Derivatives in Cash Flow Hedging Relationships	Income Statement Location	Amount of Loss Reclassified from Accumulated OCI into Income (Effective Portion)			
		Three Months Ended June 30,		Six Months Ended June 30,	
		2016	2015	2016	2015
Foreign exchange contracts	Cost of revenue	\$ 93	\$ 3,462	\$ 1,012	\$ 6,932

7. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for that asset or liability. Guidance on fair value measurements and disclosures establishes a valuation hierarchy for disclosure of inputs used in measuring fair value defined as follows:

Level 1—Inputs are unadjusted quoted prices that are available in active markets for identical assets or liabilities.

Level 2—Inputs include quoted prices for similar assets and liabilities in active markets and quoted prices in non-active markets, inputs other than quoted prices that are observable, and inputs that are not directly observable, but are corroborated by observable market data.

Level 3—Inputs that are unobservable and are supported by little or no market activity and reflect the use of significant management judgment.

The classification of a financial asset or liability within the hierarchy is determined based on the least reliable level of input that is significant to the fair value measurement. In determining fair value, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. We also consider the counterparty and our own non-performance risk in our assessment of fair value.

Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

Available-for-sale Securities—Our available-for-sale securities include securities of a publicly-traded non-U.S. entity. The fair value of these securities is obtained from market quotes as of the last day of the period. Our available-for-sale securities are included in other assets in our consolidated balance sheets.

Foreign Currency Forward Contracts—The fair value of the foreign currency forward contracts is estimated based upon pricing models that utilize Level 2 inputs derived from or corroborated by observable market data such as currency spot and forward rates.

Interest Rate Swaps— The fair value of our interest rate swaps is estimated using a combined income and market-based valuation methodology based upon Level 2 inputs including credit ratings and forward interest rate yield curves obtained from independent pricing services reflecting broker market quotes.

The following tables present our assets (liabilities) that are required to be measured at fair value on a recurring basis as of June 30, 2016 and December 31, 2015 (in thousands):

	June 30, 2016	Fair Value at Reporting Date Using		
		Level 1	Level 2	Level 3
Available-for-sale securities	\$ 42,577	\$ 42,577	\$ —	\$ —
Derivatives				
Foreign currency forward contracts	(1,407)	—	(1,407)	—
Interest rate swap contracts	(20,552)	—	(20,552)	—
Total	\$ 20,618	\$ 42,577	\$ (21,959)	\$ —

	December 31, 2015	Fair Value at Reporting Date Using		
		Level 1	Level 2	Level 3
Available-for-sale securities	\$ 36,711	\$ 36,711	\$ —	\$ —
Derivatives				
Foreign currency forward contracts	(1,759)	—	(1,759)	—
Interest rate swap contracts	(13,734)	—	(13,734)	—
Total	\$ 21,218	\$ 36,711	\$ (15,493)	\$ —

There were no transfers between Levels 1 and 2 within the fair value hierarchy for the six months ended June 30, 2016 .

Other Financial Instruments

The carrying value of our financial instruments including cash and cash equivalents, and accounts receivable approximates their fair values. The fair values of our senior unsecured notes due 2016, senior secured notes due 2023 and term loans under our Amended and Restated Credit Agreement are determined based on quoted market prices for the similar liability when traded as an asset in an active market, a Level 2 input. The outstanding principal balance of our mortgage facility approximated its fair value as of June 30, 2016 and December 31, 2015 . The fair values of the mortgage facility were determined based on estimates of current interest rates for similar debt, a Level 2 input.

The following table presents the fair value and carrying value of our senior notes and borrowings under our senior secured credit facilities as of June 30, 2016 and December 31, 2015 (in thousands):

Financial Instrument	Fair Value at		Carrying Value at	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Term B facility	\$ 1,710,734	\$ 1,705,609	\$ 1,708,040	\$ 1,716,048
Incremental term loan facility	341,013	339,559	340,375	342,125
Term C facility	49,374	49,251	49,196	49,157
Extended Revolver, \$370 million	63,951	—	63,951	—
Unextended Revolver, \$35 million	6,049	—	6,049	—
5.375% Senior secured notes due 2023	542,588	528,013	530,000	530,000
5.25% Senior secured notes due 2023	510,625	494,375	500,000	500,000
Senior unsecured notes due 2016	—	165,804	—	164,628

8. Accumulated Other Comprehensive Income (Loss)

As of June 30, 2016 and December 31, 2015, the components of accumulated other comprehensive income (loss), net of related deferred income taxes, are as follows (in thousands):

	June 30, 2016	December 31, 2015
Defined benefit pension and other post retirement benefit plans	\$ (89,286)	\$ (90,647)
Unrealized loss on foreign currency forward contracts, interest rate swaps, and available-for-sale securities	(5,087)	(6,391)
Unrealized foreign currency translation gain	1,238	(97)
Total accumulated other comprehensive loss, net of tax	\$ (93,135)	\$ (97,135)

The amortization of actuarial losses and periodic service credits associated with our retirement-related benefit plans is included in selling, general and administrative expenses. See Note 6, Derivatives, for information on the income statement line items affected as the result of reclassification adjustments associated with derivatives.

9. Earnings Per Share

The following table reconciles the numerators and denominators used in the computations of basic and diluted earnings per share from continuing operations (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Numerator:				
Income from continuing operations	\$ 75,195	\$ 32,589	\$ 168,114	\$ 81,919
Less: Net income attributable to noncontrolling interests	1,078	1,078	2,180	1,825
Net income from continuing operations available to common stockholders, basic and diluted	\$ 74,117	\$ 31,511	\$ 165,934	\$ 80,094
Denominator:				
Basic weighted-average common shares outstanding	277,392	271,948	276,480	270,574
Add: Dilutive effect of stock options and restricted stock awards	5,609	7,153	6,168	7,508
Diluted weighted-average common shares outstanding	283,001	279,101	282,648	278,082
Earning per share from continuing operations:				
Basic	\$ 0.27	\$ 0.12	\$ 0.60	\$ 0.30
Diluted	\$ 0.26	\$ 0.11	\$ 0.59	\$ 0.29

Basic earnings per share are based on the weighted-average number of common shares outstanding during each period. Diluted earnings per share are based on the weighted-average number of common shares outstanding plus the effect of all dilutive common stock equivalents during each period. The calculation of diluted weighted-average shares excludes the impact of 1 million common stock equivalents for each of the three and six months ended June 30, 2016 and 2015, respectively.

10. Contingencies

Legal Proceedings

While certain legal proceedings and related indemnification obligations to which we are a party specify the amounts claimed, these claims may not represent reasonably possible losses. Given the inherent uncertainties of litigation, the ultimate outcome of these matters cannot be predicted at this time, nor can the amount of possible loss or range of loss, if any, be reasonably estimated, except in circumstances where an aggregate litigation accrual has been recorded for probable and reasonably estimable loss contingencies. A determination of the amount of accrual required, if any, for these contingencies is made after careful analysis of each matter. The required accrual may change in the future due to new information or developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters.

Antitrust Litigation and DOJ Investigation

US Airways Antitrust Litigation

In April 2011, US Airways filed suit against us in federal court in the Southern District of New York, alleging violations of the Sherman Act Section 1 (anticompetitive agreements) and Section 2 (monopolization). The complaint was filed two months after we entered into a new distribution agreement with US Airways. In September 2011, the court dismissed all claims relating to Section 2. The claims that were not dismissed are claims brought under Section 1 of the Sherman Act, relating to our contracts with US Airways, which US Airways claims contain anticompetitive provisions, and an alleged conspiracy with the other GDSs, allegedly to maintain the industry structure and not to compete for content. We strongly deny all of the allegations made by US Airways.

Document, fact and expert witness discovery is complete. Sabre filed summary judgment motions in April 2014. In January 2015, the court issued an order granting Sabre's summary judgment motions in part, eliminating a majority of US Airways' alleged damages and rejecting its request for injunctive relief by which US Airways sought to bar Sabre from enforcing certain provisions in our contracts. US Airways may appeal the court's rulings upon a final judgment.

Based on the summary judgment ruling, the potential remaining range of damages has been significantly reduced. With respect to the remaining claims, US Airways seeks damages (before trebling) of either \$45 million or \$73 million. We believe their damage calculations are based on faulty assumptions and analysis and, therefore, are highly overstated.

We also believe that our business practices and contract terms are lawful, and we will continue to vigorously defend against the remaining claims. The trial on the remaining claims is scheduled to commence in October 2016.

We believe that the claims associated with this case are not probable and therefore have not accrued any losses as of June 30, 2016. We have and will incur significant fees, costs and expenses for as long as the litigation is ongoing. In addition, litigation by its nature is highly uncertain and fraught with risk, and it is therefore difficult to predict the outcome of any particular matter, including changes to our business that may be required as a result of the litigation. If favorable resolution of the matter is not reached, any monetary damages are subject to trebling under the antitrust laws and US Airways would be eligible to be reimbursed by us for its reasonable costs and attorneys' fees. Depending on the amount of any such judgment, if we do not have sufficient cash on hand, we may be required to seek private or public financing. Depending on the outcome of the litigation, any of these consequences could have a material adverse effect on our business, financial condition and results of operations.

Putative Class Action Lawsuit

In July 2015, a putative class action lawsuit was filed against us and two other GDSs, in the United States District Court for the Southern District of New York. The plaintiffs, who are asserting claims on behalf of a putative class of consumers in various states, are generally alleging that the GDSs conspired to negotiate for full content from the airlines, resulting in higher ticket prices for consumers, in violation of various federal and state laws. The plaintiffs sought an unspecified amount of damages in connection with their state law claims, and they requested injunctive relief in connection with their federal claim. In July 2016, the court granted, in part, our motion to dismiss the lawsuit, finding that plaintiffs' state law claims are preempted by federal law, thereby precluding their claims for damages. The court declined to dismiss plaintiffs' claim seeking an injunction under federal antitrust law. The plaintiffs may appeal the court's dismissal of their state law claims upon a final judgment. We may incur significant fees, costs and expenses for as long as this litigation is ongoing. We intend to vigorously defend against the remaining claims.

Department of Justice Investigation

On May 19, 2011, we received a civil investigative demand ("CID") from the U.S. Department of Justice ("DOJ") investigating alleged anticompetitive acts related to the airline distribution component of our business. We are fully cooperating with the DOJ investigation and are unable to make any prediction regarding its outcome. The DOJ is also investigating other companies that own GDSs, and has sent CIDs to other companies in the travel industry. Based on its findings in the investigation, the DOJ may (i) close the file, (ii) seek a consent decree to remedy issues it believes violate the antitrust laws, or (iii) file suit against us for violating the antitrust laws, seeking injunctive relief. If injunctive relief were granted, depending on its scope, it could affect the manner in which our airline distribution business is operated and potentially force changes to the existing airline distribution business model. Any of these consequences would have a material adverse effect on our business, financial condition and results of operations. We have not received any communications from the DOJ regarding this matter for several years; however, we have not been notified that this matter is closed.

Insurance Carriers

We have disputes against some of our insurance carriers for failing to reimburse defense costs incurred in the American Airlines litigation, which we settled in October 2012. Both carriers admitted there is coverage and agreed to defend us, but reserved their rights not to pay should we be found liable for certain of American Airlines' allegations. Despite their admission of coverage, the insurers only reimbursed us for a small portion of our significant defense costs. We filed suit against the entities in New York state court alleging breach of contract and a statutory cause of action for failure to promptly pay claims. Although the carriers never withdrew their agreement to defend us, they recently have taken the position in the lawsuit that they had no duty to defend or indemnify us. If we prevail, we may recover some or all amounts previously tendered to the insurance companies for payment within the limits of the policies and may be entitled to 18% interest on such amounts, all of which will be recorded in the period cash is received. To date, settlement discussions have been unsuccessful. Discovery is closed, and the parties are awaiting a ruling on summary judgment motions pending before the court.

Indian Income Tax Litigation

We are currently a defendant in income tax litigation brought by the Indian Director of Income Tax ("DIT") in the Supreme Court of India. The dispute arose in 1999 when the DIT asserted that we have a permanent establishment within the meaning of the Income Tax Treaty between the United States and the Republic of India and accordingly issued tax assessments for assessment years ending March 1998 and March 1999, and later issued further tax assessments for assessment years ending March 2000 through March 2006. The DIT has continued to issue further tax assessments on a similar basis for subsequent years; however, the tax assessments for assessment years ending March 2007 and later are no longer material. We appealed the tax assessments for assessment years ending March 1998 through March 2006 and the Indian Commissioner of Income Tax Appeals returned a mixed verdict. We filed further appeals with the Income Tax Appellate Tribunal ("ITAT"). The ITAT ruled in our favor on June 19, 2009 and July 10, 2009, stating that no income would be chargeable to tax for assessment years ending March 1998 and March 1999, and from March 2000 through March 2006. The DIT appealed those decisions to the Delhi High Court, which found in our favor on July 19, 2010. The DIT has appealed the decision to the Supreme Court of India and no trial date has been set. We have appealed the tax assessment for the assessment year ended March 2013 with the ITAT and no trial date has been set.

In addition, SAPPL is currently a defendant in similar income tax litigation brought by the DIT. The dispute arose when the DIT asserted that SAPPL has a permanent establishment within the meaning of the Income Tax Treaty between Singapore and India and accordingly issued tax assessments for assessment years ending March 2000 through March 2005. SAPPL appealed the tax assessments, and the Indian Commissioner of Income Tax (Appeals) returned a mixed verdict. SAPPL filed further appeals with the ITAT. The ITAT ruled in SAPPL's favor, finding that no income would be chargeable to tax for assessment years ending March 2000 through March 2005. The DIT appealed those decisions to the Delhi High Court. No hearing date has been set. The DIT also assessed taxes on a similar basis for assessment years ending March 2006 through March 2012, which are pending before the ITAT.

If the DIT were to fully prevail on every claim against us, including SAPPL, we could be subject to taxes, interest and penalties of approximately \$41 million as of June 30, 2016. We and SAPPL intend to continue to aggressively defend against each of the foregoing claims. Although we do not believe that the outcome of the proceedings will result in a material impact on our business or financial condition, litigation is by its nature uncertain. We do not believe this outcome is probable and therefore have not made any provisions or recorded any liability for the potential resolution of any of these claims.

Indian Service Tax Litigation

SAPPL is also subject to litigation by the India Director General (Service Tax) ("DGST"), which has assessed the subsidiary for multiple years related to its alleged failure to pay service tax on marketing fees and reimbursements of expenses. Indian courts have returned verdicts favorable to the Indian subsidiary. The DGST has appealed the verdict to the Indian Supreme Court. No provision has been recorded for this matter as we believe we will ultimately prevail.

Litigation and Administrative Audit Proceedings Relating to Hotel Occupancy Taxes

On January 23, 2015, we sold Travelocity.com to Expedia. Pursuant to the Travelocity Purchase Agreement, we will continue to be liable for pre-closing liabilities of Travelocity, including fees, charges, costs and settlements relating to litigation arising from hotels booked on the Travelocity platform prior to our previous long-term strategic marketing agreement with Expedia (the "Expedia SMA"). Fees, charges, costs and settlements relating to litigation from hotels booked on Travelocity.com subsequent to the Expedia SMA and prior to the date of the sale of Travelocity.com will be shared with Expedia in accordance with the terms that were in the Expedia SMA. We are jointly and severally liable for certain indemnification obligations under the Travelocity Purchase Agreement for liabilities that may arise out of these litigation matters, which could adversely affect our cash flow.

Beginning in 2004, various state and local governments in the United States have filed more than 80 lawsuits against us and other OTAs pertaining primarily to whether our discontinued Travelocity segment and other online travel agencies ("OTAs") owe sales or occupancy taxes on the revenues they earned from facilitating hotel reservations, where the customer paid us an amount at the time of booking that included (i) service fees, which we collected and retained, and (ii) the price of the hotel room and amounts for occupancy or other local taxes, which we passed along to the hotel supplier. The complaints generally allege, among other things, that the defendants failed to pay to the relevant taxing authority hotel occupancy taxes on the service fees. Several lawsuits also allege that the OTAs owe state or local taxes on their fees for facilitating car rental reservations. Courts have dismissed more than 30 of these lawsuits, some for failure to exhaust administrative remedies and some on the basis that we are not subject to sales or occupancy tax. The remaining lawsuits are in various stages of litigation. We have also settled some cases individually, most for amounts not material to our results of operations, and with respect to these settlements, have generally reserved our rights to challenge any effort by the applicable tax authority to impose occupancy taxes in the future.

Although we have prevailed in the majority of these lawsuits and proceedings, there have been several adverse judgments or decisions on the merits, some of which are subject to appeal. As of June 30, 2016 and December 31, 2015, our reserve was not material for the potential resolution of issues identified related to litigation involving hotel and car sales, occupancy or excise taxes. We did not record material charges associated with these cases during the three and six months ended June 30, 2016 and 2015. Our estimated liability is based on our current best estimate but the ultimate resolution of these issues may be greater or less than the amount recorded and, if greater, could adversely affect our results of operations.

In addition to the actions by the tax authorities, two consumer class action lawsuits have been filed against us in which the plaintiffs allege that we made misrepresentations concerning the description of the fees received in relation to facilitating hotel reservations. Generally, the consumer claims relate to whether Travelocity provided adequate notice to consumers regarding the nature of our fees and the amount of taxes charged or collected. One of these lawsuits is pending in Texas state court, where the court is currently considering the plaintiffs' motion to certify a class action; and the other is pending in federal court, but has been stayed pending the outcome of the Texas state court action. We believe the notice we provided was appropriate and therefore have not accrued any losses related to these cases.

Furthermore, a number of state and local governments have initiated inquiries, audits and other administrative proceedings that could result in an assessment of sales or occupancy taxes on fees. If we do not prevail at the administrative level, those cases could lead to formal litigation proceedings.

Litigation Relating to Routine Proceedings

We are also engaged from time to time in other routine legal and tax proceedings incidental to our business. We do not believe that any of these routine proceedings will have a material impact on the business or our financial condition.

11. Segment Information

Our reportable segments are based upon our internal organizational structure; the manner in which our operations are managed; the criteria used by our Chief Executive Officer, who is our Chief Operating Decision Maker ("CODM"), to evaluate segment performance; the availability of separate financial information; and overall materiality considerations.

Our business has two reportable segments: (i) Travel Network and (ii) Airline and Hospitality Solutions, which aggregates the Airline Solutions and Hospitality Solutions operating segments as these operating segments have similar economic characteristics, generate revenues on transaction-based fees, incur the same types of expenses and use our software-as-a-service ("SaaS") based and hosted applications and platforms to market to the travel industry.

In January 2016 and April 2016, we completed the acquisitions of the Trust Group and Airpas Aviation, respectively, which are integrated and managed as part of our Airline and Hospitality Solutions segment.

Our CODM utilizes Adjusted Gross Profit and Adjusted EBITDA as the measures of profitability to evaluate performance of our segments and allocate resources. Corporate includes a technology organization that provides development and support activities to our segments. The majority of costs associated with our technology organization are allocated to the segments primarily based on the segments' usage of resources. Benefit expenses, facility costs and depreciation expense on the corporate headquarters building are allocated to the segments based on headcount. Unallocated corporate costs include certain shared expenses such as accounting, human resources, legal, corporate systems, and other shared technology costs, as well as all amortization of intangible assets and any related impairments that originate from purchase accounting, stock-based compensation, restructuring charges, legal reserves, and other items not identifiable with one of our segments.

We account for significant intersegment transactions as if the transactions were with third parties, that is, at estimated current market prices. The majority of the intersegment revenues and cost of revenues are fees charged by Travel Network to Airline and Hospitality Solutions for airline trips booked through our GDS.

Our CODM does not review total assets by segment as operating evaluations and resource allocation decisions are not made on the basis of total assets by segment. Our CODM uses Adjusted Capital Expenditures in making product investment decisions and determining development resource requirements.

The performance of our segments is evaluated primarily on Adjusted Gross Profit and Adjusted EBITDA which are not recognized terms under GAAP. Our uses of Adjusted Gross Profit and Adjusted EBITDA have limitations as analytical tools, and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP.

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 EBITDA as income (loss) from continuing operations adjusted for depreciation and amortization of property and equipment, amortization of capitalized implementation costs, acquisition-related amortization, amortization of upfront incentive consideration, interest expense, net, loss on extinguishment of debt, other, net, restructuring and other costs, acquisition-related costs, litigation costs (reimbursements), net, stock-based compensation, and income taxes.

We define Adjusted Capital Expenditures as additions to property and equipment and capitalized implementation costs during the periods presented.

Segment information for the three and six months ended June 30, 2016 and 2015 is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue				
Travel Network	\$ 597,910	\$ 494,515	\$ 1,223,386	\$ 1,002,445
Airline and Hospitality Solutions	252,169	216,632	490,549	421,532
Eliminations	(4,837)	(4,056)	(9,150)	(6,538)
Total revenue	\$ 845,242	\$ 707,091	\$ 1,704,785	\$ 1,417,439
Adjusted Gross Profit ^(a)				
Travel Network	\$ 281,986	\$ 225,927	\$ 586,900	\$ 470,046
Airline and Hospitality Solutions	108,469	95,782	209,345	184,981
Corporate	(17,190)	(8,885)	(34,784)	(21,481)
Total	\$ 373,265	\$ 312,824	\$ 761,461	\$ 633,546
Adjusted EBITDA ^(b)				
Travel Network	\$ 251,587	\$ 205,957	\$ 524,761	\$ 438,044
Airline and Hospitality Solutions	91,945	80,985	174,883	152,473
Total segments	343,532	286,942	699,644	590,517
Corporate	(72,048)	(59,369)	(140,680)	(119,358)
Total	\$ 271,484	\$ 227,573	\$ 558,964	\$ 471,159
Depreciation and amortization				
Travel Network	\$ 19,676	\$ 15,280	\$ 38,206	\$ 29,624
Airline and Hospitality Solutions	36,555	31,910	72,348	74,907
Total segments	56,231	47,190	110,554	104,531
Corporate	42,212	29,366	84,172	62,086
Total	\$ 98,443	\$ 76,556	\$ 194,726	\$ 166,617
Adjusted Capital Expenditures ^(c)				
Travel Network	\$ 24,185	\$ 14,473	\$ 47,155	\$ 27,558
Airline and Hospitality Solutions	71,045	52,542	131,465	106,979
Total segments	95,230	67,015	178,620	134,537
Corporate	17,202	14,270	29,241	22,987
Total	\$ 112,432	\$ 81,285	\$ 207,861	\$ 157,524

(a) The following table sets forth the reconciliation of Adjusted Gross Profit to operating income in our statement of operations (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Adjusted Gross Profit	\$ 373,265	\$ 312,824	\$ 761,461	\$ 633,546
Less adjustments:				
Selling, general and administrative	146,886	123,360	280,742	245,718
Cost of revenue adjustments:				
Depreciation and amortization ⁽¹⁾	65,372	53,079	131,879	117,746
Amortization of upfront incentive consideration ⁽²⁾	13,896	10,878	26,233	22,050
Stock-based compensation	5,072	2,902	9,146	6,435
Operating income	\$ 142,039	\$ 122,605	\$ 313,461	\$ 241,597

(b) The following table sets forth the reconciliation of Adjusted EBITDA to income from continuing operations in our statement of operations (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Adjusted EBITDA	\$ 271,484	\$ 227,573	\$ 558,964	\$ 471,159
Less adjustments:				
Depreciation and amortization of property and equipment ^(1a)	56,214	46,244	109,879	107,907
Amortization of capitalized implementation costs ^(1b)	8,211	7,902	16,699	15,426
Acquisition-related amortization ^(1c)	34,018	23,211	68,148	44,886
Amortization of upfront incentive consideration ⁽²⁾	13,896	10,878	26,233	22,050
Interest expense, net	37,210	42,609	78,412	89,062
Loss on extinguishment of debt	—	33,235	—	33,235
Other, net ⁽³⁾	(876)	(197)	(4,236)	4,248
Restructuring and other costs ⁽⁴⁾	1,116	—	1,240	—
Acquisition-related costs ⁽⁵⁾	516	2,053	624	3,864
Litigation costs (reimbursements), net ⁽⁶⁾	1,901	2,043	(1,945)	5,479
Stock-based compensation	12,810	7,330	23,099	16,124
Provision for income taxes	31,273	19,676	72,697	46,959
Income from continuing operations	\$ 75,195	\$ 32,589	\$ 168,114	\$ 81,919

(1) Depreciation and amortization expenses:

a. Depreciation and amortization of property and equipment includes software developed for internal use.

b. Amortization of capitalized implementation costs represents amortization of upfront costs to implement new customer contracts under our SaaS and hosted revenue model.

c. 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.

(2) Our Travel Network business at times makes upfront cash payments or other consideration to travel agency subscribers at the inception or modification of a service contract, which are capitalized and amortized over an average expected life of the service contract, generally over three years 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 up front. 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.

(3) In the first quarter of 2016, we recognized a gain of \$6 million associated with the receipt of an earn-out payment from the sale of a business in 2013. 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.

(4) 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.

(5) Acquisition-related costs represent fees and expenses incurred associated with the acquisition of the Abacus, Trust Group and Airpas Aviation (see Note 2, Acquisitions).

(6) Litigation (reimbursements) costs, net represent charges and legal fee reimbursements associated with antitrust litigation (see Note 10, Contingencies).

(c) Includes capital expenditures and capitalized implementation costs as summarized below (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Additions to property and equipment	\$ 89,121	\$ 66,051	\$ 164,593	\$ 127,963
Capitalized implementation costs	23,311	15,234	43,268	29,561
Adjusted Capital Expenditures	\$ 112,432	\$ 81,285	\$ 207,861	\$ 157,524

12. Subsequent Events

On July 18, 2016, Sabre GLBL entered into a series of amendments to our Amended and Restated Credit Agreement (the "Credit Agreement Amendments") to provide for an incremental term loan under a new class with an aggregate principal amount of \$600 million (the "Term Loan A") and to replace the Prior Revolver with a new revolving credit facility totaling \$400 million (the "New Revolver"), both of which mature in July 2021. Principal payments on the Term Loan A are due on a quarterly basis equal to 1.25% of its initial aggregate principal amount during the first two years of its term and 2.50% of its initial aggregate principal amount during the next three years of its term. The applicable margins for the Term Loan A and the New Revolver are 2.50% for Eurocurrency borrowings and 1.50% for base rate borrowings, with a step down to 2.25% for Eurocurrency borrowings and 1.25% for base rate borrowings if the Senior Secured Leverage Ratio (as defined in the Amended and Restated Credit Agreement) is less than 2.50 to 1.00. The Term Loan A and the New Revolver include an accelerated maturity of November 19, 2018, if on November 19, 2018 the Term Loan B and Incremental Term Loan Facility have not been repaid in full or refinanced with a maturity date subsequent to July 18, 2021. The amount of the New Revolver commitments available as a letter of credit subfacility was set at \$150 million .

The proceeds of Term Loan A were used to repay \$350 million of outstanding principal on our Term Loan B and Incremental Term Loan Facility, on a pro rata basis, repay the \$120 million outstanding balance on our Prior Revolver immediately prior to the execution of the Credit Agreement Amendments, and to pay \$14 million in associated financing fees. We intend to use the remaining proceeds for general corporate purposes. We expect to recognize a \$4 million loss on extinguishment of debt in the third quarter of 2016 in connection with these transactions.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

This Quarterly Report on Form 10-Q, including this "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part I, Item 2, contains information that may constitute forward-looking statements. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts, such as statements regarding our future financial condition or results of operations, our prospects and strategies for future growth, the development and introduction of new products, and the implementation of our marketing and branding strategies. In many cases, you can identify forward-looking statements by terms such as "expects," "potential," "will," "estimates," "should," "may," "believes," "anticipates," "predicts," "plans," or the negative of these terms or other comparable terminology. The forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions and are subject to risks, uncertainties and changes in circumstances that may cause events or our actual activities or results to differ significantly from those expressed in any forward-looking statement. Certain of these risks, uncertainties, and changes in circumstances are described in the "Risk Factors" section of this Quarterly Report on Form 10-Q and in the "Risk Factors" and "Forward-Looking Statements" sections included in our Annual Report on Form 10-K filed with the SEC on February 19, 2016. 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. You are cautioned not to place undue reliance on these forward-looking statements. Unless required by law, we undertake no obligation to publicly update or revise any forward-looking statements to reflect circumstances or events after the date they are made.

The following discussion and analysis should be read in conjunction with our consolidated financial statements and related notes contained elsewhere in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K filed with the SEC on February 19, 2016.

Overview

We are a leading technology solutions provider to the global travel and tourism industry. We operate through two business segments: (i) Travel Network, our global B2B travel marketplace for travel suppliers and travel buyers, and (ii) Airline and Hospitality Solutions, an extensive suite of leading software solutions primarily for airlines and hotel properties. Collectively, these offerings enable travel suppliers to better serve their customers across the entire travel lifecycle, from route planning to post-trip business intelligence and analysis.

A significant portion of our revenue is generated through transaction based fees that we charge to our customers. For Travel Network, this fee is in the form of a transaction fee for bookings on our GDS; for Airline and Hospitality Solutions, this fee is a recurring usage-based fee for the use of our SaaS and hosted systems, as well as upfront solution fees and consulting fees. Items that are not allocated to our business segments are identified as corporate and include primarily certain shared technology costs as well as stock-based compensation expense, litigation costs and other items that are not identifiable with either of our segments.

In January 2016, we completed the acquisition of the Trust Group, a central reservations, revenue management and hotel marketing provider, expanding our presence in EMEA and APAC, for net cash consideration of \$156 million, which includes the effect of net working capital adjustments. The Trust Group is integrated and managed as part of our Airline and Hospitality Solutions segment.

Factors Affecting our Results

A discussion of trends that we believe are the most significant opportunities and challenges currently impacting our business and industry is included in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting our Results" included in our Annual Report on Form 10-K filed with the SEC on February 19, 2016. The discussion also includes management's assessment of the effects these trends have had and are expected to have on our results of continuing operations. The information is not an exhaustive list of all of the factors that could affect our results and should be read in conjunction with the factors referred to in the section entitled "Risk Factors" included in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K filed with the SEC on February 19, 2016.

Components of Revenues and Expenses

Revenues

Travel Network primarily generates revenues from Direct Billable Bookings processed on our GDS as well as the sale of aggregated bookings data to carriers. Prior to our acquisition of the remaining interest in SAPPL on July 1, 2015, we generated revenue from certain services we provided SAPPL. Airline and Hospitality Solutions primarily generates revenue through upfront solution fees and recurring usage-based fees for the use of our software solutions hosted on our own secure platforms or deployed through our SaaS. Airline and Hospitality Solutions also generates revenue through consulting services and software licensing fees.

Cost of Revenue

Cost of revenue incurred by Travel Network and Airline and Hospitality Solutions consists of expenses related to our technology infrastructure that hosts our GDS and software solutions, salaries and benefits, and allocated overhead such as facilities and other support costs. Cost of revenue for Travel Network also includes incentive consideration expense representing payments or other consideration to travel agencies for reservations made on our GDS which accrue on a monthly basis.

Corporate cost of revenue includes a technology organization that provides development and support activities to our segments. The costs associated with our technology organization primarily include labor, data processing and technology costs, of which the majority are allocated to the segments primarily based on the segments' usage of resources. Corporate cost of revenue also includes stock-based compensation expense, professional services and other items that are not directly identifiable with our segments. Over time, we expect a substantial increase in stock-based compensation expense, as we have moved to granting broad-based equity awards annually, rather than biennially, beginning in March 2016 primarily in the form of restricted stock units. These awards generally vest over a four-year period, with 25% vesting annually. Stock compensation expense is based on the number of restricted stock units granted and the stock price on the date of grant, which is amortized over the four-year vesting period.

Depreciation and amortization included in cost of revenue is associated with property and equipment; software developed for internal use that supports our revenue, businesses and systems; amortization of contract implementation costs which relates to Airline and Hospitality Solutions; and intangible assets for technology purchased through acquisitions or established with our take-private transaction. Cost of revenue also includes amortization of upfront incentive consideration representing upfront payments or other consideration provided to travel agencies for reservations made on our GDS which are capitalized and amortized over the expected life of the contract.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of personnel-related expenses, including stock-based compensation, for employees that sell our services to new customers and administratively support the business, information technology and communication costs, professional services fees, certain settlement charges and costs to defend legal disputes, bad debt expense, depreciation and amortization and other overhead costs. Over time, we expect a substantial increase in stock-based compensation expense as described above.

Intersegment Transactions

We account for significant intersegment transactions as if the transactions were with third parties, that is, at estimated current market prices. Airline and Hospitality Solutions pays fees to Travel Network for airline trips and hotel stays booked through our GDS.

Key Metrics

"Direct Billable Bookings" and "Passengers Boarded" are the primary metrics utilized by Travel Network and Airline Solutions, respectively, to measure operating performance. Travel Network generates fees for each Direct Billable Booking which include bookings made through our GDS (e.g., air, car and hotel bookings) and through our joint venture partners in cases where we are paid directly by the travel supplier. Passengers Boarded ("PBs") is the primary metric used by Airline Solutions to recognize SaaS and Hosted revenue from recurring usage-based fees. The following table sets forth these key metrics for the periods indicated (in thousands):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2016	2015	% Change	2016	2015	% Change
Travel Network						
Direct Billable Bookings - Air	111,902	88,442	26.5%	231,768	179,865	28.9%
Direct Billable Bookings - Non-Air	15,892	14,687	8.2%	30,913	28,698	7.7%
Total Direct Billable Bookings	127,794	103,129	23.9%	262,681	208,563	25.9%
Airline Solutions Passengers Boarded	199,788	139,265	43.5%	383,180	265,439	44.4%

Non-GAAP Financial Measures

We have included both financial measures compiled in accordance with GAAP and certain non-GAAP financial measures in this Quarterly Report on Form 10-Q, including Adjusted Gross Profit, Adjusted Net Income, Adjusted EBITDA, 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 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 the remaining provision (benefit) for income taxes. This Adjusted EBITDA metric differs from (i) the EBITDA metric referenced in the section entitled “—Liquidity and Capital Resources—Senior Secured Credit Facilities,” which is calculated for the purposes of compliance with our debt covenants, and (ii) the Pre-VCP EBITDA and EBITDA metrics referenced in the section entitled “Compensation Discussion and Analysis” in our 2016 Proxy Statement, which are calculated for the purposes of our annual incentive compensation program and performance-based awards, respectively.

We define Adjusted Net Income from continuing operations per share 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.

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 Net Income, Adjusted EBITDA 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 Net Income, Adjusted EBITDA, 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 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 Net Income, Adjusted EBITDA, Adjusted Capital Expenditures, or Free Cash Flow differently, which reduces their usefulness as comparative measures.

The following table sets forth the reconciliation of net income attributable to common stockholders to Adjusted Net Income and Adjusted EBITDA (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net income attributable to common stockholders	\$ 72,019	\$ 32,207	\$ 177,186	\$ 239,701
Loss (income) from discontinued operations, net of tax	2,098	(696)	(11,252)	(159,607)
Net income attributable to noncontrolling interests ⁽¹⁾	1,078	1,078	2,180	1,825
Income from continuing operations	75,195	32,589	168,114	81,919
Adjustments:				
Acquisition-related amortization ^(2a)	34,018	23,211	68,148	44,886
Loss on extinguishment of debt	—	33,235	—	33,235
Other, net ⁽⁴⁾	(876)	(197)	(4,236)	4,248
Restructuring and other costs ⁽⁵⁾	1,116	—	1,240	—
Acquisition-related costs ⁽⁶⁾	516	2,053	624	3,864
Litigation costs (reimbursements), net ⁽⁷⁾	1,901	2,043	(1,945)	5,479
Stock-based compensation	12,810	7,330	23,099	16,124
Tax impact of net income adjustments	(20,633)	(24,210)	(36,349)	(38,767)
Adjusted Net Income from continuing operations	\$ 104,047	\$ 76,054	\$ 218,695	\$ 150,988
Adjusted Net Income from continuing operations per share	\$ 0.37	\$ 0.27	\$ 0.77	\$ 0.54
Diluted weighted-average common shares outstanding	283,001	279,101	282,648	278,082
Adjusted Net Income from continuing operations	\$ 104,047	\$ 76,054	\$ 218,695	\$ 150,988
Adjustments:				
Depreciation and amortization of property and equipment ^(2b)	56,214	46,244	109,879	107,907
Amortization of capitalized implementation costs ^(2c)	8,211	7,902	16,699	15,426
Amortization of upfront incentive consideration ⁽³⁾	13,896	10,878	26,233	22,050
Interest expense, net	37,210	42,609	78,412	89,062
Remaining provision for income taxes	51,906	43,886	109,046	85,726
Adjusted EBITDA	\$ 271,484	\$ 227,573	\$ 558,964	\$ 471,159

The following tables set forth the reconciliation of Adjusted Gross Profit and Adjusted EBITDA by business segment to operating income (loss) in our statement of operations (in thousands):

	Three Months Ended June 30, 2016			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	\$ 217,252	\$ 55,390	\$ (130,603)	\$ 142,039
Add back:				
Selling, general and administrative	32,745	16,762	97,379	146,886
Cost of revenue adjustments:				
Depreciation and amortization ⁽²⁾	18,093	36,317	10,962	65,372
Amortization of upfront incentive consideration ⁽³⁾	13,896	—	—	13,896
Stock-based compensation	—	—	5,072	5,072
Adjusted Gross Profit	281,986	108,469	(17,190)	373,265
Selling, general and administrative	(32,745)	(16,762)	(97,379)	(146,886)
Joint venture equity income	763	—	—	763
Selling, general and administrative adjustments:				
Depreciation and amortization ⁽²⁾	1,583	238	31,250	33,071
Restructuring and other costs ⁽⁵⁾	—	—	1,116	1,116
Acquisition-related costs ⁽⁶⁾	—	—	516	516
Litigation costs ⁽⁷⁾	—	—	1,901	1,901
Stock-based compensation	—	—	7,738	7,738
Adjusted EBITDA	\$ 251,587	\$ 91,945	\$ (72,048)	\$ 271,484

	Three Months Ended June 30, 2015			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	\$ 173,691	\$ 49,075	\$ (100,161)	\$ 122,605
Add back:				
Selling, general and administrative	26,600	15,036	81,724	123,360
Cost of revenue adjustments:				
Depreciation and amortization ⁽²⁾	14,758	31,671	6,650	53,079
Amortization of upfront incentive consideration ⁽³⁾	10,878	—	—	10,878
Stock-based compensation	—	—	2,902	2,902
Adjusted Gross Profit	225,927	95,782	(8,885)	312,824
Selling, general and administrative	(26,600)	(15,036)	(81,724)	(123,360)
Joint venture equity income	5,307	—	—	5,307
Joint venture intangible amortization ^(2a)	801	—	—	801
Selling, general and administrative adjustments:				
Depreciation and amortization ⁽²⁾	522	239	22,716	23,477
Acquisition-related costs ⁽⁶⁾	—	—	2,053	2,053
Litigation costs ⁽⁷⁾	—	—	2,043	2,043
Stock-based compensation	—	—	4,428	4,428
Adjusted EBITDA	\$ 205,957	\$ 80,985	\$ (59,369)	\$ 227,573

	Six Months Ended June 30, 2016			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	\$ 458,796	\$ 102,535	\$ (247,870)	\$ 313,461
Add back:				
Selling, general and administrative	66,118	35,003	179,621	280,742
Cost of revenue adjustments:				
Depreciation and amortization ⁽²⁾	35,753	71,807	24,319	131,879
Amortization of upfront incentive consideration ⁽³⁾	26,233	—	—	26,233
Stock-based compensation	—	—	9,146	9,146
Adjusted Gross Profit	586,900	209,345	(34,784)	761,461
Selling, general and administrative	(66,118)	(35,003)	(179,621)	(280,742)
Joint venture equity income	1,526	—	—	1,526
Selling, general and administrative adjustments:				
Depreciation and amortization ⁽²⁾	2,453	541	59,853	62,847
Restructuring and other costs ⁽⁵⁾	—	—	1,240	1,240
Acquisition-related costs ⁽⁶⁾	—	—	624	624
Litigation reimbursements, net ⁽⁷⁾	—	—	(1,945)	(1,945)
Stock-based compensation	—	—	13,953	13,953
Adjusted EBITDA	\$ 524,761	\$ 174,883	\$ (140,680)	\$ 558,964

	Six Months Ended June 30, 2015			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	\$ 370,942	\$ 77,566	\$ (206,911)	\$ 241,597
Add back:				
Selling, general and administrative	48,484	33,015	164,219	245,718
Cost of revenue adjustments:				
Depreciation and amortization ⁽²⁾	28,570	74,400	14,776	117,746
Amortization of upfront incentive consideration ⁽³⁾	22,050	—	—	22,050
Stock-based compensation	—	—	6,435	6,435
Adjusted Gross Profit	470,046	184,981	(21,481)	633,546
Selling, general and administrative	(48,484)	(33,015)	(164,219)	(245,718)
Joint venture equity income	13,826	—	—	13,826
Joint venture intangible amortization ^(2a)	1,602	—	—	1,602
Selling, general and administrative adjustments:				
Depreciation and amortization ⁽²⁾	1,054	507	47,310	48,871
Acquisition-related costs ⁽⁶⁾	—	—	3,864	3,864
Litigation costs ⁽⁷⁾	—	—	5,479	5,479
Stock-based compensation	—	—	9,689	9,689
Adjusted EBITDA	\$ 438,044	\$ 152,473	\$ (119,358)	\$ 471,159

The components of Adjusted Capital Expenditures are presented below (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Additions to property and equipment	\$ 89,121	\$ 66,051	\$ 164,593	\$ 127,963
Capitalized implementation costs	23,311	15,234	43,268	29,561
Adjusted Capital Expenditures	\$ 112,432	\$ 81,285	\$ 207,861	\$ 157,524

The following tables present information from our statements of cash flows and sets forth the reconciliation of Free Cash Flow to cash provided by operating activities, the most directly comparable GAAP measure (in thousands):

	Six Months Ended June 30,	
	2016	2015
Cash provided by operating activities	\$ 263,784	\$ 267,999
Cash used in investing activities	(329,570)	(127,815)
Cash used in financing activities	(174,334)	34,233

	Six Months Ended June 30,	
	2016	2015
Cash provided by operating activities	\$ 263,784	\$ 267,999
Additions to property and equipment	(164,593)	(127,963)
Free Cash Flow	\$ 99,191	\$ 140,036

(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 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 Abacus, Trust Group and Airpas Aviation.
- (7) Litigation costs (reimbursements), net represent charges and legal fee reimbursements associated with antitrust litigation.

Results of Operations

The following table sets forth our consolidated statement of operations data for each of the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(Amounts in thousands)			
Revenue	\$ 845,242	\$ 707,091	\$ 1,704,785	\$ 1,417,439
Cost of revenue	556,317	461,126	1,110,582	930,124
Selling, general and administrative	146,886	123,360	280,742	245,718
Operating income	142,039	122,605	313,461	241,597
Interest expense, net	(37,210)	(42,609)	(78,412)	(89,062)
Loss on extinguishment of debt	—	(33,235)	—	(33,235)
Joint venture equity income	763	5,307	1,526	13,826
Other income (expense), net	876	197	4,236	(4,248)
Income from continuing operations before income taxes	106,468	52,265	240,811	128,878
Provision for income taxes	31,273	19,676	72,697	46,959
Income from continuing operations	\$ 75,195	\$ 32,589	\$ 168,114	\$ 81,919

Three Months Ended June 30, 2016 and 2015

Revenue

	Three Months Ended June 30,		Change	
	2016	2015		
	(Amounts in thousands)			
Travel Network	\$ 597,910	\$ 494,515	\$ 103,395	21 %
Airline and Hospitality Solutions	252,169	216,632	35,537	16 %
Total segment revenue	850,079	711,147	138,932	20 %
Eliminations	(4,837)	(4,056)	(781)	(19)%
Total revenue	\$ 845,242	\$ 707,091	\$ 138,151	20 %

Travel Network— Revenue increased \$103 million , or 21% , for the three months ended June 30, 2016 compared to the same period in the prior year, primarily due to the acquisition of Abacus. Transaction-based revenue increased by \$124 million to \$552 million, mainly as a result of a 24% increase in Direct Billable Bookings to 128 million in the three months ended June 30, 2016 . Excluding the impact of the acquisition of Abacus, Direct Billable Bookings increased by 2% compared to the same period in the prior year, which was driven by growth of 1% in North America, 3% in EMEA and 2% in Latin America. In addition, other revenue increased \$7 million compared to the same period in the prior year. These increases were partially offset by a \$28 million decrease in revenue related to services we provided to Abacus prior to its acquisition in July 2015.

Airline and Hospitality Solutions— Revenue increased \$36 million , or 16% , for the three months ended June 30, 2016 compared to the same period in the prior year. The \$36 million increase in revenue primarily resulted from:

- a \$15 million increase in Airline Solutions' SabreSonic Customer Sales and Service ("SabreSonic CSS") revenue for the three months ended June 30, 2016 compared to the same period in the prior year. Passengers Boarded increased by 43% to 200 million for the three months ended June 30, 2016 , driven by the cutover of American Airlines Group to SabreSonic CSS in the fourth quarter of 2015 and also by existing customers. The growth in PBs resulted in a \$29 million increase in revenue for the three months ended June 30, 2016 . This increase was partially offset by a \$14 million decrease in non-PB revenue, primarily due to the expiration of a services contract that was extended with a significant customer in conjunction with a litigation settlement agreement with that customer in 2012;

- a \$7 million increase in Airline Solutions' commercial and operations solutions revenue driven by growth in multiple products across our portfolio, partially offset by a \$2 million decrease in consulting revenue; and
- a \$16 million increase in Hospitality Solutions revenue for the three months ended June 30, 2016 compared to the same period in the prior year driven primarily by an increase in Central Reservation System ("CRS") revenue. The increase was driven primarily by \$5 million from new and existing customers and \$11 million from the acquisition of the Trust Group.

Cost of Revenue

	Three Months Ended June 30,		Change	
	2016	2015		
	(Amounts in thousands)			
Travel Network	\$ 315,924	\$ 268,588	\$ 47,336	18 %
Airline and Hospitality Solutions	143,700	120,849	22,851	19 %
Eliminations	(4,837)	(4,046)	(791)	(20)%
Total segment cost of revenue	454,787	385,391	69,396	18 %
Corporate	22,262	11,778	10,484	89 %
Depreciation and amortization	65,372	53,079	12,293	23 %
Amortization of upfront incentive consideration	13,896	10,878	3,018	28 %
Total cost of revenue	\$ 556,317	\$ 461,126	\$ 95,191	21 %

Travel Network— Cost of revenue increased \$47 million , or 18% , for the three months ended June 30, 2016 compared to the same period in the prior year. The increase was primarily the result of costs associated with Abacus' operations and an increase in incentive consideration in North America, EMEA and Latin America.

Airline and Hospitality Solutions— Cost of revenue increased \$23 million , or 19% , for the three months ended June 30, 2016 compared to the same period in the prior year. The increase was primarily the result of higher transaction-related expenses driven by growth in transaction volumes and an increase in headcount-related costs, which includes the impact of the Trust Group acquisition.

Corporate— Cost of revenue associated with corporate unallocated costs increased \$10 million , or 89% , for the three months ended June 30, 2016 compared to the same period in the prior year. The increase was primarily due to increases in unallocated labor costs and shared technology costs.

Depreciation and amortization— Depreciation and amortization increased \$12 million , or 23% , for the three months ended June 30, 2016 compared to the same period in the prior year. The increase was primarily due to the completion and amortization of software developed for internal use and an increase in amortization of definite-lived intangible assets associated with the acquisition of Abacus.

Amortization of upfront incentive consideration— Amortization of upfront incentive consideration increased \$3 million , or 28% , for the three months ended June 30, 2016 compared to the same period in the prior year primarily due to an increase in upfront consideration provided to travel agencies during 2016 compared to the prior year. The increase includes upfront consideration provided to travel agencies served by Abacus.

Selling, General and Administrative Expenses

	Three Months Ended June 30,		Change	
	2016	2015		
	(Amounts in thousands)			
Selling, general and administrative	\$ 146,886	\$ 123,360	\$ 23,526	19%

Selling, general and administrative expenses ("SG&A") increased by \$24 million , or 19% , for the three months ended June 30, 2016 compared to the same period in the prior year. The increase was primarily due to a \$15 million increase in headcount-related costs and a \$9 million increase in amortization of acquisition-related intangible assets. The increase in headcount-related costs was primarily driven by the acquisitions of Abacus and the Trust Group and a \$3 million increase in stock-based compensation.

Interest Expense, net

	Three Months Ended June 30,		Change	
	2016	2015		
	(Amounts in thousands)			
Interest expense, net	\$ 37,210	\$ 42,609	\$ (5,399)	(13)%

Interest expense, net decreased \$5 million , or 13% , for the three months ended June 30, 2016 compared to the same period in the prior year. The decrease was primarily the result of a lower effective interest rate from the extinguishment of our 8.5% senior secured notes due 2019 in April 2015 and the maturity of our 8.35% senior unsecured notes due March 2016, funded by the issuance of our 5.375% and 5.25% senior secured notes due 2023, respectively. The decrease in our lower effective interest rate was partially offset by an increase in average debt outstanding compared to the same period in the prior year, the impacts of our interest rate swaps in the three months ended June 30, 2016 , and an increase in amortization of debt issuance costs.

Loss on Extinguishment of Debt

	Three Months Ended June 30,		Change	
	2016	2015		
	(Amounts in thousands)			
Loss on extinguishment of debt	\$ —	\$ 33,235	\$ (33,235)	(100)%

As a result of the refinancing of our 2019 Notes in April of 2015, we recognized a loss on extinguishment of debt of \$33 million which consisted of a redemption premium of \$31 million and the make whole premium of \$2 million representing scheduled interest payable for the period between the redemption date of April 29, 2015 and the first call date of May 15, 2015.

Joint Venture Equity Income

	Three Months Ended June 30,		Change	
	2016	2015		
	(Amounts in thousands)			
Joint venture equity income	\$ 763	\$ 5,307	\$ (4,544)	(86)%

On July 1, 2015, we acquired the remaining 65% of a former joint venture, which represented the majority of our joint venture income for the three months ended June 30, 2015.

Provision for Income Taxes

	Three Months Ended June 30,		Change	
	2016	2015		
	(Amounts in thousands)			
Provision for income taxes	\$ 31,273	\$ 19,676	\$ 11,597	59%

Our effective tax rates for the three months ended June 30, 2016 and 2015 were 29% and 38% , respectively. The decrease in the effective tax rate for the three months ended June 30, 2016 as compared to the same period in 2015 was primarily driven by an increase in forecasted earnings in lower tax jurisdictions, excess tax benefits associated with employee equity-based awards and U.S. federal research tax credits, partially offset by an increase in foreign withholding taxes.

The differences between our effective tax rates and the U.S. federal statutory income tax rate primarily result from our geographic mix of taxable income in various tax jurisdictions as well as the discrete tax items referenced above.

Six Months Ended June 30, 2016 and 2015

Revenue

	Six Months Ended June 30,		Change	
	2016	2015		
	(Amounts in thousands)			
Travel Network	\$ 1,223,386	\$ 1,002,445	\$ 220,941	22 %
Airline and Hospitality Solutions	490,549	421,532	69,017	16 %
Total segment revenue	1,713,935	1,423,977	289,958	20 %
Eliminations	(9,150)	(6,538)	(2,612)	(40)%
Total revenue	\$ 1,704,785	\$ 1,417,439	\$ 287,346	20 %

Travel Network— Revenue increased \$221 million , or 22% , for the six months ended June 30, 2016 compared to the same period in the prior year, primarily due to the acquisition of Abacus. Transaction-based revenue increased by \$259 million to \$1,134 million, mainly as a result of a 26% increase in Direct Billable Bookings to 263 million in the six months ended June 30, 2016 . Excluding the impact of the acquisition of Abacus, Direct Billable Bookings increased by 3% compared to the same period in the prior year, which was driven by growth of 3% in North America and 8% in EMEA, partially offset by a slight decline in Latin America. In addition, other revenue increased by \$13 million compared to the same period in the prior year. These increases were partially offset by a \$50 million decrease in revenue related to services we provided to Abacus prior to its acquisition in July 2015.

Airline and Hospitality Solutions— Revenue increased \$69 million , or 16% , for the six months ended June 30, 2016 compared to the same period in the prior year. The \$69 million increase in revenue primarily resulted from:

- a \$33 million increase in Airline Solutions' SabreSonic CSS revenue for the six months ended June 30, 2016 compared to the same period in the prior year. Passengers Boarded increased by 44% to 383 million for the six months ended June 30, 2016 , driven by the cutover of American Airlines Group to SabreSonic CSS in the fourth quarter of 2015 and also by existing customers. The growth in PBs resulted in a \$57 million increase in revenue for the six months ended June 30, 2016 . This increase was partially offset by a \$24 million decrease in non-PB revenue, primarily due to the expiration of a services contract that was extended with a significant customer in conjunction with a litigation settlement agreement with that customer in 2012;
- a \$13 million increase in Airline Solutions' commercial and operations solutions revenue driven by growth in multiple products across our portfolio, partially offset by a \$6 million decrease in consulting revenue; and
- a \$30 million increase in Hospitality Solutions revenue for the six months ended June 30, 2016 compared to the same period in the prior year driven primarily by an increase in CRS revenue. The total increase was driven mainly by \$11 million from new and existing customers and \$19 million from the acquisition of the Trust Group.

Cost of Revenue

	Six Months Ended June 30,		Change	
	2016	2015		
	(Amounts in thousands)			
Travel Network	\$ 636,486	\$ 532,399	\$ 104,087	20 %
Airline and Hospitality Solutions	281,204	236,550	44,654	19 %
Eliminations	(9,063)	(6,528)	(2,535)	(39)%
Total segment cost of revenue	908,627	762,421	146,206	19 %
Corporate	43,843	27,907	15,936	57 %
Depreciation and amortization	131,879	117,746	14,133	12 %
Amortization of upfront incentive consideration	26,233	22,050	4,183	19 %
Total cost of revenue	\$ 1,110,582	\$ 930,124	\$ 180,458	19 %

Travel Network— Cost of revenue increased \$104 million , or 20% , for the six months ended June 30, 2016 compared to the same period in the prior year. The increase was primarily the result of costs associated with Abacus' operations and an increase in incentive consideration in North America and EMEA.

Airline and Hospitality Solutions— Cost of revenue increased \$45 million , or 19% , for the six months ended June 30, 2016 compared to the same period in the prior year. The increase was primarily the result of higher transaction-related expenses driven by growth in transaction volumes and an increase in headcount-related costs, which includes the impact of the Trust Group acquisition.

Corporate— Cost of revenue associated with corporate unallocated costs increased \$16 million , or 57% , for the six months ended June 30, 2016 compared to the same period in the prior year. The increase was primarily the result of an increase in shared data processing and technology costs, including transition costs associated with our new information technology services agreement with Hewlett Packard Enterprise, LLC ("HPE") and an increase in unallocated labor costs.

Depreciation and amortization— Depreciation and amortization increased \$14 million , or 12% , for the six months ended June 30, 2016 compared to the same period in the prior year. The increase was primarily due to the completion and amortization of software developed for internal use and an increase in amortization of definite-lived intangible assets associated with the acquisition of Abacus.

Amortization of upfront incentive consideration— Amortization of upfront incentive consideration increased \$4 million , or 19% , for the six months ended June 30, 2016 compared to the same period in the prior year primarily due to an increase in upfront consideration provided to travel agencies during 2016 compared to the prior year. The increase includes upfront consideration provided to travel agencies served by Abacus.

Selling, General and Administrative Expenses

	Six Months Ended June 30,		Change	
	2016	2015		
	(Amounts in thousands)			
Selling, general and administrative	\$ 280,742	\$ 245,718	\$ 35,024	14%

SG&A increased by \$35 million , or 14% , for the six months ended June 30, 2016 compared to the same period in the prior year. The increase was primarily due to a \$32 million increase in headcount-related costs and a \$15 million increase in amortization of acquisition-related intangible assets. The increase in headcount-related costs was primarily driven by the acquisitions of Abacus and the Trust Group and a \$4 million increase in stock-based compensation. These increases were partially offset by a \$6 million reimbursement in legal costs related to the US Airways litigation received in the first quarter of 2016 (see Note 10, Contingencies, to our consolidated financial statements), and a \$7 million decrease in professional fees, mainly associated with the 2015 acquisition of Abacus.

Interest Expense, net

	Six Months Ended June 30,		Change	
	2016	2015		
	(Amounts in thousands)			
Interest expense, net	\$ 78,412	\$ 89,062	\$ (10,650)	(12)%

Interest expense, net decreased \$11 million , or 12% , for the six months ended June 30, 2016 compared to the same period in the prior year. The decrease was primarily the result of a lower effective interest rate from the extinguishment of our 8.5% senior secured notes due 2019 in April 2015 and the partial extinguishment of our 8.35% senior unsecured notes due 2016 in December 2015, funded by the issuance of our 5.375% and 5.25% senior secured notes due 2023, respectively. Our senior unsecured notes due 2016 fully matured in March 2016. The decrease in our lower effective interest rate was partially offset by an increase in average debt outstanding compared to the same period in the prior year, the impacts of our interest rate swaps in the six months ended June 30, 2016 and an increase in amortization of debt issuance costs.

Loss on Extinguishment of Debt

	Six Months Ended June 30,		Change	
	2016	2015		
	(Amounts in thousands)			
Loss on extinguishment of debt	\$ —	\$ 33,235	\$ (33,235)	(100)%

As a result of the refinancing of our 2019 Notes in April of 2015, we recognized a loss on extinguishment of debt of \$33 million which consisted of a redemption premium of \$31 million and the make whole premium of \$2 million representing scheduled interest payable for the period between the redemption date of April 29, 2015 and the first call date of May 15, 2015.

Joint Venture Equity Income

	Six Months Ended June 30,		Change	
	2016	2015		
	(Amounts in thousands)			
Joint venture equity income	\$ 1,526	\$ 13,826	\$ (12,300)	(89)%

On July 1, 2015, we acquired the remaining 65% of a former joint venture, which represented the majority of our joint venture income for the six months ended June 30, 2015.

Other Income (Expense), Net

	Six Months Ended June 30,		Change	
	2016	2015		
	(Amounts in thousands)			
Other income (expense), net	\$ 4,236	\$ (4,248)	\$ 8,484	**

** not meaningful

Other income (expense), net increased \$8 million for the six months ended June 30, 2016 compared to the prior year. The increase is primarily due to the receipt of an earn-out payment of \$6 million associated with the sale of a business in 2013, and an increase in realized and unrealized foreign currency exchange gains of \$2 million.

Provision for Income Taxes

	Six Months Ended June 30,		Change	
	2016	2015		
	(Amounts in thousands)			
Provision for income taxes	\$ 72,697	\$ 46,959	\$ 25,738	55%

Our effective tax rates for the six months ended June 30, 2016 and 2015 were 30% and 36% , respectively. The decrease in the effective tax rate for the six months ended June 30, 2016 as compared to the same period in 2015 was primarily driven by an increase in forecasted earnings in lower tax jurisdictions, excess tax benefits associated with employee equity-based awards and U.S. federal research tax credits, partially offset by an increase in foreign withholding taxes.

The differences between our effective tax rates and the U.S. federal statutory income tax rate primarily result from our geographic mix of taxable income in various tax jurisdictions as well as the discrete tax items referenced above.

Liquidity and Capital Resources

Our principal sources of liquidity are: (i) cash flows from operations, (ii) cash and cash equivalents and (iii) borrowings under our revolving credit facility (see “—Senior Secured Credit Facilities”). Borrowing availability under our revolving credit facility is reduced by our outstanding letters of credit and restricted cash collateral. As of June 30, 2016 and December 31, 2015 , our cash and cash equivalents, availability under our revolving credit facility and outstanding letters of credit were as follows (in thousands):

	June 30, 2016	December 31, 2015
Cash and cash equivalents	\$ 68,312	\$ 321,132
Available balance under the revolving credit facility	298,198	380,603
Reductions to the revolving credit availability:		
Outstanding revolving credit facility balance	70,000	—
Outstanding letters of credit	36,802	24,560

We consider cash equivalents to be highly liquid investments that are readily convertible into cash. Securities with contractual maturities of three months or less, when purchased, are considered cash equivalents. We record changes in a book overdraft position, in which our bank account is not overdrawn but recently issued and outstanding checks result in a negative general ledger balance, as cash flows from financing activities. We invest in a money market fund which is classified as cash and cash equivalents in our consolidated balance sheets and statements of cash flows. We held no short-term investments as of June 30, 2016 and December 31, 2015 .

On July 18, 2016, Sabre GLBL Inc. entered into a series of amendments to our Amended and Restated Credit Agreement to provide for an incremental term loan under a new class and to replace the existing revolving credit facility with a new revolving credit facility. See “—Senior Secured Credit Facilities” for addition information.

Liquidity Outlook

Our ability to generate cash depends on many factors beyond our control, and any failure to meet our debt service obligations could harm our business, financial condition and results of operations. Our ability to make payments on and to refinance our indebtedness, and to fund working capital needs, planned capital expenditures and dividends, will depend on our ability to generate cash in the future, which is subject to general economic, financial, competitive, business, legislative, regulatory and other factors that are beyond our control. See “Risk Factors—We may require more cash than we generate in our operating activities, and additional funding on reasonable terms or at all may not be available.”

We utilize cash and cash equivalents, supplemented by the revolving credit facility, primarily to pay our operating expenses, make capital expenditures, invest in our products and offerings, pay quarterly dividends on our common stock, make payments under the TRA, and service our debt and other long-term liabilities. Furthermore, on an ongoing basis, we will evaluate and consider strategic acquisitions, divestitures, joint ventures, repurchasing shares of our common stock or our outstanding debt obligations in open market or in privately negotiated transactions, as well as other transactions we believe may create stockholder value or enhance financial performance. These transactions may require cash expenditures or generate proceeds and, to the extent they require cash expenditures, may be funded through a combination of cash on hand, debt or equity offerings, or utilization of our revolving credit facility.

We believe that cash flows from operations, cash and cash equivalents on hand and our revolving credit facility provide adequate liquidity for our operational and capital expenditures and other obligations over the next twelve months. We may supplement our current liquidity through debt or equity offerings to support future strategic investments. We intend to fund the maturity of our \$80 million mortgage note due on April 1, 2017 and the estimated TRA payments of \$113 million, including accrued interest, due in the first quarter of 2017 through a combination of cash on hand, utilization of our revolving credit facility or debt offerings.

Dividends

During the second quarter of 2016, we paid a quarterly cash dividend of \$0.13 per share of our common stock totaling \$36 million. We expect to continue to pay quarterly cash dividends on our common stock, subject to declaration of our board of directors. In July 2016, we declared a cash dividend of \$0.13 per share, payable on September 30, 2016, to stockholders of record on September 21, 2016. We intend to fund this dividend, as well as any future dividends, from cash generated from our operations. Future cash dividends, if any, will be at the discretion of our board of directors and the amount of cash dividends per share will depend upon, among other things, our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, number of shares of common stock outstanding and other factors the board of directors may deem relevant. The timing and amount of future dividend payments will be at the discretion of our board of directors. See “Risk Factors—Our ability to pay regular dividends to our stockholders is subject to the discretion of our board of directors and may be limited by our holding company structure and applicable provisions of Delaware law.”

Recent Events Impacting Our Liquidity and Capital Resources

Acquisition of Trust Group

In January 2016, we completed the acquisition of the Trust Group, a central reservations, revenue management and hotel marketing provider, expanding our presence in EMEA and APAC. The Trust Group is integrated and managed as part of our Airline and Hospitality Solutions segment. We paid net cash consideration of \$156 million, which includes the effect of net working capital adjustments. The acquisition was funded using proceeds from our 5.25% senior secured notes due in 2023 and cash on hand.

Senior Unsecured Notes Due 2016

In March 2016, the remaining principal balance of \$165 million of our senior unsecured notes matured. We repaid the remaining principal on the senior unsecured notes with a draw on our Prior Revolver and cash on hand.

Political and Economic Environment in Venezuela

Venezuela has imposed currency controls, including volume restrictions on the conversion of bolivars to U.S. dollars, which impact the ability of certain of our airline customers operating in the country to obtain U.S. dollars to make timely payments to us. Consequently, the collection of accounts receivable due to us can be, and has been, delayed. Due to the nature of this delay, we have recorded specific reserves against all outstanding balances due to us and are deferring the recognition of any future revenues effective January 1, 2014 until cash is collected in accordance with our policies. Accordingly, our accounts receivable are subject to a general collection risk, as there can be no assurance that we will be paid from such customers in a timely manner, if at all. Certain airlines have scaled back operations in response to the reduced demand for travel in conjunction with the political and

economic uncertainty, as well as the currency controls that have impacted our airline customers in Venezuela. During the six months ended June 30, 2016, we collected \$3 million from customers in Venezuela, all of which was outstanding as of December 31, 2015. Accounts receivable outstanding from customers in Venezuela totaled \$20 million as of June 30, 2016, which will be recognized as revenue when cash is received.

Secondary Public Offering

During the six months ended June 30, 2016, certain of our stockholders sold an aggregate of 20,000,000 shares of our common stock through a secondary public offering. We did not offer any shares or receive any proceeds from this secondary public offering.

Senior Secured Credit Facilities

On February 19, 2013, Sabre GBLB entered into the Amended and Restated Credit Agreement. The agreement replaced (i) the existing term loans with new classes of term loans of \$1,775 million (the "Term Loan B") and \$425 million (the "Term Loan C") and (ii) the existing revolving credit facility with a new revolving credit facility of \$352 million, which we now refer to as the Prior Revolver. On September 30, 2013, Sabre GBLB entered into an agreement to amend the Amended and Restated Credit Agreement to add a new class of term loans in the amount of \$350 million (the "Incremental Term Loan Facility"). As of June 30, 2016, we had outstanding face value amounts of \$1,713 million on our Term Loan B, \$340 million on our Incremental Term Loan Facility, \$49 million on our Term Loan C and \$70 million on the Prior Revolver. On July 18, 2016, Sabre GBLB entered into the Credit Agreement Amendments to provide for the Term Loan A with an aggregate principal amount of \$600 million and to replace the Prior Revolver with the \$400 million New Revolver. The proceeds of Term Loan A were used to repay \$350 million of outstanding principal on our Term Loan B and Incremental Term Loan Facility, on a pro rata basis, repay the \$120 million outstanding balance on our Prior Revolver immediately prior to the execution of the Credit Agreement Amendments, and to pay \$14 million in associated financing fees. We intend to use the remaining proceeds for general corporate purposes.

The Term Loan A matures in July 2021 and amortizes in equal quarterly installments of 1.25% during the first two years of its term and 2.50% during the next three years of its term. The Term Loan B and Incremental Term Loan Facility mature in February 2019 and no longer require quarterly principal payments as a result of the Credit Agreement Amendments. The Term Loan C matures in December 2017, with \$17 million due in September 2017 and the remaining \$32 million due in December 2017. We are scheduled to make \$30 million in principal payments on our senior secured credit facilities over the next twelve months. The Term Loan A and the New Revolver mature in July 2021 and include an accelerated maturity of November 19, 2018, if on November 19, 2018 the Term Loan B and Incremental Term Loan Facility have not been repaid in full or refinanced with a maturity date subsequent to July 18, 2021. The amount of the New Revolver commitments available as a letter of credit subfacility was set at \$150 million. The applicable margins for the Term Loan A and the New Revolver are 2.50% for Eurocurrency borrowings and 1.50% for base rate borrowings, with a step down to 2.25% for Eurocurrency borrowings and 1.25% for base rate borrowings if the Senior Secured Leverage Ratio (as defined in the Amended and Restated Credit Agreement) is less than 2.50 to 1.00. The applicable margin for the Term Loan B is 3.00% for Eurocurrency borrowings and 2.00% for base rate borrowings, with a step up to 3.25% for Eurocurrency borrowings and 2.25% for base rate borrowings if the Senior Secured Leverage Ratio is more than 3.25 to 1.00. The applicable margins for the Incremental Term Loan Facility are 3.50% for Eurocurrency borrowings and 2.50% for base rate borrowings, with a step down to 3.00% for Eurocurrency borrowings and 2.00% for base rate borrowings if the Senior Secured Leverage Ratio is less than or equal to 3.00 to 1.00.

Under the Amended and Restated Credit Agreement, the loan parties are subject to certain customary non-financial covenants, including certain restrictions on incurring certain types of indebtedness, creation of liens on certain assets, making of certain investments, and payment of dividends, as well as a maximum leverage ratio. As of June 30, 2016, this ratio applied if our revolver utilization exceeded certain thresholds and was calculated as senior secured debt (net of cash) to EBITDA, as defined by the credit agreement. The maximum ratio was 4.5 to 1.0 for 2015 and 4.0 to 1.0 for 2016. The definition of EBITDA is based on a trailing twelve months EBITDA adjusted for certain items including non-recurring expenses and the pro forma impact of cost saving initiatives. Pursuant to Credit Agreement Amendments, effective July 18, 2016, the maximum leverage ratio has been adjusted to be based on the Total Net Leverage Ratio (as defined in the Amended and Restated Credit Agreement) and we are required, at all times (no longer solely when a threshold amount of revolving loans or letters of credit were outstanding), to maintain a Total Net Leverage Ratio of less than 4.5 to 1.0.

We are also required to pay down the term loans by an amount equal to 50% of annual excess cash flow, as defined in the Amended and Restated Credit Agreement. No excess cash flow payment is required in 2016 with respect to our results for the year ended December 31, 2015. This percentage requirement may decrease or be eliminated if certain leverage ratios are achieved. We are further required to pay down the term loan with proceeds from certain asset sales or borrowings as defined in the Amended and Restated Credit Agreement.

Tax Receivable Agreement

Immediately prior to the closing of our initial public offering, we entered into the TRA that provides the Pre-IPO Existing Stockholders the right to receive future payments from us. The future payments will equal 85% of the amount of cash savings, if any, in U.S. federal income tax that we and our subsidiaries realize as a result of the utilization of the Pre-IPO Tax Assets. Based on current tax laws and assuming that we and our subsidiaries earn sufficient taxable income to realize the full tax benefits subject to the TRA, we estimate that future payments under the TRA relating to Pre-IPO Tax Assets will total \$387 million, excluding interest, and will be made over the next five years. The TRA payments accrue interest at a rate of LIBOR plus 1.00% beginning on the 15th day of March subsequent to the tax year in which the tax benefits are realized through the date of the benefit payment. We expect no material payments to occur in 2016 and expect to make payments totaling \$113 million, including accrued interest, in the first quarter of 2017. The estimate of future payments considers the impact of Section 382 of the Internal Revenue Code, which imposes an annual limit on the ability of a corporation that undergoes an ownership change to use its net operating loss carryforwards to reduce its liability. We do not anticipate any material limitations on our ability to utilize NOLs under Section 382 of the Code.

These payment obligations are our obligations and not obligations of any of our subsidiaries. The actual utilization of the Pre-IPO Tax Assets, as well as the timing of any payments under the TRA, will vary depending upon a number of factors, including the amount, character and timing of our and our subsidiaries' taxable income in the future.

Cash Flows

	Six Months Ended June 30,	
	2016	2015
	(Amounts in thousands)	
Cash provided by operating activities	\$ 263,784	\$ 267,999
Cash used in investing activities	(329,570)	(127,815)
Cash (used in) provided by financing activities	(174,334)	34,233
Cash (used in) provided by in discontinued operations	(12,407)	252,798
Effect of exchange rate changes on cash and cash equivalents	(293)	(4,861)
(Decrease) increase in cash and cash equivalents	\$ (252,820)	\$ 422,354

Operating Activities

Cash provided by operating activities for the six months ended June 30, 2016 was \$264 million and consisted of net income from continuing operations of \$168 million, adjustments for non-cash and other items of \$289 million and a decrease in cash from changes in operating assets and liabilities of \$194 million. The adjustments for non-cash and other items consist primarily of \$195 million of depreciation and amortization, \$59 million of deferred income taxes, \$26 million in amortization of upfront incentive consideration, and \$23 million stock-based compensation expense, partially offset by \$26 million of litigation related credits. The decrease in cash from changes in operating assets and liabilities of \$194 million was primarily the result of a \$84 million increase in accounts receivable due to seasonality, \$47 million used for upfront incentive consideration, \$43 million used for capitalized implementation costs, \$29 million increase in prepaid expenses and other assets, and a \$26 million decrease in accrued compensation and related benefits. These decreases were partially offset by an increase of \$22 million in deferred revenue primarily due to upfront solution fees and an increase of \$13 million in accounts payable and other accrued liabilities.

Cash provided by operating activities for the six months ended June 30, 2015 was \$268 million and consisted of net income from continuing operations of \$82 million, adjustments for non-cash and other items of \$273 million and a decrease in cash from changes in operating assets and liabilities of \$87 million. The adjustments for non-cash and other items consist primarily of \$167 million of depreciation and amortization, \$33 million of loss on extinguishment of debt, \$37 million of deferred income taxes, \$29 million of dividends received from joint venture investments, \$22 million in amortization of upfront incentive consideration and \$16 million stock-based compensation expense, partially offset by \$33 million of litigation related credits. The decrease in cash from changes in operating assets and liabilities of \$87 million was primarily the result of a \$48 million increase in accounts receivable due to seasonality, a \$44 million increase in other assets mainly attributable to deferred advances to customers, \$30 million used for capitalized implementation costs, \$23 million used for upfront incentive consideration and a \$23 million decrease in accrued compensation and related benefits. These decreases were partially offset by an increase of \$62 million in accounts payable and other accrued liabilities, mainly related to an increase in accrued incentive consideration driven by volume growth and seasonality, and an increase of \$18 million in deferred revenue primarily related to upfront solution fees.

Investing Activities

For the six months ended June 30, 2016, we used cash of \$165 million for the acquisition of Trust Group and Airpas Aviation and \$165 million on capital expenditures, including \$143 million related to software developed for internal use.

For the six months ended June 30, 2015, we used cash of \$128 million on capital expenditures, including \$104 million related to software developed for internal use.

Financing Activities

For the six months ended June 30, 2016, we used \$174 million for financing activities. Significant highlights of our financing activities include:

- we paid the remaining principal of \$165 million on our senior secured notes due 2016, which matured in March 2016;
- we made draws on our Prior Revolver totaling \$378 million and payments totaling \$308 million resulting in an outstanding balance of \$70 million as of June 30, 2016;
- we made payments totaling \$176 million on the principal outstanding on our term loans and mortgage;
- we paid \$72 million in dividends on our common stock; and
- we received proceeds of \$15 million from the settlement of employee stock-option awards and paid \$11 million in income tax withholdings associated with the settlement of employee restricted-stock awards.

For the six months ended June 30, 2015, we received net proceeds of \$34 million from financing activities. Significant highlights of our financing activities include:

- We extinguished our 2019 Notes of \$480 million through the issuance of \$530 million of 5.375% senior secured notes due in 2023;
- we drew \$70 million on the Prior Revolver to partially fund our acquisition of Abacus in July 2015;
- we paid \$40 million of debt prepayment fees and issuance costs;
- we paid \$49 million in dividends on our common stock; and
- we received net proceeds of \$18 million from the settlement of equity-based awards.

Discontinued Travelocity Business

Cash flows used by discontinued operating activities totaled \$12 million and \$26 million for the six months ended June 30, 2016 and 2015, respectively. The decrease in cash flows used by discontinued operating activities in the six months ended June 30, 2016 compared to 2015 is primarily due to lower operating losses and a reduction in cash used to pay liabilities as we wind down the business.

Cash flows provided by discontinued investing activities for the six months ended June 30, 2015 totaled \$279 million which consisted of \$280 million in proceeds from the sale of Travelocity.com, partially offset by \$1 million in capital expenditures associated with lastminute.com prior to its sale.

As a result of our completed divestiture of the Travelocity segment, we do not expect our discontinued operations to have material ongoing liquidity requirements. See Note 10, Contingencies, to our consolidated financial statements regarding litigation and other contingencies associated with our discontinued Travelocity segment.

Contractual Obligations

In March 2016, the remaining \$165 million of our 8.35% senior unsecured notes matured which we repaid in full. In July 2016, Sabre GBLB entered into a series of amendments to our Amended and Restated Credit Agreement to provide for an incremental term loan under a new class and to replace the revolving credit facility with a new revolving credit facility. See "—Liquidity and Capital Resources—Senior Secured Credit Facilities." In addition, we expect to make payments totaling \$113 million, including interest, under our TRA in the first quarter of 2017. There were no other material changes to our future minimum contractual obligations as of December 31, 2015 as previously disclosed in our Annual Report on Form 10-K filed with the SEC on February 19, 2016.

Off Balance Sheet Arrangements

We had no off balance sheet arrangements during the six months ended June 30, 2016 and year ended December 31, 2015.

Recent Accounting Pronouncements

In March 2016, the FASB issued an updated guidance to simplify accounting for share-based payments. The amendments of the updated standard include, among other things, the requirement to recognize excess tax benefits (or deficiencies) through earnings, the election of a policy to either estimate forfeitures when determining periodic expense or recognize actual forfeitures when they occur, and an increase in the allowable income tax withholding from the minimum to the maximum statutory rate. The updated guidance is effective for fiscal years beginning after December 15, 2016, and interim periods within those years for public business entities. Early adoption is permitted in any interim or annual period provided that the entire ASU is adopted. We early adopted this updated guidance in the first quarter of 2016. See Note 1, General Information, to our consolidated financial statements.

In February 2016, FASB issued an updated guidance requiring organizations that lease assets—referred to as "lessees"—to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases when the lease

has a term of more than 12 months. The updated standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. We are currently evaluating the impact of this standard on our consolidated financial statements.

In January 2016, the FASB issued an updated guidance on accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure for financial instruments. Under this updated standard, entities must measure equity investments at fair value and recognize changes in fair value in net income. For equity investments without readily determinable fair values, entities have the option to either measure these investments at fair value or at cost adjust for changes in observable prices less impairment. The updated guidance does not apply to equity method investments or investments in consolidated subsidiaries. This new standard is effective for public companies for annual periods, including interim periods, beginning after December 15, 2017. We do not expect that the adoption of this updated standard will have a material impact to our consolidated financial statements.

In April 2015, the FASB issued new guidance on a customer's accounting for fees paid in cloud computing arrangement. Prior to this standard, there was no specific guidance under GAAP on accounting for these fees from the customer's perspective. Under the new standard, customers will apply the same criteria as vendors to determine whether cloud computing agreement contains a software license or is solely a service contract. This new standard is effective for public companies for annual periods, including interim periods, beginning after December 15, 2015. We adopted this standard prospectively in the first quarter of 2016, which did not have a material impact on our consolidated financial statements.

In June 2014, the FASB issued final guidance that a performance target in a share-based payment that affects vesting and that could be achieved after the requisite service period should be accounted for as a performance condition. The guidance was issued to resolve diversity in practice. The standard is effective for annual and interim reporting periods beginning after December 15, 2015. We adopted this standard in the first quarter of 2016, and its adoption did not have a material impact on our consolidated financial statements.

In May 2014, the FASB issued a comprehensive update to revenue recognition guidance that will replace current standards. Under the updated standard, revenue is recognized when a company transfers promised goods or services to customers in an amount that reflects the consideration that is expected to be received for those goods and services. The updated standard also requires additional disclosures on the nature, timing, and uncertainty of revenue and related cash flows. On July 9, 2015, the FASB approved to defer the effective date of the new standard which is now effective for annual and interim reporting periods beginning after December 15, 2017. Early adoption of the new standard is permitted for annual and interim reporting periods beginning after December 15, 2016. We are currently evaluating the impact this standard will have on our consolidated financial statements.

Critical Accounting Estimates

This discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect our reported assets and liabilities, revenues and expenses and other financial information. Actual results may differ significantly from these estimates, and our reported financial condition and results of operations could vary under different assumptions and conditions. In addition, our reported financial condition and results of operations could vary due to a change in the application of a particular accounting standard.

We regard an accounting estimate underlying our financial statements as a "critical accounting estimate" if the accounting estimate requires us to make assumptions about matters that are uncertain at the time of estimation and if changes in the estimate are reasonably likely to occur and could have a material effect on the presentation of financial condition, changes in financial condition, or results of operations. For a discussion of the accounting policies involving material estimates and assumptions that we believe are most critical to the preparation of our financial statements, how we apply such policies and how results differing from our estimates and assumptions would affect the amounts presented in our financial statements, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates" included in our Annual Report on Form 10-K filed with the SEC on February 19, 2016.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the potential loss from adverse changes in: (i) prevailing interest rates, (ii) foreign exchange rates, (iii) credit risk and (iv) inflation. Our exposure to market risk relates to interest payments due on our long-term debt, revolving credit facility, derivative instruments, income on cash and cash equivalents, accounts receivable and payable and related deferred revenue. We manage our exposure to these risks through established policies and procedures. We do not engage in trading, market making or other speculative activities in the derivatives markets. Our objective is to mitigate potential income statement, cash flow and fair value exposures resulting from possible future adverse fluctuations in interest and foreign exchange rates. There were no material changes in our market risk since December 31, 2015 as previously disclosed under Item 7A, Quantitative and Qualitative Disclosures About Market Risk, included in our Annual Report on Form 10-K filed with the SEC on February 19, 2016.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as this term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and principal financial officer have concluded that, as of the end of this period, our disclosure controls and procedures were effective.

Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting (as this term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

We are implementing a project to consolidate our business technology infrastructure to a single global enterprise resource planning ("ERP") system. A key component of our ERP implementation project is to ensure appropriate internal controls over financial reporting is maintained.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company and its subsidiaries are from time to time engaged in routine legal proceedings incidental to our business. For a description of our material legal proceedings, see Note 10, Contingencies, to our consolidated financial statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

ITEM 1A. RISK FACTORS

The following risk factors may be important to understanding any statement in this Quarterly Report on Form 10-Q or elsewhere. Our business, financial condition and operating results can be affected by a number of factors, whether currently known or unknown, including but not limited to those described below. Any one or more of such factors could directly or indirectly cause our actual results of operations and financial condition to vary materially from past or anticipated future results of operations and financial condition. Any of these factors, in whole or in part, could materially and adversely affect our business, financial condition, results of operations and stock price.

Our revenue is highly dependent on transaction volumes in the global travel industry, particularly air travel transaction volumes.

Our Travel Network and Airline and Hospitality Solutions revenue is largely tied to travel suppliers' transaction volumes rather than to their unit pricing for an airplane ticket, hotel room or other travel products. This revenue is generally not contractually committed to recur annually under our agreements with our travel suppliers. As a result, our revenue is highly dependent on the global travel industry, particularly air travel from which we derive a substantial amount of our revenue, and directly correlates with global travel, tourism and transportation transaction volumes. Our revenue is therefore highly susceptible to declines in or disruptions to leisure and business travel that may be caused by factors entirely out of our control, and therefore may not recur if these declines or disruptions occur.

Various factors may cause temporary or sustained disruption to leisure and business travel. The impact these disruptions would have on our business depends on the magnitude and duration of such disruption. These factors include, among others:

- general and local economic conditions;
- financial instability of travel suppliers and the impact of any fundamental corporate changes to such travel suppliers, such as airline bankruptcies or consolidations, on the cost and availability of travel content;
- factors that affect demand for travel such as outbreaks of contagious diseases, including Zika, Ebola and the MERS virus, increases in fuel prices, changing attitudes towards the environmental costs of travel and safety concerns;
- inclement weather, natural or man-made disasters;
- political events like acts or threats of terrorism, hostilities and war; and
- factors that affect supply of travel such as changes to regulations governing airlines and the travel industry, like government sanctions that do or would prohibit doing business with certain state-owned travel suppliers, work stoppages or labor unrest at any of the major airlines, hotels or airports.

Our Travel Network business and our Airline and Hospitality Solutions business depend on maintaining and renewing contracts with their customers and other counterparties .

In our Travel Network business, we enter into participating carrier distribution and services agreements with airlines. Our contracts with major carriers typically last for three- to five-year terms and are generally subject to automatic renewal at the end of the term, unless terminated by either party with the required advance notice. Our contracts with smaller airlines generally last for one year and are also subject to automatic renewal at the end of the term, unless terminated by either party with the required advance notice. Airlines are not contractually obligated to distribute exclusively through our GDS during the contract term and may terminate their agreements with us upon providing the required advance notice after the expiration of the initial term. We cannot guarantee that we will be able to renew our airline contracts in the future on favorable economic terms or at all.

We also enter into contracts with travel buyers. Although most of our travel buyer contracts have terms of one to three years, we typically have non-exclusive, five- to ten-year contracts with our major travel agency customers. We also typically have three- to five-year contracts with corporate travel departments, which generally renew automatically unless terminated with the required advance notice. A meaningful portion of our travel buyer agreements, typically representing approximately 15% to 20% of our bookings, are up for renewal in any given year. We cannot guarantee that we will be able to renew our travel buyer agreements in the future on favorable economic terms or at all.

Similarly, our Airline and Hospitality Solutions business is based on contracts with travel suppliers for a typical duration of three to seven years for airlines and one to five years for hotels. We cannot guarantee that we will be able to renew our solutions contracts in the future on favorable economic terms or at all.

Additionally, we use several third-party distributor partners and joint ventures to extend our GDS services in EMEA. The termination of our contractual arrangements with any such third-party distributor partners and joint ventures could adversely impact our Travel Network business in the relevant markets. See “-We rely on third-party distributor partners and joint ventures to extend our GDS services to certain regions, which exposes us to risks associated with lack of direct management control and potential conflicts of interest” for more information on our relationships with our third-party distributor partners and joint ventures.

Our failure to renew some or all of these agreements on economically favorable terms or at all, or the early termination of these existing contracts, would adversely affect the value of our Travel Network business as a marketplace due to our limited content and distribution reach, which could cause some of our subscribers to move to a competing GDS or use other travel technology providers for the solutions we provide and would materially harm our business, reputation and brand. Our business therefore relies on our ability to renew our agreements with our travel buyers, travel suppliers, third-party distributor partners and joint ventures or developing relationships with new travel buyers and travel suppliers to offset any customer losses.

We are subject to a certain degree of revenue concentration among a portion of our customer base. Because of this concentration among a small number of customers, if an event were to adversely affect one of these customers, it would have a material impact on our business.

Our Travel Network business is exposed to pricing pressure from travel suppliers.

Travel suppliers continue to look for ways to decrease their costs and to increase their control over distribution. For example, the consolidation in the airline industry and the recent economic downturn, among other factors, have driven some airlines to negotiate for lower fees during contract renegotiations, thereby exerting increased pricing pressure on our Travel Network business, which, in turn, negatively affects our revenues and margins. In addition, travel suppliers' use of alternative distribution channels, such as direct distribution through supplier-operated websites, may also adversely affect our contract renegotiations with these suppliers and negatively impact our transaction fee revenue. For example, as we attempt to renegotiate new agreements with our travel suppliers, they may withhold some or all of their content (fares and associated economic terms) for distribution exclusively through their direct distribution channels (for example, the relevant airline's website) or offer travelers more attractive terms for content available through those direct channels after their contracts expire. As a result of these sources of negotiating pressure, we may have to decrease our prices to retain their business. If we are unable to renew our contracts with these travel suppliers on similar economic terms or at all, or if our ability to provide such content is similarly impeded, this would also adversely affect the value of our Travel Network business as a marketplace due to our more limited content. See “—Travel suppliers' use of alternative distribution models, such as direct distribution models, could adversely affect our Travel Network business.”

Our Travel Network business depends on relationships with travel buyers.

Our Travel Network business relies on relationships with several large travel buyers, including travel management companies (“TMCs”) and OTAs, to generate a large portion of its revenue through bookings made by these travel companies. Such revenue concentration in a relatively small number of travel buyers makes us particularly dependent on factors affecting those companies. For example, if demand for their services decreases, or if a key supplier pulls its content from us, travel buyers may stop utilizing our services or move all or some of their business to competitors or competing channels.

Although our contracts with larger travel agencies often increase the incentive consideration when the travel agency processes a certain volume or percentage of its bookings through our GDS, travel buyers are not contractually required to book exclusively through our GDS during the contract term. Travel buyers may shift bookings to other distribution intermediaries for many reasons, including to avoid becoming overly dependent on a single source of travel content or to increase their bargaining power with GDS providers. Additionally, some regulations allow travel buyers to terminate their contracts earlier.

These risks are exacerbated by increased consolidation among travel agencies and TMCs, which may ultimately reduce the pool of travel agencies that subscribe to GDSs. We must compete with other GDSs and other competitors for their business by offering competitive upfront incentive consideration, which, due to the strong bargaining power of these large travel buyers, tend to increase in each round of contract renewals. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results—Increasing travel agency incentive consideration" included in Part II, Item 7 of our 2015 Annual Report on Form 10-K for more information about our incentive consideration. However, any reduction in transaction fees from travel suppliers due to supplier consolidation or other market forces could limit our ability to increase incentive consideration to travel agencies in a cost-effective manner or otherwise affect our margins.

Our travel supplier customers may experience financial instability or consolidation, pursue cost reductions, change their distribution model or undergo other changes.

We generate the majority of our revenue and accounts receivable from airlines. We also derive revenue from hotels, car rental brands, rail carriers, cruise lines, tour operators and other suppliers in the travel and tourism industries. Adverse changes in any of these relationships or the inability to enter into new relationships could negatively impact the demand for and competitiveness of our travel products and services. For example, a lack of liquidity in the capital markets or weak economic performance may cause our travel suppliers to increase the time they take to pay or to default on their payment obligations, which could lead to a higher level of bad debt expense and negatively affect our results. Any large-scale bankruptcy or other insolvency proceeding of an airline or hospitality supplier could subject our agreements with that customer to rejection or early termination. Because we generally do not require security or collateral from our customers as a condition of sale, our revenues may be subject to credit risk more generally.

Furthermore, supplier consolidation, particularly in the airline industry, could harm our business. Our Travel Network business depends on a relatively small number of U.S.-based airlines for a substantial portion of its revenue, and all of our businesses are highly dependent on airline ticket volumes. Consolidation among airlines could result in the loss of an existing customer and the related fee revenue, decreased airline ticket volumes due to capacity restrictions implemented concurrently with the consolidation, and increased airline concentration and bargaining power to negotiate lower transaction fees. In addition, consolidation among travel suppliers may result in one or more suppliers refusing to provide certain content to Sabre but rather making it exclusively available on the suppliers' proprietary websites, hurting the competitive position of our GDS relative to those websites. See "—Travel suppliers' use of alternative distribution models, such as direct distribution models, could adversely affect our Travel Network business."

Our business could be harmed by adverse global and regional economic and political conditions.

Travel expenditures are sensitive to personal and business discretionary spending levels and grow more slowly or decline during economic downturns. We derive the majority of our revenue from the United States and Europe. During 2015 we expanded Travel Network's presence in APAC through the acquisition of SAPPL. Our geographic concentration in the United States and Europe, as well as our expanded focus in APAC, makes our business potentially vulnerable to economic and political conditions that adversely affect business and leisure travel originating in or traveling to these regions.

Despite modest growth in the U.S. economy, there is still weakness in parts of the global economy, including increased unemployment, reduced financial capacity of both business and leisure travelers, diminished liquidity and credit availability, declines in consumer confidence and discretionary income and general uncertainty about economic stability. We cannot predict the magnitude, length or recurrence of recessionary economic patterns, which have impacted, and may continue to impact, demand for travel and lead to reduced spending on the services we provide.

We derive the remainder of our revenues from Latin America, the Middle East and Africa and APAC. Any unfavorable economic, political or regulatory developments in these regions could negatively affect our business, such as delays in payment or non-payment of contracts, delays in contract implementation or signing, carrier control issues and increased costs from regulatory changes particularly as parts of our growth strategy involve expanding our presence in these emerging markets. For example, markets that have traditionally had a high level of exports to China, or that have commodities-based economies, have recently experienced slowing or deteriorating economic conditions. These adverse economic conditions may negatively impact our business results in those regions.

Similarly, in Venezuela, due to currency controls that impact the ability of certain of our airline customers operating in the country to obtain U.S. dollars to make timely payments to us, the collection of accounts receivable due to us can be, and has been, delayed. Due to the nature of this delay, we are deferring the recognition of any future revenues until cash is collected in accordance with our policies. Accordingly, our accounts receivable are subject to a general collection risk, as there can be no assurance that we will be paid from such customers in a timely manner, if at all. In response to the political and economic uncertainty in Venezuela,

certain airlines have scaled back operations in response to the reduced demand for travel by local consumers as well as the currency controls which has impacted our airline customers in Venezuela.

In June 2016, voters in the U.K. approved the exit of that country from the E.U. ("Brexit"), and the British government has indicated that it intends to negotiate the withdrawal of the U.K. from the E.U. based on the results of this vote. The Brexit vote has created significant economic uncertainty in the U.K. and in EMEA, which may negatively impact our business results in those regions. In addition, the terms of the U.K.'s withdrawal from the E.U., once negotiated, could potentially disrupt the markets we serve and the tax jurisdictions in which we operate and adversely change tax benefits or liabilities in these or other jurisdictions, and may cause us to lose customers, suppliers, and employees. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the U.K. determines which E.U. laws to replace or replicate.

Travel suppliers' use of alternative distribution models, such as direct distribution models, could adversely affect our Travel Network business.

Some travel suppliers that provide content to Travel Network, including some of Travel Network's largest airline customers, have sought to increase usage of direct distribution channels. For example, these travel suppliers are trying to move more consumer traffic to their proprietary websites, and some travel suppliers have explored direct connect initiatives linking their internal reservations systems directly with travel agencies or TMCs, thereby bypassing the GDSs. This direct distribution trend enables them to apply pricing pressure on intermediaries and negotiate travel distribution arrangements that are less favorable to intermediaries. With travel suppliers' adoption of certain technology solutions over the last decade, including those offered by our Airline and Hospitality Solutions business, air travel suppliers have increased the proportion of direct bookings relative to indirect bookings. In the future, airlines may increase their use of direct distribution, which may cause a material decrease in their use of our GDS. Travel suppliers may also offer travelers advantages through their websites such as special fares and bonus miles, which could make their offerings more attractive than those available through our GDS platform. Similarly, travel suppliers may also seek to encourage travelers' and travel agencies' usage of their proprietary booking platforms by selectively increasing the ticket price in our GDS, making our GDS platform's offerings more expensive than some alternative offerings. For example, we are currently engaged in litigation with the Lufthansa Group in connection with a surcharge that the Lufthansa Group has imposed on tickets purchased through three selected GDSs, including Sabre. The Lufthansa Group is seeking declaratory judgment that this surcharge does not violate the terms of its agreement with us, in addition to damages related to the allegations of breach of contract and tortious interference with agency contracts. We deny the allegations and we have filed a counterclaim that asserts the Lufthansa Group's surcharge is a violation of its agreement and that seeks an order requiring the Lufthansa Group to specifically perform its obligations under the agreement.

In addition, with respect to ancillary products, travel suppliers may choose not to comply with the technical standards that would allow ancillary products to be immediately distributed via intermediaries, thus resulting in a delay before these products become available through our GDS relative to availability through direct distribution. In addition, if enough travel suppliers choose not to develop ancillary products in a standardized way with respect to technical standards our investment in adapting our various systems to enable the sale of ancillary products may not be successful.

Companies with close relationships with end consumers, like Facebook, as well as new entrants introducing new paradigms into the travel industry, such as metasearch engines, like Google, may promote alternative distribution channels to our GDS by diverting consumer traffic away from intermediaries, which may adversely affect our GDS business.

Additionally, technological advancements may allow airlines and hotels to facilitate broader connectivity to and integration with large travel buyers, such that certain airline and hotel offerings could be made available directly to such travel buyers without the involvement of intermediaries such as Travel Network and its competitors.

We operate a global business that exposes us to risks associated with international activities.

Our international operations involve risks that are not generally encountered when doing business in the United States. These risks include, but are not limited to:

- business, political and economic instability in foreign locations, including actual or threatened terrorist activities, and military action;
- changes in foreign currency exchange rates and financial risk arising from transactions in multiple currencies;
- adverse laws and regulatory requirements, including more comprehensive regulation in the EU;
- difficulty in developing, managing and staffing international operations because of distance, language and cultural differences;
- disruptions to or delays in the development of communication and transportation services and infrastructure;
- consumer attitudes, including the preference of customers for local providers;

- increasing labor costs due to high wage inflation in foreign locations, differences in general employment conditions and the degree of employee unionization and activism;
- export or trade restrictions or currency controls;
- more restrictive data privacy requirements;
- governmental policies or actions, such as consumer, labor and trade protection measures;
- taxes, restrictions on foreign investment and limits on the repatriation of funds;
- diminished ability to legally enforce our contractual rights; and
- decreased protection for intellectual property.

Any of the foregoing risks may adversely affect our ability to conduct and grow our business internationally.

The travel distribution market is highly competitive, and we are subject to competition from other GDS providers, direct distribution by travel suppliers and new entrants or technologies that may challenge the GDS business model.

The evolution of the global travel and tourism industry, the introduction of new technologies and standards and the expansion of existing technologies in key markets, among other factors, could contribute to an intensification of competition in the business areas and regions in which we operate. Increased competition could require us to increase spending on marketing activities or product development, to decrease our booking or transaction fees and other charges (or defer planned increases in such fees and charges), to increase incentive consideration or take other actions that could harm our business. A GDS has two broad categories of customers: (i) travel suppliers, such as airlines, hotels, car rental brands, rail carriers, cruise lines and tour operators, and (ii) travel buyers, such as online and offline travel agencies, TMCs and corporate travel departments. The competitive positioning of a GDS depends on the success it achieves with both customer categories. Other factors that may affect the competitive success of a GDS include the comprehensiveness, timeliness and accuracy of the travel content offered, the reliability, ease of use and innovativeness of the technology, the perceived value proposition of our GDS by travel suppliers and travel buyers, the incentive consideration provided to travel agencies, the transaction fees charged to travel suppliers and the range of products and services available to travel suppliers and travel buyers. Our GDS competitors could seek to capture market share by offering more differentiated content, products or services, increasing the incentive consideration to travel agencies, or decreasing the transaction fees charged to travel suppliers, which would harm our business to the extent they gain market share from us or force us to respond by lowering our prices or increasing the incentive consideration we provide.

We cannot guarantee that we will be able to compete successfully against our current and future competitors in the travel distribution market, some of which may achieve greater brand recognition than us, have greater financial, marketing, personnel and other resources or be able to secure services and products from travel suppliers on more favorable terms. If we fail to overcome these competitive pressures, we may lose market share and our business may otherwise be negatively affected.

Our ability to maintain and grow our Airline and Hospitality Solutions business may be negatively affected by competition from other third-party solutions providers and new participants that seek to enter the solutions market.

Our Airline and Hospitality Solutions business principally faces competition from existing third-party solutions providers. We also compete with various point solutions providers on a more limited basis in several discrete functional areas. For our Hospitality Solutions business, we face competition across many aspects of our business but our primary competitors are in the hospitality Central Reservation System and Property Management System fields. Although new entrants specializing in a particular type of software occasionally enter the solutions market, they typically focus on emerging or evolving business problems, niche solutions or small regional customers.

Factors that may affect the competitive success of our Airline and Hospitality Solutions business include our pricing structure, our ability to keep pace with technological developments, the effectiveness and reliability of our implementation and system migration processes, our ability to meet a variety of customer specifications, the effectiveness and reliability of our systems, the cost and efficiency of our system upgrades and our customer support services. Our failure to compete effectively on these and other factors could decrease our market share and negatively affect our Airline and Hospitality Solutions business.

Our success depends on maintaining the integrity of our systems and infrastructure, which may suffer from failures, capacity constraints, business interruptions and forces outside of our control.

We may be unable to maintain and improve the efficiency, reliability and integrity of our systems. Unexpected increases in the volume of our business could exceed system capacity, resulting in service interruptions, outages and delays. Such constraints can also lead to the deterioration of our services or impair our ability to process transactions. From time to time, we experience system interruptions that make certain of our systems unavailable including, but not limited to, our GDS and the services that our Airline and Hospitality Solutions business provides to airlines and hotels. System interruptions may prevent us from efficiently providing services to customers or other third parties, which could cause damage to our reputation and result in our losing customers and revenues or cause us to incur litigation and liabilities. Although we have contractually limited our liability for damages caused

by outages of our GDS (other than damages caused by our gross negligence or willful misconduct), we cannot guarantee that we will not be subject to lawsuits or other claims for compensation from our customers in connection with such outages for which we may not be indemnified or compensated.

Our systems may also be susceptible to external damage or disruption. Much of the computer and communications hardware upon which we depend is located across multiple data center facilities in a single geographic region. Our systems could be damaged or disrupted by power, hardware, software or telecommunication failures, human errors, natural events including floods, hurricanes, fires, winter storms, earthquakes and tornadoes, terrorism, break-ins, hostilities, war or similar events. Computer viruses, malware, denial of service attacks, physical or electronic break-ins and similar disruptions affecting the Internet, telecommunication services or our systems could cause service interruptions or the loss of critical data, and could prevent us from providing timely services. See “—Security breaches could expose us to liability and damage our reputation and our business.” Failure to efficiently provide services to customers or other third parties could cause damage to our reputation and result in the loss of customers and revenues, significant recovery costs or litigation and liabilities. Moreover, such risks are likely to increase as we expand our business and as the tools and techniques involved become more sophisticated.

Although we have implemented measures intended to protect certain systems and critical data and provide comprehensive disaster recovery and contingency plans for certain customers that purchase this additional protection, these protections and plans are not in place for all systems. Furthermore, several of our existing critical backup systems are located in the same metropolitan area as our primary systems and we may not have sufficient disaster recovery tools or resources available, depending on the type or size of the disruption. Disasters affecting our facilities, systems or personnel might be expensive to remedy and could significantly diminish our reputation and our brands, and we may not have adequate insurance to cover such costs.

Customers and other end-users who rely on our software products and services, including our SaaS and hosted offerings, for applications that are integral to their businesses may have a greater sensitivity to product errors and security vulnerabilities than customers for software products generally. Additionally, security breaches that affect third parties upon which we rely, such as travel suppliers, may further expose us to negative publicity, possible liability or regulatory penalties. Events outside our control could cause interruptions in our IT systems, which could have a material adverse effect on our business operations and harm our reputation.

Security breaches could expose us to liability and damage our reputation and our business.

We process, store, and transmit large amounts of data, including personal information of our customers, and it is critical to our business strategy that our facilities and infrastructure, including those provided by HPE or other vendors, remain secure and are perceived by the marketplace to be secure. Our infrastructure may be vulnerable to physical break-ins, computer viruses, or similar disruptive problems.

In addition, we, like most technology companies, are the target of cybercriminals who attempt to compromise our systems. From time to time, we experience cybersecurity incidents that have to be identified and remediated to protect sensitive information along with our intellectual property and our overall business. To address these threats and intrusions, we have a team of experienced security experts and support from firms that specialize in cybersecurity. In 2015, we were made aware of a cybersecurity incident involving several servers managed by a third party. Accordingly, we conducted an investigation with respect to this incident. We have concluded this investigation, and our review found no loss of traveler data, including no unauthorized access to or acquisition of sensitive protected information, such as payment card industry data (“PCI”) or personally identifiable information (“PII”), in connection with this incident. There is a risk that additional incidents could occur and sensitive or material information could be compromised in the future. The costs of any investigation of such future incidents, as well as any remediation of the costs related to these incidents, may be material.

Any physical or electronic break-in, cybersecurity incidents or other security breach or compromise of the information handled by us or our service providers may jeopardize the security or integrity of information in our computer systems and networks or those of our customers and cause significant interruptions in our and our customers’ operations.

Any systems and processes that we have developed that are designed to protect customer information and prevent data loss and other security breaches cannot provide absolute security. In addition, we may not successfully implement remediation plans to address all potential exposures. It is possible that we may have to expend additional financial and other resources to address such problems. Failure to prevent or mitigate data loss or other security breaches could expose us or our customers to a risk of loss or misuse of such information, cause customers to lose confidence in our data protection measures, damage our reputation, adversely affect our operating results or result in litigation or potential liability for us. While we maintain insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber risks, such insurance coverage is subject to a retention amount and may be insufficient to cover all our losses beyond any retention.

Implementation of software solutions often involves a significant commitment of resources, and any failure to deliver as promised on a significant implementation could adversely affect our business.

In our Travel Network business and our Airline and Hospitality Solutions business, the implementation of software solutions often involves a significant commitment of resources and is subject to a number of significant risks over which we may or may not have control. These risks include:

- the features of the implemented software may not meet the expectations or fit the business model of the customer;
- our limited pool of trained experts for implementations cannot quickly and easily be augmented for complex implementation projects, such that resources issues, if not planned and managed effectively, could lead to costly project delays;
- customer-specific factors, such as the stability, functionality, interconnection and scalability of the customer's pre-existing information technology infrastructure, as well as financial or other circumstances could destabilize, delay or prevent the completion of the implementation process, which, for airline reservations systems, typically takes 12 to 18 months; and
- customers and their partners may not fully or timely perform the actions required to be performed by them to ensure successful implementation, including measures we recommend to safeguard against technical and business risks.

As a result of these and other risks, some of our customers may incur large, unplanned costs in connection with the purchase and installation of our software products. Also, implementation projects could take longer than planned or fail. We may not be able to reduce or eliminate protracted installation or significant additional costs. Significant delays or unsuccessful customer implementation projects could result in cancellation or renegotiation of existing agreements, claims from customers, harm our reputation and negatively impact our operating results.

We rely on the availability and performance of information technology services provided by third parties, including HPE, which manages a significant portion of our systems.

Our businesses are largely dependent on the computer data centers and network systems operated for us by HPE, including through our recently amended agreement with HPE. We also rely on other developers and service providers to maintain and support our global telecommunications infrastructure, including to connect our computer data center and call centers to end-users.

Our success is dependent on our ability to maintain effective relationships with these third-party technology and service providers. Some of our agreements with third-party technology and service providers are terminable for cause on short notice and often provide limited recourse for service interruptions. For example, our agreement with HPE provides us with limited indemnification rights. We could face significant additional cost or business disruption if:

- Any of these providers fail to enable us to provide our customers and suppliers with reliable, real-time access to our systems. For example, in 2013, we experienced a significant outage of the Sabre platform due to a failure on the part of one of our service providers. This outage, which affected both our Travel Network business and our Airline Solutions business, lasted several hours and caused significant problems for our customers. Any such future outages could cause damage to our reputation, customer loss and require us to pay compensation to affected customers for which we may not be indemnified or compensated.
- Our arrangements with such providers are terminated or impaired and we cannot find alternative sources of technology or systems support on commercially reasonable terms or on a timely basis. For example, our substantial dependence on HPE for many of our systems makes it difficult for us to switch vendors and makes us more sensitive to changes in HPE's pricing for its services.

In addition, HPE has announced a plan to merge its Enterprise Services segment with CSC. There could be uncertainty, delays or disruptions in HPE's services in anticipation or as a result of the merger, which could result in additional costs or business disruptions for us.

Any inability or failure to adapt to technological developments or the evolving competitive landscape could harm our business operations and competitiveness.

We depend upon the use of sophisticated information technology and systems. Our competitiveness and future results depend on our ability to maintain and make timely and cost-effective enhancements, upgrades and additions to our products, services, technologies and systems in response to new technological developments, industry standards and trends and customer demands. For example, we currently utilize mainframe infrastructure technology for certain of our enterprise applications and platforms due to its ability to provide the reliability and scalability we require for our complex technological operations. Because the number of users and programmers able to service this technology is decreasing, we may eventually have to migrate to another business environment, which could cause us to incur substantial costs, result in instability and business interruptions and materially harm our business.

Adapting to new technological and marketplace developments, such as IATA's proposed new distribution capability ("NDC"), may require substantial expenditures and lead time and we cannot guarantee that projected future increases in business volume will actually materialize. We may experience difficulties that could delay or prevent the successful development, marketing and implementation of enhancements, upgrades and additions. Moreover, we may fail to maintain, upgrade or introduce new products, services, technologies and systems as quickly as our competitors or in a cost-effective manner. For example, we must constantly update our GDS with new capabilities to adapt to the changing technological environment and customer needs. However, this process can be costly and time-consuming, and our efforts may not be successful as compared to our competitors in the travel distribution market. Those that we do develop may not achieve acceptance in the marketplace sufficient to generate material revenue or may be rendered obsolete or non-competitive by our competitors' offerings.

In addition, our competitors are constantly increasing their product and service offerings through organic research and development or through strategic acquisitions. As a result, we must continue to invest significant resources in research and development in order to continually improve the speed, accuracy and comprehensiveness of our services and we may be required to make changes to our technology platforms or increase our investment in technology, increase marketing, adjust prices or business models and take other actions, which could affect our financial performance and liquidity.

We use open source software in our solutions that may subject our software solutions to general release or require us to re-engineer our solutions.

We use open source software in our solutions and may use more open source software in the future. From time to time, there have been claims by companies claiming ownership of software that was previously thought to be open source and that was incorporated by other companies into their products. As a result, we could be subject to suits by parties claiming ownership of what we believe to be open source software. Some open source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the open source software and that we license such modifications or derivative works under the terms of a particular open source license or other license granting third parties certain rights of further use. If we combine or, in some cases, link our proprietary software solutions with or to open source software in a certain manner, we could, under certain of the open source licenses, be required to release the source code of our proprietary software solutions or license such proprietary solutions under the terms of a particular open source license or other license granting third parties certain rights of further use. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on origin of the software. In addition, open source license terms may be ambiguous and many of the risks associated with usage of open source cannot be eliminated, and could, if not properly addressed, negatively affect our business. If we were found to have inappropriately used open source software, we may be required to seek licenses from third parties in order to continue offering our software, to re-engineer our solutions, to discontinue the sale of our solutions in the event re-engineering cannot be accomplished on a timely basis or take other remedial action that may divert resources away from our development efforts, any of which could adversely affect our business, operating results and financial condition.

Our ability to recruit, train and retain employees, including our key executive officers and technical employees, is critical to our results of operations and future growth.

Our continued ability to compete effectively depends on our ability to recruit new employees and retain and motivate existing employees, particularly professionals with experience in our industry, information technology and systems. For example, the specialized skills we require can be difficult and time-consuming to acquire and are often in short supply. There is high demand and competition for well-qualified employees on a global basis, such as software engineers, developers and other technology professionals with specialized knowledge in software development, especially expertise in certain programming languages. This competition affects both our ability to retain key employees and to hire new ones.

Any of our employees may choose to terminate their employment with us at any time, and a lengthy period of time is required to hire and train replacement employees when such skilled individuals leave the company. For example, we have announced that Tom Klein, President and Chief Executive Officer, intends to resign from Sabre and from our board of directors at the end of 2016. There may be some uncertainty in our business operations during the transition period as the board of directors works to identify a successor.

If we fail to attract well-qualified employees or to retain or motivate existing employees, our business could be materially hindered by, for example, a delay in our ability to deliver products and services under contract, bring new products and services to market or respond swiftly to customer demands or new offerings from competitors. Even if we are able to maintain our employee base, the resources needed to recruit and retain such employees may adversely affect our business, financial condition and results of operations.

We rely on third-party distributor partners and joint ventures to extend our GDS services to certain regions, which exposes us to risks associated with lack of direct management control and potential conflicts of interest.

Our Travel Network business utilizes third-party distributor partners and joint ventures to extend our GDS services in EMEA and APAC. We work with these partners to establish and maintain commercial and customer service relationships with both travel suppliers and travel buyers. Since we do not exercise management control over their day-to-day operations, the success of their marketing efforts and the quality of the services they provide are beyond our control. If these partners do not meet our standards for distribution, our reputation may suffer materially, and sales in those regions could decline significantly. Any interruption in these third-party services, deterioration in their performance or termination of our contractual arrangements with them could negatively impact our ability to extend our GDS services in the relevant markets. In addition, our business may be harmed due to potential conflicts of interest with our joint venture partners.

We are exposed to risks associated with acquiring or divesting businesses or business operations.

We have acquired, and, as part of our growth strategy, may in the future acquire, businesses or business operations, including our acquisition of Abacus. We may not be able to identify suitable candidates for additional business combinations and strategic investments, obtain financing on acceptable terms for such transactions, obtain necessary regulatory approvals or otherwise consummate such transactions on acceptable terms, or at all. Any acquisitions that we are able to identify and complete may also involve a number of risks, including our inability to successfully or profitably integrate, operate, maintain and manage our newly acquired operations or employees; the diversion of our management's attention from our existing business to integrate operations and personnel; possible material adverse effects on our results of operations during the integration process; becoming subject to contingent or other liabilities, including liabilities arising from events or conduct predating the acquisition that were not known to us at the time of the acquisition; and our possible inability to achieve the intended objectives of the transaction, including the inability to achieve cost savings and synergies. Acquisitions may also have unanticipated tax, regulatory and accounting ramifications, including recording goodwill and nonamortizable intangible assets that are subject to impairment testing on a regular basis and potential periodic impairment charges and incurring amortization expenses related to certain intangible assets. To consummate any such transactions, we may need to raise external funds through the sale of equity or debt in the capital markets or through private placements, which may affect our liquidity and may dilute the value of our common stock.

We have also divested, and may in the future divest, businesses or business operations. Any divestitures may involve a number of risks, including the diversion of management's attention, significant costs and expenses, the loss of customer relationships and cash flow, and the disruption of the affected business or business operations. Failure to timely complete or to consummate a divestiture may negatively affect the valuation of the affected business or business operations or result in restructuring charges.

We rely on the value of our brands, which may be damaged by a number of factors, some of which are out of our control.

We believe that maintaining and expanding our portfolio of product and service brands are important aspects of our efforts to attract and expand our customer base. Our brands may be negatively impacted by, among other things, unreliable service levels from third-party providers, customers' inability to properly interface their applications with our technology, the loss or unauthorized disclosure of personal data, including PCI or PII, or other bad publicity due to litigation, regulatory concerns or otherwise relating to our business. See "—Security breaches could expose us to liability and damage our reputation and our business." Any inability to maintain or enhance awareness of our brands among our existing and target customers could negatively affect our current and future business prospects.

We are involved in various legal proceedings which may cause us to incur significant fees, costs and expenses and may result in unfavorable outcomes.

We are involved in various legal proceedings that involve claims for substantial amounts of money or which involve how we conduct our business. See Note 10, Contingencies, to our consolidated financial statements. For example, we are involved in antitrust litigation with US Airways. If we cannot resolve this matter favorably, we could be subject to (i) monetary damages, including treble damages under the antitrust laws, payment of reasonable attorneys' fees and costs, and depending on the amount of any such judgment, if we do not have sufficient cash on hand, we may be required to seek financing from private or public financing or (ii) declaratory relief. Other parties might likewise seek to benefit from any unfavorable outcome by bringing their own claims against us on the same or similar grounds. We are also subject to a U.S. Department of Justice ("DOJ") antitrust investigation from 2011 relating to the pricing and conduct of the airline distribution industry. We received a civil investigative demand ("CID") from the DOJ and we are fully cooperating. The DOJ has also sent CIDs to other companies in the travel industry. Based on its findings in the investigation, the DOJ may (i) close the file, (ii) seek a consent decree to remedy issues it believes violate the antitrust laws, or (iii) file suit against us for violating the antitrust laws, seeking injunctive relief. With respect to these proceedings, if declaratory or injunctive relief were to be granted, depending on its scope, it could affect the manner in which our airline distribution business is operated and potentially force changes to the existing airline distribution business model.

Additionally, a number of state and local governments have filed lawsuits against us pertaining to sales or occupancy taxes they claim are due on some or all of our fees relating to hotel content distributed and sold via the merchant revenue model by our discontinued Travelocity business. In the merchant revenue model, the customer pays us an amount at the time of booking that

includes (i) service fees, which we collect and retain, and (ii) the price of the hotel room and amounts for occupancy or other local taxes, which we pass along to the hotel supplier. Even if we are successful in defending these types of lawsuits, state and local governments could adopt new ordinances directly taxing hotel booking fees and we may not be able to successfully challenge such ordinances.

The defense of these actions, as well as any of the other actions described under Note 10, Contingencies, to our consolidated financial statements, and any other actions brought against us in the future, is time consuming and diverts management's attention. Even if we are ultimately successful in defending ourselves in such matters, we are likely to incur significant fees, costs and expenses as long as they are ongoing. Any of these consequences could have a material adverse effect on our business, financial condition and results of operations.

Intellectual property infringement actions against us could be costly and time consuming to defend and may result in business harm if we are unsuccessful in our defense.

Third parties may assert, including by means of counterclaims against us as a result of the assertion of our intellectual property rights, that our products, services or technology, or the operation of our business, violate their intellectual property rights. We are currently subject to such assertions, including patent infringement claims, and may be subject to such assertions in the future. These assertions may also be made against our customers who may seek indemnification from us. In the ordinary course of business, we enter into agreements that contain indemnity obligations whereby we are required to indemnify our customers against these assertions arising from our customers' usage of our products, services or technology. As the competition in our industry increases and the functionality of technology offerings further overlaps, these claims and counterclaims could become more common. We cannot be certain that we do not or will not infringe third parties' intellectual property rights.

Legal proceedings involving intellectual property rights are highly uncertain, and can involve complex legal and scientific questions. Any intellectual property claim against us, regardless of its merit, could result in significant liabilities to our business, and can be expensive and time consuming to defend. Depending on the nature of such claims, our businesses may be disrupted, our management's attention and other company resources may be diverted and we may be required to redesign, reengineer or rebrand our products and services, if feasible, to stop offering certain products and services or to enter into royalty or licensing agreements in order to obtain the rights to use necessary technologies, which may not be available on terms acceptable to us, if at all, and may result in a decrease of our competitive advantage. Our failure to prevail in such matters could result in loss of intellectual property rights, judgments awarding substantial damages, including possible treble damages and attorneys' fees, and injunctive or other equitable relief against us. If we are held liable, we may be unable to exploit some or all of our intellectual property rights or technology. Even if we are not held liable, we may choose to settle claims by making a monetary payment or by granting a license to intellectual property rights that we otherwise would not license. Further, judgments may result in loss of reputation, may force us to take costly remediation actions, delay selling our products and offering our services, reduce features or functionality in our services or products, or cease such activities altogether. Insurance may not cover or be insufficient for any such claim.

We may not have sufficient insurance to cover our liability in pending litigation claims and future claims either due to coverage limits or as a result of insurance carriers seeking to deny coverage of such claims, which in either case could expose us to significant liabilities.

We maintain third-party insurance coverage against various liability risks, including securities, stockholders, derivative, ERISA, and product liability claims, as well as other claims that form the basis of litigation matters pending against us. We believe these insurance programs are an effective way to protect our assets against liability risks. However, the potential liabilities associated with litigation matters pending against us, or that could arise in the future, could exceed the coverage provided by such programs. In addition, our insurance carriers have sought or may seek to rescind or deny coverage with respect to pending claims or lawsuits, completed investigations or pending or future investigations and other legal actions against us. See Note 10, Contingencies, to our consolidated financial statements for more information on our current litigation with our insurance carriers. If we do not have sufficient coverage under our policies, or if the insurance companies are successful in rescinding or denying coverage, we may be required to make material payments in connection with third-party claims.

We may not be able to protect our intellectual property effectively, which may allow competitors to duplicate our products and services.

Our success and competitiveness depend, in part, upon our technologies and other intellectual property, including our brands. Among our significant assets are our proprietary and licensed software and other proprietary information and intellectual property rights. We rely on a combination of copyright, trademark and patent laws, laws protecting trade secrets, confidentiality procedures and contractual provisions to protect these assets both in the United States and in foreign countries. The laws of some jurisdictions may provide less protection for our technologies and other intellectual property assets than the laws of the United States.

There is no certainty that our intellectual property rights will provide us with substantial protection or commercial benefit. Despite our efforts to protect our intellectual property, some of our innovations may not be protectable, and our intellectual property rights may offer insufficient protection from competition or unauthorized use, lapse or expire, be challenged, narrowed, invalidated, or misappropriated by third parties, or be deemed unenforceable or abandoned, which could have a material adverse effect on our

business, financial condition and results of operations and the legal remedies available to us may not adequately compensate us. We cannot be certain that others will not independently develop, design around, or otherwise acquire equivalent or superior technology or intellectual property rights.

- While we take reasonable steps to protect our brands and trademarks, we may not be successful in maintaining or defending our brands or preventing third parties from adopting similar brands. If our competitors infringe our principal trademarks, our brands may become diluted or if our competitors introduce brands or products that cause confusion with our brands or products in the marketplace, the value that our consumers associate with our brands may become diminished, which could negatively impact revenue.
- Our patent applications may not be granted, and the patents we own could be challenged, invalidated, narrowed or circumvented by others and may not be of sufficient scope or strength to provide us with any meaningful protection or commercial advantage. Once our patents expire, or if they are invalidated, narrowed or circumvented, our competitors may be able to utilize the technology protected by our patents which may adversely affect our business.
- Although we rely on copyright laws to protect the works of authorship created by us, we do not generally register the copyrights in our copyrightable works where such registration is permitted. Copyrights of U.S. origin must be registered before the copyright owner may bring an infringement suit in the United States. Accordingly, if one of our unregistered copyrights of U.S. origin is infringed by a third party, we will need to register the copyright before we can file an infringement suit in the United States, and our remedies in any such infringement suit may be limited.
- We use reasonable efforts to protect our trade secrets. However, protecting trade secrets can be difficult and our efforts may provide inadequate protection to prevent unauthorized use, misappropriation, or disclosure of our trade secrets, know how, or other proprietary information.
- We also rely on our domain names to conduct our online businesses. While we use reasonable efforts to protect and maintain our domain names, if we fail to do so the domain names may become available to others. Further, the regulatory bodies that oversee domain name registration may change their regulations in a way that adversely affects our ability to register and use certain domain names.

We license software and other intellectual property from third parties. These licensors may breach or otherwise fail to perform their obligations, or claim that we have breached or otherwise attempt to terminate their license agreements with us. We also rely on license agreements to allow third parties to use our intellectual property rights, including our software, but there is no guarantee that our licensees will abide by the terms of our license agreements or that the terms of our agreements will always be enforceable.

In addition, policing unauthorized use of and enforcing intellectual property can be difficult and expensive. The fact that we have intellectual property rights, including registered intellectual property rights, may not guarantee success in our attempts to enforce these rights against third parties. Besides general litigation risks, changes in, or interpretations of, intellectual property laws may compromise our ability to enforce our rights. We may not be aware of infringement or misappropriation, or elect not to seek to prevent it. Our decisions may be based on a variety of factors, such as costs and benefits of taking action, and contextual business, legal, and other issues. Any inability to adequately protect our intellectual property on a cost-effective basis could harm our business.

Defects in our products may subject us to significant warranty liabilities or product liability claims and we may have insufficient product liability insurance to pay material uninsured claims.

Our Airline and Hospitality Solutions business exposes us to the risk of product liability claims that are inherent in software development. We may inadvertently create defective software, or supply our customers with defective software or software components that we acquire from third parties, which could result in personal injury, property damage or other liabilities, and may result in warranty or product liability claims brought against us, our travel supplier customers or third parties.

Under our Airline and Hospitality Solutions business' agreements, we generally must indemnify our customers for liability arising from intellectual property infringement claims with respect to our software. These indemnification obligations could be significant and we may not have adequate insurance coverage to protect us against all claims. We currently rely on a combination of self-insurance and third-party insurance to cover potential product liability exposure. The combination of our insurance coverage, cash flows and reserves may not be adequate to satisfy product liabilities we may incur in the future. Even meritless claims could subject us to adverse publicity, hinder us from securing insurance coverage in the future, require us to incur significant legal fees, decrease demand for any products that we successfully develop, divert management's attention, and force us to limit or forgo further development and commercialization of these products. The cost of any product liability litigation or other proceedings, even if resolved in our favor, could be substantial.

Any failure to comply with regulations or any changes in such regulations governing our businesses could adversely affect us.

Parts of our business operate in regulated industries and could be adversely affected by unfavorable changes in or the enactment of new laws, rules or regulations applicable to us, which could decrease demand for our products and services, increase costs or subject us to additional liabilities. Moreover, regulatory authorities have relatively broad discretion to grant, renew and revoke licenses and approvals and to implement or interpret regulations. Accordingly, such regulatory authorities could prevent or

temporarily suspend us from carrying on some or all of our activities or otherwise penalize us if our practices were found not to comply with the applicable regulatory or licensing requirements or any interpretation of such requirements by the regulatory authority. Our failure to comply with any of these requirements or interpretations could have a material adverse effect on our operations. In particular, after a voluntary disclosure, we received a warning letter from the Bureau of Industry and Security regarding our failure to comply fully with the Export Administration Regulations as to software updates for a few travel agency customers located outside the United States. Although the Bureau of Industry and Security declined to prosecute or sanction us, if we were to violate the Export Administration Regulations again, the matter could be reopened or taken into consideration when investigating future matters and we may be subject to criminal prosecution or administrative sanctions.

Further, the United States has imposed economic sanctions that affect transactions with designated foreign countries, including Cuba, Iran, Sudan and Syria, and nationals and others of those countries, and certain specifically targeted individuals and entities engaged in conduct detrimental to U.S. national security interests. These sanctions are administered by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") and are typically known as the OFAC regulations. Failure to comply with these regulations could subject us to legal and reputational consequences, including civil and criminal penalties.

We have GDS contracts with carriers that fly to Cuba, Iran, Sudan and Syria but are based outside of those countries and are not owned by those governments or nationals of those governments. With respect to Iran, Sudan and Syria we believe that our activities comply with certain travel-related exemptions. With respect to Cuba, for customers outside the United States we display on the Sabre GDS flight information for, and support booking and ticketing of, services of non-Cuban airlines that offer service to Cuba. Based on advice of counsel, we believe these activities to fall under an exemption from OFAC regulations applicable to the transmission of information and informational materials and transactions related thereto.

We believe that our activities with respect to these countries are known to OFAC. We note, however, that OFAC regulations and related interpretive guidance are complex and subject to varying interpretations. Due to this complexity, OFAC's interpretation of its own regulations and guidance vary on a case to case basis. As a result, we cannot provide any guarantees that OFAC will not challenge any of our activities in the future, which could have a material adverse effect on our results of operations.

In Europe, GDS regulations or interpretations thereof may increase our cost of doing business or lower our revenues, limit our ability to sell marketing data, impact relationships with travel buyers, airlines, rail carriers or others, impair the enforceability of existing agreements with travel buyers and other users of our system, prohibit or limit us from offering services or products, or limit our ability to establish or change fees. Although regulations specifically governing GDSs have been lifted in the United States, they remain subject to general regulation regarding unfair trade practices by the U.S. Department of Transportation ("DOT"). In addition, continued regulation of GDSs in the EU and elsewhere could also create the operational challenge of supporting different products, services and business practices to conform to the different regulatory regimes. We do not currently maintain a central database of all regulatory requirements affecting our worldwide operations and, as a result, the risk of non-compliance with the laws and regulations described above is heightened. Our failure to comply with these laws and regulations may subject us to fines, penalties and potential criminal violations. Any changes to these laws or regulations or any new laws or regulations may make it more difficult for us to operate our business.

Our collection, processing, storage, use and transmission of personal data could give rise to liabilities as a result of governmental regulation, conflicting legal requirements, differing views on data privacy or security breaches.

In our processing of travel transactions, we collect, process, store, use and transmit large amounts of sensitive personal data. This information is increasingly subject to legal restrictions around the world, which may result in conflicting legal requirements in the United States and other jurisdictions. For example, the U.S. Congress and federal agencies, including the Federal Trade Commission, have started to take a more aggressive stance in drafting and enforcing privacy and data protection laws. The EU also recently made significant reforms to its data privacy legal framework and is in the process of reforming other parts of its data protection laws. These legal restrictions are generally intended to protect the privacy and security of personal information, including credit card information that is collected, processed and transmitted in or from the governing jurisdiction. Companies that handle this type of data have also been subject to investigations, lawsuits and adverse publicity due to allegedly improper disclosure or use of sensitive personal information. As privacy and data protection becomes an increasingly politicized issue, we may also become exposed to potential liabilities as a result of conflicting legal requirements, differing views on the privacy of travel data or failure to comply with applicable requirements. Our business could be materially adversely affected if we are unable or unwilling to comply with legal restrictions on the use of sensitive personal information or if such restrictions are expanded to require changes in our current business practices or are interpreted in ways that conflict with or negatively impact our present or future business practices. Additionally, we are required to indemnify some of our customers for liability arising from data breaches under the terms of our agreements with these customers. These indemnification obligations could be significant and we may not have adequate insurance coverage to protect us against all claims. See "—Security breaches could expose us to liability and damage our reputation and our business."

We may have higher than anticipated tax liabilities.

We are subject to a variety of taxes in many jurisdictions globally, including income taxes in the United States at the federal, state and local levels, and in many other countries. Significant judgment is required in determining our worldwide provision for income taxes. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. We operate in numerous countries where our income tax returns are subject to audit and adjustment by local tax authorities. Because we operate globally, the nature of the uncertain tax positions is often very complex and subject to change, and the amounts at issue can be substantial. It is inherently difficult and subjective to estimate such amounts, as we have to determine the probability of various possible outcomes. We re-evaluate uncertain tax positions on a quarterly basis. This evaluation is based on factors including, but not limited to, changes in facts or circumstances, changes in tax law, effectively settled issues under audit and new audit activity. Although we believe our tax estimates are reasonable, the final determination of tax audits could be materially different from our historical income tax provisions and accruals. Our effective tax rate may change from year to year based on changes in the mix of activities and income allocated or earned among various jurisdictions, tax laws in these jurisdictions, tax treaties between countries, our eligibility for benefits under those tax treaties, and the estimated values of deferred tax assets and liabilities. Such changes could result in an increase in the effective tax rate applicable to all or a portion of our income which would reduce our profitability.

We establish reserves for our potential liability for U.S. and non-U.S. taxes, including sales, occupancy and value-added taxes ("VAT"), consistent with applicable accounting principles and in light of all current facts and circumstances. We have also established reserves relating to the collection of refunds related to value-added taxes, which are subject to audit and collection risks in various regions of Europe. Recently our right to recover certain value-added tax receivables associated with our European businesses has been questioned by tax authorities. These reserves represent our best estimate of our contingent liability for taxes. The interpretation of tax laws and the determination of any potential liability under those laws are complex, and the amount of our liability may exceed our established reserves.

We consider the undistributed earnings of our foreign subsidiaries as of June 30, 2016 to be indefinitely reinvested and, accordingly, no U.S. income taxes have been provided thereon. If such cash, cash equivalents and marketable securities are needed for our operations in the United States, we would be required to accrue and pay taxes to repatriate all such cash, cash equivalents and marketable securities. We have not, nor do we anticipate the need to, repatriate funds to the United States to satisfy domestic liquidity needs arising in the ordinary course of business, including liquidity needs associated with our domestic debt service requirements.

New tax laws, statutes, rules, regulations or ordinances could be enacted at any time and existing tax laws, statutes, rules, regulations and ordinances could be interpreted, changed, modified or applied adversely to us. These events could require us to pay additional tax amounts on a prospective or retroactive basis, as well as require us to pay fees, penalties or interest for past amounts deemed to be due. For example, there have been proposals to amend U.S. tax laws that would significantly impact how U.S. companies are taxed on foreign earnings. New, changed, modified or newly interpreted or applied laws could also increase our compliance, operating and other costs, as well as the costs of our products and services.

We may recognize impairments on long-lived assets, including goodwill and other intangible assets, or recognize impairments on our equity method investments.

Our consolidated balance sheet at June 30, 2016 contained goodwill and intangible assets, net totaling \$3.4 billion. Future acquisitions that result in the recognition of additional goodwill and intangible assets would cause an increase in these types of assets. We do not amortize goodwill and intangible assets that are determined to have indefinite useful lives, but we amortize definite-lived intangible assets on a straight-line basis over their useful economic lives, which range from four to thirty years, depending on classification.

We evaluate goodwill for impairment on an annual basis or earlier if impairment indicators exist and we evaluate definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of definite-lived intangible assets used in combination to generate cash flows largely independent of other assets may not be recoverable. We record an impairment charge whenever the estimated fair value of our reporting units or of such intangible assets is less than its carrying value.

The fair values used in our impairment evaluation are estimated using a combined approach based upon discounted future cash flow projections and observed market multiples for comparable businesses. Changes in estimates based on changes in risk-adjusted discount rates, future booking and transaction volume levels, future price levels, rates of growth in our consumer and corporate direct booking businesses, rates of increase in operating expenses, cost of revenue and taxes could result in material impairment charges.

Our pension plan obligations are currently unfunded, and we may have to make significant cash contributions to our plans, which could reduce the cash available for our business.

Our pension plans in the aggregate are estimated to be unfunded by \$94 million as of December 31, 2015. With approximately 5,150 participants in our pension plans, we incur substantial costs relating to pension benefits, which can vary substantially as a result of changes in healthcare laws and costs, volatility in investment returns on pension plan assets and changes in discount rates used to calculate related liabilities. Our estimates of liabilities and expenses for pensions and other post-retirement healthcare benefits require the use of assumptions, including assumptions relating to the rate used to discount the future estimated liability, the rate of return on plan assets, inflation and several assumptions relating to the employee workforce (medical costs, retirement age and mortality). Actual results may differ, which may have a material adverse effect on our business, prospects, financial condition or results of operations. Future volatility and disruption in the stock markets could cause a decline in the asset values of our pension plans. In addition, a decrease in the discount rate used to determine minimum funding requirements could result in increased future contributions. If either occurs, we may need to make additional pension contributions above what is currently estimated, which could reduce the cash available for our businesses.

We are exposed to risks associated with PCI compliance.

The PCI Data Security Standard ("PCI DSS") is a set of comprehensive requirements endorsed by credit card issuers for enhancing payment account data security that includes requirements for security management, policies, procedures, network architecture, software design and other critical protective measures. PCI DSS compliance is required in order to maintain credit card processing services. The cost of compliance with the PCI DSS is significant and may increase as the requirements change. We are tested periodically for compliance and completed our last annual assessment in June 2015. We were found to be compliant in that assessment. Compliance does not guarantee a completely secure environment. Moreover, compliance is an ongoing activity and the formal requirements continue to evolve as new threats and protective measures are identified. In the event that we were to lose PCI DSS compliance status (or fail to renew compliance under a future version of the PCI DSS), we could be exposed to increased operating costs, fines and penalties and, in extreme circumstances, may have our credit card processing privileges revoked, which would have a material adverse effect on our business.

We may require more cash than we generate in our operating activities, and additional funding on reasonable terms or at all may not be available.

We cannot guarantee that our business will generate sufficient cash flow from operations to fund our capital investment requirements or other liquidity needs. Moreover, because we are a holding company with no material direct operations, we depend on loans, dividends and other payments from our subsidiaries to generate the funds necessary to meet our financial obligations. Our subsidiaries are legally distinct from us and may be prohibited or restricted from paying dividends or otherwise making funds available to us under certain conditions.

As a result, we may be required to finance our cash needs through bank loans, additional debt financing, public or private equity offerings or otherwise. Our ability to arrange financing and the cost of such financing are dependent on numerous factors, including but not limited to:

- general economic and capital market conditions;
- the availability of credit from banks or other lenders;
- investor confidence in us; and
- our results of operations.

There can be no assurance that financing will be available on terms favorable to us or at all, which could force us to delay, reduce or abandon our growth strategy, increase our financing costs, or both. Additional funding from debt financings may make it more difficult for us to operate our business because a portion of our cash generated from internal operations would be used to make principal and interest payments on the indebtedness and we may be obligated to abide by restrictive covenants contained in the debt financing agreements, which may, among other things, limit our ability to make business decisions and further limit our ability to pay dividends.

In addition, any downgrade of our debt ratings by Standard & Poor's, Moody's Investor Service or similar ratings agencies, increases in general interest rate levels and credit spreads or overall weakening in the credit markets could increase our cost of capital. Furthermore, raising capital through public or private sales of equity to finance acquisitions or expansion could cause earnings or ownership dilution to your shareholding interests in our company.

We have a significant amount of indebtedness, which could adversely affect our cash flow and our ability to operate our business and to fulfill our obligations under our indebtedness.

We have a significant amount of indebtedness. As of June 30, 2016, we had \$3.3 billion of indebtedness outstanding in addition to \$298 million of availability under the revolving portion of our Amended and Restated Credit Agreement (as defined in Item 1. Financial Statements, Note 5, Debt), after taking into account the availability reduction of \$37 million for letters of credit issued under the revolving portion. Our remaining outstanding mortgage note of \$80 million matures on April 1, 2017. We have no other indebtedness due in the next twelve months. In July 2016, Sabre GLBL entered into the Credit Agreement Amendments to provide for the Term Loan A and to replace the Prior Revolver with the New Revolver. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Senior Secured Credit Facilities" in Part I, Item 2. Our substantial level of indebtedness increases the possibility that we may not generate enough cash flow from operations to pay, when due, the principal of, interest on or other amounts due in respect of, these obligations. Other risks relating to our long-term indebtedness include:

- increased vulnerability to general adverse economic and industry conditions;
- higher interest expense if interest rates increase on our floating rate borrowings and our hedging strategies do not effectively mitigate the effects of these increases;
- need to divert a significant portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of cash to fund working capital, capital expenditures, acquisitions, investments and other general corporate purposes;
- limited ability to obtain additional financing, on terms we find acceptable, if needed, for working capital, capital expenditures, expansion plans and other investments, which may adversely affect our ability to implement our business strategy;
- limited flexibility in planning for, or reacting to, changes in our businesses and the markets in which we operate or to take advantage of market opportunities; and
- a competitive disadvantage compared to our competitors that have less debt.

In addition, it is possible that we may need to incur additional indebtedness in the future in the ordinary course of business. The terms of our Amended and Restated Credit Agreement and the indentures governing our senior secured notes due in 2023 allow us to incur additional debt subject to certain limitations. If new debt is added to current debt levels, the risks described above could intensify. In addition, our inability to maintain certain leverage ratios could result in acceleration of a portion of our debt obligations and could cause us to be in default if we are unable to repay the accelerated obligations.

We are exposed to interest rate fluctuations.

Our floating rate indebtedness exposes us to fluctuations in prevailing interest rates. To reduce the impact of large fluctuations in interest rates, we typically hedge a portion of our interest rate risk by entering into derivative agreements with financial institutions. Our exposure to interest rates relates primarily to our borrowings under the Amended and Restated Credit Agreement.

The derivative agreements that we use to manage the risk associated with fluctuations in interest rates may not be able to eliminate the exposure to these changes. Interest rates are sensitive to numerous factors outside of our control, such as government and central bank monetary policy in the jurisdictions in which we operate. Depending on the size of the exposures and the relative movements of interest rates, if we choose not to hedge or fail to effectively hedge our exposure, we could experience a material adverse effect on our results of operations and financial condition.

We are exposed to exchange rate fluctuations.

We conduct various operations outside the United States, primarily in APAC, Europe and Latin America. During the six months ended June 30, 2016, foreign currency operations included \$109 million of revenue and \$325 million of operating expenses, representing approximately 6% and 23% of our total revenue and operating expenses, respectively. During the year ended December 31, 2015, foreign currency operations included \$178 million of revenue and \$481 million of operating expenses, representing approximately 6% and 19% of our total revenue and operating expenses, respectively, including the impact of our Abacus acquisition on July 1, 2015. Our most significant foreign currency operating expenses are in the Euro, representing approximately 7% and 6% of our operating expenses for the six months ended June 30, 2016 and for the year ended December 31, 2015, respectively. As a result, we face exposure to movements in currency exchange rates. These exposures include but are not limited to:

- re-measurement gains and losses from changes in the value of foreign denominated assets and liabilities;
- translation gains and losses on foreign subsidiary financial results that are translated into U.S. dollars, our functional currency, upon consolidation;

- planning risk related to changes in exchange rates between the time we prepare our annual and quarterly forecasts and when actual results occur; and
- the impact of relative exchange rate movements on cross-border travel, principally travel between Europe and the United States.

Depending on the size of the exposures and the relative movements of exchange rates, if we choose not to hedge or fail to hedge effectively our exposure, we could experience a material adverse effect on our results of operations and financial condition. As we have seen in some recent periods, in the event of severe volatility in exchange rates, these exposures can increase, and the impact on our results of operations and financial condition can be more pronounced. In addition, the current environment and the increasingly global nature of our business have made hedging these exposures more complex and costly.

To reduce the impact of this earnings volatility, we hedge our foreign currency exposure by entering into foreign currency forward contracts on several of our largest foreign currency exposures, including the Euro, the Singaporean Dollar, the British Pound Sterling, the Polish Zloty, the Australian Dollar and the Indian Rupee. Although we have increased and may continue to increase the scope, complexity and duration of our foreign exchange risk management strategy, our current or future hedging activities may not sufficiently protect us from the adverse effects of currency exchange rate movements. Moreover, we make a number of estimates in conducting hedging activities, including in some cases the level of future bookings, cancellations, refunds, customer stay patterns and payments in foreign currencies. In the event those estimates differ significantly from actual results, we could experience greater volatility as a result of our hedging activities.

The terms of our debt covenants could limit our discretion in operating our business and any failure to comply with such covenants could result in the default of all of our debt.

The agreements governing our indebtedness contain and the agreements governing our future indebtedness will likely contain various covenants, including those that restrict our or our subsidiaries' ability to, among other things:

- incur liens on our property, assets and revenue;
- borrow money, and guarantee or provide other support for the indebtedness of third parties;
- pay dividends or make other distributions on, redeem or repurchase our capital stock;
- prepay, redeem or repurchase certain of our indebtedness;
- enter into certain change of control transactions;
- make investments in entities that we do not control, including joint ventures;
- enter into certain asset sale transactions, including divestiture of certain company assets and divestiture of capital stock of wholly-owned subsidiaries;
- enter into certain transactions with affiliates;
- enter into secured financing arrangements;
- enter into sale and leaseback transactions;
- change our fiscal year; and
- enter into substantially different lines of business.

These covenants may limit our ability to effectively operate our businesses or maximize stockholder value. In addition, our Amended and Restated Credit Agreement requires that we meet certain financial tests, including the maintenance of a leverage ratio and a minimum net worth. Our ability to satisfy these tests may be affected by factors and events beyond our control, and we may be unable to meet such tests in the future.

Any failure to comply with the restrictions of our Amended and Restated Credit Agreement, the indentures governing our senior secured notes due 2023 or any agreement governing our other indebtedness may result in an event of default under those agreements. Such default may allow the creditors to accelerate the related debt, which may trigger cross-acceleration or cross-default provisions in other debt. In addition, lenders may be able to terminate any commitments they had made to supply us with further funds.

We plan to update our enterprise resource planning system, and problems with the design or implementation of this system could interfere with our business and operations.

In 2016, we are implementing a project to consolidate our business technology infrastructure to a single global ERP system. We expect to invest capital and human resources in the design and implementation of the ERP system, which may be disruptive to our underlying business. Any disruptions, delays or deficiencies in the design and implementation of the ERP system, particularly ones that impact our financial reporting and accounting systems, could adversely affect our business. Even if we do not encounter

these adverse effects, the design and implementation of the ERP system may be more costly than we anticipate, which could negatively impact our financial position, results of operations and cash flows. In addition, the ERP system will be outsourced to a third-party provider, and any disruption to those outsourced systems may negatively impact our business. See “—We rely on the availability and performance of information technology services provided by third parties, including HPE, which manages a significant portion of our systems.”

Maintaining and improving our financial controls and the requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”) and The NASDAQ Stock Market (“NASDAQ”) rules. The requirements of these rules and regulations have increased and will continue to significantly increase our legal and financial compliance costs, including costs associated with the hiring of additional personnel, making some activities more difficult, time-consuming or costly, and may also place undue strain on our personnel, systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and financial condition.

The Sarbanes-Oxley Act requires, among other things, that we maintain disclosure controls and procedures and internal control over financial reporting. Ensuring that we have adequate internal financial and accounting controls and procedures in place, as well as maintaining these controls and procedures, is a costly and time-consuming effort that needs to be re-evaluated frequently. Section 404 of the Sarbanes-Oxley Act (“Section 404”) requires that we annually evaluate our internal control over financial reporting to enable management to report on, and our independent auditors to audit as of the end of each fiscal year the effectiveness of those controls. In connection with the Section 404 requirements, both we and our independent registered public accounting firm test our internal controls and could, as part of that documentation and testing, identify material weaknesses, significant deficiencies or other areas for further attention or improvement.

Implementing any appropriate changes to our internal controls may require specific compliance training for our directors, officers and employees, require the hiring of additional finance, accounting and other personnel, entail substantial costs to modify our existing accounting systems, and take a significant period of time to complete. These changes may not, however, be effective in maintaining the adequacy of our internal controls, and any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and could materially impair our ability to operate our business. Moreover, adequate internal controls are necessary for us to produce reliable financial reports and are important to help prevent fraud. As a result, our failure to satisfy the requirements of Section 404 on a timely basis could result in the loss of investor confidence in the reliability of our financial statements, which in turn could cause the market value of our common stock to decline.

Various rules and regulations applicable to public companies make it more difficult and more expensive for us to maintain directors' and officers' liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to maintain coverage. If we are unable to maintain adequate directors' and officers' liability insurance, our ability to recruit and retain qualified officers and directors, especially those directors who may be deemed independent for purposes of the NASDAQ rules, will be significantly curtailed.

Concentration of ownership among our Principal Stockholders may prevent new investors from influencing significant corporate decisions and may result in conflicts of interest.

As of June 30, 2016, the Principal Stockholders (as defined below) own, in the aggregate, approximately 25% of our outstanding common stock. Since the Principal Stockholders no longer hold more than 50% of the voting power of Sabre, we are no longer a “controlled company” within the meaning of the corporate governance requirements of the NASDAQ. Pursuant to the requirements of NASDAQ's listing rules, within one year after we cease to be a controlled company, our compensation committee and governance and nominating committee must be composed entirely of “independent directors” (as defined by NASDAQ listing rules) and a majority of our board of directors must consist of independent directors. These two committees are currently comprised entirely of independent directors and a majority of our board of directors currently consists of independent directors; however, if we were to utilize the exemptions made available under NASDAQ's rules for controlled companies, then during the phase-in period granted by NASDAQ's listing rules you may not have the same protections afforded to stockholders of companies that are subject to all of the NASDAQ rules regarding corporate governance. Even though we are no longer a “controlled company” under NASDAQ listing rules, the Principal Stockholders will continue to have significant influence over us.

We are a party to an amended and restated Stockholders' Agreement (as further amended and restated, the “Stockholders' Agreement”) with the Silver Lake Funds, the TPG Funds and the Sovereign Co-Invest II (each as defined below). Pursuant to the Stockholders' Agreement the Silver Lake Funds and the TPG Funds currently have the right to designate for nomination two directors and three directors, respectively, which collectively will represent a majority of the members of our board of directors. In addition, the Silver Lake Funds and the TPG Funds also jointly have the right to designate one additional director, defined herein as the Joint Designee, who must qualify as independent under the NASDAQ rules and must meet the independence requirements of Rule 10A-3 of the Exchange Act so long as they collectively own at least 10% of their collective Closing Date Shares (as defined in the

Stockholders' Agreement). As a result, the Principal Stockholders are able to exercise significant influence over all matters requiring stockholder approval, including: the election of directors; approval of mergers or a sale of all or substantially all of our assets and other significant corporate transactions; and the amendment of our Certificate of Incorporation and our Bylaws. This concentration of influence may delay, deter or prevent acts that would be favored by our other stockholders, who may have interests different from those of our Principal Stockholders. In addition, this significant concentration of share ownership may adversely affect the trading price of our common stock because investors often perceive disadvantages in owning common stock in companies with Principal Stockholders.

"TPG" refers to TPG Global, LLC and its affiliates, the "TPG Funds" refer to one or more of TPG Partners IV, L.P. ("TPG Partners IV"), TPG Partners V, L.P. ("TPG Partners V"), TPG FOF V-A, L.P. ("TPG FOF V-A") and TPG FOF V-B, L.P. ("TPG FOF V-B"), "Silver Lake" refers to Silver Lake Management Company, L.L.C. and its affiliates and "Silver Lake Funds" refer to either or both of Silver Lake Partners II, L.P. and Silver Lake Technology Investors II, L.P. "Sovereign Co-Invest II" refers to Sovereign Co-Invest II, LLC, an entity co-managed by TPG and Silver Lake. "Principal Stockholders" refer to the TPG Funds, the Silver Lake Funds and Sovereign Co-Invest II.

The market price of our common stock could decline due to the large number of outstanding shares of our common stock eligible for future sale.

Sales of substantial amounts of our common stock in the public market in future offerings, or the perception that these sales could occur, could cause the market price of our common stock to decline. These sales could also make it more difficult for us to sell equity or equity-related securities in the future, at a time and price that we deem appropriate. In addition, the additional sale of our common stock by our officers, directors and Principal Stockholders in the public market, or the perception that these sales may occur, could cause the market price of our common stock to decline.

We may issue shares of our common stock or other securities from time to time as consideration for, or to finance, future acquisitions and investments or for other capital needs. We cannot predict the size of future issuances of our shares or the effect, if any, that future sales and issuances of shares would have on the market price of our common stock. If any such acquisition or investment is significant, the number of shares of common stock or the number or aggregate principal amount, as the case may be, of other securities that we may issue may in turn be substantial and may result in additional dilution to our stockholders. We may also grant registration rights covering shares of our common stock or other securities that we may issue in connection with any such acquisitions and investments.

To the extent that any of us, our executive officers, directors or the Principal Stockholders sell, or indicate an intent to sell, substantial amounts of our common stock in the public market, the trading price of our common stock could decline significantly.

Our ability to pay regular dividends to our stockholders is subject to the discretion of our board of directors and may be limited by our holding company structure and applicable provisions of Delaware law.

We intend to continue to pay quarterly cash dividends on our common stock. However, our board of directors may, in its sole discretion, change the amount or frequency of dividends or discontinue the payment of dividends entirely. In addition, because we are a holding company with no material direct operations, we are dependent on loans, dividends and other payments from our operating subsidiaries to generate the funds necessary to pay dividends on our common stock. We expect to cause our subsidiaries to make distributions to us in an amount sufficient for us to pay dividends. However, their ability to make such distributions will be subject to their operating results, cash requirements and financial condition, the applicable provisions of Delaware law that may limit the amount of funds available for distribution and our ability to pay cash dividends, compliance with covenants and financial ratios related to existing or future indebtedness, including under our Amended and Restated Credit Agreement, our senior secured notes due in 2023, and other agreements with third parties. In addition, each of the companies in our corporate chain must manage its assets, liabilities and working capital in order to meet all of its cash obligations, including the payment of dividends or distributions. As a consequence of these various limitations and restrictions, we may not be able to make, or may have to reduce or eliminate, the payment of dividends on our common stock. Any change in the level of our dividends or the suspension of the payment thereof could adversely affect the market price of our common stock.

ITEM 6. EXHIBITS

The following exhibits are filed as part of this Quarterly Report on Form 10-Q.

Exhibit Number	Description of Exhibit
10.49+	Form of Restricted Stock Unit Grant Agreement
10.50+	Form of Non-Qualified Stock Option Grant Agreement
10.68+	Sabre Corporation 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 26, 2016)
10.69+	Second Amendment to Letter Agreement by and between the Corporation and Greg Webb, dated June 15, 2016
10.70+	Separation Agreement by and between Sabre Corporation and Tom Klein, dated June 20, 2016 (incorporated by reference to Exhibit 10.1 of Sabre Corporation's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 20, 2016)
31.1	Rule 13a-14(a) Certification of Principal Executive Officer
31.2	Rule 13a-14(a) Certification of Principal Financial Officer
32.1	Section 1350 Certification of Principal Executive Officer
32.2	Section 1350 Certification of Principal Financial Officer
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

+ Indicates management contract or compensatory plan or arrangement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SABRE CORPORATION

(Registrant)

Date: August 2, 2016

By: /s/ Richard A. Simonson

Richard A. Simonson

Chief Financial Officer

(principal financial officer of the registrant)

SABRE CORPORATION
2016 OMNIBUS INCENTIVE COMPENSATION PLAN
GLOBAL FORM OF RESTRICTED STOCK UNIT GRANT AGREEMENT

THIS AGREEMENT, including any special terms and conditions in the appendix attached hereto (the “Agreement”), made as of this _____ between Sabre Corporation (the “Company”) and _____ (the “Participant”).

WHEREAS, the Company has adopted the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (the “Plan”) to promote the interests of the Company and its stockholders by providing the employees and non-employee directors of the Company, who are largely responsible for the management, growth, and protection of the business of the Company, with incentives and rewards to encourage them to continue in the service of the Company;

WHEREAS, Section 7 of the Plan provides for the Grant to Participants of Other Stock-Based Awards, including restricted stock units (“RSUs”).

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. Grant of RSUs. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Participant _____ RSUs. Each RSU granted hereunder represents the right to receive one share of the Company’s Common Stock on the Settlement Date (as defined herein), upon the terms and subject to the conditions (including the vesting conditions) set forth in this Agreement and the Plan.
2. Grant Date. The grant date of the RSUs is _____ (the “Grant Date”).
3. Vesting of RSUs.

For time-based vesting

- (a) The RSUs shall vest [_____] (each, a “Vesting Date”); provided that the Participant remains continuously employed by the Company through the applicable Vesting Date.
- (b) In the event the Participant’s Employment terminates prior to the applicable Vesting Date for any RSUs for any reason other than as set forth below in respect of a Qualifying Termination following a Change in Control, such unvested RSUs will be immediately forfeited as of such termination of Employment.
- (c) Notwithstanding the foregoing, in the event the Participant has a Qualifying Termination during the one-year period following a Change in Control, all unvested RSUs will immediately vest on the date of such Qualifying Termination.

For performance vesting

- (a) The number of Eligible RSUs will range from [_____]. The number of Eligible RSUs shall be fixed as of [_____].
 - (b) The Eligible RSUs shall vest in full as follows: The Eligible RSUs shall vest in four approximately equal installments on March 15 in each of calendar years [__, __, __ and __] (each, a “Vesting Date”); provided that the Participant remains continuously employed by the Company through the applicable Vesting Date.
 - (c) In the event the Participant’s Employment terminates prior to the applicable Vesting Date for any RSUs for any reason other than as set forth below in respect of a Qualifying Termination following a Change in Control, such unvested RSUs will be immediately forfeited as of such termination of Employment.
 - (d) Notwithstanding the foregoing, in the event the Participant has a Qualifying Termination during the one-year period following a Change in Control, all unvested RSUs will immediately vest on the date of such Qualifying Termination.
4. Settlement. Settlement of any RSUs granted hereunder will be made in the form of shares of Common Stock no later than the fifteenth day of the third month following the last day of the year in which the applicable Vesting Date or, in the event of a Qualifying Termination, the Qualifying Termination, occurs (each such date, a “Settlement Date”). For purposes of clarification, if the Participant’s Employment terminates after the applicable Vesting Date of any RSUs but prior to the Settlement Date of such RSUs (including as a result of a Qualifying Termination following a Change in Control), such RSUs will remain vested and be subject to settlement by the Company.
5. Rights as a Shareholder. The Participant shall have no rights as a stockholder of the Company with respect to any shares of Common Stock covered by or relating to the RSUs until the date of issuance to the Participant of a certificate or other evidence of ownership representing such shares of Common Stock in settlement thereof. For purposes of clarification, the Participant shall not have any voting or dividend rights with respect to the shares of Common Stock underlying the RSUs prior to the applicable Settlement Date.
6. Transferability. Subject to any exceptions set forth in the Plan, until such time as the RSUs are settled in accordance with Section 4, the RSUs or the rights represented thereby may not be sold, pledged, hypothecated, or otherwise encumbered or subject to any lien, obligation, or liability of the Participant to any party (other than the Company), or assigned or transferred by such Participant, but immediately upon such purported sale, assignment, transfer, pledge, hypothecation or other disposal of the RSUs will be forfeited by the Participant and all of the Participant’s rights to such RSUs shall immediately terminate without any payment or consideration from the Company.

7. Incorporation of Plan. All terms, conditions and restrictions of the Plan are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of the Plan shall govern. All capitalized terms used and not defined herein shall have the meaning given to such terms in the Plan.
8. Taxes. The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Participant's employer (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSU, including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of shares of Common Stock acquired pursuant to such settlement and the receipt of any dividends and/or dividend equivalent; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, the Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following: (a) withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and/or the Employer; or (b) withholding from proceeds of the sale of shares of Common Stock acquired upon vesting/settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization); or (c) withholding in shares of Common Stock to be issued upon settlement of the RSUs, provided, however that if the Participant is a Section 16 officer of the Company under the Exchange Act, then the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) shall establish the method of withholding from alternatives (a)-(c) herein and, if the Committee does not exercise its discretion prior to the Tax-Related Items withholding event, then the Participant shall be entitled to elect the method of withholding from the alternatives above.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other

applicable withholding rates, including maximum applicable rates, in which case the Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, the Participant is deemed to have been issued the full number of shares of Common Stock subject to the vested RSUs, notwithstanding that a number of the shares of Common Stock are held back solely for the purpose of paying the Tax-Related Items.

Finally, the Participant agrees to pay to the Company or the Employer, any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Common Stock or the proceeds of the sale of shares of Common Stock if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

9. Construction of Agreement. Any provision of this Agreement (or portion thereof) which is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this section, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions thereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction. If any covenant should be deemed invalid, illegal or unenforceable because its scope is considered excessive, such covenant shall be modified so that the scope of the covenant is reduced only to the minimum extent necessary to render the modified covenant valid, legal and enforceable. No waiver of any provision or violation of this Agreement by the Company shall be implied by the Company's forbearance or failure to take action. No provision of this Agreement shall be given effect to the extent that such provision would cause any tax to become due under Section 409A of the Code.
10. Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party hereto upon any breach or default of any party under this Agreement, shall impair any such right, power or remedy of such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party or any provisions or conditions of this Agreement, shall be in writing and shall be effective only to the extent specifically set forth in such writing.
11. No Special Employment Rights; No Right to Award. Nothing contained in the Plan or any Award shall confer upon the Participant any right with respect to the continuation of his Employment by or service to the Company or the Employer or interfere in any way with the right of the Company or the Employer at any time to terminate such

Employment or service or to increase or decrease the compensation of the Participant from the rate in existence at the time of the grant of the RSUs. The rights or opportunity granted to the Participant on the making of an Award shall not give the Participant any rights or additional rights to compensation or damages in consequence of either: (i) the Participant giving or receiving notice of termination of his or her office or Employment; (ii) the loss or termination of his or her office or Employment with the Company or its Subsidiaries for any reason whatsoever; or (iii) whether or not the termination (and/or giving of notice) is ultimately held to be wrongful or unfair.

12. Data Privacy. *The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other RSU grant materials by and among, as applicable, the Employer, the Company and its other Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.*

The Participant understands that the Company and the Employer may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

The Participant understands that Data will be transferred to Morgan Stanley Smith Barney or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of Data by contacting his or her local human resources representative. The Participant authorizes the Company, Morgan Stanley Smith Barney and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purposes of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that if he or she resides outside the United States, he or she may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human

resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, his or her Employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant RSUs or other equity awards to the Participant or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

13. Integration. This Agreement, and the other documents referred to herein or delivered pursuant hereto which form a part hereof contain the entire understanding of the parties with respect to its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings with respect to the subject matter hereof other than those expressly set forth herein and in the Plan. This Agreement, including without limitation the Plan, supersedes all prior agreements and understandings between the parties with respect to its subject matter.
14. Clawback Policy. Notwithstanding anything in the Plan to the contrary, the Company or any of its Subsidiaries or Affiliates will be entitled (i) to recoup compensation of whatever kind paid to a Participant under the Plan by the Company or any of its Subsidiaries or Affiliates at any time to the extent permitted or required by applicable law, Company policy and/or the requirements of an exchange on which the Company's shares of Common Stock are listed for trading, in each case, as in effect from time to time, and (ii) to cancel all or any portion of this RSUs (whether vested or unvested) and/or require repayment of any sums (including, in the case of shares of Common Stock, the value of such shares) or amounts which were received by the Participant in respect of the RSUs in the event the Company believes in good faith that the Participant has breached any existing protective covenants, including but not limited to confidentiality, non-solicitation, non-interference, or non-competition agreements with the Company or any of its Subsidiaries or Affiliates, and by accepting the RSUs pursuant to the Plan and this Agreement, Participant authorizes such clawback and agrees to comply with any Company request or demand for such recoupment.
15. Policy Against Insider Trading. By accepting this grant of RSUs, the Participant acknowledges that the Participant is bound by all the terms and conditions of the Company's insider trading policy as may be in effect from time to time. The Participant further acknowledges that, depending on the Participant's country, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect the Participant's ability to acquire or sell shares of Common Stock or rights to shares of Common Stock (e.g. , RSUs) under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in the Participant's country). Any restrictions under these laws or regulations are separate

from and in addition to any restrictions that may be imposed under the Company's insider trading policy as may be in effect from time to time. The Participant acknowledges that it is the Participant's responsibility to comply with any applicable restrictions, and the Participant should speak to his or her personal advisor on this matter.

16. Foreign Asset/Account, Exchange Control and Tax Reporting. The Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of shares of Common Stock or cash (including dividends and the proceeds arising from the sale of shares of Common Stock) derived from his or her participation in the Plan, to and/or from a brokerage/bank account or legal entity located outside the Participant's country. The applicable laws of the Participant's country may require that he or she report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in such country. The Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements and should consult his or her personal legal advisor on this matter.
17. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
18. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without regard to the provisions governing conflict of laws.
19. Venue. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Award and this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Texas and agree that such litigation shall be conducted only in the courts of Tarrant County, Texas, or the federal courts for the Northern District of Texas, and no other courts where the grant of this Award is made and/or to be performed.
20. Nature of Grant. In accepting the RSUs, the Participant acknowledges, understands and agrees that:
 - (a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
 - (b) the grant of the RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;
 - (c) all decisions with respect to future RSU or other grants, if any, will be at the sole discretion of the Company;

- (d) the Participant is voluntarily participating in the Plan;
- (e) the RSUs and any shares of Common Stock acquired under the Plan, and the income and value of the same, are not intended to replace any pension rights or compensation;
- (f) the RSUs and any shares of Common Stock acquired under the Plan, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- (g) the future value of the shares of Common Stock underlying the RSU is unknown, indeterminable, and cannot be predicted with certainty;
- (h) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the termination of the Participant's Employment or other service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the RSUs, the Participant agrees not to institute any such claim against the Company, the Employer, or any of the other Subsidiaries or Affiliates of the Company;
- (i) for purposes of the RSUs, the Participant's Employment or service relationship will be considered terminated as of the date the Participant is no longer actively providing services to the Company, the Employer, or any of the Subsidiaries or Affiliates of the Company (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and unless otherwise expressly provided in this Agreement or determined by the Company, the Participant's right to vest in the RSUs under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.* , the Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any); the Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of his or her RSU grant (including whether the Participant may still be considered to be providing services while on a leave of absence);
- (j) unless otherwise provided in the Plan or by the Company in its discretion, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company;

(k) unless otherwise agreed with the Company, the RSUs and any shares of Common Stock acquired under the Plan and the income and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of a Subsidiary or Affiliate;

(l) the following provisions apply only if the Participant is providing services outside the United States:

(1) the RSUs and the shares of Common Stock subject to the RSUs, and the income and value of same, are not part of normal or expected compensation or salary for any purpose; and

(2) neither the Company, the Employer nor any Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to the Participant pursuant to the settlement of the RSUs or the subsequent sale of any shares of Common Stock acquired upon settlement.

21. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying shares of Common Stock. The Participant should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.
22. Compliance with Law. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the shares of Common Stock, the Company shall not be required to deliver any shares of Common Stock issuable upon vesting/settlement of the RSUs prior to the completion of any registration or qualification of the shares of Common Stock under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify the shares of Common Stock with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares of Common Stock. Further, the Participant agrees that the Company shall have unilateral authority to amend the Plan and the Agreement without the Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of shares of Common Stock.
23. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery

and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

24. Language. If the Participant has received this Agreement, or any other document related to the RSUs and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
25. Appendix. Notwithstanding any provisions in this Agreement, the RSU grant shall be subject to any special terms and conditions set forth in any appendix to this Agreement for the Participant's country (the "Appendix"). Moreover, if the Participant relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.
26. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSUs and on any shares of Common Stock acquired upon vesting/settlement of the RSUs, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
27. Participant Acknowledgment. By the Participant's electronic acceptance of this Agreement, the Participant hereby acknowledges receipt of a copy of the Plan and agrees that this Award is granted under and governed by the terms and conditions of the Plan and this Agreement. The Participant further acknowledges that all decisions, determinations and interpretations of the Committee in respect of the Plan and this Agreement shall be final and conclusive. The Participant acknowledges that there may be adverse tax consequences upon vesting/settlement of the RSUs or disposition of the underlying shares of Common Stock and that the Participant should consult a tax advisor prior to such vesting or disposition. Finally, the Participant acknowledges that the Participant has reviewed the Plan and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to accepting this Agreement and fully understands all provisions of the Plan and this Agreement.

**APPENDIX TO
SABRE CORPORATION
2016 OMNIBUS INCENTIVE COMPENSATION PLAN
GLOBAL FORM OF RESTRICTED STOCK UNIT GRANT AGREEMENT**

Terms and Conditions

This Appendix includes special terms and conditions that govern the RSUs granted to the Participant if the Participant resides in the countries listed herein. These terms and conditions are in addition to, or, if so indicated, in place of, the terms and conditions set forth in the Agreement.

If the Participant is a citizen or resident of a country other than the one in which the Participant is currently working, transfers employment and/or residency after the Grant Date, or is considered a resident of another country for local law purposes, the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Participant.

Capitalized terms used but not defined herein shall have the meanings assigned to them in the Agreement (of which this Appendix is a part) and the Plan.

ARGENTINA

Nature of Grant. This provision supplements Section 20 of the Agreement:

In accepting the grant of the RSUs, the Participant acknowledges and agrees that the grant of the RSUs is made by the Company (not the Employer) in its sole discretion and that the value of any RSUs or shares of Common Stock acquired under the Plan shall not constitute salary or wages for any purpose under Argentine labor law, including the calculation of (i) any labor benefits including, but not limited to, vacation pay, thirteenth salary, compensation in lieu of notice, annual bonus, disability, and leave of absence payments, or (ii) any termination or severance indemnities.

If, notwithstanding the foregoing, any benefits under the Plan are considered for purposes of calculating any termination or severance indemnities, the Participant acknowledges and agrees that such benefits shall not accrue more frequently than on an annual basis.

Securities Law Information. Neither the RSUs nor the underlying shares of Common Stock are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

AUSTRALIA

Australian Offer Document. The grant of the RSUs is intended to comply with the provisions of the Corporations Act 2001, ASIC Regulatory Guide 49 and ASIC Class Order 14/1000. Additional details are set forth in the Offer Document distributed along with this Agreement.

AUSTRIA

There are no country-specific provisions.

BOLIVIA

There are no country-specific provisions.

BRAZIL

Compliance with the Law. By accepting the RSUs, the Participant acknowledges his or her agreement to comply with applicable Brazilian laws and to pay any and all applicable Tax-Related Items.

Nature of Grant. This provision supplements Section 20 of the Agreement:

By accepting the RSUs, the Participant agrees that (i) the Participant is making an investment decision, (ii) shares of Common Stock will be issued to the Participant only if the vesting conditions are met and any necessary services are rendered by the Participant over the vesting period, and (iii) the value of the underlying shares of Common Stock is not fixed and may increase or decrease over the vesting and holding periods without compensation to the Participant.

CANADA

Settlement. The following provision supplements Section 4 of the Agreement:

Notwithstanding any discretion contained in Section 7 of the Plan to the contrary, the RSUs shall be settled in shares of Common Stock only.

Termination of Employment. The following provision replaces Section 20(i) of the Agreement:

(i) in the event of a termination of the Participant's Employment or service relationship (whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), unless otherwise provided in this Agreement or determined by the Company, the Participant's right to vest in the RSUs under the Plan will terminate effective as of the earlier of (a) the date upon which the Participant ceases to provide services, or (b) the date upon which the Participant receives a notice of termination, and will not be extended by any notice period (*e.g.* , active services would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is

employed or the terms of the Participant's employment agreement, if any); the Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of the RSU grant (including whether the Participant may still be considered to be providing services while on a leave of absence);

Securities Law Information. The Participant may not be permitted to sell or otherwise dispose of the shares of Common Stock acquired upon vesting of the RSUs within Canada. The Participant may only be permitted to sell or dispose of any shares of Common Stock acquired under the Plan if such sale or disposal takes place outside Canada on the facilities on which such shares of Common Stock are traded (*i.e.* , on the NASDAQ).

CHILE

Securities Law Information. The offer of RSUs constitutes a private offering of securities in Chile effective as of the Grant Date. This offer of RSUs is made subject to general ruling N° 336 of the Chilean Superintendence of Securities and Insurance (" SVS "). The offer refers to securities not registered at the securities registry or at the foreign securities registry of the SVS, and, therefore, such securities are not subject to oversight of the SVS. Given that the RSUs are not registered in Chile, the Company is not required to provide public information about the RSUs or the shares of Common Stock in Chile. Unless the RSUs and/or the shares of Common Stock are registered with the SVS, a public offering of such securities cannot be made in Chile.

Esta oferta de Unidades de Acciones Restringidas (" RSU ") constituye una oferta privada de valores en Chile y se inicia en la Fecha de la Oferta. Esta oferta de RSU se acoge a las disposiciones de la Norma de Carácter General N° 336 (" NCG 336 ") de la Superintendencia de Valores y Seguros de Chile (" SVS "). Esta oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, por lo que tales valores no están sujetos a la fiscalización de ésta. Por tratarse los RSU de valores no registrados en Chile, no existe obligación por parte de la Compañía de entregar en Chile información pública respecto de los RSU o sus acciones. Estos valores no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores correspondiente.

COLOMBIA

Nature of Grant. This provision supplements Section 20 of the Agreement:

The Participant acknowledges that, pursuant to Article 128 of the Colombian Labor Code, the RSUs and related benefits do not constitute a component of the Participant's "salary" for any legal purpose. Therefore, the RSUs and related benefits will not be included and/or considered for purposes of calculating any and all labor benefits, such as legal/fringe benefits, vacations, indemnities, payroll taxes, social insurance contributions and/or any other labor-related amount which may be payable.

Securities Law Information. The shares of Common Stock are not and will not be registered in the Colombian registry of publicly traded securities (*Registro Nacional de Valores y Emisores*) and, therefore, the shares of Common Stock may not be offered to the public in Colombia.

Nothing in this document should be construed as the making of a public offer of securities in Colombia.

COSTA RICA

There are no country-specific provisions.

CYPRUS

There are no country-specific provisions.

ECUADOR

There are no country-specific provisions.

FRANCE

Language Consent. By accepting the RSUs, the Participant confirms having read and understood this Appendix, the Agreement and the Plan, including all terms and conditions included therein, which were provided in the English language. The Participant accepts the terms of these documents accordingly.

En acceptant l'attribution, le Participant confirme avoir lu et compris cette Annexe, le Contrat et le Plan, incluant tous leurs termes et conditions, qui ont été transmis en langue anglaise. Le Participant accepte les dispositions de ces documents en connaissance de cause.

GERMANY

There are no country-specific provisions.

GREECE

There are no country specific provisions.

HONG KONG

Form of Settlement. Notwithstanding any discretion contained in the Plan or anything to the contrary in the Agreement, the RSUs are only payable in shares of Common Stock.

Sale Restriction. Shares of Common Stock received at vesting are accepted as a personal investment. In the event that the RSUs vest and shares of Common Stock are issued to the Participant (or the Participant's heirs) within six months of the Grant Date, the Participant (or the Participant's heirs) agree that the shares of Common Stock will not be offered to the public or otherwise disposed of prior to the six-month anniversary of the Grant Date.

Securities Law Information. *WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Participant should exercise caution in relation to the offer. If the Participant is in any doubt about any of the contents of this document, he or she should obtain independent professional advice. Neither the grant of the RSUs nor the issuance of shares of Common Stock upon vesting of the RSUs constitutes a public offering of securities under Hong Kong law and is available only to employees of the Company and its Subsidiaries and Affiliates. The Agreement, including this Appendix, the Plan and other incidental communication materials distributed in connection with the RSUs (i) have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong, and (ii) are intended only for the personal use of each eligible employee of the Company or its Subsidiaries and Affiliates and may not be distributed to any other person.*

ICELAND

Form of Settlement. Notwithstanding Sections 1 and 4 of the Agreement, due to regulatory requirements in Iceland, the grant of the RSUs does not provide any right for the Participant to receive shares of Common Stock upon settlement of the RSUs and settlement of any RSUs granted hereunder will be made in the form of a cash payment payable through local payroll.

The Company reserves the right to provide the Participant with alternative methods of settlement depending on the development of local law.

INDIA

There are no country-specific provisions.

ISRAEL

Securities Law Information. The grant of the RSUs does not constitute a public offering under the Securities Law, 1968.

ITALY

Data Privacy. This provision replaces Section 12 of the Agreement in its entirety:

The Participant understands that the Company and the Employer may hold certain personal information about the Participant, including, the Participant’s name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to shares of stock awarded, cancelled, exercised, vested, unvested or outstanding in the Participant’s favor (“Data”), for the exclusive purpose of managing and administering the Plan.

The Participant also understands that providing the Company with the Participant’s Data is necessary for the performance of the Plan and that the Participant’s denial to provide such Data would make it impossible for the Company to perform its contractual obligations and

may affect the Participant's ability to participate in the Plan. The Controller of personal data processing is Sabre Corporation, with registered offices at 3150 Sabre Drive, Southlake, Texas 76092, United States of America, and, pursuant to Legislative Decree no. 196/2003, its representative in Italy is Sabre Italia S.r.l. with registered offices at Via Carlo Veneziani 56 cap, Rome, Italy. The Participant understands that the Participant's Data will not be publicized, but it may be transferred to Morgan Stanley Smith Barney, banks, other financial institutions or brokers and/or their agents involved in the management and administration of the Plan. The Participant further understands that the Company and/or any Subsidiary or Affiliate will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and that the Company and/or any Subsidiary or Affiliate may each further transfer Data to third parties assisting the Company in the implementation, administration and management of the Plan, including any requisite transfer to Morgan Stanley Smith Barney or another third party with whom the Participant may elect to deposit any shares acquired under the Plan. Such recipients may receive, possess, use, retain and transfer the Data in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that these recipients may be located in the European Economic Area, or elsewhere, such as the United States. Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete the Participant's Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the Plan.

The Participant understands that Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions as set forth by applicable Italian data privacy laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including communication, the transfer of the Participant's Data abroad, including outside the European Economic Area, as herein specified and pursuant to applicable Italian data privacy laws and regulations, does not require the Participant's consent thereto as the processing is necessary to performance of contractual obligations related to implementation, administration and management of the Plan. The Participant understands that, pursuant to Section 7 of the Legislative Decree no. 196/2003, the Participant has the right to, including but not limited to, access, delete, update, ask for rectification of the Participant's Data and stop, for legitimate reason, the Data processing. Furthermore, the Participant is aware that the Participant's Data will not be used for direct marketing purposes. In addition, the Data provided can be reviewed and questions or complaints can be addressed by contacting the Participant's human resources department.

Plan Document Acknowledgement. In accepting the RSUs, the Participant acknowledges that he or she has received a copy of the Plan and this Agreement and has reviewed the Plan and this Agreement, in their entirety and fully understands and accepts all provisions of the Plan and this Agreement.

The Participant further acknowledges that he or she has read and specifically and expressly approves the following sections of the Agreement: Sections 3, 4, 5, 8, 14, 8, 19, 20, and 24; and the Data Privacy section included in this Appendix.

JAPAN

There are no country-specific provisions.

KAZAKHSTAN

Securities Law Information. This offer is addressed only to certain eligible employees in the form of the shares of Common Stock to be issued by the Company. Neither the Plan nor the Agreement has been approved, nor do they need to be approved, by the National Bank of Kazakhstan. This offer is intended only for the original recipient and is not for general circulation in the Republic of Kazakhstan.

MEXICO

Plan Document Acknowledgement

By accepting the RSUs, the Participant acknowledges that he or she has received a copy of the Plan and the Agreement, including this Appendix, which the Participant has reviewed. The Participant acknowledges further that he or she accepts all the provisions of the Plan and the Agreement, including this Appendix. The Participant also acknowledges that he or she has read and specifically and expressly approves the terms and conditions set forth in Section 20 (“Nature of Grant”) in the Agreement, which clearly provides as follows:

- (1) The Participant’s participation in the Plan does not constitute an acquired right;
- (2) The Plan and the Participant’s participation in it are offered by the Company on a wholly discretionary basis;
- (3) The Participant’s participation in the Plan is voluntary; and
- (4) The Company and its Subsidiaries and Affiliates are not responsible for any decrease in the value of any shares of Common Stock acquired at vesting and settlement of the RSUs.

Labor Law Policy and Acknowledgment

By accepting the RSUs, the Participant expressly recognizes that the Company, with registered offices at 3150 Sabre Drive, Southlake, Texas 76092, U.S.A., is solely responsible for the administration of the Plan and that the Participant’s participation in the Plan and acquisition of shares of Common Stock do not constitute an employment relationship between the Participant and the Company because the Participant is participating in the Plan on a wholly commercial basis and his or her sole employer is Sabre Sociedad Tecnologica S.A. de C.V. (“Sabre Mexico”), located at Boulevard Manuel Avila Camacho #40 Piso10, Colonia Lomas de Chapultepec, Distrito Federal, C.P., Mexico. Based on the foregoing, the Participant expressly recognizes

that the Plan and the benefits that he or she may derive from participating in the Plan do not establish any rights between the Participant and Sabre Mexico, and do not form part of the employment conditions and/or benefits provided by Sabre Mexico, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Participant's Employment.

The Participant further understands that his or her participation in the Plan is as a result of a unilateral and discretionary decision of the Company; therefore, the Company reserves the absolute right to amend and/or discontinue the Participant's participation at any time without any liability to the Participant.

Finally, the Participant hereby declares that he or she does not reserve to him- or herself any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and the Participant therefore grants a full and broad release to the Company, and its Subsidiaries, branches, representative offices, shareholders, directors, officers, employees, agents, or legal representatives with respect to any claim that may arise.

Reconocimiento del Documento del Plan

Al aceptar las Unidades de Acciones Restringidas (RSUs, por sus siglas en inglés), el Participante reconoce que ha recibido una copia del Plan y del Acuerdo, con inclusión de este Apéndice, lo cual el Participante ha revisado. El Participante reconoce, además, que acepta todas las disposiciones del Plan y del Acuerdo, incluyendo este Apéndice. El Participante también reconoce que ha leído y que concretamente aprueba de forma expresa los términos y condiciones establecidos en la Sección 20 ("Naturaleza de la Subvención") del Acuerdo, que claramente dispone lo siguiente:

- (1) La participación del Participante en el Plan no constituye un derecho adquirido;*
- (2) El Plan y la participación del Participante en el Plan se ofrecen por la Compañía en su discrecionalidad total;*
- (3) Que la participación del Participante en el Plan es voluntaria; y*
- (4) La Compañía y sus Filiales y Afiliadas no son responsables de ninguna disminución en el valor de las acciones adquiridas al conferir las RSUs.*

Política Laboral y Reconocimiento

Al aceptar las RSUs, el Participante expresamente reconoce que la Compañía, con sus oficinas registradas y ubicadas en 3150 Sabre Drive, Southlake, Texas 76092, EE.UU., es la única responsable por la administración del Plan y que la participación del Participante en el Plan y en su caso la adquisición de acciones no constituyen una relación de trabajo entre el Participante y la Compañía, ya que el Participante participa en el Plan en un marco totalmente comercial y su único patrón es Sabre Sociedad Tecnológica S.A. de C.V. ("Sabre Mexico"),

ubicado en Boulevard Manuel Avila Camacho #40 Piso10, Colonia Lomas de Chapultepec, Distrito Federal, C.P., Mexico. Derivado de lo anterior, el Participante expresamente reconoce que el Plan y los beneficios que pudieran derivar de la participación en el Plan no establecen derecho alguno entre el Participante y el patrón, Sabre Mexico, y no forma parte de las condiciones de trabajo y/o las prestaciones otorgadas por Sabre Mexico, y que cualquier modificación al Plan o su terminación no constituye un cambio o desmejora de los términos y condiciones de la relación de trabajo del Participante.

Asimismo, el Participante reconoce que su participación en el Plan se ha resultado de una decisión unilateral y discrecional de la Compañía; por lo tanto, la Compañía se reserva el derecho absoluto de modificar y/o terminar la participación del Participante en cualquier momento y sin responsabilidad alguna frente al Participante.

Finalmente, el Participante por este medio declara que no se reserva ninguna derecho o acción en contra de la Compañía por cualquier compensación o daños y perjuicios en relación de las disposiciones del Plan o de los beneficios derivados del Plan, y por lo tanto, el Participante otorga el más amplio finiquito que en derecho proceda a la Compañía, y sus filiales, oficinas de representación, accionistas, directores, autoridades, empleados, agentes, o representantes legales en relación con cualquier demanda que pudiera surgir.

NETHERLANDS

There are no country-specific provisions.

NEW ZEALAND

There are no country-specific provisions.

PANAMA

Securities Law Information. The RSUs granted pursuant to the Plan and the shares of Common Stock which may be issued upon vesting and settlement of the RSUs are offered in a private transaction. This is not an offer to the public.

PERU

Labor Law Acknowledgement. The following provision supplements Section 20 of the Agreement:

By accepting the RSUs, the Participant acknowledges, understands and agrees that the RSUs are being granted ex gratia to the Employee with the purpose of rewarding him or her.

Securities Law Information. The offer of the RSUs is considered a private offering in Peru and is therefore not subject to registration in Peru. For more information concerning this offer, please refer to the Plan, the Agreement and any other grant documents made available by the Company. For more information regarding the Company, please refer to the Company's most recent annual report on Form 10-K and quarterly report on Form 10-Q available at WWW.SEC.GOV.

POLAND

There are no country-specific provisions.

PUERTO RICO

There are no country-specific provisions.

RUSSIA

Sale Restriction. The Participant agrees that the Company is authorized, at its discretion, to instruct its designated U.S. broker to assist with the sale of the Participant's shares of Common Stock issued upon the vesting of the RSUs (on the Participant's behalf pursuant to this authorization) should the Company determine that such sale is necessary or advisable under local law. The Participant expressly authorizes the Company's designated U.S. broker to complete the sale of such shares of Common Stock and acknowledges that the Company's designated U.S. broker is under no obligation to arrange for the sale of the shares of Common Stock at any particular price. Upon the sale of the shares of Common Stock, the Company agrees to pay the Participant the cash proceeds from the sale of the shares of Common Stock, less any brokerage fees, commissions or Tax-Related Items. The Participant must repatriate cash proceeds to his or her bank account in Russia when the proceeds are released to him or her. The Participant may subsequently remit such proceeds to a foreign bank account.

U.S. Transaction. The Participant understands that his or her acceptance of the grant of RSUs results in a contract between the Participant and the Company completed in the United States and that the Agreement is governed by the laws of the State of Delaware, without giving effect to the conflict of law principles thereof.

Data Privacy. The following provision supplements Section 12 of the Agreement and to the extent inconsistent, the below language for Russia supersedes Section 12 of the Agreement:

The Participant understands and agrees that the Company may require the Participant to complete and return a Consent to Processing of Personal Data form (the "*Consent*") to the Company. If a Consent is required by the Company but the Participant fails to provide such Consent to the Company, the Participant understands and agrees that the Company will not be able to administer or maintain the RSUs or any other awards. Therefore, the Participant understands that refusing to complete any required Consent or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on any required Consent or withdrawal of consent, the Participant understands he or she may contact the U.S. human resources representative.

Securities Law Information. The Employer is not in any way involved in the offer of RSUs or administration of the Plan. These materials do not constitute advertising or an offering of securities in Russia, nor do they constitute placement of the shares of Common Stock in Russia. Any shares of Common Stock issued pursuant to the RSUs shall be delivered to the Participant through a brokerage account in the U.S. The Participant may hold shares of Common Stock in

the Participant's brokerage account in the US; however, in no event will shares of Common Stock issued to the Participant and/or share certificates or other instruments be delivered to the Participant in Russia. The issuance of shares of Common Stock pursuant to the RSUs described herein has not and will not be registered in Russia and hence, the shares of Common Stock described herein may not be admitted or used for offering, placement or public circulation in Russia. Accordingly, the Participant is not permitted to make any public advertising or announcements regarding the RSUs or shares of Common Stock in Russia, or promote these shares of Common Stock to other Russian legal entities or individuals, and the Participant is not permitted to sell or otherwise dispose of shares of Common Stock directly to other Russian legal entities or individuals. The Participant is permitted to sell shares of Common Stock only on the NASDAQ and only through a U.S. broker.

SINGAPORE

Restrictions on Sale and Transferability. The Participant hereby agrees that any shares of Common Stock acquired pursuant to the RSUs will not be offered for sale in Singapore prior to the six-month anniversary of the Grant Date, unless such sale or offer is made pursuant to the exemption under Part XIII Division I Subdivision (4) (other than section 280) of the Securities and Futures Act (Chap. 289, 2006 Ed.) (“SFA”).

Securities Law Information. The grant of the RSUs is being made in reliance on section 273(1)(f) of the SFA, on which basis it is exempt from the prospectus and registration requirements under the SFA, and is not made to the Participant with a view to the RSUs or underlying shares of Common Stock being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

SOUTH AFRICA

Responsibility for Taxes. The following provision supplements Section 8 of the Agreement:

By accepting the RSUs, the Participant agrees to immediately notify the Employer of the amount of any gain realized upon vesting of the RSUs. If the Participant fails to advise the Employer of the gain realized upon vesting of the RSUs, then he or she may be liable for a fine. The Participant will be responsible for paying the difference between the actual Tax-Related Items liability and the amount withheld.

SPAIN

Nature of Grant. The following section supplements Section 20 of the Agreement:

In accepting the grant of the RSUs, the Participant acknowledges that he or she consents to participation in the Plan and has received a copy of the Plan.

The Participant understands that the Company, in its sole discretion, has unilaterally and gratuitously decided to grant the RSUs under the Plan to individuals who may be employees of the Company or a Subsidiary or Affiliate throughout the world. The decision is a limited

decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any Subsidiary or Affiliate over and above the specific terms provided in the Plan and Agreement. Consequently, the Participant understands that the RSUs are granted on the assumption and condition that the RSUs and the shares of Common Stock issued upon settlement shall not become a part of any employment contract (either with the Company or any Subsidiary of Affiliate) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever.

Further, the Participant understands and agrees that, unless otherwise expressly provided for by the Company or set forth in the Agreement, the RSUs will be cancelled without entitlement to any shares of Common Stock if the Participant ceases to be a Participant for any reason, including, but not limited to: resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without good cause (*i.e.*, subject to a “*despido improcedente*”), material modification of the terms of employment under Article 41 of the Workers’ Statute, relocation under Article 40 of the Workers’ Statute, Article 50 of the Workers’ Statute, or under Article 10.3 of Royal Decree 1382/1985. The Company, in its sole discretion, shall determine the date when the Participant’s status as a Participant has terminated for purposes of the RSUs.

In addition, the Participant understands that this grant would not be made to the Participant but for the assumptions and conditions referred to above; thus, the Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of, or right to, the RSUs shall be null and void.

Securities Law Information. No “offer of securities to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory with respect to the RSUs. No public offering prospectus has been, nor will it be registered with the Comisión Nacional del Mercado de Valores (Spanish Securities Exchange Commission) (“*CNMV*”). Neither the Plan nor the Agreement constitute a public offering prospectus and they have not been, nor will they be, registered with the CNMV.

SWEDEN

There are no country-specific provisions.

THAILAND

There are no country-specific provisions.

UNITED ARAB EMIRATES

Securities Law Information. The Agreement and the Plan and other incidental communication materials concerning the RSUs are intended for distribution only to employees of the Company or its Subsidiaries or Affiliates. The Dubai Technology and Media Free Zone Authority,

Emirates Securities and Commodities Authority and/or the Central Bank has no responsibility for reviewing or verifying any documents in connection with the RSUs. Neither the Ministry of Economy nor the Dubai Department of Economic Development have approved these communications nor taken steps to verify the information set out in them, and have no responsibility for them.

Further, the shares of Common Stock underlying the RSUs may be illiquid and/or subject to restrictions on their resale. The Participant should conduct his or her own due diligence on the RSUs and the shares of Common Stock. If the Participant is in any doubt about any of the contents of the grant or other incidental documents, the Participant should obtain independent professional advice.

UNITED KINGDOM

Taxes. This provision supplements Section 8 of the Agreement:

If payment or withholding of any income tax due is not made within 90 days of the end of the U.K. tax year giving rise to the income tax liability or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the “Due Date”), the Participant agrees that the amount of any uncollected income tax shall (assuming the Participant is not a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act)), constitute a loan owed by the Participant to the Employer, effective on the Due Date. The Participant agrees that the loan will bear interest at the then-current HM Revenue & Customs (“HMRC”) Official Rate and it will be immediately due and repayable, and the Company and/or the Employer may recover it at any time thereafter by any of the means referred to in this Section 8. If the Participant is a director or executive officer and income tax is not collected from or paid by him or her by the Due Date, the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and national insurance contributions (“NICs”) may be payable. The Participant will be responsible for reporting any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company and/or the Employer for the value of any employee NICs due on this additional benefit, which the Company and/or the Employer may recover at any time thereafter by any of the means referred to in this Section 8.

URUGUAY

There are no country-specific provisions.

VENEZUELA

Investment Representation. As a condition of the grant of the RSUs, the Participant acknowledges and agrees that any shares of Common Stock the Participant may acquire upon vesting and settlement of the RSUs are acquired as, and intended to be, an investment rather than for the resale of the shares of Common Stock and conversion of the shares of Common Stock into foreign currency.

Securities Law Information. The Participant has met the eligibility requirements set forth in the Plan. The offer of the RSUs and the shares of Common Stock that may be issued under the Plan is personal, private, exclusive and non-transferable and is not subject to Venezuelan government securities regulation.

SABRE CORPORATION
2016 OMNIBUS INCENTIVE COMPENSATION PLAN
GLOBAL FORM OF STOCK OPTION GRANT AGREEMENT
(Non-Qualified Stock Options)

THIS AGREEMENT, including any special terms and conditions in the appendix attached hereto (the "Agreement"), made as of this _____ between Sabre Corporation (the "Company") and _____ (the "Participant").

WHEREAS, the Company has adopted the Sabre Corporation 2016 Omnibus Incentive Compensation Plan (the "Plan") to promote the interests of the Company and its stockholders by providing the employees and non-employee directors of the Company, who are largely responsible for the management, growth, and protection of the business of the Company, with incentives and rewards to encourage them to continue in the service of the Company;

WHEREAS, Section 6 of the Plan provides for the grant to Participants of Non-Qualified Stock Options to purchase shares of Common Stock of the Company.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. Grant of Options. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Participant a NON-QUALIFIED STOCK OPTION (the "Option") with respect to _____ shares of Common Stock of the Company.
2. Grant Date. The grant date of the Option hereby granted is _____ ("Grant Date").
3. Exercise Price; Exercisability. The exercise price of each share of Common Stock underlying the Option hereby granted is \$ _____ (the "Exercise Price").
4. Vesting of Options. The Option shall become vested and exercisable as follows: 25% shall vest on the one year anniversary of the grant date, and the remainder shall vest in equal installments of 6.25% at the end of each successive three month period following the one-year anniversary, until 100% of the Options are fully vested (each such date a "Vesting Date"); provided that the Participant remains continuously employed by the Company through each applicable Vesting Date. Notwithstanding the foregoing, in the event of a Qualifying Termination during the one-year period following a Change in Control, the Option shall immediately vest in full and become exercisable as of the date of such Qualifying Termination following a Change in Control.
5. Manner of Exercise. The Option shall be exercised by delivery of an electronic or physical written notice to the Secretary of the Company, or such other form as permitted by the

Committee from time to time and communicated to the Participant (the “Exercise Notice”), which shall state the election to exercise the Option, specify the number of shares of Common Stock with respect to which the Option is being exercised, and such other representations and agreements as may be required by the Committee pursuant to the provisions of the Plan. The Exercise Notice shall include payment in cash for an amount equal to the Exercise Price multiplied by the number of shares of Common Stock specified in such Exercise Notice. Such payment may be made in (i) cash; or in the Committee’s sole discretion, (ii) shares of Common Stock (that the Participant has owned for at least one (1) year) having a Fair Market Value equal to the Exercise Price; (iii) a combination of cash and shares provided that such shares have been held by the Participant for at least one (1) year prior to such exercise; or (iv) through a broker assisted exercise, but only to the extent such right or the utilization of such right would not cause the Option to be subject to Section 409A of the Code and to the extent the use of net-physical settlement is permitted by, and is in compliance with applicable law. The partial exercise of the Option, alone, shall not cause the expiration, termination or cancellation of the remaining portion of the Option.

6. Expiration of Options. The Participant’s Option, or portion thereof, which has not become exercisable shall expire on the date the Participant’s Employment is terminated for any reason. The Participant’s Option(s), or any portion thereof, which have become exercisable on or before the date the Participant’s Employment is terminated (or that become exercisable as a result of such termination) shall expire on the earlier of (i) the commencement of business on the date the Participant’s Employment is terminated for Cause; (ii) ninety (90) days after the date the Participant’s Employment is terminated for any reason other than Cause, death or Disability; (iii) one year after the date the Participant’s Employment is terminated by reason of death or Disability; or (iv) the tenth (10th) anniversary of the Grant Date for such Option(s). All Options, whether vested or unvested, that have not sooner expired shall expire no later than the tenth (10th) anniversary of the Grant Date.

7. Transferability. The Option is exercisable during the Participant’s lifetime only by the Participant or his or her guardian or legal representative, and may not be sold, pledged, hypothecated, or otherwise encumbered or subject to any lien, obligation, or liability of the Participant to any party (other than the Company), or assigned or transferred by such Participant, but immediately upon such purported sale, assignment, transfer, pledge, hypothecation or other disposal of the Option will be forfeited by the Participant and all of the Participant’s rights to such Option shall immediately terminate without any payment or consideration from the Company. Upon the death of a Participant, outstanding Options granted to such Participant may be exercised only by the executors or administrators of the Participant’s estate or by any person or persons who shall have acquired such right to exercise by will or by the laws of descent and distribution pursuant to Section 18 of the Plan.

8. Incorporation of Plan. All terms, conditions and restrictions of the Plan are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of the Plan shall

govern. All capitalized terms used and not defined herein shall have the meaning given to such terms in the Plan.

9. **Taxes.** The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Participant's employer (the "**Employer**"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("**Tax-Related Items**"), is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of shares of Common Stock acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, the Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items.

In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by withholding from proceeds of the sale of shares of Common Stock acquired at exercise of the Option either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization) without further consent

The Company may withhold or account for Tax-Related Items by considering maximum applicable rates, in which case the Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent.

Finally, the Participant agrees to pay to the Company or the Employer, including through withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and/or the Employer, any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Common Stock or the proceeds of the sale of shares of Common Stock if the Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

10. **Construction of Agreement.** Any provision of this Agreement (or portion thereof) which is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this section, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions thereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction. If any covenant should be deemed invalid, illegal or unenforceable because its scope is considered excessive, such covenant shall be modified so that the scope of the covenant is reduced only to the minimum extent necessary to render the modified covenant valid, legal and enforceable. No waiver of any provision or violation of this Agreement by the Company shall be implied by the Company's forbearance or failure to take action. No provision of this Agreement shall be given effect to the extent that such provision would cause any tax to become due under Section 409A of the Code.

11. **Delays or Omissions.** No delay or omission to exercise any right, power or remedy accruing to any party hereto upon any breach or default of any party under this Agreement, shall impair any such right, power or remedy of such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party or any provisions or conditions of this Agreement, shall be in writing and shall be effective only to the extent specifically set forth in such writing.

12. **No Special Employment Rights; No Right to Award.** Nothing contained in the Plan or any Award shall confer upon any Participant any right with respect to the continuation of his Employment by or service to the Company or the Employer or interfere in any way with the right of the Company or the Employer at any time to terminate such Employment or service or to increase or decrease the compensation of the Participant from the rate in existence at the time of the grant of the Option. The rights or opportunity granted to the Participant on the making of an Award shall not give the Participant any rights or additional rights to compensation or damages in consequence of either: (i) the Participant giving or receiving notice of termination of his or her office or Employment; (ii) the loss or termination of his or her office or Employment with the Company or its Subsidiaries or Affiliates for any reason whatsoever; or (iii) whether or not the termination (and/or giving of notice) is ultimately held to be wrongful or unfair.

13. **Data Privacy.** *The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Option grant materials by and among, as applicable, the Employer, the Company and its other Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.*

*The Participant understands that the Company and the Employer may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("**Data**"), for the exclusive purpose of implementing, administering and managing the Plan.*

The Participant understands that Data will be transferred to Morgan Stanley Smith Barney or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of Data by contacting his or her local human resources representative. The Participant authorizes the Company, Morgan Stanley Smith Barney and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purposes of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that if he or she resides outside the United States, he or she may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, his or her Employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant Options or other Awards to the Participant or administer or maintain such Awards. Therefore, the Participant understands that refusing or withdrawing his or her consent

may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

14. Integration. This Agreement, and the other documents referred to herein or delivered pursuant hereto which form a part hereof contain the entire understanding of the parties with respect to its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings with respect to the subject matter hereof other than those expressly set forth herein and in the Plan. This Agreement, including without limitation the Plan, supersedes all prior agreements and understandings between the parties with respect to its subject matter.

15. Clawback Policy. Notwithstanding anything in the Plan to the contrary, the Company or any of its Subsidiaries or Affiliates will be entitled (i) to recoup compensation of whatever kind paid by the Company or any of its Subsidiaries or Affiliates at any time to a Participant under the Plan and the Participant, to the extent permitted or required by applicable law, Company policy and/or the requirements of an exchange on which the Company's shares of Common Stock are listed for trading, in each case, as in effect from time to time, and (ii) to cancel all or any portion of this Option (whether vested or unvested) and/or require repayment of any sums (including, in the case of shares of Common Stock, the value of such shares) or amounts which were received by the Participant in respect of the Option in the event the Company believes in good faith that the Participant has breached any existing protective covenants, including but not limited to confidentiality, non-solicitation, non-interference, or non-competition agreements with the Company or any of its Subsidiaries or Affiliates, and by accepting the Option pursuant to the Plan and this Agreement, Participant authorizes such clawback and agrees to comply with any Company request or demand for such recoupment.

16. Policy Against Insider Trading. By accepting the Option, the Participant acknowledges that the Participant is bound by all the terms and conditions of the Company's insider trading policy as may be in effect from time to time. The Participant further acknowledges that, depending on the Participant's country, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect the Participant's ability to acquire or sell shares of Common Stock or rights to shares of Common Stock (e.g., Options) under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in the Participant's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's insider trading policy as may be in effect from time to time. The Participant acknowledges that it is the Participant's responsibility to comply with any applicable restrictions, and the Participant should speak to his or her personal advisor on this matter.

17. Foreign Asset/Account, Exchange Control and Tax Reporting. The Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of shares of Common Stock or cash (including dividends and the proceeds arising from the sale of shares of Common Stock) derived from his or her participation in the Plan, to and/or from a brokerage/bank account or legal entity located outside the Participant's country. The applicable laws of the Participant's country may require that he or she report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in such country. The Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements and should consult his or her personal legal advisor on this matter.

18. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

19. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without regard to the provisions governing conflict of laws.

20. Venue. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Option and this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Texas and agree that such litigation shall be conducted only in the courts of Tarrant County, Texas, or the federal courts for the Northern District of Texas, and no other courts where the grant of this Option is made and/or to be performed.

21. Nature of Grant. In accepting the Option, the Participant acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) the grant of the Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;
- (c) all decisions with respect to future Option or other grants, if any, will be at the sole discretion of the Company;
- (d) the Participant is voluntarily participating in the Plan;
- (e) the Option and any shares of Common Stock acquired under the Plan, and the income and value of the same, are not intended to replace any pension rights or compensation;
- (f) the Option and any shares of Common Stock acquired under the Plan, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal,

end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) the future value of the shares of Common Stock underlying the Option is unknown, indeterminable, and cannot be predicted with certainty;

(h) if the underlying shares of Common Stock do not increase in value, the Option will have no value;

(i) if the Participant exercises the Option and acquires shares of Common Stock, the value of such shares of Common Stock may increase or decrease in value, even below the Exercise Price;

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from the termination of the Participant's Employment or other service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the Option, the Participant agrees not to institute any such claim against the Company, the Employer, or any of the other Subsidiaries or Affiliates of the Company;

(k) for purposes of the Option, the Participant's Employment or service relationship will be considered terminated as of the date the Participant is no longer actively providing services to the Company, the Employer, or any of the Subsidiaries or Affiliates of the Company (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and unless otherwise expressly provided in this Agreement or determined by the Company, (i) the Participant's right to vest in the Option under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., the Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any); and (ii) the period (if any) during which the Participant may exercise the Option after such termination of the Participant's Employment or service relationship will commence on the date the Participant ceases to actively provide services and will not be extended by any notice period mandated under employment laws in the jurisdiction where the Participant is employed or terms of the Participant's employment agreement, if any; the Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of his or her Option grant (including whether the Participant may still be considered to be providing services while on a leave of absence);

(l) unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by this Agreement do not create any entitlement to

have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and

(m) unless otherwise agreed with the Company, the Option and any shares of Common Stock acquired under the Plan and the income and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of a Subsidiary or Affiliate;

(n) the following provisions apply only if the Participant is providing services outside the United States:

(1) the Option and the shares of Common Stock subject to the Option, and the income and value of same, are not part of normal or expected compensation or salary for any purpose; and

(2) neither the Company, the Employer nor any Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to the Participant pursuant to the exercise of the Option or the subsequent sale of any shares of Common Stock acquired upon exercise.

22. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying shares of Common Stock. The Participant should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

23. Compliance with Law. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the shares of Common Stock, the Company shall not be required to deliver any shares of Common Stock issuable upon exercise of the Option prior to the completion of any registration or qualification of the shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify the shares of Common Stock with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares of Common Stock. Further, the Participant agrees that the Company shall have unilateral authority to amend the Plan and the Agreement without the Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of shares of Common Stock.

24. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

25. Language. If the Participant has received this Agreement, or any other document related to the Option and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

26. Appendix. Notwithstanding any provisions in this Agreement, the Option grant shall be subject to any special terms and conditions set forth in any appendix to this Agreement for the Participant's country (the "Appendix"). Moreover, if the Participant relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

27. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Option and on any shares of Common Stock purchased upon exercise of the Option, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

28. Participant Acknowledgment. By the Participant's electronic acceptance of this Agreement, the Participant hereby acknowledges receipt of a copy of the Plan and agrees that this Option is granted under and governed by the terms and conditions of the Plan and this Agreement. The Participant further acknowledges that all decisions, determinations and interpretations of the Committee in respect of the Plan and this Agreement shall be final and conclusive. The Participant acknowledges that there may be adverse tax consequences upon exercise of the Option or disposition of the underlying shares of Common Stock and that the Participant should consult a tax advisor prior to such exercise or disposition. Finally, the Participant acknowledges that the Participant has reviewed the Plan and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to accepting this Agreement and fully understands all provisions of the Plan and this Agreement.

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**APPENDIX TO
SABRE CORPORATION
2016 OMNIBUS INCENTIVE COMPENSATION PLAN
GLOBAL FORM OF STOCK OPTION GRANT AGREEMENT
(Non-Qualified Stock Options)**

This Appendix includes special terms and conditions that govern the Options granted to the Participant if the Participant resides in the countries listed herein. These terms and conditions are in addition to, or, if so indicated, in place of, the terms and conditions set forth in the Agreement.

If the Participant is a citizen or resident of a country other than the one in which the Participant is currently working, transfers employment and/or residency after the Grant Date, or is considered a resident of another country for local law purposes, the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Participant.

Capitalized terms used but not defined herein shall have the meanings assigned to them in the Agreement (of which this Appendix is a part) and the Plan.

AUSTRALIA

Securities Law Information. If the Participant acquires shares of Common Stock under the Plan and the Participant offers such shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. The participant should obtain legal advice on the Participant's disclosure obligations prior to making any such offer.

BRAZIL

Compliance with the Law. By accepting the Option, the Participant acknowledges his or her agreement to comply with applicable Brazilian laws and to pay any and all applicable Tax-Related Items.

Nature of Grant. This provision supplements Section 21 of the Agreement:

By accepting the Option, the Participant agrees that (i) the Participant is making an investment decision, (ii) shares of Common Stock will be issued to the Participant only if the vesting conditions are met and any necessary services are rendered by the Participant over the vesting period, and (iii) the value of the underlying shares of Common Stock is not fixed and may increase or decrease over the vesting and holding periods without compensation to the Participant.

CANADA

Termination of Employment. The following provision replaces Section 21(k) of the Agreement:

(k) in the event of a termination of the Participant's Employment or service relationship (whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), unless otherwise provided in this Agreement or determined by the Company, the Participant's right to vest in the Option under the Plan will terminate effective as of the earlier of (a) the date upon which the Participant ceases to provide services, or (b) the date upon which the Participant receives a notice of termination, and the period (if any) during which the Participant may exercise the Option after such termination of Employment will commence on the same date and will not be extended by any notice period (e.g., active services would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any); the Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of the Option grant (including whether the Participant may still be considered to be providing services while on a leave of absence);

Securities Law Information. The Participant may not be permitted to sell or otherwise dispose of the shares of Common Stock acquired upon exercise of the Option within Canada. The Participant may only be permitted to sell or dispose of any shares of Common Stock acquired under the Plan if such sale or disposal takes place outside Canada on the facilities on which such shares of Common Stock are traded (*i.e.* , on the NASDAQ).

FRANCE

Language Consent. By accepting the Option, the Participant confirms having read and understood this Appendix, the Agreement and the Plan, including all terms and conditions included therein, which were provided in the English language. The Participant accepts the terms of these documents accordingly.

En acceptant l'attribution, le Participant confirme avoir lu et compris cette Annexe, le Contrat et le Plan, incluant tous leurs termes et conditions, qui ont été transmis en langue anglaise. Le Participant accepte les dispositions de ces documents en connaissance de cause.

GERMANY

There are no country-specific provisions.

INDIA

Manner of Exercise. Notwithstanding any provision of the Agreement to the contrary, due to regulatory requirements, the Participant may pay the Exercise Price by (a) cash or check made payable to the Company; or (b) pursuant to a broker assisted exercise, as set forth in Section 5 of the Agreement, as modified by this Appendix. Under this procedure (also called a same-day sale exercise), the Participant (or any other person or persons exercising the Option) shall concurrently provide irrevocable instructions (i) to a brokerage firm (reasonably satisfactory to the Company for purposes of administering such procedure) to effect the immediate sale of all of the purchased shares so that such brokerage firm can remit to the Company, on the settlement date, sufficient funds out of the resulting sale proceeds to cover the aggregate Exercise Price payable for all the purchased shares plus all applicable Tax-Related Items, brokers' fees or commissions and (ii) to the Company to deliver the purchased shares directly to such brokerage firm on such settlement date. The Company reserves the right to provide the Participant with additional methods of exercise depending on the development of local law.

ITALY

Manner of Exercise. Notwithstanding any provision of the Agreement to the contrary, due to regulatory requirements, the Participant may pay the Exercise Price only pursuant to a broker assisted exercise, as set forth in Section 5 of the Agreement, as modified by this Appendix. Under this procedure (also called a same-day sale exercise), the Participant (or any other person or persons exercising the Option) shall concurrently provide irrevocable instructions (i) to a brokerage firm (reasonably satisfactory to the Company for purposes of administering such procedure) to effect the immediate sale of all of the purchased shares so that such brokerage firm can remit to the Company, on the settlement date, sufficient funds out of the resulting sale proceeds to cover the aggregate Exercise Price payable for all the purchased shares plus all applicable Tax-Related Items, brokers' fees or commissions and (ii) to the Company to deliver the purchased shares directly to such brokerage firm on such settlement date. The Participant will not be permitted to acquire and hold shares of Common Stock upon exercise. The Company reserves the right to provide the Participant with additional methods of exercise depending on the development of local law.

Data Privacy. This provision replaces Section 13 of the Agreement in its entirety:

The Participant understands that the Company and the Employer may hold certain personal information about the Participant, including, the Participant's name, home address and telephone number, email address, date of birth, social insurance number, passport or other

identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Options or any other entitlement to shares of stock awarded, cancelled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of managing and administering the Plan ("Data").

The Participant also understands that providing the Company with the Participant's Data is necessary for the performance of the Plan and that the Participant's denial to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect the Participant's ability to participate in the Plan. The Controller of personal data processing is Sabre Corporation, with registered offices at 3150 Sabre Drive, Southlake, Texas 76092, United States of America, and, pursuant to Legislative Decree no. 196/2003, its representative in Italy is Sabre Italia S.r.l. with registered offices at Via Carlo Veneziani 56 cap, Rome, Italy. The Participant understands that the Participant's Data will not be publicized, but it may be transferred to Morgan Stanley Smith Barney, banks, other financial institutions or brokers and/or their agents involved in the management and administration of the Plan. The Participant further understands that the Company and/or any Subsidiary or Affiliate will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and that the Company and/or any Subsidiary or Affiliate may each further transfer Data to third parties assisting the Company in the implementation, administration and management of the Plan, including any requisite transfer to Morgan Stanley Smith Barney or another third party with whom the Participant may elect to deposit any shares acquired under the Plan. Such recipients may receive, possess, use, retain and transfer the Data in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that these recipients may be located in the European Economic Area, or elsewhere, such as the United States. Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete the Participant's Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the Plan.

The Participant understands that Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions as set forth by applicable Italian data privacy laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including communication, the transfer of the Participant's Data abroad, including outside the European Economic Area, as herein specified and pursuant to applicable Italian data privacy laws and regulations, does not require the Participant's consent thereto as the processing is necessary to performance of contractual obligations related to implementation, administration and management of the Plan. The Participant understands that, pursuant to Section 7 of the Legislative Decree no. 196/2003, the Participant has the right to, including but not limited to, access, delete, update, ask for rectification of the Participant's Data and stop, for legitimate reason, the Data processing. Furthermore, the

Participant is aware that the Participant's Data will not be used for direct marketing purposes. In addition, the Data provided can be reviewed and questions or complaints can be addressed by contacting the Participant's human resources department.

Plan Document Acknowledgement. In accepting the Option, the Participant acknowledges that he or she has received a copy of the Plan and this Agreement and has reviewed the Plan and this Agreement, in their entirety and fully understands and accepts all provisions of the Plan and this Agreement.

The Participant further acknowledges that he or she has read and specifically and expressly approves the following sections of the Agreement: Sections 4, 6, 9, 12, 15, 19, 20, 21 and 25; and the Manner of Exercise and Data Privacy sections included in this Appendix.

NETHERLANDS

There are no country-specific provisions.

POLAND

There are no country-specific provisions.

PUERTO RICO

There are no country-specific provisions.

SINGAPORE

Terms and Conditions

Restrictions on Sale and Transferability. The Participant hereby agrees that any shares of Common Stock acquired pursuant to the Option will not be offered for sale in Singapore prior to the six-month anniversary of the Grant Date, unless such sale or offer is made pursuant to the exemption under Part XIII Division I Subdivision (4) (other than section 280) of the Securities and Futures Act (Chap. 289, 2006 Ed.) (“SFA”).

Securities Law Information. The grant of the Option is being made in reliance on section 273(1)(f) of the SFA, on which basis it is exempt from the prospectus and registration requirements under the SFA, and is not made to the Participant with a view to the Option or underlying shares of Common Stock being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

UNITED ARAB EMIRATES

Securities Law Information. The Agreement and the Plan and other incidental communication materials concerning the Option are intended for distribution only to employees of the Company or its Subsidiaries or Affiliates. The Dubai Technology and Media Free Zone Authority, Emirates Securities and Commodities Authority and/or the Central Bank has no responsibility for

reviewing or verifying any documents in connection with the Option. Neither the Ministry of Economy nor the Dubai Department of Economic Development have approved these communications nor taken steps to verify the information set out in them, and have no responsibility for them.

Further, the shares of Common Stock underlying the Option may be illiquid and/or subject to restrictions on their resale. The Participant should conduct his or her own due diligence on the Option and the shares of Common Stock. If the Participant is in any doubt about any of the contents of the grant or other incidental documents, the Participant should obtain independent professional advice.

UNITED KINGDOM

Taxes. This provision supplements Section 9 of the Agreement:

If payment or withholding of any income tax due is not made within 90 days of the end of the U.K. tax year giving rise to the income tax liability or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the “Due Date”), the Participant agrees that the amount of any uncollected income tax shall (assuming the Participant is not a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act)), constitute a loan owed by the Participant to the Employer, effective on the Due Date. The Participant agrees that the loan will bear interest at the then-current HM Revenue & Customs (“HMRC”) Official Rate and it will be immediately due and repayable, and the Company and/or the Employer may recover it at any time thereafter by any of the means referred to in this Section 9. If the Participant is a director or executive officer and income tax is not collected from or paid by him or her by the Due Date, the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and national insurance contributions (“NICs”) may be payable. The Participant will be responsible for reporting any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company and/or the Employer for the value of any employee NICs due on this additional benefit, which the Company and/or the Employer may recover at any time thereafter by any of the means referred to in this Section 9.

URUGUAY

There are no country-specific provisions.



6/15, 2016

Greg Webb
3150 Sabre Drive
Southlake, Texas 76092

Re: Second Amendment to Letter Agreement

Dear Greg:

This second amendment, dated September 8, 2015 ("Second Amendment"), to your letter agreement dated as of February 2, 2011 and amended effective as of October 5, 2015, between Sabre Corporation (formerly known as Sovereign Holdings, Inc.) (the "Company") and you (the "Agreement"), amends the Agreement in the manner set forth herein. In consideration of the mutual covenants contained in this Second Amendment, and effective as of the date hereof, the Company and you agree that (i) the termination date of the agreement is extended to December 31, 2016, and the Employment Period is extended to end on that date, and (ii) references in the Agreement to the "first anniversary of the Amendment Effective Date" shall now refer to December 31, 2016. Except as otherwise specifically amended by this Second Amendment, the Agreement (including as previously amended) shall remain in full force and effect. In the event of any conflict between the Agreement (as previously amended) and this Second Amendment, the terms of this Second Amendment shall control.

Sincerely,

SABRE CORPORATION

By: /s/ William G. Robinson, Jr.

Name: William G. Robinson, Jr.

Title: Executive Vice President and Chief Human Resources Officer

Acknowledged and Agreed on June 15, 2016

/s/ Greg Webb

Greg Webb

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Tom Klein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sabre Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2016

By: /s/ Tom Klein

Tom Klein

Chief Executive Officer

(principal executive officer of the registrant)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Richard A. Simonson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sabre Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2016

By: /s/ Richard A. Simonson

Richard A. Simonson

Chief Financial Officer

(principal financial officer of the registrant)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, the Chief Executive Officer of Sabre Corporation, hereby certifies that to his knowledge, on the date hereof:

- a. The Form 10-Q of Sabre Corporation for the quarter ended June 30, 2016 (the "Report"), filed on the date hereof with the Securities and Exchange Commission fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- b. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Sabre Corporation.

Date: August 2, 2016

By: /s/ Tom Klein

Tom Klein

Chief Executive Officer

(principal executive officer of the registrant)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Sabre Corporation under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, the Chief Financial Officer of Sabre Corporation, hereby certifies that to his knowledge, on the date hereof:

- a. The Form 10-Q of Sabre Corporation for the quarter ended June 30, 2016 (the "Report"), filed on the date hereof with the Securities and Exchange Commission fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- b. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Sabre Corporation.

Date: August 2, 2016

By: /s/ Richard A. Simonson

Richard A. Simonson

Chief Financial Officer

(principal financial officer of the registrant)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Sabre Corporation under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.