Sabre Corp
Form S-1
January 26, 2015

As filed with the U.S. Securities and Exchange Commission on January 26, 2015

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

SABRE CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware	7370	20-8647322
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

3150 Sabre Drive

Southlake, TX 76092

Telephone: (682) 605-1000

(Address including zip code, telephone number, including area code, of Registrant s Principal Executive Offices)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. ¨

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

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 (Check one):

Large accelerated filer ¨	Accelerated filer ¨	Non-accelerated filer x (Do not check if a smaller reporting company)	Smaller reporting company ¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)(2)	Amount of Registration Fee
Common Stock, $0.01 par value per share	$400,000,000	$46,480.00

(1) Includes shares that the underwriters have an option to purchase from the Principal Stockholders.
(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) promulgated under the Securities Act of 1933, as amended.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Prospectus (Subject to Completion)

Dated January 26, 2015

Shares

Sabre Corporation

Common Stock

The selling stockholders (as identified in Principal and Selling Stockholders, the Selling Stockholders), which include the beneficial owners of a majority of our shares of common stock, are offering shares of our common stock. The Selling Stockholders will receive all of the net proceeds from the sale of such shares, and we will not receive any of the proceeds from the sale of such shares being sold by the Selling Stockholders.

Our common stock is listed on The NASDAQ Stock Market (NASDAQ) under the symbol SABR. The last reported closing sale price of our common stock on NASDAQ on January 23, 2015 was $20.71 per share.

Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page 27.

Price $ A Share

	Per Share	***Total***
Public offering price	***$***	***$***
Underwriting discounts and commissions[1]	***$***	***$***
Proceeds, before expenses, to the Selling Stockholders	***$***	***$***

(1) *See Underwriting on page 272 for additional information regarding underwriter compensation.*

The Principal Stockholders (as defined below) have granted the underwriters an option to purchase up to an additional shares of common stock at the offering price less the underwriting discount. The underwriters can exercise this right at any time and from time to time, in whole or in part, within 30 days after the offering.

Delivery of the shares of common stock will be made on or about , 2015.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

GOLDMAN, SACHS & CO. *BofA MERRILL LYNCH*

The date of this prospectus is , 2015.

TABLE OF CONTENTS

We are responsible for the information contained in this prospectus and in any related free-writing prospectus we may prepare or authorize to be delivered to you. We have not authorized anyone to give you any other information, and we take no responsibility for any other information that others may give you. We are not, the Selling Stockholders are not, and the underwriters are not, making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus, regardless of the time of delivery of this prospectus or any sale of our common stock.

The information contained on our website or that can be accessed through our website will not be deemed to be incorporated into this prospectus or the registration statement of which this prospectus forms a part, and investors should not rely on any such information in deciding whether to purchase our common stock.

SUMMARY

This summary highlights information contained elsewhere in this prospectus. It may not contain all the information that may be important to you. You should read the entire prospectus carefully, including the section entitled Risk Factors and our financial statements and the related notes included elsewhere in this prospectus before making an investment decision to purchase shares of our common stock.

In this prospectus, unless we indicate otherwise or the context requires, references to the company, Sabre, we, our, ours and us refer to Sabre Corporation and its consolidated subsidiaries, references to Sabre GLBL refer to Sabre GLBL Inc., formerly known as Sabre Inc., references to TPG refer to TPG Global, LLC and its affiliates, references to 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), references to Silver Lake refer to Silver Lake Management Company, L.L.C. and its affiliates and references to Silver Lake Funds refer to either or both of Silver Lake Partners II, L.P. and Silver Lake Technology Investors II, L.P. In the context of our Travel Network business, references to travel buyers refer to buyers of travel, such as online and offline travel agencies, travel management companies (TMCs) and corporate travel departments, and references to travel suppliers refer to suppliers of travel services such as airlines, hotels, car rental brands, rail carriers, cruise lines and tour operators. The following summary is qualified in its entirety by the more detailed information and consolidated financial statements and notes thereto included elsewhere in this prospectus.

Our Company

We are a leading technology solutions provider to the global travel and tourism industry. We span the breadth of a highly complex $7 trillion global travel ecosystem, providing key software and services to a broad range of travel suppliers and travel buyers. Through our Travel Network business, we process hundreds of millions of transactions annually, connecting the world s leading travel suppliers, including airlines, hotels, car rental brands, rail carriers, cruise lines and tour operators, with travel buyers in a comprehensive travel marketplace. We offer efficient, global distribution of travel content from approximately 125,000 travel suppliers to approximately 400,000 online and offline travel agents. To those agents, we offer a platform to shop, price, book and ticket comprehensive travel content in a transparent and efficient workflow. We also offer value-added solutions that enable our customers to better manage and analyze their businesses. Through our airline solutions business (Airline Solutions) and hospitality solutions business (Hospitality Solutions and, together with Airline Solutions, Airline and Hospitality Solutions), we offer travel suppliers an extensive suite of leading software solutions, ranging from airline and hotel reservations systems to high-value marketing and operations solutions. These solutions include planning airline crew schedules, re-accommodating passengers during irregular flight operations and managing day-to-day hotel operations. These solutions allow our customers to market, distribute and sell their products more efficiently, manage their core operations, and deliver an enhanced travel experience. Through our complementary Travel Network and Airline and Hospitality Solutions businesses, we believe we offer the broadest, end-to-end portfolio of technology solutions to the travel industry.

Our portfolio of technology solutions has enabled us to become the leading end-to-end technology provider in the travel industry. For example, we are one of the largest global distribution systems (GDSs) providers in the world, with a 36% share of GDS-processed air bookings in 2013. More specifically, we are the #1 GDS provider in North America and also in higher growth markets such as Latin America and Asia Pacific (APAC), in each case based on GDS-processed air bookings in 2013. In those three markets, our GDS-processed air bookings share was approximately 50% on a combined basis in 2013. In our Airline and Hospitality Solutions business, we believe we have the most comprehensive portfolio of solutions. In 2013, we had the largest third-party hospitality Central Reservation System (CRS) room share based on our approximately 27% share of

1

third-party hospitality CRS hotel rooms distributed through our GDS, and, according to Travel Technology Research (T2RL) s Market for Airline Passenger Services Systems (T2RL PSS) 2013 data for 2013, we had the second largest airline reservations system globally. We also believe that we have the leading portfolio of airline marketing and operations products across the solutions that we provide.

Through our solutions, which span the breadth of the travel ecosystem, we have developed deep domain expertise. Our success is built on this expertise, combined with our significant technology investment and focus on innovation. This foundation has enabled us to develop highly scalable and technology-rich solutions that directly address the key opportunities and challenges facing our customers. For example, we have invested to scale our GDS platform to meet massive transaction processing requirements. In 2013, our systems processed over $100 billion of estimated travel spending and more than 1.1 trillion system messages, with nearly 100,000 system messages per second at peak times. Our investment in innovation has enabled our Travel Network business to evolve into a dynamic marketplace providing a broad range of highly scalable solutions from distribution to workflow to business intelligence. Our investment in our Airline and Hospitality Solutions offerings has allowed us to create a broad portfolio of value-added products for our travel supplier customers, ranging from reservations platforms to operations solutions typically delivered via highly scalable and flexible software-as-a-service (SaaS) and hosted platforms. We have a long history of engineering innovative travel technology solutions. For example, we believe we were the first GDS to enable airlines to sell ancillary products like premium seats through the GDS, the first third-party provider to automate passenger re-accommodation during large operational disruptions and the first GDS to launch a business-to-business (B2B) app marketplace for our travel agency customers that allows them to customize and augment our Travel Network platform. Our innovation has been consistently recognized in the market, with awards including the Business Traveler Innovation Award from the Global Business Travel Association, an unaffiliated entity, in 2011 and 2012, for which we applied and were one of eight award winners chosen by popular vote. We were also recognized by the InformationWeek 500 in 2013 as one of the Most Innovative Users of Business Technology for the eleventh consecutive year. These 500 companies are invited to apply and are chosen by InformationWeek, an unaffiliated entity, based on their unconventional approaches and new ways of solving complex business problems with IT.

Our SaaS and hosted technology platforms allow us to serve our customers primarily through a recurring, transaction-based revenue model based primarily on travel events such as air segments booked, passengers boarded (PBs) or other relevant metrics. For the year ended December 31, 2013, 91% of our Travel Network and Airline and Hospitality Solutions revenue, on a weighted average basis, was Recurring Revenue. See Method of Calculation for a description of Recurring Revenue. This model has benefits for both our customers and for us. For our customers, our delivery model allows otherwise fixed technology investments to be variable, providing flexibility in their cost base and smoothing investment cycles as they grow, while enabling them to benefit from the continuous evolution of our platform. For us, this recurring, transaction-based revenue model allows us to expand with our customers in the travel industry, a segment of the economy that has grown significantly faster than global GDP over the last 40 years. Since our revenues are primarily linked to our customers transaction volumes, rather than to airline budget cycles or cyclical end-customer pricing, which we believe are more volatile than transaction volumes, this model facilitates greater stability in our business, particularly during negative economic cycles. In addition, as a technology solutions and transaction processing company, we do not take airline, hotel or other inventory risk, nor are we directly exposed to fuel price volatility or labor unions.

Our recurring, transaction-based revenue model, combined with our high-quality products, reinvestment in our technology, multi-year customer contracts and disciplined operational management, has contributed to our strong growth profile, as demonstrated by our Adjusted EBITDA having increased each year since 2008 despite the global economic downturn and resulting travel slowdown. From 2009 through 2013, we grew our revenue and Adjusted EBITDA at 7% and 11% compound annual growth rates (CAGRs), respectively, and increased Adjusted EBITDA margins by 394 basis points (bps), in each case, excluding Travelocity and intersegment

2

eliminations. During the same period, net loss attributable to Sabre Corporation decreased 37% and net loss margin decreased by 258 bps. See Non-GAAP Financial Measures and Summary Historical and Pro Forma Consolidated Financial and Other Data for additional information regarding Adjusted EBITDA, including a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure.

Our Business

We currently operate through two business segments: (i) Travel Network and (ii) Airline and Hospitality Solutions. On December 16, 2014, we announced that we had received a binding offer from Bravofly Rumbo Group to acquire lastminute.com, and on January 23, 2015, we announced the sale of Travelocity.com to Expedia, Inc., which included the termination of the Expedia SMA. See Recent Developments. We will reclassify and report all of the businesses associated with our Travelocity segment as discontinued operations in our 2014 Annual Report on Form 10-K as the segment was considered held for sale as of December 31, 2014.

Our segments operate with shared infrastructure and technology capabilities, and provide key solutions to our customers. Collectively, our integrated business enables the entire travel lifecycle, from route planning to post-trip business intelligence and analysis. The graphic below provides illustrative examples of the points where Sabre enables the travel lifecycle:

Travel Network is our global B2B travel marketplace and consists primarily of our GDS and a broad set of capabilities that integrate with our GDS to add value for travel suppliers and travel buyers. Our GDS offers content from a broad array of travel suppliers, including approximately 400 airlines, 125,000 hotel properties, 30 car rental brands, 50 rail carriers, 16 cruise lines and 200 tour operators, to tens of thousands of travel buyers, including online and offline travel agencies, TMCs and corporate travel departments. Our Airline and Hospitality Solutions business offers a broad portfolio of software technology products and solutions, primarily through SaaS and hosted models, to approximately 225 airlines, 17,500 hotel properties and 700 other travel suppliers. Our flexible software and systems applications help automate and optimize our customers business processes, including reservations systems, marketing tools, commercial planning solutions and enterprise operations tools. Travelocity was our family of online consumer travel e-commerce businesses through which we provided travel content and booking functionality primarily for leisure travelers. In August 2013, Travelocity entered into an exclusive, long-term strategic marketing agreement with Expedia (as amended from time to time, the Expedia SMA). Under the Expedia SMA, Expedia powered the technology platforms of Travelocity s U.S. and Canadian websites, as well as provided access to Expedia s supply and customer service platforms. Additionally, in the first quarter of 2014, Travelocity sold its Travelocity Partner Network (TPN) business, a B2B loyalty and private label website offering, to Orbitz. Furthermore, on December 16, 2014, we announced that we had received a binding offer from Bravofly Rumbo Group to acquire lastminute.com and on January 23, 2015, we announced the sale of Travelocity.com to Expedia, Inc., which included the termination of the Expedia SMA. See Recent Developments.

For the nine months ended September 30, 2014 and 2013, we recorded revenue of $2,229 million and $2,303 million, respectively, net income attributable to Sabre Corporation of $23 million and loss of $127 million respectively, and Adjusted EBITDA of $617 million and $584 million, respectively, reflecting a 1% and (6)% net income (loss) margin and a 28% and 25% Adjusted EBITDA margin, respectively. For the nine months ended September 30, 2014, Travel Network contributed 63%, Airline and Hospitality Solutions contributed 25%, and Travelocity contributed 12% of our revenue (excluding intersegment eliminations). During this period, shares of Adjusted EBITDA for Travel Network, Airline and Hospitality Solutions, and Travelocity were approximately 77%, 25% and (2)%, respectively (excluding corporate overhead allocations such as finance, legal, human resources and certain information technology shared services). See Recent Developments regarding our Travelocity business segment moving to discontinued operations.

For the years ended December 31, 2013 and 2012, we recorded revenue of $3,050 million and $2,974 million, respectively, net loss attributable to Sabre Corporation of $100 million and $611 million respectively, and Adjusted EBITDA of $791 million and $787 million, respectively, reflecting a 3% and 21% net loss margin and a 26% and 26% Adjusted EBITDA margin, respectively. For the year ended December 31, 2013, Travel Network contributed 58%, Airline and Hospitality Solutions contributed 23%, and Travelocity contributed 19% of our revenue (excluding intersegment eliminations). During this period, shares of Adjusted EBITDA for Travel Network, Airline and Hospitality Solutions, and Travelocity were approximately 77%, 21% and 2%, respectively (excluding corporate overhead allocations such as finance, legal, human resources and certain information technology shared services). See Recent Developments regarding our Travelocity business segment moving to discontinued operations.

For additional information regarding Adjusted EBITDA, including a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure, see Non-GAAP Financial Measures and Summary Historical and Pro Forma Consolidated Financial and Other Data.

Recent Developments

Travelocity business segment moved to discontinued operations

Consistent with our strategy to focus on the growth opportunities in Airline and Hospitality Solutions and Travel Network, we made significant progress toward exiting the online travel agency business, including the completed sale of Travelocity.com on January 23, 2015 and the receipt of a binding offer from Bravofly Rumbo Group to acquire lastminute.com as announced on December 16, 2014. We will reclassify and report all of the businesses associated with the Travelocity segment as discontinued operations in our 2014 Annual Report on Form 10-K as the segment was considered held for sale as of December 31, 2014. As previously reported for the nine month period ended September 30, 2014, the Travelocity segment contributed $269 million to total Adjusted Revenue and $(18) million to Adjusted EBITDA. Unless otherwise indicated, the historical financial information included in this prospectus does not reflect this reclassification.

Sale of Travelocity.com and Binding offer for lastminute.com

On January 23, 2015, we announced the sale of Travelocity.com to Expedia, Inc. for $280 million in cash consideration.

Additionally, on December 16, 2014, we announced that we had received a binding offer from Bravofly Rumbo Group to acquire lastminute.com for a total transaction value of approximately $120 million resulting primarily from the transfer of commercial liabilities and an expanded long-term commercial agreement, in which Bravofly Rumbo Group s brands and lastminute.com would continue to use our GDS. The transaction is expected to be completed in the first quarter of 2015. We cannot provide any assurance that this transaction will occur on the terms described herein or at all.

Below is a summary of key pro forma financial metrics for the most recent three years and nine months ended September 30, 2014. The pro forma information reflects the impact of reclassifying the Travelocity business segment to discontinued operations. Travel Network and Airline and Hospitality Solutions historical segment revenue and Adjusted EBITDA results will not be impacted by the reclassification of the Travelocity business segment to discontinued operations. A more complete presentation, as well as reconciliations between GAAP and non-GAAP measures, is available in the sections entitled Unaudited Pro Forma Financial Information and Summary Historical and Pro Forma Consolidated Financial and Other Data.

Summary Results	**Nine Months Ended Sept. 30, 2014**	**FY 2013**	**FY 2012**	**FY 2011**
	(In millions except per share information)			
Revenue (pro forma)	$ 1,985	$ 2,524	$ 2,382	$ 2,252
Operating Income (pro forma)	318	381	(7)	331
Adjusted EBITDA (pro forma)	641	779	731	649
Adjusted Net Income from Continuing Operations (pro forma)	173	182	148	217
Net Income Attributable to Common Shareholders	11	(137)	(646)	(99)
Diluted Net Income Attributable to Common Shareholders per Share	$ 0.05	$ (0.77)	$ (3.65)	$ (0.56)
Adjusted Net Income from Continuing Operations per Share (pro forma)	$ 0.73	$ 0.98	$ 0.81	$ 1.20

Preliminary Fourth Quarter 2014 Results

Based on preliminary unaudited information, we expect to report fourth quarter results for continuing operations (excluding the Travelocity business segment) as follows:

Total revenue is expected to be between $639 million and $654 million, an increase of between $12 million and $27 million, or 1.9% and 4.3%, for the three months ended December 31, 2014 compared to the same period for continuing operations in the prior year;

Fourth quarter revenue in Airline and Hospitality Solutions is expected to be between $213 million and $218 million, an increase of between $24 million and $29 million, or 12.7% and 15.4%, for the three months ended December 31, 2014 compared to the same period in the prior year. Solid growth in the installed base resulted in passengers boarded through the SabreSonic CSS Airline reservation solution increasing 4.5% in the quarter. We also realized solid revenue growth in our broad portfolio of AirCentre and AirVision solutions, and continued strong growth in Sabre Hospitality Solutions;

Fourth quarter revenue in Travel Network is expected to be between $429 million and $439 million, a decrease of between $(11) million and $(1) million, or (2.5)% and (0.2)%, for the three months ended December 31, 2014 compared to the same period in the prior year. The decline in fourth quarter Travel Network revenue is attributable to lower joint venture data processing revenues in the quarter. Stronger 2014 growth in the first three quarters of the year will result in lower revenue recognized in the fourth quarter of 2014 versus 2013 to meet the minimum annual terms of the contract. This decline in the quarter was partially offset by increased direct booking revenue. Direct Billable Bookings increased 1% in the quarter. Strong bookings growth in EMEA, reflecting continued share gains in the region, was offset by a modest decline in Latin America due in large part to the continued decline in travel volumes in Venezuela;

Operating income is expected to be between $99 million and $109 million, an increase of between $13 million and $23 million, or 15.4% to 27.1%, for the three months ended December 31, 2014 compared to the same period for continuing operations in the prior year;

Adjusted EBITDA is expected to be between $194 million and $204 million, flat to an increase of $10 million, or 0.0% to 5.0%, for the three months ended December 31, 2014 compared to the same period for continuing operations in the prior year, driven by Airline and Hospitality Solutions Adjusted EBITDA growth of over 25%, partially offset by a high-single digit decrease in Travel Network Adjusted EBITDA;

Net Income Attributable to Common Shareholders is expected to be between $41 million and $51 million, an increase of between $24 million and $34 million, or 139.6% to 197.5% for the three months ended December 31, 2014 compared to the same period for continuing operations in the prior year. Adjusted Net Income from Continuing Operations is expected to be between $55 million and $65 million, an increase of between $26 million and $36 million, or 90.6% to 125.3%. for the three months ended December 31, 2014 compared to the same period in the prior year; and

Diluted Net Income Attributable to Common Shareholders per Share for the three months ended December 31, 2014 is expected to be between $0.15 and $0.19. Adjusted Net Income from Continuing Operations per Share (Adjusted EPS) is expected to be between $0.20 and $0.24.

Preliminary Full Year 2014 Results

Based on preliminary unaudited information, we expect to report full year 2014 results for continuing operations (excluding the Travelocity business segment) as follows:

Total revenue is expected to be between $2,624 million and $2,639 million, an increase of between $100 million and $115 million, or 4.0% to 4.6%, for the twelve months ended December 31, 2014 compared to the prior year for continuing operations;

Full year 2014 revenue in Travel Network is expected to be between $1,850 million and $1,860 million, an increase of between $28 million and $38 million, or 1.6% and 2.1%, compared to the prior year. Full year revenue growth was affected by the pricing impact of the merger of American Airlines and US Airways and the decline of travel in Venezuela, which, combined, reduced growth by approximately two percentage points. Full year direct bookings growth totaled 2.2%, reflecting growth in EMEA of over 9% driven by solid share gains, and modest growth in North America that was offset by a slight decline in Latin America driven primarily by the reduction in travel in Venezuela;

Full year 2014 revenue in Airline and Hospitality Solutions is expected to be between $784 million and $789 million, an increase of between $72 million and $77 million, or 10.1% and 10.9%, compared to the prior year. Full year passengers boarded through the SabreSonic CSS airline reservations solution increased 6.8%, driven by solid growth across the installed base. Full year 2014 revenue growth was also fueled by continued strong growth of the broader AirCentre and AirVision portfolio of solutions, as well as by high-teens growth in Sabre Hospitality Solutions;

Operating income is expected to be between $416 million and $426 million, an increase of between $27 million and $37 million, or 6.9% to 9.4%, for the twelve months ended December 31, 2014 compared to the prior year for continuing operations;

Adjusted EBITDA is expected to be between $835 million and $845 million, an increase of between $56 million and $66 million, or 7.2% to 8.5%, for the twelve months ended December 31, 2014 compared to the same period for continuing operations in the prior year, driven by Airline and Hospitality Solutions Adjusted EBITDA growth of over 30% and low single-digit growth in Travel Network Adjusted EBITDA;

Net Income Attributable to Common Shareholders is expected to be between $53 million and $63 million, an increase of between $190 million and $200 million compared to the prior year. Adjusted Net Income from Continuing Operations is expected to be between $227 million and $237 million, an increase of between $45 million and $55 million, or 24.9% to 30.3%, for the twelve months ended December 31, 2014 compared to the same period in the prior year; and

Diluted Net Income Attributable to Common Shareholders per Share for the twelve months ended December 31, 2014 is expected to be between $0.21 and $0.25. Adjusted Net Income from Continuing Operations per Share is expected to be between $0.92 and $0.96.

The following tables reconcile Net Income/(Loss) Attributable to Common Shareholders to Adjusted Net Income from Continuing Operations and Adjusted EBITDA and presents Adjusted Net Income from Continuing Operations per Share for the ranges presented above:

	Financial Results for the Three Months Ended December 31, 2014 is Expected to be Between		Financial Results for the Twelve Months Ended December 31, 2014 is Expected to be Between	
	(In millions except per share information)			
Reconciliation of net income to Adjusted Net Income and to Adjusted EBITDA:				
Net income attributable to common shareholders	$ 41	$ 51	$ 53	$ 63
Preferred stock dividends			11	11
(Income) loss from discontinued operations, net of tax	(6)	(6)	39	39
Net income (loss) attributable to noncontrolling interests(1)	1	1	3	3
Income from continuing operations	36	46	106	116
Adjustments:				
Acquisition related amortization expense(2a)	23	23	99	99
Loss on extinguishment of debt			34	34
Other, net(4)	63	63	64	64
Restructuring and other costs(5)	2	2	10	10
Litigation and taxes, including penalties(6)	3	3	14	14
Stock based compensation	6	6	20	20
Management fees(7)			24	24
Tax impact of net income adjustments(8)	(78)	(78)	(144)	(144)
Adjusted Net Income from continuing operations	$ 55	$ 65	$ 227	$ 237
Adjusted Net Income from continuing operations per share	$ 0.20	$ 0.24	$ 0.92	$ 0.96
Weighted-average shares outstanding adjusted for assumed inclusion of common stock equivalents	274	274	247	247
Adjusted Net Income from continuing operations	$ 55	$ 65	$ 227	$ 237
Adjustments:				

Depreciation and amortization of property and equipment[2b]	38	38	158	158
Amortization of capitalized implementation costs[2c]	9	9	36	36
Amortization of upfront incentive consideration[3]	12	12	45	45
Interest expense, net	52	52	219	219
Remaining provision (benefit) for income taxes	28	28	150	150
Adjusted EBITDA	$ 194	$ 204	$ 835	$ 845

(1) Net income attributable to non-controlling interests represents an adjustment to include earnings allocated to non-controlling interest held in (i) Sabre Travel Network Middle East of 40% for all periods presented and (ii) Sabre Seyahat Dagitim Sistemleri A.S. of 40% beginning in April 2014.
(2) Depreciation and amortization expenses:
    a. Acquisition related amortization represents amortization of intangible assets from the take-private transaction in 2007 as well as intangibles associated with acquisitions since that date and amortization of the excess basis in our underlying equity in joint ventures.
    b. Depreciation and amortization of property and equipment includes software developed for internal use.
    c. Amortization of capitalized implementation costs represents amortization of upfront costs to implement new customer contracts under our SaaS and hosted revenue model.
(3) Our Travel Network business at times provides upfront incentive consideration to travel agency subscribers at the inception or modification of a service contract, which are capitalized and amortized to cost of revenue over an average expected life of the service contract, generally over three to five years. Such consideration is made with the objective of increasing the number of clients or to ensure or improve customer loyalty. Such service contract terms are established such that the supplier and other fees generated over the life of the contract will exceed the cost of the incentive consideration provided upfront. Such service contracts with travel agency subscribers require that the customer commit to achieving certain economic objectives and generally have terms requiring repayment of the upfront incentive consideration if those objectives are not met.
(4) Other, net primarily includes a fourth quarter charge of $66 million as a result of an increase to our TRA liability. The increase in our TRA liability is due to a reduction in a valuation allowance maintained against our deferred tax assets. This charge is fully offset by a benefit recognized in the fourth quarter of 2014 from the reduction in the valuation allowance which is included in tax impacts of net income adjustments. Also 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 represents charges associated with business restructuring and associated changes implemented which resulted in severance benefits related to employee terminations, integration and facility opening or closing costs and other business reorganization costs.
(6) Litigation settlement and tax payments for certain items represent charges or settlements associated with airline antitrust litigation (see Note 13, Contingencies, to our unaudited consolidated financial statements and Note 20, Commitments and Contingencies, to our audited consolidated financial statements included elsewhere in this prospectus).
(7) We paid an annual management fee to TPG and Silver Lake in an amount between (i) $5 million and (ii) $7 million, the actual amount of which was calculated based upon 1% of Adjusted EBITDA, as defined in the management services agreement (the MSA), earned by the company in such fiscal year up to a maximum of $7 million. In addition, the MSA provided for the reimbursement of certain costs incurred by TPG and Silver Lake, which are included in this line item. In connection with our initial public offering, we paid to TPG and Silver Lake, in the aggregate, a $21 million fee pursuant to the MSA. The MSA was terminated at the completion of our initial public offering.
(8) Includes a $66 million benefit recognized in the fourth quarter of 2014 from the reduction in a valuation allowance maintained against our deferred tax assets.

We have provided a range for the preliminary results for the fourth quarter and fiscal year ended December 31, 2014 because our financial closing procedures for the month and fiscal quarter ended December 31, 2014 are not yet complete. The ranges provided for certain financial measurements are based on estimates derived from the amount of work completed to date on the quarterly closing process, revenue and expense forecasts that have been made by management during the month of December and from monitoring key operating performance metrics throughout the month of December. As a result, there is a possibility that final results will vary from these preliminary estimates. We currently expect that our final results will be within the

ranges described above. It is possible, however, that the final results will not be within the ranges we currently estimate. We expect to complete our closing procedures for the fiscal quarter ended December 31, 2014 in February 2015.

As a result of the foregoing considerations and the other limitations on non-GAAP measures described herein, investors are cautioned not to place undue reliance on this preliminary financial information. See Risk Factors Risks Related to Our Business and Industry There are material limitations with making estimates of our results for current or prior periods prior to the completion of our normal review procedures for such periods, Cautionary Note Regarding Forward-Looking Statements, Selected Consolidated Financial and Other Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the related notes thereto included elsewhere in this prospectus.

These preliminary financial data have been prepared by, and are the responsibility of, management. Ernst & Young LLP has not audited, reviewed, compiled or performed any procedures with respect to the accompanying preliminary financial data. Accordingly, Ernst & Young LLP does not express an opinion or any other form of assurance on these preliminary financial data.

Possible acquisition

As of the date of the Registration Statement of which this prospectus forms part, it is possible that we will enter into an agreement in the first quarter of 2015, for a proposed acquisition within the Travel Network business segment. If consummated, we anticipate that the acquisition would close in the second quarter of 2015 and require approximately $500 million in funds, including advisory and financing costs. We expect to meet these funding needs through some combination of cash on hand, revolver draw and debt financing. With respect to our consolidated income statement for the year ended December 31, 2014, on a pro forma basis, we expect the acquisition would have resulted in a revenue increase of approximately $0.25 billion and would have resulted in an increase in Adjusted EBITDA. In 2015, we expect the transaction to be approximately neutral to Adjusted EPS, which excludes customary costs such as transaction and restructuring costs and the amortization of intangibles, and to have a positive impact on Adjusted EPS thereafter. We cannot assure you that this acquisition will occur on the terms described herein or at all or that it will have the expected impact on our financial results as described above.

Our Industry

The travel and tourism industry is one of the world s largest industry segments, contributing $7 trillion to global GDP in 2013, according to the World Travel & Tourism Council s Economic Impact of Travel & Tourism 2014 (WTTC). The industry encompasses travel suppliers, including airlines, hotels, car rental brands, rail carriers, cruise lines and tour operators around the world, as well as travel buyers, including online and offline travel agencies, TMCs and corporate travel departments.

The travel and tourism industry has been a growing area of the broader economy. For example, based on 40 years of data from the IATA Monthly Traffic Analysis Archives (IATA Traffic), air traffic has historically grown at an average rate of approximately 1.5x the rate of global GDP growth. Going forward, Euromonitor International Passport Travel and Tourism Database (Euromonitor Database) expects a 4.5% CAGR in air travel and hotel spending combined between 2014 and 2018. According to Airbus Global Market Forecast 2013-2032 (Airbus), air traffic in developing markets such as APAC, Latin America and the Middle East is expected to grow at even faster rates of 6%, 6% and 7%, respectively, from 2012 to 2032. In addition to growth in emerging geographies, hybrid carriers and low-cost carriers (LCCs , and collectively, LCC/hybrids) have continued to grow, with LCCs share of global air travel volume expected to increase from 17% of revenue passenger kilometers in 2012 to 21% of revenue passenger kilometers by 2032, according to Airbus.

9

Technology is integral to that growth, enabling the operation of the modern travel ecosystem by powering the industry lifecycle from distribution to operations. With the increasing complexity created by the large, fragmented and global nature of the travel industry, reliance on technology will only increase. That reliance drove technology spending by the air transportation and hospitality industries to $60 billion in 2013, with expenditures expected to exceed $70 billion in 2017, according to Gartner Enterprise IT Spending by Vertical Industry Market, Worldwide, 2011-2017 (Gartner Enterprise). Some recent trends in the travel industry which we expect to further technology innovation and spending include:

Outsourcing: Historically, technology solutions were built in-house by travel suppliers and travel buyers. As complexity and the pace of innovation have increased, third-party providers have emerged to offer more cost-effective and advanced solutions. Additionally, the travel technology industry has shifted to a more flexible and scalable technology delivery model including SaaS and hosted implementations that allow for shared development, reduced deployment costs, increased scalability and a pay-as-you-go cost model.

Airline Ancillary Revenue: The sale of ancillary products is now a major source of revenue for many airlines worldwide, and has grown to comprise as much as 30% of total revenues for some carriers and more than $31.5 billion in the aggregate across the travel industry in 2013, according to CarTrawler Worldwide Estimate of Ancillary Revenue (IdeaWorks). Enabling the sale of ancillary products is technologically complex and requires coordinated changes to multiple interdependent systems including reservations platforms, inventory systems, point of sale locations, revenue accounting, merchandising, shopping, analytics and other systems. Technology providers such as Sabre have already significantly enhanced their systems to provide these capabilities and we expect these providers to take further advantage of this significant opportunity going forward.

Mobile: Mobile platforms have created new ways for customers to research, book and experience travel, and are expected to account for over 35% of online travel value sales by 2018, according to Euromonitor International World Travel Market Global Trends Report 2014 (Euromonitor Report). Accordingly, travel suppliers, including airlines and hospitality providers, are upgrading their systems to allow for delivery of services via mobile platforms from booking to check-in to travel management. According to SITA s 2013 Air Transport Industry Insights: The Airline IT Trends Survey (SITA Survey), 97% of airlines are investing in mobile channels with the intention of increasing mobile access across the entire travel experience. This mobile trend also extends to the use of tablets and wireless connectivity by the airline workforce, such as automating cabin crew services and providing flight crews with electronic flight bags. Travel technology companies like Sabre are enabling and benefitting from this trend as travel suppliers upgrade their systems and travel buyers look for new sources of client connectivity.

Personalization: Concurrently with the rise of ancillary products and mobile devices as a customer service tool, travel suppliers have an opportunity to provide increased personalization across the customer travel experience, from seat selection and on-board entertainment to loyalty program management and mobile concierge services. Data-driven business intelligence products can help travel companies use available customer data to identify the types of products, add-ons and upgrades customers are more likely to purchase and market these products effectively to various customer segments according to their needs and preferences. In addition to providing the technology platform to facilitate these services, we believe technology providers like Sabre can leverage their data-rich platforms and travel technology domain expertise to offer analytics and business intelligence to support travel suppliers in delivering more personalized service offerings.

Increasing Use of Data and Analytics: The use of data has always been an asset in the travel industry. Airlines were pioneers in the use of data to optimize seat pricing, crew scheduling and flight routing. Similarly, hotels employed data to manage room inventory and optimize pricing. The travel industry was also one of the first to capitalize on the value of customer data by developing products such as customer loyalty programs.

Historically, this data has largely been transaction-based, such as booking reservations, recording account balances, and tracking points in loyalty programs. Today, analytics-driven business intelligence products are evolving to further and better utilize available data to help travel companies make decisions, serve customers, optimize their operations and analyze their competitive landscape. Technology providers like Sabre have developed and continue to develop large-scale, data-rich platforms that include these business intelligence and data analytics tools that can identify new business opportunities and global, integrated and high-value solutions for travel suppliers.

Our Competitive Strengths

We believe the following attributes differentiate us from our competitors and have enabled us to become a leading technology solutions provider to the global travel industry.

Broadest Portfolio of Leading Technology Solutions in the Travel Industry

We offer the broadest, most comprehensive technology solutions portfolio available to the travel industry from a single provider, and our solutions are key to the operations of many of our travel supplier and travel agency customers. Travel Network, for example, provides a key technology platform that enables efficient shopping, booking and management of travel itineraries for online and offline travel agencies, TMCs and corporate travel departments. In addition to offering these and other advanced functionalities, it is a valuable distribution and merchandising channel for travel suppliers to market to a broad array of customers, particularly outside their home countries and regions. Additionally, we provide SaaS and hosted solutions that run many of the most important operations systems for our travel supplier customers, such as airline and hotel reservations systems, revenue management, crew scheduling and flight operations. We believe that our Travel Network and Airline and Hospitality Solutions offerings address customer needs across the entire travel lifecycle, and that we are the only company that provides such a broad portfolio of technology solutions to the travel industry. This breadth affords us significant competitive advantages including the ability to leverage shared infrastructure, a common technology organization and product development. Beyond scale and efficiency, our position spanning the breadth of the travel ecosystem helps us to develop deep domain expertise and to anticipate the needs of our customers. Taken together, the value, quality, and breadth of our technology, software and related customer services contribute to our strong competitive position.

Global Leadership Across Growing End Markets

We operate in areas of the global travel industry that have large and growing addressable customer bases. Each of our businesses is a leader in its respective area. Sabre is the leading GDS provider in North America, Latin America, and APAC, with 55%, 57%, and 39% share of GDS-processed air bookings, respectively, in 2013. Additionally, Airline Solutions is the second largest provider of reservations systems, with an 18% global share of 2012 PBs, according to T2RL PSS. We believe that we have the leading portfolio of airline marketing and operations products across the solutions that we provide. We also believe our Hospitality Solutions business is the leader in hotel reservations, handling 27% of third-party hospitality CRS hotel rooms through our GDS in 2013. See Method of Calculation for an explanation of the methodology underlying our GDS-processed air bookings share and third-party hospitality CRS hotel room share calculations.

Looking forward, we expect to benefit from attractive growth in our end markets. Euromonitor expects a 4.5% CAGR in air travel and hotel spending combined between 2014 and 2018. Gartner, Inc. (Gartner) expects technology spending by the air transportation and hospitality sectors to grow significantly from $60 billion in 2013 to over $70 billion in 2017. Within our Travel Network business, we also expect our presence in economies with strong GDP growth and regions with faster air traffic growth, such as APAC, Latin America and the Middle East and Africa (MEA), will further contribute to the growth of our businesses. Similarly, our

Airline Solutions reservations products customers are weighted toward faster growing LCC/hybrids, which represented approximately 29% of our 2013 PBs based on T2RL data. In 2012, LCC/hybrids represented approximately 45% of our 2012 PBs. T2RL s LCC/hybrid group included JetBlue and Lion Airlines in 2012, which we consider LCC/hybrid carriers. T2RL s 2013 calculation excludes these carriers from the LCC/hybrid group. If these two carriers were included as LCC/hybrids in the 2013 calculation, LCC/hybrids would have represented approximately 41% of our 2013 PBs.

Innovative and Scalable Technology

Two pillars underpin our technology strategy: innovation and scalability. To drive innovation in our travel marketplace business, we make significant investments in technology to develop new products and add incremental features and functionality, including advanced algorithms, decision support, data analysis and other valuable intellectual property. This investment is supported by our global technology teams comprising approximately 4,000 employees and contractors. This scale and cross-business technology organization creates efficiency and a flexible environment that allows us to apply knowledge and resources across our broad product portfolio, which in turn fuels innovation. In addition, our investments in technology have created a highly scalable set of solutions across our businesses. For example, we believe our GDS is one of the most heavily utilized Service Oriented Architecture (SOA) environments in the world, processing more than 1.1 trillion system messages in 2013, with nearly 100,000 system messages per second at peak times. Our Airline and Hospitality Solutions business employs highly reliable software technology products and SaaS and hosted infrastructure. Compared to traditional in-house software installations, SaaS and hosted technology offers our customers advantages in terms of cost savings, more robust functionality, increased flexibility and scale, and faster upgrades. As an example of the SaaS and hosted scalability benefit, our delivery model has facilitated an increase in the number of PBs in our Airline Solutions business from 288 million to 478 million from 2009 to 2013. Our investments in technology maintain and extend our technology platform which has supported our industry-leading product innovation. On the scale at which we operate, we believe that the combination of an expanding network and technology investments continues to create a significant competitive advantage for us.

Stable, Resilient, and Diversified Business Models

Travel Network and much of Airline and Hospitality Solutions operate with a transaction-based business model that ties our revenue to a travel supplier s transaction volumes rather than to its unit pricing for an airplane ticket, hotel room or other travel product. Travel-related businesses with volume-based revenue models have generally shown strong visibility, predictability and resilience across economic cycles because travel suppliers have historically sought to maintain traveler volumes by reducing prices in an economic downturn.

Our resilience is also partially attributable to our non-exclusive, multi-year contracts in our Travel Network business. For example, although most of our contracts have terms of one to three years, contracts with our major travel buyer and travel supplier customers, which represent the majority of Travel Network revenue, have five to ten year terms and three to five year terms, respectively. Similarly, our Airline Solutions business has contracts that typically range from three to seven years in length, and our Hospitality Solutions business has contracts that typically range from one to five years in length. Our Travel Network and Airline and Hospitality Solutions businesses also deliver solutions that are integral components of our customers businesses and have historically remained in place once implemented. In our Travel Network business and our Airline and Hospitality Solutions business, 94% and 84% of our revenue was Recurring Revenue, respectively, in 2013.

In addition to being stable, our businesses are also diversified. Travel Network and Airline and Hospitality Solutions generate a broad geographic revenue mix, with a combined 43% of revenue generated outside the United States in 2013. None of our travel buyers or travel suppliers accounted for more than 10% of our revenue for the years ended December 31, 2013 or 2012.

Strong, Long-Standing Customer Relationships

We have strong, long-standing customer relationships with both travel suppliers and travel buyers. These relationships have allowed us to gain a deep understanding of our customers needs, which positions us well to continue introducing new products and services that add value by helping our customers improve their business performance. In our Travel Network business, for example, by providing efficient and quality services, we have developed and maintained strong customer relationships with TMCs, major corporate travel departments and travel suppliers, with some of these relationships dating back over 20 years.

We believe that our strong value proposition is demonstrated by our ability to retain customers in a highly competitive marketplace. For each of the years ended December 31, 2013, 2012 and 2011, our Customer Retention rate for Travel Network was 99%. For our Airline Solutions business, our Customer Retention rate was 98%, 96% and 96% for the years ended December 31, 2013, 2012 and 2011 respectively, and our Customer Retention rate for our Hospitality Solutions business was 96%, 96% and 98% for the same periods, respectively. See Method of Calculation for a description of Customer Retention.

Deep and Experienced Leadership Team with Informed Insight into the Travel Industry

Our management team is highly experienced, with comprehensive expertise in the travel and technology industries. Many of our leaders have more than 20 years of experience in multiple segments of the travel industry and have held positions in more than one of our businesses, which provides them with a holistic and interdisciplinary perspective on our company and the travel industry.

By investing in training, skills development and rotation programs, we seek to develop leaders with broad knowledge of our company, the industry, technology, and specific customer needs. We also hire externally as needed to bring in new expertise. Our blend of experience and new hires across our team provides a solid foundation on which we develop new capabilities, new business models and new solutions to complex industry problems.

Our Growth Strategy

We believe we are well-positioned for future growth. First, we expect the continued macroeconomic recovery to generate travel growth, compounded by the continuing trend towards the outsourcing of travel technology. In addition, we are well-positioned in market segments which are growing faster than the overall travel industry, with leading market positions in our Travel Network business in Latin America and APAC. In our Airline Solutions reservations systems, LCC/hybrids, which are growing traffic faster than traditional airlines, accounted for approximately 29% of our PBs in 2013 based on T2RL data. In 2012, LCC/hybrids represented approximately 45% of our 2012 PBs. T2RL s LCC/hybrid group included JetBlue and Lion Airlines in 2012, which we consider LCC/hybrid carriers. T2RL s 2013 calculation excludes these carriers from the LCC/hybrid group. If these two carriers were included as LCC/hybrids in the 2013 calculation, LCC/hybrids would have represented approximately 41% of our 2013 PBs. Supported by these industry trends, we believe both our Travel Network and our Airline and Hospitality Solutions businesses have significant opportunities to expand their customer bases, further penetrate existing customers, extend their geographic footprint and develop new products. By executing on the following strategies and, when appropriate, selective strategically aligned acquisitions, we intend to capitalize on these positive trends:

Leverage our Industry-Leading Technology Platforms

We have made significant investments in our technology platforms and infrastructure to develop robust, scalable software as well as SaaS and hosted solutions. We plan to continue leveraging these investments across our organization, particularly in our Travel Network and Airline and Hospitality Solutions businesses, to catalyze product innovation and speed-to-market. We will also continue to shift toward SaaS and hosted infrastructure and solutions as we further develop our product portfolio.

Expand our Global Travel Marketplace Leadership

Travel Network intends to remain the global B2B travel marketplace of choice for travel suppliers and travel buyers by executing on the following initiatives:

Targeting Geographic Expansion: From 2009 to 2013, we increased our GDS-processed air bookings share in the Middle East, Russia and Colombia by 744 bps, 327 bps and 990 bps, respectively. We currently have initiatives in place across Europe, APAC and Latin America to further expand in those regions.

Attracting and Enabling New Marketplace Content: We are actively adding new travel supplier content which generates revenue directly through incremental booking volumes associated with the new content and reinforces the virtuous cycle of our Travel Network business: as we add more supplier content to our marketplace, we experience increased participation from travel buyers, which, in turn, encourages travel suppliers to contribute additional content to our marketplace. We have been successful in converting notable carriers that previously only used direct distribution, such as JetBlue and Norwegian, to join our GDS, and we believe there is a similar opportunity to increase the participation of less-penetrated content types like hotel properties, where we estimate that only approximately one-third participate in a GDS. In addition to attracting new supplier content, we aim to expand the content available for sale from existing travel suppliers, including ancillary revenue a category of airline revenue worth more than $31.5 billion in the aggregate across the travel industry in 2013, according to IdeaWorks. We seek additional opportunities to capitalize on this trend, such as by supporting our airline customers branded fare initiatives.

Continuing to Invest in Innovative Products and Capabilities: The development of cutting-edge products and capabilities has been critical to our success. We plan to continue to invest significant resources in solutions that address key customer needs, including mobility (e.g., TripCase), data analytics and business intelligence (e.g., Sabre Dev Studio, Hotel Heatmaps, Contract Optimization Services), and workflow optimization (e.g., Sabre Red App Centre, TruTrip).

Drive Continued Airline and Hospitality Solutions Growth and Innovation

Our Airline and Hospitality Solutions business has been a key growth engine for us with a CAGR of 14% for revenue and 15% for Adjusted EBITDA from 2009 to 2013. We believe Airline and Hospitality Solutions will continue to drive company growth through a combination of underlying customer and market growth, as well as through the following strategic growth initiatives:

Invest in Innovative Airline Products and Capabilities: We have a long history of investment in innovation. For example, we believe we were the first technology solutions provider to provide real-time revenue integrity and the first third-party provider to automate passenger reaccommodation during large operational disruptions. We see a continued opportunity to innovate in areas such as retailing solutions, mobile capabilities, data analytics and business intelligence offerings.

Continue to Add New Airline Reservations Customers: Over the last five years, we have added airline customers representing over 110 million annual PBs from many innovative, fast-growing airlines such as Etihad Airways, Virgin Australia, JetBlue and LAN. Although the number of new reservations opportunities varies materially by year, in 2013 and 2014, T2RL estimated that contracts representing over 1 billion PBs will come up for renewal between 2014 to 2017, of which approximately 0.7 billion PBs are from airlines who do not pay us PB fees today. As of this filing, airlines won but not yet implemented by Sabre boarded over 250 million PBs in 2012, according to T2RL data. This includes a long-term agreement announced in January 2014 with American Airlines for Sabre to be its reservations system provider following its merger with US Airways.

Further Penetrate Existing Airline Solutions Customers: We believe there is an opportunity to sell more of our extensive solution set to our existing customers. Of our 2013 customers in T2RL s top 100 passenger airlines, 35% had one or two non-reservations solution sets, 36% had three to five and 29% had more than five. Historically, the average revenue would have approximately tripled if a customer moved from the first category to the second, and nearly tripled again if a customer moved to the third category. Leveraging our brand, we intend to continue to promote the adoption of our products within and across our existing customers.

Invest Behind Rapidly Growing Hospitality Solutions Business: Our Hospitality Solutions business has grown rapidly, with 19% revenue CAGR from 2009 to 2013, and we are focused on continuing that growth going forward. We currently have initiatives to grow in our existing footprint and expand our presence in APAC and in Europe, the Middle East and Africa (EMEA), which collectively accounted for only 32% of our Hospitality Solutions business revenue in 2013. We plan to accomplish this organically and through select acquisitions to enhance our product offering, grow our customer base and cross sell additional products to our existing customers. For example, our recently announced acquisition of Genares will build on the foundation of their products and services while introducing Genares customers to a broader suite of products and services to help accelerate their growth.

Continue to Focus on Operational Efficiency Supported by Leading Technology

We have a track record of improving operational efficiency and capitalizing on our scalable technology platform and operating leverage in our business model. We have expanded Adjusted EBITDA margins in our Travel Network business by over 550 bps since 2009 while growing the business and introducing new products. We intend to continue to increase our operational efficiency by following a shared capabilities, technology and insights approach across our businesses. Through a comprehensive labor strategy, we are driving operating efficiencies and cost savings through a proactive approach that focuses on adding and retaining talent and achieving the optimal personnel mix across our global development centers. We expect the outcome of this program to better scale development costs over time.

Summary of Risks

Significant risks that could materially and adversely affect our business, financial condition and results of operations include:

factors affecting transaction volumes in the global travel industry, particularly air travel transaction volumes, including global and regional economic and political conditions, financial instability or fundamental corporate changes to travel suppliers, natural or man-made disasters, safety concerns or changes to regulations governing the travel industry;

our ability to renew existing contracts or to enter into new contracts with travel supplier and buyer customers, third-party distributor partners and joint ventures on economically favorable terms or at all;

our Travel Network business exposure to pricing pressures from travel suppliers and its dependence on relationships with several large travel buyers;

the fact that travel supplier customers may experience financial instability, consolidate with one another, pursue cost reductions, change their distribution model or experience other changes adverse to us;

travel suppliers use of alternative distribution models, such as direct distribution channels, technological incompatibilities between suppliers travel content and our GDS, and the diversion of consumer traffic to other channels;

our reliance on third-party distributors and joint ventures to extend GDS services to certain regions, which exposes us to risks associated with lack of direct management control and potential conflicts of interest;

competition in the travel distribution market from other GDS providers, direct distribution by travel suppliers and new entrants or technologies that could challenge the existing GDS business model; maintaining and growing our Airline and Hospitality Solutions business could be negatively impacted by competition from other third-party solutions providers and from new participants entering the solutions market;

availability and performance of information technology services provided by third parties, such as HP, which manages a significant portion of our systems;

systems and infrastructure failures or other unscheduled shutdowns or disruptions, including those due to natural disasters or cybersecurity attacks;

the fact that we qualify and, upon completion of this offering, will continue to qualify as a controlled company within the meaning of NASDAQ rules and, therefore we also qualify and, upon completion of this offering, will continue to qualify to be exempt from certain corporate governance requirements, which means that our stockholders may not have the same protections afforded to stockholders of companies that are subject to such requirements;

the fact that our Principal Stockholders (as defined below) retain and, following completion of this offering, will retain significant influence over us and key decisions about our business, with approximately 79.3% of our voting power held by our affiliates as of January 15, 2015 and with approximately % of our voting power held by our affiliates after completion of this offering (assuming no exercise of the underwriters option to purchase additional shares from the Principal Stockholders), which may prevent new investors from influencing significant corporate decisions and result in conflicts of interest; and

our significant amount of long-term indebtedness and the related restrictive covenants in the agreements governing our indebtedness.

See Risk Factors beginning on page 27 for additional risks that could impact our business.

Corporate and Other Information

Sabre Holdings Corporation is a Delaware corporation formed in 1996. It was operated as a division of AMR Corporation, its parent company, until it was spun off completely in 2000. Sabre Corporation is a Delaware corporation formed in December 2006 and is the parent company of Sabre Holdings Corporation and Sabre GLBL. Prior to our acquisition in 2007 by the Principal Stockholders (as defined below), we were previously a publicly-held travel technology company. Our initial public offering occurred on April 17, 2014 and our shares are listed on NASDAQ. We are headquartered in Southlake, Texas, and employ approximately 8,000 people in approximately 60 countries around the world. We serve our customers through cutting-edge technology developed in six facilities located across four continents.

Our principal executive offices are located at 3150 Sabre Drive, Southlake, TX 76092, and our telephone number is (682) 605-1000. Our corporate website address is www.sabre.com. The information contained on our website or that can be accessed through our website will not be deemed to be incorporated into this prospectus or the registration statement of which this prospectus forms a part, and investors should not rely on any such information in deciding whether to purchase our common stock.

Principal Stockholders

Our Relationship with the TPG Funds and Silver Lake Funds

In 2007, we were acquired by the TPG Funds and the Silver Lake Funds. On March 30, 2007, we entered into a Stockholders Agreement by and among the TPG Funds, the Silver Lake Funds, Sovereign Co-Invest, LLC

(Sovereign Co-Invest, an entity co-managed by TPG and Silver Lake, and together with the TPG Funds and the Silver Lake Funds, the Principal Stockholders), and Sabre Corporation (formerly known as Sovereign Holdings, Inc.), which was amended and restated in connection with our initial public offering (as amended and restated, the Stockholders Agreement). See Certain Relationships and Related Party Transactions Stockholders Agreement.

As of January 15, 2015, the Principal Stockholders owned approximately 79.3% of our common stock. As of January 15, 2015, the TPG Funds, the Silver Lake Funds and Sovereign Co-Invest owned approximately 37.2%, 22.9% and 19.2%, respectively, of our common stock. Following the completion of this offering, the Principal Stockholders will own approximately % of our common stock or approximately % if the underwriters option to purchase additional shares from the Principal Stockholders is fully exercised. The TPG Funds, the Silver Lake Funds and Sovereign Co-Invest will own approximately %, % and %, respectively, of our common stock or approximately %, % and %, if the underwriters option to purchase additional shares from the Principal Stockholders is fully exercised. As a result, we are and, upon completion of this offering, will continue to be a controlled company within the meaning of the corporate governance requirements of the NASDAQ. See Risk Factors Risks Related to the Offering and our Common Stock We are and, upon completion of this offering, will continue to be a controlled company within the meaning of the NASDAQ rules and, as a result, we qualify for exemptions from certain corporate governance requirements. You may not have the same protections afforded to stockholders of companies that are subject to such requirements.

TPG

TPG is a leading global private investment firm founded in 1992 with over $65 billion of assets under management as of September 30, 2014 and offices in San Francisco, Fort Worth, Austin, Beijing, Dallas, Hong Kong, Houston, London, Luxembourg, Melbourne, Moscow, Mumbai, New York, São Paulo, Shanghai, Singapore, Tokyo and Toronto. TPG has extensive experience with global public and private investments executed through leveraged buyouts, recapitalizations, spinouts, growth investments, joint ventures and restructurings. The firm s investments span a variety of industries, including financial services, travel and entertainment, technology, energy, industrials, retail, consumer, real estate, media and communications, and healthcare.

Silver Lake

Silver Lake is a global investment firm focused on the technology, technology-enabled and related growth industries with offices in Silicon Valley, New York, London, Hong Kong, Shanghai and Tokyo. Silver Lake was founded in 1999 and has over $20 billion in combined assets under management and committed capital across its large-cap private equity, middle-market private equity, growth equity and credit investment strategies.

Summary of Corporate Structure

Going forward, the Travelocity business segment will not be a part of our corporate structure as a result of the divestiture of the businesses in the segment. See Recent Developments.

THE OFFERING

Common stock offered by the Selling Stockholders	shares of common stock.
Common stock to be outstanding after this offering	267,865,537.
Selling Stockholders	See Principal and Selling Stockholders.
Underwriters option to purchase additional shares	The Principal Stockholders may sell up to additional shares of common stock if the underwriters exercise their option to purchase additional shares.
Use of proceeds	The Selling Stockholders will receive all of the net proceeds from the sale of shares of our common stock offered by them pursuant to this prospectus. We will not receive any proceeds from the sale of these shares of common stock, including from any exercise by the underwriters of their option to purchase additional shares. We will bear the costs, other than underwriting discounts and commissions and transfer taxes, associated with this offering in accordance with the Management Stockholders Agreement and the Registration Rights Agreement (as defined below), as applicable. See Principal and Selling Stockholders and Underwriting.
Dividend policy	Our board of directors has declared cash dividends of $0.09 per share of our common stock, which were paid on September 16, 2014 to shareholders of record as of September 1, 2014, and on December 30, 2014 to shareholders of record as of December 15, 2014. We intend to continue to pay quarterly cash dividends on our common stock. We intend to fund any future dividends from distributions made by our operating subsidiaries from their available cash generated from operations. The ability of our subsidiaries to pay cash dividends, which could then be further distributed to holders of our common stock, is currently restricted in certain circumstances by the covenants in our Credit Facility (as defined in Description of Certain Indebtedness) and the indenture governing the 2019 Notes and may be further restricted by the terms of future debt or preferred securities.

Risk factors	Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page 27 for a discussion of factors you should carefully consider before deciding to invest in our common stock.
NASDAQ symbol	SABR

The number of shares of common stock to be outstanding after this offering assumes no issuance of shares of common stock reserved for issuance under our equity incentive plans. As of January 15, 2015, an aggregate of 11,847,105 shares of common stock were reserved for future issuance under the Sabre Corporation 2014 Omnibus Incentive Compensation Plan (the 2014 Omnibus Plan) which includes 2,844,254 shares of common stock that were available for future issuance under our prior equity plans. Additionally, the number of shares of common stock to be outstanding after this offering assumes:

- no exercise of performance-based stock options outstanding under our Sovereign MEIP plan. As of January 15, 2015 there were 724,337 performance-based stock options outstanding under this plan with a weighted average exercise price of $5.00;

- no exercise of time based stock options outstanding under our Sovereign MEIP plan. As of January 15, 2015 there were 11,995,012 time based stock options outstanding under this plan with a weighted average exercise price of $4.81;

- no exercise of time based stock options outstanding under our Sovereign 2012 MEIP plan. As of January 15, 2015 there were 4,059,659 time based stock options outstanding under this plan with a weighted average exercise price of $11.34;

- no exercise of time-based stock options outstanding under our 2014 Omnibus plan. As of January 15, 2015 there were 2,089,949 time-based stock options outstanding under this plan with a weighted average exercise price of $16.86;

- no vesting and settlement of the 923,900 performance-based restricted stock units unvested and outstanding as of January 15, 2015 under our Sovereign 2012 MEIP plan;

- no vesting and settlement of the 110,000 restricted stock unit award, unvested and outstanding as of January 15, 2015 under our Sovereign 2012 MEIP plan;

- no vesting and settlement of the 770,569 performance-based restricted stock units unvested and outstanding as of January 15, 2015 under our 2014 Omnibus plan; and

- no vesting and settlement of the 1,622,226 restricted stock unit awards, unvested and outstanding as of January 15, 2015 under our 2014 Omnibus plan.

In addition, except as otherwise noted, all information in this prospectus assumes the underwriters do not exercise their option to purchase additional shares from the Principal Stockholders.

SUMMARY HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables present summary consolidated historical and pro forma financial data for our business. You should read these tables along with Risk Factors, Use of Proceeds, Capitalization, Management s Discussion and Analysis of Financial Condition and Results of Operations, Business, Unaudited Pro Forma Financial Information, and our consolidated financial statements and the notes thereto included elsewhere in this prospectus.

The historical consolidated statements of operations data, historical consolidated statements of cash flows data and historical consolidated balance sheet data as of and for the nine months ended September 30, 2014 and 2013 are derived from our unaudited consolidated financial statements and the notes thereto included elsewhere in this prospectus. The unaudited consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and, in the opinion of our management, reflect all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of this data. The historical consolidated statements of operations data and historical consolidated statements of cash flow data for the years ended December 31, 2013, 2012 and 2011 and the historical consolidated balance sheet data as of December 31, 2013 and 2012 are derived from our audited consolidated financial statements and the notes thereto included elsewhere in this prospectus. The historical consolidated balance sheet data as of December 31, 2011 are derived from our unaudited consolidated financial statements and the notes thereto not included in this prospectus. The summary historical financial data include the results of our Travelocity business, which, as of September 30, 2014, was included in continuing operations. The summary consolidated financial data presented below are not necessarily indicative of the results to be expected for any future period, and results for any interim period presented below are not necessarily indicative of the results to be expected for the full year.

The summary pro forma consolidated statement of operations data for the nine months ended September 30, 2014 and the years ended December 31, 2013, 2012 and 2011 are derived from our unaudited pro forma financial statements included elsewhere in this prospectus and gives effect to our divestiture of the Travelocity business as if it occurred on January 1, 2011. The summary pro forma consolidated balance sheet data as of September 30, 2014 are derived from our unaudited pro forma financial information included elsewhere in this prospectus and gives effect to our divestiture of the Travelocity business as if it occurred on September 30, 2014. 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 transactions been completed on the dates assumed nor is such unaudited pro forma financial information necessarily indicative of the results to be expected in any future period.

	Pro Forma Nine Months Ended September 30,	Historical Nine Months Ended September 30,	
	2014	2014	2013
	(Amounts in thousands)		
Consolidated Statements of Operations Data[(1)]:			
Revenue	$ 1,985,275	$ 2,229,286	2,303,399
Cost of revenue	1,315,669	1,399,919	1,423,242
Selling, general and administrative	352,574	575,413	620,226
Impairment			138,435
Restructuring (adjustments) charges	(604)	2,325	15,889
Operating income	317,636	251,629	105,607
Income (loss) from continuing operations	69,643	33,008	(104,224)
Loss from discontinued operations, net of tax	(44,652)	(8,017)	(20,895)

Net income (loss) attributable to Sabre Corporation	22,823	22,823	(127,254)
Net income (loss) attributable to common shareholders	11,442	11,442	(154,473)
Basic and diluted earnings (loss) per share attributable to common shareholders	$ 0.05	$ 0.05	$ (0.87)
Basic weighted average common shares outstanding	229,405	229,405	178,051
Diluted weighted average common shares outstanding	237,994	237,994	178,051
Other Financial Data:			
Adjusted EBITDA	$ 641,354	$ 617,350	$ 583,963
Adjusted Net Income from continuing operations	$ 172,556	$ 158,829	$ 147,697
Adjusted Net Income from continuing operations per share	$ 0.73	$ 0.67	$ 0.80

	Pro Forma Year Ended December 31, 2013	2012	2011	Historical Year Ended December 31, 2013	2012	2011
	(Amounts in thousands)					
Consolidated Statements of Operations Data[1]:						
Revenue	$ 2,523,546	$ 2,382,148	$ 2,252,446	$ 3,049,525	$ 2,974,364	$ 2,855,961
Cost of revenue	1,705,163	1,575,186	1,529,026	1,904,850	1,819,235	1,736,041
Selling, general and administrative	429,290	793,294	392,308	792,929	1,188,248	806,435
Impairment		20,254		138,435	573,180	185,240
Restructuring charges	8,163			36,551		
Operating income (loss)	380,930	(6,586)	331,112	176,760	(606,299)	128,245
Income (loss) from continuing operations	52,066	(215,427)	113,478	(90,455)	(621,726)	(79,294)
Loss from discontinued operations, net of tax	(149,696)	(394,410)	(193,873)	(7,176)	(48,947)	(23,461)
Net loss attributable to Sabre Corporation	(100,494)	(611,356)	(66,074)	(100,494)	(611,356)	(66,074)
Net loss attributable to common shareholders	(137,198)	(645,939)	(98,653)	(137,198)	(645,939)	(98,653)
Basic and diluted loss per share attributable to common shareholders	$ (0.77)	$ (3.65)	$ (0.56)	$ (0.77)	$ (3.65)	$ (0.56)
Basic weighted average common shares outstanding	178,125	177,206	176,703	178,125	177,206	176,703
Diluted weighted average common shares outstanding	184,978	177,206	181,889	178,125	177,206	176,703
Other Financial Data:						
Adjusted EBITDA	$ 778,754	$ 731,412	$ 649,285	$ 791,323	$ 786,629	$ 720,163
Adjusted Net Income from continuing operations	182,186	147,734	217,482	217,151	150,886	236,166
Adjusted Net Income from continuing operations per share	$ 0.98	$ 0.81	$ 1.20	$ 1.17	$ 0.83	$ 1.30

	Pro Forma As of September 30, 2014	Historical As of September 30, 2014	As of December 31, 2013	2012	2011
	(Amounts in thousands)				
Consolidated Balance Sheet Data:					
Cash and cash equivalents	$ 437,747	$ 157,747	$ 308,236	$ 126,695	$ 58,350
Total assets	4,778,396	4,672,394	4,755,708	4,711,245	5,252,780
Long-term debt	3,065,440	3,065,440	3,643,548	3,420,927	3,307,905
Working capital deficit	99,252	(246,557)	(273,591)	(428,569)	(411,482)
Redeemable preferred stock			634,843	598,139	563,557
Noncontrolling interest	57	57	508	88	(18,693)

Total stockholders equity (deficit)	242,023	69,048	(952,536)	(876,875)	(196,919)

	Historical				
	Nine Months Ended September 30,		Year Ended December 31,		
	2014	2013	2013	2012	2011
	(Amounts in thousands)				
Key Metrics:					
Travel Network					
Direct Billable Bookings Air	251,145	244,267	314,275	326,175	328,200
Direct Billable Bookings Non-Air	21,275	40,734	53,503	53,669	53,683
Total Direct Billable Bookings	292,419	285,001	367,778	379,844	381,883
Airline Solutions Passengers Boarded	385,611	358,428	478,088	405,420	364,420

(1) Certain historical amounts previously reported in our December 31, 2012 and 2011 financial statements have been reclassified to conform to the December 31, 2013 presentation of Holidays Auto as a discontinued operation. See Note 2, Summary of Significant Accounting Policies Reclassifications, to our audited consolidated financial statements included elsewhere in this prospectus. In June 2013, we sold certain assets of our Holiday Autos operations to a third party and in November 2013, we completed the closing of the remainder of the Holiday Autos operations such that it represented a discontinued operation. See Note 4, Discontinued Operations and Dispositions, to our audited consolidated financial statements included elsewhere in this prospectus. The impact on our revenue was a reduction of $65 million and $76 million for the years ended December 31, 2012 and 2011, respectively. The impact on our operating income was an increase of $12 million for the year ended December 31, 2012 and a reduction of less than $1 million for the year ended December 31, 2011. Pro forma results include the impacts of Holidays Auto as a discontinued operation as well as adjustments described in Unaudited Pro Forma Financial Information.

Non-GAAP Measures

The following tables set forth the reconciliation of net income (loss) attributable to common shareholders, the most directly comparable GAAP measure, to Adjusted Net Income and Adjusted EBITDA.

For Adjusted EBITDA by segment, see Selected Historical Consolidated Financial Data Non-GAAP Measures.

	Pro Forma Nine Months Ended September 30, 2014	Historical Nine Months Ended September 30, 2014	Historical Nine Months Ended September 30, 2013
	(Amounts in thousands)		
Reconciliation of net income (loss) to Adjusted Net Income and to Adjusted EBITDA:			
Net income (loss) attributable to common shareholders	$ 11,442	$ 11,442	$ (154,473)
Preferred stock dividends	11,381	11,381	27,219
Loss from discontinued operations, net of tax	44,652	8,017	20,895
Net income attributable to noncontrolling interests(1)	2,168	2,168	2,135
Income (loss) from continuing operations	69,643	33,008	(104,224)
Adjustments:			
Impairment(2)			138,435
Acquisition related amortization expense(3a)	76,741	83,344	107,955
Loss on extinguishment of debt	33,538	33,538	12,181
Other, net(5)	840	(760)	1,099
Restructuring and other costs(6)	8,834	24,056	26,296
Litigation and taxes, including penalties(7)	11,370	12,497	31,543
Stock based compensation	13,848	22,434	5,446
Management fees(8)	23,701	23,701	7,347
Amortization of Expedia SMA incentive payments		7,625	
Tax impact of net income adjustments	(65,959)	(80,614)	(78,131)
Adjusted Net Income from continuing operations	$ 172,556	$ 158,829	$ 147,697
Adjusted Net Income from continuing operations per share	$ 0.73	$ 0.67	$ 0.80
Weighted-average shares outstanding adjusted for assumed inclusion of common stock equivalents	237,994	237,944	184,893
Adjusted Net Income from continuing operations	$ 172,556	$ 158,829	$ 147,697
Adjustments:			
Depreciation and amortization of property and equipment(3b)	119,609	122,409	97,687
Amortization of capitalized implementation costs(3c)	27,070	27,111	27,038
Amortization of upfront incentive consideration(4)	33,177	33,177	28,736
Interest expense, net	167,332	167,332	209,653
Remaining provision (benefit) for income taxes	121,610	108,492	73,152
Adjusted EBITDA	$ 641,354	$ 617,350	$ 583,963

	Pro Forma Year Ended December 31,			Historical Year Ended December 31,		
	2013	2012	2011	2013	2012	2011
Reconciliation of net loss to Adjusted Net Income and to Adjusted EBITDA:						
Net loss attributable to common shareholders	$ (137,198)	$ (645,939)	$ (98,653)	$ (137,198)	$ (645,939)	$ (98,653)
Preferred stock dividends	36,704	34,583	32,579	36,704	34,583	32,579
Loss from discontinued operations, net of tax	149,696	394,410	193,873	7,176	48,947	23,461
Net income (loss) attributable to noncontrolling interests[(1)]	2,863	1,519	(14,322)	2,863	(59,317)	(36,681)
Income (loss) from continuing operations	52,065	(215,427)	113,477	(90,455)	(621,726)	(79,294)
Adjustments:						
Impairment[(2)]		44,054		138,435	596,980	185,240
Acquisition related amortization expense[(3a)]	132,685	129,869	129,235	143,765	162,517	162,312
Gain on sale of business and assets		(25,850)			(25,850)	
Loss on extinguishment of debt	12,181			12,181		
Other, net[(5)]	305	6,635	(65)	6,724	1,385	(1,156)
Restructuring and other costs[(6)]	27,921	5,408	4,578	59,052	6,776	12,986
Litigation and taxes, including penalties[(7)]	18,514	396,412	21,601	39,431	418,622	21,601
Stock based compensation	3,387	4,365	4,088	9,086	9,834	7,334
Management fees[(8)]	8,761	7,769	7,191	8,761	7,769	7,191
Tax impact of net income adjustments	(73,633)	(205,501)	(62,623)	(109,829)	(405,421)	(80,048)
Adjusted Net Income from continuing operations	$ 182,186	$ 147,734	$ 217,482	$ 217,151	$ 150,886	$ 236,166
Adjusted Net Income from continuing operations per share	$ 0.98	$ 0.81	$ 1.20	$ 1.17	$ 0.83	$ 1.30
Weighted-average shares outstanding adjusted for assumed inclusion of common stock equivalents	184,978	182,830	181,889	184,978	182,830	181,889
Adjusted Net Income from continuing operations	$ 182,186	$ 147,734	$ 217,482	$ 217,151	$ 150,886	$ 236,166
Adjustments:						
Depreciation and amortization of property and equipment[(3b)]	123,414	96,668	78,867	131,483	135,561	122,640
Amortization of capitalized implementation costs[(3c)]	34,144	19,439	11,365	35,551	20,855	11,365
Amortization of upfront incentive consideration[(4)]	36,649	36,527	37,748	36,649	36,527	37,748

Interest expense, net	274,689	232,450	174,390	274,689	232,450	174,390
Remaining provision (benefit) for income taxes	127,672	198,594	129,433	95,800	210,350	137,854
Adjusted EBITDA	$ 778,754	$ 731,412	$ 649,285	$ 791,323	$ 786,629	$ 720,163

The following table sets forth the reconciliation of GAAP basic weighted-average common shares outstanding to the adjusted weighted-average shares outstanding for the assumed inclusion of common stock equivalents (in thousands):

	Nine Months Ended September 30,		Year Ended December 31,		
	2014	2013	2013	2012	2011
	(Amounts in thousands)				
GAAP basic weighted-average common shares outstanding	229,405	178,051	178,125	177,206	176,703
Dilutive effect of stock options and restricted stock awards	8,589	6,842	6,853	5,624	5,186
Weighted-average common shares outstanding adjusted for assumed inclusion of common stock equivalents	237,994	184,893	184,978	182,830	181,889

(1) Net income (loss) attributable to non-controlling interests represents an adjustment to include earnings allocated to non-controlling interest held in (i) Sabre Travel Network Middle East of 40% for all periods presented, (ii) Sabre Australia Technologies I Pty Ltd (Sabre Pacific) of 49% through February 24, 2012, the date we sold this business, (iii) Travelocity.com LLC of approximately 9.5% through December 31, 2012, the date we merged this minority interest back into our capital structure and (iv) Sabre Seyahat Dagitim Sistemleri A.S. of 40% beginning in April 2014. See Note 2, Summary of Significant Accounting Policies, to our audited consolidated financial statements included elsewhere in this prospectus.

(2) Represents impairment charges to assets (see Note 7, Goodwill and Intangible Assets, to our audited consolidated financial statements included elsewhere in this prospectus) as well as $24 million in 2012, representing our share of impairment charges recorded by one of our equity method investments, Abacus.

(3) Depreciation and amortization expenses (see Note 2, Summary of Significant Accounting Policies, to our audited consolidated financial statements included elsewhere in this prospectus for associated asset lives):
   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.

(4) 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.

(5) Other, net primarily represents 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.

(6) Restructuring and other costs represents charges associated with business restructuring and associated changes implemented which resulted in severance benefits related to employee terminations, integration and facility

opening or closing costs and other business reorganization costs.

(7) Litigation settlement and tax payments for certain items represent charges or settlements associated with airline antitrust litigation as well as payments or reserves taken in relation to certain retroactive hotel occupancy and excise tax disputes (see Note 13, Contingencies, to our unaudited consolidated financial statements and Note 20, Commitments and Contingencies, to our audited consolidated financial statements included elsewhere in this prospectus).

(8) We paid an annual management fee to TPG and Silver Lake in an amount between (i) $5 million and (ii) $7 million, the actual amount of which was calculated based upon 1% of Adjusted EBITDA, as defined in the management services agreement (the MSA), earned by the company in such fiscal year up to a maximum of $7 million. In addition, the MSA provided for the reimbursement of certain costs incurred by TPG and Silver Lake, which are included in this line item. In connection with our initial public offering, we paid to TPG and Silver Lake, in the aggregate, a $21 million fee pursuant to the MSA. The MSA was terminated at the completion of our initial public offering.

RISK FACTORS

Investing in our common stock involves a high degree of risk. We have disclosed all known, material risks associated with an investment in our common stock in the risk factors described below. If any of the risks described below actually occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, the trading price of our common stock could decline and you may lose all or part of your investment. You should carefully consider all the information in this prospectus, including the risks and uncertainties described below, before making an investment decision.

Risks Related to Our Business and Industry

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

Although for the year ended December 31, 2013, 94% and 84% of our Travel Network and Airline and Hospitality Solutions revenue, respectively, was Recurring Revenue in that it is largely tied to travel suppliers transaction volumes rather than to their unit pricing for an airplane ticket, hotel room or other travel product (see Method of Calculation), 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. For example, the terrorist attacks of September 11, 2001, the most recent global economic downturn and the U.S. government sequestration that began in 2013 significantly affected and may continue to affect travel volumes worldwide and had a significant impact on our business during the relevant reporting periods. 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 such disruptions would have on our business depends on the magnitude and duration of such disruption. These factors include, among others:

- 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 Ebola, increases in fuel prices, changing attitudes towards the environmental costs of travel and safety concerns;

- inclement weather, natural or man-made disasters or political events like acts or threats of terrorism, hostilities and war;

- 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; and

- general economic conditions.

***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 renewed 24 out of 24 planned renewals in 2013 (representing approximately 25% of our Travel Network revenue for the twelve months ended December 31, 2013). We renewed 28 out of 28 planned renewals in 2014 (representing approximately 22% of our Travel Network revenue for the twelve months ended December 31, 2014). We have 38 planned renewals in 2015 (representing approximately 20% of our Travel Network revenue for the twelve months ended December 31, 2014). Although we renewed 28 out of 28 planned renewals in 2014 (representing approximately 22% of Travel Network revenue for the year ended December 31, 2014), 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. As of December 31, 2013, we had contracts with approximately 225 airlines for the provision of one or more of our airline solutions. Airline reservations contracts representing less than 5% of Airline Solutions expected 2014 revenue are scheduled for renewal in 2015 and airline reservation contracts representing approximately 2% of Airline Solutions expected 2014 revenue are scheduled for renewal in 2016. Airline reservations contracts representing approximately 9% of Airline Solutions expected 2014 revenue are scheduled for renewal in 2017. Hospitality Solutions contract renewals are relatively evenly spaced, with approximately one-third of contracts representing approximately one-third of Hospitality Solutions 2013 revenue coming up for renewal in any given year. 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 APAC and 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 Business Our Businesses Travel Network Geographic Scope and 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. The five largest travel buyers of Travel Network were responsible for bookings that represented approximately 32% of our Travel Network revenue for the nine months ended September 30, 2014, and 32% and 36% of our Travel Network revenue for the years ended December 31, 2013 and 2012, respectively. Our top five Airline and Hospitality Solutions customers represented 24% of our Airline and Hospitality Solutions revenue for the nine months ended September 30, 2014, and 22% and 20% of our Airline and Hospitality Solutions revenue for the years ended December 31, 2013 and 2012, respectively. 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 and Travelocity businesses.

Our Travel Network business depends on relationships with travel buyers.

Our Travel Network business relies on relationships with several large travel buyers, including TMCs and online travel agencies (OTAs), to generate a large portion of its revenue through bookings made by these travel companies. Although no individual travel buyer accounts for more than 10% of our Travel Network revenue, the five largest travel buyers of Travel Network were responsible for bookings that represented approximately 32% of our Travel Network revenue for the nine months ended September 30, 2014, and 32% and 36% of our Travel Network revenue for the years ended December 31, 2013 and 2012, respectively. 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. Furthermore, one of our major TMC customers, American Express, closed an agreement at the end of the second quarter of 2014 with an investor group to create a joint venture relating to its global travel division. In 2013, we derived less than 10% of our Travel Network revenue from bookings made by American Express. Our contracts with American Express remain in effect, and we continue to evaluate what effects, if any, this transaction may have on our future relationship with American Express and this new joint venture.

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. For example, Expedia shifted a significant portion of its business from Travel Network to a competitor GDS in late 2012, resulting in a year-over-year decline in our transaction volumes and revenue in 2013. Additionally, some regulations allow travel buyers to terminate their contracts earlier. For example, according to European GDS regulations, small travel buyers may terminate a contract with a GDS vendor on three months notice after the first year of the contract.

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 and Comparability Increasing travel agency incentive consideration 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, with approximately 66% and 65%, respectively, of our revenue for the years ended December 31, 2013 and 2012, and 58% of our trade accounts receivable attributable to these customers as of both December 31, 2013 and December 31, 2012. 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. We regularly monitor the financial condition of the air transportation industry and have noted the financial difficulties faced by several air carriers. 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, including the recent consolidation of Southwest Airlines with AirTran Airways and American Airlines with US Airways, 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. For example, the consolidation of American Airlines with US Airways could adversely affect our business if future contract negotiations with the merged entity result in adverse changes compared to our existing relationships with these two airlines. These adverse changes may include, but are not limited to, renegotiated distribution or solutions contracts that contain less favorable terms to us or the loss of such contracts entirely. 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 and Travelocity businesses.

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, approximately 58% and 16%, respectively, for the year ended December 31, 2013, and 62% and 16%, respectively, for the year ended December 31, 2012. Our geographic concentration in the United States and Europe makes our business particularly vulnerable to economic and political conditions that adversely affect business and leisure travel originating in or traveling to these countries.

For example, beginning in December 2007, there was a rapid deterioration of the U.S. economy and several countries in Europe began experiencing worsening credit and economic conditions. The U.S. and certain European governments are still operating at large financial deficits, which has contributed to the challenging macroeconomic conditions and the struggling economic recovery. This resulted in a significant decline in travel to the extent that these challenging macroeconomic conditions affect personal and business discretionary spending on travel. More recently, the shutdown of the U.S. government and the continued U.S. government sequestration affected government and government-related travel throughout the United States. Because a large number of our travel buyer subscribers book travel on behalf of the U.S. government, our Travel Network business has been more negatively impacted than that of our competitors.

Despite signs of gradual recovery, 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 primarily from APAC, Latin America and MEA, where political instability and regulatory uncertainty is significantly higher than in Europe and the United States. Any unfavorable economic, political or regulatory developments in those 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, the Russian economy has recently been negatively impacted by economic sanctions and the declining price of oil. These adverse economic conditions may negatively impact our business results in that region.

As an additional example, 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. We collected approximately $14 million of accounts receivable due to us during the nine months ended September 30, 2014, and had $9 million of accounts receivable outstanding as of September 30, 2014, which will be recognized as revenue when cash is received. We collected an additional $7 million of accounts receivable due to us from October to December 2014. In January 2014, Venezuela announced a dual-foreign exchange rate system, which has effectively devalued the local currency and subjected airlines to an exchange rate for U.S. dollars available at auctions that has been significantly higher than the official exchange rate. In conjunction with the political and economic uncertainty in Venezuela, demand for travel by local consumers has declined. Certain airlines have scaled back operations in response to the reduced demand as well as the currency controls which has impacted our airline customers in Venezuela. As a result, our revenues derived from our Venezuelan operations in 2014 were reduced as compared to our revenues for 2013. During the year ended December 31, 2013, we derived 1% of our total revenue from our airline customers operating in Venezuela.

Travel suppliers use of alternative distribution models, such as direct distribution models, could adversely affect our Travel Network and Travelocity businesses.

Some travel suppliers that provide content to Travel Network and Travelocity, 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. Although we believe the rate at which bookings are shifting from indirect to direct distribution channels in the United States has stabilized at very low levels in 2012 and 2013, we cannot predict whether this low rate of shift will continue. 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. For example, in 2010 American Airlines announced its Boarding and Flexibility package which, according to American Airlines, provided additional benefits to travelers who book their airline tickets directly through their website.

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. For example, airlines have been unbundling from base airfares various ancillary products such as food and beverage, checked baggage and pre-reserved seats, and the recent SITA Survey shows that the vast majority of ancillary revenues are earned through direct sales channels, such as the airline website. 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. Similarly, some airlines have also further limited the type of fare content information that is distributed through OTAs, including Travelocity.

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, may promote alternative distribution channels to our GDS by diverting consumer traffic away from intermediaries. For example, Google acquired ITA Software, a flight information software company that provides air shopping capabilities, and launched Google Flights and Google Hotel Finder in 2011. If Google Hotel Finder changes its model to bypass GDS and OTA intermediaries by referring consumers to direct hotel distribution channels or if Google Flights, which already refers customers directly to airline websites, becomes a more popular way to shop and book travel, our GDS and OTA businesses may be adversely affected.

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 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 APAC and EMEA. 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. Large regional airlines collectively control a majority of the outstanding equity interests in our Abacus joint venture, a Singapore-based distribution provider that serves the APAC region. As travel suppliers, these airlines

interests differ from our Travel Network business interests as a distribution intermediary. For example, the airline owners may not agree to provide incentive consideration to travel agencies at the same rate as our GDS competitors. Subject to some exceptions, we are also prohibited from competing with Abacus by directly or indirectly engaging in the GDS business in Asia, Australia, New Zealand and certain Pacific islands.

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 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.

Our Travel Network business principally faces competition from:

- other GDSs, principally Amadeus, which operates the Amadeus GDS, and Travelport, which owns the Galileo, Apollo and Worldspan GDS platforms;
- local distribution systems and travel marketplace providers that are primarily owned by airlines or government entities and operate primarily in their home countries, including TravelSky in China and Sirena in Russia and the Commonwealth of Independent States;
- direct distribution and other alternative forms of distribution by travel suppliers (see Travel suppliers use of alternative distribution models, such as direct distribution models, could adversely affect our Travel Network and Travelocity businesses);
- third-party providers of corporate travel booking tools; and
- new entrants or technologies such as third-party aggregators or metasearch sites.

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. For our Airline Solutions business, these competitors include (i) Amadeus, our closest competitor in terms of size and breadth, (ii) traditional technology companies, such as Hewlett-Packard (HP), Unisys and Navitaire (a division of Accenture), and (iii) airline industry participants, such as Jeppesen (a division of Boeing), Lufthansa Systems, and SITA. We also compete with various point solutions providers, such as PROS, ITA Software, Datalex and Travelport, 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 CRS and Property Management Systems (PMSs) fields, including MICROS, TravelClick, Pegasus and Trust, among others. 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. We occasionally 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. For example, in August 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 lasted a number of hours and caused significant problems for our customers. 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, 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. 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 HP 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, attacks by hackers or nefarious actors or similar disruptive problems. Any physical or electronic break-in 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 may be insufficient to cover all our losses.

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 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 HP, 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 HP. 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 HP provides us with limited indemnification rights. We could face significant additional cost or business disruption if:

Any such providers fail to enable us to provide our customers and suppliers with reliable, real-time access to our systems. For example, in August 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 HP for many of our systems makes it difficult for us to switch vendors and makes us more sensitive to changes in HP s pricing for its services.

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. See Business Research, Development and Technology. 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. Although we believe that IBM, currently the only provider of this technology, is committed to investing in mainframes, 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. For example, Microsoft is currently developing Travel

2015, a trip-planning tool that uses predictive modeling to anticipate travelers preferred flight options, which may become a significant competitor to our TripCase mobile app. Also, Concur Technologies TripLink, which captures travel reservations information regardless of the channel on which bookings were made, has the potential to evolve and pose a significant risk to our Travel Network business.

In addition, our competitors are constantly increasing their product and service offerings through organic research and development or through strategic acquisitions. For example, Amadeus recently acquired Hitit Computer Services, an airline customer relationship management (CRM) and loyalty solutions provider. This allows Amadeus to maintain a relationship with Etihad Airways and Virgin Australia, customers that have recently migrated to our Sabre reservations platform. More recently, Amadeus also acquired Newmarket International, a hotel IT solutions provider, which will allow Amadeus to broaden its portfolio of supplier solutions. In September 2014, SAP announced an agreement to acquire Concur Technologies, a travel and expense management software provider. 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 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. 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, 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. 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 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:

- changes in foreign currency exchange rates and financial risk arising from transactions in multiple currencies;
- 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;
- business, political and economic instability in foreign locations, including actual or threatened terrorist activities, and military action;
- adverse laws and regulatory requirements, including more comprehensive regulation in the European Union (EU);
- 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.

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. Since 2010, we have acquired FlightLine Data Services, Inc., Calidris ehf, f:wz, PRISM Group Inc. and PRISM Technologies LLC (collectively PRISM), SoftHotel, Zenon N.D.C., Limited and Genares. 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. In December 2014, we announced that Bravofly Rumbo Group made a binding offer to acquire lastminute.com. Furthermore, on January 23, 2015, we announced the sale of Travelocity.com to Expedia, Inc. See Summary Recent Developments. Since 2012, we have divested D.V. Travels Guru Pvt. Ltd. and Desiya Online Distribution Pvt. Ltd. (collectively TravelGuru), Zuji Properties A.V.V. and Zuji Pte Ltd along with its operating subsidiaries, Travelocity Business (TBiz), Travelocity Nordics, Holiday Autos, Sabre Pacific, TPN and other businesses. 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 or other bad publicity due to litigation, regulatory concerns or otherwise relating to 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.

There are material limitations with making estimates of our results for current or prior periods prior to the completion of our normal review procedures for such periods.

The preliminary financial data contained in Summary Recent Developments is not a comprehensive statement of our financial data for the quarter ended and as of December 31, 2014 and has not been reviewed or audited by our independent registered public accounting firm or any other independent auditors. The actual data for the quarter ended December 31, 2014 may vary from our expectations and may be materially different from the preliminary financial estimates we have provided due to completion of quarterly close procedures, final adjustments and other developments that may arise between now and the time the financial data for this period are finalized. Accordingly, investors should not place undue reliance on such preliminary financial information.

Risk Factor Related to Travelocity

Our Travelocity business segment has historically been subject to the risk factor that is listed below. On December 16, 2014, we announced that we had received a binding offer from Bravofly Rumbo Group to acquire lastminute.com and on January 23, 2015, we announced the sale of Travelocity.com to Expedia, Inc. Following the sale of Travelocity.com to Expedia, Inc. the Expedia SMA was terminated. See Summary Recent Developments. As a result, our Travelocity business segment will in the future only remain subject to this risk factor until the sale of lasminute.com has closed.

Our OTAs are subject to a number of risks specific to their activities.

Our OTAs are subject to certain risks inherent in the consumer-facing OTA industry. These risks include, but are not limited to, the following:

Competition. The OTA industry is an increasingly competitive global environment with a number of established and emerging online and traditional sellers of travel-related services, including other OTAs, offline travel agents, travel suppliers, large online portal and search companies, travel metasearch engines and increasingly, mobile platform travel apps and social apps. Recently, we have seen increasing consolidation among our competitors, including Priceline s acquisition of Kayak in November 2012 and Expedia s acquisition of trivago in March 2013. These players compete on price, travel inventory availability and breadth, technological sophistication, ability to meet rapidly evolving consumer trends and demands, brand recognition, search engine rankings, ease of use and accessibility, customer service and reliability. If we cannot adequately address these trends and provide travelers with the content they seek at acceptable prices, our OTAs may not be able to compete successfully against current and future competitors.

Content. OTAs use their website content and ability to comparison shop to attract and convert visitors into booking customers and repeat users. The success of our OTAs in attracting users depends, in part, upon our continued ability to collect, create and distribute high-quality, commercially valuable content that meets customers specific needs in a cost-effective manner. Failing to meet the specific needs of consumers could make our OTAs less competitive. Changes in the cost structure by which our OTAs currently obtain their content, or changes in travelers relative appreciation of that content, could negatively impact our OTAs business and financial performance.

Relationships with travel suppliers and travel distribution partners. OTAs depend on travel suppliers and distribution partners for access to inventory and derive a substantial portion of their revenue from these suppliers and distribution partners in the form of compensation for bookings. Many travel suppliers have reduced or eliminated and may continue to reduce or eliminate, commissions and fees paid to travel agencies, and our OTA business could be harmed if this trend continues. Also, if travel suppliers or GDSs attempt to implement multiple costly direct connections or charge travel agencies for or otherwise restrict access to content, our OTAs ability to offer competitive inventory and pricing may be adversely affected, leading to decreased revenues and margins.

Changes in search engine algorithms and other traffic sources. We increasingly utilize internet search engines to generate traffic to our OTAs, principally through the purchase of travel-related keywords. Search engines, including Google, frequently update and change the algorithm that determines the placement and display of search results such that our links could be placed lower on the page or displayed less prominently. We also depend on pay-per-click and display advertising campaigns on search and shopping providers like Google, Kayak, and TripAdvisor to direct a significant amount of traffic to our OTAs. Our business may be harmed if we cannot keep pace with the rapidly changing pricing and operating dynamics for these traffic sources.

Media. Our OTAs receive fees from companies and organizations, such as those in the travel industry, for display and referral advertising products. If a significant portion of our advertisers feel that our OTAs are no longer attracting or referring relevant customers, and accordingly reduce their advertising with our OTAs, our revenues could decline.

License requirements. In some of the jurisdictions where we provide travel services through our OTAs, we are required to obtain certain licenses and approvals from the relevant regulatory authorities. These regulatory authorities generally have broad discretion to grant, renew and revoke such licenses and approvals. Any of these regulatory authorities could permanently or temporarily suspend the necessary licenses and approvals in respect of some or all of our travel agency and related activities in such jurisdictions, which would adversely impact the activities of the affected OTA.

Regulatory and Other Legal Risks

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 Business Legal Proceedings. For example, 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. In the merchant revenue model, the customer pays us an amount at the time of booking that includes (i) service fees, which we 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. The complaints generally allege, among other things, that we have failed to pay to the relevant taxing authority hotel accommodations taxes on the service fees. 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.

Additionally, 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 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 through the issuance of additional equity or from private or public financing or (ii) injunctive relief. Other airlines 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 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 both the US Airways and DOJ proceedings, if 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.

The defense of these actions, as well as any of the other actions described under Business Legal Proceedings 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. Such 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 such 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, such 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, shareholder 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 Business Legal Proceedings Insurance Carriers 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. Such 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 or property damage, 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. For a description of OFAC regulations and additional information on economic sanctions, see Business Government Regulation Office of Foreign Asset Control Regulation. Failure to comply with such 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. See Business Government Regulation Computer Reservations System Industry Regulation for additional information. 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 is also in the process of proposing reforms to its existing data protection legal framework. 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 such customers. These indemnification obligations could be significant and we may not have adequate insurance coverage to protect us against all claims.

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 December 31, 2013 to be indefinitely reinvested and, accordingly, no U.S. income taxes have been provided thereon. As of December 31, 2013, the amount of indefinitely reinvested foreign earnings was approximately $157 million. As of December 31, 2013, $70.8 million of cash, cash equivalents, and marketable securities were held by our foreign subsidiaries. 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 on up to $44 million of these funds 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 are required to pay to stockholders and equity award holders that were stockholders or equity award holders immediately prior to the closing of our initial public offering 85% of certain tax benefits, and could be required to make substantial cash payments in which the stockholders purchasing shares in this offering will not participate.

Immediately prior to the completion of our initial public offering, we entered into a tax receivable agreement (TRA) that provides the right to receive future payments by us to 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) of 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 purchasing shares in this offering 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. See Certain Relationships and Related Party Transactions Tax Receivable Agreement.

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.

We expect that the payments we make under this TRA will be material. 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 expect that future payments under the TRA relating to the Pre-IPO Tax Assets could aggregate to between $330 million and $380 million over the next six years (assuming no changes to current limitations on our ability to utilize our NOLs under Section 382 of the Internal Revenue Code (the Code), which we estimate will represent approximately 85% to 95% of total payments we will be required to make under the TRA.

We recognized a liability of $321 million after considering the valuation allowance of $66 million recorded against the Pre-IPO Tax Assets for the payments to be made under the TRA. The TRA liability was recorded as a

reduction to additional paid-in capital and an increase to other noncurrent liabilities. No payments have been made under the TRA during the nine months ended September 30, 2014 and we do not expect material payments to occur prior to 2016. Any payments made under the TRA will be classified as a financing activity in our statement of cash flows. Changes in the utility of the Pre-IPO Tax Assets will impact the amount of the liability that will be paid to our Pre-IPO Existing Stockholders. Changes in the utility of these Pre-IPO Tax Assets are recorded in income tax expense (benefit) and any changes in the obligation under the TRA is recorded in other income (expense).

In addition, the TRA provides that upon certain mergers, stock and asset sales, other forms of business combinations or other changes of control, the TRA will terminate and we will be required to make a payment intended to equal to the present value of future payments under the TRA, which payment would be based on certain assumptions, including those relating to our and our subsidiaries future taxable income. In these situations, our obligations under the TRA could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control.

Different timing rules will apply to payments under the TRA to be made to holders that, prior to the completion of the initial public offering, held stock options and restricted stock units (collectively, the Pre-IPO Award Holders). Such payments will generally be deemed invested in a notional account rather than made on the scheduled payment dates, and the account will be distributed on the fifth anniversary of the initial public offering, together with an amount equal to the net present value of such Award Holder s future expected payments, if any, under the TRA. Moreover, payments to holders of stock options that were unvested prior to the completion of the initial public offering are subject to vesting on the same schedule as such holder s unvested stock options.

The TRA contains a Change of Control definition that includes, among other things, a change of a majority of the Board of Directors without approval of a majority of the then existing Board members (the Continuing Directors Provision). Recent Delaware case law has stressed that such Continuing Directors Provisions could have a potential adverse impact on shareholders right to elect a company s directors. In this regard, decisions of the Delaware Chancery Court (not involving us or our securities) have considered change of control provisions and noted that a board of directors may approve a dissident shareholders nominees solely to avoid triggering the change of control provisions, without supporting their election, if the board determines in good faith that the election of the dissident nominees would not be materially adverse to the interests of the corporation or its stockholders. Further, according to these decisions, the directors duty of loyalty to shareholders under Delaware law may, in certain circumstances, require them to give such approval.

Our counterparties under the TRA will not reimburse us for any payments previously made under the TRA if such benefits are subsequently disallowed (although future payments would be adjusted to the extent possible to reflect the result of such disallowance). As a result, in certain circumstances, payments could be made under the TRA in excess of our cash tax savings.

Certain transactions by the company could cause it to recognize taxable income (possibly material amounts of income) without a current receipt of cash. Payments under the TRA with respect to such taxable income would cause a net reduction in our available cash. For example, transactions giving rise to cancellation of debt income, the accrual of income from original issue discount or deferred payments, a triggering event requiring the recapture of dual consolidated losses, or Subpart F income would each produce income with no corresponding increase in cash. In these cases, we may use some of the Pre-IPO Tax Assets to offset income from these transactions and, under the TRA, would be required to make a payment to our Pre-IPO Existing Stockholders even though we receive no cash from such income.

Because we are a holding company with no operations of our own, our ability to make payments under the TRA is dependent on the ability of our subsidiaries to make distributions to us. To the extent that we are unable to make payments under the TRA for specified reasons, such payments will be deferred and will accrue interest at a rate of the

London Interbank Offered Rate (LIBOR) plus 1.00% per annum until paid.

The TRA is designed with the objective of causing our annual cash costs attributable to federal income taxes (without regard to our continuing 15% interest in the Pre-IPO Tax Assets) to be the same as we would have paid had we not had the Pre-IPO Tax Assets available to offset our federal taxable income. As a result, stockholders purchasing shares in this offering will not be entitled to the economic benefit of the Pre-IPO Tax Assets that would have been available if the TRA were not in effect (except to the extent of our continuing 15% interest in the Pre-IPO Tax Assets).

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 December 31, 2013 contained intangible assets, net, including goodwill, of approximately $2,773 million. Our investments in joint ventures on the consolidated balance sheet as of December 31, 2013 includes $93 million of excess basis over our underlying equity in joint ventures. This differential represents goodwill in addition to identifiable intangible assets which are being amortized to joint venture intangible amortization over their estimated lives. 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. We have also recognized a share of impairment charges recorded by one of our equity method investments, Abacus. As of June 30, 2013, our Travelocity reporting unit had no remaining goodwill.

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 $90.1 million as of December 31, 2014. With approximately 5,300 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 payment card industry (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 facilities. The cost of compliance with the PCI DSS is significant and may increase as the requirements change. We are tested periodically for compliance with the current version and our last assessment completed in June 2014. We were found to be compliant in that assessment and our 2015 assessment is scheduled to be completed in June 2015. Compliance does not guarantee a completely secure environment. Moreover, compliance is an ongoing activity and the formal requirements likely will evolve as new threats and protective measures are identified. In the event that we were to lose PCI DSS compliance (or fail to achieve compliance with 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.

Risks Related to Our Indebtedness and Liquidity

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 public or private equity offerings, bank loans, additional debt financing 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 September 30, 2014, we had $3,102 million of indebtedness outstanding in addition to $345 million of availability under the revolving portion of our Credit

Facility (as defined in Description of Certain Indebtedness), after taking into account the availability reduction of $60 million for letters of credit issued under the revolving portion. Of this indebtedness, none will be due on or before the end of 2015. See Description of Certain Indebtedness Senior Secured Credit Facilities for a description of the amendments to the Credit Facility after December 31, 2013. Our substantial level of indebtedness will increase 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 Credit Facility, the indentures governing the 2016 Notes and the 2019 Notes (each as defined in Description of Certain Indebtedness) 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 Credit Facility. See Description of Certain Indebtedness.

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. As of

December 31, 2014, we have entered into forward starting interest rate swaps with a 1% floor that effectively convert $750 million of floating interest rate senior secured debt into a fixed rate obligation for a three year period starting December 31, 2015. See Management s Discussion and Analysis of Financial Condition and Results of Operations Quantitative and Qualitative Disclosures about Market Risk Interest Rate Risk.

We are exposed to exchange rate fluctuations.

We conduct various operations outside the United States, primarily in Canada, South America, Europe, Australia and Asia. For the years ended December 31, 2013 and 2012, we incurred $682 million and $708 million in foreign currency operating expenses, representing approximately 25% and 23% of our total operating expenses, respectively. Our most significant foreign currency operating expenses are in the Euro, representing approximately 9% and 7% of our operating expenses for the years ended December 31, 2013 and December 31, 2012, 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 British Pound Sterling, the Polish Zloty and the Indian Rupee. In 2013, we hedged approximately 43% of our foreign currency exposure. The notional amounts of these forward contracts, totaling $151 million at September 30, 2014, represent obligations to purchase foreign currencies at a predetermined exchange rate to fund a portion of our expenses that are denominated in foreign currencies. Such derivative instruments are short-term in nature and not designed to hedge against currency fluctuation that could impact our foreign currency denominated revenue or cost of revenue. See Management s Discussion and Analysis of Financial Condition and Results of Operations Quantitative and Qualitative Disclosures about Market Risk Foreign Currency Risk and Note 12, Derivatives, to our unaudited consolidated financial statements included elsewhere in this prospectus. 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 Credit Facility 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 Credit Facility, the indentures governing the 2016 Notes and the 2019 Notes 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.

Risks Related to the Offering and our Common Stock

The market price and trading volume of our common stock may be volatile, which could result in rapid and substantial losses for our stockholders.

Since our initial public offering on April 17, 2014 through January 23, 2015, the price of our common stock has ranged from a low of $14.86 on October 14, 2014 to a high of $20.91 on June 19, 2014. In the future, the market price of our common stock may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. If the market price of our common stock declines significantly, you may be unable to resell your shares at or above the price at which you purchased them, if at all. The market price of our common stock may fluctuate or decline significantly in the future. Factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our common stock include, but are not limited to, those listed elsewhere in this Risk Factors section and the following, some of which are beyond our control regardless of our actual operating performance:

actual or anticipated quarterly variations in operational results and reactions to earning releases or other presentations by company executives;

failure to meet the expectations of securities analysts and investors;

rating agency credit rating actions;

the contents of published research reports about us or our industry or the failure of securities analysts to cover our common stock;

any increased indebtedness we may incur in the future;

actions by institutional stockholders;

speculation or reports by the press or the investment community with respect to us or our industry in general;

- increases in market interest rates that may lead purchasers of our shares to demand a higher yield;
- changes in our capital structure;
- announcements of dividends;
- additional future sales of our common stock by us, the Principal Stockholders or members of our management;
- announcements of technological innovations or new services by us or our competitors or new entrants into the industry;
- announcements by us, our competitors or vendors of significant contracts, acquisitions, joint marketing relationships, joint ventures or capital commitments;
- loss of a major travel supplier or global travel agency subscriber;
- changes in the status of intellectual property rights;
- third-party claims or proceedings against us or adverse developments in pending proceedings;
- additions or departures of key personnel;
- changes in applicable laws and regulations;
- negative publicity for us, our business or our industry;
- changes in expectations or estimates as to our future financial performance or market valuations of competitors, customers or travel suppliers;
- results of operations of our competitors; and
- general market, political and economic conditions, including any such conditions and local conditions in the markets in which our customers are located.

Volatility in our stock price could also make us less attractive to certain investors, and/or invite speculative trading in our common stock or debt instruments.

In addition, securities exchanges, and in particular the NASDAQ, have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were involved in securities litigation, we could incur substantial costs and our resources and the attention of management could be diverted from our business.

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 Securities Exchange Act of 1934 (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 rules. Following our initial public offering, 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 is a costly and time-consuming effort that needs to be re-evaluated frequently. We have documented our internal controls and are in the process of testing these controls in order to comply with the requirements of Section 404 of the Sarbanes-Oxley Act (Section 404). Section 404 will require that we evaluate our internal control over financial reporting to enable management to report on, and our independent auditors to audit as of the end of our fiscal year ended December 31, 2015, the effectiveness of those controls. Both we and our independent registered public accounting firm will be testing our internal controls in connection with the Section 404 requirements 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. Such 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 January 15, 2015, our Principal Stockholders own, in the aggregate, approximately 79.3% of our outstanding common stock and, upon completion of this offering, the Principal Stockholders will own, in the aggregate, approximately % of our outstanding stock, assuming no exercise of the underwriters option to purchase additional shares from the Principal Stockholders. Pursuant to the Stockholders Agreement the Silver Lake Funds and the TPG Funds 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 for nomination in the future, in connection with the expansion of our board of directors by one member, 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 Certain Relationships and Related Party Transactions Stockholders Agreement). As a result, the Principal Stockholders are and, following completion of this offering, will continue to be, 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 (each as defined in Description of Capital Stock). 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. For example, our Principal Stockholders could delay or prevent an acquisition or merger deemed beneficial to other stockholders, or seek to cause us to take courses of action that, in their judgment, could enhance their investment in us, but which might involve risks to our other stockholders or adversely affect us or our other stockholders, including investors in this offering. Our Principal Stockholders may be able to cause or prevent a change in control of us or a change in the composition of our board of directors and could preclude any unsolicited acquisition of us. This may have the effect of delaying, preventing or deterring a change in control. 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.

We are and, upon completion of this offering, will continue to be a controlled company within the meaning of the NASDAQ rules and, as a result, we qualify for exemptions from certain corporate governance requirements. You may not have the same protections afforded to stockholders of companies that are subject to such requirements.

Because the Principal Stockholders own a majority of our outstanding common stock, we are and, upon completion of this offering, will continue to be a controlled company as that term is set forth in the NASDAQ rules. Under these rules, a company of which more than 50% of the voting power is held by another person or group of persons acting together is a controlled company and may elect not to comply with certain NASDAQ rules regarding corporate governance, including:

- the requirement that a majority of our board of directors consist of independent directors;
- the requirement that our governance and nominating committee be composed entirely of independent directors; and
- the requirement that our compensation committee be composed entirely of independent directors with a written charter addressing the committee s purpose and responsibilities.

As a result, we may not have a majority of independent directors and our governance and nominating committee and compensation committee may not consist entirely of independent directors. See Management and Board of Directors Board Composition and Management and Board of Directors Committees of the Board of Directors for a description of the current composition of our board of directors and each of our committees. As a result, you may not have the same protections afforded to stockholders of companies that are subject to all of the NASDAQ rules regarding corporate governance. Our status as a controlled company could make our common stock less attractive to some investors or otherwise harm our stock price.

Future issuances of debt or equity securities by us may adversely affect the market price of our common stock.

As of January 15, 2015, we have an aggregate of 697,554,321 shares of common stock authorized but unissued and not reserved for issuance under our incentive plans. We may issue all of these shares of common stock without any action or approval by our stockholders, subject to certain exceptions.

In the future, we may attempt to obtain financing or to increase further our capital resources by issuing additional shares of our common stock or offering debt or other equity securities, including commercial paper, medium-term notes, senior or subordinated notes, debt securities convertible into equity or shares of preferred stock. Future acquisitions could require substantial additional capital in excess of cash from operations. We would expect to finance the capital required for acquisitions through a combination of additional issuances of equity, corporate indebtedness, asset-backed acquisition financing and/or cash from operations. In addition, we also expect to issue additional shares in connection with exercise of our stock options under our incentive plans.

Issuing additional shares of our common stock or other equity securities or securities convertible into equity for financing or in connection with our incentive plans, acquisitions or otherwise may dilute the economic and voting rights of our existing stockholders or reduce the market price of our common stock or both. Upon liquidation, holders of our debt securities and preferred shares, if issued, and lenders with respect to other borrowings would receive a distribution of our available assets prior to the holders of our common stock. Debt securities convertible into equity could be subject to adjustments in the conversion ratio pursuant to which certain events may increase the number of equity securities issuable upon conversion. Preferred shares, if issued, could have a preference with respect to liquidating distributions or a preference with respect to dividend payments that could limit our ability to pay dividends to the holders of our common stock. Our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, which may adversely affect the amount, timing or nature of our future offerings. Thus, holders of our common stock bear the risk that our future offerings may reduce the market price of our common stock and dilute their stockholdings in us. See Description of Capital Stock.

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 such sales may occur, could cause the market price of our common stock to decline. All of the shares of common stock sold by the Selling Stockholders in this offering will be freely tradable without restriction or further registration under the Securities Act. See Shares Eligible for Future Sale for a more detailed description of the restrictions on selling shares of our common stock after this offering.

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 shareholders. 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.

We, each of our executive officers, directors and the Selling Stockholders have agreed with the underwriters not to transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock, for a period of 90 days after the date of this prospectus, except for certain limited exceptions. See Underwriting. Approximately % of outstanding shares of our common stock or % of outstanding shares of our common stock if the underwriters option to purchase additional shares from the Principal Stockholders is fully exercised, are subject to these lock-up agreements.

After the expiration of the 90-day lock-up period under the lock-up agreement these shares may be sold in the public market, subject to prior registration or qualification for an exemption from registration, including, in the case of shares held by affiliates, compliance with the volume restrictions and other securities laws. See Shares Eligible for Future Sale for a more detailed description of the restrictions on selling shares of our common stock after this offering. To the extent that any of these stockholders sell, or indicate an intent to sell, substantial amounts of our common stock in the public market after the contractual lock-ups and other legal restrictions on resale discussed in this prospectus lapse, the trading price of our common stock could decline significantly.

Goldman, Sachs & Co., on behalf of the underwriters, may, in its sole discretion, release all or some portion of the shares subject to the 90-day lock-up agreements prior to expiration of such period. However, any such release by Goldman, Sachs & Co. would not impact the transfer restrictions in the Management Stockholders Agreement as described below, to the extent they have not been waived.

Pursuant to the Management Stockholders Agreement (as defined in Certain Relationships and Related Party Transactions Management Stockholders Agreement), certain stockholders, which group of stockholders

excludes our Principal Stockholders, have agreed not to transfer, sell, assign, pledge, hypothecate or encumber any of the shares of common stock then-currently owned by such stockholder (which can be waived by us at our option at any time), subject to certain limited exceptions, at any time prior to the termination of such Management Stockholders Agreement. The restrictions on transfer have been waived with effect from October 14, 2014 for certain of our former employees who are party to the Management Stockholders Agreement holding approximately 3 million shares of common stock and 2 million stock options and with effect from November 21, 2014 for certain of our current and former employees who are party to the Management Stockholders Agreement holding approximately 1.3 million shares of common stock and 4.2 million stock options. In addition, the Management Stockholders Agreement provides these stockholders with piggyback registration rights to participate on a pro rata basis in any registered offering in which the TPG Funds or the Silver Lake Funds are registering shares of common stock. Except with respect to the piggyback registration rights described immediately prior, the Management Stockholders Agreement terminates if our common stock is registered and if at least 20% of our total outstanding common stock trades regularly in, on or through the facilities of a securities exchange and/or inter-dealer quotation system or any designated offshore securities market, which conditions are expected to be met in connection with the completion of this offering, assuming the Selling Stockholders sell at least 5,415,142 shares. If the Management Stockholders Agreement does not terminate, the transfer restrictions contained therein would continue to be applicable except to the extent they are waived.

To the extent that any of these 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.

Certain provisions of our Stockholders Agreement, our Certificate of Incorporation, our Bylaws and Delaware law could hinder, delay or prevent a change in control of us that you might consider favorable, which could also adversely affect the price of our common stock.

Certain provisions under our Stockholders Agreement, our Certificate of Incorporation, our Bylaws and Delaware law could discourage, delay or prevent a transaction involving a change in control of our company, even if doing so would benefit our stockholders. These provisions include:

- a classified board of directors with three classes so that not all members of our board of directors are elected at one time;

- the sole ability of the then-current member of the board of directors to fill a vacancy created by the expansion of the board of directors;

- a provision permitting stockholders to act by written consent only until such time as the Principal Stockholders cease to beneficially own, collectively, more than 40% of our outstanding shares entitled to vote generally in the election of directors;

- a provision prohibiting stockholders from calling a special meeting, provided, however, at any time when the Principal Stockholders beneficially own, collectively, at least 40% of our outstanding shares entitled to vote generally in the election of directors, special meetings of our stockholders may be called by the board of directors or the chairman of the board of directors at the request of either the Silver Lake Funds or the TPG Funds;

a provision requiring approval of 75% of all outstanding shares entitled to vote generally in the election of directors in order to amend or repeal certain provisions in the Certificate of Incorporation and the Bylaws;

the requirement that our directors may be removed only for cause by the affirmative vote of at least 75% of our outstanding shares entitled to vote generally in the election of directors; provided, however, at any time when the Principal Stockholders beneficially own, collectively, at least 40% of our outstanding shares entitled to vote generally in the election of directors, directors may be removed with or without cause by a vote of a majority of all outstanding shares entitled to vote generally in the election of directors;

- advance notice requirements for nominations for elections to our board of directors or for proposing matters that can be acted upon by stockholders at our stockholder meetings;

- the ability of our board of directors to issue new series of, and designate the terms of, preferred stock, without stockholder approval, which could be used to, among other things, institute a rights plan that would have the effect of significantly diluting the stock ownership of a potential hostile acquirer, likely preventing acquisitions that have not been approved by our board of directors;

- our opting to have the provisions of Section 203 of the DGCL (as defined in Description of Capital Stock), which regulates business combinations with interested stockholders, apply to us after the first date on which each of the Principal Stockholders and their affiliates no longer meets the requirements to be an interested stockholder as defined by Section 203 of the DGCL, but excluding for purposes thereof, clause (ii) of such definition of interested stockholder ;

- certain rights of our Principal Stockholders with respect to the designation of directors for nomination and election to our board of directors, including the ability to appoint members to each board committee; and

- provisions prohibiting cumulative voting.

Anti-takeover provisions could substantially impede the ability of public stockholders to benefit from a change in control or change of our management and board of directors and, as a result, may adversely affect the market price of our common stock and your ability to realize any potential change of control premium. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire. Because our board of directors is responsible for appointing the members of our management team, these provisions could in turn affect any attempt to replace current members of our management team. As a result, efforts by stockholders to change the direction or management of the company may be unsuccessful. See Description of Capital Stock for additional information regarding the provisions included in our Certificate of Incorporation and our Bylaws.

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 Credit Facility and the 2019 Notes, 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.

Certain of our stockholders have the right to engage or invest in the same or similar businesses as us.

Our Principal Stockholders have other investments and business activities in addition to their ownership of us. Under our Certificate of Incorporation, the Principal Stockholders have the right, and have no duty to abstain from exercising such right, to engage or invest in the same or similar businesses as us or which we propose to engage, including those lines of business deemed to be competing with us, do business with any of our clients, customers or suppliers or employ or otherwise engage any of our officers, directors or employees. If the Principal Stockholders or any of their officers, directors or employees acquire knowledge of a potential transaction that could be a corporate opportunity, they have, to the fullest extent permitted by applicable law, no duty to offer or communicate such corporate opportunity to us, our stockholders or our affiliates even if it is a corporate opportunity that we might reasonably have pursued. This may cause the strategic interests of our Principal Stockholders to differ from, and conflict with, the interests of our company and of our other shareholders in material respects.

Conflicts of interest may exist with respect to certain underwriters of this offering.

Affiliates of Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, underwriters of this offering, are lenders under our $405 million Revolver and our $1,775 million Term Loan B (each as defined in Description of Certain Indebtedness). In addition, affiliates of Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, are lenders under our $425 million Term Loan C.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained in this prospectus 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 may, will, should, expects, plans, anticipates, believes, esti predicts, potential or the negative of these terms or other comparable terminology.

The forward-looking statements contained in this prospectus 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. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, results, actions, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements, including, but not limited to, those factors described in Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations. These factors include, without limitation, economic, business, competitive, market and regulatory conditions and the following:

factors affecting transaction volumes in the global travel industry, particularly air travel transaction volumes, including global and regional economic and political conditions, financial instability or fundamental corporate changes to travel suppliers, natural or man-made disasters, safety concerns or changes to regulations governing the travel industry;

our ability to renew existing contracts or to enter into new contracts with travel supplier and buyer customers, third-party distributor partners and joint ventures on economically favorable terms or at all;

our Travel Network business exposure to pricing pressures from travel suppliers and its dependence on relationships with several large travel buyers;

the fact that travel supplier customers may experience financial instability, consolidate with one another, pursue cost reductions, change their distribution model or experience other changes adverse to us;

travel suppliers use of alternative distribution models, such as direct distribution channels, technological incompatibilities between suppliers travel content and our GDS, and the diversion of consumer traffic to other channels;

our reliance on third-party distributors 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;

competition in the travel distribution market from other GDS providers, direct distribution by travel suppliers and new entrants or technologies that could challenge the existing GDS business model;

potential negative impact of competition from other third-party solutions providers and from new participants entering the solutions market on our ability to maintain and grow our Airline and Hospitality Solutions business;

systems and infrastructure failures or other unscheduled shutdowns or disruptions, including those due to natural disasters or cybersecurity attacks;

security breaches occurring at our facilities or with respect to our infrastructure, resulting from physical break-ins; computer viruses, attacks by hackers or similar distributive problems;

potential failure to successfully implement software solutions, which could result in damage to our reputation;

availability and performance of information technology services provided by third parties, such as HP, which manages a significant portion of our systems;

our ability to adapt to technological developments or the evolving competitive landscape by introducing relevant new technologies, products and services;

risks associated with our use of open source software, including the possible future need to acquire licenses from third parties or re-engineer our solutions;

the potential failure to recruit, train and retain key technical employees and senior management;

risks associated with operating as a global business in multiple countries and in multiple currencies;

our business being harmed by adverse global and regional economic and political conditions, particularly, given our geographic concentration, those that may adversely affect business and leisure travel originating in, or travel to, the United States and Europe;

risks associated with acquisitions, divestitures, investments and strategic alliances;

risks associated with the value of our brand, which may be damaged by a number of factors, some of which are out of our control;

adverse outcomes in our legal proceedings, including our litigation with US Airways or the antitrust investigation by the U.S. Department of Justice, whether in the form of money damages or injunctive relief that could force changes to the way we operate our GDS;

our ability to protect and maintain our information technology and intellectual property rights, as well as defend against potential infringement claims against us, and the associated costs;

the possibility that we may have insufficient insurance to cover our liability for pending litigation claims or future claims, which could expose us to significant liabilities;

defects in our products resulting in significant warranty liabilities or product liability claims, for which we may have insufficient product liability insurance to pay material uninsured claims;

our failure to comply with regulations that are applicable to us or any unfavorable changes in, or the enactment of, laws, rules or regulations applicable to us;

liabilities arising from our collection, processing, storage, use and transmission of personal data resulting from conflicting legal requirements, governmental regulation or security breaches, including compliance with payment card industry regulations;

the fact that we may have higher than anticipated tax liabilities, our use of federal net operating losses may be subject to limitations on their use in the future and payments under our tax receivable agreement;

the fact that our pension plan is currently underfunded and we may need to make significant cash contributions to our pension plan in the future, which could reduce the cash available for our business;

our significant amount of long-term indebtedness and the related restrictive covenants in the agreements governing our indebtedness;

risks associated with 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;

the fact that our Principal Stockholders have and, upon completion of this offering, will continue to have significant influence over us and key decisions about our business, which may prevent new investors from influencing significant corporate decisions and result in conflicts of interest;

- the fact that we qualify and, upon completion of this offering, will continue to qualify as a controlled company within the meaning of the NASDAQ rules and, therefore we also qualify and, upon completion of this offering, will continue to qualify to be exempt from certain corporate governance requirements; and

- other risks and uncertainties, including those listed in the Risk Factors section.

These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update them publicly in light of new information or future events.

You should carefully consider the risks specified in the Risk Factors section of this prospectus and subsequent public statements or reports filed with or furnished to the Securities and Exchange Commission (the SEC), before making any investment decision with respect to our common stock. If any of these trends, risks or uncertainties actually occurs or continues, our business, financial condition or results of operations could be materially adversely affected, the trading prices of our common stock could decline and you could lose all or part of your investment. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement.

METHOD OF CALCULATION

The GDS-processed air bookings share figures in this prospectus are calculated based on the total number of air bookings processed through the three GDSs, specifically Sabre, Amadeus, and Travelport (including the Worldspan, Galileo and Apollo systems). Measurements of such GDS-processed air bookings are based primarily on Marketing Information Data Tapes and are supplemented with other transaction data and estimates that we believe provide a more accurate measure of GDS-processed air bookings. Because GDSs generally process air bookings for their joint venture partners and/or share in the economics of their joint venture partners travel transactions, we include the GDS-processed air booking volumes of each GDS s joint venture partners in the GDS-processed air bookings share calculations. For example, GDS-processed air bookings from Abacus and INFINI Travel Information, Inc. (Infini) are included in our GDS-processed air bookings volume and our estimate of GDS-processed air bookings from Topas, Amadeus Korean joint venture partner, is included in the Amadeus GDS-processed air bookings volume.

Based on our internal estimates, we believe GDS-processed air bookings comprise approximately 75% of total air bookings processed through third-party distribution systems in 2013, with the remaining 25% comprised of air bookings processed through regional distribution systems that are not joint venture partners of one of the three GDSs. Due to the lack of available industry information on the number of air bookings processed by such regional distribution systems and through direct distribution channels we use the number of GDS-processed air bookings as a proxy for the number of overall industry air bookings. Similarly, we believe industry air bookings share is a good proxy for overall GDS share in our Travel Network business because air bookings comprise the vast majority of the total bookings of the three GDSs.

The GDS-processed air bookings used for GDS-processed air bookings share calculations do not necessarily correspond to the number of bookings billed by each GDS provider because not all processed bookings are billed due to the fact that each GDS provider has a different policy (often varying by region and supplier) as to which transactions processed through its GDS platform are billed.

The regional air bookings share figures in this prospectus are calculated based on the total number of GDS-processed air bookings in each of the following four regions, with key countries or sub-regions identified:

North America: United States and Canada;

Latin America: Mexico, South America, Central America and the Caribbean;

APAC: India, Australia, South Korea, Japan, Taiwan, Hong Kong, Singapore, Thailand, Malaysia, Pakistan, Philippines, and New Zealand; and

EMEA: Germany, United Kingdom, France, Italy, Spain, Saudi Arabia, Russian Federation, Sweden, Norway, United Arab Emirates, Netherlands, Greece, Switzerland, South Africa, Denmark, Israel, Finland, Ukraine, and Belgium (a subgroup of which is defined as MEA: Saudi Arabia, United Arab Emirates, South Africa and Israel).

The hospitality CRS hotel room share figures in this prospectus are calculated based on data for hotel rooms serviced by third-party CRS providers and processed through our GDS. We estimate that approximately a quarter of global hotel properties are available through our GDS and believe this data to be the best available representation of the hotel market due to the lack of comprehensive industry data. Using this data, we compute CRS hotel room share based on total hotel room capacity hosted by the various third-party hospitality CRS providers. We believe this to be the most reliable measure of market share available to us. However, this metric is one we have only recently begun to measure and represents a snapshot in time, which prevents it from being able to convey a trend in market share over time. Therefore, we also include information in this prospectus regarding third-party hospitality CRS bookings share of our GDS because that data is more consistently available for historical periods. Using our GDS data, we compute third-party hospitality CRS bookings share based on total bookings by the various third-party hospitality CRS providers over time. Though we believe third-party hospitality CRS room share to be a more accurate representation of market share, we believe third-party hospitality CRS bookings share is a reasonable proxy to convey changes in third-party hospitality CRS market share over time.

The Customer Retention rate figures in this prospectus are calculated as the aggregate of prior year revenue associated with customers that did not terminate their contract in the given year, as a percentage of the prior year revenue. Customer Retention for Travel Network is calculated based on travel agency contracts, and is measured based on revenue we earn from bookings made by those travel agencies. Customer Retention for Airline Solutions is calculated based on PBs fee-based revenue for our reservation contracts, our principal Airline Solutions offering. Customer Retention for Hospitality Solutions is based on CRS, digital marketing services and call center revenues, which represent over 90% of revenues of our Hospitality Solutions business in each period from 2011 through December 31, 2013. Customer Retention does not measure whether the revenue from any travel agency or reservations customer has increased in the given year compared to the prior year. For example, if ten travel agencies terminated their Travel Network contracts in 2013, and those travel agencies represented a combined 5% of Travel Network revenue in 2012, the Customer Retention for Travel Network in 2013 would be 95%.

The Recurring Revenue figures for our:

(i) Travel Network business is comprised of transaction, subscription and other revenue that is of a recurring nature from travel suppliers and travel buyers, and excludes revenue of a non-recurring nature, such as set-up fees and shortfall payments;

(ii) Airline Solutions business is comprised of volume-based and subscription fees and other revenue that is of a recurring nature associated with various solutions, and excludes revenue of a non-recurring nature, such as license fees and consulting fees; and

(iii) Hospitality Solutions business is comprised of volume-based and subscription fees and other revenue that is of a recurring nature associated with various solutions, and excludes revenue of a non-recurring nature, such as set-up fees and website development fees.

Revenues in each of (i), (ii) and (iii) are tied to a travel supplier s transaction volumes rather than to its unit pricing for an airplane ticket, hotel room or other travel product. However, this revenue is not generally contractually committed to recur annually under our agreements with our travel suppliers. As a result, our Recurring Revenue is highly dependent on the global travel industry and directly correlates with global travel, tourism and transportation transaction volumes. See Risk Factors Risks Related to Our Business and Industry Our revenue is highly dependent on transaction volumes in the global travel industry, particularly air travel transaction volumes.

TRADEMARKS AND TRADE NAMES

We own or have rights to various trademarks, service marks and trade names that we use in connection with the operation of our business. This prospectus may also contain trademarks, service marks and trade names of third parties, which are the property of their respective owners. Our use or display of third parties trademarks, service marks, trade names or products in this prospectus is not intended to, and does not, imply a relationship with, or endorsement or sponsorship by, us. Solely for convenience, the trademarks, service marks and trade names referred to in this prospectus may appear without the ®, ™ or ℠ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks, service marks and trade names.

ClientBase, GetThere, lastminute.com, Sabre, Sabre Holdings, the Sabre logo, Sabre AirCentre, Sabre Airline Solutions, Sabre AirVision, Sabre Hospitality Solutions, Sabre Red, Sabre Travel Network, SabreSonic, TripCase, TruTrip and our other registered or common law trademarks, service marks or trade names appearing in this prospectus are the property of Sabre.

NON-GAAP FINANCIAL MEASURES

We have included financial measures compiled in accordance with GAAP and certain non-GAAP financial measures in this registration statement, of which this prospectus forms a part, including Adjusted Revenue, Adjusted Gross Margin, Adjusted Net Income, Adjusted EBITDA, Adjusted Capital Expenditures, Free Cash Flow, Adjusted Free Cash Flow and ratios based on these financial measures.

We define Adjusted Revenue as revenue adjusted for the amortization of Expedia SMA incentive payments, which are recorded as a reduction to revenue and are being amortized over the non-cancellable term of the Expedia SMA contract (see Note 3, Restructuring Charges, to our unaudited consolidated financial statements included elsewhere in this prospectus).

We define Adjusted Gross Margin as operating income (loss) adjusted for selling, general and administrative expenses, impairments, depreciation and amortization, amortization of upfront incentive consideration, restructuring and other costs, litigation and taxes, including penalties, stock-based compensation and amortization of Expedia SMA incentive payments. The definition of Adjusted Gross Margin was revised in the first quarter of 2014 to adjust for restructuring and other costs, litigation and taxes, including penalties and stock-based compensation included in cost of revenue which differs from Adjusted Gross Margin presented in our prospectus filed with the SEC pursuant to Rule 424(b) under the Securities Act on April 17, 2014. Adjusted Gross Margin for the prior year periods has been recast to conform to our revised definition.

We define Adjusted Net Income as income (loss) from continuing operations adjusted for impairment, acquisition related amortization expense, loss (gain) on sale of business and assets, loss on extinguishment of debt, other expense (income), net, restructuring and other costs, litigation and taxes, including penalties, stock-based compensation, management fees, amortization of Expedia SMA incentive payments and tax impact of net income adjustments.

We define Adjusted EBITDA as Adjusted Net Income adjusted for depreciation and amortization of property and equipment, amortization of capitalized implementation costs, amortization of upfront incentive consideration, interest expense, net, and remaining (benefit) provision for income taxes. This Adjusted EBITDA metric differs from (i) the EBITDA metric referenced in the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations 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/EIP EBITDA and EBITDA metrics referenced in the section entitled Compensation Discussion and Analysis , which are calculated for the purposes of our annual incentive compensation program and performance-based awards, respectively.

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

We define Free Cash Flow as cash provided by operating activities less cash used in additions to property and equipment. We define Adjusted Free Cash Flow as Free Cash Flow plus the cash flow effect of restructuring and other costs, litigation settlement and tax payments for certain items, other litigation costs, management fees and the Travelocity working capital impact from the Expedia SMA and the sale of TPN (see Management s Discussion and Analysis of Financial Condition and Results of Operations Factors Affecting our Results and Comparability Travelocity).

These non-GAAP financial measures are key metrics used by management and our board of directors to monitor our ongoing core operations because historical results have been significantly impacted by events that are unrelated to our core operations as a result of changes to our business and the regulatory environment. We believe that these non-GAAP financial measures are used by investors, analysts and other interested parties as measures of financial performance and to evaluate our ability to service debt obligations, fund capital

expenditures and meet working capital requirements. Adjusted Capital Expenditures includes cash flows used in investing activities, for property and equipment, and cash flows used in operating activities, for capitalized implementation costs. Our management uses this combined metric in making product investment decisions and determining development resource requirements. We also believe that Adjusted Gross Margin, 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 Revenue, Adjusted Gross Margin, Adjusted Net Income, Adjusted EBITDA, Adjusted Capital Expenditures, Free Cash Flow, Adjusted Free Cash Flow and ratios based on these financial measures are not recognized terms under GAAP. Adjusted Revenue, Adjusted Gross Margin, Adjusted Net Income, Adjusted EBITDA, Adjusted Capital Expenditures, Free Cash Flow, Adjusted Free Cash Flow and ratios based on these financial measures 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. Adjusted Revenue, Adjusted Gross Margin, Adjusted Net Income, Adjusted EBITDA, Adjusted Capital Expenditures, Free Cash Flow, Adjusted Free Cash Flow and ratios based on these financial measures 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 Adjusted Revenue, Adjusted Gross Margin, Adjusted Net Income, Adjusted EBITDA, Adjusted Capital Expenditures, Free Cash Flow, Adjusted Free Cash Flow 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:

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

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

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

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

- Free Cash Flow and Adjusted Free Cash Flow do not reflect the cash requirements necessary to service the principal payments on our indebtedness;

- Free Cash Flow and Adjusted Free Cash Flow do not reflect payments related to restructuring, litigation, management fees and Travelocity working capital which reduced the cash available to us;

Free Cash Flow and Adjusted Free Cash Flow remove the impact of accrual-basis accounting on asset accounts and non-debt liability accounts; and

other companies, including companies in our industry, may calculate Adjusted Revenue, Adjusted Gross Margin, Adjusted Net Income, Adjusted EBITDA, Adjusted Capital Expenditures, Free Cash Flow or Adjusted Free Cash Flow differently, which reduces their usefulness as comparative measures.

See Summary Historical and Pro Forma Consolidated Financial and Other Data, Selected Historical Consolidated Financial Data and Management s Discussion and Analysis of Financial Condition and Results of Operations for definitions of non-GAAP financial measures used in this prospectus and reconciliations thereof to the most directly comparable GAAP measures.

MARKET AND INDUSTRY DATA AND FORECASTS

This prospectus includes industry data and forecasts that we obtained from industry publications and surveys, public filings and internal company sources. Statements as to our ranking, market position and market estimates are based on independent industry publications, government publications, third-party forecasts and management s estimates and assumptions about our markets and our internal research. We have included explanations of certain internal estimates and related methods provided in this prospectus along with these estimates. See Business and Management s Discussion and Analysis of Financial Condition and Results of Operations. While we are not aware of any misstatements regarding our market, industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those discussed in Cautionary Note Regarding Forward-Looking Statements and Risk Factors in this prospectus.

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USE OF PROCEEDS

The Selling Stockholders will receive all of the net proceeds from the sale of shares of our common stock offered by them pursuant to this prospectus. The aggregate proceeds to the Selling Stockholders from the sale of shares of common stock will be the purchase price of the shares of common stock less discounts and commissions, if any. We will not receive any proceeds from the sale of these shares of common stock, including from any exercise by the underwriters of their option to purchase additional shares. We will bear the costs, other than underwriting discounts and commissions and transfer taxes, associated with this offering in accordance with the Management Stockholders Agreement and the Registration Rights Agreement (as defined below), as applicable. See Principal and Selling Stockholders and Underwriting.

MARKET PRICE OF OUR COMMON STOCK

Our common stock has been listed on The NASDAQ Stock Market under the symbol SABR since it was listed on April 17, 2014 in connection with our initial public offering. Before then, there was no public market for our common stock. The following table sets forth, for the periods indicated, the high and low sales prices of our shares of common stock as reported by The NASDAQ Stock Market:

	High	Low
Quarter ended June 30, 2014(1)	$ 20.91	$ 15.00
Quarter ended September 30, 2014	$ 20.26	$ 17.65
Quarter ended December 31, 2014	$ 20.57	$ 14.86

(1) Represents the period from April 17, 2014, the date on which our common stock first began trading on The NASDAQ Stock Market after the pricing of our initial public offering, through June 30, 2014, the end of our second fiscal quarter.

On January 23, 2015, the last reported sale price on The NASDAQ Stock Market of our common stock was $20.71 per share. As of January 15, 2015, we had approximately 291 holders of record of our shares of common stock. A substantially greater number of shareholders are beneficial holders of our shares of common stock in street name through banks, brokers and other financial institutions that are record holders.

DIVIDEND POLICY

Our board of directors declared cash dividends of $0.09 per share of our common stock, which were paid on September 16, 2014 to shareholders of record as of September 1, 2014, and on December 30, 2014 to shareholders of record as of December 15, 2014. We expect to continue to pay quarterly cash dividends on our common stock, subject to the sole discretion of our board of directors and the considerations discussed below. We intend to fund any future dividends from distributions made by our operating subsidiaries from their available cash generated from 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 Risks Related to the Offering and our Common Stock 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.

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. Our subsidiaries are currently restricted from paying cash dividends on our common stock in certain circumstances by the covenants in our Credit Facility and in the indenture governing the 2019 Notes and may be further restricted by the terms of future debt or preferred securities.

Our dividend policy has certain risks and limitations, particularly with respect to liquidity. Although we expect to pay dividends according to our dividend policy, we may not pay dividends according to our policy, or at all, if, among other things, we do not have the cash necessary to pay our intended dividends. By paying cash dividends rather than saving or investing that cash, we risk, among other things, slowing the pace of our growth and having insufficient cash to fund our operations or unanticipated capital expenditures.

For a discussion of the application of withholding taxes on dividends, see Material U.S. Federal Income and Estate Tax Considerations to Non-U.S. Holders.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of September 30, 2014 on a historical basis.

You should read the following table in conjunction with the sections titled Summary Historical and Pro Forma Consolidated Financial and Other Data, Selected Historical Consolidated Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations, Description of Certain Indebtedness and our financial statements and related notes included elsewhere in this prospectus.

		As of September 30, 2014 (in thousands)
Cash and cash equivalents	$	157,747
Long-term debt, including current portion:		
2019 Notes	$	480,779
2016 Notes		392,767
Credit Facility[1]		2,131,681
Mortgage Facility		82,631
Total Long-term debt		3,087,858
Stockholders equity:		
Common Stock: $0.01 par value; 450,000,000 authorized shares; 265,224,958 and 178,633,409 shares issued, 264,787,572 outstanding		2,652
Additional paid in capital		1,911,172
Treasury Stock, at cost, 437,386 shares		(5,297)
Retained deficit		(1,797,944)
Accumulated other comprehensive loss		(41,592)
Non-controlling interest		57
Total stockholders equity[2]		69,048
Total capitalization	$	3,156,906

(1) As of September 30, 2014, we had approximately $1,744 million, $49 million and $347 million outstanding under the Term Loan B, Term Loan C and Incremental Term Loan Facility, respectively. As of September 30, 2014, we had no drawn amounts outstanding under the Revolver and $60 million outstanding under the letter of credit sub-facility, which reduces the amount available to be drawn under the Revolver.

(2) The outstanding share information set forth above assumes no issuance of shares of common stock reserved for issuance under our equity incentive plans. As of January 15, 2015, an aggregate of 11,847,105 shares of common stock were reserved for future issuance under the Sabre Corporation 2014 Omnibus Incentive Compensation Plan (the 2014 Omnibus Plan) which includes 2,844,254 shares of common stock that were available for future issuance under our prior equity plans. Additionally, the number of shares of common stock to be outstanding after this offering assumes:

no exercise of performance-based stock options outstanding under our Sovereign MEIP plan. As of January 15, 2015 there were 724,337 performance-based stock options outstanding under this plan with a weighted average exercise price of $5.00;

no exercise of time based stock options outstanding under our Sovereign MEIP plan. As of January 15, 2015 there were 11,995,012 time based stock options outstanding under this plan with a weighted average exercise price of $4.81;

no exercise of time based stock options outstanding under our Sovereign 2012 MEIP plan. As of January 15, 2015 there were 4,059,659 time based stock options outstanding under this plan with a weighted average exercise price of $11.34;

no exercise of time-based stock options outstanding under our 2014 Omnibus plan. As of January 15, 2015 there were 2,089,949 time-based stock options outstanding under this plan with a weighted average exercise price of $16.86;

no vesting and settlement of the 923,900 performance-based restricted stock units unvested and outstanding as of January 15, 2015 under our Sovereign 2012 MEIP plan;

no vesting and settlement of the 110,000 restricted stock unit award, unvested and outstanding as of January 15, 2015 under our Sovereign 2012 MEIP plan;

no vesting and settlement of the 770,569 performance-based restricted stock units unvested and outstanding as of January 15, 2015 under our 2014 Omnibus plan; and

no vesting and settlement of the 1,622,226 restricted stock unit awards, unvested and outstanding as of January 15, 2015 under our 2014 Omnibus plan.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

In the fourth quarter of 2014, we committed to a plan to divest of our Travelocity business. On January 23, 2015, we completed the sale of our Travelocity business in the United States and Canada. In addition, on December 16, 2014, we announced that we received a binding offer to acquire lastminute.com, the European portion of our Travelocity business, which is expected to be completed in the first quarter of 2015. Our Travelocity segment will have no remaining operations once the lastminute.com transaction is completed.

The following unaudited pro forma financial information is based on our historical consolidated financial statements after giving effect to the divestiture of our Travelocity business.

The unaudited pro forma consolidated balance sheet as of September 30, 2014, has been prepared to give effect to the divestiture of the assets of the Travelocity business as if it occurred on September 30, 2014. The unaudited pro forma consolidated statement of operations for the nine months ended September 30, 2014 and the years ended December 31, 2013, 2012 and 2011 have been prepared to give effect to the divestiture of the Travelocity business as if it occurred on January 1, 2011.

The unaudited pro forma financial information was prepared utilizing our historical financial data derived from our unaudited consolidated financial statements and the notes thereto and from the audited consolidated financial statements and the notes thereto included elsewhere in this prospectus. The pro forma adjustments are described in the notes to the unaudited pro forma information and are based upon available information and assumptions that we believe are reasonable.

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

SABRE CORPORATION

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

AS OF SEPTEMBER 30, 2014

(in thousands, except share amounts)

	As Reported	(a) Divestiture in Travelocity Business	Pro Forma
Assets			
Current assets			
Cash and cash equivalents	$ 157,747	$ 280,000	$ 437,747
Restricted cash	755		755
Accounts receivable, net	466,753	(45,784)	420,969
Prepaid expenses and other current assets	56,315	(17,966)	38,349
Current deferred income taxes	39,184		39,184
Other receivables, net	28,902		28,902
Assets of discontinued operations	9,364		9,364
Total current assets	759,020	216,250	975,270
Property and equipment, net	526,722	(8,226)	518,496
Investments in joint ventures	142,639		142,639
Goodwill	2,152,590		2,152,590
Trademarks and brandnames, net	307,445	(66,200)	241,245
Other intangible assets, net	261,581		261,581
Other assets, net	522,397	(35,822)	486,575
Total assets	$ 4,672,394	$ 106,002	$ 4,778,396
Liabilities and stockholders equity			
Current liabilities			
Accounts payable	$ 129,555	$ (1,939)	$ 127,616
Travel supplier liabilities and related deferred revenue	107,409	(82,833)	24,576
Accrued compensation and related benefits	91,700	(4,862)	86,838
Accrued subscriber incentives	168,019		168,019
Deferred revenues	176,990	(2,357)	174,633
Litigation settlement liability and related deferred revenue	75,409		75,409
Other accrued liabilities	210,196	(37,568)	172,628
Current portion of debt	22,418		22,418
Liabilities of discontinued operations	23,881		23,881
Total current liabilities	1,005,577	(129,559)	876,018
Deferred income taxes	8,601	63,298	71,899
Other noncurrent liabilities	523,728	(712)	523,016
Long-term debt	3,065,440		3,065,440

Stockholders equity			
Common Stock: $0.01 par value; 450,000,000 authorized shares; 265,224,958 shares issued and 264,787,572 outstanding	2,652		2,652
Additional paid-in capital	1,911,172		1,911,172
Treasury Stock, at cost, 437,386 shares	(5,297)		(5,297)
Retained deficit	(1,797,944)	172,975	(1,624,969)
Accumulated other comprehensive loss	(41,592)		(41,592)
Noncontrolling interest	57		57
Total stockholders equity	69,048	172,975	242,023
Total liabilities and stockholders equity	$ 4,672,394	$ 106,002	$ 4,778,396

SABRE CORPORATION

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014

(in thousands, except per share amounts)

	Nine Months Ended September 30, 2014		
	As Reported	(b) Divestiture in Travelocity Business	Pro Forma
Revenue	$ 2,229,286	$ (244,011)	$ 1,985,275
Cost of revenue	1,399,919	(84,250)	1,315,669
Selling, general and administrative	575,413	(222,839)	352,574
Restructuring charges (adjustments)	2,325	(2,929)	(604)
Operating income	251,629	66,007	317,636
Other income (expense):			
Interest expense, net	(167,332)		(167,332)
Loss on extinguishment of debt	(33,538)		(33,538)
Joint venture equity income	9,367		9,367
Other, net	760	(1,599)	(839)
Total other expense, net	(190,743)	(1,599)	(192,342)
Income from continuing operations before income taxes	60,886	64,408	125,294
Provision for income taxes	27,878	27,773	55,651
Income from continuing operations	33,008	36,635	69,643
Net income attributable to noncontrolling interests	2,168		2,168
Preferred stock dividends	11,381		11,381
Net income from continuing operations available to common shareholders	$ 19,459	$ 36,635	$ 56,094
Net income from continuing operations per share available to common shareholders:			
Basic	$ 0.08	$ 0.16	$ 0.24
Diluted	$ 0.08	$ 0.15	$ 0.24
Weighted-average common shares outstanding:			
Basic	229,405		229,405
Diluted	237,994		237,994

SABRE CORPORATION

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2013

(in thousands, except per share amounts)

	Year Ended December 31, 2013		
	As Reported	(b) Divestiture in Travelocity Business	Pro Forma
Revenue	$ 3,049,525	$ (525,979)	$ 2,523,546
Cost of revenue	1,904,850	(199,687)	1,705,163
Selling, general and administrative	792,929	(363,639)	429,290
Impairment	138,435	(138,435)	
Restructuring charges	36,551	(28,388)	8,163
Operating income	176,760	204,170	380,930
Other income (expense):			
Interest expense, net	(274,689)		(274,689)
Loss on extinguishment of debt	(12,181)		(12,181)
Joint venture equity income	12,350		12,350
Other, net	(6,724)	6,419	(305)
Total other expense, net	(281,244)	6,419	(274,825)
(Loss) income from continuing operations before income taxes	(104,484)	210,589	106,105
(Benefit) provision for income taxes	(14,029)	68,068	54,039
(Loss) income from continuing operations	(90,455)	142,521	52,066
Net income attributable to noncontrolling interests	2,863		2,863
Preferred stock dividends	36,704		36,704
Net (loss) income from continuing operations available to common shareholders	$ (130,022)	$ 142,521	$ 12,499
Net (loss) income from continuing operations per share available to common shareholders:			
Basic	$ (0.73)	$ 0.80	$ 0.07
Diluted	$ (0.73)	$ 0.80	$ 0.07
Weighted-average common shares outstanding:			
Basic	178,125		178,125
Diluted	178,125		184,978

SABRE CORPORATION

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2012

(in thousands, except per share amounts)

	Year Ended December 31, 2012		
	As Reported	(b) Divestiture in Travelocity Business	Pro Forma
Revenue	$ 2,974,364	$ (592,216)	$ 2,382,148
Cost of revenue	1,819,235	(244,049)	1,575,186
Selling, general and administrative	1,188,248	(394,954)	793,294
Impairment	573,180	(552,926)	20,254
Operating loss	(606,299)	599,713	(6,586)
Other income (expense):			
Interest expense, net	(232,450)		(232,450)
Gain on sale of business	25,850		25,850
Joint venture equity income	(2,513)		(2,513)
Other, net	(1,385)	(5,250)	(6,635)
Total other expense, net	(210,498)	(5,250)	(215,748)
Loss from continuing operations before income taxes	(816,797)	594,463	(222,334)
Benefit for income taxes	(195,071)	188,164	(6,907)
Loss from continuing operations	(621,726)	406,299	(215,427)
Net (loss) income attributable to noncontrolling interests	(59,317)	60,836	1,519
Preferred stock dividends	34,583		34,583
Net loss from continuing operations available to common shareholders	$ (596,992)	$ 345,463	$ (251,529)
Net loss from continuing operations per share available to common shareholders:			
Basic	$ (3.37)	$ 1.95	$ (1.42)
Diluted	$ (3.37)	$ 1.95	$ (1.42)
Weighted-average common shares outstanding:			
Basic	177,206		177,206
Diluted	177,206		177,206

SABRE CORPORATION

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2011

(in thousands, except per share amounts)

	Year Ended December 31, 2011		
	As Reported	(b) Divestiture in Travelocity Business	Pro Forma
Revenue	$ 2,855,961	$ (603,515)	$ 2,252,446
Cost of revenue	1,736,041	(207,015)	1,529,026
Selling, general and administrative	806,435	(414,127)	392,308
Impairment	185,240	(185,240)	
Operating income	128,245	202,867	331,112
Other income (expense):			
Interest expense, net	(174,390)		(174,390)
Joint venture equity income	23,501		23,501
Other, net	1,156	(1,091)	65
Total other expense, net	(149,733)	(1,091)	(150,824)
(Loss) income from continuing operations before income taxes	(21,488)	201,776	180,288
Provision for income taxes	57,806	9,004	66,810
(Loss) income from continuing operations	(79,294)	192,772	113,478
Net loss attributable to noncontrolling interests	(36,681)	22,359	(14,322)
Preferred stock dividends	32,579		32,579
Net (loss) income from continuing operations available to common shareholders	$ (75,192)	$ 170,413	$ 95,221
Net (loss) income from continuing operations per share available to common shareholders:			
Basic	$ (0.43)	$ 0.96	$ 0.54
Diluted	$ (0.43)	$ 0.95	$ 0.52
Weighted-average common shares outstanding:			
Basic	176,703		176,703
Diluted	176,703		181,889

SABRE CORPORATION

NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION

Sale of Travelocity.com

On January 23, 2015, we announced the sale of our global online travel business operated under the Travelocity brand (Travelocity.com) to Expedia, Inc., pursuant to the terms of an asset purchase agreement (the Purchase Agreement), dated January 23, 2015, by and among Sabre GLBL Inc. and Travelocity.com LP, and Expedia. The signing and closing of the Purchase Agreement occurred contemporaneously. Expedia purchased Travelocity.com pursuant to the Purchase Agreement for cash consideration of $280 million. The Purchase Agreement contains customary representations and warranties, covenants and indemnities for a transaction of this nature. We expect to utilize the cash proceeds for general corporate purposes.

As a result of the sale of Travelocity.com pursuant to the Purchase Agreement, the previously disclosed strategic marketing agreement, pursuant to which Expedia powered the technology platforms of Travelocity s existing U.S. and Canadian websites, and the related put/call arrangement, pursuant to which Expedia could have acquired, or we could have sold to Expedia, assets relating to Travelocity.com, have been terminated.

Binding offer for lastminute.com

On December 16, 2014, we announced that we had received a binding offer from Bravofly Rumbo Group to acquire lastminute.com, the European portion of our Travelocity business. The transaction will be completed through the transfer of net liabilities and is expected to close during first quarter of 2015. We will not receive any cash proceeds or any other significant consideration in the transaction. We cannot provide any assurance that this transaction will occur on the terms described herein or at all.

Continuing Cash Flows

Our Travel Network business earns revenue from airlines for bookings transacted through our GDS. Historically, Travel Network recognized intersegment incentive consideration expense for bookings generated by our Travelocity business. Such costs are representative of costs incurred on a consolidated basis relating to Travel Network s revenue from airlines for bookings transacted through our GDS. The acquirer of Travelocity.com has signed, and the acquirer of lastminute.com has committed to sign as part of its binding offer, a long term agreement with our Travel Network business to continue to utilize our GDS for bookings which will generate incentive consideration to be paid by us to the acquirers.

Pro Forma Adjustments

(a) Represents adjustments to reflect the disposition of the assets and liabilities of the Travelocity segment associated with the transactions described above for $280 million in cash. We expect to use the cash proceeds for general corporate purposes. The net assets of Travelocity.com expected to be disposed of primarily include a tradename asset with a book value of $57 million. The net liabilities of lastminute.com expected to be disposed of primarily consist of negative working capital. The net decrease to retained deficit of $173 million represents the estimated after-tax gains of $143 million and $30 million, respectively, on the disposition of Travelocity.com and lastminute.com as if they occurred on September 30, 2014.

(b) Represents adjustments to eliminate the direct operating results of the Travelocity segment as if the dispositions occurred on January 1, 2011. Selling, general and administrative expense adjustments include amounts historically reported in corporate costs that are directly related to the Travelocity segment and that will be eliminated post-closing of the transactions. Cost of revenue and selling, general and administrative adjustments exclude overhead costs that were previously allocated to the Travelocity segment but that will not be eliminated upon sale of the Travelocity segment. See also above Continuing Cash Flows.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following tables present selected historical consolidated financial data for our business. You should read these tables along with Risk Factors, Use of Proceeds, Capitalization, Management s Discussion and Analysis of Financia Condition and Results of Operations, Business and our consolidated financial statements and the notes thereto included elsewhere in this prospectus.

The consolidated statements of operations data, consolidated statements of cash flows data and consolidated balance sheet data as of and for the nine months ended September 30, 2014 and 2013 are derived from our unaudited consolidated financial statements and the notes thereto included elsewhere in this prospectus. The unaudited consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and, in the opinion of our management, reflect all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of this data. The consolidated statements of operations data and consolidated statements of cash flows data for the years ended December 31, 2013, 2012 and 2011 and the consolidated balance sheet data as of December 31, 2013 and 2012 are derived from our audited consolidated financial statements and the notes thereto included elsewhere in this prospectus. The consolidated statements of operations data and consolidated statements of cash flows data for the years ended December 31, 2010 and 2009 and the consolidated balance sheet data as of December 31, 2011, 2010 and 2009 are derived from our unaudited consolidated financial statements and the notes thereto not included in this prospectus. The historical financial data include the results of our Travelocity business, which, as of September 30, 2014, was included in continuing operations.

The historical consolidated results presented below are not necessarily indicative of the results to be expected for any future period, and results for any interim period presented below are not necessarily indicative of the results to be expected for the full year.

	Nine Months Ended September 30,		Year Ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
	(Amounts in thousands)						
Consolidated Statements of Operations Data[1]:							
Revenue	$ 2,229,286	$ 2,303,399	$ 3,049,525	$ 2,974,364	$ 2,855,961	$ 2,758,847	$ 2,577,391
Cost of revenue	1,399,919	1,423,242	1,904,850	1,819,235	1,736,041	1,636,132	1,503,323
Selling, general and administrative	575,413	620,226	792,929	1,188,248	806,435	789,177	805,961
Impairment		138,435	138,435	573,180	185,240	401,400	211,612
Restructuring charges	2,325	15,889	36,551				
Operating income (loss)	251,629	105,607	176,760	(606,299)	128,245	(67,862)	56,495
Net income (loss) attributable to Sabre Corporation	22,823	(127,254)	(100,494)	(611,356)	(66,074)	(268,852)	(158,734)
Net income (loss) attributable to common	11,442	(154,473)	(137,198)	(645,939)	(98,653)	(299,649)	(102,441)

shareholders							
Basic and diluted income (loss) per share attributable to common shareholders	$ 0.05	$ (0.87)	$ (0.77)	$ (3.65)	$ (0.56)	$ (1.71)	$ (0.59)
Basic weighted average common shares outstanding	229,405	178,051	178,125	177,206	176,703	175,655	174,535
Diluted weighted average common shares outstanding	237,994	178,051	178,125	177,206	176,703	175,655	174,535
Consolidated Statements of Cash Flows Data:							
Cash provided by operating activities	$ 121,679	$ 252,062	$ 157,188	$ 312,336	$ 356,444	$ 380,928	$ 284,159
Cash used in investing activities	(191,949)	(189,220)	(246,502)	(236,034)	(176,260)	(184,787)	(108,053)
Cash (used in) provided by financing activities	(59,289)	274,717	262,172	(25,120)	(271,540)	(48,500)	(335,702)
Additions to property and equipment	(160,385)	(168,744)	(226,026)	(193,262)	(164,638)	(130,028)	(106,554)
Cash payments for interest	(157,412)	(181,970)	(255,620)	(264,990)	(184,449)	(195,550)	(251,812)
Other Financial Data:							
Adjusted Gross Margin	$ 1,044,076	$ 1,084,535	$ 1,419,047	$ 1,418,289	$ 1,333,754	$ 1,310,280	$ 1,243,403
Adjusted Net Income from continuing operations	158,829	147,697	217,151	150,886	236,166	205,955	195,320
Adjusted EBITDA	617,350	583,963	791,323	786,629	720,163	691,016	627,179
Adjusted Capital Expenditures	187,987	217,430	284,840	271,805	223,747	163,694	126,955
Adjusted Free Cash Flow	204,101	160,487	160,923	285,221	233,586	276,512	208,657

	As of September 30, 2014	As of December 31, 2013	2012	2011	2010	2009
	(Amounts in thousands)					
Consolidated Balance Sheet Data:						
Cash and cash equivalents	$ 157,747	$ 308,236	$ 126,695	$ 58,350	$ 176,521	$ 61,206
Total assets	4,672,394	4,755,708	4,711,245	5,252,780	5,524,279	5,878,388
Long-term debt	3,065,440	3,643,548	3,420,927	3,307,905	3,350,860	3,696,378
Working capital deficit	(246,557)	(273,591)	(428,569)	(411,482)	(491,864)	(331,197)
Redeemable preferred stock		634,843	598,139	563,557	530,975	500,178
Noncontrolling interest	57	508	88	(18,693)	19,831	88,429
Total stockholders equity (deficit)	69,048	(952,536)	(876,875)	(196,919)	(34,738)	298,251

	Nine Months Ended September 30, 2014	2013	Year Ended December 31, 2013	2012	2011	2010	2009
	(Amounts in thousands)						
Key Metrics:							
Travel Network							
Direct Billable Bookings Air	251,145	244,267	314,275	326,175	328,200	325,370	301,686
Direct Billable Bookings Non-Air	41,274	40,734	53,503	53,669	53,683	49,229	43,084
Total Direct Billable Bookings	292,419	285,001	367,778	379,844	381,883	374,599	344,770
Airline Solutions Passengers Boarded	385,611	358,428	478,088	405,420	364,420	313,959	287,591

(1) Certain amounts previously reported in our December 31, 2012, 2011, 2010 and 2009 financial statements have been reclassified to conform to the December 31, 2013 presentation of Holiday Autos as a discontinued operations. See Note 2, Summary of Significant Accounting Policies Reclassifications, to our audited consolidated financial statements included elsewhere in this prospectus. In June 2013, we sold certain assets of our Holiday Autos operations to a third party and in November 2013, we completed the closing of the remainder of the Holiday Autos operations such that it represented a discontinued operation. See Note 4, Discontinued Operations and Dispositions, to our audited consolidated financial statements included elsewhere in this prospectus. The impact on our revenue was a reduction of $65 million, $76 million, $74 million and $78 million for the years ended December 31, 2012, 2011, 2010 and 2009, respectively. The impact on our operating income was an increase of $12 million for the year ended December 31, 2012, a reduction of less than $1 million and $5 million for the years ended December 31, 2011 and 2010, respectively, and an increase of $44 million for the year ended December 31, 2009.

Non-GAAP Measures

The following table sets forth the reconciliation of net income (loss) attributable to Sabre Corporation, the most directly comparable GAAP measure, to Adjusted Net Income and Adjusted EBITDA:

	Nine Months Ended September 30,		Year Ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
	(Amounts in thousands)						
Reconciliation of net income (loss) to Adjusted Net Income and to Adjusted EBITDA:							
Net income (loss) attributable to Sabre Corporation	$ 22,823	$ (127,254)	$ (100,494)	$ (611,356)	$ (66,074)	$ (268,851)	$ (158,734)
Loss from discontinued operations, net of tax	8,017	20,895	7,176	48,947	23,461	16,949	56,021
Net income (loss) attributable to noncontrolling interests(1)	2,168	2,135	2,863	(59,317)	(36,681)	(64,382)	(7,476)
Income (loss) from continuing operations	33,008	(104,224)	(90,455)	(621,726)	(79,294)	(316,284)	(110,189)
Adjustments:							
Impairment(2)		138,435	138,435	596,980	185,240	401,400	211,612
Acquisition related amortization expense(3a)	83,344	107,955	143,765	162,517	162,312	163,213	183,850
Gain on sale of business and assets				(25,850)			
Loss (gain) on extinguishment of debt	33,538	12,181	12,181				(31,565)
Other (income) expense, net(5)	(760)	1,099	6,724	1,385	(1,156)	(5,871)	(18,070)
Restructuring and other costs(6)	24,056	26,296	59,052	6,776	12,986	17,282	22,387
Litigation and taxes, including penalties(7)	12,497	31,543	39,431	418,622	21,601	1,600	1,405
Stock based compensation	22,434	5,446	9,086	9,834	7,334	5,300	4,108
Management fees(8)	23,701	7,347	8,761	7,769	7,191	6,730	7,260
Amortization of Expedia SMA incentive payments	7,625						
Tax impact of net income adjustments	(80,614)	(78,381)	(109,829)	(405,421)	(80,048)	(67,415)	(75,478)

Adjusted Net Income from continuing operations	158,829	147,697	217,151	150,886	236,166	205,955	195,320
Adjustments:							
Depreciation and amortization of property and equipment(3b)	122,409	97,687	131,483	135,561	122,640	110,748	99,326
Amortization of capitalized implementation costs(3c)	27,111	27,038	35,551	20,855	11,365	8,162	3,035
Amortization of upfront incentive consideration(4)	33,177	28,736	36,649	36,527	37,748	26,572	29,554
Interest expense, net	167,332	209,653	274,689	232,450	174,390	200,945	234,758
Remaining provision for income taxes	108,492	73,152	95,800	210,350	137,854	138,634	65,186
Adjusted EBITDA	$ 617,350	$ 583,963	$ 791,323	$ 786,629	$ 720,163	$ 691,016	$ 627,179

The following tables set forth the reconciliation of operating income (loss), the most directly comparable GAAP measure, to Adjusted Gross Margin and Adjusted EBITDA by business segment:

	Nine Months Ended September 30, 2014					
	Travel Network	Airline and Hospitality Solutions	Travelocity	Eliminations	Corporate	Total
	(Amounts in thousands)					
Operating income (loss)	$ 515,093	$ 117,957	$ (29,326)	$	$ (352,095)	$ 251,629
Add back:						
Selling, general and administrative	76,810	38,555	202,240	(7,498)	265,306	575,413
Restructuring charges					2,325	2,325
Cost of revenue adjustments:						
Depreciation and amortization(3)	44,943	79,034	3,585		29,584	157,146
Amortization of upfront incentive consideration(4)	33,177					33,177
Restructuring and other costs(6)					10,016	10,016
Litigation and taxes, including penalties(7)					1,127	1,127
Stock-based compensation					5,618	5,618
Amortization of Expedia SMA incentive payments			7,625			7,625
Adjusted Gross Margin	670,023	235,546	184,124	(7,498)	(38,119)	1,044,076
Selling, general and administrative	(76,810)	(38,555)	(202,240)	7,498	(265,306)	(575,413)
Joint venture equity income	9,367					9,367
Joint venture intangible amortization(3a)	2,403					2,403
Selling, general and administrative adjustments:						
Depreciation and amortization(3)	1,654	695			70,966	73,315
Restructuring and other costs(6)					11,715	11,715
Litigation and taxes, including penalties(7)					11,370	11,370
Stock-based compensation					16,816	16,816
Management fees(8)					23,701	23,701
Adjusted EBITDA	$ 606,637	$ 197,686	$ (18,116)	$	$ (168,857)	$ 617,350

	Nine Months Ended September 30, 2013					
	Travel Network	Airline and Hospitality	Travelocity	Eliminations	Corporate	Total

		Solutions				
			(Amounts in thousands)			
Operating income (loss)	$ 505,446	$ 88,260	$ (1,298)	$	$ (486,801)	$ 105,607
Add back:						
Selling, general and administrative	82,204	39,784	271,839	(514)	226,913	620,226
Impairment					138,435	138,435
Restructuring charges					15,889	15,889
Cost of revenue adjustments:						
Depreciation and amortization(2)	36,182	55,193	7,354		51,712	150,441
Amortization of upfront incentive consideration(3)	28,736					28,736
Restructuring and other costs (5)					4,521	4,521
Litigation and taxes, including penalties(6)					19,864	19,864
Stock-based compensation					816	816
Adjusted Gross Margin	652,568	183,237	277,895	(514)	(28,651)	1,084,535
Selling, general and administrative	(82,204)	(39,784)	(271,839)	514	(226,913)	(620,226)
Joint venture equity income	7,873					7,873
Joint venture intangible amortization(2a)	2,403					2,403
Selling, general and administrative adjustments:						
Depreciation and amortization(2)	1,628	2,032	1,472		74,704	79,836
Restructuring and other costs (5)					5,886	5,886
Litigation and taxes, including penalties(6)					11,679	11,679
Stock-based compensation					4,630	4,630
Management fees(7)					7,347	7,347
Adjusted EBITDA	$ 582,268	$ 145,485	$ 7,528	$	$ (151,318)	$ 583,963

	Fiscal Year Ended December 31, 2013					
	Travel Network	Airline and Hospitality Solutions	Travelocity	Eliminations	Corporate	Total
	(Amounts in thousands)					
Operating income (loss)	$ 667,498	$ 135,755	$ 14,140	$	$ (640,633)	$ 176,760
Add back:						
Selling, general and administrative	106,392	51,538	331,334	(717)	304,382	792,929
Impairment(2)					138,435	138,435
Restructuring charges(6)					36,551	36,551
Cost of revenue adjustments:						
Depreciation and amortization(3)	50,254	75,093	8,015		69,123	202,485
Amortization of upfront incentive consideration(4)	36,649					36,649
Restructuring and other costs(6)					12,615	12,615
Litigation and taxes, including penalties(7)					20,921	20,921
Stock-based compensation					1,702	1,702
Adjusted Gross Margin	860,793	262,386	353,489	(717)	(56,904)	1,419,047
Selling, general and administrative	(106,392)	(51,538)	(331,334)	717	(304,382)	(792,929)
Joint venture equity income	12,350					12,350
Joint venture intangible amortization(3a)	3,204					3,204
Selling, general and administrative adjustments:						
Depreciation and amortization(3)	2,253	2,227	697		99,933	105,110
Restructuring and other costs(6)					9,886	9,886
Litigation and taxes, including penalties(7)					18,510	18,510
Stock-based compensation					7,384	7,384
Management fees(8)					8,761	8,761
Adjusted EBITDA	$ 772,208	$ 213,075	$ 22,852	$	$ (216,812)	$ 791,323

	Fiscal Year Ended December 31, 2012					
	Travel Network	Airline and Hospitality Solutions	Travelocity	Eliminations	Corporate	Total
	(Amounts in thousands)					
Operating income (loss)	$ 670,778	$ 114,272	$ 21,227	$	$ (1,412,576)	$ (606,299)
Add back:						

Selling, general and administrative	101,934	52,754	355,875	(1,010)	678,695	1,188,248
Impairment(2)					573,180	573,180
Cost of revenue adjustments:						
Depreciation and amortization(3)	34,624	51,395	36,700		75,487	198,206
Amortization of upfront incentive consideration(4)	36,527					36,527
Restructuring and other costs(6)					4,525	4,525
Litigation and taxes, including penalties(7)					22,187	22,187
Stock-based compensation					1,715	1,715
Adjusted Gross Margin	843,863	218,421	413,802	(1,010)	(56,787)	1,418,289
Selling, general and administrative	(101,934)	(52,754)	(355,875)	1,010	(678,695)	(1,188,248)
Joint venture equity income	21,287					21,287
Joint venture intangible amortization(3a)	3,200					3,200
Selling, general and administrative adjustments:						
Depreciation and amortization(3)	2,036	615	3,192		111,684	117,527
Restructuring and other costs(6)					2,251	2,251
Litigation and taxes, including penalties(7)					396,435	396,435
Stock-based compensation					8,119	8,119
Management fees(8)					7,769	7,769
Adjusted EBITDA	$ 768,452	$ 166,282	$ 61,119	$	$ (209,224)	$ 786,629

	Fiscal Year Ended December 31, 2011					
	Travel Network	Airline and Hospitality Solutions	Travelocity	Eliminations	Corporate	Total
	(Amounts in thousands)					
Operating income (loss)	$ 594,418	$ 103,254	$ 32,971	$	$ (602,398)	$ 128,245
Add back:						
Selling, general and administrative	111,003	50,306	374,801	(1,083)	271,408	806,435
Impairment(2)					185,240	185,240
Cost of revenue adjustments:						
Depreciation and amortization(3)	29,584	31,587	40,018		71,657	172,846
Amortization of upfront incentive consideration(4)	37,748					37,748
Restructuring and other costs(6)					1,786	1,786
Litigation and taxes, including penalties(7)						
Stock-based compensation					1,454	1,454
Adjusted Gross Margin	772,753	185,147	447,790	(1,083)	(70,853)	1,333,754
Selling, general and administrative	(111,003)	(50,306)	(374,801)	1,083	(271,408)	(806,435)
Joint venture equity income	23,501					23,501
Joint venture intangible amortization(3a)	3,200					3,200
Selling, general and administrative adjustments:						
Depreciation and amortization(3)	4,120	343	3,480		112,328	120,271
Restructuring and other costs(6)					11,201	11,201
Litigation and taxes, including penalties(7)					21,600	21,600
Stock-based compensation					5,880	5,880
Management fees(8)					7,191	7,191
Adjusted EBITDA	$ 692,571	$ 135,184	$ 76,469	$	$ (184,061)	$ 720,163

	Fiscal Year Ended December 31, 2010					
	Travel Network	Airline and Hospitality Solutions	Travelocity	Eliminations	Corporate	Total
	(Amounts in thousands)					
Operating income (loss)	$ 545,762	$ 127,103	$ 50,157	$	$ (790,884)	$ (67,862)
Add back:						
Selling, general and administrative	71,495	39,417	406,443	(591)	272,413	789,177
Impairment					401,400	401,400

Cost of revenue adjustments:						
Depreciation and amortization[3]	32,349	19,663	31,995		69,411	153,418
Amortization of upfront incentive consideration[4]	26,572					26,572
Restructuring and other costs[6]					4,863	4,863
Litigation and taxes, including penalties[7]					1,600	1,600
Stock-based compensation					1,112	1,112
Adjusted Gross Margin	676,178	186,183	488,595	(591)	(40,085)	1,310,280
Selling, general and administrative	(71,495)	(39,417)	(406,443)	591	(272,413)	(789,177)
Joint venture equity income	17,871					17,871
Joint venture intangible amortization[3a]	3,200					3,200
Selling, general and administrative adjustments:						
Depreciation and amortization[3]	4,172	450	8,207		112,676	125,505
Restructuring and other costs[6]					12,419	12,419
Stock-based compensation					4,188	4,188
Management fees[8]					6,730	6,730
Adjusted EBITDA	$ 629,926	$ 147,216	$ 90,359	$	$ (176,485)	$ 691,016

	Fiscal Year Ended December 31, 2009					
	Travel Network	Airline and Hospitality Solutions	Travelocity	Eliminations	Corporate	Total
	(Amounts in thousands)					
Operating income (loss)	$ 484,105	$ 112,048	$ 81,012	$	$ (620,670)	$ 56,495
Add back:						
Selling, general and administrative	85,870	41,970	399,005	(527)	279,643	805,961
Impairment					211,612	211,612
Cost of revenue adjustments:						
Depreciation and amortization(3)	29,968	11,038	27,054		56,720	124,780
Amortization of upfront incentive consideration(4)	29,554					29,554
Restructuring and other costs(6)					12,730	12,730
Litigation and taxes, including penalties(7)					1,405	1,405
Stock-based compensation					866	866
Adjusted Gross Margin	629,497	165,056	507,071	(527)	(57,694)	1,243,403
Selling, general and administrative	(85,870)	(41,970)	(399,005)	527	(279,643)	(805,961)
Joint venture equity income	8,156					8,156
Joint venture intangible amortization(3a)	3,200					3,200
Selling, general and administrative adjustments:						
Depreciation and amortization(3)	1,588	729	11,820		144,085	158,222
Restructuring and other costs(6)					9,657	9,657
Stock-based compensation					3,242	3,242
Management fees(8)					7,260	7,260
Adjusted EBITDA	$ 556,571	$ 123,815	$ 119,886	$	$ (173,093)	$ 627,179

The components of Adjusted Capital Expenditures are presented below:

	Nine Months Ended September 30,		Year Ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
	(Amounts in thousands)						
Additions to property and equipment	$ 160,385	$ 168,744	$ 226,026	$ 193,262	$ 164,638	$ 130,028	$ 106,554
Capitalized implementation costs	27,602	48,686	58,814	78,543	59,109	33,666	20,401
Adjusted capital expenditures	$ 187,987	$ 217,430	$ 284,840	$ 271,805	$ 223,747	$ 163,694	$ 126,955

The following tables present historical information from our statements of cash flows and set forth the reconciliation of cash provided by operating activities, the most directly comparable GAAP measure, to Adjusted Free Cash Flow:

	Nine Months Ended September 30,		Year Ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
	(Amounts in thousands)						
Cash provided by operating activities	$ 121,679	$ 252,062	$ 157,188	$ 312,336	$ 356,444	$ 380,928	$ 284,159
Cash used in investing activities	(191,949)	(189,220)	(246,502)	(236,034)	(176,260)	(184,787)	(108,053)
Cash (used in) provided by financing activities	(59,289)	274,717	262,172	(25,120)	(271,540)	(48,500)	(335,702)

	Nine Months Ended September 30, 2014	2013	Year Ended December 31, 2013	2012	2011	2010	2009
	(Amounts in thousands)						
Cash provided by operating activities	$ 121,679	$ 252,062	$ 157,188	$ 312,336	$ 356,444	$ 380,928	$ 284,159
Additions to property and equipment	(160,385)	(168,744)	(226,026)	(193,262)	(164,638)	(130,028)	(106,554)
Free Cash Flow	(38,706)	83,318	(68,838)	119,074	191,806	250,900	177,605
Adjustments:							
Restructuring and other costs(6)(10)	38,527	12,933	29,069	6,776	12,988	17,282	22,387
Litigation settlement and tax payments for certain items(7)(11)	69,286	46,221	150,584	100,000			
Other litigation costs(7)(10)	11,148	10,668	17,419	51,602	21,601	1,600	1,405
Management fees(8)(10)	23,701	7,347	8,761	7,769	7,191	6,730	7,260
Travelocity working capital as impacted by the Expedia SMA and the sale of TPN(9)	100,145		23,928				
Adjusted Free Cash Flow	$ 204,101	$ 160,487	$ 160,923	$ 285,221	$ 233,586	$ 276,512	$ 208,657

(1) Net income (loss) attributable to non-controlling interests represents an adjustment to include earnings allocated to non-controlling interest held in (i) Sabre Travel Network Middle East of 40% for all periods presented, (ii) Sabre Australia Technologies I Pty Ltd (Sabre Pacific) of 49% through February 24, 2012, the date we sold this business, (iii) Travelocity.com LLC of approximately 9.5% through December 31, 2012, the date we merged this minority interest back into our capital structure and (iv) Sabre Seyahat Dagitim Sistemleri A.S. of 40% beginning in April 2014. See Note 2, Summary of Significant Accounting Policies, to our audited consolidated financial statements included elsewhere in this prospectus.

(2) Represents impairment charges to assets (see Note 7, Goodwill and Intangible Assets, to our audited consolidated financial statements included elsewhere in this prospectus) as well as $24 million in 2012, representing our share of impairment charges recorded by one of our equity method investments, Abacus.

(3) Depreciation and amortization expenses (see Note 2, Summary of Significant Accounting Policies, to our audited consolidated financial statements included elsewhere in this prospectus for associated asset lives):

  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.

(4) 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.

(5) Other, net primarily represents 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.

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

(7) Litigation settlement and tax payments for certain items represent charges or settlements associated with airline antitrust litigation as well as payments or reserves taken in relation to certain retroactive hotel occupancy and excise tax disputes (see Note 13, Contingencies, to our unaudited consolidated financial statements and Note 20, Commitments and Contingencies, to our audited consolidated financial statements included elsewhere in this prospectus).

(8) We paid an annual management fee to TPG and Silver Lake in an amount between (i) $5 million and (ii) $7 million, the actual amount of which was calculated based upon 1% of Adjusted EBITDA, as defined in the management services agreement (the MSA), earned by the company in such fiscal year up to a maximum of $7 million. In addition, the MSA provided for the reimbursement of certain costs incurred by TPG and Silver Lake, which are included in this line item. In connection with our initial public offering, we paid to TPG and Silver Lake, in the aggregate, a $21 million fee pursuant to the MSA. The MSA was terminated at the completion of our initial public offering.

(9) Represents the impact of the Expedia SMA and the sale of TPN on working capital for the nine months ended September 30, 2014, which is primarily attributable to the migration of bookings from our technology platform to Expedia s platform and wind down activities associated with TPN. For the year ended December 31, 2013, represents the impact by the Expedia SMA on travel supplier liabilities of $19 million and accounts payable of $5 million for the period November 1, 2013 through December 31, 2013 compared to the period November 1, 2012 through December 31, 2012, which is primarily attributable to the migration of bookings from our technology platform to Expedia s platform during this period in 2013 (see Management s Discussion and Analysis of Financial Condition and Results of Operations Factors Affecting our Results and Comparability Travelocity).

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

(11) Includes payment credits used by American Airlines to pay for purchases of our technology services during the nine months ended September 30, 2014 and the year ended December 31, 2013. The payment credits were provided by us as part of our litigation settlement with American Airlines (see Note 20, Commitments and Contingencies, to our audited consolidated financial statements included elsewhere in this prospectus). Also includes a $50 million payment to American Airlines made in the third quarter of 2014 in conjunction with the new Airline Solutions contract, which will be amortized as a reduction to revenue over the contract term. This payment reduces payment credits originally offered to American Airlines as a part of the litigation settlement in 2012, contingent upon the signature of a new reservation agreement, which were extended to include the combined American Airlines and US Airways reservation contract. The payment credits would have been utilized for future billings under the new agreement.

MANAGEMENT S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis contains forward-looking statements about trends, uncertainties and our plans and expectations of what may happen in the future. Forward-looking statements are based on a number of assumptions and estimates that are inherently subject to significant risks and uncertainties and our results could differ materially from the results anticipated by our forward-looking statements as a result of many known or unknown factors, including, but not limited to, those factors discussed in the sections entitled Risk Factors and Cautionary Note Regarding Forward-Looking Statements and elsewhere in this prospectus.

The following discussion and analysis should be read in conjunction with our consolidated financial statements and related notes and the information contained elsewhere in this prospectus under the captions Risk Factors, Selected Historical Consolidated Financial Data and Business.

Overview

We are a leading technology solutions provider to the global travel and tourism industry. We span the breadth of a highly complex $7 trillion global travel ecosystem currently 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. 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 related to occupancy or other taxes and other items that are not identifiable with one of our segments. On December 16, 2014, we announced that we had received a binding offer from Bravofly Rumbo Group to acquire lastminute.com and on January 23, 2015, we announced the sale of Travelocity.com to Expedia, Inc. See Summary Recent Developments. We will reclassify and report the Travelocity segment, which was comprised of a portfolio of online consumer travel e-commerce businesses through which we provided travel content and booking functionality primarily for leisure travelers, as discontinued operations in our 2014 Annual Report on Form 10-K as the segment was considered held for sale as of December 31, 2014.

Through our Travel Network business, we process hundreds of millions of transactions annually, connecting the world s leading travel suppliers, including airlines, hotels, car rental brands, rail carriers, cruise lines and tour operators, with travel buyers in a comprehensive travel marketplace. We offer efficient, global distribution of travel content from approximately 125,000 travel suppliers to approximately 400,000 online and offline travel agents. To those agents, we offer a platform to shop, price, book and ticket comprehensive travel content in a transparent and efficient workflow. We also offer value-added solutions that enable our customers to better manage and analyze their businesses. Through our Airline and Hospitality Solutions business, we offer travel suppliers an extensive suite of leading software solutions, ranging from airline and hotel reservations systems to high-value marketing and operations solutions. These solutions include re-accommodating passengers during irregular flight operations and managing day-to-day hotel operations. These solutions allow our customers to market, distribute and sell their products more efficiently, manage their core operations, and deliver an enhanced travel experience. Through our complementary Travel Network and Airline and Hospitality Solutions businesses, we believe we offer the broadest, end-to-end portfolio of technology solutions to the travel industry.

Our portfolio of technology solutions has enabled us to become the leading end-to-end technology provider in the travel industry. For example, we are one of the largest GDS providers in the world, with a 36% share of GDS-processed air bookings in 2013. More specifically, we are the #1 GDS provider in North America and also in higher growth markets such as Latin America and APAC, in each case based on GDS-processed air bookings in 2013.

In those three markets, our GDS-processed air bookings share was approximately 50% on a combined basis in 2013. In Airline and Hospitality Solutions, we believe we have the most comprehensive portfolio of solutions. In 2013, we had the largest third-party hospitality CRS room share based on our approximately 27%

share of third-party hospitality CRS hotel rooms distributed through our GDS, and, according to T2RL PSS data for 2012, we had the second largest airline reservations system globally. We also believe that we have the leading portfolio of airline marketing and operations products across the solutions that we provide

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 implementation fees and consulting fees.

For the nine months ended September 30, 2014 and 2013, we recorded revenue of $2,229 million and $2,303 million, respectively, net income attributable to Sabre Corporation of $23 million and loss of $127 million respectively, and Adjusted EBITDA of $617 million and $584 million, respectively, reflecting a 1% and (6)% net income (loss) margin and a 28% and 25% Adjusted EBITDA margin, respectively. For the nine months ended September 30, 2014, Travel Network contributed 63%, Airline and Hospitality Solutions contributed 25%, and Travelocity contributed 12% of our revenue (excluding intersegment eliminations). During this period, shares of Adjusted EBITDA for Travel Network, Airline and Hospitality Solutions, and Travelocity were approximately 77%, 25% and (2)%, respectively (excluding corporate overhead allocations such as finance, legal, human resources and certain information technology shared services). See Summary-Recent Developments regarding our Travelocity business segment moving to discontinued operations.

We recorded revenue of $3,050 million and $2,974 million, net loss attributable to Sabre Corporation of $100 million and $611 million and Adjusted EBITDA of $791 million and $787 million, reflecting a 3% and 21% net loss margin and a 26% and 26% Adjusted EBITDA margin, for the years ended December 31, 2013 and 2012, respectively. For the year ended December 31, 2013, Travel Network contributed 58%, Airline and Hospitality Solutions contributed 23%, and Travelocity contributed 19% of our revenue (excluding intersegment eliminations). During this period, shares of Adjusted EBITDA were approximately 77%, 21% and 2% for Travel Network, Airline and Hospitality Solutions and Travelocity, respectively (excluding corporate overhead allocations such as finance, legal, human resources and certain information technology shared services). For the year ended December 31, 2012, Travel Network contributed 59% and 77%, Airline and Hospitality Solutions contributed 20% and 17%, and Travelocity contributed 21% and 6% of our revenue (excluding intersegment eliminations) and Adjusted EBITDA (excluding corporate overhead allocations), respectively. See Summary-Recent Developments regarding our Travelocity business segment moving to discontinued operations.

For additional information regarding Adjusted EBITDA, including a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure, see Non-GAAP Financial Measures and Summary Historical and Pro Forma Consolidated Financial and Other Data.

Factors Affecting our Results and Comparability

The following is a discussion of trends that we believe are the most significant opportunities and challenges currently impacting our business and industry. 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. This 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 sections entitled Risk Factors and Cautionary Note Regarding Forward-Looking Statements included elsewhere in this prospectus.

Travel volumes and the travel industry

Our business and results of operations are dependent upon travel volumes and the overall health of the travel industry, particularly in North America. The travel industry has shown strong and resilient expansion with growth rates typically outperforming general macroeconomic performance. For example, based on 40 years of IATA Traffic data, air traffic has historically grown at an average rate of approximately 1.5x the rate of global GDP growth. Although the global economic downturn significantly impacted the travel industry, conditions have generally improved in the last several years. For example, although hotel sales are still hampered by an economic environment characterized by austerity and consumer caution, other less expensive suppliers, including LCC/hybrids, are benefiting. Tourism flows and travel spending have returned to growth as developed markets, particularly in the United States, Japan and Europe, recover from the global economic downturn. According to the Euromonitor Report, business-related travel by U.S. residents has increased since the global economic downturn, reaching 229 million trips in 2013 compared to 223 million trips in 2010. According to IATA Traffic, global airline passenger volume has grown at a 6% CAGR from 2009 to 2013. However, in recent years, several airlines, especially in the United States, have implemented capacity reductions in response to slowing customer demand following the global economic downturn and in order to improve pricing power. These capacity reductions have resulted in lower inventory and higher ticket prices, amid increased airline industry consolidation.

Geographic mix

We have a leading share of GDS-processed air bookings in the largest travel market, North America (55%), as well as in two large growth markets, Latin America (57%) and APAC (39%) in 2013. See Method of Calculation for an explanation of the methodology underlying our GDS-processed air bookings share calculation. For the year ended December 31, 2013, we derived approximately 58% of our revenue from the United States, 16% from Europe and 26% from the rest of the world. For the year ended December 31, 2012, we derived approximately 62% of our revenue from the United States, 16% from Europe and 22% from the rest of the world.

There are structural differences between the geographies in which we operate. Due to our geographic concentration, our results of operations are particularly sensitive to factors affecting North America. For example, booking fees per transaction in North America have traditionally been lower than those in Europe. By growing internationally with our TMC and OTA customers and expanding the travel content available on our GDS to target regional traveler preferences, we anticipate that we will maintain share in North America and grow share in Europe, APAC and Latin America.

Continued focus by travel suppliers on cost-cutting and exerting influence over distribution

Travel suppliers continue to look for ways to decrease their costs and to increase their control over distribution. Airline consolidations, pricing pressure during contract renegotiations and the use of direct distribution may continue to subject our business to challenges.

The shift from indirect distribution channels, such as our GDS and Travelocity, to direct distribution channels, may result from increased content availability on supplier-operated websites or from increased participation of meta-search engines, such as Kayak and Google, which direct consumers to supplier-operated websites. This trend may adversely affect our Travel Network contract renegotiations with suppliers that use alternative distribution channels. For example, airlines may withhold part of their content for distribution exclusively through their own direct distribution channels or offer more attractive terms for content available through those direct channels. Similarly, some airlines have also limited the fare content information they distribute through OTAs, including Travelocity.

However, since 2010, we believe the rate at which bookings are shifting from indirect to direct distribution channels has slowed for a number of reasons, including the increased participation of LCC/hybrids in indirect channels. Over the last several years, notable carriers that previously only distributed directly, including JetBlue and Norwegian, have adopted our GDS. Other carriers such as EVA Airways and Virgin Australia have further increased their participation in a GDS. In 2012 and 2013, we believe the rate of shift away from GDSs in the United States stabilized at very low levels, although we cannot predict whether this low rate of shift will continue.

These trends have impacted the revenue of Travel Network, which recognizes revenue for airline ticket sales based on transaction volumes, the revenue of Airline and Hospitality Solutions, which recognizes a portion of its revenue based on the number of PBs, and the results of Travelocity, the profitability of which is based on both the volume of sales and the amount spent by the traveler, depending upon the applicable revenue model. Simultaneously, this focus on cost-cutting and direct distribution has also presented opportunities for Airline and Hospitality Solutions. Many airlines have turned to outside providers for key systems, process and industry expertise and other products that assist in their cost cutting initiatives in order to focus on their primary revenue-generating activities.

We renewed 24 out of 24 planned renewals in 2013 (representing approximately 25% of our Travel Network revenue for the twelve months ended December 31, 2013). We renewed 28 out of 28 planned renewals in 2014 (representing approximately 22% of our Travel Network revenue for the twelve months ended December 31, 2014). We have 38 planned renewals in 2015 (representing approximately 20% of our Travel Network revenue for the twelve months ended December 31, 2014). Although we renewed 28 out of 28 planned renewals in 2014 (representing approximately 22% of Travel Network revenue for the year ended December 31, 2014), we cannot guarantee that we will be able to renew our airline contracts in the future on favorable economic terms or at all.

Shift to SaaS and hosted solutions by airlines and hotels to manage their daily operations

Initially, large travel suppliers built custom in-house software and applications for their business process needs. In response to a desire for more flexible systems given increasingly complex and constantly changing technological requirements, reduced IT budgets and increased focus on cost efficiency, many travel suppliers turned to third-party solutions providers for many of their key technologies and began to license software from software providers. We believe that significant revenue opportunity remains in this outsourcing trend, as legacy in-house systems continue to migrate and upgrade to third-party systems. By moving away from one-time license fees to recurring monthly fees associated with our SaaS and hosted solutions, our revenue stream has become more predictable and sustainable. The SaaS and hosted models centralized deployment also allows us to save time and money by reducing maintenance and implementation tasks and lowering operating costs.

Increasing importance of LCC/hybrids in Travel Network and Airline and Hospitality Solutions

Hybrid and LCCs have become a significant segment of the air travel market, stimulating demand for air travel through low fares. LCC/hybrids have traditionally relied on direct distribution for the majority of their bookings. However, as these LCC/hybrids are evolving, many are increasing their distribution through indirect channels to expand their offering into higher-yield markets and to higher-yield customers, such as business and international travelers. Other LCC/hybrids, especially start-up carriers, may choose not to distribute through the GDS until wider distribution is desired.

Over the last five years, we have added airline customers representing over 110 million PBs, including many innovative, fast-growing LCC/hybrids. According to Airbus, LCCs share of global air travel volume is expected to increase from 17% of revenue passenger kilometers in 2012 to 21% of revenue passenger kilometers by 2032. In our airline reservations products, our travel supplier customer base is weighted towards faster-growing LCC/hybrids, which represented approximately 29% of our 2013 PBs based on T2RL data, and we expect to continue to take advantage of this growth opportunity. In 2012, LCC/hybrids represented approximately 45% of our 2012 PBs. T2RL s LCC/hybrid group included JetBlue and Lion Airlines in 2012, which we consider LCC/hybrid carriers. T2RL s 2013 calculation excludes these carriers from the LCC/hybrid group. If these two carriers were included as LCC/hybrids in the 2013 calculation, LCC/hybrids would have represented approximately 41% of our 2013 PBs. Furthermore, because of the breadth of our solution set and our proportion of LCC/hybrid customers, we expect to be able to sell more of our solutions to our existing customers as they grow. As our growing LCC/hybrid customers demand additional solutions and capabilities, we expect Airline and Hospitality Solutions revenue to continue benefiting from the higher growth in these types of airlines.

92

Travel buyers can shift their bookings to or from our Travel Network business

Our Travel Network business relies on relationships with several large travel buyers, including TMCs and OTAs, to drive a large portion of its revenue. Although no individual travel buyer accounts for more than 10% of our Travel Network revenue, the five largest travel buyers of Travel Network were responsible for bookings that represented approximately 32% of our Travel Network revenue for the nine months ended September 30, 2014, and 32% and 36% of our Travel Network revenue for the years ended December 31, 2013 and 2012, respectively. Although our contracts with larger travel agencies often increase the amount of 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 and increase their bargaining power with the GDS providers. For example, in late 2012, Expedia adopted a dual GDS provider strategy and shifted a sizeable portion of its business from our GDS to a competitor GDS, resulting in a year-over-year decline in our transaction volumes in 2013. Conversely, certain European OTAs including Unister, eTravel and Bravofly that did not previously use our GDS shifted a portion of their business to our GDS.

Increasing travel agency incentive consideration

Travel agency incentive consideration is a large portion of Travel Network expenses. The vast majority of incentive consideration is tied to absolute booking volumes based on transactions such as flight segments booked. Incentive consideration, which often increases once a certain volume or percentage of bookings is met, is provided in two ways, according to the terms of the agreement: (i) on a periodic basis over the term of the contract and (ii) in some instances, up front at the inception or modification of contracts, which is capitalized and amortized over the expected life of the contract. Although this consideration has been increasing in real terms, it has been relatively stable as a percentage of Travel Network revenue over the last four years, partially due to our focus on managing incentive consideration. We believe we have been effective in mitigating the trend towards increasing incentive consideration by offering value-added products and content, such as Sabre Red Workspace, a SaaS product available to our travel buyers that provides an easy to use interface along with many travel agency workflow and productivity tools.

Growing demand for continued technology improvements in the fragmented hotel market

Most of the hotel market is highly fragmented. Independent hotels and small- to medium-sized chains (groups of less than 300 properties) comprise a majority of hotel properties and available hotel rooms, with global and regional chains comprising the balance. Hotels use a number of different technology systems to distribute and market their products and operate efficiently. We offer technology solutions to all segments of the hospitality market, particularly independent hotels and small- to medium-sized chains. As these markets continue to grow, we believe independent hotel owners and operators will continue to seek increased connectivity and integrated solutions to ensure access to global travelers. Gartner estimates that technology spending by the hospitality industry is expected to reach $32 billion in 2017 (Gartner Enterprise), and we believe we will be well-positioned to meet this increased demand by continuing to provide affordable, web-based distribution technology. For example, we believe our innovative PMS, which is used by more than 4,500 properties globally, is one of the leading third-party web-based PMSs. Our PMS platform complements our industry-leading CRS platform and we expect to launch an integrated hospitality management suite that will centralize all distribution, operations and marketing aspects to facilitate increased accuracy, elimination of redundancies, and increased revenue and cost savings. We anticipate that this will contribute to the continued growth of Airline and Hospitality Solutions, which is ultimately dependent upon these hoteliers accepting and utilizing our products and services.

Travelocity

Travelocity s results were adversely impacted by several factors in recent years, including margin pressure from suppliers and reduced bookings on our websites. For the three years ended December 31, 2013, Travelocity experienced an approximately 9% compound annual revenue decline due to intense competition within the travel industry, including from supplier direct websites, online agencies and other suppliers of travel products and services. The increased level of competition led to declines in fees paid to us pursuant to new long-term supplier agreements with several large North American airlines in 2011 as well as lower transaction volumes. In 2012, transaction revenues were impacted by the loss of a key TPN customer late in the third quarter as a result of this customer s contract ending without renewal. This loss was partially offset by the addition of a new TPN customer, which signed a multi-year agreement.

Lower transaction volumes on our websites also impacted our media revenue. Due to the reduction in site traffic associated with lower hotel transaction volumes and the change in customer demographics associated with the loss of a key TPN customer in 2012, Travelocity s relevance as an advertising platform and the media revenues we derived from advertising were negatively affected. In 2012, these challenges contributed to a significant decline year over year. For the year ended December 31, 2013, we experienced a $5 million decline in media revenue compared to 2012.

Intense competition in the travel industry has historically led OTAs and travel suppliers to spend aggressively on online marketing. The amount we spent on online marketing declined in 2011 and was less effective at driving transaction revenue than it was in 2010. In response, we modified our customer acquisition strategy in 2012, refocusing on more efficient marketing channels and refreshing the approach to the brand, while reducing the amount spent on marketing.

As a result of these and other factors, we initiated plans in the third quarter of 2013 to shift our Travelocity business in the United States and Canada away from a high fixed-cost model to a lower-cost, performance-based revenue structure. On August 22, 2013, Travelocity entered into an exclusive, long-term strategic marketing agreement with Expedia. Under the Expedia SMA, Expedia powered the technology platforms for Travelocity s existing U.S. and Canadian websites as well as provided Travelocity with access to Expedia s supply and customer service platforms. In connection with the Expedia SMA we also entered into the Put/Call Agreement. The Expedia SMA represented a strategic decision to reduce direct costs associated with Travelocity and to provide our customers with the benefit of Expedia s long-term investment in its technology platform as well as its supply and customer service platforms, which we expected to increase conversion and operational efficiency and allows us to shift our focus to Travelocity s marketing strengths. See Business Our Businesses Travelocity.

Under the terms of the Expedia SMA and through the date of the sale of Travelocity.com to Expedia, Inc. on January 23, 2015, Expedia paid us a performance-based marketing fee that varied based on the amount of travel booked through Travelocity-branded websites powered by Expedia. The marketing fee we received was recorded as marketing fee revenue and the cost we incurred to promote the Travelocity brand and for marketing was recorded as selling, general and administrative expense in our results of operations. As a result of transactions being processed through Expedia s platform instead of the Travelocity platform, the revenue we derived from the merchant, agency and media revenue models declined. In connection with this migration, we no longer were considered the merchant of record for merchant transactions, and therefore we no longer collected cash from consumers, received transaction fees and commissions directly from travel suppliers, received service fees or insurance related revenue directly from customers or directly market or received media revenue from advertisers on our websites. We instead collected the marketing fee revenue from Expedia, which was net of costs incurred by Expedia in connection with these activities. Additionally, Travelocity no longer received incentive consideration from Travel Network as intersegment revenue, and Expedia was not required to use Travel Network for shopping and booking of non-air travel for Travelocity.com and Travelocity.ca.

In the fourth quarter of 2013, we continued our restructuring of Travelocity by implementing a plan to restructure lastminute.com, the European portion of the Travelocity business, in order to allow lastminute.com to operate independently. During the year ended December 31, 2013, we recorded $6 million in restructuring charges associated with employee termination benefits related to this restructuring plan. We did not record material charges during the nine months ended September 30, 2014 associated with this restructuring plan.

In February 2014, as a further step in our restructuring plans for Travelocity, we completed a sale of assets associated with Travelocity Partner Network (TPN), a business-to-business private white label website offering. In connection with the sale, Travelocity entered into a Transition Services Agreement (TSA) with the acquirer to provide services to maintain the websites and certain technical and administrative functions for the acquirer until a complete transition occurs or the TSA terminates. The proceeds to be received under the sale agreement and the TSA were allocated across these multiple agreements based on a relative fair value allocation. During the nine months ended September 30, 2014, we recorded a loss on disposition of $3 million which is included in restructuring charges in our consolidated statements of operations.

On August 27, 2014, we announced that we were reviewing strategic options for lastminute.com as part of our strategy to focus on our core business as the world s leading technology provider to the global travel and tourism industry. On December 16, 2014, we announced that Bravofly Rumbo Group made a binding offer to acquire lastminute.com. The transaction is expected to be completed in the first quarter of 2015. We cannot provide any assurance that this transaction will occur on the terms described herein or at all. See Summary Recent Developments.

On January 23, 2015, we announced the sale of Travelocity.com to Expedia, Inc. Following the sale of Travelocity.com to Expedia, Inc., the Expedia SMA was terminated. See Summary Recent Developments. The acquirer of Travelocity.com has signed, and the acquirer of lastminute.com has committed to sign as part of its binding offer, a long term agreement with our Travel Network business to continue to utilize our GDS for bookings which will generate incentive consideration to be paid by us to the acquirers.

As a result of the change in Travelocity s business model under the Expedia SMA, prior to the sale of Travelocity.com, and the sale of our TPN business, the revenue contribution from the Travelocity segment was in the range of 55% to 65% of 2013 levels after the Expedia SMA was implemented. Due to the elimination of the intersegment revenue between Travelocity and Travel Network, intersegment eliminations substantially decreased in connection with the Expedia SMA. See Components of Revenues and Expenses Intersegment Transactions. Correspondingly, we ceased certain internal processes, including back office functions, associated with our Travelocity-branded technology platforms and TPN business. Through the date of the sale of Travelocity.com to Expedia, Inc. on January 23, 2015, our costs from the Travelocity segment have significantly decreased and are in the range of 45% to 55% of 2013 levels. Ongoing costs in our Travelocity business in the United States and Canada primarily consisted of marketing the Travelocity website, marketing staff and support staff.

As a result, our plan resulted in improved margins and profitability for our Travelocity segment.

The implementation of the Expedia SMA resulted in various restructuring costs, including asset impairments, exit charges including employee termination benefits and contract termination fees, and other related costs such as consulting and legal fees. As a result of this restructuring plan, we recorded $22 million in restructuring charges in our results of operations during the year ended December 31, 2013, which included $4 million of asset impairments, $12 million of employee termination benefits, and $6 million of other related costs. We did not record any material restructuring charges in our results of operations during the nine months ended September 30, 2014 or twelve months ended December 31, 2014 in connection with these transactions. Contract termination costs represent an estimate of costs we may incur as we negotiate with our vendors to terminate contracts and costs for contracts we are unable to renegotiate and receive no future benefit. The actual amount incurred may differ significantly from this estimate.

Travelocity s working capital was impacted by the Expedia SMA and the sale of TPN. As of September 30, 2014 and December 31, 2013, we had approximately $107 million and $214 million, respectively, in total travel supplier liabilities of which $23 million and $129 million, respectively, represents the liability to travel suppliers in connection with Travelocity.com and TPN. This liability is being extinguished as a result of the Expedia SMA and the sale of TPN as we continue to pay travel suppliers for travel consumed that originated on our technology

platforms. We no longer receive cash directly from consumers and do not incur a payable to travel suppliers for new bookings on our balance sheets. Subsequent to the Expedia SMA and the sale of TPN, our Travelocity-related working capital primarily consisted of amounts attributable to lastminute.com balances as well as amounts due from Expedia offset by payables for marketing and labor related costs. As described in Description of Certain Indebtedness Senior Secured Credit Facilities, we have used a portion of the proceeds from our Incremental Term Loan Facility for such working capital purposes.

See Business Our Businesses Travelocity.

Litigation and related costs

We are involved in various claims, legal proceedings and governmental inquiries related to contract disputes, business practices, intellectual property and other commercial, employment and tax matters. We believe we have adequately accrued for such matters, and for the costs of defending against such matters, which have been and may continue to be expensive. However, litigation is inherently unpredictable and although we believe that our accruals are adequate and we have valid defenses in these matters, unfavorable resolutions could occur, which could have a material adverse effect on our results of operations or cash flows in a particular reporting period. See Business Legal Proceedings.

On October 30, 2012, we entered into a settlement agreement to resolve the outstanding state and federal lawsuits with American Airlines filed in 2011 and, as a result of the terms of the settlement, among other things renewed our distribution agreement with American Airlines. The settlement and distribution agreement was approved by the court presiding over the restructuring proceedings for AMR Corporation, American Airlines parent company, pursuant to an order made final on December 20, 2012. We expensed $347 million in 2012 related to this settlement agreement. On April 21, 2011, US Airways sued us in federal court in the Southern District of New York alleging federal antitrust claims. We are also involved in an antitrust investigation by the DOJ relating to pricing and the conduct of our GDS business and in antitrust litigation involving hotel room prices. See Note 20, Commitments and Contingencies Legal Proceedings US Airways Antitrust Litigation, Department of Justice Investigation and Hotel Related Antitrust Proceedings, to our audited consolidated financial statements included elsewhere in this prospectus. See also Note 13, Contingencies Legal Proceedings US Airways Antitrust Litigation and DOJ Investigation, to our unaudited consolidated financial statements included elsewhere in this prospectus.

Customer Mix

We believe we have a broadly diversified customer mix which supports our stable revenue base. We serve two principal types of customers: travel suppliers, which we serve in both our Travel Network business and Airline and Hospitality Solutions business; and travel buyers, which we serve in our Travel Network business and who purchase a wide variety of travel content in our marketplace. Today, our Travel Network marketplace includes a diversified group of travel suppliers, including approximately 400 airlines, 125,000 hotel properties, 30 car rental brands, 50 rail carriers, 16 cruise lines and 200 tour operators. We connect these travel suppliers via our GDS platform to approximately 400,000 travel agents, spread globally across 145 countries. Importantly, none of our travel buyers or travel suppliers represented more than 10% of our total Travel Network revenue for the years ended December 31, 2013 and 2012. Additionally, our Airline and Hospitality Solutions segment represented approximately 225 airlines, 17,500 hotel properties, and more than 700 other customers, including airports, corporate aviation fleets, governments and tourism boards. Within our Airline and Hospitality Solutions business, no single customer represented more than 10% of total Airline and Hospitality Solutions revenues for the years ended December 31, 2013 and 2012.

Due to the quality of our products and services, we have experienced a high level of historical Customer Retention in both our Travel Network and Airline and Hospitality Solutions businesses. In general, our business is characterized by non-exclusive multi-year agency and supplier contracts, with durations that typically range

from three to five years for our major airline suppliers and five to ten years for our major travel agency customers in our Travel Network business, and in our Airline and Hospitality Solutions business, three to seven years among our airline customers and one to five years among our hospitality customers. Furthermore, our Travel Network airline supplier contracts expire at different times, with 38 planned renewals for fiscal year 2015. We renewed 24 out of 24 planned renewals in 2013 and 28 out of 28 planned renewals in 2014. 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. With respect to our Airline and Hospitality Solutions business, airline reservations contracts representing less than 5% of Airline Solutions expected 2014 revenue are scheduled for renewal in 2015 and airline reservation contracts representing approximately 2% of Airline Solutions expected 2014 revenue are scheduled for renewal in 2016. Airline reservations contracts representing approximately 9% of Airline Solutions expected 2014 revenue are scheduled for renewal in 2017. Hospitality Solutions contract renewals are relatively evenly spaced, with approximately one-third of contracts representing approximately one-third of Hospitality Solutions 2013 revenue coming up for renewal in any given year. For the year 2013, our Customer Retention rate was approximately 99% for Travel Network, 98% for Airline Solutions and 96% for Hospitality Solutions. We cannot guarantee that we will be able to renew our travel supplier or travel buyer agreements in the future on favorable economic terms or at all.

Our revenue base is broadly diversified, with no single customer comprising more than 10% of our total revenues for the year ended December 31, 2013 or the year ended December 31, 2012. We are subject to a certain degree of revenue concentration among a portion of our customer base. The five largest travel buyers of Travel Network were responsible for bookings that represented approximately 32% of our Travel Network revenue for the nine months ended September 30, 2014, and 32% and 36% of our Travel Network revenue for the years ended December 31, 2013 and 2012, respectively. Our top five Airline and Hospitality Solutions customers represented 24% of our Airlines and Hospitality Solutions revenue for the nine months ended September 30, 2014, and 22% and 20% of our Airline and Hospitality Solutions revenues, for the years ended December 31, 2013 and 2012, respectively. Historical consolidation in the global airline industry, including the mergers of American Airlines and US Airways, Delta and Northwest Airlines, United Airlines and Continental Airlines, as well as Southwest Airlines and AirTran, have generally increased our revenue concentration. If additional consolidation in the airline industry were to occur in the future, our levels of revenue concentration may further increase.

Revenue Models

We employ several revenue models across our businesses with some revenue models employed in multiple businesses. Travel Network primarily employs the transaction revenue model. Airline and Hospitality Solutions primarily employs the SaaS and hosted and consulting revenue models, as well as the software licensing fee model to a lesser extent. Travelocity primarily employed two revenue models: (i) the merchant revenue model or our Net Rate Program (applicable to a majority of our hotel net rate revenues) and (ii) the agency revenue model (applicable to most of our airline, car and cruise commission revenues and a small portion of hotel commission revenues). In connection with the Expedia SMA, Travelocity employed the marketing fee revenue model (applicable to revenue generated through Travelocity-branded websites operated by Expedia). Travel Network and, historically, Travelocity also, employed the media revenue model (applicable to advertising revenues). We report revenue net of any revenue-based taxes assessed by governmental authorities that are imposed on and concurrent with specific revenue-producing transactions.

Transaction Revenue Model This model accounts for substantially all of Travel Network s revenue. We define a Direct Billable Booking as any booking that generates a fee directly to Travel Network. These 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. Under this model, a transaction occurs when a travel agency or corporate travel department books, or reserves, a travel supplier s product on our GDS, for which we receive a fee. Transaction fees include, but are not limited to, transaction fees paid by travel suppliers for selling their inventory through our GDS and transaction fees paid by travel agency subscribers related to their use of our GDS. We receive revenue from the travel supplier and the travel agency according to the commercial arrangement with each.

Transaction revenue for airline travel reservations is recognized at the time of the booking of the reservation, net of transaction fee reserves for estimated future cancellations. Our transaction fee cancellation reserve was $8 million at December 31, 2013 and December 31, 2012. Transaction revenue for car rental, hotel bookings and other travel services is recognized at the time the reservation is used by the customer.

SaaS and Hosted Revenue Model The SaaS and hosted revenue model is the primary revenue model employed by Airline and Hospitality Solutions. This revenue model applies to situations where we host software solutions on our own secure platforms or deploy it through our SaaS solutions, and we maintain the software as well as the infrastructure it employs. Our customers pay us an implementation fee and a recurring usage-based fee for the use of such software pursuant to contracts with terms that typically range between three and ten years and generally include minimum annual volume requirements. This usage-based fee arrangement allows our customers to pay for software normally on a monthly basis to the extent that it is used. Similar contracts with the same customer which are entered into at or around the same period are analyzed for revenue recognition purposes on a combined basis. Revenue from implementation fees is generally recognized over the term of the agreement. The amount of periodic usage fees is typically based on a metric relevant to the software purchased. We recognize revenue from recurring usage-based fees in the period earned. Over the last several years, our customers have shifted toward the SaaS and hosted revenue model as license fee contracts expire, and we expect to continue to facilitate the shift from license fee contracts to the SaaS and hosted revenue model going forward.

Consulting Revenue Model Airline and Hospitality Solutions offerings that utilize the SaaS and hosted revenue model are sometimes sold as part of multiple-element agreements for which we also provide professional services. Our professional services consist primarily of consulting services focused on helping customers achieve better utilization of and return on their software investment. Often, we provide consulting services during the implementation phase of our SaaS solutions. We account for consulting service revenue separately from implementation and recurring usage-based fees, with value assigned to each element based on its relative selling price to the total selling price. We perform a market analysis on a periodic basis to determine the range of selling prices for each product and service. The revenue for consulting services is generally recognized over the period the consulting services are performed.

Software Licensing Fee Revenue Model The software licensing fee revenue model is also utilized by Airline and Hospitality Solutions. Under this model, we generate revenue by charging customers for the installation and use of our software products. Some contracts under this model generate additional revenue for the maintenance of the software product. When software is sold without associated customization or implementation services, revenue from software licensing fees is recognized when all of the following are met: (i) the software is delivered, (ii) fees are fixed or determinable, (iii) no undelivered elements are essential to the functionality of delivered software, and (iv) collection is probable. When software is sold with customization or implementation services, revenue from software licensing fees is recognized based on the percentage of completion of the customization and implementation services. Fees for software maintenance are recognized ratably over the life of the contract. We are unable to determine vendor-specific objective evidence of fair value for software maintenance fees. Therefore, when fees for software maintenance are included in software license agreements, revenue from the software license, customization, implementation and the maintenance are recognized ratably over the related contract term.

Travelocity Revenue Models

The Marketing Fee, Merchant, Agency and Media Revenue Models are primarily utilized by the Travelocity segment and effective with the dispositions of Travelocity.com and lastminute.com in 2015 will no longer be utilized.

Marketing Fee Revenue Model With the implementation of Expedia s technology for our U.S. and Canadian websites beginning late in 2013, Expedia paid us a performance-based marketing fee that varied based on the amount of travel booked through Travelocity-branded websites powered by Expedia. The marketing fee we received was recorded as revenue and the costs we incurred for marketing and to promote the Travelocity brand were recorded as selling, general and administrative expense in our results of operations. See Factors Affecting our Results and Comparability Travelocity.

Merchant Revenue Model The merchant revenue model or the Net Rate Program has been used by Travelocity, except to the extent the marketing fee revenue model applies. We primarily use this model for revenue from hotel reservations and dynamically packaged combinations of travel components. Pursuant to this model, we are the merchant of record for credit card processing for travel accommodations. Even though we are the merchant of record for these transactions, we do not purchase and resell travel accommodations, and we do not have any obligations with respect to the travel accommodations we offer online that we do not sell. Instead, we act as an intermediary by entering into agreements with travel suppliers for the right to market their products, services and other offerings at pre-determined net rates. We market net rate offerings to travelers at prices that include an amount sufficient to pay the travel supplier for providing the travel accommodations and any occupancy and other local taxes, as well as additional amounts representing our service fees, which is how we generate revenue under this model. Under this revenue model, we require prepayment by the traveler at the time of booking.

Travelocity has recognized net rate revenue for stand-alone air travel at the time the travel is booked with a reserve for estimated future canceled bookings. Revenues from vacation packages and car rentals as well as hotel net rate revenues are recognized at the time the reservation is used by the consumer.

For net rate and dynamically packaged combinations sold through Travelocity, we record net rate revenues based on the total amount paid by the customer for products and services, net of our payment to the travel supplier. At the time a customer makes and prepays a reservation, we accrue a supplier liability based on the amount we expect to be billed by our travel suppliers. In some cases, a portion of Travelocity s prepaid net rate and travel package transactions goes unused by the traveler. In these circumstances, Travelocity may not be billed the full amount of the accrued supplier liability. Therefore, we reduce the accrued supplier liability for amounts aged more than six months after the reservation goes unused and record the aged amount as revenue if certain conditions are met. Our process for determining when aged amounts may be recognized as revenue includes consideration of key factors such as the age of the supplier liability, historical billing and payment information, among others.

See Factors Affecting our Results and Comparability Travelocity.

Agency Revenue Model This model has been employed by Travelocity, except to the extent the marketing fee revenue model applies, and applies to revenues generated via commissions from travel suppliers for reservations made by travelers through our websites. Under this model, we act as an agent in the transaction by passing reservations booked by travelers to the relevant airline, hotel, car rental company, cruise line or other travel supplier, while the travel supplier serves as merchant of record and processes the payment from the traveler.

Under the agency revenue model, Travelocity has recognized commission revenue for stand-alone air travel at the time the travel is booked with a reserve for estimated future canceled bookings. Commissions from car and hotel travel suppliers are recognized upon the scheduled date of travel consumption. We record car and hotel commission revenue net of an estimated reserve for cancellations, no-shows and uncollectable commissions. As of December 31, 2013 and 2012, our reserve was approximately $2 million and $3 million, respectively.

See Factors Affecting our Results and Comparability Travelocity.

Media Revenue Model The media revenue model has been used to record advertising revenue from entities that advertise products on Travelocity s websites, except to the extent the marketing fee revenue model applies, and, to a lesser extent, on our GDS. Advertisers use two types of advertising metrics: (i) display advertising and (ii) action advertising. In display advertising, advertisers usually pay based on the number of customers who view the advertisement, and are charged based on cost per thousand impressions. In action advertising, advertisers usually pay based on the number of customers who perform a specific action, such as click on the advertisement, and are charged based on the cost per action. Advertising revenues are recognized in the period that the advertising impressions are delivered or the click-through or other specific action occurs.

See Factors Affecting our Results and Comparability Travelocity.

Components of Revenues and Expenses

Revenues

Travel Network

Travel Network primarily generates revenues from the transaction revenue model, as well as revenue from certain services we provide our joint ventures and the sale of aggregated bookings data to carriers. See Revenue Models.

Airline and Hospitality Solutions

Airline and Hospitality Solutions primarily generates revenue from the SaaS and hosted revenue model, the consulting revenue model, as well as the software licensing fee model to a lesser extent. Over the last several years, our customers have shifted toward the SaaS and hosted revenue model as license fee contracts expire, and we expect to continue to facilitate the shift from license fee contracts to the SaaS and hosted revenue model going forward. See Revenue Models.

Travelocity

Travelocity generated transaction revenue through the merchant revenue model and the agency revenue model, and non-transaction revenue, in each case, except to the extent the marketing fee model applied. See Factors Affecting our Results and Comparability Travelocity. Transaction revenue comprised of (i) stand-alone air transaction revenue (i.e., revenue from the sale of air travel without any other products) and (ii) other transaction revenue (i.e., revenue from hotel suppliers, packages which include multiple travel products, lifestyle products such as theatre tickets and services).

Except to the extent the marketing fee model applied, Travelocity also generated revenues from fees from offline (e.g., call center agent transacted) bookings for air and packages and insurance revenues from third-party insurance providers whose air, total trip and cruise insurance we offer on our websites.

Additionally, Travelocity generated intersegment transaction revenue from Travel Network, consisting of incentive consideration earned for Travelocity transactions processed through our GDS and fees paid by Travel Network and Airline and Hospitality Solutions for corporate trips booked through the Travelocity online booking technology. For the nine months ended September 30, 2014, intersegment revenue substantially decreased in connection with the Expedia SMA. Intersegment transaction revenue is eliminated in consolidation.

Non-transaction revenue consisted of advertising revenue from the media revenue model, paper ticket fees and services, and change and reissue fees.

Cost of Revenue

Travel Network

Travel Network cost of revenues consists primarily of:

Incentive Consideration payments or other consideration to travel agencies for reservations made on our GDS which have accrued on a monthly basis. Incentive consideration provided on a periodic basis over the term of the contract, is recorded to cost of revenue. Travel Network provides incentive consideration to

Travelocity for Travelocity transactions processed through our GDS. Intersegment revenue substantially decreased in connection with the Expedia SMA. Intersegment expense is eliminated in consolidation. See Components of Revenues and Expenses Intersegment Transactions.

Technology Expenses data processing, data center management, application hosting, applications development and maintenance and related charges.

Labor Expenses salaries and benefits paid to employees supporting the operations of the business.

Other Expenses includes services purchased, facilities and corporate overhead.

Airline and Hospitality Solutions

Airline and Hospitality Solutions cost of revenues consists primarily of:

Labor Expenses salaries and benefits paid to employees for the development, delivery and implementation of software.

Technology Expenses data processing, data center management, application hosting, applications development and maintenance and related charges resulting from the hosting of our solutions.

Other Expenses includes services purchased, facilities and other costs.

Travelocity

Except as described below, Travelocity cost of revenue has consisted primarily of:

Volume Related Expenses customer service costs; credit card fees and technology fees; charges related to fraudulent bookings and compensation to customers, i.e., for service related issues.

Technology Expenses data processing, data center management, applications development, maintenance and related charges.

Labor Expenses salaries and benefits paid to employees supporting the operations of the business.

Other Expenses includes services purchased, facilities and other costs.

Following the Expedia SMA, Travelocity did not incur significant cost of revenues with respect to Travelocity s existing websites in the United States and Canada.

Corporate

Corporate cost of revenue includes certain shared technology costs as well as stock-based compensation expense, litigation expenses associated with occupancy or other taxes and other items that are not identifiable with one of our segments.

Depreciation and amortization

Cost of revenue includes depreciation and amortization 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 Airlines and Hospitality Solutions; and intangible assets for technology purchased through acquisitions or established with our take-private transaction.

Amortization of upfront incentive consideration

We provide upfront payments or other consideration 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 for employees that sell our services to new customers and administratively support the business, commission payments made to travel agency and distribution partners of Travelocity, advertising and promotional costs primarily for Travelocity, certain settlement costs and costs to defend legal disputes, bad debt expense, depreciation and amortization and other costs. In connection with the Expedia SMA, Travelocity no longer incurred significant non-marketing related expenses; instead, the marketing fee we received under the Expedia SMA is net of costs incurred by Expedia in connection with these activities. The marketing costs we incurred to promote the Travelocity brand are recorded as selling, general and administrative expenses.

Intersegment Transactions

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 between Travelocity and Travel Network, consisting mainly of accruals for incentive consideration, net of data processing fees incurred, by Travel Network to Travelocity for transactions processed through our GDS, transaction fees paid by Travelocity to Travel Network for transactions facilitated through our GDS in which the travel supplier pays Travelocity directly, and fees paid by Travel Network to Travelocity for corporate trips booked through the Travelocity online booking technology. During the second quarter of 2014, Travel Network charged Travelocity a fee of approximately $7 million for not meeting certain minimum booking level requirements. This fee was recorded as revenue on Travel Network and expensed on Travelocity in our segment results and is eliminated in consolidation. In addition, Airline and Hospitality Solutions pays fees to Travel Network for airline and hotel segments booked through our GDS. Due to the elimination of the intersegment revenue between Travelocity and Travel Network with the Expedia SMA, intersegment eliminations have substantially decreased for the nine months ended September 30, 2014 compared to the prior year. See Note 14, Segment Information, to our unaudited consolidated financial statements included elsewhere in this prospectus.

Matters Affecting Comparability

Mergers and Acquisitions

Our results of operations have been affected by mergers and acquisitions as summarized below.

Mergers and Acquisitions in 2014

On September 11, 2014, we acquired the assets of Genares, a global, privately-held hospitality technology company, to further strengthen Sabre s position as a leading technology partner to hoteliers worldwide. The acquisition added more than 2,300 independent and chain hotel properties to Sabre s existing Hospitality Solutions portfolio.

Mergers and Acquisitions in 2013

We had no acquisitions in the year ended December 31, 2013.

Mergers and Acquisitions in 2012

In the third quarter of 2012, we acquired all of the outstanding stock and ownership interests of PRISM, a leading provider of end-to-end airline contract business intelligence and decision support software. The acquisition, which adds to our portfolio of products within the Airline and Hospitality Solutions, allows for new relationships with airlines and adds to our existing business intelligence capabilities.

Mergers and Acquisitions in 2011

In the first quarter of 2011, we completed the acquisition of Zenon N.D.C., Limited, a provider of GDS services to travel agents in Cyprus. This acquisition further expands Travel Network within Europe.

In the second quarter of 2011, we completed the acquisition of SoftHotel, Inc., a provider of web-based property management solutions for the hospitality industry. This acquisition brings Airline and Hospitality Solutions closer to a fully integrated web-based solution that combines distribution, marketing and operations into a single platform for hotel customers.

Dispositions Impacting Results from Continuing Operations

Dispositions in 2014

In February 2014, as a further step in our restructuring plans for Travelocity, we completed a sale of assets associated with TPN. In connection with the sale, Travelocity entered into a TSA with the acquirer to provide services to maintain the websites and certain technical and administrative functions for the acquirer until a complete transition occurs. The proceeds to be received under the sale agreement and the TSA were allocated across these multiple agreements based on a relative fair value allocation which resulted in no gain or loss on the sale.

Dispositions in 2013

On June 18, 2013, we completed the sale of certain assets of TBiz operations to a third-party, which resulted in reduced revenue and expenses for Travelocity in 2013 compared to 2012. TBiz provides managed corporate travel services for corporate customers. We recorded a loss on the sale of $3 million, net of tax, including the write-off of $9 million of goodwill attributed to TBiz based on the relative fair value to the Travelocity North America reporting unit, in our consolidated statement of operations.

Dispositions in 2012

On February 24, 2012, we completed the sale of our 51% stake in Sabre Pacific, an entity jointly owned by a subsidiary of Sabre (51%) and Abacus (49%), to Abacus for $46 million of proceeds, which resulted in reduced revenue and expense for Travel Network in 2013 compared to 2012, and to a greater extent, in 2012 compared to 2011. Of the proceeds received, $9 million was for the sale of stock, $18 million represented the repayment of an intercompany note receivable from Sabre Pacific, which was entered into when the joint venture was originally established, and the remaining $19 million represented the settlement of operational intercompany receivable balances with Sabre Pacific and associated amounts we owed to Abacus. We recorded $25 million as gain on sale of business in our consolidated statements of operations. We have also entered into a license and distribution agreement with Sabre Pacific, under which it will market, sub-license, distribute, provide access to and support for our GDS in Australia, New Zealand and surrounding territories. Sabre Pacific is required to pay us an ongoing transaction fee based on booking volumes under this agreement. As of December 31, 2011, the assets and liabilities of Sabre Pacific were classified as held for sale on our consolidated balance sheet. For the year ended December 31, 2012, joint venture equity income included a $24 million impairment of goodwill recorded by Abacus associated with its acquisition of Sabre Pacific.

Dispositions in 2011

During 2011, we completed no significant dispositions impacting our results of continuing operations.

For a complete list of dispositions, including dispositions classified as discontinued operations, see Note 2, Discontinued Operations and Dispositions to our unaudited consolidated financial statements and Note 4, Discontinued Operations and Dispositions, to our audited consolidated financial statements included elsewhere in this prospectus.

Seasonality

The travel industry is seasonal in nature. Travel bookings for Travel Network, and the revenue we derive from those bookings, decrease significantly each year in the fourth quarter, primarily in December. We recognize air-related revenue at the date of booking and, because customers generally book their November and December holiday leisure-related travel earlier in the year, and business-related travel declines during the holiday season, revenue resulting from bookings is typically lower in the fourth quarter. Travelocity revenues were also impacted by the seasonality of travel bookings, but to a lesser extent since commissions from car and hotel travel suppliers and net rate revenue for hotel stays and vacation packages are recognized at the date of travel. There is a slight increase in Travelocity revenues for the second and third quarters compared to the first and fourth quarters due to European travel patterns. Airline and Hospitality Solutions does not experience any significant seasonality patterns in revenue.

Other Items Impacting Comparability

Travelocity business segment moved to discontinued operations

On December 16, 2014, we announced that we had received a binding offer from Bravofly Rumbo Group to acquire lastminute.com and on January 23, 2015, we announced the sale of Travelocity.com to Expedia, Inc. See Summary Recent Developments. We will reclassify and report all of the businesses associated with the Travelocity segment as discontinued operations in our 2014 Annual Report on Form 10-K as the segment was considered held for sale as of December 31, 2014. Our historical results contained in this prospectus present the Travelocity segment as a continuing operation.

Reduction of insurance sales fees

On January 24, 2012, the U.S. Department of Transportation implemented new regulations that prohibit carriers and ticket agents from including additional optional services in connection with air transportation, a tour or tour component if the optional service is automatically added to the consumer s purchase if the consumer takes no other action (i.e., if the consumer does not opt-out). Prior to the effectiveness of this regulation, we pre-checked the Yes box on Travelocity s websites for certain optional services such as travel insurance, while at the same time providing clear and conspicuous disclosure of the inclusion of such services, itemized pricing thereof and the option to remove such services prior to payment and check-out. The implementation of this regulation resulted in significantly fewer customers electing to purchase such services. For the year ended December 31, 2012, we experienced an $11 million, or 38%, decrease in revenue from insurance sales compared with the year ended December 31, 2011.

Results of Operations

The tables below set forth our consolidated statement of operations data for each of the periods presented. Certain amounts previously reported in our December 31, 2012 and 2011 financial statements have been reclassified to conform to the December 31, 2013 presentation as a result of discontinued operations. In June 2013, we sold certain assets of our Holiday Autos operations to a third party and in November 2013, we completed the closing of the remainder of the Holiday Autos operations such that it represented a discontinued operation. See Note 4, Discontinued Operations and Dispositions, to our audited consolidated financial statements included elsewhere in this prospectus. The impact on our revenue was a reduction of $65 million and $76 million for the years ended December 31, 2012 and 2011, respectively. The impact on our operating income was an increase of $12 million for the year ended December 31, 2012 and a reduction of less than $1 million for the year ended December 31, 2011.

	Nine Months Ended September 30,		Year Ended December 31,		
	2014	2013	2013	2012	2011
	(Amounts in thousands)				
Revenue	$ 2,229,286	$ 2,303,399	$ 3,049,525	$ 2,974,364	$ 2,855,961
Cost of revenue	1,399,919	1,423,242	1,904,850	1,819,235	1,736,041
Selling, general and administrative	575,413	620,226	792,929	1,188,248	806,435
Impairment		138,435	138,435	573,180	185,240

Restructuring charges	2,325	15,889	36,551		
Operating income (loss)	251,629	105,607	176,760	(606,299)	128,245
Interest expense, net	(167,332)	(209,653)	(274,689)	(232,450)	(174,390)
Loss on extinguishment of debt	(33,538)	(12,181)	(12,181)		
Gain on sale of business				25,850	
Joint venture equity income (loss)	9,367	7,873	12,350	(2,513)	23,501
Other, net	760	(1,099)	(6,724)	(1,385)	1,156
Income (loss) from continuing operations before income taxes	60,886	(109,453)	(104,484)	(816,797)	(21,488)
Provision (benefit) for income taxes	27,878	(5,229)	(14,029)	(195,071)	57,806
Income (loss) from continuing operations	$ 33,008	$ (104,224)	$ (90,455)		