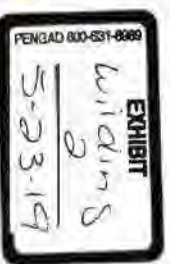


From: Wilding, Chris
Sent: Wed, 24 Jan 2018 17:18:21 -0600 (CST)
To: Menke, Sean[Sean.Menke@sabre.com]; Jones, Wade[Wade.Jones@sabre.com]; Gonzalez, Rachel[Rachel.Gonzalez@sabre.com]; Simonson, Rick [Rick.Simonson@sabre.com]; Vilches, Jorge[Jorge.Vilches@sabre.com]; Nester, Chris [Chris.Nester@sabre.com]; Everly, Robin[Robin.Everly@sabre.com]
Subject: US Strategy Meeting Tomorrow
Attachments: US Strategy - 25Jan Meeting.pptx

All,
Attached is a document to support our discussion tomorrow at 1:00 regarding our GDS renewal strategy for [REDACTED] and [REDACTED]

Thanks,
Chris



SABR-001804435



Sabre Travel Network

US Commercial Strategy

19 Jan 2018



Current Landscape

- US POS accounts for 30% of global GDS bookings, Sabre has the largest share
- US major airlines account for 68% of bookings in US POS, but only 10% of profits. Bookings on these airlines in ROW are much more profitable
- In 2006 Sabre introduced the EAS program in the US. EAS remains in place today with [REDACTED] and [REDACTED]. Nearly all agencies have opted in
- Sabre's full content agreements with [REDACTED] expire on [REDACTED] respectively. Our agreements with [REDACTED] don't expire until [REDACTED]

	US Point of Sale			
	Sabre	Travelport	Amadeus	Total
Bookings	211M	90M	92M	393M
Share	54%	23%	23%	100%

* Includes wholesale bookings

	US Point of Sale		ROW Point of Sale	
	Bookings	Contribution*	Bookings	Contribution*
US Majors	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other Airlines	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

* Contribution = Revenue less Incentive expense

	Agency Implications	Airline Implications
Agency Opt In	Full Content, Reduced Incentives	Lower Booking Fee
Agency Opt Out	Subject to surcharge from airline or loss of content, Full Incentive	Higher Booking Fee

Goals

Goals	Possible Actions
<ul style="list-style-type: none">• Stable GDS business model and financial predictability	<ul style="list-style-type: none">• [REDACTED]• [REDACTED]
<ul style="list-style-type: none">• Improve airline relationships	<ul style="list-style-type: none">• Reduce cost, implement value based pricing• Enable new distribution technology (NDC+)• Increase sale of ancillaries and high value brands
<ul style="list-style-type: none">• Maintain/Improve Sabre earnings	<ul style="list-style-type: none">• [REDACTED]
<ul style="list-style-type: none">• Grow GDS share	<ul style="list-style-type: none">• Offer large agencies option to earn back incentive reduction with material volume increase



Commercial Options

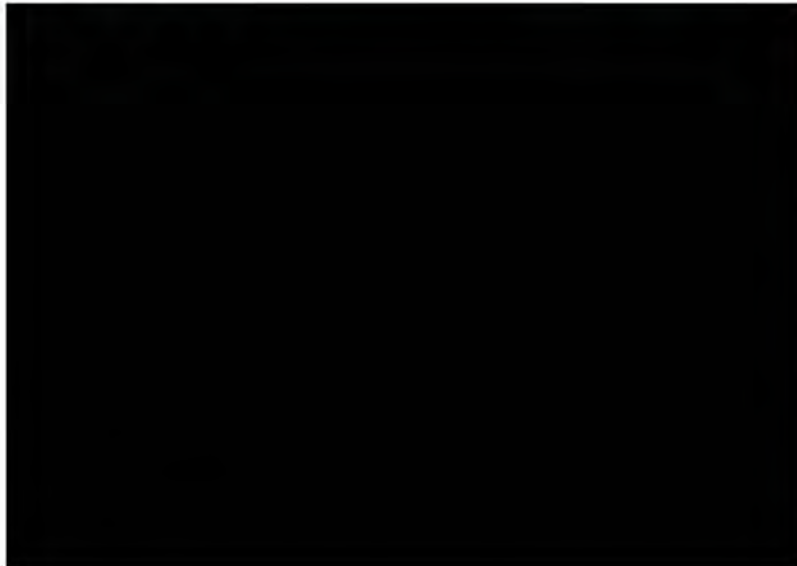
	Pros	Key risks	Likelihood
Recommend	[Redacted Content]		
			
			



Comparison of Commercial Options

US Majors (Regions POS analysis)

- [REDACTED] option is most financially appealing in the near term



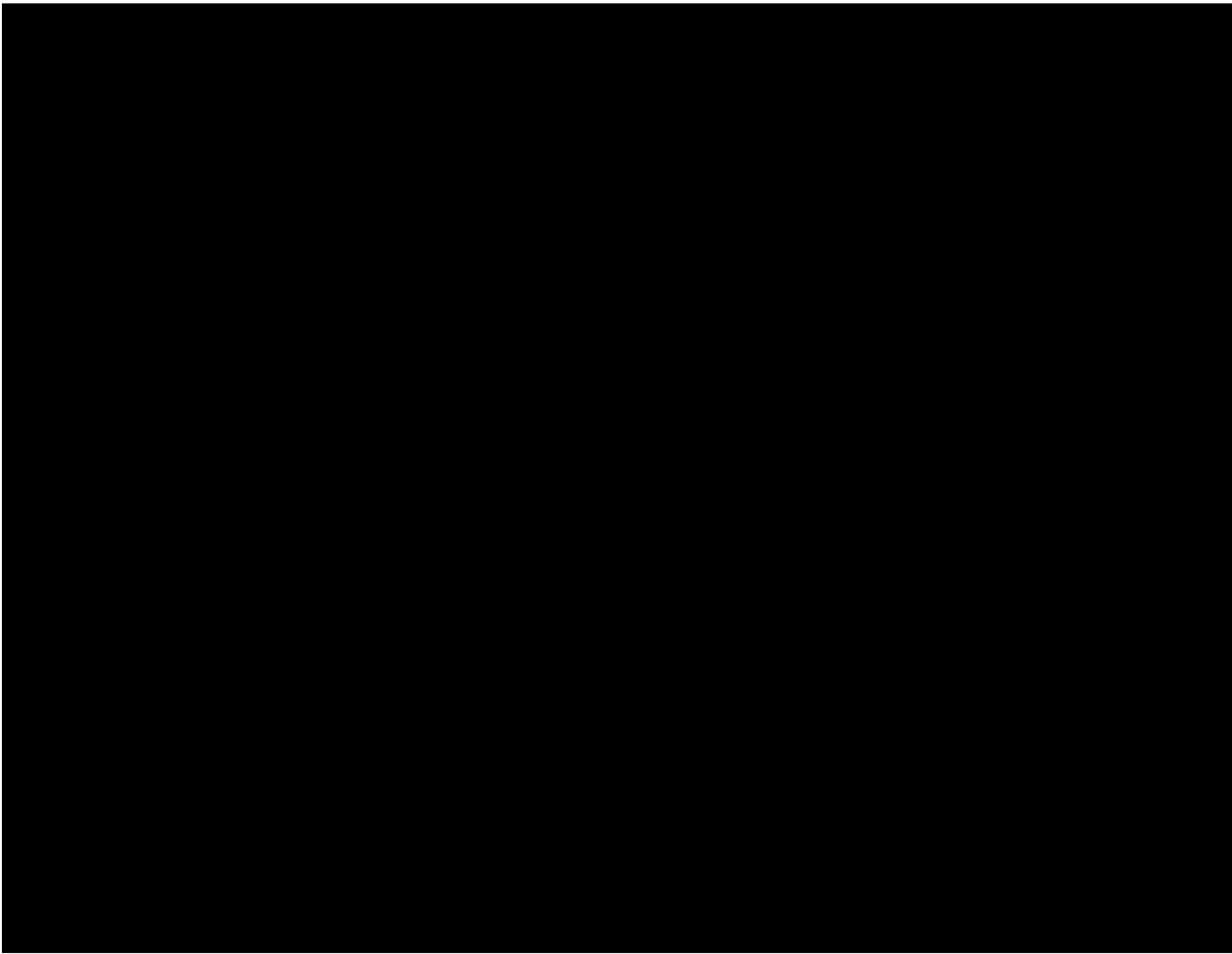
[REDACTED] Only (Regions POS analysis)

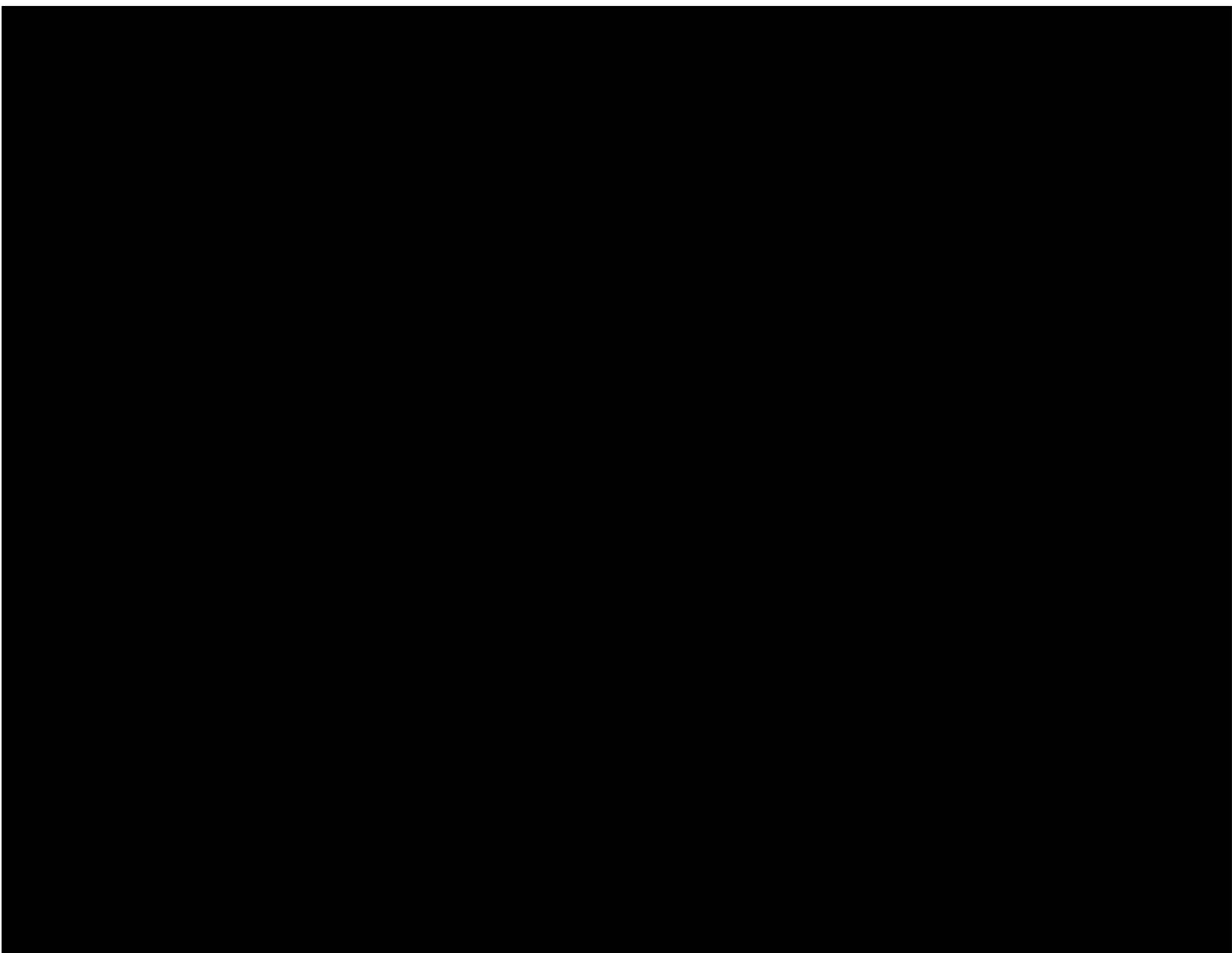
- Sabre earnings would increase by [REDACTED] if [REDACTED] elects [REDACTED]

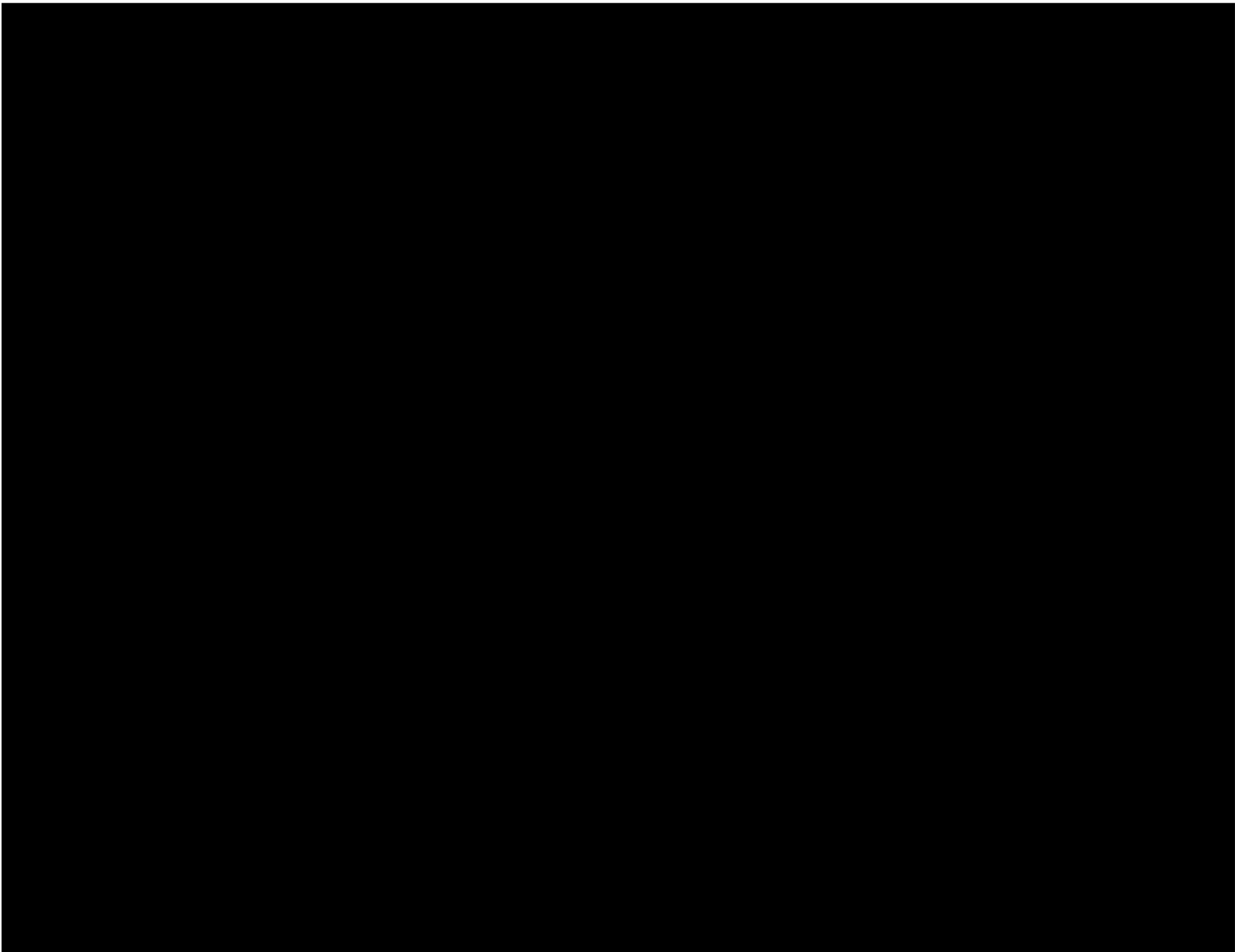


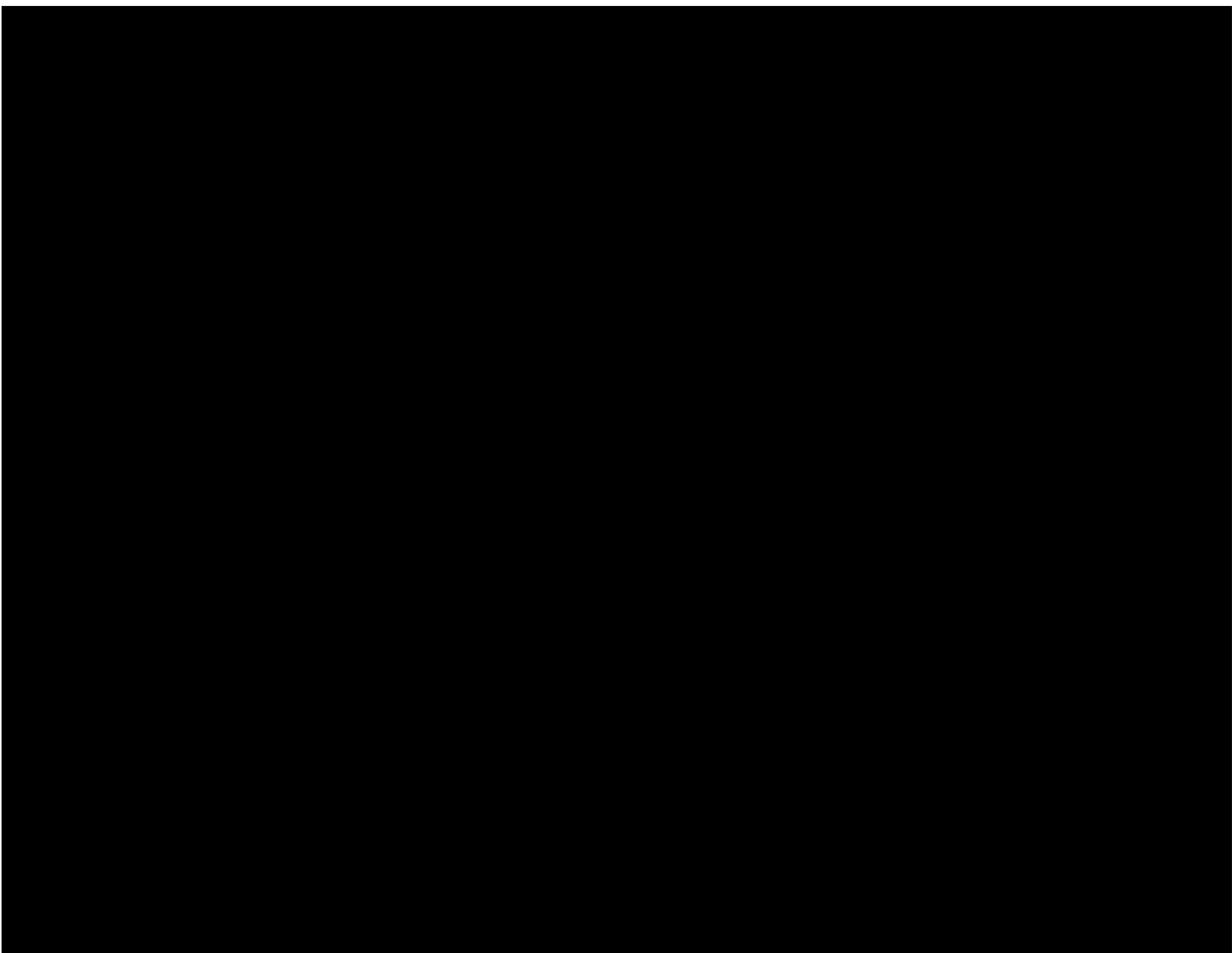
* Assumes [REDACTED] booking loss

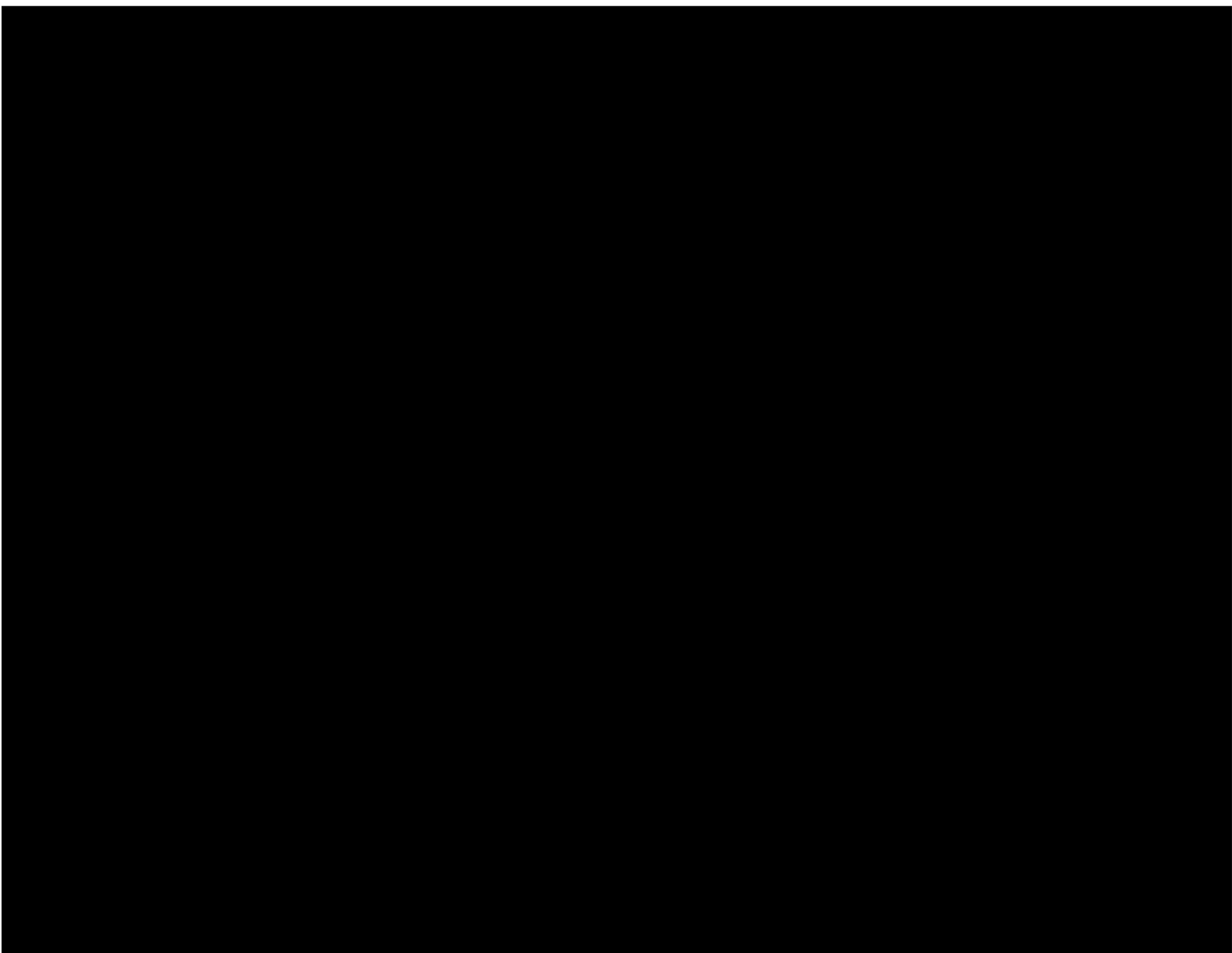


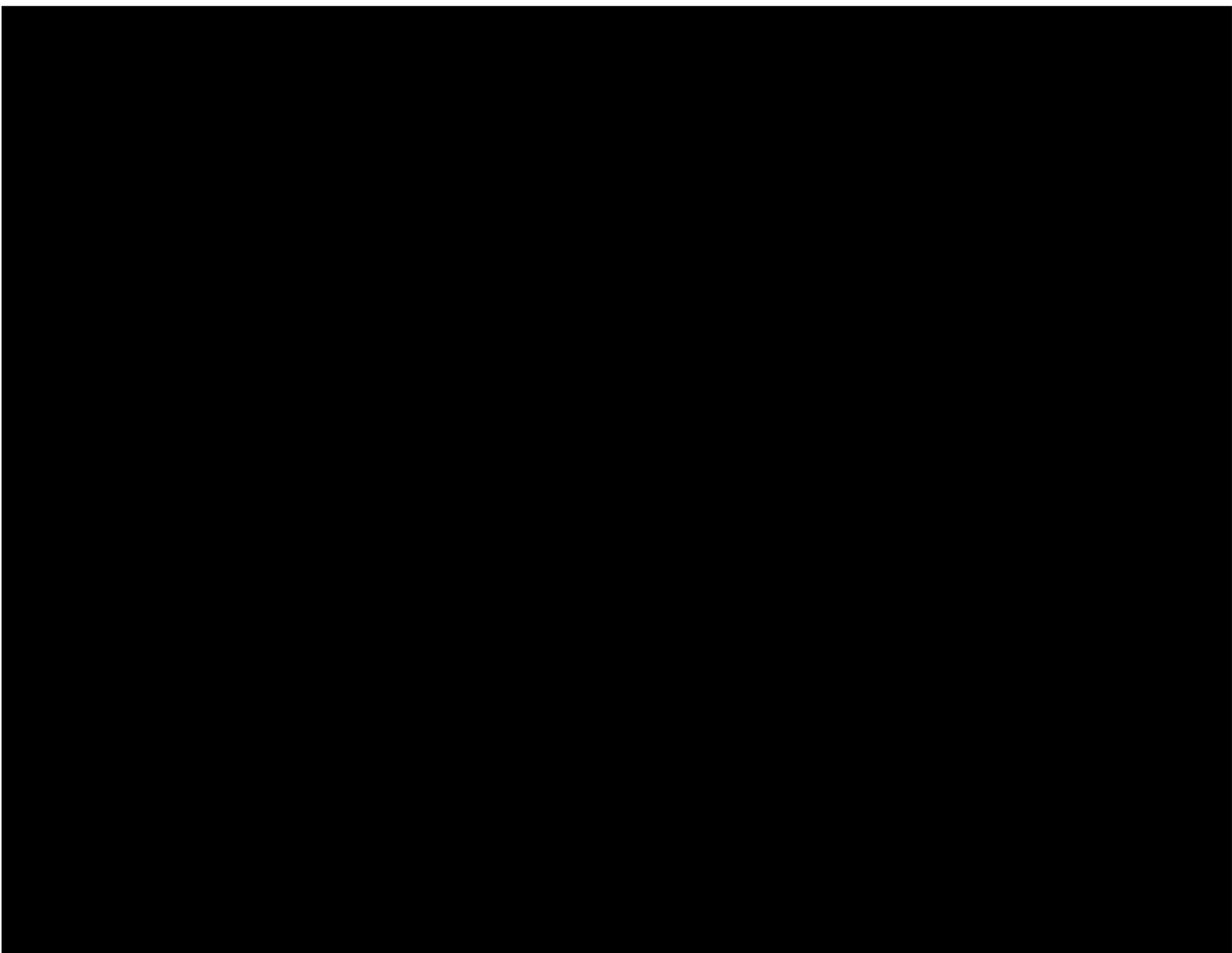


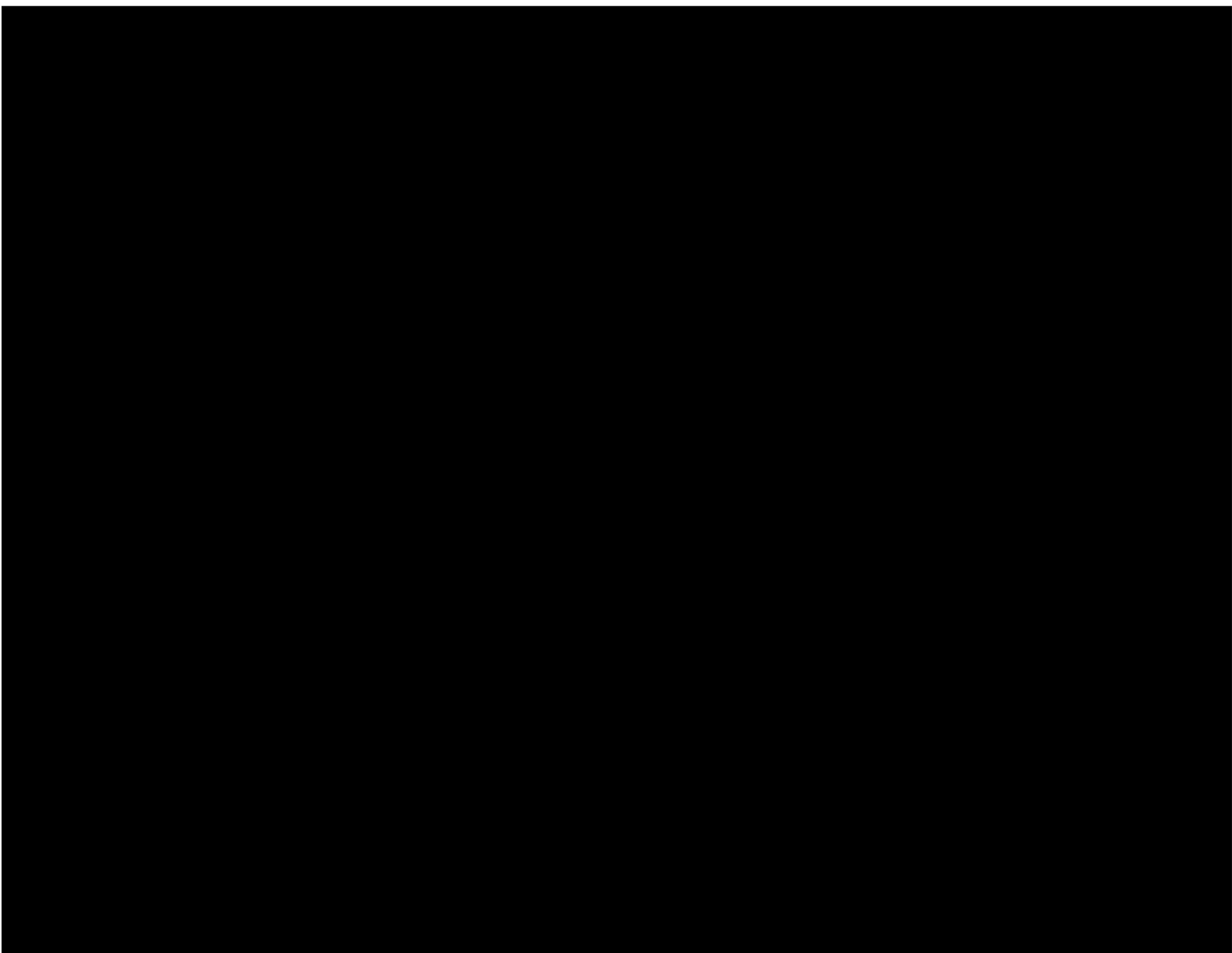


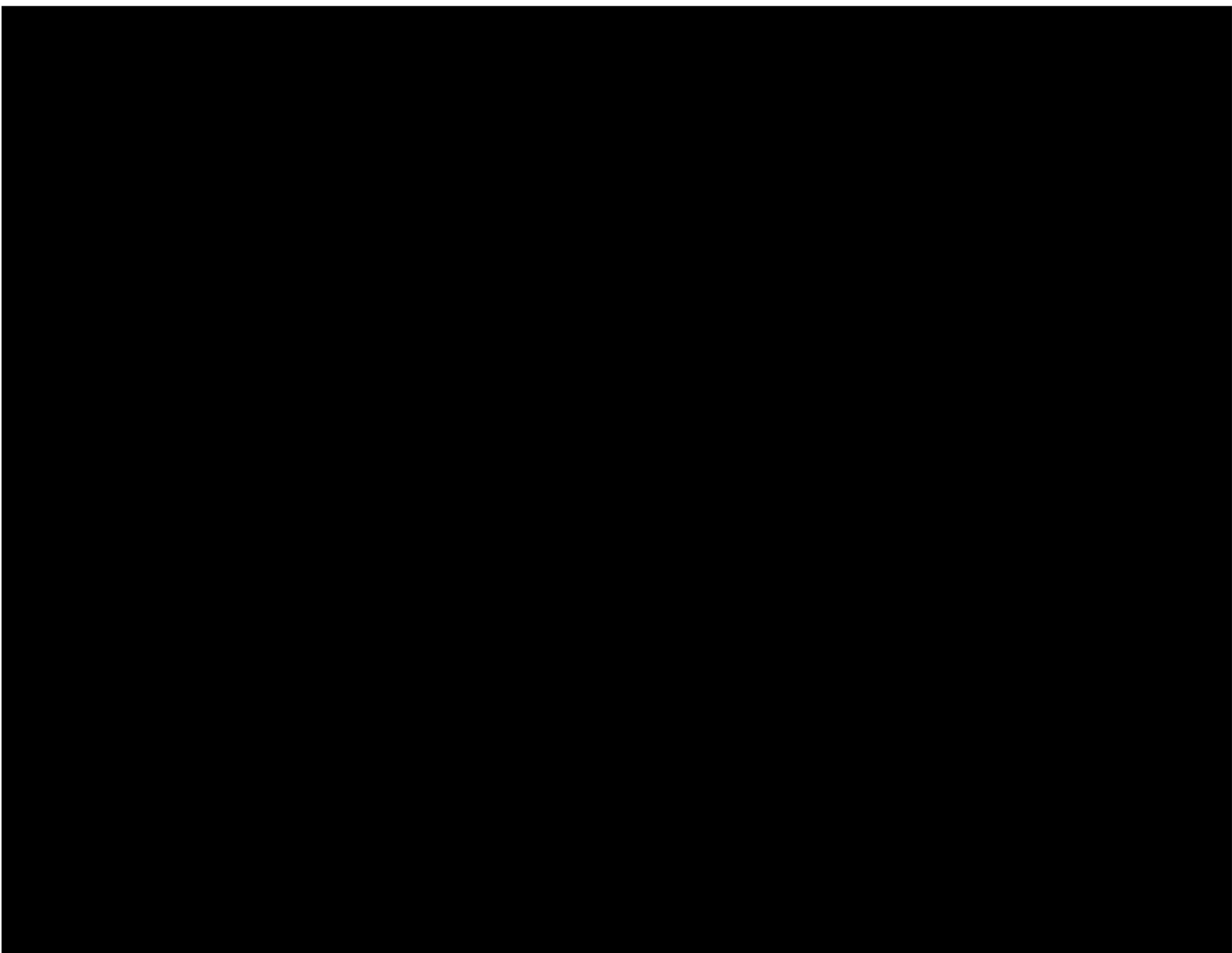














Appendix

Global Agency Bookings on Other GDSs

Bookings														
	US Point of Sale									ROW Point of Sale			Global	
	Travelport			Amadeus			Total		Travelport	Amadeus	Total	Travelport	Amadeus	Total
	US Major	Other Airline	Total	US Major	Other Airline	Total	US Major	Total						
AMEX	7.9M	1.6M	9.5M	0.2M	0.2M	0.4M	8.0M	9.9M	1.9M	12.1M	14.0M	11.4M	12.5M	23.9M
BCD	4.3M	0.9M	5.1M	0.0M	0.0M	0.1M	4.3M	5.2M	0.8M	11.5M	12.3M	6.0M	11.5M	17.5M
CWT	3.8M	0.9M	4.7M	0.2M	0.0M	0.2M	4.0M	4.9M	6.3M	10.7M	16.9M	11.0M	10.8M	21.8M
Flight Centre	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	11.9M	6.5M	18.4M	11.9M	6.5M	18.4M
HRG	0.3M	0.1M	0.4M	0.0M	0.0M	0.0M	0.3M	0.4M	3.1M	5.3M	8.4M	3.5M	5.3M	8.8M
CTM	0.7M	0.2M	1.0M	0.0M	0.0M	0.0M	0.7M	1.0M	0.3M	0.1M	0.4M	1.3M	0.1M	1.4M
GE	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M
Expedia	4.4M	1.7M	6.1M	24.9M	12.1M	37.0M	29.3M	43.1M	4.3M	23.9M	28.1M	10.4M	60.8M	71.2M
All Other	46.2M	16.5M	62.7M	25.9M	28.6M	54.5M	72.1M	117.2M	160.8M	405.2M	566.1M	223.5M	459.7M	683.2M

Contribution per Booking														
	US Point of Sale									ROW Point of Sale			Global	
	Travelport			Amadeus			Total		Travelport	Amadeus	Total	Travelport	Amadeus	Total
	US Major	Other Airline	Total	US Major	Other Airline	Total	US Major	Total						
AMEX	(\$0.01)	\$4.72	\$0.80	(\$0.00)	\$4.72	\$2.67	(\$0.01)	\$0.87	\$2.91	\$2.91	\$2.91	\$1.16	\$2.91	\$2.07
BCD	\$0.51	\$5.24	\$1.30	\$0.51	\$5.24	\$2.12	\$0.51	\$1.31	\$2.91	\$2.91	\$2.91	\$1.52	\$2.91	\$2.44
CWT	\$0.28	\$5.01	\$1.17	\$0.28	\$5.01	\$1.02	\$0.28	\$1.17	\$2.91	\$2.91	\$2.91	\$2.17	\$2.88	\$2.52
Flight Centre	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2.91	\$5.76	\$3.92	\$2.91	\$5.76	\$3.92
HRG	\$1.49	\$6.22	\$2.54	\$0.00	\$0.00	\$0.00	\$1.49	\$2.54	\$2.91	\$2.91	\$2.91	\$2.87	\$2.91	\$2.89
CTM	\$0.07	\$4.80	\$1.23	\$0.00	\$0.00	\$0.00	\$0.07	\$1.23	\$2.91	\$5.76	\$3.46	\$1.63	\$5.76	\$1.85
GE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Expedia	(\$0.52)	\$5.21	\$1.06	(\$0.52)	\$5.21	\$1.35	(\$0.52)	\$1.31	\$1.91	\$1.91	\$1.91	\$1.41	\$1.57	\$1.55
All Other	\$1.27	\$5.48	\$2.88	\$1.27	\$5.48	\$3.48	\$1.27	\$2.89	\$3.36	\$3.36	\$3.36	\$3.08	\$3.37	\$3.28

2017 Revenue & Cost of Distribution



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SABR-001804451

Comparison: Regions Only

