

SABRE HOLDINGS CORP  
Form 8-K  
July 31, 2003

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

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**July 31, 2003**

**Date of Report (Date of earliest event reported)**

**SABRE HOLDINGS CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-12175**  
(Commission File No.)

**75-2662240**  
(IRS Employer  
Identification No.)

**3150 Sabre Drive**  
**Southlake, Texas 76092**  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(682) 605-1000**

**Not applicable.**  
(Former name or former address, if changed since last report.)

**Item 9. Regulation FD Disclosure**

**American Airlines DCA 3-Year Option Agreement**

On July 31, 2003, Sabre Holdings Corporation (the Company) issued the news release attached hereto as Exhibit 99.1 announcing that Sabre Travel International Limited, an indirect subsidiary of the Company, has reached a three-year agreement (the Agreement) with American Airlines, Inc. (American), effective July 31, 2003, under which that airline will make available through the Sabre® global distribution system (Sabre GDS) its publicly available fares, promotions, and services in the United States, the U.S. Virgin Islands, the Caribbean and Europe (covered territory). The airline has also agreed to participate in the Sabre GDS at its highest level, direct connect availability (DCA), for three years.

Under the Agreement, the airline will make available to Sabre GDS users (including Sabre-connected online and offline travel agencies) in the covered territory all published fares, including Web fares, that the airline offers through its own reservation centers, through any third-party's Web site or through its own web site, excluding a de minimis amount of certain fares such as so-called opaque fares where the airline's identity is not disclosed until after the sale. The airline will provide access to all of these published fares to users of all channels of the Sabre GDS in the covered territory, including Internet (such as Travelocity.com) and off-line channels.

Further, subject to certain terms and conditions, the airline has agreed to make available to Sabre-connected travel agents in the covered territory any products, services, commissions, or passenger perquisites or amenities that the airline makes generally available in connection with bookings made by travel agents on any other GDS or on www.aa.com.

In exchange, the airline will receive an effective discount of 12.5 percent off of applicable DCA rates on booking fees for DCA bookings made by Sabre GDS users in the covered territory. In addition, the Company has agreed to hold the booking fee for the airline's bookings in the covered territory at this level of participation steady for the three-year term of the agreement.

The Agreement with American, along with the other airline DCA 3-Year Option agreements announced by the Company (including those with US Airways, United Air Lines, Delta Air Lines, Northwest Air Lines and Continental Airlines), assures Sabre GDS users in the covered territory of access to high quality, full content concerning the flights and fares of carriers participating in the three-year program and of other forms of non-discriminatory treatment. As a consequence, the Company believes that American's participation in the program, as well as that of the other participants, will play a role in diminishing the shift of bookings away from the Sabre GDS to airline-controlled outlets.

The Agreement is expected to benefit the Company in the following ways:

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A long term commitment from the airline has been secured at the highest PCA level

The traditional pricing model remains intact for all other participation levels

The Agreement should slow the rate of channel shift to supplier-direct channels

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The Agreement should solve the major content issue for offline and online travel agencies

The Agreement should dampen incentive growth.

In addition, pursuant to a Marketing Cooperation Agreement with the Company, American will continue to provide marketing support for the Sabre Travel Network products. The Company utilizes these services to support its relationships with travel agents and individuals who are also customers of American.

The Company does not anticipate changing the third quarter and the full-year 2003 earnings per share ranges (either on a GAAP basis or excluding special items) released on July 17, 2003. However, the Company does expect the financial impact of the Agreement to push earnings per share to the bottom of those ranges. This estimate does not include any provision for reduced channel shift or other mitigating factors, such as any increase in market share due to the Sabre GDS having the highest quality content on the six large U.S. carriers now participating in the DCA 3-Year Option, nor does it anticipate a reduction in cancellation fees or revenues from any other participation level of the Sabre GDS. Additional financial implications of the DCA 3-Year agreements for the Company include potential changes to the booking fee pricing model for airlines that do not participate in the DCA 3-Year Option Program, and reduced pressure on travel agency incentive growth.

**Exhibit(s)**

<b>Exhibit</b>	<b>Description</b>
99.1	News release announcing American Airlines, Inc. DCA 3-Year Option Agreement, issued by Sabre Holdings Corporation on July 31, 2003.

All of the information furnished in this report and in the accompanying Exhibit 99.1 shall not be deemed to be filed for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended.

**Cautionary Notice**

Statements in this report which are not purely historical facts, including statements about airlines acceptance of the new participation level, the effect of the Agreement on channel shift to supplier-direct channels, the expected benefits to the Company of the Agreement, possible future dividends or other statements about anticipations, beliefs, expectations, hopes, intentions or strategies for the future, may be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Readers are cautioned not to place undue reliance on forward-looking statements. All forward-looking statements are based upon information available to The Company on the date this report was submitted. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Any forward-looking statements involve risks and uncertainties that could cause actual events or results to differ materially from the events or results described in the forward-looking statements, including risks or uncertainties related to: the computer reservation system rules proposed by the Department of Transportation; the Company's revenues being highly dependent on the travel and transportation industries;



airlines limiting their participation in travel marketing and distribution services; or structural changes within the travel industry, such as the financial instability or bankruptcy of many of the air carriers. The Company may not succeed in addressing these and other risks. Further information regarding factors that could affect our financial and other results can be found in the risk factors section of our most recent filing on Form 10-Q with the Securities and Exchange Commission.

**SIGNATURE**

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

**SABRE HOLDINGS CORPORATION**

By: */s/James F. Brashear*  
Name: James F. Brashear  
Title: Corporate Secretary

Date: July 31, 2003

**EXHIBIT INDEX**

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