Q2 '17 Earnings Report

August 1, 2017

Forward-looking statements

Forward-looking Statements

Certain statements herein are forward-looking statements about trends, future events, uncertainties and our plans and expectations of what may happen in the future. Any statements that are not historical or current facts are forward-looking statements. In many cases, you can identify forward-looking statements by terms such as "expect," "outlook," "guidance," "estimate," "will," "target," "believe," "continue," "position," "update," "plan," "anticipate," "opportunity," "believe," "may," "should," "would," or the negative of these terms or other comparable terminology. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Sabre's actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. The potential risks and uncertainties include, among others, dependency on transaction volumes in the global travel industry, particularly air travel transaction volumes, exposure to pricing pressure in the Travel Network business, the implementation and effects of new or renewed agreements, the implementation and results of the organizational restructuring program, travel suppliers' usage of alternative distribution models, maintenance of the integrity of our systems and infrastructure and the effect of any security breaches, competition in the travel distribution market and solutions markets, failure to adapt to technological developments, dependence on establishing, maintaining and renewing contracts with customers and other counterparties and collecting amounts due to us under these agreements, changes affecting travel supplier customers, use of third-party distributor partners, dependence on relationships with travel buyers, adverse global and regional economic and political conditions, including, but not limited to, economic conditions in countries or regions with traditionally high levels of exports to China or that have commodities-based economies and the effect of "Brexit" and uncertainty due to related negotiations, risks arising from global operations, reliance on third parties to provide information technology services, the financial and business effects of acquisitions, including integration of these acquisitions, , our ability to recruit, train and retain employees, including our key executive officers and technical employees, and the effects of litigation. More information about potential risks and uncertainties that could affect our business and results of operations is included in the "Risk Factors" and "Forward-Looking Statements" sections in our Quarterly Report 10-Q filed with the SEC on May 2, 2017 and our Annual Report on Form 10-K filed with the SEC on February 17, 2017 and in our other filings with the SEC. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, outlook, guidance, results, actions, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. Unless required by law, Sabre undertakes no obligation to publicly update or revise any forward-looking statements to reflect circumstances or events after the date they are made.

Non-GAAP Financial Measures

This presentation includes unaudited non-GAAP financial measures, including Adjusted Net Income, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EPS, Free Cash Flow, and the ratios based on these financial measures. In addition, we provide certain forward guidance with respect to Adjusted EBITDA, Adjusted Net Income, Adjusted EPS and Free Cash Flow. We are unable to provide this forward guidance on a GAAP basis without unreasonable effort; however, see "2017 Business Outlook and Financial Guidance" in the appendix for additional information including estimates of certain components of the non-GAAP adjustments contained in the guidance.

We present non-GAAP measures when our management believes that the additional information provides useful information about our operating performance. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by other companies. The presentation of non-GAAP financial measures is not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP. See "Non-GAAP Financial Measures" below for an explanation of the non-GAAP measures and "Tabular Reconciliations for Non-GAAP Measures" in the appendix for a reconciliation of the non-GAAP financial measures to the comparable GAAP measures.

Industry Data

This presentation and accompanying comments contain industry data, forecasts and other information that we obtained from industry publications and surveys, public filings and internal company sources, and there can be no assurance as to the accuracy or completeness of the included information. Statements as to our ranking, market position, bookings share 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 not independently verified this third-party information nor have we ascertained the underlying economic assumptions relied upon in those sources, and we cannot assure you of the accuracy or completeness of this information.

Today’s presenters

Sean Menke
President & CEO

Rick Simonson
EVP & CFO

Q2 '17 Financial highlights

	Q2 2017	Growth
Revenue	$901M	+7%
Adjusted EBITDA	$261M	(4%)
Adjusted Op Income	$172M	(11%)
Adjusted EPS	$0.35	(5%)

Driving efficiency and capability

- Initiated a cost reduction and business alignment program
  - Driving increased focus on largest opportunities
  - Creating a more nimble, faster moving organization
- Estimated savings of $110M per annum at full run rate
  - $60M COR, $50M SG&A
  - $25M charge in Q2 ’17, in-year savings of approximately the same amount
  - Headcount reduction of ~9%
- Cost reductions instrumental in helping to meet 2017 financial targets and aligning cost structure with slower expected Airline Solutions growth in 2018

Strategic initiatives

- Strengthened management team

Wade Jones
President
Travel Network

Dave Shirk
President
Airline Solutions

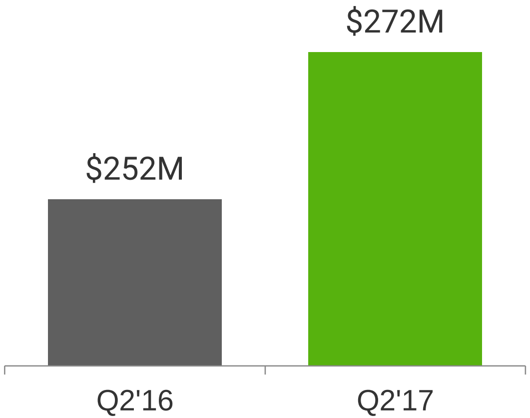
Joe DiFonzo
Chief Information Officer

Clinton Anderson
President
Hospitality Solutions

- Migration and associated rearchitecting of our shopping complex progressing as planned
- Expect to be in the market with our next-generation cloud-based limited service SynXis Property Management System in Q4
- Beginning the rollout of the new Sabre Red Workspace with very positive feedback

Q2 '17 Airline & Hospitality Solutions

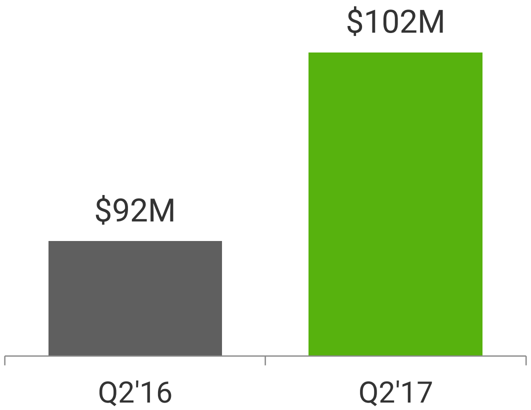
Revenue



+7.8%

Q2 2017
YOY Growth

Adjusted EBITDA



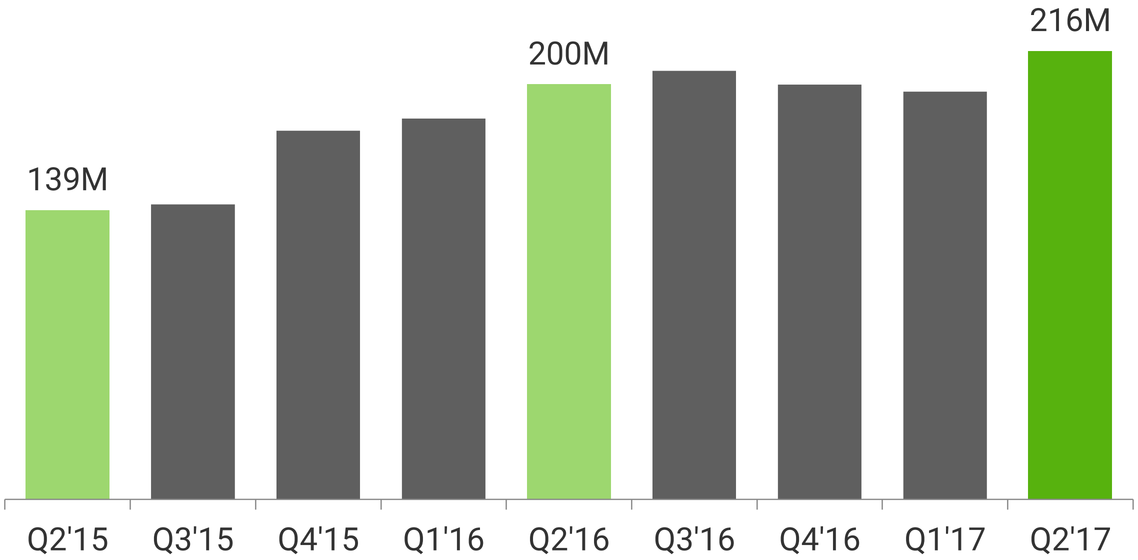
+10.6%

Q2 2017
YOY Growth

37.4%

EBITDA
Margin

Total quarterly passengers boarded

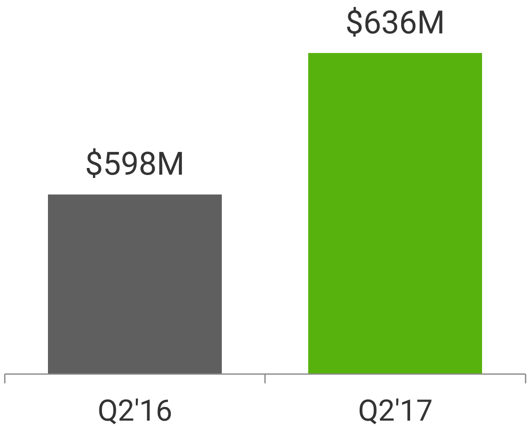


+8.0%

Q2 2017
YOY Growth

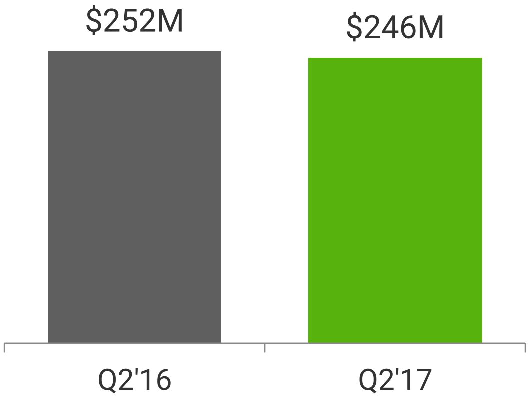
Q2 ‘17 Travel Network

Revenue



+6.3%
Q2 2017
YOY Growth

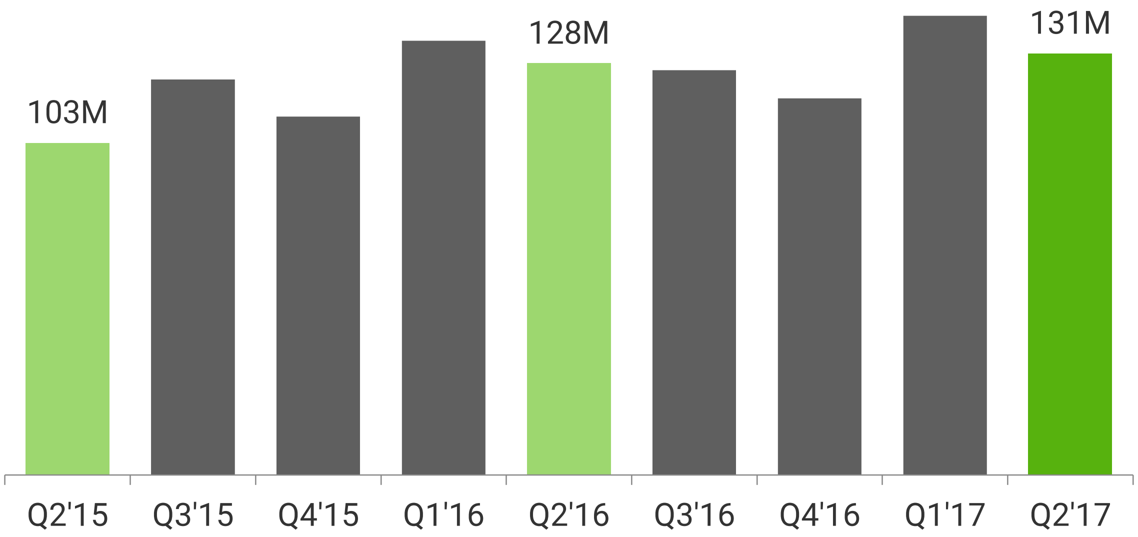
Adjusted EBITDA



(2.3%)
Q2 2017
YOY Growth

38.7%
EBITDA
Margin

Total quarterly bookings



+2.4%

Q2 2017
YOY Growth

Total Q2 ‘17 bookings growth by region

+11.1%

EMEA

+2.2%

NAM

(1.1%)

APAC

(3.9%)

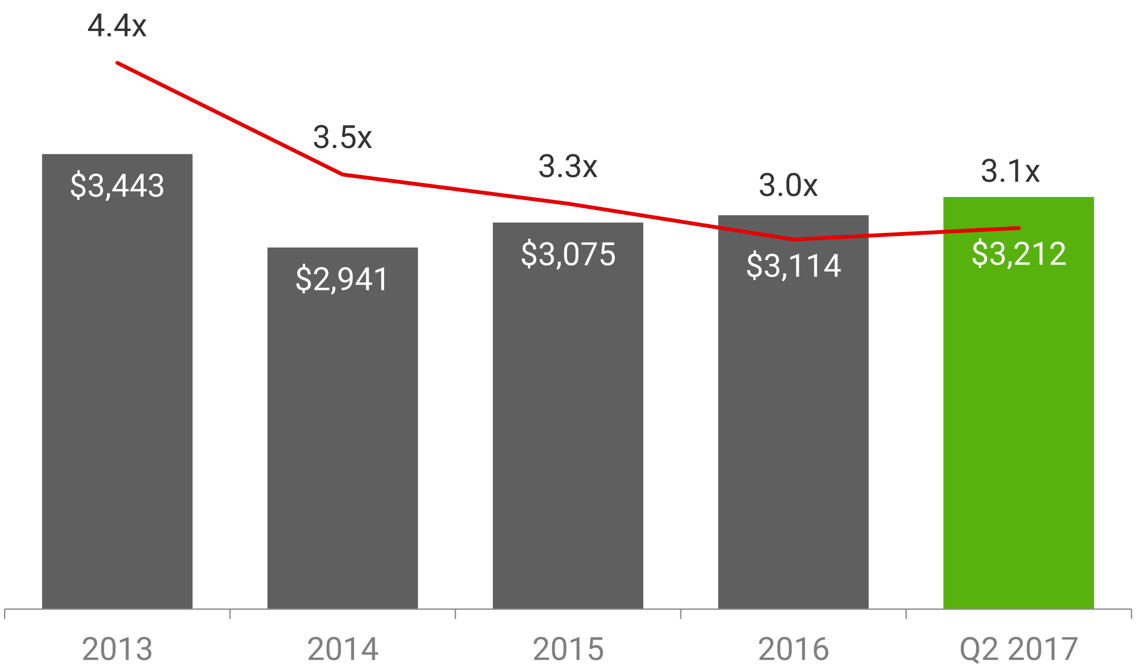
LAC

36.0%

Q2 2017

Global Air Bookings Share

Net debt, leverage[1] and cash flow



$19M
YOY decline in Q2 2017 Adjusted Capital Expenditures[2]

$155M
Q2 2017 Cash provided by operating activities

$76M
Q2 2017 Free Cash Flow

[1]Net Debt/LTM Adjusted EBITDA.

[2]We define Adjusted Capital Expenditures as additions to property and equipment and capitalized implementation costs.

FY ‘17 Guidance

	Guidance	Growth
Revenue	\$3,540M - \$3,620M	5% - 7%
Adjusted EBITDA	\$1,055M - \$1,095M	1% - 5%
Adjusted Net Income	\$370M - \$410M	0% - 11%
Adjusted EPS	\$1.31 - \$1.45	0% - 11%
Free Cash Flow	Approximately \$350M	
GAAP Capital Expenditures	\$335M - \$355M	Down \$25M versus previous expectations
Capitalized Implementation Costs	\$60M - \$70M	Down \$25M versus previous expectations

The information presented here represents forward-looking statements and reflects expectations as of August 1, 2017. Sabre assumes no obligation to update these statements. Results may be materially different and are affected by many factors detailed in the accompanying release and in Sabre’s first quarter 2017 Form 10-Q and2016 Form 10-K.

Thank you

APPENDIX

Tabular reconciliations for Non-GAAP measures

Reconciliation of net income (loss) attributable to common shareholders to Adjusted Net Income and Adjusted EBITDA
(in thousands, except per share amounts; unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net (loss) income attributable to common stockholders	$ (6,487)	$ 72,019	$ 69,452	$ 177,186
Loss (income) from discontinued operations, net of tax	1,222	2,098	1,699	(11,252)
Net income attributable to noncontrolling interests[(1)]	1,113	1,078	2,419	2,180
(Loss) Income from continuing operations	(4,152)	75,195	73,570	168,114
Adjustments:				
Acquisition-related amortization[(2a)]	20,259	34,018	55,440	68,148
Impairment and related charges[(8)]	92,022	—	92,022	—
Other, net [(4)]	752	(876)	15,986	(4,236)
Restructuring and other costs [(5)]	25,304	1,116	25,304	1,240
Acquisition-related costs[(6)]	—	516	—	624
Litigation costs (reimbursements), net[(7)]	958	1,901	4,459	(1,945)
Stock-based compensation	14,724	12,810	22,758	23,099
Tax impact of net income adjustments	(52,735)	(20,633)	(74,303)	(36,349)
Adjusted Net Income from continuing operations	$ 97,132	$ 104,047	$ 215,236	$ 218,695
Adjusted Net Income from continuing operations per share	$ 0.35	$ 0.37	$ 0.77	$ 0.77
Diluted weighted-average common shares outstanding[(9)]	279,833	283,001	279,919	282,648
Adjusted Net Income from continuing operations	$ 97,132	$ 104,047	$ 215,236	$ 218,695
Adjustments:				
Depreciation and amortization of property and equipment[(2b)]	63,810	56,214	125,110	109,879
Amortization of capitalized implementation costs[(2c)]	8,948	8,211	18,137	16,699
Amortization of upfront incentive consideration[(3)]	16,161	13,896	32,293	26,233
Interest expense, net	38,097	37,210	77,658	78,412
Remaining provision for income taxes	37,269	51,906	90,544	109,046
Adjusted EBITDA	$ 261,417	$ 271,484	$ 558,978	$ 558,964

Reconciliation of Operating Income to Adjusted Operating Income

(in thousands; unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Operating income	$ 18,718	$ 142,039	$ 182,044	$ 313,461
Adjustments:				
Impairment and related charges(8)	92,022	—	92,022	—
Joint venture equity income	513	763	1,411	1,526
Acquisition-related amortization(2a)	20,259	34,018	55,440	68,148
Restructuring and other costs (5)	25,304	1,116	25,304	1,240
Acquisition-related costs(6)	—	516	—	624
Litigation costs (reimbursements), net(7)	958	1,901	4,459	(1,945)
Stock-based compensation	14,724	12,810	22,758	23,099
Adjusted Operating Income	$ 172,498	$ 193,163	$ 383,438	$ 406,153

Reconciliation of Adjusted EBITDA and Adjusted EBITDA margin by segment

(in thousands; unaudited)

	Three Months Ended June 30, 2017			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 208,576	$ 61,868	$ (251,726)	$ 18,718
Add back:				
Selling, general and administrative	30,099	21,995	94,762	146,856
Impairment and related charges(8)			92,022	92,022
Cost of revenue adjustments:				
Depreciation and amortization(2)	19,313	38,979	17,723	76,015
Restructuring and other costs (5)	—	—	12,976	12,976
Amortization of upfront incentive consideration(3)	16,161	—	—	16,161
Stock-based compensation	—	—	5,830	5,830
Adjusted Gross Profit	274,149	122,842	(28,413)	368,578
Selling, general and administrative	(30,099)	(21,995)	(94,762)	(146,856)
Joint venture equity income	513	—	—	513
Selling, general and administrative adjustments:				
Depreciation and amortization(2)	1,328	878	14,796	17,002
Restructuring and other costs (5)	—	—	12,328	12,328
Litigation costs, net(7)	—	—	958	958
Stock-based compensation	—	—	8,894	8,894
Adjusted EBITDA	$ 245,891	$ 101,725	$ (86,199)	$ 261,417
Operating income margin	32.8%	22.8%	NM	2.1%
Adjusted EBITDA margin	38.7%	37.4%	NM	29.0%

Reconciliation of Adjusted EBITDA and Adjusted EBITDA margin by segment

(in thousands; unaudited)

	Three Months Ended June 30, 2016			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 217,252	$ 55,390	$ (130,603)	$ 142,039
Add back:				
Selling, general and administrative	32,745	16,762	97,379	146,886
Cost of revenue adjustments:				
Depreciation and amortization(2)	18,093	36,317	10,962	65,372
Amortization of upfront incentive consideration(3)	13,896	—	—	13,896
Stock-based compensation	—	—	5,072	5,072
Adjusted Gross Profit	281,986	108,469	(17,190)	373,265
Selling, general and administrative	(32,745)	(16,762)	(97,379)	(146,886)
Joint venture equity income	763	—	—	763
Joint venture intangible amortization(2a)	—	—	—	—
Selling, general and administrative adjustments:				
Depreciation and amortization(2)	1,583	238	31,250	33,071
Restructuring and other costs (5)			1,116	1,116
Acquisition-related costs(6)	—	—	516	516
Litigation reimbursements(7)	—	—	1,901	1,901
Stock-based compensation	—	—	7,738	7,738
Adjusted EBITDA	$ 251,587	$ 91,945	$ (72,048)	$ 271,484
Operating income margin	36.3%	22.0%	NM	16.8%
Adjusted EBITDA margin	42.1%	36.5%	NM	32.1%

Reconciliation of Adjusted EBITDA and Adjusted EBITDA margin by segment

(in thousands; unaudited)

	Six Months Ended June 30, 2017			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 461,300	$ 108,608	$ (387,864)	$ 182,044
Add back:				
Selling, general and administrative	61,182	42,579	187,536	291,297
Impairment and related charges[8]	—		92,022	92,022
Cost of revenue adjustments:				
Depreciation and amortization[2]	38,392	77,003	34,317	149,712
Restructuring and other costs[5]			12,976	12,976
Amortization of upfront incentive consideration[3]	32,293	—	—	32,293
Stock-based compensation	—	—	9,011	9,011
Adjusted Gross Profit	593,167	228,190	(52,002)	769,355
Selling, general and administrative	(61,182)	(42,579)	(187,536)	(291,297)
Joint venture intangible amortization[2a]	1,411	—	—	1,411
Selling, general and administrative adjustments:				
Depreciation and amortization[2]	2,717	1,631	44,627	48,975
Restructuring and other costs[5]	—	—	12,328	12,328
Litigation costs[7]	—	—	4,459	4,459
Stock-based compensation	$ —	$ —	$ 13,747	$ 13,747
Adjusted EBITDA	$ 536,113	$ 187,242	$ (164,377)	$ 558,978

Reconciliation of Adjusted EBITDA and Adjusted EBITDA margin by segment

(in thousands; unaudited)

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

Tabular reconciliations for Non-GAAP measures

Reconciliation of net income (loss) attributable to common shareholders to Adjusted Net Income and Adjusted EBITDA (in thousands, except per share amounts; unaudited)

	Three Months Ended				
	Sep 30, 2016	**Dec 31, 2016**	**Mar 31, 2017**	**Jun 30, 2017**	**LTM**
Net income (loss) attributable to common stockholders	$ 40,815	$ 24,561	$ 75,939	$ (6,487)	$ 134,828
Loss from discontinued operations, net of tax	394	5,309	477	1,222	7,402
Net income attributable to noncontrolling interests[1]	1,047	1,150	1,306	1,113	4,616
Income (loss) from continuing operations	42,256	31,020	77,722	(4,152)	146,846
Adjustments:					
Acquisition-related amortization[2a]	39,430	35,847	35,181	20,259	130,717
Impairment and related charges[8]	—	—	—	92,022	92,022
Loss on extinguishment of debt	3,683	—	—	—	3,683
Other, net [4]	(281)	(23,100)	15,234	752	(7,395)
Restructuring and other costs [5]	583	16,463	—	25,304	42,350
Acquisition-related costs[6]	90	65	—	—	155
Litigation costs, net[7]	7,034	41,906	3,501	958	53,399
Stock-based compensation	12,913	12,512	8,034	14,724	48,183
Depreciation and amortization of property and equipment[2b]	58,271	65,153	61,300	63,810	248,534
Amortization of capitalized implementation costs[2c]	11,529	9,030	9,189	8,948	38,696
Amortization of upfront incentive consideration[3]	17,139	12,352	16,132	16,161	61,784
Interest expense, net	38,002	41,837	39,561	38,097	157,497
Provision for income taxes	7,208	6,740	31,707	(15,466)	30,189
Adjusted EBITDA	$ 237,857	$ 249,825	$ 297,561	$ 261,417	$ 1,046,660
Net Debt (total debt, less cash)					$ 3,211,648
Net Debt / LTM Adjusted EBITDA					3.1x

Please reference SABR HISTORICAL Excel spreadsheet at investors.sabre.com for reconciliation of Net Debt / LTM Adjusted EBITDA for twelve months ended 12/31/2016, 12/31/2015, 12/31/2014, and 12/31/2013.

Reconciliation of Adjusted Capital Expenditures and Free Cash Flow

(in thousands; unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Additions to property and equipment	$ 79,092	$ 89,121	$ 167,410	$ 164,593
Capitalized implementation costs	14,348	23,311	31,444	43,268
Adjusted Capital Expenditures	$ 93,440	$ 112,432	$ 198,854	$ 207,861

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Cash provided by operating activities	$ 154,841	$ 123,619	$ 277,876	$ 263,784
Cash used in investing activities	(79,092)	(95,430)	(167,410)	(329,570)
Cash used in financing activities	(54,524)	(63,432)	(162,312)	(174,334)

	Three Months Ended March 31,		Six Months Ended June 30,	
	2017	2016	2017	2016
Cash provided by operating activities	$ 154,841	$ 123,619	$ 277,876	$ 263,784
Additions to property and equipment	(79,092)	(89,121)	(167,410)	(164,593)
Free Cash Flow	$ 75,749	$ 34,498	$ 110,466	$ 99,191

2017 Business outlook and financial guidance

With respect to the guidance, full-year Adjusted Net Income guidance consists of full-year expected net income attributable to common stockholders less the estimated impact of loss from discontinued operations, net of tax, of approximately $5 million; net income attributable to noncontrolling interests of approximately $5 million; acquisition-related amortization of approximately $100 million; impairment and related charges of $92 million; stock-based compensation expense of approximately $50 million; restructuring and other costs of $25 million; other items (primarily consisting of litigation and other costs) of approximately $40 million; and the tax benefit of these adjustments of approximately $105 million. Full-year Adjusted EPS guidance consists of Adjusted Net Income divided by the projected weighted-average diluted common share count for the full year of approximately 281.5 million.

Full-year Adjusted EBITDA guidance consists of expected Adjusted Net Income guidance less the impact of depreciation and amortization of property and equipment, amortization of capitalized implementation costs and amortization of upfront incentive consideration of approximately $365 million; interest expense, net of approximately $155 million; and provision for income taxes less tax impact of net income adjustments of approximately $170 million.

Full-year Free Cash Flow guidance consists of expected full-year cash provided by operating activities of $685 million to $705 million less additions to property and equipment of $335 million to $355 million.

Non-GAAP financial measures

We have included both financial measures compiled in accordance with GAAP and certain non-GAAP financial measures, including Adjusted Gross Profit, Adjusted Net Income, Adjusted EBITDA, Adjusted Capital Expenditures, Free Cash Flow, and ratios based on these financial measures.

We define Adjusted Gross Profit as operating income (loss) adjusted for selling, general and administrative expenses, impairment and related charges, amortization of upfront incentive consideration, and the cost of revenue portion of depreciation and amortization, restructuring and other costs, litigation costs, net, and stock-based compensation included in cost of revenue.

We define Adjusted Net Income as net (loss) income attributable to common stockholders adjusted for income (loss) from discontinued operations, net of tax, net income attributable to noncontrolling interests, acquisition-related amortization, impairment and related charges, loss on extinguishment of debt, other, net, restructuring and other costs, acquisition-related costs, litigation costs (reimbursements), net, stock-based compensation, and the tax impact of net income adjustments.

We define Adjusted EBITDA as Adjusted Net Income adjusted for depreciation and amortization of property and equipment, amortization of capitalized implementation costs, amortization of upfront incentive consideration, interest expense, net and the remaining provision (benefit) for income taxes.

We define Adjusted Net Income from continuing operations per share as Adjusted Net Income divided by the applicable share count.

We define Adjusted Capital Expenditures as additions to property and equipment and capitalized implementation costs.

We define Free Cash Flow as cash provided by operating activities less cash used in additions to property and equipment.

Non-GAAP financial measures

These non-GAAP financial measures are key metrics used by management and our board of directors to monitor our ongoing core operations because historical results have been significantly impacted by events that are unrelated to our core operations as a result of changes to our business and the regulatory environment. We believe that these non-GAAP financial measures are used by investors, analysts and other interested parties as measures of financial performance and to evaluate our ability to service debt obligations, fund capital expenditures and meet working capital requirements. Adjusted Capital Expenditures include cash flows used in investing activities, for property and equipment, and cash flows used in operating activities, for capitalized implementation costs. Our management uses this combined metric in making product investment decisions and determining development resource requirements. We also believe that Adjusted Gross Profit, Adjusted Net Income, Adjusted EBITDA and Adjusted Capital Expenditures assist investors in company-to-company and period-to-period comparisons by excluding differences caused by variations in capital structures (affecting interest expense), tax positions and the impact of depreciation and amortization expense. In addition, amounts derived from Adjusted EBITDA are a primary component of certain covenants under our senior secured credit facilities. Adjusted Gross Profit, Adjusted Net Income, Adjusted EBITDA, Adjusted Capital Expenditures, Free Cash Flow, and ratios based on these financial measures are not recognized terms under GAAP. These non-GAAP financial measures and ratios based on them have important limitations as analytical tools, and should not be viewed in isolation and do not purport to be alternatives to net income as indicators of operating performance or cash flows from operating activities as measures of liquidity. These non-GAAP financial measures and ratios based on them exclude some, but not all, items that affect net income or cash flows from operating activities and these measures may vary among companies. Our use of these measures has limitations as an analytical tool, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Some of these limitations are:

- these non-GAAP financial measures exclude certain recurring, non-cash charges such as stock-based compensation expense and amortization of acquired intangible assets;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted Gross Profit and Adjusted EBITDA do not reflect cash requirements for such replacements;
- Adjusted Net Income and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our indebtedness;
- Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to us;
- Free Cash Flow removes the impact of accrual-basis accounting on asset accounts and non-debt liability accounts, and does not reflect the cash requirements necessary to service the principal payments on our indebtedness; and
- other companies, including companies in our industry, may calculate Adjusted Gross Profit, Adjusted Net Income, Adjusted EBITDA, Adjusted Capital Expenditures, or Free Cash Flow differently, which reduces their usefulness as comparative measures.

Non-GAAP footnotes

1) Net income attributable to noncontrolling interests represents an adjustment to include earnings allocated to noncontrolling interests held in (i) Sabre Travel Network Middle East of 40%, (ii) Sabre Seyahat Dagitim Sistemleri A.S. of 40%, and (iii) Abacus International Lanka Pte Ltd of 40%.
2) Depreciation and amortization expenses:
    a. Acquisition-related amortization represents amortization of intangible assets from the take-private transaction in 2007 as well as intangibles associated with acquisitions since that date and amortization of the excess basis in our underlying equity in joint ventures.
    b. Depreciation and amortization of property and equipment includes software developed for internal use.
    c. Amortization of capitalized implementation costs represents amortization of upfront costs to implement new customer contracts under our SaaS and hosted revenue model.
3) Our Travel Network business at times provides upfront incentive consideration to travel agency subscribers at the inception or modification of a service contract, which are capitalized and amortized to cost of revenue over an average expected life of the service contract, generally over three to five years. Such consideration is made with the objective of increasing the number of clients or to ensure or improve customer loyalty. Such service contract terms are established such that the supplier and other fees generated over the life of the contract will exceed the cost of the incentive consideration provided upfront. Such service contracts with travel agency subscribers require that the customer commit to achieving certain economic objectives and generally have terms requiring repayment of the upfront incentive consideration if those objectives are not met.
4) In the first quarter of 2017, we recognized a $12 million loss related to debt modification costs associated with our debt refinancing. In the first quarter of 2016, we recognized a gain of $6 million associated with the receipt of an earn-out payment from the sale of a business in 2013. In addition, other, net includes foreign exchange gains and losses related to the remeasurement of foreign currency denominated balances included in our consolidated balance sheets into the relevant functional currency.
5) Restructuring and other costs represent charges associated with business restructuring and associated changes implemented which resulted in severance benefits related to employee terminations, integration and facility opening or closing costs and other business reorganization costs. In the second quarter of 2017, we recorded $25 million charge associated with an announced action to reduce our workforce. This reduction aligns our operations with business needs and implements an ongoing cost and organizational structure consistent with our expected growth needs and opportunities.
6) Acquisition-related costs represent fees and expenses incurred associated with the acquisition of the Trust Group and Airpas Aviation.
7) Litigation costs (reimbursements), net represent charges and legal fee reimbursements associated with antitrust litigation.
8) In the three months ended June 30, 2017, we recorded an impairment charge of $92 million associated with net capitalized contract costs related to an Airline Solutions' customer based on our analysis of the recoverability of such amounts. A formal contract dispute resolution process has commenced, and due to the uncertainty of the ultimate outcome, we have recorded this estimated charge.
9) The diluted weighted-average common shares outstanding presented for the three months ended June 30, 2017 differs from GAAP and assumes the inclusion of 1,392,438 common stock equivalents associated with stock options and restricted stock awards. Because we recognized a loss from continuing operations during the three months ended June 30, 2017, the basic weighted-average shares outstanding and the diluted-weighted average shares outstanding are otherwise the same under GAAP, as described in Note 10, Earnings Per Share, to our consolidated financial statements.