

ZIEGLER RICHARD F
Form 5
February 07, 2006

FORM 5

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

OMB APPROVAL

OMB Number: 3235-0362
Expires: January 31, 2005
Estimated average burden hours per response... 1.0

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
ZIEGLER RICHARD F

2. Issuer Name and Ticker or Trading Symbol
3M CO [MMM]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

VICE PRESIDENT LEGAL

(Last) (First) (Middle)
3M CENTER

(Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

ST. PAUL, MN 55144-1000

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A) or (D) Amount Price			
Common Stock ⁽¹⁾	Â	Â	Â	Â Â Â	16,261	D	Â
Common Stock ⁽²⁾	Â	Â	Â	Â Â Â	400	I	by 401k/PAESOP

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 2270 (9-02)

\$

\$

7,363

\$

(8,345

)

\$

(2) Elements of the change in present value of the Legacy Pension Plan SERP benefit for 2006 include:

Name	Service/ Pay Increase	Passage of Time	New Discount Rate	Other Assumptions
M. S. Gilliland	\$	\$ 44,092	\$ (49,933)	\$
J. M. Jackson		66,339	(57,968)	
T. Klein	\$	\$ 4,247	\$ (4,814)	\$

(3) Values are calculated using the same assumptions as were disclosed in the footnotes to the financials as of December 31, 2006 and December 31, 2005.

Legacy Pension Plan (LPP) The plan covers any employee of Sabre who was a participant in the American Airlines plan on December 31, 1996 or subsequently transferred from American Airlines to Sabre prior to March 15, 2000 and was an AA plan participant prior to the transfer.

Edgar Filing: ZIEGLER RICHARD F - Form 5

Pensionable pay is defined as a member's regular pay including commissions and 401(k) salary reduction amounts but excluding overtime, shift differentials, bonuses, variable compensation and expenses. Final average compensation is defined as the highest 60 months of consecutive pensionable pay out of the last 120 consecutive months of plan participation. The plan was amended December 31, 2005 to freeze all future benefit accruals; therefore, pensionable pay and credited service after this date will not result in any additional pension benefits.

158

Edgar Filing: ZIEGLER RICHARD F - Form 5

The benefit payable at the plan's normal retirement date of age 65 is the greatest of (a), (b), (c) or (d):

- (a) One-twelfth of the basic retirement benefit accrued April 1, 1978 under the provisions of the prior plan, plus 1.25% of pensionable pay for each subsequent calendar year through 2005 not in excess of \$6,600, plus 2% of such pensionable pay in excess of \$6,600.
- (b) 1.667% of final average compensation multiplied by credited service.
- (c) The monthly amount shown below, multiplied by credited service.

Final Average Compensation	Monthly Amount
Less than \$15,000	\$ 23.50
\$15,000 and over	\$ 24.00

(d) 2% of final average compensation multiplied by credited service (the base benefit), less 1.5% of the Social Security amount multiplied by credited service, not greater than 33-1/3 years. If the annual base benefit exceeds \$50,000, the benefit is offset by an additional amount of 2% of the Social Security amount (up to 50%) for each \$1,000 that the base benefit exceeds \$50,000

Participants may retire before normal retirement date and on or after attaining the earlier of:

- Age 55 and completing 15 years of credited service, or
- Age 62 and completing 10 years of credited service

Benefits will be reduced for early retirement by 3.0% for each year payments begin prior to age 62, and 3% for each year payments begin prior to age 65 if an employee does not have 15 years of credited service at retirement.

The normal form of payment is a straight life annuity. Other actuarially equivalent optional forms, other than lump sum payment, are available.

Supplemental Executive Retirement Plan (SERP) The plan covers employees of Sabre whose pensionable pay exceeds the Section 401 limits and who are designated by the SERP Committee. The plan was amended December 31, 2005 to freeze all future benefit accruals in the defined benefit portion of the SERP; therefore, pay and credited service after this date will not result in any additional pension benefits.

The total benefit is defined as the frozen annual amount of a participant's or a beneficiary's benefit under the LPP computed as of the plan freeze date without regard to IRS limits. The excess retirement benefit is defined as the amount by which the total benefit exceeds the LPP benefit. For grandfathered officers, the 401(k) balance as of December 31, 2005, increased with investment return to retirement age, is used as an offset. Early retirement provisions are the same as defined in the LPP for employees participating in the defined benefit portion of the SERP.

The normal form of payment is a straight life annuity. In addition to the same actuarially equivalent optional forms of monthly payment offered under the LPP, SERP participants may also elect to receive their benefit in the form of a lump sum payment. Such election must be made no later than one year prior to the date of retirement. Lump sum values are determined based on the 1994 GAR mortality table and a 30-year Treasury interest rate.

Other Benefits

Certain employees, including some of the named executive officers, are eligible for retiree travel privileges and retiree health benefits. Additional information about these plans follow.

Retiree Travel Privileges **Certain** retirees who meet eligibility requirements are offered lifetime travel privileges on a major air carrier. Among the named executive officers, only Mr. Jackson is eligible for this benefit. The company pays the major air carrier a one-time payment upon the eligible employee's date of retirement. The current amount of the payment is approximately \$22,125. The plan covers employees who were hired before March 16, 2000 (and not rehired after this date). Employees must be at least age 50 with 15 years of service and terminate from employment by June 30, 2008 to receive privileges under this plan. Those hired before July 31, 1996 can receive travel privileges if they leave by June 30, 2008 and after age 55 with at least 5 years of service. Commencement of privileges is immediate for those who leave after age 55 with at least 10 years of service and is deferred to age 55 for those who leave at ages 50 to 54 with 15 or more years of service.

Retiree Health Benefits **Employees** who leave the Company after attaining age 55 with at least 10 years of service are eligible for continuation of their medical, dental and vision benefits coverage. Among the named executive officers, Mr. Gilliland, Mr. Jackson, Mr. Klein and Mr. Schwarte are eligible for this benefit. Retiree benefits may begin immediately or be deferred to a later date at the retiree's election. Employees who leave the Company after attaining age 50 with at least 10 years of service are eligible for benefits commencing as early as age 55. Employees who were hired or rehired on or after October 1, 2000 and who meet the eligibility requirements above may participate in retiree benefits coverage, but will not receive any company subsidy toward the cost of coverage. The Company capped its subsidy toward the cost of retiree coverage as of January 1, 2005 and future cost increases will increase premiums of retirees eligible for the subsidy.

Nonqualified Deferred Compensation

Named executive officers have the opportunity to participate in deferred compensation plans. Our deferred compensation plans allow participants to defer base salary or bonus payments on a pre-tax basis. Annual 401(k) contribution limits impact the ability of highly compensated individuals to save and invest on a pre-tax basis. Our deferred compensation program provides our named executive officers with a means to augment savings and investment opportunities to meet their retirement or other needs. Company contributions to each named executive during the last fiscal year reflect 401(k) plan contributions in excess of IRS income limits.

NONQUALIFIED DEFERRED COMPENSATION

Name	Plan Name	Executive Contributions in 2006	Registrant Contributions in 2006	Aggregate Earnings in 2006	Aggregate Withdrawals / Distributions	Aggregate Balance at December 31, 2006
M. S. Gilliland	401(k) SERP	\$	\$ 88,454	\$ 42,223	\$	\$ 343,374
J. M. Jackson	401(k) SERP		39,255	3,079		42,334
M. A. Peluso	401(k) SERP		35,682	9,434		84,131
T. Klein	401(k) SERP		30,900	16,193		134,108
	Deferred Compensation Plan			41,345		353,813
D. A. Schwarte	401(k) SERP	\$	\$ 26,161	\$ 24,565	\$	\$ 148,095

Post Termination Benefits

Each of our named executive officers is party to individual, formal agreements that provide compensation and benefits in the event of their termination of employment with us.

Executive Change in Control Termination Benefits Agreements We have executive termination benefits agreements with certain senior executives, including our named executive officers, each for a term of three years with automatic three year extensions unless expressly not renewed at least 180 days before the renewal date. The benefits are payable under these agreements (i) if we terminate the executive's employment without cause during the 180 days before or 24 months after a change in control, or (ii) if the executive resigns for good reason during the first 24 months after a change in control (as such terms are defined in the agreements). In addition, the agreements for Messrs. Gilliland, Jackson and Schwarte provide benefits if the executive resigns for any reason during the 30-day period beginning one year after a change in control. If the executive's employment is terminated in connection with a change in control for cause, or as a consequence of death, disability, or retirement, the agreements do not provide any enhanced termination benefits.

Upon a termination in connection with a change in control as described above (including a resignation during the 30-day post-change-in-control window period described above for Messrs. Gilliland, Jackson and Schwarte), the executive will receive the following payments and benefits:

CHANGE IN CONTROL BENEFITS (1)

	Gilliland	Jackson	Peluso	Klein	Schwarte
Compensation:					
Severance Pay (2)	\$ 6,000,000	\$ 2,850,000	\$ 2,391,346	\$ 2,100,462	\$ 1,991,817
Prorata Incentive Pay					
<i>Long-term Compensation</i>					
Performance Shares (3)	2,403,270	1,188,417	831,532	1,188,417	408,556
Stock Options and Restricted Stock (3)	8,420,516	3,697,679	2,605,395	3,368,940	2,032,334
Benefits and Perquisites:					
Incremental Non-Qualified Pension (4)	360,000	171,000	143,481	126,028	119,509
H&W Benefits (5)	49,691	37,991	9,766	26,587	51,431
Executive Benefits and Perquisites (6)	61,472	87,931	13,134	25,527	16,344
One-Time Payment (7)	20,000	20,000	20,000	20,000	20,000
Excise Tax Gross-up on Severance Benefits (8)	4,099,961	1,608,044	1,607,804	1,573,749	949,344
Total	\$ 21,414,911	\$ 9,661,062	\$ 7,622,457	\$ 8,429,710	\$ 5,589,335

(1) The change in control calculations assume that on December 29, 2006, (i) a change-in-control occurred and (ii) each of the executives' employment terminated without cause.

(2) These amounts represent three times the sum of base salary plus target annual incentive pay for Messrs. Gilliland and Jackson. These amounts represents three times the sum of base salary plus the highest actual annual incentive paid within the past three years for Mr. Schwarte, and two times the sum of base salary plus the highest actual annual incentive paid within the past two years for Ms. Peluso and Mr. Klein.

(3) Amount includes intrinsic value of unvested stock options, restricted stock and performance shares, and the value of earned performance shares which are unvested, based on a stock price of \$31.89 per share which represents the closing market price of our common stock on December 29, 2006.

(4) Includes the enhanced benefit earned upon a change in control.

(5) These amounts represent three times the sum of the executives' current health and welfare benefits for Messrs. Gilliland, Jackson and Schwarte and two times the sum of executives' current health and welfare benefits for Ms. Peluso and Mr. Klein.

(6) These amounts represent three times the sum of the executives' current executive benefits and perquisites for Messrs. Gilliland, Jackson and Schwarte and two times the sum of executives' executive benefits and perquisites for Ms. Peluso and Mr. Klein. Messrs. Gilliland and Jackson are also eligible for the company providing a value or benefit equivalent to the extension of travel privileges beyond June 2008; the value of this benefit is indeterminable and has been excluded from the calculation of CIC benefits.

(7) Represents one-time payment paid to executives for additional benefits.

(8) Estimated additional payment to executives to offset for excise taxes imposed by 280G.

Other Termination Scenarios Not in Connection with a Change in Control Sabre also maintains employment agreements with the Named Executive Officers. When the employment agreements do not address all of the components of compensation, we have references the appropriate plan documents for our termination scenarios.

TERMINATION SCENARIOS (1)

Compensation:	Gilliland Voluntary & For Cause			Jackson Voluntary & For Cause			Peluso Voluntary & For Cause			Without Case		
	Death	Disability	Without Case	Death	Disability	Without Case	Death	Disability	Without Case			
Severance Pay (2)	\$	\$	\$	\$ 4,000,000	\$	\$	\$ 950,000	\$	\$	\$	\$ 1,800,000	
Prorata Incentive Pay Long-term Compensation (3)												
Performance Shares (4)			797,250				394,256				275,849	
Stock Options (5)	845,907	845,907	166,097		200,079	200,079		177,769	177,769		33,880	
Restricted Stock (6)			2,651,590				1,358,195				754,996	
LastMinute.com Cash Performance Award (7)								525,000	525,000			
Benefits and Perquisites (8):												
Health and Welfare Executive Benefits and Perquisites			16,564				12,664				4,883	
One-Time Payment			20,000				20,000				20,000	
Total	\$	\$ 845,907	\$ 845,907	\$ 7,651,500	\$	\$ 200,079	\$ 200,079	\$ 2,735,115	\$	\$ 702,769	\$ 702,769	\$ 2,889,607

Compensation:	Klein Voluntary & For Cause			Without Case	Schwarte Voluntary & For Cause			Without Case
	Death	Disability	Without Case		Death	Disability	Without Case	

Edgar Filing: ZIEGLER RICHARD F - Form 5

Severance Pay (2)	\$	\$	\$	\$ 1,800,000	\$	\$	\$	\$ 620,500
Prorata Incentive Pay								
<i>Long-term Compensation (3)</i>								
Performance Shares (4)				394,256				135,533
Stock Options (5)		172,159	172,159			145,020	145,020	
Restricted Stock (6)				1,137,102				858,861
LastMinute.com Cash								
Performance Award (7)								
Benefits and Perquisites (8):								
Health and Welfare				13,294				17,144
Executive Benefits and Perquisites								
One-Time Payment				20,000				20,000
Total	\$	\$ 172,159	\$ 172,159	\$ 3,364,652	\$	\$ 145,020	\$ 145,020	\$ 1,652,037

(1) The termination calculations assume that on December 29, 2006 each of the executives employment terminated for several reasons including voluntary termination, termination for cause, death, disability and termination without cause.

Edgar Filing: ZIEGLER RICHARD F - Form 5

- (2) These amounts represent a multiple times the sum of base salary plus target annual incentive pay. The multiples are as follows:
- For Mr. Gilliland , Ms. Peluso and Mr. Klein, two times for termination without cause.
 - For Messrs. Jackson and Schwarte, one times for termination without cause.
- (3) Values based on a stock price of \$31.89 per share which represents the closing market price of our common stock on December 29, 2006.
- (4) Upon termination without cause, executives receive all unvested performance shares that would vest within 90 days of termination.
- (5) Upon termination without cause, Mr. Gilliland and Ms. Peluso receive all unvested stock options that would vest within 90 days of termination. Upon death and disability, all executive receive all unvested stock options.
- (6) Upon termination without cause, executives receive all unvested restricted stock that would vest within 90 days of termination.
- (7) Represents the Long-term Incentive Cash Performance Award granted to Ms. Peluso and earned based on the performance of Lastminute.com.
- (8) Upon termination without cause, executives receive a cash payment equal to the sum of executives' current health and welfare benefits as well as a one-time payment of \$20,000 for outplacement benefits.

163

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a director or member of the compensation committee of any other entity that has one or more executive officers serving as one of our directors or member of our Compensation Committee. Additionally, no member of our Compensation Committee was during 2006, or formerly, an officer or employee of ours or any of our subsidiaries.

Compensation Committee Report

The Compensation Committee of the Board of Directors of Sabre Holdings Corporation has reviewed and discussed the Compensation Discussion and Analysis section included in this annual report on Form 10-K with management, and based on such review and discussions, the Compensation Committee recommended to our Board of Directors that the Compensation Discussion and Analysis be included in this annual report on Form 10-K.

The foregoing report has been submitted by the following members of the Compensation Committee.

- Pamela B. Strobel, Chairman
- Royce S. Caldwell
- C. J. Fraleigh
- Richard G. Lindner
- Glenn W. Marschel, Jr.
- Bob L. Martin
- Mary Alice Taylor
- Richard L. Thomas
- Ron Waters

The foregoing Compensation Committee Report does not constitute soliciting material and should not be deemed to be filed with the Securities and Exchange Commission or incorporated by reference into any of our other filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate this Report by reference in any of those filings.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth certain information regarding securities authorized for issuance under Sabre Holdings equity compensation plans as of December 31, 2006.

Equity Compensation Plan Information										
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights(1)(2)			Weighted-average exercise price of outstanding options, warrants and rights(1)(2)			Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column (a))(1)			
	(a)			(b)			(c)			
Equity compensation plans approved by security holders:		7,638,445			\$	29.71			12,945,382	(3)
Equity compensation plans not approved by security holders:(4)		4,179,147			\$	31.53			1,659,008	
Total		11,817,592			\$	30.35			14,604,390	

(1) Excludes 1,063,731 shares of Common Stock to be issued upon the exercise of outstanding options and SARs under the following assumed plans: GetThere.com, Inc. 1996 Stock Incentive Plan and GetThere.com, Inc.

1999 Stock Incentive Plan (together, known as the GetThere Plans), and Travelocity.com LP 1999 Long-Term Incentive Plan, Travelocity.com LP Second Amended 1999 Long-Term Incentive Plan, Travelocity Holdings, Inc. Amended 1999 Long-Term Incentive Plan, and Preview Travel, Inc. 1997 Stock Option Plan (together, known as the Travelocity Plans). In connection with the acquisition of GetThere.com, Inc. and the buy-in of Travelocity.com Inc., the Corporation assumed these plans and converted all outstanding options to options for Common Stock. These converted options remain subject to their original plans and are administered under their original terms and conditions. No future grants will be made under these plans. The number of securities to be issued upon exercise of outstanding options and SARs for assumed plans is as follows: GetThere Plans 164,460, Travelocity Plans 899,271. Weighted average exercise price of outstanding options and SARs for assumed plans are as follows: GetThere Plans \$23.43, Travelocity Plans \$41.54. As of December 31, 2006, an insignificant number of stock appreciation rights also remained outstanding in the LTIP and SOP plans and are also excluded from the total.

(2) Excludes shares purchased under the Sabre Holdings Corporation Employee Stock Purchase Plan (the ESPP). The ESPP allows eligible employees to purchase Sabre Holdings Class A Common Stock at a discount from the market price of such stock. The ESPP allows participating employees to purchase stock on a quarterly basis at 95 percent of the market price of the stock at the end of the three-month purchase period. A total of 4,000,000 shares of Sabre Holdings Class A Common Stock have been reserved for issuance under the ESPP. Approximately 36,000, 34,074, 380,000, 480,000, and 251,000 shares were issued under the ESPP during 2006, 2005, 2004, 2003, and 2002 respectively, and 2,084,970 shares remained available for future purchases as of December 31, 2005 (included in column c).

(3) Includes 10,860,412 shares remaining available for issuance pursuant to the 1996 LTIP and 2,084,970 shares remaining available for future purchases under the ESPP. Shares remaining available under the 1996 LTIP may be issued pursuant to the exercise of stock options, stock appreciation rights and stock purchase rights, and may be granted as awards of restricted stock (up to 2,908,000 shares of restricted stock remain available for grants under the 1996 LTIP), deferred stock, performance awards, and other stock-based awards.

(4) Equity compensation plans not approved by security holders include the Sabre Holdings Corporation 2000 Stock Option Plan (the 2000 Stock Option Plan) and the 1996 Directors Stock Incentive Plan (the 1996 Directors Plan), each as described below.

2000 Stock Option Plan The Corporation established the 2000 Stock Option Plan to attract, retain, and reward employees with stock options or stock appreciation rights. The total number of shares of Common Stock authorized for distribution under the 2000 Stock Option Plan is 7,000,000 shares, of which 4,106,463 are subject to outstanding options (at a weighted average exercise price of \$31.64), and 1,659,008 remain available for future grants. The exercise price of options granted under the plan may not be less than fair market value of Common Stock on the date of grant, and no stock option may be exercisable more than ten years after the date of grant. Options granted prior to December 1, 2000, have a three-year cliff vesting, options granted on or after December 1, 2000, vest 25 percent one year from the date of grant and 6.25 percent quarterly thereafter. Generally, grants made prior to December 2001 are exercisable for 10 years from the date of grant and grants made during or after December 2001 are exercisable for 5 years from the date of grant. Since March 2005, the plan no longer allows shares to become available for distribution if 1) the exercisable shares are withheld to settle the exercise price or the tax for another award or 2) the shares themselves are used to settle the exercise price or the tax of another award.

1996 Directors Plan The 1996 Directors Plan, under which grants were made until 1999, provided for annual awards of options to purchase shares of Sabre Holdings Common Stock to non-employee directors. As of December 31, 2006, there were 72,684 options outstanding under the plan at a weighted average exercise price of \$25.20. The options have an exercise price equal to the fair market value of Sabre Holdings Common Stock on the date of grant and vest pro rata over a five-year period. Each option expires on the earlier of (i) the date the non-employee director ceases to be a director of the Corporation for any reason other than death, disability, or retirement, or (ii) three years from the date the non-employee director ceases to be a director of the Corporation due to death, disability, or retirement.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Executive Officers and Directors

The following table sets forth certain information regarding beneficial ownership of our Common Stock as of February 20, 2007 (except as noted below) by (i) our executive officers, (ii) each director and (iii) all directors and executive officers as a group. The number of shares of Common Stock beneficially owned by each person or entity is determined in accordance with the applicable rules of the SEC, and includes voting or investment power with respect to shares of our Common Stock. The information is not necessarily indicative of beneficial ownership for any other purpose. Shares of our Common Stock issuable under stock options that are exercisable currently or within 60 days of February 20, 2007 or that may be delivered upon vesting of restricted stock or restricted stock units currently or within 60 days of February 20, 2007 are deemed beneficially owned for computing the percentage ownership of the person holding the stock options or restricted stock units, but are not deemed outstanding for computing the percentage ownership of any other person. Unless otherwise indicated, to our knowledge, all persons named in the table have sole voting and investment power with respect to their shares of Common Stock, except to the extent authority is shared by spouses under community property laws. Unless otherwise indicated, the address of all directors and executive officers is c/o Sabre Holdings Corporation, 3150 Sabre Drive, Southlake, Texas 76092. The inclusion of any shares deemed beneficially owned in this table does not constitute an admission of beneficial ownership of those shares.

Name of Beneficial Owner	Sabre Holdings Class A Common Stock(1)		Percent of Class		Total Sabre Holdings Equity Stake(2)
	Number of Shares	Percentage	Percentage	Percentage	
Michael S. Gilliland(3)	716,466		*		852,404
Royce S. Caldwell(4)	32,165		*		50,791
Christopher J. Fraleigh(4)			*		9,435
Richard G. Lindner(4)	26,565		*		48,788
Glenn W. Marschel, Jr.(4)	87,196		*		129,965
Bob L. Martin(4)	51,881		*		84,091
Pamela B. Strobel(4)	36,165		*		64,781
Mary Alice Taylor(4)	35,565		*		64,845
Richard L. Thomas(4)	76,680		*		111,700
Ronald V. Waters, III(4)			*		9,435
Jeffery M. Jackson(5)	530,801		*		580,839
David A. Schwarte(6)	319,855		*		341,398
John S. Stow(7)	247,845		*		266,293
Thomas Klein(8)	235,867		*		284,968
Michelle Peluso(9)	179,934		*		218,834
Mark Miller(10)	83,247		*		100,948
Directors and Executive Officers as a group (16 persons)	2,660,232		1.96	%	3,219,515

* Percentage does not exceed one percent of the total outstanding class.

(1) Except as otherwise indicated below and subject to applicable community property laws, ownership of Sabre Holdings Class A Common Stock represents sole voting and investment powers with respect to the number of shares listed.

Edgar Filing: ZIEGLER RICHARD F - Form 5

(2) Total Sabre Holdings Equity Stake represents beneficially owned shares, as well as other shares subject to vesting and/or other restrictions as follows:

- Executive Officers: unvested options which will vest during the period between May 2007 and February 2009 and performance shares which may be earned and vest prior to March 2010, contingent upon the achievement of specific performance criteria. Shares purchased through the Employee Stock Purchase Plan include an estimate of the dividend declared February 16, 2007, which will be paid March 6, 2007, using the fair market value on February 16, 2007.
- Directors: unvested options, DSUs, and deferred SEUs. DSUs and SEUs also include an estimate of the dividend declared February 16, 2007, which will be paid March 6, 2007, using the fair market value on February 16, 2007.

(3) Amounts include 186,597 shares of Sabre Holdings Class A Common Stock owned by Mr. Gilliland and 367,682 shares of Common Stock subject to options that are vested and currently exercisable, plus an additional 7,812 shares subject to options vesting between February 20, 2007 and April 21, 2007. Amounts also include 154,375 shares of Sabre Holdings restricted stock to which Mr. Gilliland holds voting rights but which are subject to restrictions on transfer. Restrictions lapse on Mr. Gilliland's restricted stock as follows: 73,125 shares in 2008; 56,250 shares in 2009; and 25,000 shares in 2010.

(4) Amounts include:

Name of Beneficial Owner	Options vested and currently exercisable	Options vesting within 60 days	Common Stock	SEUs	DSUs
Royce S. Caldwell	32,165				14,607
Christopher J. Fraleigh				3,102	2,483
Richard G. Lindner	23,565		3,000	4,023	14,182
Glenn W. Marschel, Jr.	73,195		14,001	24,143	14,607
Bob L. Martin	51,279		602	14,000	14,191
Pamela B. Strobel	35,165		1,000	9,990	14,607
Mary Alice Taylor	35,565			11,075	14,186
Richard L. Thomas	50,679		26,001	17,229	13,772
Ronald V. Waters, III				3,102	2,483

SEUs are deferred pursuant to the 2003 Directors Compensation and Deferred Stock Unit Plan, and are included under the Total Sabre Holdings Equity Stake. DSUs are included under the Total Sabre Holdings Equity Stake. The remaining Sabre Holdings options for Mr. Caldwell, Mr. Fraleigh, Mr. Lindner, Mr. Marschel, Mr. Martin, Ms. Strobel, Ms. Taylor, Mr. Thomas and Mr. Waters will vest during the period between June 2007 and December 2007.

(5) Amounts include 91,568 shares owned by Mr. Jackson and 370,895 shares of Common Stock subject to options that are vested and currently exercisable, plus an additional 1,250 shares subject to options vesting between February 20, 2007 and April 21, 2007. Amounts also include 67,088 shares of Sabre Holdings restricted stock to which Mr. Jackson holds voting rights but which are subject to restrictions on transfer. Restrictions lapse on Mr. Jackson's restricted stock as follows: 32,363 shares in 2008; 22,362 shares in 2009; and 12,363 shares in 2010.

(6) Amounts include 59,438 shares owned by Mr. Schwarte and 227,230 shares of Common Stock subject to options that are vested and currently exercisable, plus an additional 937 shares subject to options vesting between February 20, 2007 and April 21, 2007. Amounts also include 32,250 shares of Sabre Holdings restricted stock to which Mr. Schwarte hold voting rights but which are subject to restrictions on transfer. Restrictions lapse on Mr. Schwarte's restricted stock as follows: 17,250 shares in 2008; 10,750 shares in 2009; and 4,250 shares in 2010.

Edgar Filing: ZIEGLER RICHARD F - Form 5

(7) Amounts include 43,621 shares owned by Mr. Stow and 176,712 shares of Common Stock subject to options that are vested and currently exercisable, plus an additional 937 shares subject to options vesting between February 20, 2007 and April 21, 2007. Amounts also include 26,575 shares of Sabre Holdings restricted stock to which Mr. Stow holds voting rights but which are subject to restrictions on transfer. Restrictions lapse on Mr. Stow's restricted shares as follows: 14,025 shares in 2008; 9,025 shares in 2009; and 3,525 shares in 2010.

(8) Amounts include 50,408 shares owned by Mr. Klein and 117,434 shares of Common Stock subject to options that are vested and currently exercisable, plus an additional 937 shares subject to options vesting between February 20, 2007 and April 21, 2007. Amounts also include 67,088 shares of Sabre Holdings restricted stock to which Mr. Klein holds voting rights but which are subject to restrictions on transfer. Restrictions lapse on Mr. Klein's restricted stock as follows: 2,500 shares in 2007; 29,863 shares in 2008; 22,362 shares in 2009; and 12,363 shares in 2010.

(9) Amounts include 48,994 shares owned by Ms. Peluso and 81,240 shares of Common Stock subject to options that are vested and currently exercisable, plus an additional 1,250 shares subject to options vesting between February 20, 2007 and April 21, 2007. Amounts also include 48,450 shares of Sabre Holdings restricted stock to which Ms. Peluso holds voting rights but which are subject to restrictions on transfer. Restrictions lapse on Ms. Peluso's restricted stock as follows: 21,150 shares in 2008; 18,650 shares in 2009; and 8,650 shares in 2010.

(10) Amounts include 12,609 shares owned by Mr. Miller and 47,223 shares of Common Stock subject to options that are vested and currently exercisable. Amounts also include 23,415 shares of Sabre Holdings restricted stock to which Mr. Miller holds voting rights but which are subject to restrictions on transfer. Restrictions lapse on Mr. Miller's restricted stock as follows: 2,052 shares in 2007; 10,113 shares in 2008; 7,500 shares in 2009; and 3,750 shares in 2010.

Beneficial Owners of more than Five Percent

The following table sets forth certain information with respect to persons who are believed by us to beneficially own more than 5% of our outstanding Common Stock. The percentage of Common Stock with respect to the number of Common Stock beneficially owned is as of February 20, 2007. The number of shares of Common Stock beneficially owned is taken from the most recent Schedule 13G filed with the SEC on behalf of such persons as of February 20, 2007. Except as otherwise indicated, the reporting persons have stated that they possess sole voting and sole dispositive power over the entire number of shares reported.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership		Percent of Class	
Lord, Abbet & Co. LLC 90 Hudson Street Jersey City, NJ 07302	15,426,857	(1)	11.53	%
Capital Research and Management Company 333 South Hope Street Los Angeles, CA 90071	11,296,920	(2)	8.44	%

(1) Based upon that Schedule 13G filed on February 14, 2007 by Lord, Abbett & Co. LLC (Lord Abbett) reporting that on December 30, 2006 Lord Abbett held sole voting power over 14,920,157 shares and sole dispositive power over 15,426,857 shares of Common Stock. Lord Abbett filed as an investment advisor in accordance with Section 240.13d-1(b)(1)(ii)(E).

(2) Based upon that Schedule 13G filed on February 12, 2007 by Capital Research and Management Company, reporting that on December 29, 2006 Capital Research and Management Company, an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, as amended (the Investment Advisers Act) was deemed to have sole dispositive power and beneficial ownership of 11,296,920 shares (or 8.44 percent) of our Common Stock as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940, as amended (the Investment Company Act) and sole voting power over 888,800 shares. The Schedule 13G also reported that The Growth Fund of America, Inc., an investment company registered under the Investment Company Act of 1940 which is advised by Capital Research and Management Company, was the beneficial owner of 7,062,811 shares (or 5.28 percent) of our Common Stock.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Since the beginning of fiscal year 2006, there have been no transactions in which the Company was or is to be a participant, in which the amount involved exceeds \$120,000 and in which any related person had or will have a direct or indirect material interest as required to be reported pursuant to Item 404(a) of Regulation S-K.

Review, Approval or Ratification of Transactions with Related Persons

Our Board of Directors has adopted the Sabre Holdings Corporation Related Person Transactions Policy, which sets forth in writing the policies and procedures for the review, approval or ratification of any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we, including any of our subsidiaries, were, are or will be a participant and the amount involved exceeds \$[60,000], and in which any related person had, has or will have a direct or indirect [material] interest. A related person is:

- any person who is, or at any time since the beginning of the last fiscal year was, a director or executive officer of our company or a nominee to become a director;
- any person who is known to be the beneficial owner of more than 5% of any class of our voting securities;
- any immediate family member of any of the foregoing persons; and
- any firm, corporation or other entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership interest.

As soon as reasonably practicable after nomination, appointment or election, each director, nominee for director and executive officer must submit to our corporate secretary a list of his or her immediate family members and for each person listed as well as himself or herself:

- the person's employer and job title or brief job description,
- each firm, corporation or other entity in which such person is a partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership interest, and
- each charitable or non-profit organization for which the person is actively involved in fundraising or otherwise serves as a director, trustee or in a similar capacity.

Directors and executive officers will also provide this information at least once per year to our corporate secretary and are also expected to notify our corporate secretary of any changes to such previously submitted information. When we become aware of a person's status as a beneficial owner of more than 5% of any class of our voting securities, our corporate secretary requests the same information set forth above if the person is an individual, and if the person is a firm, corporation or entity, a list of the principals or executive officers of such entity. In addition, our corporate secretary, if necessary, expands or updates the information provided by directors, executive officers, nominees and 5% beneficial owners based on publicly available information to reflect any changes in family relationships, employment or parent companies, subsidiaries or sibling companies including the principals or executive officers of such companies.

Our corporate secretary, from time to time, compiles the information collected to create a master list of related persons, which is made available, along with any updates, to various individuals within our company including certain business unit and department leaders and our chief financial officer, controller, compliance officer, and directors of accounts payable and accounts receivable.

Prior to entering into or amending a related person transaction, the related person (or the director, executive officer, nominee or 5% beneficial owner who is an immediate family member of the related person) or the business unit or department leader responsible for the potential transaction, provides notice to our corporate secretary or chief compliance officer of the facts and circumstances of the proposed transaction. If our corporate secretary or chief compliance officer determines that the proposed transaction is a related person transaction for purposes of our policy, the transaction is submitted to our Audit Committee for consideration at its next meeting or, in those instances where it is not practicable or desirable for us to wait until the next Audit Committee meeting, to the Chairman of the Audit Committee. The Audit Committee or Audit Committee Chairman, as applicable, considers all relevant facts and circumstances including but not limited to:

- the benefits to our company from the transaction;
- the impact on a director's independence if applicable;
- the availability of other sources for comparable products or services;
- the terms of the transaction;
- the terms available to unrelated third parties or employees generally; and
- whether the potential related person transaction is consistent with our Business Ethics Policy.

No member of the Audit Committee participates in any review, consideration or approval of any related person transaction with respect to which such member or any of his or her immediate family members is the related person. The Audit Committee or its Chairman, as applicable, is authorized to approve those transactions that are in, or are not inconsistent with, the best interests of our company and our shareholders and are consistent with our Business Ethics Policy. Other related person transactions should be disapproved by the Audit Committee or the Chairman and we should not enter into such transactions. The Audit Committee or its Chairman conveys the decision to our corporate secretary or chief compliance officer who informs the appropriate people within our company.

In the event a related person transaction is pending, ongoing or completed and has not been previously approved or ratified under the policy, it is submitted to the Audit Committee or Chairman of the Audit Committee as soon as possible. The Committee or its Chairman, as applicable, considers all relevant facts and circumstances, including those set forth above. If a related person transaction is ongoing or completed and it is disapproved by the Audit Committee or its Chairman, the Committee will evaluate the circumstances of the transaction to determine if termination or rescission of the transaction is appropriate, if disciplinary action is appropriate, if changes to the policy or its procedures are appropriate and the impact on a director's independence if applicable.

If any related person transaction is approved, ratified or disapproved by the Chairman of our Audit Committee pursuant to his delegated authority under the policy, the Chairman reports such approval, ratification or disapproval to the full Audit Committee at its next meeting. Furthermore, pursuant to our policy, the Audit Committee meeting will annually review any previously approved or ratified related person transaction that is ongoing.

170

Director Independence

The Board of Directors comprises nine non-management directors and one management director, who is our Chief Executive Officer. The Board's approved criteria for evaluating the independence of our non-management directors can be found in our Corporate Governance Guidelines on our website (www.sabre-holdings.com). Our director independence criteria are more stringent than those adopted as part of the New York Stock Exchange (NYSE) corporate governance listing standards (the NYSE listing standards) for independent directors and the SEC's standards for independent audit committee members. The Board reviewed the following relationships under these standards and determined that they are not material:

- Mr. Christopher J. Fraleigh, a non-management director of the Company, is the CEO of Sara Lee Food and Beverage. An affiliate of Sabre Holdings Corporation, Sabre Inc. d/b/a Sabre Travel Network, provides *GetThere* travel booking technology to Sara Lee Corporation. Sabre Travel Network also provides GDS technology to the travel agency used by Sara Lee Corporation. A portion of the booking incentives paid by Sabre Travel Network to the travel agency are passed on to Sara Lee Corporation. These arrangements were entered into before Mr. Fraleigh joined the Sabre Holdings Corporation Board of Directors in September 2006. The economics and other terms are arms length. We believe that Mr. Fraleigh has no direct or indirect material interest in these transactions.
- Mr. Richard G. Lindner, a non-management director of the Company, is the CFO of AT&T Inc. Affiliates of Sabre Holdings Corporation purchase telecommunications services from AT&T and its affiliates, including Cingular Wireless. The economics and other terms are arms length. We believe that Mr. Lindner has no direct or indirect material interest in these transactions.
- Mr. David A. Schwarte, the general counsel of the Company, has a daughter who is an employee of a commercial real estate affiliate of Goldman Sachs. Sabre Holdings Corporation and its affiliates use Goldman Sachs for financial and investment banking services. We believe that Mr. Schwarte and his daughter have no direct or indirect material interest in these transactions.
- Mr. Bob L. Martin, a non-management director of the Company, is also a director of The Guitar Center. An affiliate of Sabre Holdings Corporation, Travelocity Business, provides services to The Guitar Center. The economics and other terms are arms length. We believe that Mr. Martin has no direct or indirect material interest in these transactions.

The Board affirmatively determined that each of Royce S. Caldwell, Christopher J. (CJ) Fraleigh, Richard G. Lindner, Glenn W. Marschel, Jr., Bob L. Martin, Pamela B. Strobel, Mary Alice Taylor, Richard L. Thomas and Ronald V. Waters III, who are all the non-management directors, is independent under those criteria. Each of our non-management directors also serves on our Audit Committee, Compensation Committee and Nominating and Governance Committee, and by satisfying the more stringent independence criteria in our Corporate Governance Guidelines, fulfills the independence requirements for membership on such committees set forth in the NYSE listing standards. In addition, the Board affirmatively determined that Paul C. Ely, Jr., who served as one of our non-management directors during part of 2006, was independent under our criteria while a director. Mr. Ely retired from service as one of our directors upon the expiration of his term at our 2006 annual meeting of stockholders. As part of its annual evaluation of director independence, the Board examined (among other things) whether any transactions or relationships exist currently (or existed during the past three years) between each non-management director and the Corporation, its subsidiaries, affiliates, equity investors, or independent auditors. The Board also examined any transactions or relationships between each non-management director and the senior management of Sabre Holdings or its affiliates.

The independent directors meet several times each year in executive session outside the presence of management representatives. The Board has designated a Lead Director who generally presides over those executive sessions. A majority of the independent directors may designate another independent director to preside over any executive session. Interested parties, including stockholders, may communicate with the entire Board, the Chairman, the Lead Director, the non-management directors as a group or the chairman of any particular committee. Written communications should be addressed to the appropriate body or director and sent via pre-paid mail or courier to:

c/o Corporate Secretary
Sabre Holdings Corporation
3150 Sabre Drive
Southlake, Texas 76092
United States of America

or via e-mail to Corporate.Secretary@sabre-holdings.com. We also provide a confidential, anonymous hotline at 1 (877) 219-3180, which is a toll-free call if placed from within the United States. The call center is staffed 24 hours a day, 7 days a week.

Our process for collecting and organizing security holder communications and determining which communications will be relayed to Board members is administered by the Corporate Secretary, is overseen by the Governance and Nominating Committee, and was approved by all of the independent directors.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Edgar Filing: ZIEGLER RICHARD F - Form 5

The following table shows the fees we paid or accrued for the audit and other services provided by Ernst & Young LLP for fiscal years 2006 and 2005 (in thousands):

	Year Ended December 31,	
	2006	2005
Audit fees (1) (5)	\$ 5,276	\$ 4,847
Audit-related fees (2)	208	181
Tax fees (3)	173	173
All other fees (4)	43	48
Total fees	\$ 5,700	\$ 5,249

- (1) Audit fees of E&Y for 2006 and 2005 consisted of the examination of our annual consolidated financial statements and reviews of our quarterly financial statements as well as statutory audits, which are required for certain international subsidiaries, fees related to filings made with the SEC, and other attest fees. Audit fees of E&Y also include fees relating to our assessment of, and report on, our internal controls over financial reporting.
- (2) Audit-related fees include, among other items, the required audits of our employee benefit plans, as well as accounting advisory fees related to financial accounting matters and mergers and acquisitions.
- (3) Tax fees include assistance with the preparation of tax returns of certain of our international subsidiaries and assistance with audits, as well as advising management as to the tax implications of certain transactions undertaken by us.
- (4) All other fees include services related to miscellaneous international employee benefit and tax related matters and other miscellaneous filings.
- (5) 2005 audit fees have been increased by \$507,000 for statutory audits that were omitted inadvertently and for overruns incurred in the completion of the 2005 statutory audits.

172

Edgar Filing: ZIEGLER RICHARD F - Form 5

The Audit Committee has determined that the provision of services related to audit services, audit-related services, tax compliance, advisory services, and other services is compatible with maintaining the independence of E&Y. E&Y did not render professional services relating to financial information systems design and implementation for the fiscal year ended December 31, 2006.

The Audit Committee, or its designee, pre-approved 100% of the services provided by E&Y during 2006. Our auditor services pre-approval policy can be found on the governance section of our website.

173

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

- (a)(1) The financial statements listed in the accompanying index to financial statements and the schedules are filed as part of this report.
- (2) The schedules listed in the accompanying index to financial statements and schedules are filed as part of this report.
- (3) Exhibits required to be filed by Item 601 of Regulation S-K. The exhibits listed in items 10.1 through 10.29, 10.39 and 10.42 through 10.51 consist of management contracts or compensatory plans or arrangements.

Exhibit

Number	Description of Exhibit
2.1	Asset Purchase Agreement by and among EDS Information Services L.L.C., Electronic Data Systems Corporation, Sabre Inc., and Sabre Holdings Corporation. (1)
2.2	First Amendment to Asset Purchase Agreement by and among EDS Information Services L.L.C., Electronic Data Systems Corporation, Sabre Inc., and Sabre Holdings Corporation. (2)
2.3	Second Amendment to Asset Purchase Agreement by and among EDS Information Services L.L.C., Electronic Data Systems Corporation, Sabre Inc., and Sabre Holdings Corporation. (3)
2.4	Form of Implementation Agreement dated as of May 12, 2005 between Sabre Inc., Travelocity Europe Limited and lastminute.com plc. (4)
2.5	Form of Scheme of Arrangement dated as of June 6, 2005 between Sabre Inc., Travelocity Europe Limited and lastminute.com plc. (5)
2.6	Form of Letter dated as of June 8, 2005 to holders of options granted under the lastminute.com plc 2000 Approved Executive Share Option Scheme and 2000 Unapproved Executive Share Option Scheme. (6)
2.7	Form of Letter dated as of June 8, 2005 to holders of out-of-the-money options granted under the lastminute.com plc 1999 Unapproved Executive Share Option Scheme. (7)
2.8	Form of Letter dated as of June 8, 2005 to Mr. A. Leighton in respect of options granted under the Non-Executive Scheme. (8)
2.9	Form of Letter dated as of June 8, 2005 to holders of out-of-the-money options granted under the lastminute.com plc 2000 Approved Executive Share Option Scheme and 2000 Unapproved Executive Share Option Scheme. (9)
2.10	Form of Letter dated as of June 8, 2005 to holders of options granted under the lastminute.com plc 1998 Unapproved Executive Share Option Scheme and 1999 Unapproved Executive Share Option Scheme. (10)
2.11	Form of Letter dated as of June 8, 2005 to holders of options granted under the lastminute.com plc Sharesave Scheme. (11)
2.12	Form of Bondholder Circular dated as of June 6, 2005. (12)
2.13	Agreement and Plan of Merger by and among Sovereign Holdings, Inc., Sovereign Merger Sub, Inc. and Sabre Holdings Corporation, dated as of December 12, 2006. (13)
3.1	Third Restated Certificate of Incorporation of Sabre Holdings Corporation. (14)
3.2	Amended and Restated Bylaws of Sabre Holdings Corporation. (15)
4.1	Specimen Certificate representing Class A common stock. (16)

174

Edgar Filing: ZIEGLER RICHARD F - Form 5

- 4.2 Indenture, dated as of August 3, 2001, between Sabre Holdings Corporation and SunTrust Bank, as Trustee, providing for issuance of debt securities in series. (17)
 - 4.3 First Supplemental Indenture dated August 7, 2001, between Sabre Holdings Corporation and SunTrust Bank, as Trustee, relating to the 400,000,000 7.35% Senior Notes Due 2011 of Sabre Holdings Corporation. (18)
 - 4.4 Second Supplemental Indenture dated March 13, 2006 between Sabre Holdings Corporation and SunTrust Bank, as Trustee relating to \$400,000,000 6.350% Senior Notes Due 2016 of Sabre Holdings Corporation. (19)
 - 10.1 Sabre Holdings Deferred Compensation Plan, as amended May 16, 2003. (20)
 - 10.2 Travelocity.com LP Second Amended 1999 Long-Term Incentive Plan. (21)
 - 10.3 Supplemental Executive Retirement Plan, as Amended effective July 18, 2000. (Restoration). (22)
 - 10.4 Supplemental Executive Retirement Plan, as Amended effective July 18, 2000. (Officer). (23)
 - 10.5 Supplemental Executive Retirement Plan, as Amended (Grandfathered). (24)
 - 10.6 Form of Executive Termination Benefits Agreement. (25)
 - 10.7 Form of Addenda to Executive Termination Benefits Agreement with respect to Michael S. Gilliland, Jeffery M. Jackson and Eric J. Speck. (26)
 - 10.8 Form of Addendum to Executive Termination Benefits Agreement with respect to David A. Schwarte. (27)
 - 10.9 Forms of Addendum to Executive Termination Benefits Agreement with respect to John S. Stow. (28)
 - 10.10 Form of Addendum to Executive Termination Benefits Agreement with respect to Thomas Klein. (29)
 - 10.11 Form of Addendum to Executive Termination Benefits with respect to Michelle A. Peluso. (30)
 - 10.12 Form of Letter Formalizing Involuntary Termination Benefits. (31)
 - 10.13 Form of Employment Agreement between Sabre Holdings Corporation, Sabre Inc. and Michael S. Gilliland. (32)
 - 10.14 Form of Employment Agreement between Sabre Holdings Corporation, Sabre Inc. and Michelle A. Peluso. (33)
 - 10.15 Form of Employee Intellectual Property and Confidentiality Agreement for Mark K. Miller. (34)
 - 10.16 Form of Severance Agreement with respect to Thomas Klein. (35)
 - 10.17 Addendum to Letter Employment Agreement of December 1, 2003 with respect to Michael S. Gilliland. (36)
 - 10.18 Addendum to Letter Employment Agreement of December 1, 2003 with respect to Michelle A. Peluso. (37)
 - 10.19 Executive Termination Benefits Agreement effective as of January 19, 2004. (38)
 - 10.20 Addendum to Executive Termination Benefits Agreements version 1. (39)
 - 10.21 Addendum to Executive Termination Benefits Agreements version 2. (40)
 - 10.22 Addendum to Executive Termination Benefits Agreements version 3. (41)
- 175
-

Edgar Filing: ZIEGLER RICHARD F - Form 5

- 10.23 Addendum to Executive Termination Benefits Agreements version 4. (42)
- 10.24 Form Involuntary Termination Benefits Letter with respect to Jeffery M. Jackson and David A. Schwarte. (43)
- 10.25 Form Involuntary Termination Benefits Letter with respect to Thomas Klein. (44)
- 10.26 2004 Bonus Criteria for Executive Officers. (45)
- 10.27 Information regarding the Compensation of Directors. (46)
- 10.28 2000 Stock Option Plan Amended and Restated effective November 13, 2000. (47)
- 10.29 2003 Directors Deferred Compensation and Deferred Stock Unit Plan. (48)
- 10.30 Form of Sabre Holdings Corporation Cash Award Agreement. (49)
- 10.31 The Sabre Group Holdings, Inc. 1996 Directors Stock Incentive Plan. (50)
- 10.32 Sabre Holdings Corporation Employee Stock Purchase Plan Amended and Restated Effective as of January 1, 2005. (51)
- 10.33 Sabre Holdings Corporation Amended and Restated 1996 Long-Term Incentive Plan, as amended November 13, 2000. (52)
- 10.34 Sabre Holdings Corporation Amended and Restated 1996 Long-Term Incentive Plan, as amended May 14, 2002. (53)
- 10.35 Form of Sabre Holdings Corporation 2005 Restricted Stock Agreement for Executive Officers. (54)
- 10.36 Form of Sabre Holdings Corporation 2005 Stock Option Agreement for Executive Officers. (55)
- 10.37 Information Regarding the Compensation of Directors of Sabre Holdings Corporation. (56)
- 10.38 2005 Bonus Criteria for Executive Officers. (57)
- 10.39 Option Issuance Agreement, dated January 1, 1998 between The SABRE Group Holdings, Inc. and US Airways, Inc. (58)
- 10.40 Credit Agreement, dated as of June 15, 2004, by and among Sabre Inc., Bank of America, N.A., as Administrative Agent, Citibank, N.A., Sumitomo Mitsui Banking Corp., New York, UFJ Bank Limited, and JPMorgan Chase Bank, as Co-Syndication Agents, Banc of America Securities LLC, as Sole Lead Arranger and Sole Book Manager, and the other banks party thereto. (59)
- 10.41 Amendment No. 1 to the Credit Agreement, effective July 22, 2005. (60)
- 10.42 Amendment No. 2 to the Credit Agreement, effective July 22, 2005. (61)
- 10.43 Modification Agreement to the Credit Agreement, effective July 22, 2005. (62)
- 10.44 Capital Lease Facility with Various Associated Documents dated June 15, 2003, as specified below:
 - 10.44 (a) Participation Agreement dated as of June 15, 2003, among Sabre Inc., as Lessee, Sabre Holdings Corporation, as Lessee Guarantor, CSL Leasing Inc., as Lessor, the Institutional Investors named on Schedule 2, as Purchasers, and Wilmington Trust Company, as Indenture Trustee.(63)
 - 10.44 (b) Master Lease and Deed of Trust dated as of June 15, 2003, between Sabre Inc., as Lessee, and CSL Leasing Inc., as Lessor.(63)

176

- 10.44 (c) Lease Supplement No. 1 (Memorandum of Lease Supplement, Memorandum of Master Lease and Deed of Trust, Fixture Filing and Memorandum of Option to Purchase) dated June 26, 2003, between Sabre Inc., as the Lessee and grantor, and CSL Leasing Inc., as Lessor and beneficiary, and to Jeffrey A. Rattikin, as trustee and grantee.(63)
- 10.44 (d) Trust Indenture and Security Agreement dated as of June 15, 2003, between CSL Leasing Inc. and Wilmington Trust Company, as Indenture Trustee.(63)
- 10.44 (e) Assignment of Lease and Rent and Security Agreement dated as of June 15, 2003, made by CSL Leasing Inc., as Assignor, in favor of Wilmington Trust Company, as Indenture Trustee.(63)
- 10.44 (f) Deed of Trust and Security Agreement with Assignment of Rents dated as of June 15, 2003, from CSL Leasing Inc., as grantor, and Sabre Inc., as grantor, to Jeffrey A. Rattikin, as Deed of Trust trustee, for the use and benefit of Wilmington Trust Company, as Indenture Trustee.(63)
- 10.44 (g) Lease Guaranty dated as of June 15, 2003, made by Sabre Holdings Corporation, as Lessee, Guarantor, in favor of CSL Leasing Inc., as Lessor, the parties who from time to time become Purchasers under the Operative Documents, and Wilmington Trust Company, as Indenture Trustee.(63)
- 10.45 Amendment to Capital Lease Agreement dated August 31, 2006. (64)
- 10.46 Amendment to Capital Lease Agreement dated December 8, 2006. (65)
- 10.47 Agreement to Sell and Purchase by and between Maguire Partners-Dallas, LTD. and Sabre Inc., dated September 7, 2006. (66)
- 10.48 Master Agreement dated August 20, 2004 by and between Otto (GmbH & Co KG), Otto Freizeit und Touristik GmbH, Travelocity.com LP, Travelocity GmbH, Kommanditgesellschaft Travel Overland Flugreisen GmbH & Co., and Travelocity Holdings GmbH. (67)
- 10.49 Share Transfer Agreement dated October 1, 2004 by Travelocity Holdings GmbH and Travelocity Sabre GmbH. (68)
- 10.50 Share Purchase and Transfer Agreement dated October 1, 2004 between Travelocity Holdings GmbH and Kommanditgesellschaft Travel Overland Flugreisen GmbH & Co. (69)
- 10.51 Share Transfer Agreement dated October 1, 2004 between Kommanditgesellschaft Travel Overland Flugreisen GmbH & Co., Otto Freizeit und Touristik GmbH and Travelocity GmbH. (70)
- 10.52 Share Purchase and Transfer Agreement dated October 1, 2004 between Otto Freizeit und Touristik GmbH and Travelocity GmbH. (71)
- 10.53 Put Option Agreement among AGC Holdings Limited, Abacus International Pte Ltd., Travelocity.com L.P., and Zuji Holdings Limited dated January 17, 2005. (72)
- 10.54 Form of Amended and Restated 2005 Long-Term Incentive Plan. (73)
- 10.55 Form of Credit Agreement dated as of May 12, 2005 among Sabre Inc., Morgan Stanley Senior Funding, Inc., and Bear, Sterns & Co., Inc. (74)
- 10.56 Form of Cash Confirmation Letter dated as of May 12, 2005 by Sabre Inc. and Travelocity Europe Limited. (75)
- 10.57 Form of LTIP Letter dated as of June 21, 2005. (76)
- 10.58 Form of Options Cover Statement dated as of June 8, 2005. (77)
- 177
-

10.59	2004 Form of Restricted Stock Unit Replacement Award Agreement. (78)
10.60	2005 Form of Restricted Stock Unit Replacement Award Agreement. (79)
10.61	2006 Salary and Bonus Criteria for Named Executive Officers. (80)
10.62	Form of Amended 2004 Executive Termination Benefits Agreement. (81)
10.63	Form of Alternative Addendum to 2004 Executive Termination Benefits Agreement. (82)
10.64	Form of 2005 Executive Termination Benefits Agreement. (85)
10.65	Form of Addendum to 2005 Executive Termination Benefits Agreement. (86)
10.66	Fifth Amendment to the Sabre Inc. Legacy Pension Plan. (87)
12.1	Computation of ratio of earnings to fixed charges for the year ended December 31, 2006. (65)
14.1	Sabre Holdings Corporation Business Ethics Policy revised January 25, 2005. (83)
21.1	Subsidiaries of Registrant. (65)
23.1	Consent of Ernst & Young LLP. (65)
31.1	Written statement to 17 CFR 240.13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated February 23, 2007, signed by Michael S. Gilliland as Chief Executive Officer. (65)
31.2	Written statement pursuant to 17 CFR 240.13a-14(a), as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002, dated February 23, 2007, signed by Jeffery M. Jackson as Chief Financial Officer. (65)
32.1	Written statement pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated February 23, 2007, signed by Michael S. Gilliland as Chief Executive Officer. (84)
32.2	Written statement pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated February 23, 2007, signed by Jeffery M. Jackson as Chief Financial Officer. (84)

-
1. Incorporated by reference to Exhibit 2.1 to our report on Form 10-Q for the quarter ended March 31, 2001.
 2. Incorporated by reference to Exhibit 2.2 to our report on Form 8-K on July 16, 2001.
 3. Incorporated by reference to Exhibit 2.3 to our report on Form 8-K on July 16, 2001.
 4. Incorporated by reference to Exhibit 2.1 to our report on Form 8-K dated July 20, 2005.
 5. Incorporated by reference to Exhibit 2.2 to our report on Form 8-K dated July 20, 2005.
 6. Incorporated by reference to Exhibit 2.3 to our report on Form 8-K dated July 20, 2005.
 7. Incorporated by reference to Exhibit 2.4 to our report on Form 8-K dated July 20, 2005.
 8. Incorporated by reference to Exhibit 2.5 to our report on Form 8-K dated July 20, 2005.
 9. Incorporated by reference to Exhibit 2.6 to our report on Form 8-K dated July 20, 2005.
 10. Incorporated by reference to Exhibit 2.7 to our report on Form 8-K dated July 20, 2005.
 11. Incorporated by reference to Exhibit 2.8 to our report on Form 8-K dated July 20, 2005.
 12. Incorporated by reference to Exhibit 2.9 to our report on Form 8-K dated July 20, 2005.
 13. Incorporated by reference to Exhibit 2.1 to our report on Form 8-K dated December 18, 2006.

Edgar Filing: ZIEGLER RICHARD F - Form 5

14. Incorporated by reference to Exhibit 4.1 to our report on Form S-8 dated July 28, 2005.
15. Incorporated by reference to Exhibit 3.2 to our report on Form 8-K dated July 28, 2005.
16. Incorporated by reference to Exhibit 4.1 to our report on Form 10-Q for the quarter ended March 31, 2000.
17. Incorporated by reference to Exhibit 4.6 to our report on Form 8-K dated August 7, 2001.
18. Incorporated by reference to Exhibit 4.7 to our report on Form 8-K dated August 7, 2001.
19. Incorporated by reference to Exhibit 4.1 to our report on Form 8-K dated March 13, 2006.
20. Incorporated by reference to Exhibit 10.1 to our report on Form 10-K for the year ended December 31, 2004.
21. Incorporated by reference to Exhibit (e)(5) to Schedule 14D-9 filed by Travelocity.com, Inc. on March 18, 2002.
22. Incorporated by reference to Exhibit 10.1 to our report on Form 10-Q for the quarter ended June 30, 2001.
23. Incorporated by reference to Exhibit 10.2 to our report on Form 10-Q for the quarter ended June 30, 2001.
24. Incorporated by reference to Exhibit 10.3 to our report on Form 10-Q for the quarter ended June 30, 2001.
25. Incorporated by reference to Exhibit 10.4 to our report on Form 10-Q for the quarter ended June 30, 2001.
26. Incorporated by reference to Exhibit 10.2 to our report on Form 10-Q for the quarter ended March 31, 2004.
27. Incorporated by reference to Exhibit 10.3 to our report on Form 10-Q for the quarter ended March 31, 2004.
28. Incorporated by reference to Exhibit 10.4 to our report on Form 10-Q for the quarter ended March 31, 2004.
29. Incorporated by reference to Exhibit 10.5 to our report on Form 10-Q for the quarter ended March 31, 2004.
30. Incorporated by reference to Exhibit 10.11 to our report on Form 10-K for the year ended December 31, 2004.
31. Incorporated by reference to Exhibit 10.3 to our report on Form 10-Q for the quarter ended March 31, 2003.
32. Incorporated by reference to Exhibit 10.11 to our report on Form 10-K for the year ended December 31, 2003.
33. Incorporated by reference to Exhibit 10.14 to our report on Form 10-K for the year ended December 31, 2004.
34. Incorporated by reference to Exhibit 10.6 to our report on Form 10-Q for the quarter ended September 30, 2004.
35. Incorporated by reference to Exhibit 10.16 to our report on Form 10-K for the year ended December 31, 2004.
36. Incorporated by reference to Exhibit 10.5 to our Form 10-Q for the quarter ended March 31, 2006.
37. Incorporated by reference to Exhibit 10.6 to our Form 10-Q for the quarter ended March 31, 2006.
38. Incorporated by reference to Exhibit 10.7 to our Form 10-Q for the quarter ended March 31, 2006.
39. Incorporated by reference to Exhibit 10.8 to our Form 10-Q for the quarter ended March 31, 2006.
40. Incorporated by reference to Exhibit 10.9 to our Form 10-Q for the quarter ended March 31, 2006.

Edgar Filing: ZIEGLER RICHARD F - Form 5

41. Incorporated by reference to Exhibit 10.10 to our Form 10-Q for the quarter ended March 31, 2006.
42. Incorporated by reference to Exhibit 10.11 to our Form 10-Q for the quarter ended March 31, 2006.
43. Incorporated by reference to Exhibit 10.12 to our Form 10-Q for the quarter ended March 31, 2006.
44. Incorporated by reference to Exhibit 10.13 to our Form 10-Q for the quarter ended March 31, 2006.
45. Incorporated by reference to Exhibit 10.17 to our report on Form 10-K for the year ended December 31, 2004.
46. Incorporated by reference to Exhibit 99.1 to our report on Form 8-K dated December 21, 2004.

179

Edgar Filing: ZIEGLER RICHARD F - Form 5

47. Incorporated by reference to Exhibit 10.19 to our report on Form 10-K for the year ended December 31, 2004.
48. Incorporated by reference to Exhibit 10.1 to our report on Form 10-Q for the quarter ended March 31, 2003.
49. Incorporated by reference to Exhibit 10.2 to our report on Form 10-Q for the quarter ended March 31, 2003
50. Incorporated by reference to Exhibit 10.26 to our Registration Statement on Form S-1 (Registration No. 333-09747).
51. Incorporated by reference to Exhibit 10.23 to our report on Form 10-K for the year ended December 31, 2004.
52. Incorporated by reference to Exhibit 10.16 to our report on Form 10-K for the year ended December 31, 2001.
53. Incorporated by reference to Exhibit 10.22 to our report on Form 10-K for the year ended December 31, 2003.
54. Incorporated by reference to Exhibit 99.1 to our report on Form 8-K dated on January 28, 2005.
55. Incorporated by reference to Exhibit 99.2 to our report on Form 8-K dated on January 28, 2005.
56. Incorporated by reference to Exhibit 99.1 to our report on Form 8-K on December 21, 2004.
57. Incorporated by reference to Exhibit 10.17 to our report on Form 10-K for the year ended December 31, 2004.
58. Incorporated by reference to Exhibit 10.34 to our report on Form 10-K for the year ended December 31, 1997. This exhibit is available as Exhibit 10.34 on the SEC's EDGAR website as an exhibit to the Sabre Holdings Corporation (file number 001-12175) Form 10-K for the year ended December 31, 1997.
59. Incorporated by reference to Exhibit 10.1 to our report on Form 10-Q for the quarter ended June 30, 2004.
60. Incorporated by reference to Exhibit 10.1 to our Form 10-Q for the quarter ended March 31, 2006.
61. Incorporated by reference to Exhibit 10.2 to our Form 10-Q for the quarter ended March 31, 2006.
62. Incorporated by reference to Exhibit 10.3 to our Form 10-Q for the quarter ended March 31, 2006.
63. Incorporated by reference to Exhibit 10.1 (a-g) to our report on Form 10-Q for the quarter ended June 30, 2003.
64. Incorporated by reference to Exhibit 10.2 to our Form 10-Q for the quarter ended September 30, 2006.
65. Filed herewith.
66. Incorporated by reference to Exhibit 10. 1 to our Form 10-Q for the quarter ended September 30, 2006.
67. Incorporated by reference to Exhibit 10.1 to our report on Form 10-Q for the quarter ended September 30, 2004.
68. Incorporated by reference to Exhibit 10.2 to our report on Form 10-Q for the quarter ended September 30, 2004.
69. Incorporated by reference to Exhibit 10.3 to our report on Form 10-Q for the quarter ended September 30, 2004.
70. Incorporated by reference to Exhibit 10.4 to our report on Form 10-Q for the quarter ended September 30, 2004.
71. Incorporated by reference to Exhibit 10.5 to our report on Form 10-Q for the quarter ended September 30, 2004.
72. Incorporated by reference to Exhibit 10.38 to our report on Form 10-K for the year ended December 31, 2004.

Edgar Filing: ZIEGLER RICHARD F - Form 5

73. Incorporated by reference to Exhibit 10.1 to our report on Form 10-Q for the quarter ended June 30, 2005.

74. Incorporated by reference to Exhibit 10.2 to our report on Form 10-Q for the quarter ended June 30, 2005.

180

Edgar Filing: ZIEGLER RICHARD F - Form 5

75. Incorporated by reference to Exhibit 10.3 to our report on Form 10-Q for the quarter ended June 30, 2005.
76. Incorporated by reference to Exhibit 10.4 to our report on Form 10-Q for the quarter ended June 30, 2005.
77. Incorporated by reference to Exhibit 10.5 to our report on Form 10-Q for the quarter ended June 30, 2005.
78. Incorporated by reference to Exhibit 10.1 to our report on Form 10-Q for the quarter ended September 30, 2005.
79. Incorporated by reference to Exhibit 10.2 to our report on Form 10-Q for the quarter ended September 30, 2005.
80. Incorporated by reference to the description in Item 1.01 of our Form 8-K filed on February 3, 2006.
81. Incorporated by reference to Exhibit 10.47 to our report on Form 10-K for the year ended December 31, 2005.
82. Incorporated by reference to Exhibit 10.48 to our report on Form 10-K for the year ended December 31, 2005.
83. Incorporated by reference to Exhibit 14.1 to our report on Form 10-K for the year ended December 31, 2004.
84. Sabre Holdings Corporation is furnishing, but not filing, the written statements pursuant to Title 18 United States Code Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002, of Michael S. Gilliland, the Chief Executive Officer of Sabre Holdings Corporation, and Jeffery M. Jackson, the Chief Financial Officer of Sabre Holdings Corporation.
85. Incorporated by reference to Exhibit 10.49 to our report on Form 10-K for the year ended December 31, 2005.
86. Incorporated by reference to Exhibit 10.50 to our report on Form 10-K for the year ended December 31, 2005.
87. Incorporated by reference to Exhibit 10.51 to our report on Form 10-K for the year ended December 31, 2005.

181

SABRE HOLDINGS CORPORATION

**INDEX TO FINANCIAL STATEMENTS AND SCHEDULES
COVERED BY REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

[Item 15(a)]

Financial Statements

	Page
<u>Report of Independent Registered Public Accounting Firm</u>	67
<u>Consolidated Statements of Income for the Years Ended December 31, 2006, 2005 and 2004</u>	68
<u>Consolidated Balance Sheets at December 31, 2006 and 2005</u>	69
<u>Consolidated Statements of Cash Flows for the Years Ended December 31, 2006, 2005 and 2004</u>	70
<u>Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2006, 2005 and 2004</u>	71
<u>Notes to Consolidated Financial Statements</u>	72
<u>Schedule II Valuation and Qualifying Accounts for the Years Ended December 31, 2006, 2005 and 2004</u>	183

All other schedules are omitted because the required information is included in the financial statements or notes thereto, or because the required information is either not present or not present in sufficient amounts.

182

Sabre Holdings Corporation
Schedule II Valuation and Qualifying Accounts
For Each of the Three Years in the Period Ended December 31, 2006
(in thousands)

Classification	Balance at Beginning of Year	Additions Charged (Credited) to Costs and Expenses	Deductions (2)	Balance at End of year
Year Ended December 31, 2006				
Allowance for uncollectible accounts	\$ 24,952	\$ 12,298	\$ (4,591)	\$ 32,659
Booking fee cancellation reserve	17,063	(6,557)		10,506
Associate reserves	16,231	41,278	(42,421)	15,088
Year Ended December 31, 2005				
Allowance for uncollectible accounts	\$ 24,156	\$ 6,943	\$ (6,147)	\$ 24,952
Booking fee cancellation reserve	16,714	349		17,063
Associate reserves	11,033	49,747	(44,549)	16,231
Year Ended December 31, 2004				
Allowance for uncollectible accounts	\$ 15,415	\$ 19,176	\$ (10,435)	\$ 24,156
Booking fee cancellation reserve	16,953		(239)	16,714
Associate reserves	10,252	29,368	(28,587)	11,033

(1) Includes write-offs for uncollectible accounts and other reserve adjustments.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 23, 2007

SABRE HOLDINGS CORPORATION

/s/ MICHAEL S. GILLILAND
Michael S. Gilliland
President and Chief Executive Officer (Principal Executive Officer)
/s/ JEFFERY M. JACKSON
Jeffery M. Jackson
Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
/s/ MARK K. MILLER
Mark K. Miller
Senior Vice President and Controller (Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Date: February 23, 2007

Directors:

/s/ ROYCE S. CALDWELL
Royce S. Caldwell
/s/ CHRISTOPHER J. FRALEIGH
Christopher J. Fraleigh
/s/ MICHAEL S. GILLILAND
Michael S. Gilliland, Chairman
/s/ RICHARD G. LINDNER
Richard G. Lindner
/s/ GLENN W. MARSCHEL
Glenn W. Marschel, Jr.

/s/ BOB L. MARTIN
Bob L. Martin
/s/ PAMELA B. STROBEL
Pamela B. Strobel
/s/ MARY ALICE TAYLOR
Mary Alice Taylor
/s/ RICHARD L. THOMAS
Richard L. Thomas
/s/ RONALD V. WATERS III
Ronald V. Waters III