A complete travel commerce experience
Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about the future financial and operational performance of the Company. These statements are not guarantees of future performance. These forward-looking statements are based on management’s expectations as of December 6, 2010, and assumptions which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. The use of words such as “forecast,” “opportunity,” “intends,” “anticipates,” and “expects,” among others, generally identifies forward-looking statements. However, these words are not the exclusive means of identifying such statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements and may include statements relating to future revenues, expenses, margins, profitability, net income, earnings per share and other measures of results of operations and the prospects for future growth of Expedia, Inc.’s business.

Actual results and the timing and outcome of events may differ materially from those expressed or implied in the forward-looking statements for a variety of reasons, including, among others: continued or prolonged adverse economic conditions leading to decreased consumer and business spending; changes in our relationships and contractual agreements with travel suppliers or global distribution system partners; adverse changes in senior management; the rate of growth of online travel; our inability to recognize the benefits of our investment in technologies; changes in the competitive environment, the e-commerce industry and broadband access and our ability to respond to such changes; declines or disruptions in the travel industry (including those caused by adverse weather, bankruptcies, health risks, war and/or terrorism); the rate of online migration in the various geographies and markets in which Expedia, Inc. operates, including Eastern Europe and Asia, fluctuations in foreign exchange rates, risks related to our long term indebtedness, including the ability to access funds as and when needed; changing laws, rules and regulations and legal uncertainties relating to our business; Expedia, Inc.’s ability to expand successfully in international markets; possible charges resulting from, among other events, platform migration; failure to realize cost efficiencies; the successful completion of any future corporate transactions or acquisitions; the integration of current and acquired businesses; and other risks detailed in Expedia’s, Inc.’s public filings with the SEC, including Expedia, Inc.’s annual report on Form 10-K for the year ended December 31, 2009 and subsequent Forms 10-Q.

Except as required by law, Expedia, Inc. undertakes no obligation to update any forward-looking or other statements in this presentation, whether as a result of new information, future events or otherwise.

Reconciliations of non-GAAP measures included in this presentation to the most comparable GAAP measures are included in Appendix A.

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Expedia, Inc. is building the world’s largest and most intelligent travel marketplace.

We generate revenue by addressing the entire travel commerce experience, enabling travelers to research, plan and book their trip, offering service while they travel, and providing the online forums to review hotels, discuss destinations and share experiences.
The world’s largest travel marketplace

Number of unique visitors to Expedia, Inc. sites worldwide each month

73+ million

Source: comScore Sept. 2010, unduplicated
The world’s largest travel marketplace

Serving travelers in over 60 countries
The world’s largest travel marketplace

160+

booking and travel media sites
The world’s largest travel marketplace

Offering hotels in over 200 countries
Addressing the entire travel commerce experience

Research & Planning

Where to go
Pricing and deals
Where to stay
Best airplane seat
Things to do
Addressing the entire travel commerce experience

Research & Planning

Booking

Air
Hotel
Vacation packages
Cruise
Rental car
Insurance
Activities
Addressing the entire travel commerce experience

Research & Planning
Booking
Travel & Sharing

Concierge services
Destination guides
Mobile apps
24-hour customer service
Traveler forums
Hotel reviews
Destination videos
TripAdvisor® is the world’s largest travel community, with the largest collection of traveler reviews and content on destinations and travel accommodations.

40 million

monthly unique visitors

Source: comScore August 2010, unduplicated
TripAdvisor Media Network

TripAdvisor is the world’s largest travel community, with the largest collection of traveler reviews and content on destinations and travel accommodations.

20 million
registered users
TripAdvisor is the world’s largest travel community, with the largest collection of traveler reviews and content on destinations and travel accommodations.
TripAdvisor is the world’s largest travel community, with the largest collection of traveler reviews and content on destinations and travel accommodations.

Operating in 24 countries
TripAdvisor is the world’s largest travel community, with the largest collection of traveler reviews and content on destinations and travel accommodations. 40 million hotel reviews
Content and advice for all aspects of travel

World’s largest travel community

Air travel content & community
Content and advice for all aspects of travel

Traveler content and community sites

- family vacation critic.com
- TravelPod
- CRUISE CRITIC
- smarter TRAVEL
- HOLIDAY WATCHDOG.COM
- virtual Tourist
- TravelLibrary
- Independent Traveler.com
Content and advice for all aspects of travel

Travel deals and price comparison

- Expedia
- hotels.com
- Hotwire
- travel-ticker
- SNIQUE
- 酷讯网
Global market opportunity for online travel media

Internet penetration
Estimated online advertising growth
Estimated online share of consumer travel spending

77%  58%  22%
+10% +11% +15%
54%  37%  21%

Global online ad market expected to reach ~$100 billion by 2014

Sources:
www.internetworldstats.com
Online Advertising growth = CAGR 2010 - 2014 estimated using eMarketer Sept. 2010 report as the primary source
PhoCusWright studies spanning 2009 and 2010
Online Advertising market eMarketer September 2010 report
Serving travelers across the globe

TripAdvisor international third-party revenue now ~40%
100% YOY growth in each of the last four quarters
Monetizing travel media

Expedia’s robust and fast-growing advertising and media businesses make us unique in the industry, and allow us maximum flexibility as the industry evolves.

TTM revenue of $401 million

As of Sept. 30, 2010
Monetizing travel media

Expedia’s robust and fast-growing advertising and media businesses make us unique in the industry, and allow us maximum flexibility as the industry evolves.

An increase of +34% year over year
Monetizing travel media

Expedia’s robust and fast-growing advertising and media businesses make us unique in the industry, and allow us maximum flexibility as the industry evolves.
Monetizing travel media

Expedia’s robust and fast-growing advertising and media businesses make us unique in the industry, and allow us maximum flexibility as the industry evolves.

OIBA margins of >50%
We believe this can be a $1 Billion business.
TripAdvisor Media Network

A range of opportunities for travel advertisers
Cost-Per-Click (CPC)

Amenities, images and maps

Check Rates link

IP mapping

Sponsored links
Display (CPM)
Subscription-based Business Listings

Old-Town Park City 3/3 Condo--Walk to Ski/Shopping

Average Guest Rating: ★★★★☆ (3 reviews)

Rates:
- Nightly: $149.525
- Weekly: $950.400
- Monthly: $2500.5250

Special Deal: Stay 4 nights, get 3 nights free. Learn More

Managed by Verified Owner:
Jason A Campagna Learn more...

Bedrooms: 3 Sleeps: 8 Updated On: October 22, 2010 Minimum Stay: 2 nights

Property Overview

THE PROPERTY:
Welcome to our recently remodeled 3 bedroom, 3 bath, 1600sqft townhouse with attached one car garage. It’s located in Park City’s Historic Old Town area and most shopping, food, drink and old-town proper are all less than 10 blocks in all directions. All the bedrooms are well decorated, spacious, with comfortable beds, comfortable new linens and towels. Our kitchen is well equipped: professional cookware and knives, utensils, and everything you will need to cater in-house meals. For entertainment our unit is equipped with flat-screen TV’s in all rooms, DVD players, stereo, iPod/iPhone radios in each bedroom, high speed wireless Internet connection, and a brand new private Hot Tub on the deck just outside the door.

EXCELLENT LOCATION:
Our town house has such an ideal location that a rental vehicle is not needed to get around. The unit even has a garage— but we personally have never used it. We are directly on Park Ave, 2 to 3 blocks from the Park City Ski Resort and shopping (supermarket-open 24hrs., drug store, over a dozen restaurants, liquor store, cinemas, Block Buster Video, Starbucks Coffee, ski rentals, etc.). A free shuttle service on a major bus route is steps away with average waits of less than 5-minutes, providing quick transportation to Old Town, Park City, Deer Valley, The Canyons, and the Factory Outlet Center. This is a perfect location for guests attending the Sundance Film Festival. In addition, the SLC airport shuttle has a s... Read more
A range of opportunities for travel advertisers

Total TripAdvisor Gross Revenue
(in millions)

2005 2006 2007 2008 2009 2010

TTM

Other
CPM
CPC
Media products on booking sites
Booking the trip
Booking the trip

Nobody matches supply with demand on a global basis at our scale.
Nobody matches supply with demand on a global basis at our scale.

Booking the trip

Serving travelers in over 60 countries
Booking the trip

Nobody matches supply with demand on a global basis at our scale.

300+ airlines
Booking the trip

Nobody matches supply with demand on a global basis at our scale.

130K hotels
Booking the trip

- **Expedia**: World’s largest OTA, focusing on the whole trip

- **hotels.com**: Hotel specialist with over 70 sites in over 60 countries

- **Hotwire**: Unpublished rate booking site

- **EGENCIA**: 5th largest full-service corporate travel management company in the world
Booking the trip

- **eLong.com**: Leading Chinese OTA
- **venere.com**: Italy-based agency hotel bookings provider
- **CarRentals.com**: Online car rentals consolidator
- **Classic Vacations**: Luxury travel provider
- **Expedia cruise ship centers**: Offline cruise travel agency with retail presence
### Global market opportunity for online travel bookings

#### Size of travel market

<table>
<thead>
<tr>
<th>Year</th>
<th>APAC</th>
<th>Europe</th>
<th>US</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>21%</td>
<td>46%</td>
<td>9%</td>
<td>76%</td>
</tr>
<tr>
<td>2007</td>
<td>25%</td>
<td>50%</td>
<td>11%</td>
<td>86%</td>
</tr>
<tr>
<td>2008</td>
<td>30%</td>
<td>52%</td>
<td>14%</td>
<td>96%</td>
</tr>
<tr>
<td>2009E</td>
<td>34%</td>
<td>57%</td>
<td>18%</td>
<td>109%</td>
</tr>
<tr>
<td>2010E</td>
<td>37%</td>
<td>54%</td>
<td>21%</td>
<td>112%</td>
</tr>
</tbody>
</table>

#### Online penetration

<table>
<thead>
<tr>
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<th>Europe</th>
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<th>Total</th>
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<td>54%</td>
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<td>112%</td>
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Source: PhoCusWright studies spanning 2009 and 2010
Serving travelers across the globe
Maintaining the broadest supply portfolio

Hotel

- >130,000 hotels offered making up ~60% of EXPE worldwide annual revenue (TTM)
  - ~55% merchant model hotels
  - ~25% agency model hotels
- Expedia accounts for 7% of room nights in the Top 20 U.S. markets

Air

- Air revenue ~12% of EXPE worldwide annual revenue (TTM)
- Revenue largely unit / volume driven

Cruise, Car and Destination Services comprise >10% worldwide annual revenue (TTM)

>15% of EXPE gross bookings are package or multi-component transactions for same itinerary (TTM)

Source for 7% room night share stat = STR YTD through Sept. 2010
Collaboration & Integration = Growth

TripAdvisor's first advertisers

Drives traffic to booking sites

Enters new markets

Global supply team serves booking brands

Customer volume and reach = value to suppliers

Booking sites in over 60 countries
Taking flight off an extended runway

There is a huge worldwide market opportunity as additional travel dollars move online around the world.

<table>
<thead>
<tr>
<th>Worldwide travel market</th>
<th>Worldwide Internet penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>$&gt;760 billion</td>
<td>29%</td>
</tr>
<tr>
<td>&lt;40% online penetration</td>
<td>445% growth rate</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expedia 9.30 TTM leisure revenue</th>
<th>Expedia 9.30 TTM media revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.8 billion</td>
<td>$401 million</td>
</tr>
<tr>
<td>9% growth rate</td>
<td>34% growth rate</td>
</tr>
</tbody>
</table>

Virtuous Cycle

The bigger and better we get, the bigger and better we get.
Diverse revenue streams

Product Categories (TTM 9.30.10)

- Hotel: 63%
- Air: 12%
- Advertising & Media: 12%
- Car, Cruise & Other: 13%

Geographic Split (TTM 9.30.10)

Revenue

2005 2006 2007 2008 2009 2010

- Domestic
- International
Solid performance…

- Positive top-line growth
  - 3Q10 YOY revenue growth two times faster than 2Q10 YOY revenue growth
- Continue to generate substantial revenue, profits and free cash flow

See Appendix A for reconciliation to GAAP number
Stable supplier economics

Trended Revenue Margin (TTM)

- **Implemented consumer fee cuts**
  - 4Q08: 13.8%
  - 1Q09: 14.0%
  - 2Q09: 14.1%
  - 3Q09: 13.9%
  - 4Q09: 12.1%

- **Began lapping fee cuts**
  - 1Q10: 11.6%
  - 2Q10: 11.3%
  - 3Q10: 11.2%

Excluding ad & media revenue
Including ad & media revenue
Since 2006 generated $2.9B in free cash flow and returned $2.1B to shareholders through share repurchases and dividends.
Appendix A - Non-GAAP Items

Operating Income Before Amortization ("OIBA") is defined as operating income plus: (1) stock-based compensation expense, including compensation expense related to certain subsidiary equity plans; (2) acquisition-related impacts, including (i) amortization of intangible assets and goodwill and intangible asset impairment, and (ii) gains (losses) recognized on changes in the value of contingent consideration arrangements; (3) certain infrequently occurring items, including restructuring; (4) charges incurred, if any, for monies that may be required to be paid in advance of litigation in certain occupancy tax proceedings; and (5) gains (losses) realized on revenue hedging activities that are included in other, net.

OIBA margin is OIBA divided by net revenue.

Adjusted Net Income generally captures all items on the statements of operations that occur in normal course operations and have been, or ultimately will be, settled in cash and is defined as net income/(loss) attributable to Expedia, Inc. plus net of tax: (1) stock-based compensation expense, including compensation expense related to certain subsidiary equity plans; (2) acquisition-related impacts, including (i) amortization of intangible assets, including as part of equity-method investments, and goodwill and intangible asset impairment, (ii) gains (losses) recognized on changes in the value of contingent consideration arrangements, and (iii) gains (losses) recognized on noncontrolling investment basis adjustments when we acquire controlling interests; (3) mark to market gains and losses on derivative instruments assumed at Spin-off; (4) currency gains or losses on U.S. dollar denominated cash or investments held by eLong; (5) certain other infrequently occurring items, including restructuring charges; (6) charges incurred, if any, for monies that may be required to be paid in advance of litigation in certain occupancy tax proceedings; (7) discontinued operations; and (8) the noncontrolling interest impact of the aforementioned adjustment items. We believe Adjusted Net Income is useful to investors because it represents Expedia, Inc.'s combined results, taking into account depreciation, which management believes is an ongoing cost of doing business, but excluding the impact of other non-cash expenses, infrequently occurring items and items not directly tied to the core operations of our businesses.
## Appendix A - Non-GAAP Items

### OIBA (Operating Income Before Amortization)

<table>
<thead>
<tr>
<th></th>
<th>3 Months Ended 31-Mar-10</th>
<th>3 Months Ended 30-Jun-10</th>
<th>3 Months Ended 30-Sep-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>OIBA</td>
<td>$142,544</td>
<td>$219,472</td>
<td>$293,650</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>(9,028)</td>
<td>(8,344)</td>
<td>(8,126)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>(18,892)</td>
<td>(14,651)</td>
<td>(13,021)</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Occupancy tax assessments and legal reserves</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Realized loss (gain) on revenue hedges</td>
<td>(2,450)</td>
<td>(2,787)</td>
<td>4,301</td>
</tr>
<tr>
<td>Operating income</td>
<td>112,174</td>
<td>193,690</td>
<td>276,804</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>(20,608)</td>
<td>(18,988)</td>
<td>(24,539)</td>
</tr>
<tr>
<td>Other, net</td>
<td>568</td>
<td>817</td>
<td>(13,657)</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>(31,535)</td>
<td>(60,166)</td>
<td>(60,584)</td>
</tr>
<tr>
<td>Net income attributable to noncontrolling interests</td>
<td>(1,204)</td>
<td>(1,091)</td>
<td>(1,474)</td>
</tr>
<tr>
<td>Net income attributable to Expedia, Inc.</td>
<td>$59,395</td>
<td>$114,262</td>
<td>$176,550</td>
</tr>
</tbody>
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Source: Company reports
## Appendix A - Non-GAAP Items

### Adjusted Net Income

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</tr>
<tr>
<td>Restructuring charges</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign currency gain on U.S. dollar cash balances held by eLong</td>
<td>(125)</td>
<td>873</td>
<td>1,358</td>
</tr>
<tr>
<td>Amortization of intangible assets as part of equity method investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>(436)</td>
<td>(783)</td>
<td>(954)</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>(9,023)</td>
<td>(8,061)</td>
<td>(6,838)</td>
</tr>
<tr>
<td>Adjusted net income</td>
<td>$ 77,731</td>
<td>$ 129,285</td>
<td>$ 191,263</td>
</tr>
</tbody>
</table>

Source: Company reports
## Free Cash Flow

*(figures in $000s)*

<table>
<thead>
<tr>
<th></th>
<th>31-Dec-06</th>
<th>31-Dec-07</th>
<th>31-Dec-08</th>
<th>31-Dec-09</th>
<th>30-Sep-10</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>$617,440</td>
<td>$712,069</td>
<td>$520,688</td>
<td>$676,004</td>
<td>$937,717</td>
<td>$3,463,918</td>
</tr>
<tr>
<td>Less: capital expenditures</td>
<td>(92,631)</td>
<td>(86,658)</td>
<td>(159,827)</td>
<td>(92,017)</td>
<td>(113,324)</td>
<td>(544,457)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$524,809</td>
<td>$625,411</td>
<td>$360,861</td>
<td>$583,987</td>
<td>$824,393</td>
<td>$2,919,461</td>
</tr>
</tbody>
</table>

Source: Company reports