INVESTOR PRESENTATION



expedia inc.

June 2012

Safe Harbor

Forward-Looking Statements. This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance. These forward-looking statements are based on management's expectations as of June 25, 2012 and assumptions which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. The use of words such as "intends" and "expects," among others, generally identify 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 / (loss), 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: competitive risks; declines or disruptions in the travel industry; changes in our relationships and contractual agreements with travel suppliers or travel distribution partners; increases in the costs of maintaining and enhancing our brand awareness; changes in search engine algorithms and dynamics; our inability to adapt to technological developments or to maintain our existing technologies; our ability to expand successfully in international markets; changes in senior management; volatility in our stock price; changing laws, rules and regulations and legal uncertainties relating to our business; unfavorable new, or adverse application of or failure to comply with existing, laws, rules or regulations; adverse outcomes in legal proceedings to which we are party; provisions in certain credit card processing agreements that could adversely impact our liquidity and financial positions; fluctuations in our effective tax rate; liquidity constraints or our inability to access the capital markets when necessary; risks related to our long term indebtedness; fluctuations in foreign exchange rates; risks related to the failure of counterparties to perform on financial obligations; potential liabilities resulting from our processing, storage, use and disclosure of personal data; the integration of current and acquired businesses; the risk that our intellectual property is not protected from copying or use by others, including competitors; risks related to interruption or lack of redundancy in our information systems; and other risks detailed in our public filings with the SEC, including our annual report on Form 10-K for the year ended December 31, 2011. Except as required by law, we undertake no obligation to update any forward-looking or other statements in this presentation, whether as a result of new information, future events or otherwise.

Non-GAAP Measures. Reconciliations to GAAP measures of non-GAAP measures included in this presentation are included in the Appendices. These measures are intended to supplement, not substitute for, GAAP comparable measures. Investors are urged to consider carefully the comparable GAAP measures and reconciliations.

Industry / Market Data. Industry and market data used in this presentation have been obtained from industry publications and sources as well as from research reports prepared for other purposes. We have not independently verified the data obtained from these sources and cannot assure you of the data's accuracy or completeness.

Trademarks & Logos. Trademarks and logos are the property of their respective owners.

© 2012 Expedia, Inc. All rights reserved. CST: 2029030-50

Investment Highlights

- Global Leader in ~$1 Trillion Market with Strong Offline-to-Online Trends
- Significant Growth Opportunities Across Geographies
- Rapid Expansion in Highly Fragmented Hotel Industry
- Technology Platform Investment and Innovation Driving Higher Conversion
- Success in New Distribution Channels, e.g. Mobile
- Powerful Free Cash Flow Generation

expedia inc.

A Growth Company

The Largest Travel Company in the World

expedia inc.

Massive Depth and Breadth of

SUPPLY



~150,000 Hotels in **200+** Countries



300+ Airlines



2.6 Million Packages

VOLUME AND GLOBAL REACH

Diverse Demand: Geography AND Travel Type

Mutually Beneficial Supply Agreements

expedia inc.

Value to Travelers

Scale Enables Virtuous Circle

MULTI-CHANNEL, MULTI-PLATFORM GLOBAL MARKETPLACE

Unmatched Volume and Diversity of Global Travel

DEMAND



60 Million Unique Visitors[1]



Travelers in **~70 Countries**



Corporate **and** Leisure Travel; Online **and** Offline

[1] Source: comScore Worldwide Average Monthly Unique Visitor data, Full year 2011

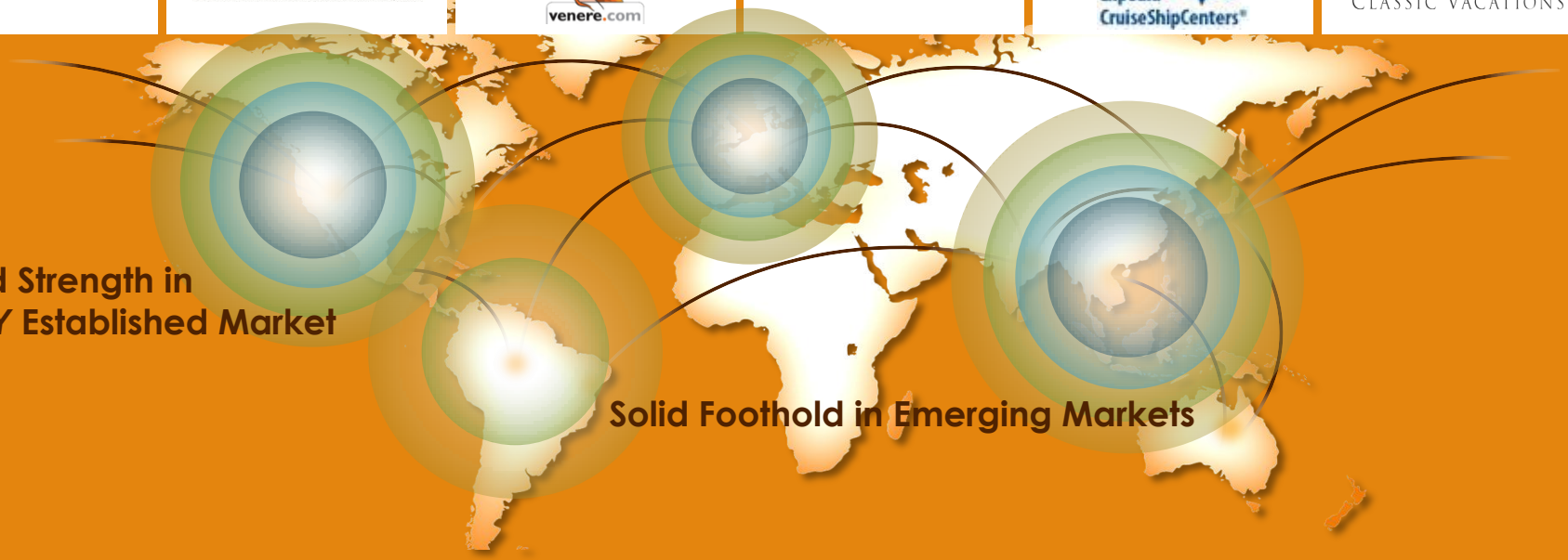
Established Brands with Global Reach

expedia inc.

expedia inc. Trusted Brands

Expedia	Hotels.com	Expedia Affiliate Network	EGENCIA
#1 Online Travel Agency	A Leading Hotel Specialist Globally	"Expedia Inside" Private Label Solutions	A Leader in Global Corporate Travel
30 Sites in 30 Countries	76 Sites in 67 Countries	10,000 Affiliates in 33 Countries	Presence in 50+ Countries

Hotwire.com | Local Expert (Activities & Experiences by Expedia, Inc.) | venere.com | eLong.com 艺龙 | Expedia CruiseShipCenters | Classic Vacations



Brand Strength in *EVERY* Established Market

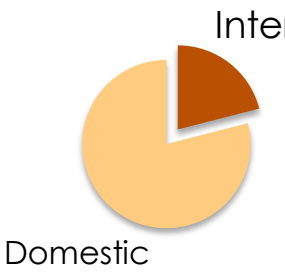
Solid Foothold in Emerging Markets

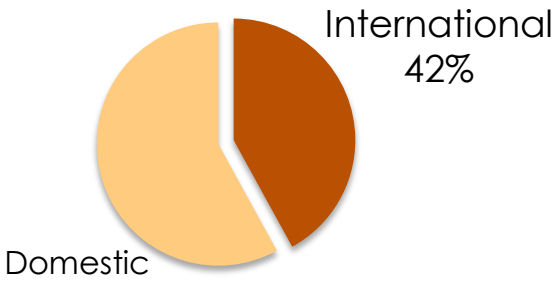
Business Mix Transformation Positions Us for Growth

	Revenue 5 Years Ago	Revenue TTM 3/31/12

GEOGRAPHY

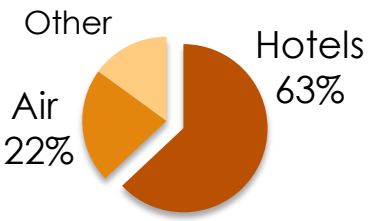


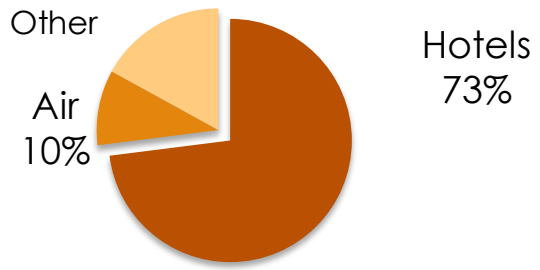




PRODUCT

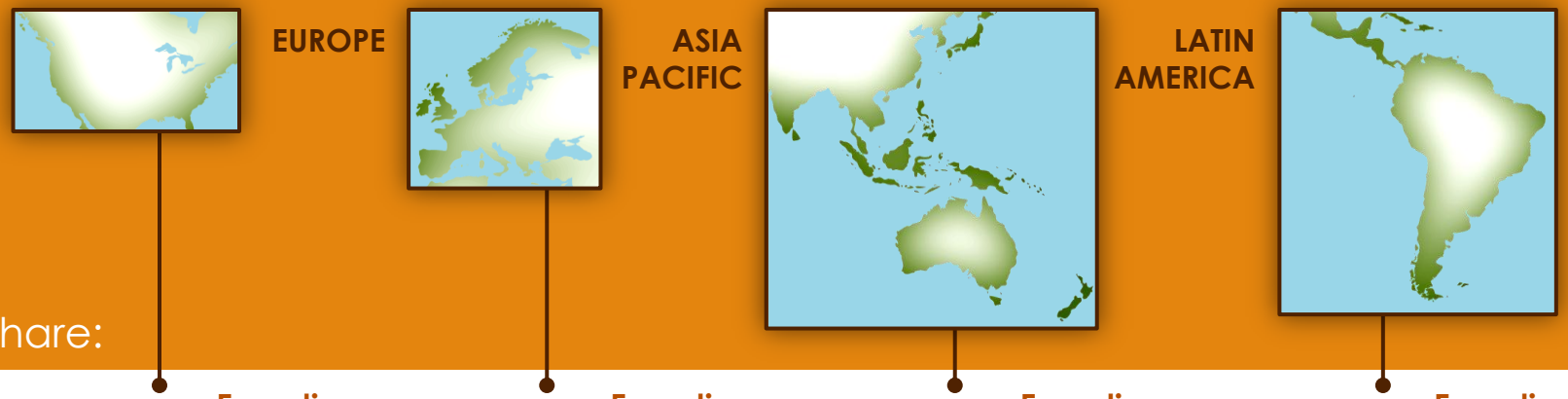






Note: 5 Years Ago = 2005 Revenues

Expedia Well-Positioned to Capture Significant Global Growth Opportunity



Expedia Share:

ONLINE TRAVEL SEGMENT

	United States	Europe	Asia Pacific	Latin America
Expedia	11%	5%	4%	2%
Other				
% of Total Travel Market	58%	42%	24%	21%

2012 TOTAL TRAVEL MARKET

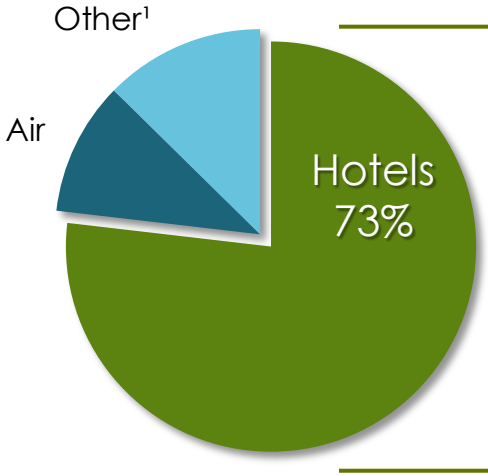
	United States	Europe	Asia Pacific	Latin America
Expedia	6%	2%	1%	0.3%
Other				
	$293B	$313B	$290B	$68B

Sources: PhoCusWright estimates and Expedia data
Note: EXPE share of travel market defined by TTM gross bookings as of March 31, 2012. APAC data includes gross bookings from AirAsia joint venture

Rapidly Expanding in Fragmented Hotel Market

Expedia® Has Scale in Hotels …

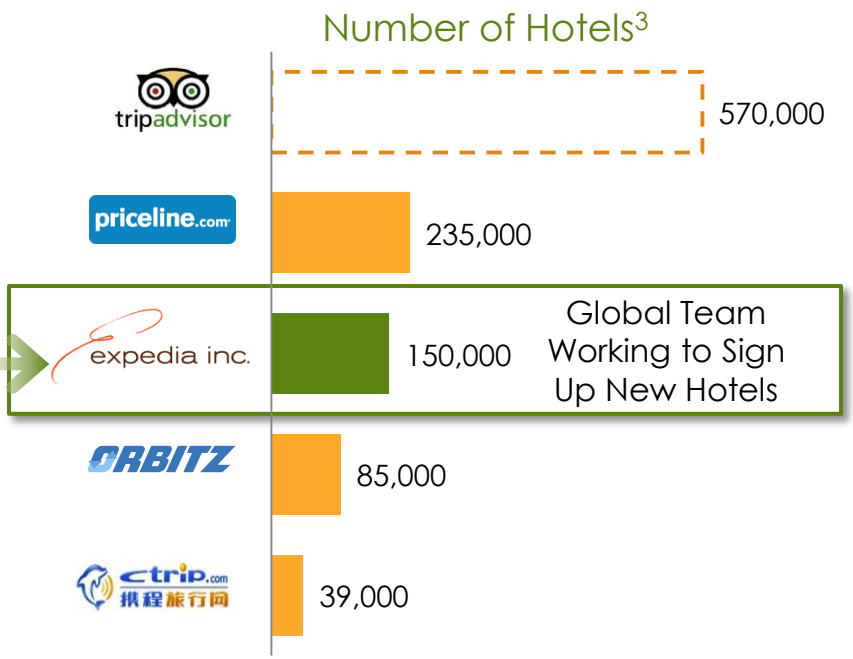
$3.5B
TTM 1Q 2012 Revenues



~150k Hotels in 200+ Countries

Single Largest Booker of Rooms in US … But Still Only ~5% Share[2]

… And Significant Room for Additional Growth





[1]Other includes Car, Advertising, Destination Services, Insurance, Cruise, Agency Packages, and Other
[2]Sources: Smith Travel Research and Expedia data
[3]Hotel data for TripAdvisor, Priceline, Orbitz and Ctrip.com obtained from respective company websites

Technology Investment Positions Us for Growth



Industry Leading Mobile, Social and Deal Initiatives Drive Traffic and Revenue

The World Is Changing …



Opening Up Significant Opportunity in Travel

50-70%

of Mobile Bookings Completed within

One Day

of Travel / Stay

Unique Supply Deal and Value Proposition to Customers:

40-50% Off

Just for Mobile

… Expedia Leads the Way

in App Development

mobiata — Leading Travel App Developer

in App Success

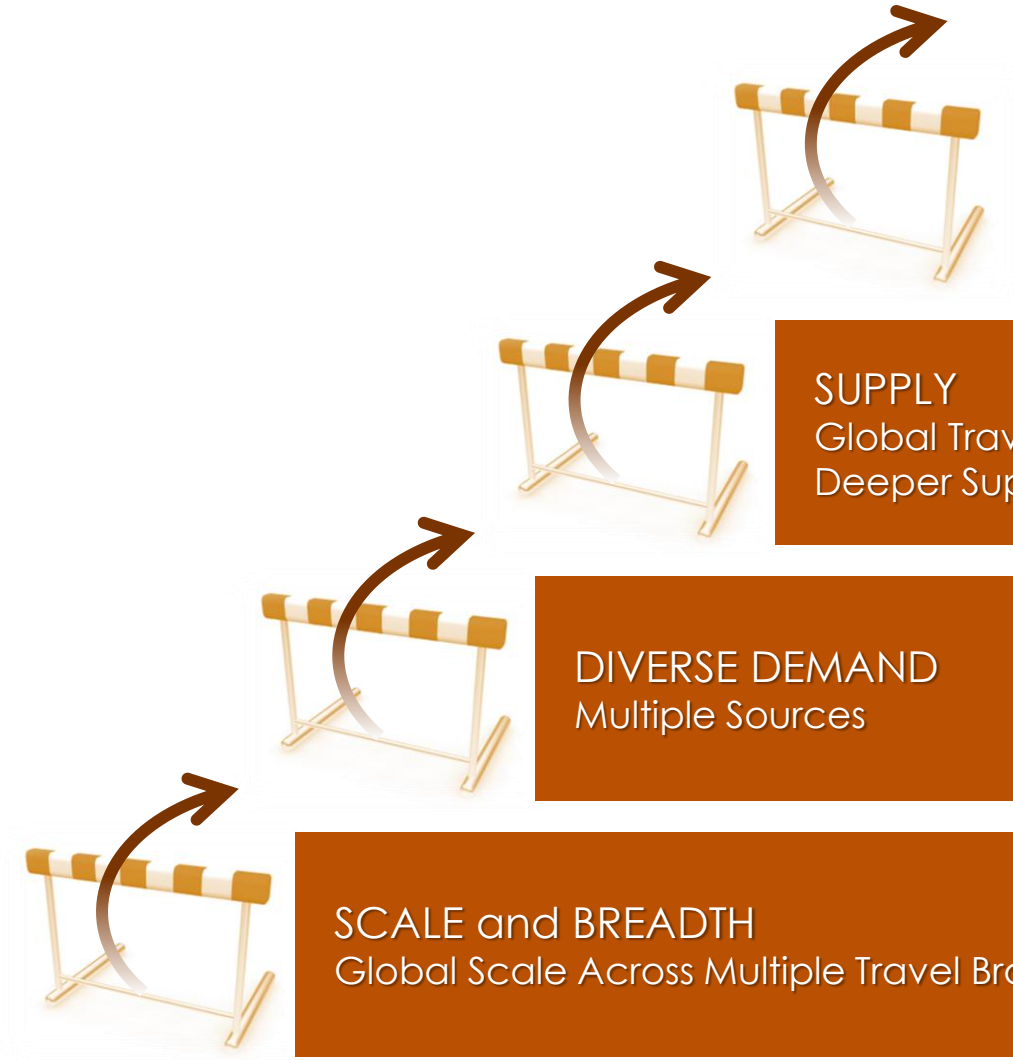
#1 Free iPhone Travel Apps in 40+ Countries[1]

in Deals

travel ticker · GROUPON Collective Buying Power · ASAP A SUDDEN AMAZING PRICE

[1]Source: AppAnnie

Expedia's Significant Competitive Moats



TECHNOLOGY PLATFORM
Investment in Technology to Drive Conversion and Bookings

SUPPLY
Global Travel Supply Footprint and Deeper Supplier Relationships

DIVERSE DEMAND
Multiple Sources

- Leisure
- Corporate
- Call Centers
- Traditional Travel Agency
- Online

SCALE and BREADTH
Global Scale Across Multiple Travel Brands and Product Offerings

Key Financial Highlights

Large User Base With Multiple Growth Vectors

High Quality Diversified Revenue Streams

Consistent, Robust Cash Flow Generation and Strong EPS Growth

Strong Balance Sheet Allows Ample Value-Add Opportunities

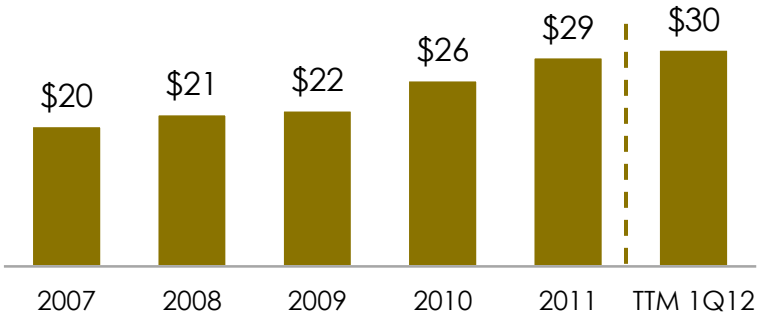
Investing Now to Support Future Growth

Improving Financial Results

GROSS BOOKINGS

$ Billions

World's Largest Travel Company



REVENUE

$ Billions

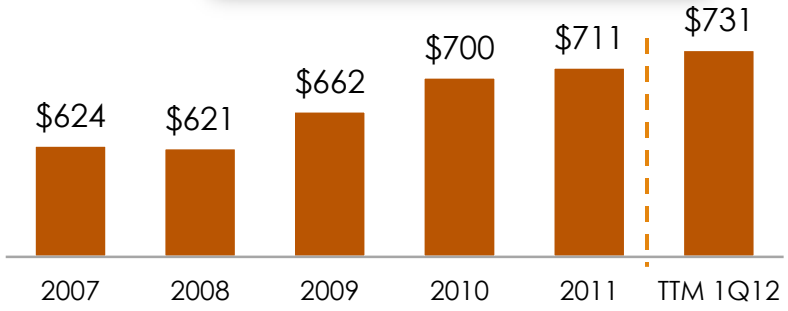
'07-'10 CAGR : **6.1%**
TTM 1Q12 Y-o-Y Growth: **13.6%**



ADJUSTED EBITDA[1]

$ Millions

'07-'10 CAGR: **3.9%**
TTM 1Q12 Y-o-Y Growth: **7.1%**



[1]See Appendix A for Non-GAAP to GAAP Reconciliation

ADJUSTED EPS[2,3]

'07-'10 CAGR: **6.7%**
TTM 1Q12 Y-o-Y Growth: **16.5%**



[2]See Appendix B for Non-GAAP to GAAP Reconciliation
[3]Adj. EPS is EPS for Expedia, Inc. considering TripAdvisor on a discontinued operations basis

The Three Stages of Expedia Growth

	STAGE 1 2010	STAGE 2 2011-2012	STAGE 3 2013
Revenue Growth	**Modest: 6.1% Growth[1]**	**Accelerating**	**Continuing**
Line Item Trajectory (% of Revenues)			
Cost of Revenue	22.5%	Flat as % of Revenue	Declining as % of Revenue
Selling and Marketing	40.3%	Increasing as % of Revenue	Flat to Slightly Increasing as % of Revenue
Technology and Content	9.8%	Increasing as % of Revenue	Flat or Declining as % of Revenue
G&A	7.6%	Declining as % of Revenue	Declining as % of Revenue
Adjusted EBITDA Margin[2]	**23.1%**	**Slightly Decreasing as % of Revenue**	**Increasing as % of Revenue**

[1]Represents 2007 – 2010 CAGR
[2]See Appendix A for Non-GAAP to GAAP Reconciliation

Summary

- Global Leader in ~$1 Trillion Market with Strong Offline-to-Online Trends
- Significant Growth Opportunities Across Geographies
- Rapid Expansion in Highly Fragmented Hotel Industry
- Technology Platform Investment and Innovation Driving Higher Conversion
- Success in New Distribution Channels, e.g. Mobile
- Powerful Free Cash Flow Generation

expedia inc.

A Growth Company



APPENDICES

Definitions

Adjusted EBITDA 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) items included in Legal reserves, occupancy tax and other, which includes reserves for potential settlement of issues related to hotel occupancy taxes, related court decisions and final settlements, and charges incurred, if any, for monies that may be required to be paid in advance of litigation in certain occupancy tax proceedings; (5) gains (losses) realized on revenue hedging activities that are included in other, net; and (6) depreciation.

The above items are excluded from our Adjusted EBITDA measure because these items are noncash in nature, or because the amount and timing of these items is unpredictable, not driven by core operating results and renders comparisons with prior periods and competitors less meaningful. We believe Adjusted EBITDA is a useful measure for analysts and investors to evaluate our future on-going performance as this measure allows a more meaningful comparison of our performance and projected cash earnings with our historical results from prior periods and to the results of our competitors. Moreover, our management uses this measure internally to evaluate the performance of our business as a whole and our individual business segments. In addition, we believe that by excluding certain items, such as stock-based compensation and acquisition-related impacts, Adjusted EBITDA corresponds more closely to the cash operating income generated from our business and allows investors to gain an understanding of the factors and trends affecting the ongoing cash earnings capabilities of our business, from which capital investments are made and debt is serviced.

Adjusted EPS is defined as Adjusted Net Income divided by adjusted weighted average shares outstanding, which include dilution from options and warrants per the treasury stock method and include all shares relating to RSUs in shares outstanding for Adjusted EPS. This differs from the GAAP method for including RSUs, which treats them on a treasury method basis. Shares outstanding for Adjusted EPS purposes are therefore higher than shares outstanding for GAAP EPS purposes. We believe Adjusted EPS is useful to investors because it represents, on a per share basis, Expedia's consolidated results, taking into account depreciation, which we believe is an ongoing cost of doing business, as well as other items which are not allocated to the operating businesses such as interest expense, taxes, foreign exchange gains or losses, and minority interest, but excluding the effects of certain expenses not directly tied to the core operations of our businesses. Adjusted Net Income and Adjusted EPS have similar limitations as Adjusted EBITDA. In addition, Adjusted Net Income does not include all items that affect our net income / (loss) and net income / (loss) per share for the period. Therefore, we think it is important to evaluate these measures along with our consolidated statements of operations.

Non-GAAP / GAAP Reconciliation
Appendix A: Adjusted EBITDA



$ Millions	2007	2008	2009	2010	2011	TTM 3/31/2012
Adjusted EBITDA	$624	$621	$662	$700	$711	$731
Depreciation	(57)	(72)	(93)	(106)	(133)	(138)
Amortization of Intangible Assets	(68)	(58)	(24)	(23)	(22)	(20)
Impairment of Goodwill	-	(2,480)	-	-	-	-
Impairment of Intangible and Other Long-Lived Assets	-	(234)	-	-	-	-
Legal Reserves , Occupancy Tax and Other	(1)	(1)	(68)	(23)	(21)	(18)
Stock-Based Compensation	(60)	(56)	(56)	(53)	(64)	(66)
Restructuring Charges	-	-	(34)	-	-	-
Realized Loss on Revenue Hedges	-	-	11	4	8	4
Operating Income (Loss)	**$437**	**$(2,281)**	**$398**	**$501**	**$480**	**$493**
Total Other Expense, Net	(32)	(66)	(78)	(75)	(78)	(73)
Income (Loss) from Continuing Operations before Income Taxes	**405**	**(2,347)**	**320**	**426**	**402**	**420**
Provision for Income Taxes	(166)	3	(102)	(120)	(76)	(78)
Income (Loss) from Continuing Operations	**239**	**(2,343)**	**218**	**306**	**326**	**342**
Discontinued Operations, Net of Taxes	55	(177)	85	120	148	78
Net Income (Loss)	**294**	**(2,521)**	**304**	**426**	**475**	**420**
Net (Income) Loss Attributable to Noncontrolling Interests	2	3	(4)	(4)	(2)	(3)
Net Income (Loss) Attributable to Expedia, Inc.	**$296**	**$(2,518)**	**$300**	**$422**	**$472**	**$417**

Note: Numbers may not sum due to rounding

Non-GAAP / GAAP Reconciliation
Appendix B: Adjusted EPS Reconciliation

$ Thousands	2007	2008	2009	2010	2011	TTM 3/31/2012
Net Income / (Loss) attributable to Expedia, Inc.	**$295,864**	**$(2,517,763)**	**$299,526**	**$421,500**	**$472,294**	**$416,974**
Discontinued operations, net of taxes	(54,502)	177,366	(85,561)	(119,885)	(148,148)	(78,046)
Stock-Based Compensation	59,948	55,731	55,756	52,507	63,847	66,000
Amortization of Intangibles	68,367	58,275	23,875	22,514	21,925	19,513
Restructuring Charges	-	-	34,168	-	-	-
Noncontrolling Investment Basis Adjustment	-	-	5,158	-	-	-
Legal Reserves, Occupancy Tax and Other	1,276	1.051	67,999	22,692	20,855	18,221
Foreign Currency Loss on U.S. Dollar Cash Balances Held by eLong	8,642	8,586	128	2,711	2,690	2,207
Impairment of Goodwill	-	2,480,470	-	-	-	-
Impairment of Intangible and Other Long-Lived Assets	-	233,900	-	-	-	-
Federal Excise Tax Refunds	(12,058)	-	-	-	-	-
(Gain) / Loss on Derivative Instruments Assumed at Spin-Off	5,748	(4,600)	38	-	-	-
Amort. of Intangible Assets as Part of Equity Method Investments	2,324	2,593	458	-	-	-
Unrealized (Gain) / Loss on Revenue Hedges	-	-	(1,033)	4,898	(4,479)	(2,964)
Noncontrolling Interests	(4,515)	(3,837)	(1,343)	(2,877)	(3,135)	(2,932)
Provision for Income Taxes	(38,290)	(195,678)	(86,395)	(34,449)	(41,362)	(40,451)
Adjusted Net Income	**$332,804**	**$296,094**	**$312,774**	**$369,611**	**$384,487**	**398,522**
GAAP Diluted Weighted Average Shares Outstanding	157,117	143,084	146,071	144,014	138,702	139,306
Additional Restricted Stock Units	3,119	6,886	3,183	1,889	1,331	1,694
Adjusted Weighted Average Shares Outstanding	**160,236**	**149,970**	**149,254**	**145,903**	**140,033**	**141,000**
Adjusted Earnings from Continued Operations Per Share	**$2.08**	**$1.97**	**$2.10**	**$2.53**	**$2.75**	**$2.83**

Note: Numbers may not sum due to rounding

Non-GAAP / GAAP Reconciliation
Appendix C: Non-GAAP Expense Items

Non-GAAP Cost of Revenue, Selling and Marketing, Technology and Content and General and Administrative Expenses Excluding Stock-Based Compensation

$ Thousands	2010
Cost of Revenue	$685
Stock-Based Compensation	(2)
Cost of Revenue (excludes Stock-Based Compensation)	**$683**
Selling and Marketing	$1,235
Stock-Based Compensation	(12)
Selling and Marketing (excludes Stock-Based Compensation)	**$1,223**
Technology and Content	$309
Stock-Based Compensation	(12)
Technology and Content (excludes Stock-Based Compensation)	**$297**
G&A	$259
Stock-Based Compensation	(27)
G&A (excludes Stock-Based Compensation)	**$232**

Note: Numbers may not sum due to rounding