



JONES LANG
LA SALLE®

Real value in a changing world



Expedia Client Briefing Book

Prepared for: Steve Schwartz

Prepared by: Meghan Tucker

3/15/2013



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Pursuit ready checklist:

- Read Client Briefing Book
- Review relevant industry resources on Business Accelerators Connect Site
 - Placemat
 - Client List
 - Industry Research & InSighter
 - Case Studies
 - Starter Deck
- Review the "When to Use Business Accelerators" Reference Sheet
- Contact the respective Business Accelerator Partner to discuss the opportunity
- Answer the following questions:

What are 3 key factors impacting this client?

1. _____
2. _____
3. _____

Describe the 3 trends influencing this industry:

1. _____
2. _____
3. _____

What relevant case studies show how we have solved these problems?

What are the 3 to 5 key questions?

1. _____
2. _____
3. _____
4. _____
5. _____

What are the next steps?

1. _____
2. _____
3. _____

You are now pursuit ready!

Business Accelerators and Contacts

When to use Business Accelerators

Client Requirement	Mapping	Location Intelligence	BEI	Supply Chain & Logistics	BCON	MCS	Financial Analytics
Company re-locating within market							
Where in market?	•	•					
What are the transaction structures that can best achieve my financial goals?							•
Client re-locating out of market							
Where in new market?	•	•		•			
Which market should I go to?		•		•	•		
What are the financial implications of alternative markets/ locations/ structures?							•
Client re-locating out of market seeking business incentives							
Where in new market?	•	•	•				
Which market should I go to?			•		•		
Client seeking to align real estate portfolio with business demands							
How do I align the portfolio with the Business?				•	•		
What are my remaining financial obligations and what flexibility do I have?							•
Where are there opportunities to transact and reduce run rate?							•
Client seeking to optimize supply chain with business demands							
How do I optimize the supply chain?				•			
Client wanting to leverage relationship with local broker to gain control and generate value over entire portfolio							
How can I improve the overall service delivery experience?						•	
Client seeking to optimize the business location footprint							
How do I reconfigure operations to improve business performance?				•	•		
Client seeking a location for a new manufacturing operation							
Where should I install additional manufacturing capacity?			•	•	•		
Client seeking to help with global location issues							
How do I reconfigure operations and/or select locations for future operations?					•		

Business Accelerators and Contacts

All of our Business Accelerators

Find the right Business Accelerator partner for your next client win



Business Accelerators
Joe Smurdon
+1 503 972 8607
joe.smurdon@am.jll.co

Advisory Services



Business Consulting
Scott Redabaugh
+1 703 608 3240
scott.redabaugh@am.jll.com



Business & Economic Incentives
Ann Marie Woessner-Collins
+1 612 217 5144
annmarie.woessnercollins@am.jll.com



Financial Analytics
Mike Berg
+1 212 812 5923
michael.berg@am.jll.com



Location Intelligence
Wayne Gearey
+1 214 438 6237
wayne.gearey@am.jll.com



Mapping
Samantha Wriner
+1 214 438 6117
samantha.wriner@am.jll.com



Supply Chain & Logistics Solutions
Rich Thompson
+1 773 458 1385
rich.thompson@am.jll.com

Practice Groups



Banking
Stuart Hicks
+1 704 804 5800
stuart.hicks@am.jll.com



CleanTech
Ben Stapleton
+1 213 239 6236
ben.stapleton@am.jll.com



Data Centers
Tom Freeman
+1 214 438 6237
thomas.freeman@am.jll.com



Energy
Bruce Rutherford
+1 713 888 4071
bruce.rutherford@am.jll.com



Food and Beverage
Tim O'Rourke
+1 213 239 6231
tim.orourke@am.jll.com



Healthcare
Peter Bulgarelli
+1 312 228 2564
peter.bulgarelli@am.jll.com



Law Firm
Elizabeth Cooper
+1 202 719 6195
elizabeth.cooper@am.jll.com



Life Sciences
Dan Loughlin
+1 973 939 3869
dan.loughlin@am.jll.com



Media and Entertainment
Carl Muhlstein
+1 213 239 6055
carl.muhlstein@am.jll.com



Non-Profit
Ellen Herman
+1 212 418 2652
ellen.herman@am.jll.com



Port, Airport & Global Infrastructure
John Carver
+1 305 423 4713
john.carver@am.jll.com



Retail/e-commerce Distribution
Kris Bjorson
+1 773 458 1397
kris.bjorson@am.jll.com



Technology
Joe Smurdon
+1 503 972 8607
joe.smurdon@am.jll.com



Industry Research
Lauren Picariello
+1 617 531 4208
lauren.picariello@am.jll.com



Company overview



Expedia, Inc.

Bellevue, WA United States • NASDAQ EXPF [Other stock tickers](#)

Also trades as: Direct Edge A, NASDAQ: EXPE; Dusseldorf: E3X1; Hamburg: E3X1; Munich: E3X1; NASDAQ: EXPE; UTP BATS: EXPE; UTP Consolidated: EXPE; UTP NASDAQ: EXPE; UTP NASDAQ OMX: EXPE; UTP NASDAQ OMX PSX: EXPE; UTP NYSE Arca: EXPE;

This company is covered by Catherine Colbert.



Catherine Colbert has been tracking the moves of consumer products makers since 2003. Pre-Hoover's, Colbert worked in magazine publishing, ad copywriting, medical writing, and technical writing.

Company Description

333 108th Ave., Ne
Bellevue, WA 98004,
United States

Phone: 425-679-7200

Toll Free: 800-397-3342

Fax: 425-679-7240

<http://www.expediainc.com>

These days, expediting your vacation begins online. As the market leader in online travel services (ahead of rivals [Orbitz](#), [Priceline](#), and [Travelocity](#)), Expedia offers online trip-planning tools that allow users to book airline tickets, hotel reservations, car rentals, cruises, and vacation packages. Its portfolio of brands includes flagship Expedia.com, accommodations manager [Hotels.com](#), travel discounter [Hotwire](#), luxury package provider [Classic Vacations](#), and Chinese travel service [eLong](#), among others. Launched in 1996, the company serves travelers in North America, Europe, and the Asia/Pacific region. In late 2011 Expedia spun off search engine [TripAdvisor](#).

Change in Company Type

The move split Expedia into two publicly traded entities. Expedia focuses on travel transactions (such as airfare booking and hotel reservations). It provides travelers with access to more than 145,000 hotels and some 300 airlines in about 200 countries worldwide. TripAdvisor concentrates on travel-related media through about 10 related media and advertising brands. Spinning off TripAdvisor has promised to yield big gains for Expedia stockholders, who automatically received a stake in TripAdvisor and a tax-free windfall.

The deal also liberated the fast-ascending social travel service provider. In 2010 revenue from Expedia's core transactional business rose short of 10% while revenue generated by TripAdvisor increased by more than 30%.

Strategy

Expedia is optimistic about 2013. Airline ticket transactions comprise 56% of its agency business. The company's concentrating on growing its merchant hotel and packages businesses because it delivers higher revenue per transaction. Also, Expedia is focused on boosting market share for its global agency hotel business through its Venere, Expedia, and Hotel.com brands.

In recent years Expedia has grown by centering its strategy on international expansion, as an increasing portion of its revenue is generated by bookings outside the US. To that end, in 2013 it acquired a majority stake in trivago, a European



Company overview

travel site based in Dusseldorf, Germany, for about €477 million (\$632 million). Trivago is an online metasearch site which compares hotel rates from over 600,000 hotels on over 140 booking sites worldwide.

International customers accounted for 38% of Expedia's 2010 revenue, up from more than 35% in 2009 and 30% in 2008. Building its image globally and expanding its brand portfolio have been key in its efforts to reach a wide slice of consumers (including budget-conscious, luxury, and business travelers). To this end, the company in 2011 partnered with budget airline AirAsia through a joint venture that sells airline tickets, hotel bookings, and holiday packages in Asia. In a similar deal, its Expedia Japan site also partnered with Airlink to offer travel packages to more than 40 cities, and subsidiary Egencia extended its services to about 10 additional countries (including Argentina, Hungary, and Russia). Egencia, the fifth largest travel management company in the world, also purchased Traveldoo in late 2011 to accelerate its global growth. Amid the turmoil in the US economy, the company acquired Chinese metasearch site Kuxun.cn in 2009 to strengthen its eLong operations, and localized Expedia sites were launched in Mexico, Denmark, and Turkey. Expedia continued to buy out other investors in the eLong business in 2011 to up its stake in the potentially lucrative market.

It's no surprise that a growing aspect of serving the travel market is enabling travelers to shop and book while they're on the go. To compete with [Kayak](#) and cater to its mobile customers, Expedia in late 2010 inked a deal to acquire Mobiata, a developer of mobile travel applications. Founded in 2008, Michigan-based Mobiata boasts several popular travel applications, such as FlightTrack (a best-selling iPhone travel application), TripDeck (an itinerary manager), and HotelPal (for booking hotels). As part of the agreement, Mobiata will remain headquartered in Ann Arbor.

Ownership

Chairman Barry Diller controls about 60% of the company's voting power.

Company Background

Originally a division of [Microsoft](#), Expedia was sold to [IAC/InterActiveCorp](#), which acquired the computer maker's majority stake in 2002 and the minority interest it did not already own in 2003. Two years later, IAC spun off Expedia into a separate publicly traded firm.

[Download This Company](#)

Rankings

[S&P 500 \(December 31, 2012\)](#)
[#565 in FORTUNE 1000 \(May 2012\)](#)

Key Information

D-U-N-S Number	092180517
Location Type	Headquarters
Subsidiary Status	No
Company Type	Public
Plant/Facility Size (sq. ft.) (actual)	348,000
Owns/Rents	Rents
Accountant	Ernst & Young LLP
2012 Employees (All Sites)	12,330
Employees (This Site)	400
1-Year Employee Growth	30.06%
Year of Founding	1996



Company overview

State of Incorporation	WA
Primary Industry	Travel Agencies & Services
Primary SIC Code	47240000: Travel agencies
Primary NAICS Code	561510: Travel Agencies
Tradestyle	EXPEDIA TRAVEL TRAVELSCAPE
Latitude/Longitude	47.612913/-122.196292
Minority Owned/Women Owned	No

Key Financials

Fiscal Year-End	December
2012 Sales	\$4.03B
1-Year Sales Growth	16.86%
2012 Net Income	\$280.17M
1-Year Net Income Growth	(40.68%)
Total Assets	\$7.09B
Prescreen Score	Low Risk

People

Title	Name	Compensation
Chairman and Senior Executive	Barry Diller	salary : \$465,000.00 , bonus : \$1,000,000.00 , total compensation : \$4,319,312.00 Age : 71
Vice Chairman	Victor Kaufman	total compensation : \$1,381,805.00 Age : 68
President, CEO, and Director; President, Expedia Worldwide	Dara Khosrowshahi	salary : \$1,000,000.00 , bonus : \$1,125,000.00 , total compensation : \$5,172,810.00 Age : 42
EVP and CFO	Mark Okerstrom	
CTO	Edmond Mesrobian	
President, Hotwire	Clem Bason	
President, Egencia		

Company overview

Title	Name	Compensation
	<u>Rob Greyber</u>	
President, Global Lodging Group	<u>David Roche</u>	
Executive Manager	<u>Shahul Rahman</u>	
Managing Director	<u>Tom Rooney</u>	
Svp, Chief Accounting Officer, And Controller	<u>Patricia Zuccotti</u>	
Executive Vice President Human Resources	<u>Connie Sims</u>	
Svp, Egencia Americas	<u>Mark Hollyhead</u>	
Vice President Financial Planning Anls	<u>Charles Aest</u>	
Vice President Us Sales Account Mgmt	<u>Wendy Aird</u>	
Vp Expedia Worldwide Engineering	<u>Aman Bhutani</u>	
Senior Vice President Of Global	<u>David Doctorow</u>	
Vice President Of Tax	<u>Frances Erskine</u>	
Vice President Recruiting Employee	<u>Kristin Expedia</u>	
Vice President Global Total Rewards	<u>Mark Fanning</u>	
Vice President Head Corporate Dev	<u>Eric Hart</u>	
Vice President Global Infrastructure	<u>Rajeev Khanna</u>	
Senior Vice President Global Product	<u>John Kim</u>	
Vice President, Information Technology Architecture And Engineering	<u>David Kuhl</u>	
Vice President Transport Americas	<u>Julie Kyse</u>	
Vice President Destination Services	<u>Kerri Landeis</u>	
Vice President Accounting Operations	<u>Thomas Larsen</u>	

Company overview

Title	Name	Compensation
Vice President Marketing	Cheryl Law	
Vice President, Customer Exp And Online Marketing	Joe Megibow	
Vice President Finance Psg	Shane Miller	
Vice President Gen Mgr Emea At Expedia	Gary Morrison	
Vice President Of Market Management	Hari Nair	
Vice President Of Marketing	Christophe Peymirat	
Vice President Of Global Marketing	Nigel Pocklington	
Senior Vice President Of Global Lodging	Cyril Ranque	
Vice-president Finance	Paolo Ruggiero	
Vice President Marketing	Stan Sorensen	
Vice President Global Paid Search	John Veichmanis	
Vice President	Guy Weismantel	
Vice President Of Global Customer	Scott Weismiller	
Vice President New Channel Development	Chris White	
Director, Operations Transportation Technologies	Leland Ahlbeck	
Air Director	Gary Alexander	
Director Hotel Business Development	Satoru Arai	
Director, Workforce Planning And Strategy	Phoebe Araujo	
Senior Director Quality Assurance	Rod Armstrong	
Director Transport Uk Ie And Scand	Matthew Bell	
Senior Director Technology		

Company overview

Title	Name	Compensation
	Haydon Boone	
Director Hotel Supply	Louis Bouchayer	
Senior Director Fp And A	Dominique Bourgault	

Board Members

Title	Name	Compensation
Chairman and Senior Executive	Barry Diller	salary : \$465,000.00 , bonus : \$1,000,000.00 , total compensation: \$4,319,312.00 Age : 71
Vice Chairman	Victor Kaufman	total compensation: \$1,381,805.00 Age : 68
President, CEO, and Director; President, Expedia Worldwide	Dara Khosrowshahi	salary : \$1,000,000.00 , bonus : \$1,125,000.00 , total compensation: \$5,172,810.00 Age : 42

Historical Events

Aug 09, 2005

Exchange/Ticker Change

The company changed from NASDAQ:EXPEV (Trading) to NASDAQ:EXPE (Trading).

Jul 20, 2005

Exchange/Ticker Change

The company changed from Subsidiary of IAC/InterActiveCorp to NASDAQ:EXPEV.

Products and Operation

2011 Sales		
	\$ mil.	% of total
US	1,995.7	58
Other countries	1,453.2	42
Total	3,449	100



Company overview

2011 Sales

	\$ mil.	% of total
Leisure	3,270	95
Egencia	179	5
Total	3,449	100

2011 Sales

	\$ mil.	% of total
Merchant	2,572	75
Agency	764	22
Advertising & media	113	3
Total	3,449	100

Reportable Segments

Leisure

Classic Vacations

eLong

Expedia.com

Expedia Affiliate Network

Expedia CruiseShip Centers

Expedia Local Expert

Hotels.com

Hotwire.com

Venere

Egencia

Selected Expedia.com Features

Airline flight information and booking

E-mail notifications

Frequent flyer management tools

Hotel reservations

Maps

Personalized Web page

Price matching tools

Vacation packages

Selected Subsidiaries

Classic Vacations, LLC

eLong, Inc. (66%)

Egencia LLC

Hotels.com, L.P.

Hotwire, Inc.

Interactive Affiliate Network, LLC

Premier Getaways, Inc.

travago GmbH

Travelscape, LLC



Company overview

Venere Net S.p.A.
WWTE, Inc.

Industry Information

Business Services Sector*
Travel Agencies & Services (primary)*
Transportation Services Sector*
Water Transportation Services
Cruise Ships *

[View More Industry Information](#)

Denotes In-depth Industry Insight by First Research

Competitors

Company	Gross Revenue	Net Profit Margin	Net Operating Cash Flow
Amadeus IT	\$3,561.25M	--	--
American Express	\$33,808.00M	--	\$7,082.00M
BCD Travel	\$20,800.00M	--	--
Carlson Wagonlit	\$28,000.00M	--	--
ebookers.com	\$24.34M	--	--
GetThere	--	--	--
last minute network	\$61.27M	--	--
Orbitz Worldwide (Top Competitor)	\$778.80M	--	\$107.06M
Pegasus Solutions	\$103.50M	--	--
Prestige Travel	\$82.24M	--	--
priceline.com (Top Competitor)	\$5,260.96M	--	\$1,785.75M
Sabre Holdings	\$836.10M	--	--
Travelocity (Top Competitor)	\$51.50M	--	--
Travelport	\$2,035.00M	--	--
Uniglobe Travel	\$32.95M	--	--
WorldRes	--	--	--



Bios

Barry Diller | Chairman & Senior Executive

Employment Profile

Barry Diller has been the Chairman of the Board and Senior Executive of Expedia since completion of the Company's spin-off from IAC/InterActiveCorp on August 9, 2005 (the Spin-Off). Mr. Diller has been the Chairman of the Board and Senior Executive of IAC since August 1995 and also served as Chief Executive Officer of IAC (and its predecessors) from August 1995 through December 2010. Mr. Diller also previously served as the Chairman of the Board of Ticketmaster Entertainment, Inc. from August 2008 through January 2010 and as the Chairman of the Board of Live Nation Entertainment from January 2010 through October 2010 and remained a member of the Board of Live Nation Entertainment through January 2011. He served as Chairman of the Board and Chief Executive Officer of QVC, Inc. from December 1992 through December 1994 and as the Chairman of the Board and Chief Executive Officer of Fox, Inc. from 1984 to 1992. Prior to joining Fox, Inc., Mr. Diller served for ten years as Chairman of the Board and Chief Executive Officer of Paramount Pictures Corporation. Mr. Diller is currently a member of the Boards of Directors of The Washington Post Company and of The Coca-Cola Company. Mr. Diller is also a member of the Board of Councilors for the University of Southern California's School of Cinematic Arts, the New York University Board of Trustees, the Executive Board for the Medical Sciences of the University of California, Los Angeles and a member of the Council on Foreign Relations.

Bios

Victor A. Kaufman | Vice Chairman

Employment Profile

Victor A. Kaufman has been a director and the Vice Chairman of Expedia since completion of the Spin-Off. Mr. Kaufman has been a director of IAC (and its predecessors) since December 1996 and has served as the Vice Chairman of IAC since October 1999. Mr. Kaufman also previously served as Vice Chairman of the Board of Ticketmaster Entertainment, Inc. from August 2008 through January 2010 and as a director of Live Nation Entertainment from January 2010 through December 2010. Mr. Kaufman served in the Office of the Chairman of IAC from January 1997 to November 1997 and as Chief Financial Officer of IAC from November 1997 to October 1999. Prior to his tenure with IAC, Mr. Kaufman served as the Chairman and Chief Executive Officer of Savoy Pictures Entertainment, Inc. from March 1992 and as a director of Savoy from February 1992. Mr. Kaufman was the founding Chairman and Chief Executive Officer of Tri-Star Pictures, Inc. and served in those capacities from 1983 until December 1987, at which time he became President and Chief Executive Officer of Tri-Star's successor company, Columbia Pictures Entertainment, Inc. He resigned from those positions at the end of 1989 following the acquisition of Columbia by Sony USA, Inc. Mr. Kaufman joined Columbia in 1974 and served in a variety of senior positions at Columbia and its affiliates prior to the founding of Tri-Star.

Bios

Dara Khosrowshahi | President, CEO & Director

Employment Profile

Dara Khosrowshahi is president and CEO of Expedia, Inc., which operates more than 100 travel booking sites in more than 60 countries worldwide across its portfolio of online travel brands including Expedia, Hotels.com, Hotwire, Egencia, Venere, and eLong in China. Under his leadership, Expedia, Inc. has grown to become the largest online travel company in the world. Khosrowshahi also serves as president of the Expedia Worldwide business, where he is responsible for the overall strategy and operations of the Expedia brand globally, with a focus on driving innovation and positioning the Expedia brand for further international growth. Additionally, Khosrowshahi has served as a Director on the board of TripAdvisor, Inc. since December 2011. Previously, Khosrowshahi served as CEO of IAC Travel, a division of InterActiveCorp. Khosrowshahi was instrumental in the initial expansion of IAC's portfolio of travel brands, which now comprise Expedia, Inc. He served as Executive Vice President and Chief Financial Officer of IAC, overseeing all of the company's financial matters, and also held the role of Executive Vice President of Operations and Strategic Planning at the company. Prior, Khosrowshahi served as President of USA Networks Interactive, having joined the company in 1998 as Vice President of Strategic Planning. Prior to joining IAC, Khosrowshahi served as Vice President at Allen & Company LLC. Khosrowshahi holds a BA in Engineering from Brown University.

Bios

Mark Okerstrom | Executive Vice President, CFO

Employment Profile

Mark Okerstrom is the Chief Financial Officer of Expedia, Inc., the world's largest online travel company, overseeing finance, accounting, forecasting and financial analysis across the company's portfolio of travel brands operating in more than 70 countries worldwide. Okerstrom previously served as Expedia's Senior Vice President of Corporate Development, where he was responsible for leading Expedia's Corporate Strategic Planning and Mergers & Acquisitions activities. During this time, he played a major role in driving Expedia's corporate strategy and led many of the company's key acquisitions. Prior to joining Expedia in 2006, Okerstrom was with strategy consultancy Bain & Company in Boston and San Francisco. He has also worked for UBS Investment Bank in London, and was a Mergers & Acquisitions attorney with the global law firm Freshfields Bruckhaus Deringer in London. Okerstrom holds a MBA from Harvard Business School and a law degree from the University of British Columbia.



Properties

10K Properties report

Part I. Item 2. Properties

We lease approximately 1.4 million square feet of office space worldwide, pursuant to leases with expiration dates through July 2021. We lease approximately 443,000 square feet for our headquarters in Bellevue, Washington, pursuant to leases with expiration dates through October 2018. We also lease approximately 376,000 square feet of office space for our domestic operations in various cities and locations in Arizona, California, Florida, Hawaii, Idaho, Illinois, Michigan, Missouri, Nevada, New Jersey, New York, Texas and Washington DC, pursuant to leases with expiration dates through November 2015.

We also lease approximately 583,000 square feet of office space for our international operations in various cities and locations, including Australia, Belgium, Brazil, Canada, China, Czech Republic, Denmark, France, Germany, Greece, India, Ireland, Italy, Japan, Mexico, the Netherlands, New Zealand, Philippines, Singapore, South Korea, Spain, Sweden, Switzerland, Thailand, Turkey, United Arab Emirates and the United Kingdom, pursuant to leases with expiration dates through July 2021.



JLL completed deals with Expedia

Client	Deal Name	Assign Sub-type	Client Industry	Property Type	Area	Commencement Date	Transaction State
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Expedia Inc. Expedia - Las Vegas Expansion Expansion Entertainmt/Hospitality/Media Office 7,119 6/1/2010 NV



Recent News and Press

Press Releases

Expedia Completes Acquisition Of Majority Interest In trivago

BELLEVUE, Wash. and DUSSELDORF, Germany, March 12, 2013 /PRNewswire/ -- Expedia, Inc. (NASDAQ: EXPE) today announced completion of its acquisition of 61.6% of the fully-diluted equity of trivago GmbH, a leading hotel metasearch company, paying approximately €434 million in cash (approximately US\$564 million based on March 8, 2013 exchange rates) and agreeing to issue a total of 875,200 shares of Expedia, Inc. common stock over five years. trivago will continue to operate independently from its headquarters in Dusseldorf, Germany.

"Metasearch is an incredibly popular product because it enables consumers to find their ideal hotel at the lowest possible rate. The trivago team built one of the best hotel search user experiences and gained tremendous brand recognition in Europe. We are thrilled to officially welcome them to the Expedia, Inc. family," said Dara Khosrowshahi, Expedia, Inc. President and Chief Executive Officer.

"Our focus remains on rapidly growing revenue as we expand globally," said Rolf Schromgens, trivago co-founder and Managing Director. "The ability to leverage Expedia's knowledge of and experience with global scale operations will be invaluable to profitably achieve this goal," added Schromgens.

Forward-looking Statements

This release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to trivago's future revenues, profitability, global expansion, achievement of operational benefits, or the importance of metasearch as a traffic acquisition channel. These statements are not guarantees of future performance. These forward-looking statements are based on management's expectations as of March 12, 2013 and assumptions which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. 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: the ability of trivago to successfully implement its plans, or meet its forecasts and other expectations, as well as other risks detailed in Expedia, Inc.'s public filings with the SEC, including Expedia, Inc.'s annual report on Form 10-K for the year ended December 31, 2012. Except as required by law, we undertake no obligation to update any forward-looking or other statements in this release, whether as a result of new information, future events or otherwise.

About the Expedia group

The Expedia group is the largest online travel business in the world, with an extensive brand portfolio that includes some of the world's leading online travel brands, including:

[Expedia.com](#)®, the world's largest full service online travel agency, with localized sites in 30 countries

[Hotels.com](#)®, the hotel specialist with sites in more than 60 countries

[Hotwire](#)®, a leading discount travel site that offers opaque deals in 11 countries on its 10 sites in North America, Europe and Asia

[Egencia](#)®, the world's fifth largest corporate travel management company

[eLong](#)™, the second largest online travel company in China

[Venere.com](#)®, the online hotel reservation specialist in Europe

[Expedia Local Expert](#)®, a provider of in-market concierge services, activities and experiences in 18 markets worldwide

[Classic Vacations](#)®, a top luxury travel specialist

[Expedia® CruiseShipCenters](#)®, one of North America's leading retail cruise vacation experts

The Expedia group delivers consumers value in leisure and business travel, drives incremental demand and direct bookings to travel suppliers, and provides advertisers the opportunity to reach a highly valuable audience of in-market travel consumers through [Expedia Media Solutions](#). The Expedia group also powers bookings for some of the world's leading airlines and hotels, top consumer brands, high traffic websites, and thousands of active affiliates through [Expedia® Affiliate Network](#). For corporate and industry news and views, visit us at www.expediainc.com or follow us on Twitter @expediainc.

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About trivago

[trivago](#) is an online hotel search website which compares prices from over 600,000 hotels on over 150 booking sites worldwide; while also offering over 34 million integrated hotel reviews, accompanied by 14 million photos. Easily find the perfect hotel by using trivago's various filters and sorting options. Over 20 million visitors per month use trivago – recently rated by Research Now in the top five travel sites in the UK, Germany, France, Spain and Italy. trivago was founded in 2005 and currently operates 33 international country platforms in 23 languages. Headquarters are based in Düsseldorf, Germany. For more information about trivago, please visit www.trivago.com.

SOURCE Expedia

Recent News and Press

We Are Social boosts strategy offering with appointment of Jerome Courtial

Posted by [Katy Cowan](#) ([/contributors/katy-cowan/](#)) on 8th March 2013

Global social media agency We Are Social has appointed Jerome Courtial as head of strategy.

Courtial was previously lead global planner at Wieden & Kennedy Amsterdam, working as a global planning director on Coca-Cola and Nokia. Before this, he was engagement planner at BBH London.



More recently, he worked as strategy director at Saint and a freelance planning director for agencies R/GA and Sid Lee Amsterdam. He was also instrumental in the success of Glue London between 2003 and 2006, leading accounts and winning pitches for numerous clients including Nokia, Eurostar and Snickers.

His work has been recognised with multiple industry awards, including two Cannes gold lions for the 'hysterical girlfriend' campaign for Pot Noodle, and a silver lion for Mini Cooper's 'ave a word' campaign while at Glue London. Other awards include The One Show Silver and Bronze pencils for BBC World Cup in 2011 and being the driving force behind the multi-awarded Lynx campaign "Get In There" digital brief which won a D&AD black pencil, a silver lion and a gold at the Campaign big awards in 2008.

Recent News and Press

Courtial will now oversee planning and strategy responsibilities across the entire client portfolio, specifically looking after the Heinz, Expedia and Heineken brands. He will be responsible for demonstrating the efficiency of social media and delivering creativity and innovation within client accounts.

We Are Social has also promoted Jordan Stone from senior account director to strategy director. Stone was an early employee of the agency, joining just over a year after the agency launched. The strategy team now consists of six people, working across all the agency's clients including global briefs for adidas, Jaguar and Lenovo as well as UK remits for clients such as Heinz, Danone and Unilever.

Jerome Courtial, head of strategy at We Are Social said: "We Are Social has built a hugely impressive client list in a short space of time. It's won clients from the rosters of creative, digital and PR agencies who haven't adapted to the way that social media has changed the media consumption landscape.

"The attitude that social media offers less opportunities creatively and strategically is completely outdated - some of the most innovative campaigns are now executed on social platforms. I'm looking forward to working with the rest of the team at We Are Social to deliver effective and award-winning work for our clients and demonstrate the creative possibilities of the medium."

Robin Grant, global managing director at We Are Social said: "Jerome is one of the most respected strategists in the industry and he will be a huge asset to us at this pivotal point in our international growth. He's known for delivering insight that helps create genuinely engaging ideas and has a track record that's second to none.

"We've now built the foundations of a strong and experienced strategy team in the agency, with plans to grow it even further in the coming months. Our clients are really going to see the benefit of these investments."

Tagged with: [appointment \(/tag/appointment/\)](#), [Social Media \(/tag/social-media/\)](#), [We Are Social \(/tag/we-are-social/\)](#)



Recent News and Press

Press Releases

Expedia, Inc. Tells Employees To Take A Hike - Literally.

The online travel company promotes employee well-being with a host of health and wellness programs to encourage healthier lifestyle habits

BELLEVUE, Wash., Feb. 13, 2013 /PRNewswire/ -- As one of the world's leading online travel companies, Expedia, Inc. (EXPE) knows not to underestimate the power of a good vacation on improving one's state of mind. So when the company realized a few years ago that a majority of its workforce wasn't using their fully-allotted vacation time, business leaders saw a need to practice what they preach. In addition to implementing a revised vacation policy, Expedia, Inc. also elected to begin offering an annual travel allowance to help fund employees' vacation travel during their downtime.

(Photo: <http://photos.prnewswire.com/prnh/20130213/SF59510>)

(Logo: <http://photos.prnewswire.com/prnh/20110121/SF33870LOGO-b>)

"Study after study was showing us that employees tend to return from vacation feeling energized, revitalized, and more productive," said Connie Symes, Executive Vice President of Human Resources at Expedia, Inc. "Unfortunately, it is too common for people to feel like they can't take time away from work because there's simply too much to do, or they fear it will reflect poorly on their work ethic. Our intention was to dispel that notion from the Expedia, Inc. culture and actually incent people to take time to relax and recharge. Now, we feel like we have a happier and more well-balanced workforce which makes us even more competitive as a travel company. We live and breathe travel at work; we need to enjoy it personally as well."

The updated vacation policy and travel allowance were well-received by Expedia, Inc. employees, and today are just one of several core companywide programs aimed at encouraging healthy behaviors. Expedia, Inc. already provides annual fitness allowances that employees can use to put toward gym memberships, weight loss programs, and even ski lift tickets. And earlier this year the company launched **go!**, a comprehensive well-being initiative that offers employees information, resources and tools to develop and maintain a well-balanced lifestyle focused on factors like physical and mental health.

"Go! celebrates all opportunities – in everyday life and on our travels – to be active and feel our best. The impetus of go! is really about making small, sustainable changes that, when done repeatedly and in combination, lead to a better overall quality of life. It can be taking the stairs instead of the elevator or putting down the computer and spending time with your family," said Symes. "By taking steps that lead to a healthy lifestyle, people can often significantly diminish their chances of illness and disease later in life and be a healthy influence to those that surround them."

And for those times when illness does strike? Expedia, Inc. has an answer for that, too. The company recently partnered with Qliance, a leading healthcare organization operating a network of clinics that



Recent News and Press

provide comprehensive primary and preventative care services, to open an onsite clinic at its Bellevue, Washington headquarters. Now, Expedia, Inc. employees and their dependents have easy access to primary health care services, including Saturday hours. The company hopes this effort will help prevent treatable symptoms from becoming chronic issues and encourage employees to use their sick time and medical benefits when needed. In just the first month of operation, employees and their dependents utilized nearly 300 office visits at the clinic.

"We are really pleased at how much use the clinic has received so far," said Symes. "It's great to see that the tools being provided are making health and well-being more convenient and accessible. As an employer, we spend a great deal of time attracting the best and brightest talent and we are equally focused on helping them be active and engaged employees of Expedia, Inc. We have a vested stake in the vitality of our workforce, and so we really can't afford *not* to make preventative care a top priority for our employees."

About Expedia, Inc.

Expedia, Inc. is the largest online travel company in the world, with an extensive brand portfolio that includes some of the world's leading online travel brands, including:

- Expedia.com®, the world's largest full service online travel agency, with localized sites in 30 countries
- Hotels.com®, the hotel specialist with sites in more than 60 countries
- Hotwire®, a leading discount travel site that offers opaque deals in nine countries on its eight sites in North America and Europe
- Egencia®, the world's fifth largest corporate travel management company
- eLong™, the second largest online travel company in China
- Venere.com®, the online hotel reservation specialist in Europe
- Expedia Local Expert®, a provider of in-market concierge services, activities and experiences in 18 markets worldwide
- Classic Vacations®, a top luxury travel specialist
- Expedia® CruiseShipCenters®, one of North America's leading retail cruise vacation experts

The company delivers consumers value in leisure and business travel, drives incremental demand and direct bookings to travel suppliers, and provides advertisers the opportunity to reach a highly valuable audience of in-market travel consumers through Expedia Media Solutions. Expedia also powers bookings for some of the world's leading airlines and hotels, top consumer brands, high traffic websites, and thousands of active affiliates through Expedia® Affiliate Network. (NASDAQ: EXPE) For corporate and industry news and views, visit us at www.expediainc.com or follow us on Twitter @expediainc.

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SOURCE Expedia, Inc.

INVESTOR PRESENTATION



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.

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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

Massive Depth and Breadth of

SUPPLY



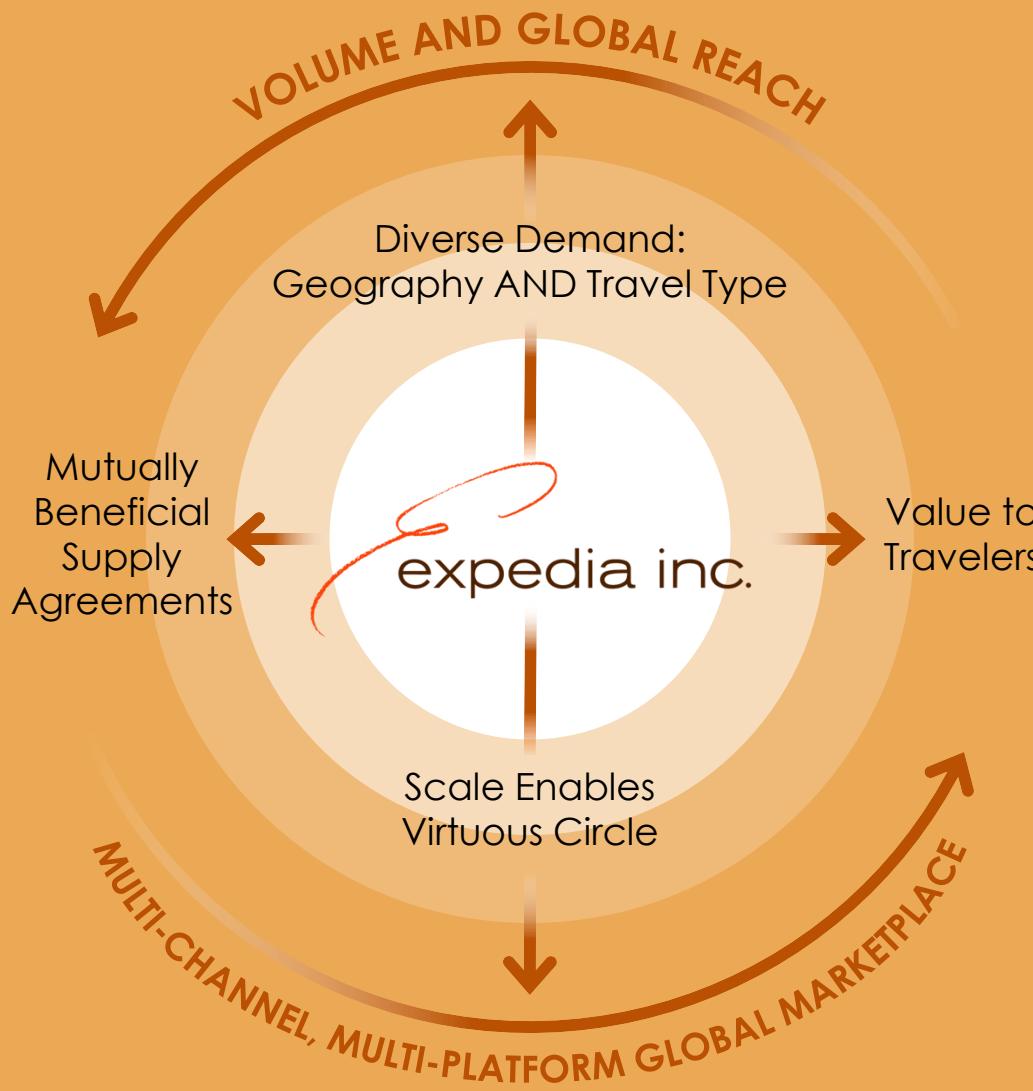
~150,000 Hotels in
200+ Countries



300+ Airlines



2.6 Million
Packages



Unmatched Volume and Diversity of Global Travel

DEMAND



60 Million
Unique Visitors¹



Travelers in
~70 Countries



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



Established Brands with Global Reach

expedia inc. Trusted Brands



#1
Online Travel Agency

30 Sites in
30 Countries



A Leading Hotel
Specialist Globally

76 Sites in
67 Countries



"Expedia Inside"
Private Label Solutions

10,000 Affiliates in
33 Countries



A Leader in Global
Corporate Travel

Presence in
50+ Countries



ACTIVITIES & EXPERIENCES BY EXPEDIA, INC.



CLASSIC VACATIONS[®]

Brand Strength in
EVERY Established Market

Solid Foothold in Emerging Markets



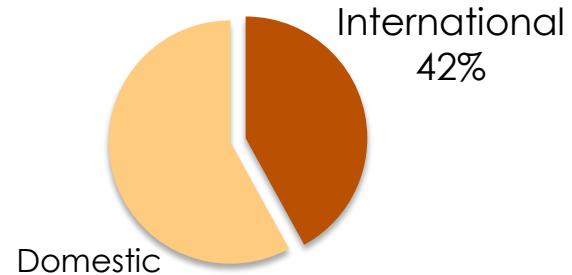
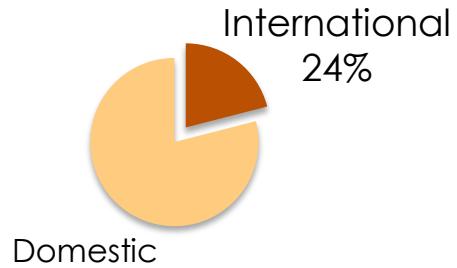
Business Mix Transformation Positions Us for Growth



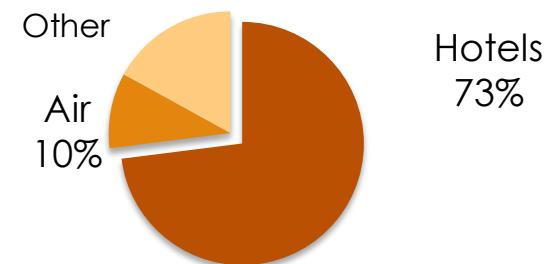
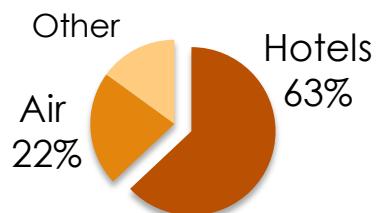
Revenue
5 Years Ago

Revenue
TTM 3/31/12

GEOGRAPHY



PRODUCT



Expedia Well-Positioned to Capture Significant Global Growth Opportunity



UNITED
STATES



EUROPE



ASIA
PACIFIC



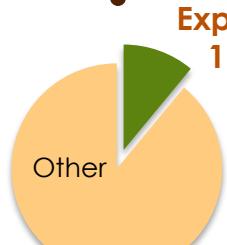
LATIN
AMERICA



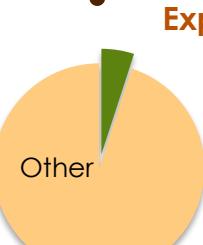
Expedia Share:

ONLINE
TRAVEL
SEGMENT

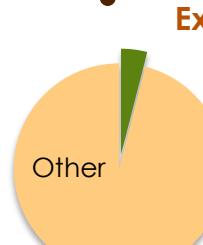
% of Total
Travel Market



58%



42%

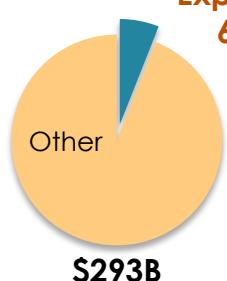


24%

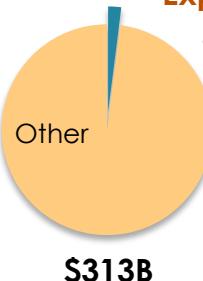


21%

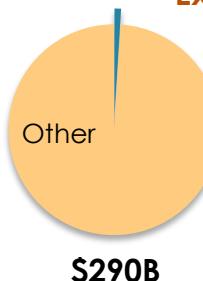
2012 TOTAL
TRAVEL
MARKET



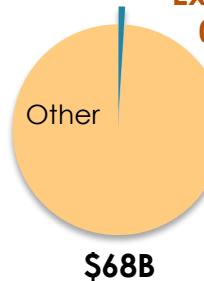
\$293B



\$313B



\$290B



\$68B

Sources: PhoCusWright estimates and Expedia data

Note: EXPE share of travel market defined by TTG gross bookings as of March 31, 2012. APAC data includes gross bookings from AirAsia joint venture

Rapidly Expanding in Fragmented Hotel Market

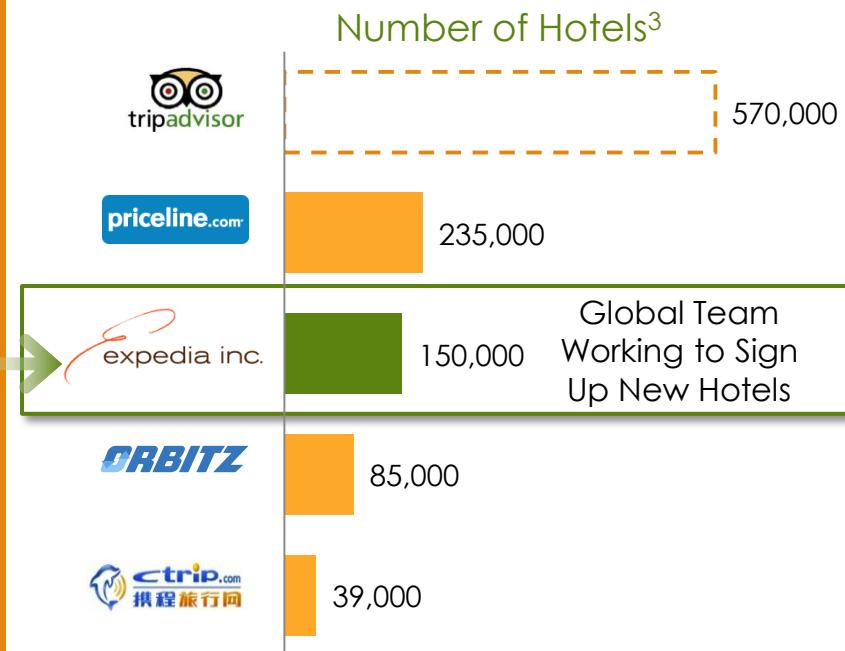


Expedia® Has Scale in Hotels ...



~150k Hotels in
200+ Countries
Single Largest
Booker of
Rooms in US
... But Still Only
~5% Share²

... And Significant Room for
Additional Growth



¹Other includes Car, Advertising, Destination Services, Insurance, Cruise, Agency Packages, and Other

²Sources: Smith Travel Research and Expedia data

³Hotel data for TripAdvisor, Priceline, Orbitz and Ctrip.com obtained from respective company websites

Technology Investment Positions Us for Growth



10,000
Affiliates



CUSTOMIZED Front-End Technology for Rapid Innovation
and Powerful Analytics ... **Improving Conversion**

UNIFIED Customer Operations Technology

UNIFIED Transactional Infrastructure:
Financials / Order Management / Inventory Management

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



The World Is
Changing ...

Opening Up Significant
Opportunity in Travel

... Expedia
Leads the Way



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

in App Development



Leading Travel
App Developer

in App Success

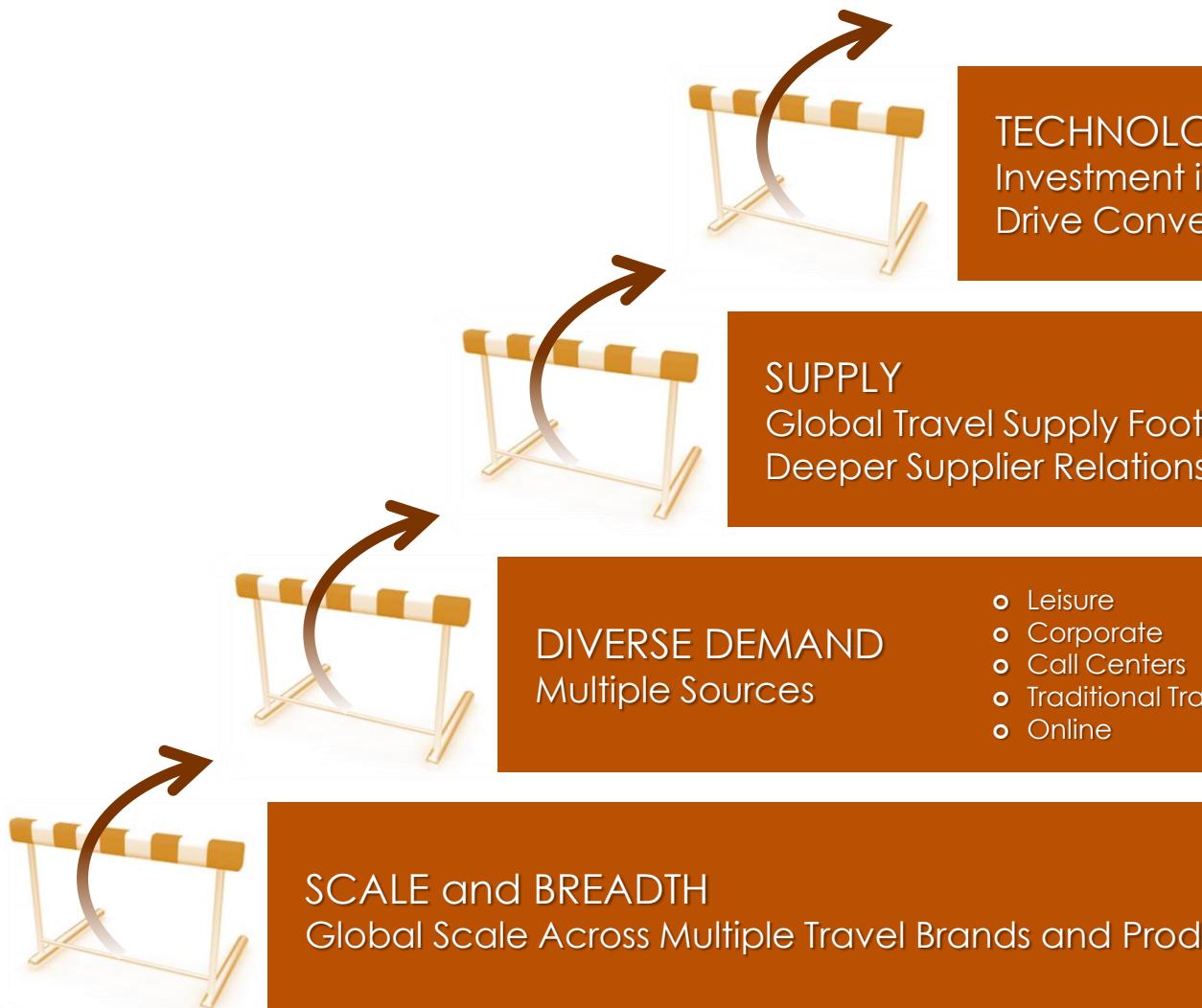


#1 Free iPhone
Travel Apps in
40+ Countries¹

in Deals



Expedia's Significant Competitive Moats



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

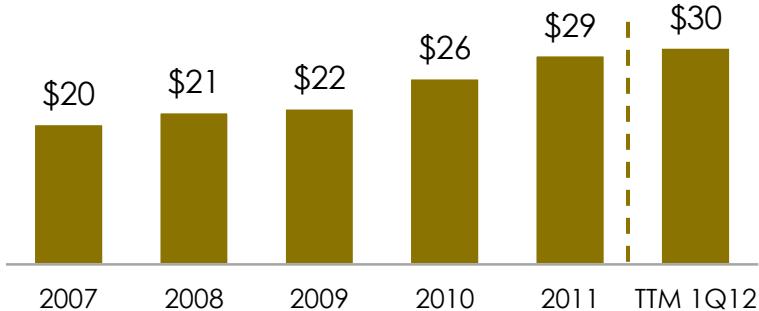
Investing Now to Support Future Growth

Improving Financial Results

GROSS BOOKINGS

\$ Billions

World's Largest Travel Company



REVENUE

\$ Billions

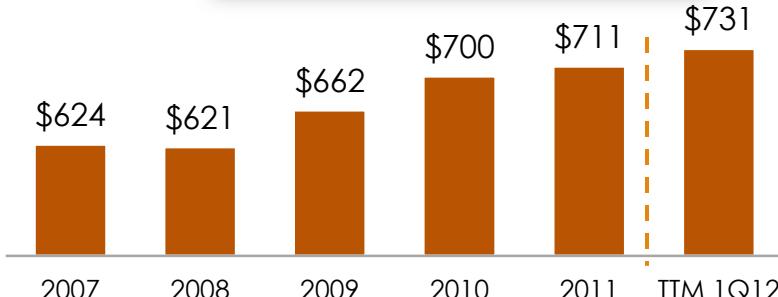
'07-'10 CAGR : **6.1%**
TTM 1Q12 Y-o-Y Growth: **13.6%**



ADJUSTED EBITDA¹

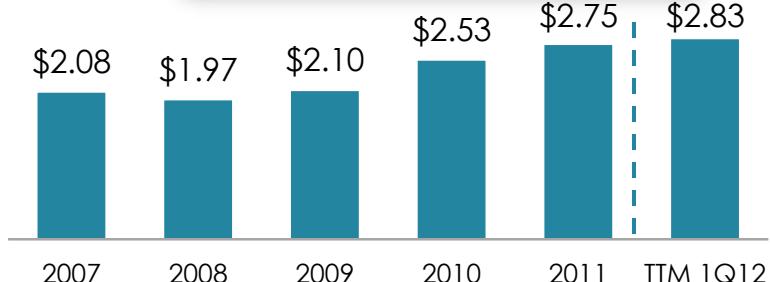
\$ Millions

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



ADJUSTED EPS^{2,3}

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



¹See Appendix A for Non-GAAP to GAAP Reconciliation

²See Appendix B for Non-GAAP to GAAP Reconciliation

³Adj. 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% Growth¹	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 Margin²	23.1%	Slightly Decreasing as % of Revenue	Increasing as % of Revenue

¹Represents 2007 – 2010 CAGR

²See 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 ongoing 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

IBIS Industry Report

IBISWorld

WHERE KNOWLEDGE IS POWER

56151 - Travel Agencies in the US

IBISWorld iExpert Industry
Summary 56151

February 2013

Travel Agencies in the US

**Key Statistics
Snapshot**

Revenue	\$20.7bn	Annual Growth 08-13	Annual Growth 13-18
		3.9%	2.8%
Profit	\$1.6bn	Wages	Businesses
		\$5.5bn	9,850

Market Share

Carlson Companies Inc.
21.4%

American Express Company
21.0%

Expedia Inc.
10.4%

priceline.com Incorporated
9.6%

Sabre Holdings Corporation
9.2%

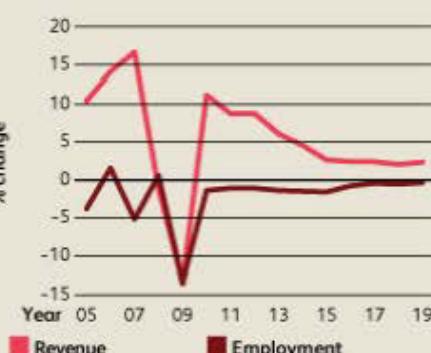
Travelport
5.7%

Key External Drivers

Domestic trips by US residents

Consumer spending

Revenue vs. employment growth

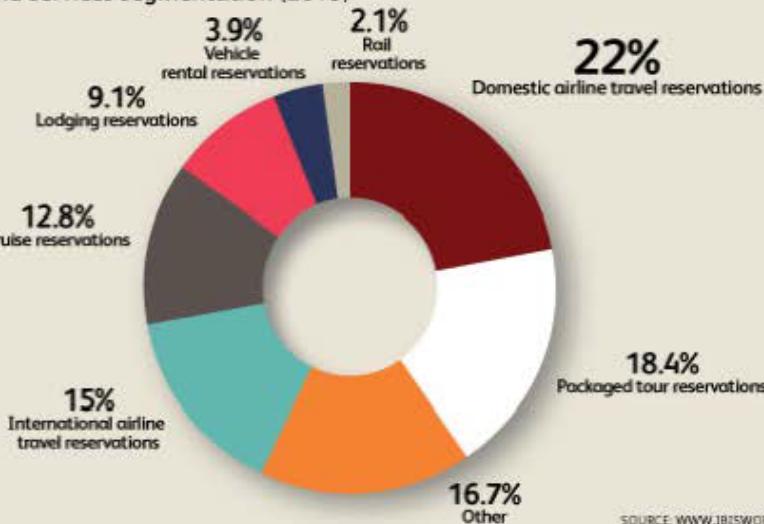


Domestic trips by US residents



SOURCE: WWW.IBISWORLD.COM

Products and services segmentation (2013)



SOURCE: WWW.IBISWORLD.COM

IBIS Industry Report

Consumer sentiment index

Inbound trips by non-US residents

International trips by US residents

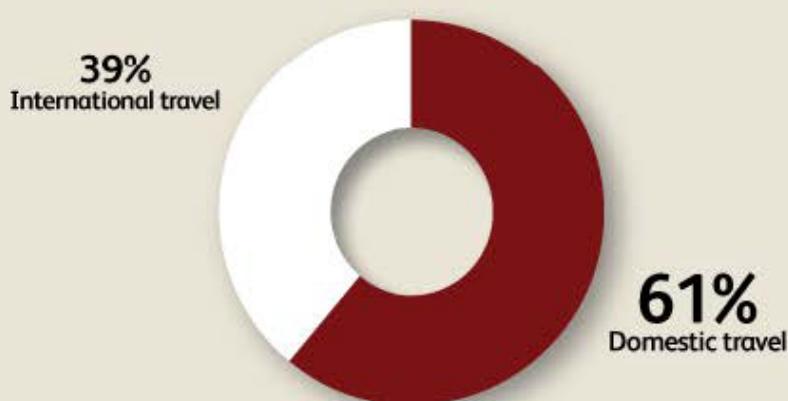
Industry Structure

Life Cycle Stage	Mature
Revenue Volatility	Medium
Capital Intensity	Medium
Industry Assistance	None
Concentration Level	Medium

Regulation Level	Light
Technology Change	High
Barriers to Entry	Low
Industry Globalization	Low
Competition Level	High

Major Markets

Major market segmentation (2013)



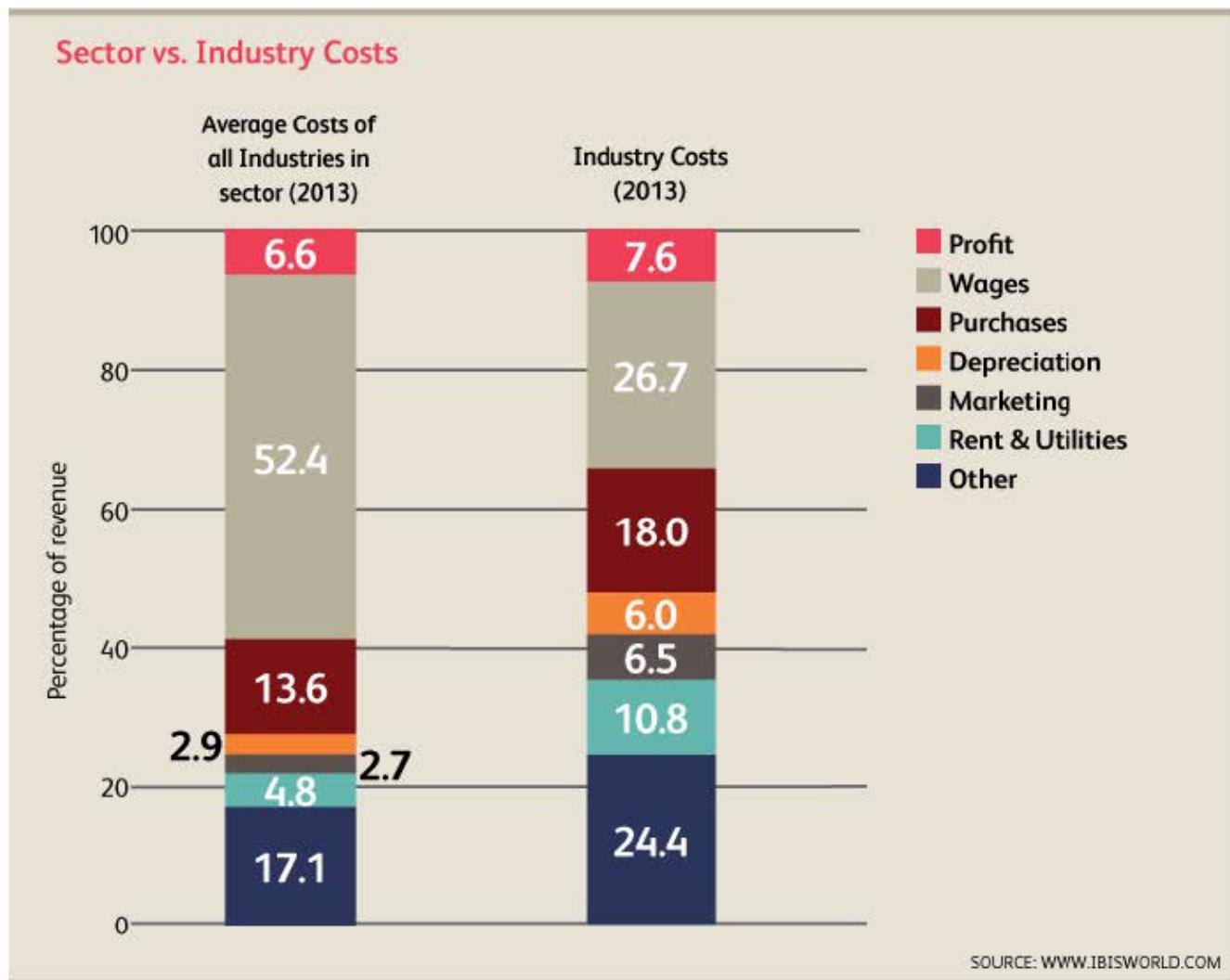
Total \$20.7bn

SOURCE: WWW.IBISWORLD.COM

This chart shows the size of the markets that buy the industry's products or use its services. It is based on the proportion of revenue each buying segment contributes to total industry revenue.

IBIS Industry Report

Cost Structure



This chart represents the latest cost structure of the industry. It shows the proportion of revenue each cost item absorbs, with the remainder representing profit. The comparison to all other industries in the sector provides a benchmark that shows how the industry differs from its peers.

Performance Summary

After a disappointing 2009, when revenue declined 13.5% and brick-and-mortar travel agencies lost sales to internet businesses, the Travel Agencies industry began its recovery in 2010. Despite the losses incurred, IBISWorld estimates revenue will grow at an average annual rate of 3.9% over the five years to 2013, with revenue expected to grow 6.1% to \$20.7 billion in 2013 alone.

A number of factors, including the state of the economy and other travel-related trends, drive growth in the Travel Agencies industry. In 2009, the decline of the domestic economy and increase in the unemployment rate forced people to become more selective regarding how they spent their disposable income; consumer spending fell 1.9% during the year. As such, consumers were less likely to spend money on nonessential travel. As the economy slowly improved, consumer spending grew 2.1% per year on average from year-end 2009 to 2012. As such, a greater number of consumers and business customers are taking trips. In 2013, consumer spending is forecast to grow an additional 1.5%, aiding industry growth.

Over the past five years, the industry was affected by falling domestic travel and international arrivals into the United States as the recession deepened and unemployment rose. In 2009, inbound trips by non-US residents plummeted, with 5.2% fewer people visiting the United States than in 2008. Domestic travel also declined in the year, falling 5.1%

IBIS Industry Report

from 2008. With fewer people taking trips, industry revenue dropped. However, from year-end 2009 to 2012, inbound travel returned and grew at an annualized rate of 6.4%, respectively; it is expected to grow 5.1% in 2013. Domestic travel also increased 1.7% per year on average over that same period, and is anticipated to grow an additional 1.6% in 2013. The increase in travel rates has driven revenue growth for travel agencies.

The era of storefront travel agencies is entering a long-term decline and is being replaced by online services, which offer a relatively high-profit, low-cost way to handle transactions. This segment of the industry has grown significantly and will likely continue to display strong growth during the next five years. Major operators will continue to acquire global, regional and local websites to improve their revenue and profit and capture a larger share of this growing area. From 2013 to 2018, industry revenue is forecast to increase at an annualized rate of 2.8% to \$23.7 billion.

Industry Issues

THREAT

The level of consumer and business sentiment affects travel plans, expenditure and future bookings. Consumer sentiment is expected to increase during 2013; however, given the volatility that financial markets have experienced thus far, it remains a potential threat for the industry.

OPPORTUNITY

Changes in consumer spending affect how much individuals spend on travel-related expenses. As consumer spending increases, travel spending is likely to increase as well, which bolsters demand for the travel agencies that book those trips. Consumer spending is expected to rise slowly during 2013 and is a potential opportunity for the industry.

Industry Questions

External Impacts

ISSUE

Changes in consumer spending affect how much individuals spend on travel-related expenses. As consumer spending increases, travel spending is likely to increase as well, which bolsters demand for travel agencies.

QUESTIONS

Do you target people with high consumer spending levels? How was your company affected during recent low levels of expenditure? Have you experienced a significant increase in business in line with economic growth trends?

ISSUE

Trends in residents traveling within the United States on overnight trips, for holidays, business or other purposes are key factors influencing revenue for this industry. An increase in domestic trips by US residents typically benefits travel agencies.

QUESTIONS

How has domestic travel by US residents trended during recent years? How has this driver affected demand for your travel agency services? What measures did you take or other revenue streams did you pursue to counter times of slow demand?

ISSUE

The level of consumer and business sentiment affects travel demand, regarding travel plans, expenditure and forward bookings.

QUESTIONS

Do you regularly monitor the consumer sentiment index? How do trends in the index influence demand for your services? Does an increase in the index cause demand for your agency to rise?

Internal Issues

ISSUE

Having web-based communication, reservation, business operations and information technology is vital.

QUESTIONS

How strong is your internet presence compared to your

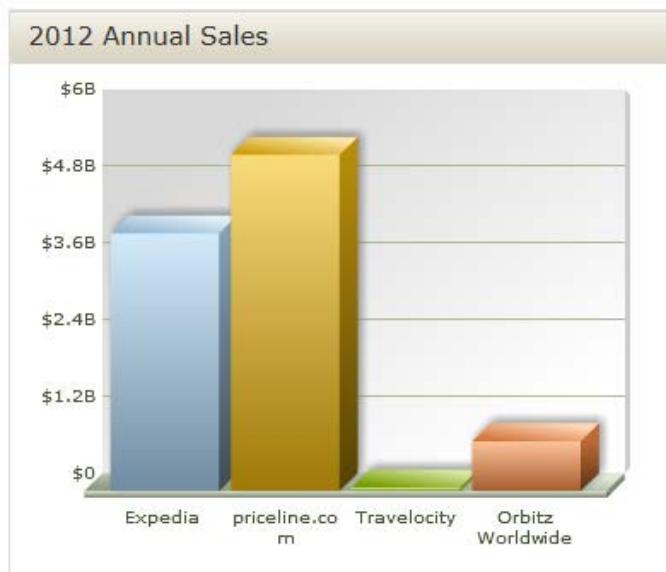
ISSUE

It is beneficial to operators to be part of a group-buying and promotional scheme to reduce operating costs and for information-sharing purposes.

ISSUE

A company needs to develop and understand its niche market and clients and always meet the client's needs. This will ensure good word-of-mouth recommendations and repeat clients.

Competitive landscape



2012 Key Numbers

	Expedia	priceline.com	Travelocity	Orbitz Worldwide
Annual Sales	\$4.03B	\$5.26B	\$51.50M	\$778.80M
Employees	12,330	7,000	--	1,328
Market Cap	\$8.31B	\$30.94B	--	\$285.86M

2012 Profitability

	Expedia	priceline.com	Travelocity	Orbitz Worldwide	Industry Median	Market Median ¹
Gross Profit Margin	77.70%	77.62%	--	81.02%	43.23%	34.80%
Pre-Tax Profit Margin	8.69%	33.49%	--	(38.34%)	10.81%	10.10%
Net Profit Margin	6.95%	26.98%	--	(38.74%)	9.22%	6.58%
Return on Equity	12.51%	43.87%	--	(3,378.55%)	9.45%	10.58%
Return on Assets	4.12%	26.94%	--	(30.48%)	4.87%	1.95%
Return on Invested Cap	5.85%	32.42%	--	(64.88%)	6.13%	5.68%

2012 Valuation

	Expedia	priceline.com	Travelocity	Orbitz Worldwide	Industry Median	Market Median ¹
Price/Sales Ratio	2.26	7.07	--	0.70	2.03	1.27
Price/Earnings Ratio	30.12	26.25	--	(1.81)	24.63	26.39
Price/Book Ratio	3.86	9.28	--	(3.81)	2.09	2.00
Price/Cash Flow Ratio	7.40	20.83	--	5.10	10.73	8.94

JLL completed deals with similar clients

*These clients are not allowed in marketing material unless OK'd by client and broker. These are for *your* reference only.

Client	Assign Sub-type	Client Industry	Property Type	Area	Commencement Date	Transaction State	D&B Minor Inudstry
FiberMedia	New	Entertainmt/Hospitality/Media	Office	32,610	3/1/2010 NJ		Nonclassifiable Establishments
Expedia Inc.	Expansion	Entertainmt/Hospitality/Media	Office	7,119	6/1/2010 NV		Nonclassifiable Establishments
MMG	Renewal	Entertainmt/Hospitality/Media	Office	2,714	3/1/2011 CO		Nonclassifiable Establishments
Krav Maga Houston	Tenant Rep	Entertainmt/Hospitality/Media	Industrial	20,000	4/1/2011 TX		Nonclassifiable Establishments
Ryan Seacrest Production	New	Entertainmt/Hospitality/Media	Office	13,283	9/1/2012 CA		Nonclassifiable Establishments
High View Media	Renewal	Entertainmt/Hospitality/Media	Office	2,095	6/1/2011 CA		Nonclassifiable Establishments
MG Properties III LLC	Investment Sale	Entertainmt/Hospitality/Media	Multi-family	75		WA	Nonclassifiable Establishments
Massine Entertainment LLC	New	Entertainmt/Hospitality/Media	Office	2,831	1/15/2012 NY		Nonclassifiable Establishments
Drama Fever	New	Entertainmt/Hospitality/Media	Office	5,000	6/1/2012 NY		Nonclassifiable Establishments
Withers & Withers	Renewal	Entertainmt/Hospitality/Media	Office	1,980	10/1/2012 AZ		Nonclassifiable Establishments
Insite Sunrise Beach LLC	Permanent	Entertainmt/Hospitality/Media	Lodging / Gaming / Hotel			FL	Nonclassifiable Establishments
FiberMedia	Expansion	Entertainmt/Hospitality/Media	Office	14,388	1/1/2012 NJ		Nonclassifiable Establishments
Worldwide Production Agency	New	Entertainmt/Hospitality/Media	Office			8/1/2012 CA	Nonclassifiable Establishments

Case Study

Yahoo! (Global portfolio)



Services

Transaction Management, Strategic Consulting, Project and Development Services, Facilities Management, Occupancy Planning

Situation/Process

- Prior to their merger, Jones Lang LaSalle and The Staubach Company were each awarded separate pieces of business with Yahoo!
- In early July 2008, the Jones Lang LaSalle role expanded to include Asia Pacific. Once the two companies merged in July 2008, Yahoo! realized the combined value of the two companies.
- Latin America and South America were then added to the scope of services and on September 24, Yahoo! signed on Jones Lang LaSalle's Project and Development Services (PDS) group for a tenant improvement project at a 37,000-square-feet office in Omaha, Nebraska.
- The Sunnyvale, California-based firm has also engaged Jones Lang LaSalle's Strategic Consulting (SCON) group to facilitate strategic planning work sessions and Talent Systems/HR to explore joint training sessions with the account and client teams.
- Challenges of the project included:
 - Bring best practices and consistent operations in Facilities Management, Occupancy Planning and Move Management to 3M square feet of space across 37 location
 - Deliver 15% cost savings on \$40 million spend while maintaining or improving services
 - Bring scale and efficiency to operations as Yahoo! expands its portfolio size and delivery of services.



Results

- Jones Lang LaSalle launched its suite of tools (OneView Service Center, MACO, 360 Facility, JD Edwards), aggressively streamlined its vendor base and leveraged its national vendors for savings and consistency.
- We invested in training, process documentation and employee development for new and transitioned staff.
- As a result, the team achieved cost savings targets of \$6.5 million in the first 18 months of operations and generated high employee satisfaction and customer satisfaction scores.

Case Study

Silver Spring Networks



Services

Tenant representation, project and development services

Situation/Process

- Silver Spring Networks (SSN) had occupied their current building for the past 5 years and had been putting together “band-aid” solutions within the building in order to remain proximate to the same highway corridor.
- The company’s growth options within the building (and the highway corridor) started disintegrating as the market tightened.
- With immediate growth needs in the interim, they also began to look for a larger HQ consolidation.
- SSN needed a facility that allowed for further expansion as they were rapidly growing their sales and project engineering teams and had limited visibility on the magnitude of the growth. Wisely, they hired Jones Lang LaSalle to execute their real estate strategy.

Results

- The Jones Lang LaSalle team first addressed the immediate needs by negotiating multiple short-term extensions with SSN’s existing landlord.
- Our team further counseled SSN that it needed to expand its geographic parameters and evaluate options in some tertiary markets.
- SSN found a tech-centric, creative option ideal for their culture and operational needs. In order to accommodate the necessary flexibility for headcount growth, we were able to structure a rolling termination right and secure expansion rights on the remaining 150,000 square feet in the project (which SSN has exercised and now occupies).
- Jones Lang LaSalle provided roughly \$6.3M in savings over the term in negotiations (not to mention incremental savings of finding suitable product in shadow market), including additional construction savings on the infrastructure due diligence.

Case Study

Twitter



Services

Transaction Management, tenant representation, project and development services, global account management

Situation/Process

- Twitter was rapidly growing, and the San Francisco-based technology company was located in a building that clearly could no longer support its near-term and long-term headcount growth.
- The entire San Francisco landlord community believed that Twitter had 2-3 legitimate options within San Francisco, which made them theoretically a captive tenant to those short-listed buildings.
- Twitter had limited visibility on the extent of their growth and needed a building to phase-in their initial footprint while being able to assure vacancy for future headcount demand. Jones Lang LaSalle was hired to help them strategize this massive real estate move for the tech company.

Results

- The Jones Lang LaSalle team in Palo Alto encouraged Twitter to expand the geographic parameters of its real estate search, and assembled a cross-market transaction team from both the San Francisco and Silicon Valley Jones Lang LaSalle offices, which provided Twitter the necessary and legitimate leverage to explore options both in San Francisco and the Silicon Valley.
- The ability to evaluate two different markets not only leveraged the San Francisco landlords for better economics and greater concessions, but Twitter was able to negotiate payroll tax exemptions from the City of San Francisco for roughly \$10M in savings.
- Our team further sourced an off-market, fully-vacant Class A office building that could accommodate 1M square feet of tenancy. Twitter occupied an initial footprint of 165k square feet and JLL secured hold-off expansion rights from the Landlord for an additional 210k square feet.
- We secured approximately \$14M in savings over the lease term, or 26% from the landlord's initial offer, including the initial 18 months free of base rent and operating expenses.

High Tech

Industry
In[sight]er

State of the industry



Cash Rich- With more than \$400 billion in gross cash the high-tech sector is the only industry holding more cash than debt. One key difference between this high-tech cycle and the dot.com era is this cycle is built upon stronger companies and solid business financials. The high-tech industry remains one of the few bright spots in the national economy and well positioned for the future.



War for Talent- Intellectual capital is essential to high-tech companies and the battle for talent is heating up. The need for programmers, marketers and business developers is increasing at young start-ups. The labor pool is tighter in established high-tech markets such as Silicon Valley, Austin and Seattle. As a result, companies are looking to less traditional markets such as Phoenix, Chicago and Minneapolis to set up shop.



VC Ramps Up- Venture capital activity is up and supporting start-ups in a number of markets. Total VC dollars to high-tech companies totaled \$15.4 billion in 2012. Software companies received the bulk of funding with more than 53 percent of total VC dollars last year. Networking and equipment firms have received a smaller share reflecting the shift away from hardware development and toward services in this high-tech growth cycle.

Top three things this means for CRe's

1

Paying a Premium- Asking rents continue to climb in the amenity and talent rich areas high-tech firms like to cluster. Some cash rich companies are sacrificing cheaper real estate for 'hip' high-tech hubs in close proximity to like-minded innovators. Willing to pay a premium, rent is less a factor than access to public transit or creative space for some firms. Landlords have responded by branding buildings as 'tech-centric' and, while less flexible on rates, offering TIs and free rent to encourage expansion and longer terms.

2

Creative Space- High-tech firms are using creative space as a tool to attract top talent. Connectivity, mobility, and convenience are the key features used in creative space design. Private offices and partitioned cubicles are viewed as counter-productive to an industry that thrives on collaboration. Demand is intense for renovated warehouses and brick-and-beam buildings that offer interesting architectural elements. Free shuttle buses to work and free meals are other frequently offered perks.

3

More Demand Ahead- Considering that investment is a leading indicator of future real estate demand it's no surprise that competition for space, especially in highly desired submarkets, is increasing. High-tech bellwethers like Google have leased additional space as a way to bank for future growth. In emerging markets high-tech firms have renewed early to secure attractive deals before rents price them out.

Questions to ask yourself

*Is your real estate
enabling growth?*

*What is the cost of not
having the right real
estate where and when
you need it?*

*How does your real
estate create a
competitive advantage?*

*Are RE and FM
destroying or
creating value?*

Name
Title
Phone
email

Results in action



- Rapidly growing out of their San Francisco offices, we encouraged Twitter to expand the geographic parameters of its real estate search.
- Our team sourced an off-market, fully-vacant Class A office building in an emerging submarket in San Francisco that could accommodate 1M s.f. of tenancy.
- Worked with the City of San Francisco to implement the mid-market payroll tax exemption to ensure roughly \$10M in overhead savings.
- Eventually leasing over 300k s.f. in San Francisco, we secured approx. \$14M in real estate savings over the lease term including the initial 18 months free of base rent and operating expenses.



- Experiencing rapid headcount growth, Kabam needed a new HQ and was deciding between SF and Silicon Valley.
- We quickly assessed current and future occupancy and performed extensive commute analyses to identify potential attrition risks, geo-demographic profiling to better understand potential future new hires and financial modeling.
- We understood the company's culture and the creative/collaborative environment they were trying to create.
- We secured a new HQ location prior to the building hitting the open market.
- Saved approximately \$5M in real estate costs.



- OPower is a start-up software company that initially required an inexpensive, short-term, flexible sublease in the Rosslyn-Ballston corridor of N. Virginia.
- \$50M in venture capital funding in 2010 allowed broad corporate growth and over the last several years we have negotiated several expansion leases at below-market rates and flexible lease terms.
- By staying in the same building, we were able to negotiate higher exterior visibility facing the two major roadways in Arlington, VA.
- By paying close attention to the key objectives of the client, we have allowed OPower to focus on its own rapid expansion and worry less about its occupancy situation.

Top ten transactions

350 Mission Street, San Francisco



Salesforce

444,271 s.f.

17 years

4301-4401 Great America Parkway, Silicon Valley



Palo Alto Networks

301,163 s.f.

10 years

100-150 E Davie Street, Raleigh-Durham



Red Hat, Inc.

300,000 s.f.

Sublease through 2035

2010 Warsaw Road, Atlanta



General Motors IT Innovation

230,000 s.f.

Purchase

11 Times Square, New York



Microsoft

205,462 s.f.

16 years

8995 Columbine Road, Minneapolis



Kroll Ontrack

195,000 s.f.

12 years

120 S West Street, Raleigh-Durham



Citrix

130,000 s.f.

15 years

601 108th Avenue NE, Seattle



Concur Technologies

122,742 s.f.

10 years

5355 Mira Sorrento Place, San Diego



Qualcomm

119,381 s.f.

years

111 W Illinois Street, Chicago



Salesforce

116,000 s.f.

11 years

Key highlights from the quarter

High-tech services employment grew by 5.1 percent in 2012, adding 122,100 jobs. This represented 20 percent of the growth in office employment.

Growth in the high-tech services sector is more than 2.3 times stronger than the overall office-using sector.

\$15.4 billion VC dollars flowed to high-tech companies, more than half going to software companies.

For more information, please see our full report: United States High-Technology Office Highlights

www.us.joneslanglasalle.com

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