

Investor Presentation (NASDAQ: TRIP)

Q2 2012



Safe Harbor Statement

Forward-Looking Statements. Our presentation today, including the slides contained herein, contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not historical facts or guarantees of future performance and are based on management's assumptions and expectations, which are inherently subject to difficult to predict uncertainties, risks and changes in circumstances. The use of words such as "intends," "expects," "may," "believes," "should," "seeks," "intends," "plans," "potential," "will," "projects," "estimates," "anticipates" or similar expressions generally identify forward-looking statements. However, these words are not the exclusive means of identifying such statements, and any statements that refer to expectations, beliefs, plans, predictions, projections, forecasts, objectives, assumptions, models, illustrations, profiles or other characterizations of future events or circumstances are forward-looking statements, including without limitation statements relating to future revenues, expenses, margins, performance, profitability, cash flows, net income/(loss), earnings per share, growth rates and other measures of results of operations (such as, among others, EBITDA or adjusted EBITDA) and future growth prospects for TripAdvisor'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, those discussed in the "Risk Factors" section of the registration statement on Form S-4 (File No. 333-175828-1), which included a proxy statement for Expedia, Inc. ("Expedia") and prospectus for Expedia and TripAdvisor (the "Prospectus/Proxy Statement"). 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. Investors are cautioned not to place undue reliance on forward-looking statements.

Non-GAAP Measures. This presentation also includes discussion of both GAAP and non-GAAP financial measures. Important information regarding TripAdvisor's definition and use of these measures, as well as reconciliations of the non-GAAP financial measure to the most directly comparable GAAP financial measure are included in the press release reporting our first quarter 2012 financial results, which is available on the Investor Relations section of our website: www.tripadvisor.com. These non-GAAP 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.

Our Mission

To help travelers around the world plan and have the perfect trip



Business Overview

We are the World's Largest Travel Website

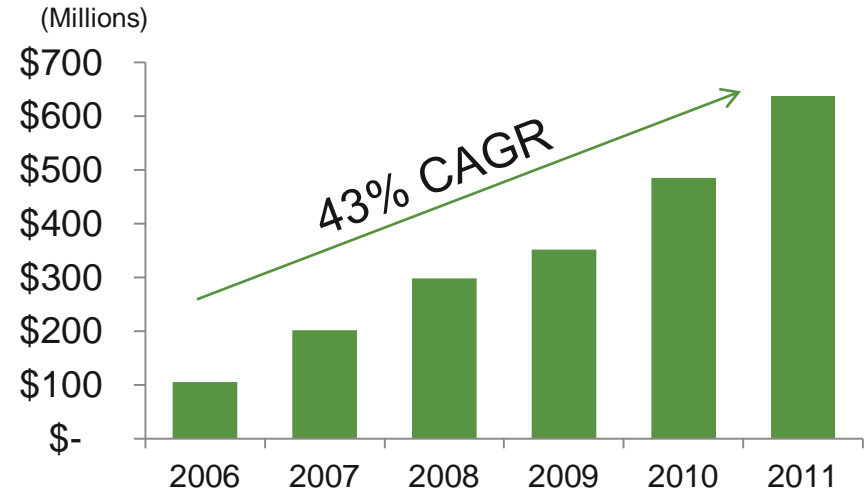
Key Facts

- Headquartered in Newton, MA
- 30 countries; 21 languages
- 610,000+ hotels and accommodations
- 1+ million restaurants & attractions
- Valuable lead source to OTAs and hoteliers

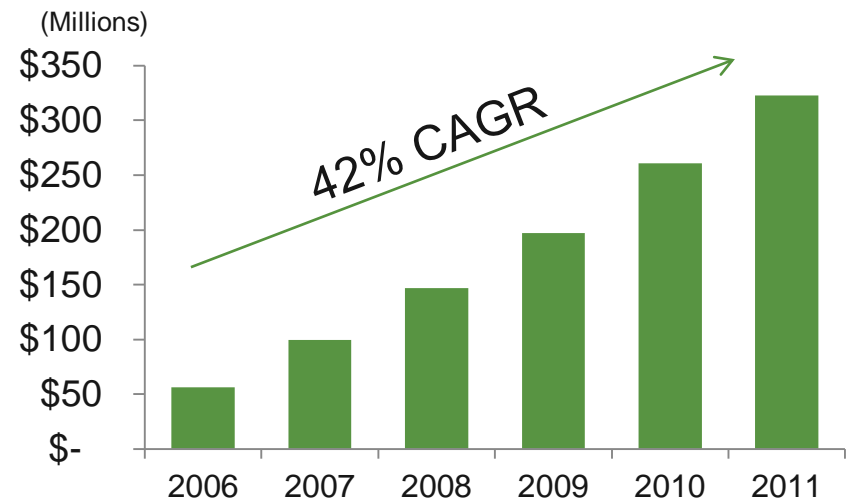
Site & Content Stats

- 60+ million unique monthly visitors*
- 32+ million registered members
- 75+ million traveler reviews and opinions
- 50+ traveler contributions per minute

Revenues



Adjusted EBITDA



*comScore Media Metrix for TripAdvisor Sites, Worldwide, July 2012

Valuable Platform for Travelers and Marketers

Consumer Value

Business Value

Facebook friend experiences

Tips from friends

Candid photos

Review summary

Room tips

Search filtering

Badges / helpful votes

Detailed reviews

The screenshot shows the TripAdvisor page for The Lenox Hotel in Boston. The page includes a navigation bar, a search bar, and a main content area with several sections:

- Facebook friend experiences:** A box highlights a notification: "John Savage likes this hotel."
- Tips from friends:** A box highlights the hotel's address and contact information: "The Lenox Hotel, 81 Exeter Street at Boylston, Boston, MA 02116-2699".
- Candid photos:** A box highlights a photo of the hotel building with the caption "See traveler photos (90)".
- Review summary:** A box highlights the hotel's ranking: "Ranked #2 of 73 hotels in Boston" and "1162 Reviews".
- Room tips:** A box highlights the "What travelers say about this hotel" section, which includes traveler ratings and comments like "Back bay" and "Great location".
- Search filtering:** A box highlights the "See which rooms travelers prefer" section, which lists 61 traveler tips.
- Badges / helpful votes:** A box highlights the "Friend's like" section, showing a user's profile and the number of reviews and helpful votes.
- Detailed reviews:** A box highlights a review: "Welcoming and friendly hotel!" with a date and a snippet of the text: "The Lenox could not have been better for sightseers. This hotel is ideally located near trolley access, Trinity Church, restaurants and shopping. The".
- Business listing:** A box highlights the "Browse nearby" section, which includes a map and a list of nearby hotels, restaurants, and things to do.
- Display ad / sponsorship:** A box highlights a sponsored map: "Map of The Lenox Hotel" with a "Sponsored by TripAdvisor" label.
- Cost-per-click lead generation:** A box highlights the "Friends' advice: Boston area" section, which lists nearby hotels and user reviews.
- Display ad / sponsorship:** A box highlights a sponsored section: "Friends who have been near Boston" with a "Need travel advice?" prompt and a "Sleep Rating" section.

Business listing

Display ad / sponsorship

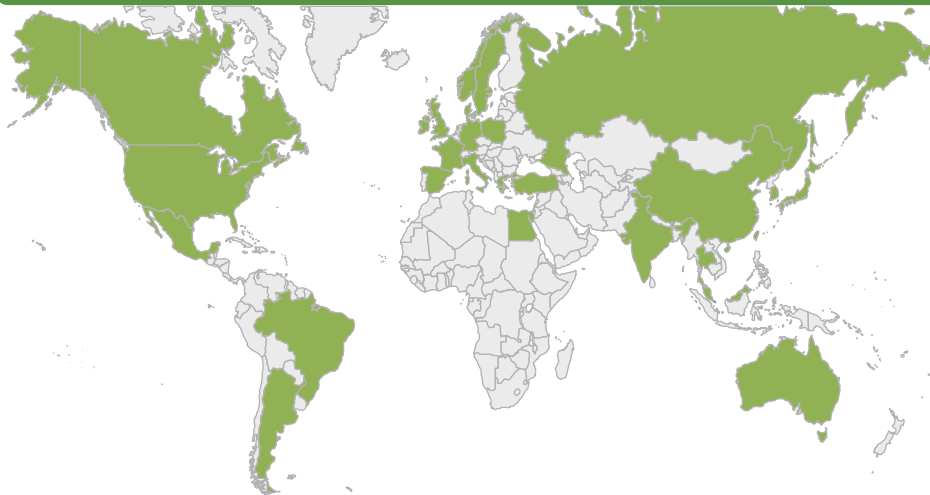
Cost-per-click lead generation

Display ad / sponsorship

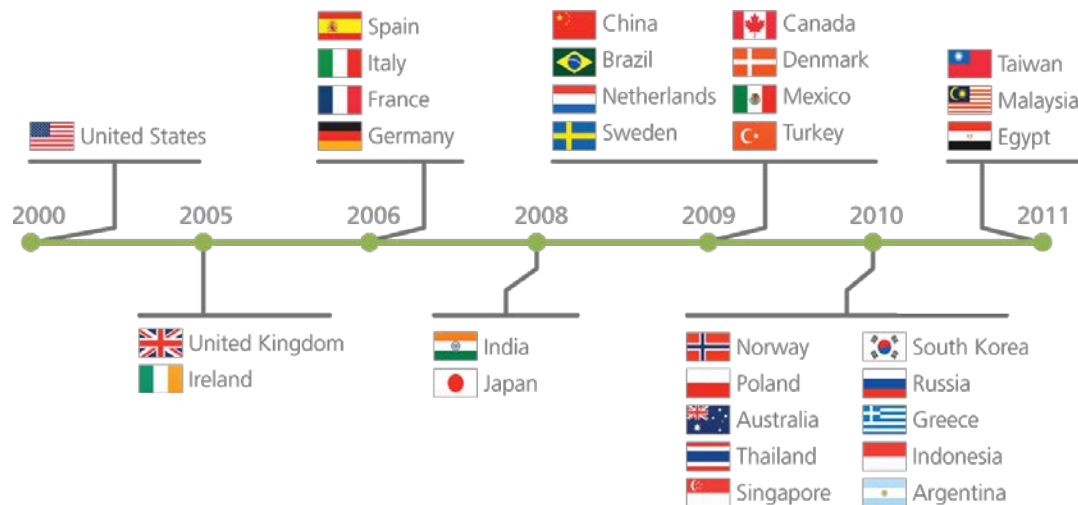
Key 2012 Theme:
TripAdvisor Everywhere

Global Scale and Robust Travel Platform

Significant Global Reach: 75% of Traffic from International IP



30 countries in 21 languages



Highly efficient sources of traffic

- Brand
- Direct navigation
- Organic search
- Paid search
- Partners / Referrals

Travel-Specific Brand Portfolio



Premiere Brand: Visible Everywhere You Want to Travel

tripadvisor®

Hi, Patrick
Sharing Off | Your Business & Account | Sign out

City, hotel name, etc. SEARCH

Home Hotels Flights Vacation Rentals Restaurants Best of 2012 Your Friends More Your Business

TRAVELERS' CHOICE 2012
THE BEST HOTELS

Choose a Category

Top 25

- United States
- World
- United Kingdom
- France
- Germany
- Italy
- Spain
- Africa
- Argentina
- Asia
- Australia
- Brazil
- Canada
- Caribbean
- Central America
- China
- Denmark
- Egypt
- Europe
- Greece
- India
- Indonesia

Top 25 Hotels in the World

1 The Phoenix Resort
San Pedro, Belize

“The best of both worlds: island life and modern conveniences. An exceptionally clean property, perfect location, superb staff.”
— Pamalakw

[Cheap flights to San Pedro](#)

2 Anastasis Apartments
Imerovigli, Greece

“There is excellent and then there is beyond excellence! Anastasis is beyond, beyond beyond.”
[Cheap flights to Santorini](#)

3



tripadvisor®

THIS IS TO CERTIFY THAT

Argos in Cappadocia

HAS ACHIEVED A TRIPADVISOR RATING OF

●●●●●

BY ITS GUESTS AND THEREFORE HAS BEEN AWARDED A

CERTIFICATE OF EXCELLENCE
FOR THE YEAR 2012

Certificate of Excellence

2012 WINNER

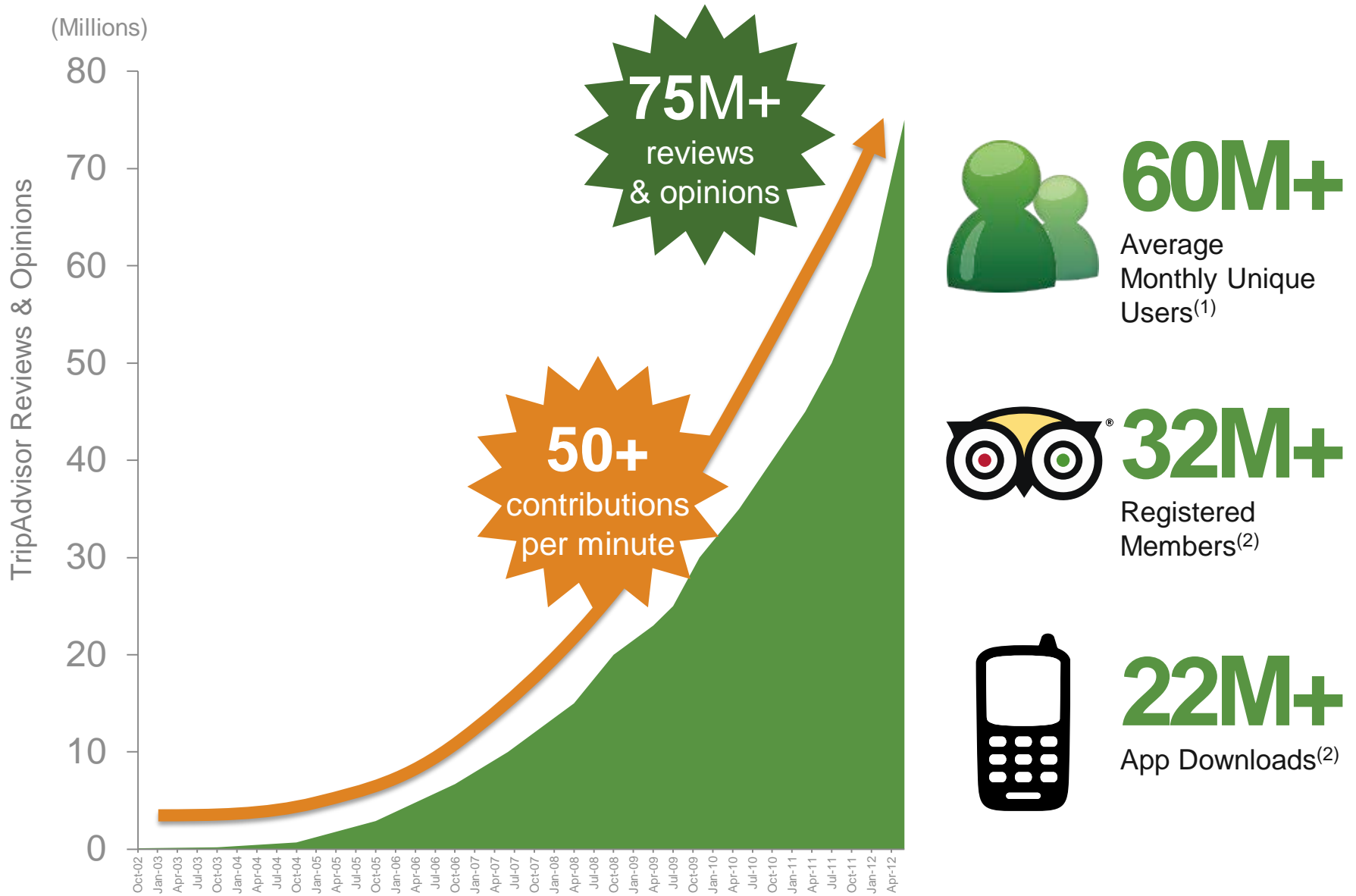
tripadvisor®

THIS PROPERTY

Content:

Wisdom of the crowds

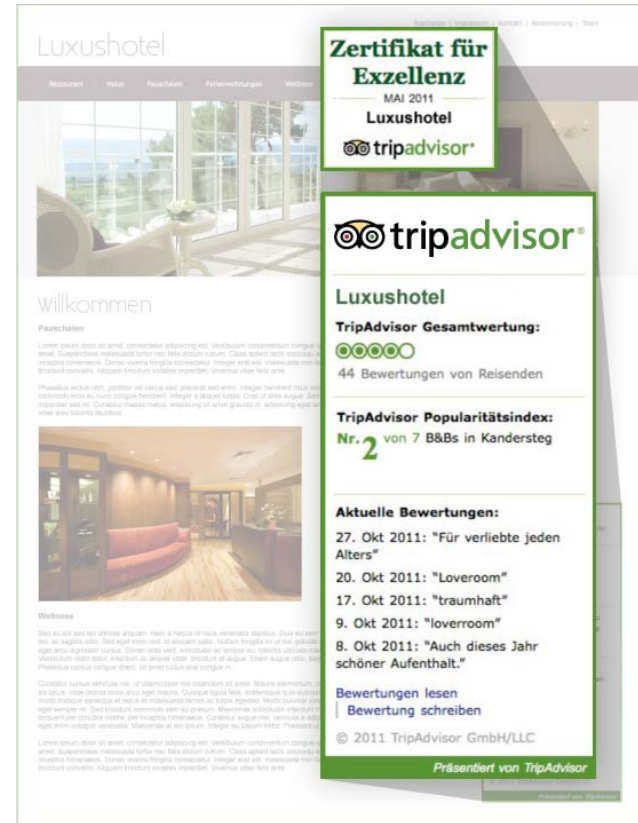
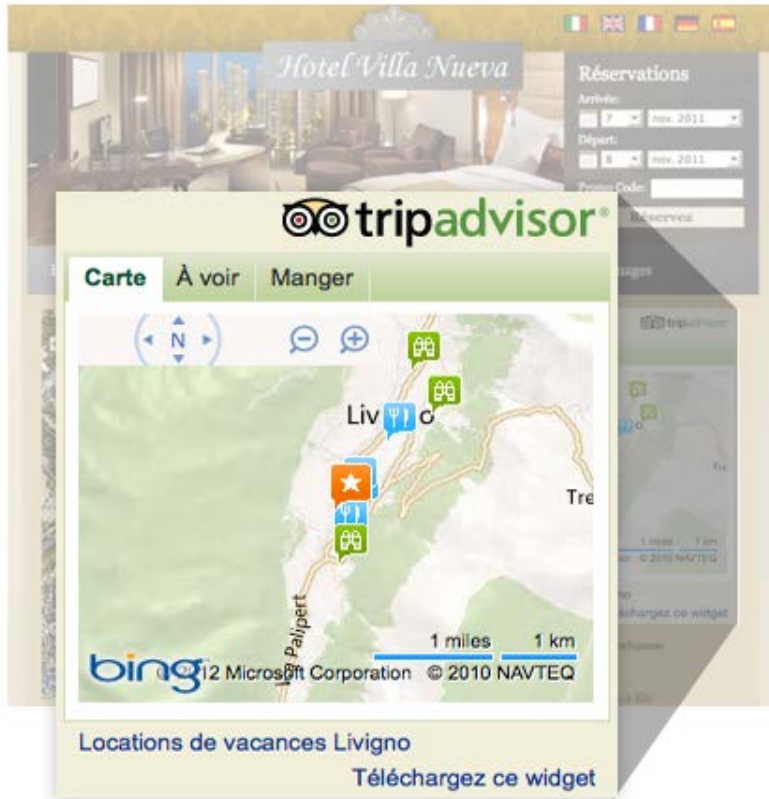
Worldwide Content Collection Growing at Accelerated Pace



(1) comScore Media Matrix for TripAdvisor Sites, Worldwide, July 2012
 (2) TripAdvisor log files, June 2012

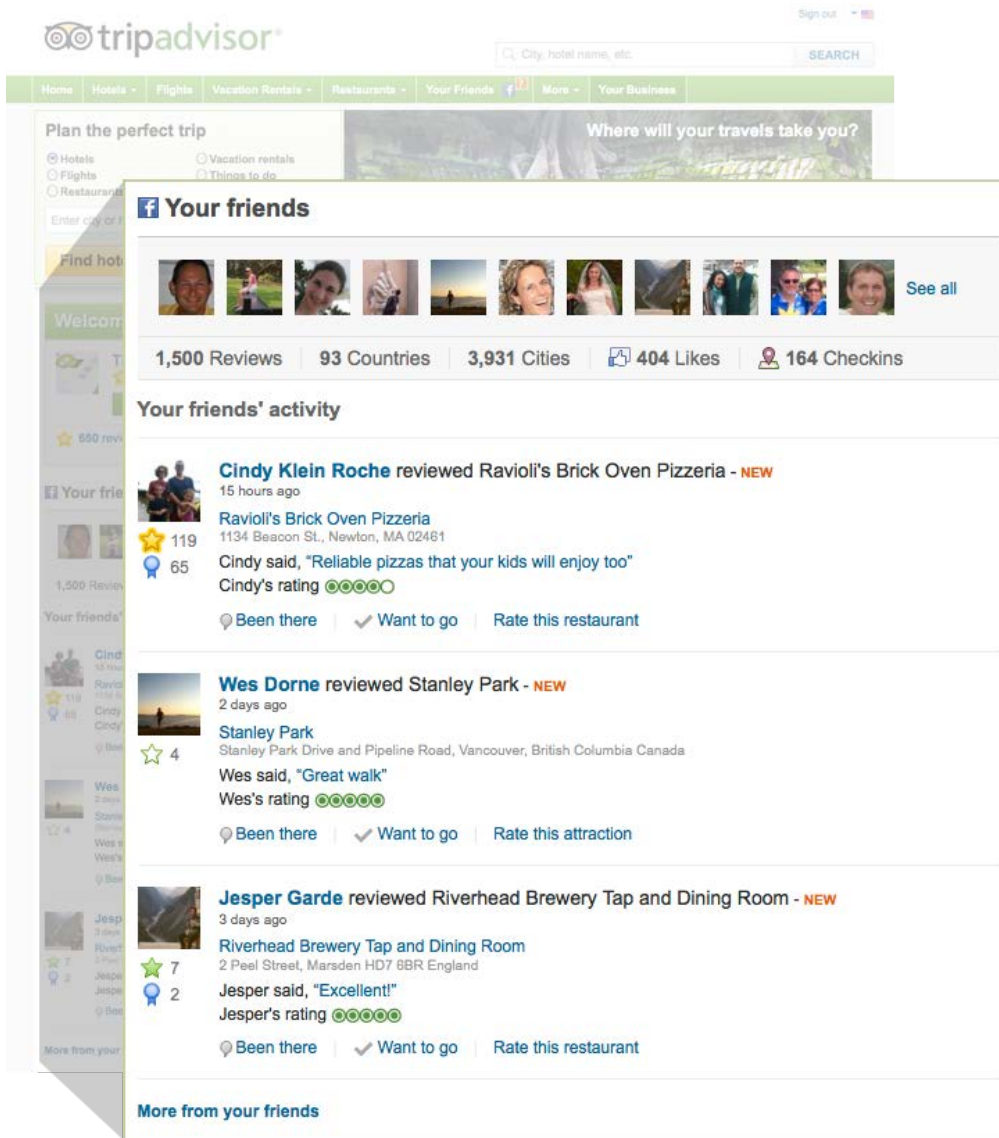
Content: Syndication Effort Reinforces Brand

- 400+ content syndication partners
- 50,000+ partner sites use TripAdvisor content
- Syndication makes TripAdvisor the de-facto standard for travel review information



Social: Wisdom of Friends

Integrating Social into the Fabric of Travel Research



- Launched Cities I've Visited on Facebook platform in **2007**
- Instant Personalization partner since **2010**
- Facebook connected users are:
 - **27%** more engaged
 - Contribute **2x** more content
 - Generate more revenue
- Rolled out **Friend of a friend** in April 2012

Wisdom of Friends is Now More Than Just Friends

 **James Drake** and **3 other people** are friends with a reviewer of Wynn Las Vegas

Wynn Las Vegas ★★★★★

\$149 - \$788*

 Travelers' Choice® 2012 Winner **Luxury**

 Special offer **Limited Opportunity**

 **Ranked #9** of 281 hotels in Las Vegas

4,069 reviews

"Funtastic hotel - location, design and..." 04/24/2012


"Excelent


Professio


 Slideshow




Show Prices


- **Friend of a friend** allows Facebook connected users to see **10x** the friend content

 **emesse2010**

 Contributor
12 reviews

 2 helpful votes

   **James Drake, Sanjay Vakil, Adam Rosenberg** and 2 other people are friends with this reviewer

 **Friend of a friend's review**

"Friendly staff make this hotel very welcoming"

4,069 Reviewed August 31, 2010

Stayed at the Back Bay Hotel during a recent business trip to Boston. It is very central with only a 5 minute walk to "the T." (subway) The staff are incredibly friendly and very helpful, offering advice and assistance with everything. I stayed in a deluxe king room which was very large, with huge flatscreen TV and nespresso machine. The...

[More ▾](#)

Mobile:

Travel research in the palm of your hand

Mobile: Powerful Extension of TripAdvisor Platform

- Find & contact hotels; find & reserve restaurants; find & book attractions and tours; find flights
- 50+ City Guides available off network
- Write reviews & participate in travel forums
- #2 ranked travel app in 2011⁽¹⁾

20
languages
available

22M+
App Downloads

27M+
Monthly Uniques⁽²⁾



(1) Distimo study of all mobile app downloads in travel sector in 2011 across all 65 markets where data is available for Apple App Store for iPad, Apple App Store for iPhone, Google Android Market and Windows Phone Marketplace

(2) Monthly unique users on mobile devices according to TripAdvisor log files

Other Key Areas of Investment

Business Listings

Home > Europe > United Kingdom (UK) > England > London >

Hotel 41 ★★★★★ Like 120

41 Buckingham Palace Road, London SW1W 0PS, England

[Hotel website](#) [E-mail hotel](#) 44(0)2073000041

Special offer COMPLIMENTARY TEA FOR TWO



Ranked #1 of
★★★★★

- Huge opportunity within the 610,000+ accommodations in our database
- Worldwide traffic growth drives enhanced value
- Easy, cost-effective means for hoteliers to market to target audience
- Enhanced exposure through special offers, announcements and mobile upgrade
- Untapped opportunity with ~1.1M restaurants & attractions on TripAdvisor

Vacation Rentals



- \$85B vacation rental market in 2010 and growing⁽¹⁾
- Highly fragmented and inefficient market
- Leverage motivated travel audience to add value
- Extending the leading TripAdvisor online travel platform
- Contextually relevant inventory enhances user experience



holidaylettings.co.uk
UK's No.1 for holiday homes worldwide

International/China



- World's 2nd largest economy after the US
- Online travel market growing 30% per year
- Expect >650M internet users by 2015 – still less than 50% penetration⁽²⁾
- Fast mobile adoption & attractive social component; no winners yet
- Widely varied travel pricing



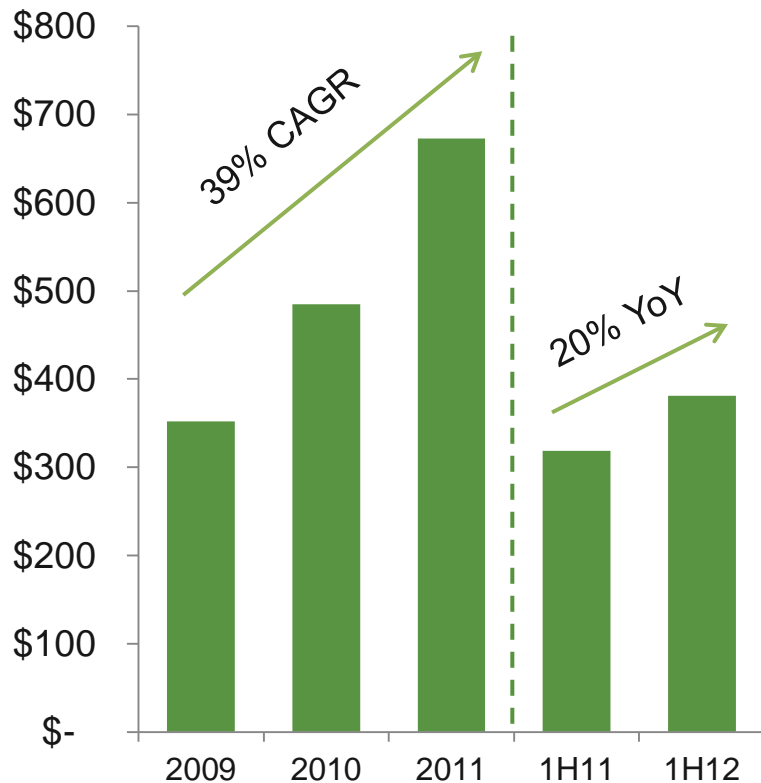
(1) Radius Global Market Research, Market Sizing Study, Nov 2011

(2) Boston Consulting Group, The Internet's New Billion: Digital Consumers in Brazil, Russia, India, China and Indonesia, Sept 2010

Financial Overview

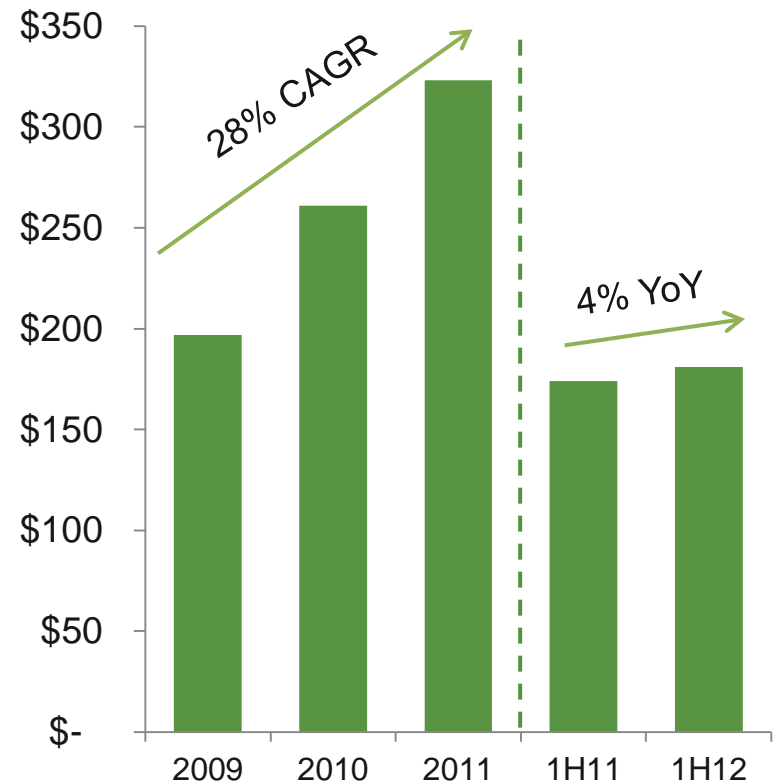
Financial Overview: Track Record of Profitable Growth

Revenue⁽¹⁾ (\$M)



YoY growth	2009	2010	2011	1H11	1H12
	18%	38%	31%	33%	20%

Adjusted EBITDA⁽²⁾ (\$M)



Adj. EBITDA Margin	2009	2010	2011	1H11	1H12
	56%	54%	51%	55%	48%

(1) Reflects TripAdvisor Holdings, LLC Combined Statement of Operations as disclosed in Annex E of Amendment No. 4 to Expedia, Inc. Form S-4 filed November 1, 2011 with the SEC. Revenue includes intercompany revenues from Expedia, Inc.
 (2) Adjusted EBITDA is defined as Operating Income attributed to TripAdvisor Holdings, LLC plus: (1) depreciation of property and equipment, including internal use software and website development; (2) amortization of intangible assets; (3) stock-based compensation; and (4) non-recurring expenses related to the spin-off

Steady Revenue Diversification

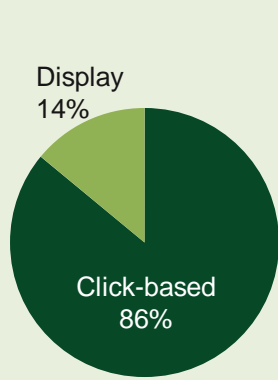
2009

2010

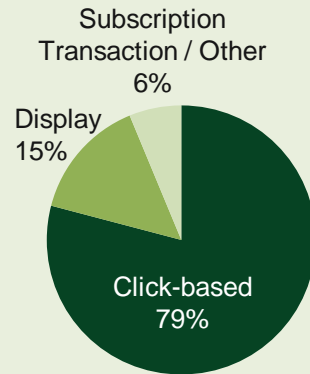
2011

1H 2012

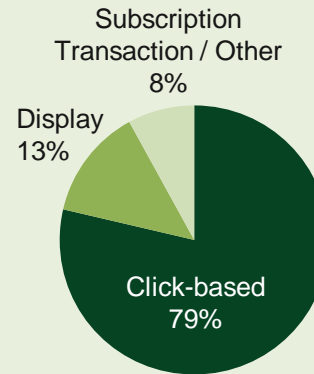
Revenue by product



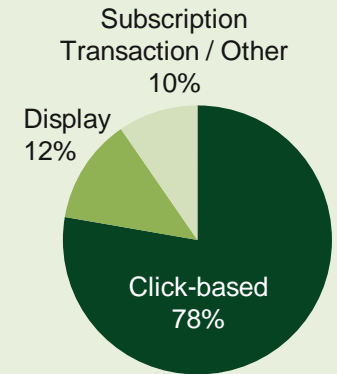
\$352M



\$485M

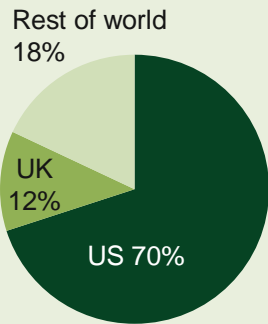


\$637M

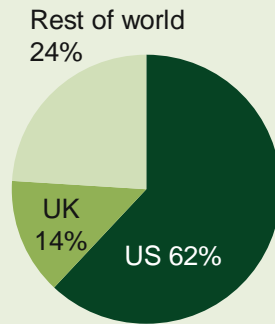


\$380M

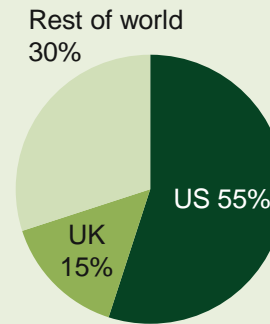
Revenue by geography



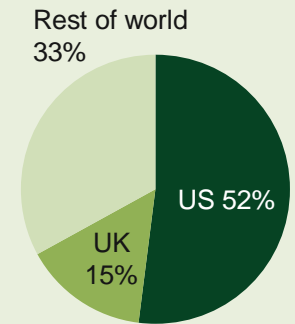
\$352M



\$485M



\$637M



\$380M

Why Invest in TripAdvisor?

Largest travel website in the world

60M monthly uniques⁽¹⁾

Huge and growing market opportunity

\$43B+⁽²⁾ spent on travel advertising each year; ad spend migrating online

Definitive resource for travelers and critical partner for merchants

Over 75M reviews and opinions; over 610,000 accommodations & ~1.1M restaurants & attractions featured

Scale begets powerful network effects

Scale generates a richer experience for all, attracts new consumers and provides great defensibility

Compelling and differentiated business model

Rich user-generated content creates valuable monetization opportunities and efficient cost structure

Profitable and growing

Strong revenue growth; Solid EBITDA & FCF generation

(1) comScore Media Metrix for TripAdvisor Sites, Worldwide, July 2012

(2) IDC, Worldwide New Media Market Model, August 2011

Thank You



Non-GAAP Reconciliations

(in thousands)	FY 2008	FY 2009	2010				FY 2010	2011				FY 2011	2012	
			Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2
Adjusted EBITDA and OIBA Reconciliation														
Adjusted EBITDA (1)	\$ 146,626	\$ 197,219	\$ 67,591	\$ 73,084	\$ 74,332	\$ 45,956	\$ 260,963	\$ 82,007	\$ 92,487	\$ 93,339	\$ 55,085	\$ 322,918	\$ 84,189	\$ 96,921
Depreciation (2)	5,022	9,330	2,589	3,089	3,425	3,768	12,871	4,102	4,514	4,630	5,116	18,362	4,281	4,715
OIBA (3)	\$ 141,604	\$ 187,889	\$ 65,002	\$ 69,995	\$ 70,907	\$ 42,188	\$ 248,092	\$ 77,905	\$ 87,973	\$ 88,709	\$ 49,969	\$ 304,556	\$ 79,908	\$ 92,206
Amortization of intangible assets	11,161	13,806	3,378	2,864	2,577	5,790	14,609	2,117	1,132	2,394	1,880	7,523	1,839	1,760
Stock-based compensation	5,560	5,905	2,167	1,554	1,730	1,732	7,183	2,474	1,968	2,036	10,866	17,344	4,692	6,768
Spin-off costs	-	-	-	-	-	-	-	-	1,054	2,211	3,667	6,932	-	-
GAAP Operating Income	\$ 124,883	\$ 168,178	\$ 59,457	\$ 65,577	\$ 66,600	\$ 34,666	\$ 226,300	\$ 73,314	\$ 83,819	\$ 82,068	\$ 33,556	\$ 272,757	\$ 73,377	\$ 83,678
Other interest income (expense), net	(4,035)	(978)	(78)	(70)	(56)	(37)	(241)	98	217	212	(136)	391	(2,932)	(2,405)
Other, net	(1,738)	(660)	(1,315)	(1,359)	1,634	(604)	(1,644)	965	457	(2,802)	126	(1,254)	696	(4,539)
Income before income taxes	119,110	166,540	58,064	64,148	68,178	34,025	224,415	74,377	84,493	79,478	33,546	271,894	71,141	76,734
Provision for income taxes	46,788	64,325	20,650	24,073	25,239	15,499	85,461	27,006	30,383	25,185	11,529	94,103	22,970	23,569
GAAP Net income	72,322	102,215	37,414	40,075	42,939	18,526	138,954	47,371	54,110	54,293	22,017	177,791	48,171	53,165
GAAP Net (income) loss attributable to noncontrolling interest	49	212	(41)	(13)	(27)	(97)	(178)	(93)	(46)	21	4	(114)	(60)	(146)
GAAP Net income attributable to TripAdvisor, Inc.	\$ 72,371	\$ 102,427	\$ 37,373	\$ 40,062	\$ 42,912	\$ 18,429	\$ 138,776	\$ 47,278	\$ 54,064	\$ 54,314	\$ 22,021	\$ 177,677	\$ 48,111	\$ 53,019