

# Bank of America Merrill Lynch Technology Conference NASDAQ - TRIP

5/9/2012



# 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"). Other factors that could materially affect actual results, levels of activity, performance or achievements can be found in our public filings with the Securities and Exchange Commission, or the SEC, including, without limitation, in TripAdvisor's most recent Form 10-K and Quarterly Reports on Form 10-Q, as well as other documents that may be filed by TripAdvisor from time to time with the SEC. 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.

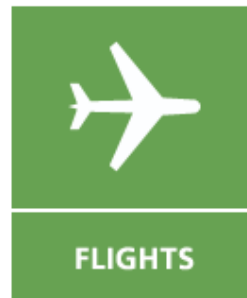
**Non-GAAP Measures.** This presentation also includes discussion of both GAAP and non-GAAP financial measures. Important information regarding TripAdvisor's definition and use of these measures, as well as reconciliations of the non-GAAP financial measure to the most directly comparable GAAP financial 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](http://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.

# Business Overview

# Our Mission

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



# We are the World's Largest Travel Website

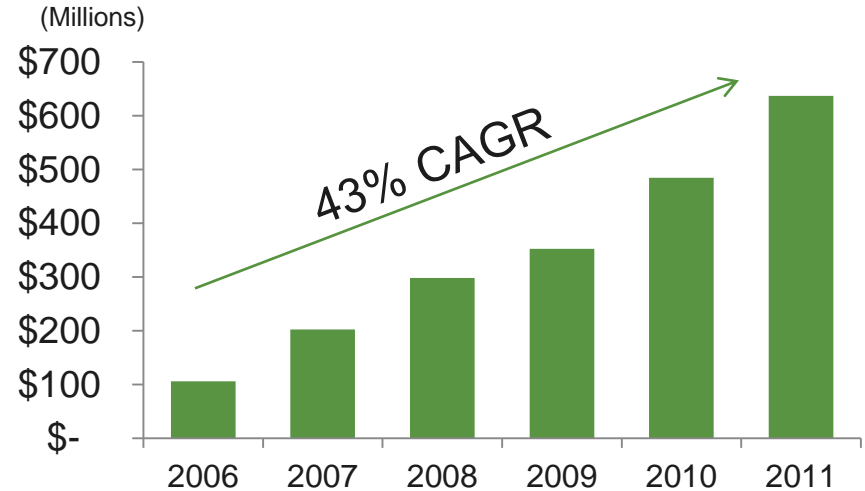
## Key Facts

- Headquartered in Newton, MA
- 30 countries; 21 languages
- > 1,300 employees
- > 570,000 hotels and accommodations
- ~ 1 million restaurants & attractions

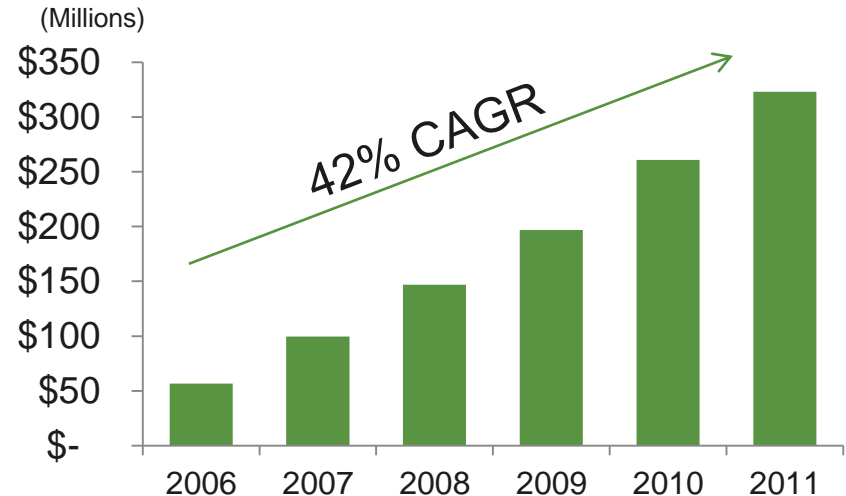
## Site & Content Stats

- > 50 million unique monthly visitors\*
- > 20 million registered members
- > 60 million reviews and opinions
- > 40 contributions per minute run rate

## Revenues



## Adjusted EBITDA



\*comScore Media Metrix for TripAdvisor Sites, Worldwide, Q1 2012 average

# TripAdvisor's Business Model

## Consumer Value

## Business Value

Facebook friend experiences

Candid photos

Tips from friends

Review summary

Room tips

Search filtering

Badges / helpful votes

Detailed reviews

The screenshot displays the TripAdvisor page for The Lenox Hotel in Boston. The page includes a navigation bar with links to Home, Boston, Hotels, Flights, Vacation Rentals, Restaurants, Things to Do, Your Friends, and More. A search bar is located at the top right. The main content area features a map of the hotel location, a list of nearby hotels, and a section for reviews from the community. The reviews section includes a summary of traveler ratings and a list of individual reviews. The page also features a 'Friends' section with a list of friends who have reviewed the hotel and a 'Write a Review' button. The page is annotated with green boxes and arrows pointing to various features, including 'Facebook friend experiences', 'Candid photos', 'Tips from friends', 'Review summary', 'Room tips', 'Search filtering', 'Badges / helpful votes', and 'Detailed reviews'.

Business listing

Display ad / sponsorship

Cost-per-click lead generation

Display ad / sponsorship

# Key 2012 Theme: TripAdvisor Everywhere

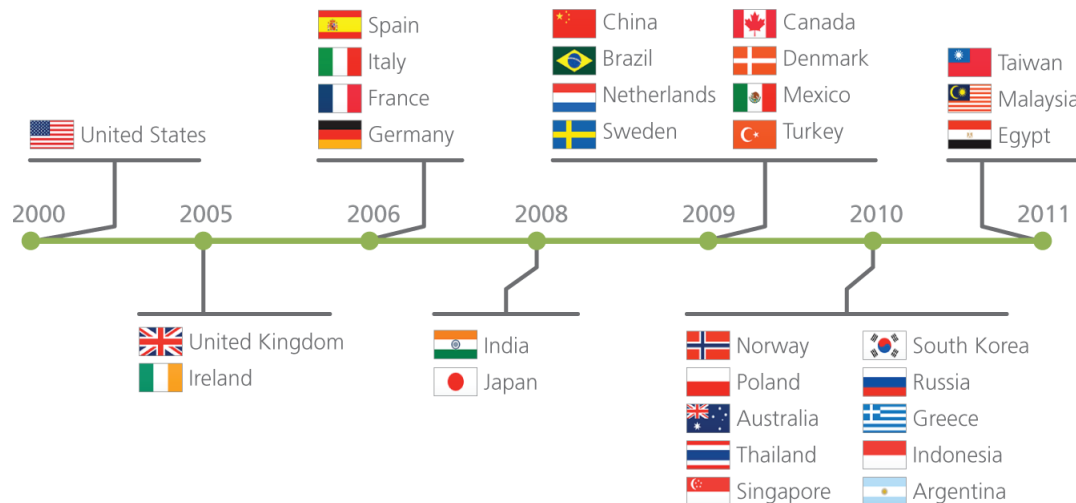


# Global Scale and Robust Travel Platform

## 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





# Brand Reinforcement Everywhere You Want to Travel




TRAVELERS' CHOICE 2012  
BEACH DESTINATIONS

- United States
- World
- United Kingdom
- France

Top 10 Beach Destinations in the United States

1 Saint Pete Beach, Florida





Top hotels for families 2012

SEE THE LIST



FALL IN LOVE.  
The world's most romantic hotels

GET THE LIST

Reviewed on tripadvisor.com



tripadvisor



TRAVELERS' CHOICE 2012

TRIPADVISOR®



2012 WINNER



Reviewed on  
tripadvisor.com

Reviewed on tripadvisor.com



tripadvisor®



tripadvisor®

Reviewed on  
tripadvisor.com

Reviewed on



tripadvisor®

tripadvisor.com

Reviewed on



tripadvisor®

tripadvisor.com

# Content:

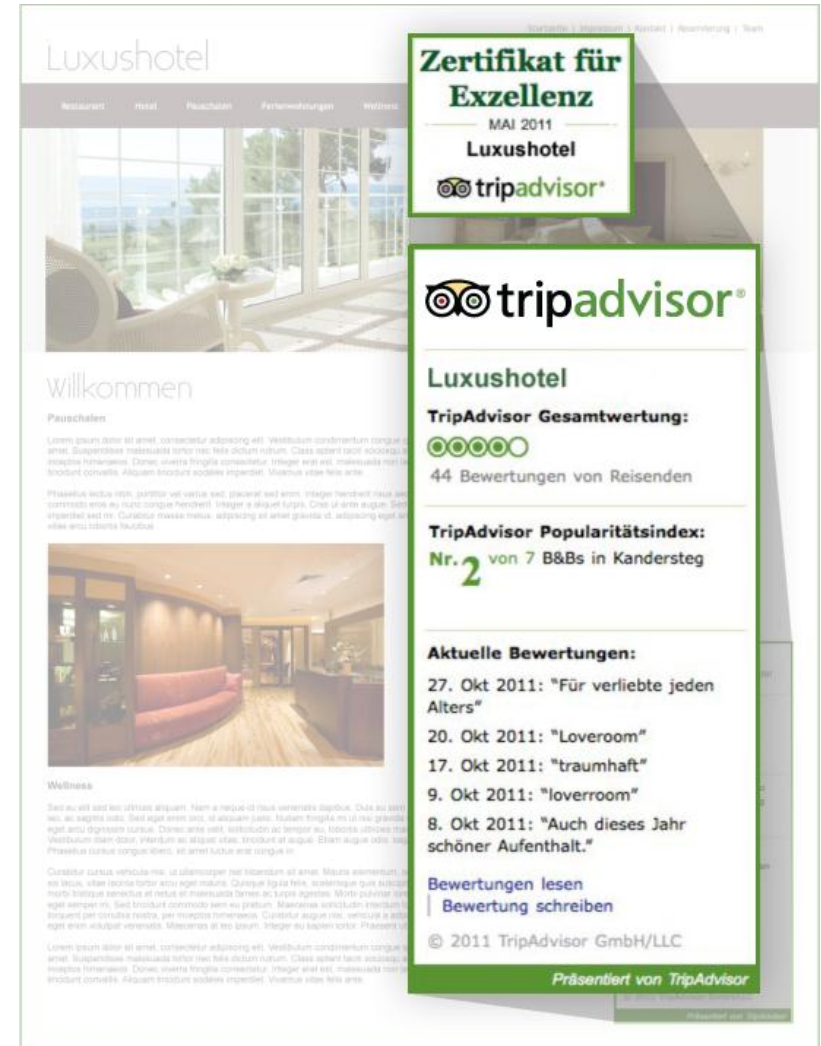
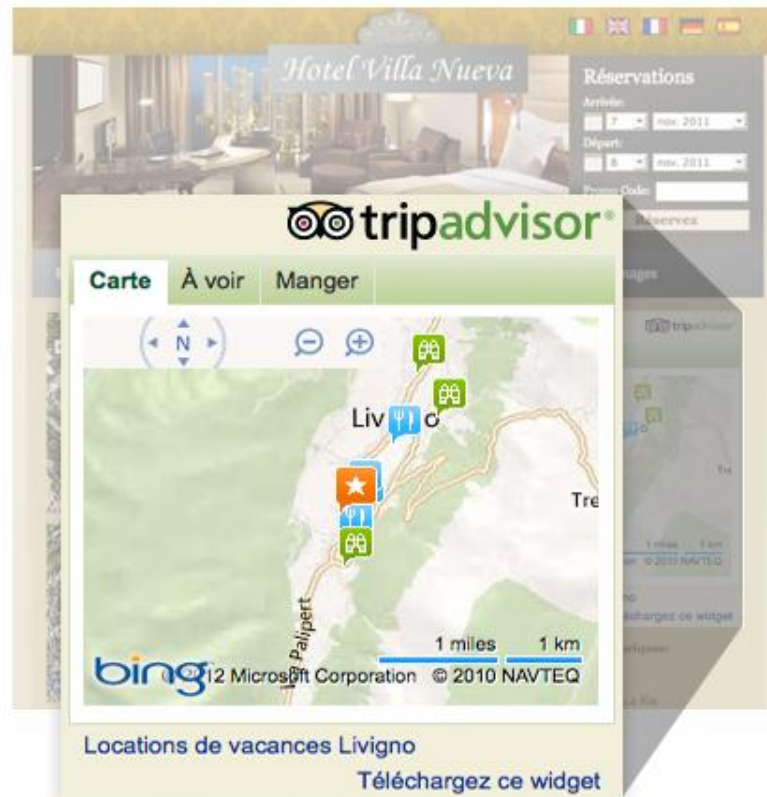
## Wisdom of the crowds

# Adding Rapidly to Our Rich Base of User-Generated Content



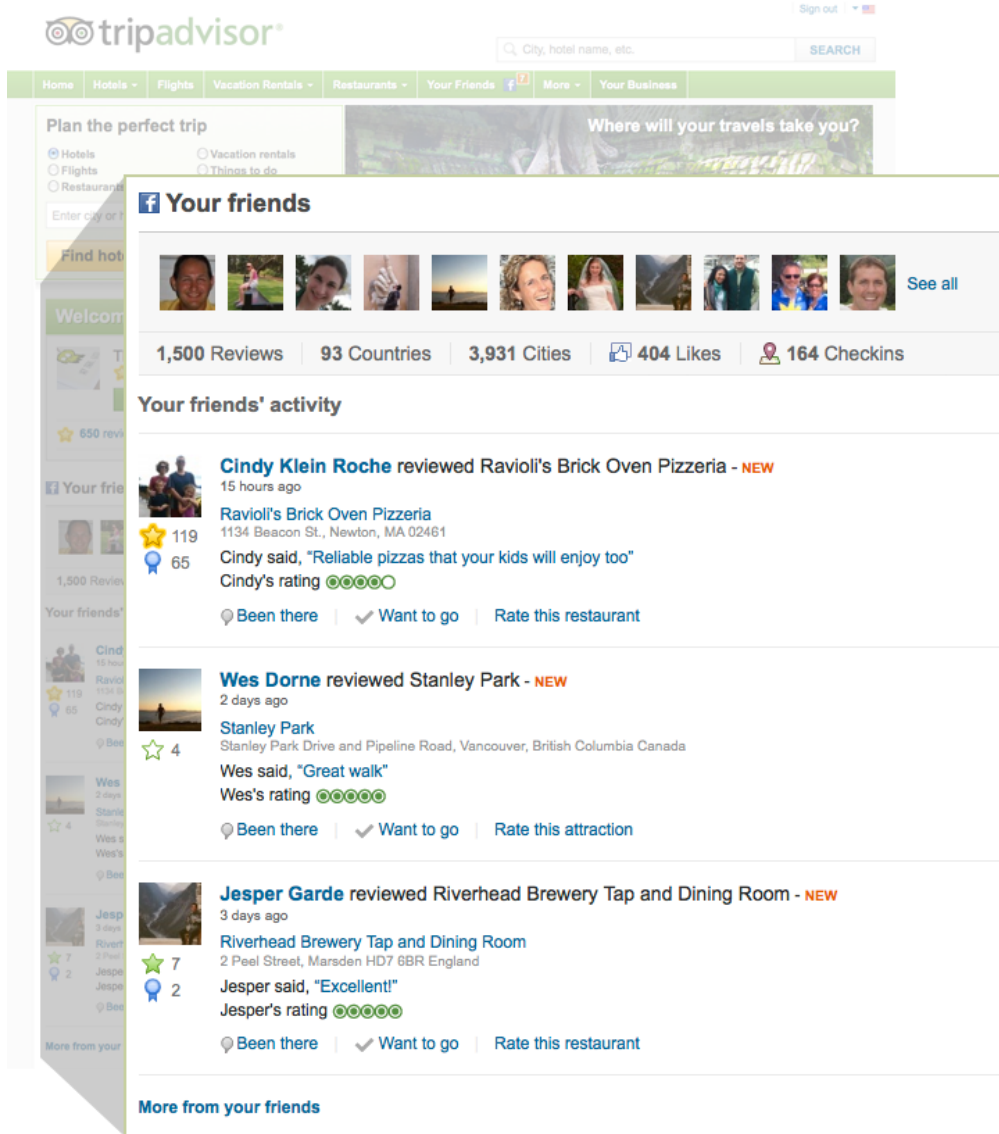
# Content Syndication Effort Reinforces Brand

- >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

# Tight Integration with Facebook's Friend Graph



## Partnership Highlights

- Integrated since 2010
- Nearly 120M instantly personalized a/o Q1 2012
- 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

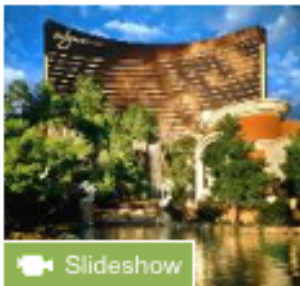
## Wynn Las Vegas



**\$149 - \$788\***

Travelers' Choice® 2012 Winner **Luxury**

Special offer **Limited Opportunity**



Slideshow

**Show Prices**

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

**4,069 reviews**

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

"Excelent

Professio



emme**se**2010



**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"**



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:  
Put the power of TripAdvisor  
in the palm of your hands

# Mobile Extends Powerful TripAdvisor Platform and Expands Reach

- Available in 20 languages
- 17m downloads; 21m monthly uniques<sup>^</sup>
- 25 downloads per minute<sup>^</sup> run rate in Q1
- Pages views up 250% y/y
- >1.3m downloads of City Guides<sup>^</sup>
- Find & contact hotels
- Find & reserve restaurants
- Find & book attractions and tours
- Find flights
- Write reviews & participate in travel forums



#2 most downloaded travel app in 2011\*

\* 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

<sup>^</sup> TripAdvisor log files average for Q1 2012

# Other Key Areas of Investment

## Business Listings

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

### Hotel 41



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



- >570,000 accommodations in our database
- Leverage worldwide traffic growth
- Easy cost-effective means to hit target audience
- ~1 million restaurants & attractions that could benefit from listing on TripAdvisor

## Vacation Rentals



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



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

## China



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



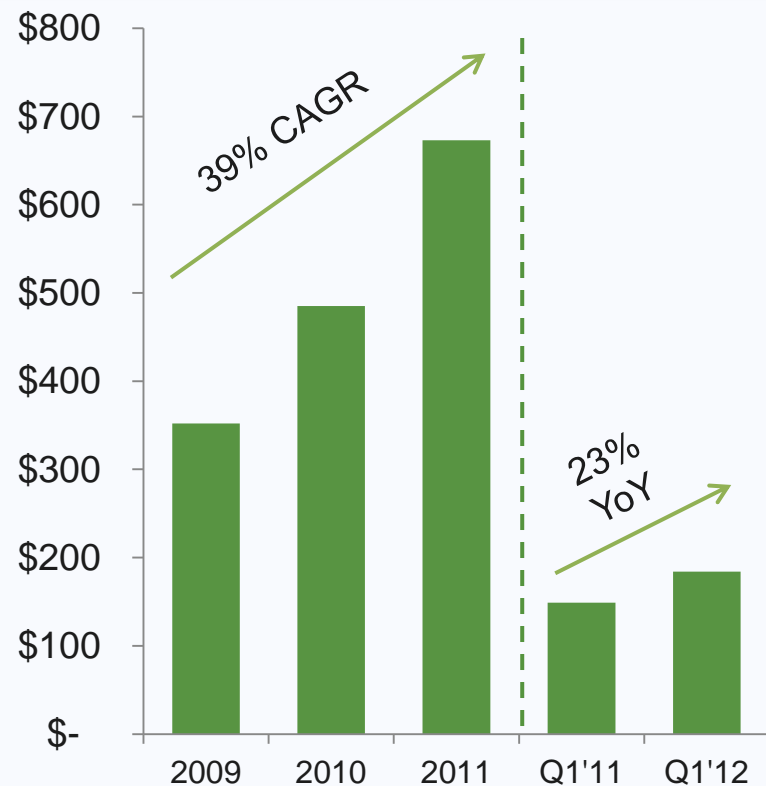
(1) Radius Global Market Research, Market Sizing Study, Nov 2011

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

# Financial Overview

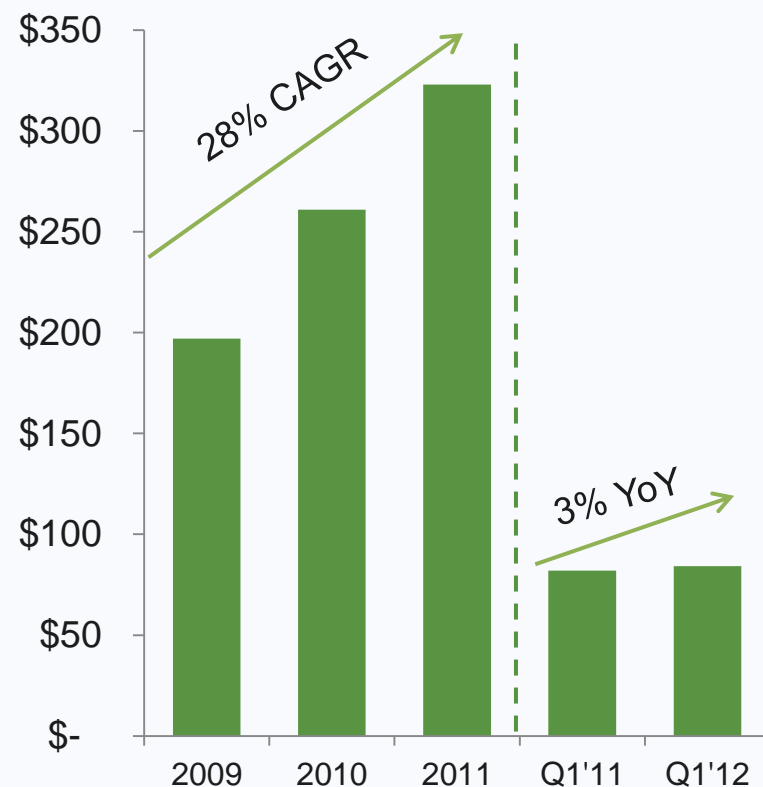
# Track Record of Profitable Growth

Revenue<sup>(1)</sup> (\$M)



y/y growth	18%	38%	31%	31%	23%
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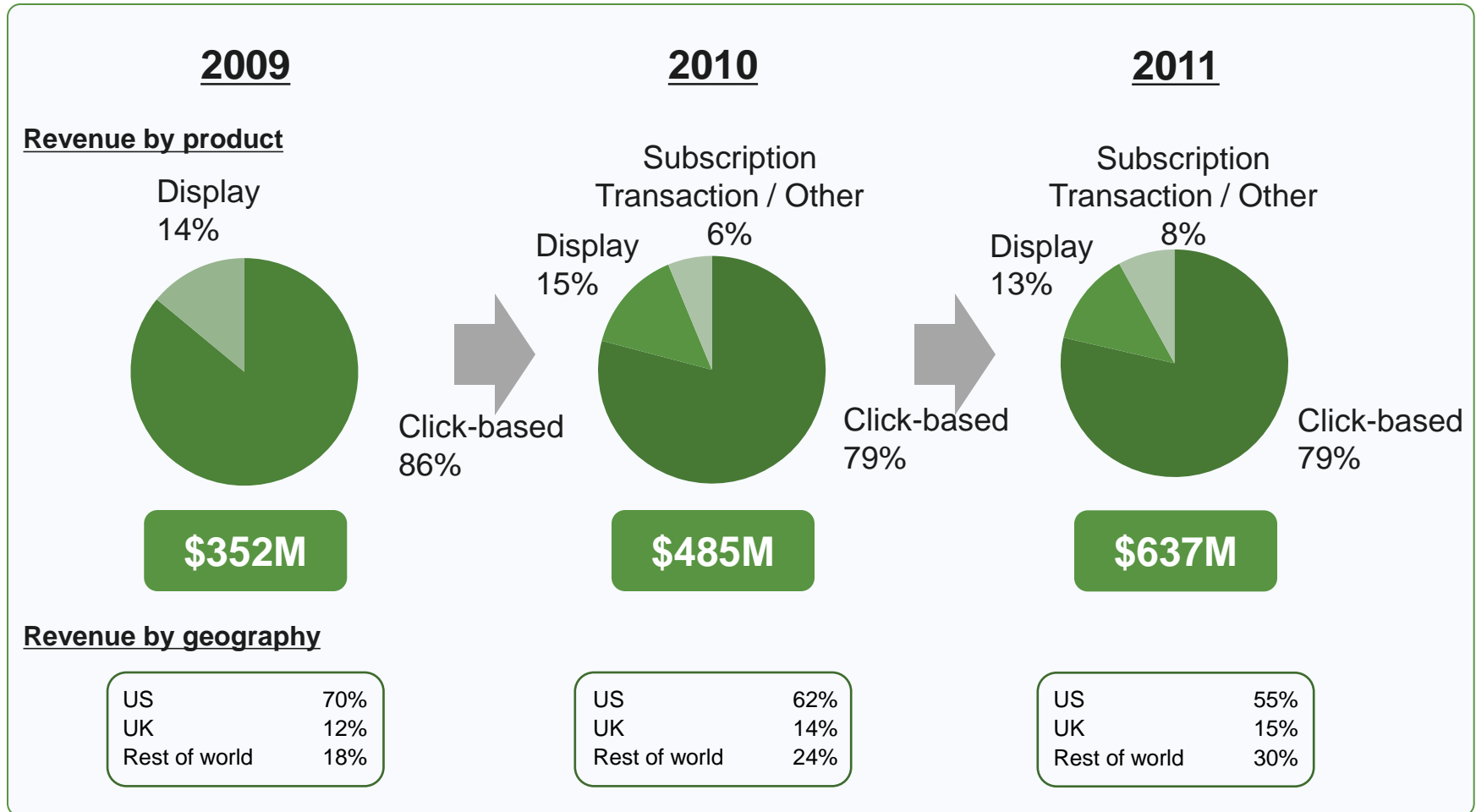
Adjusted EBITDA<sup>(1)</sup> (\$M)



Adj. EBITDA Margin	56%	54%	51%	55%	46%
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<sup>(1)</sup> Reflects TripAdvisor Holdings, LLC Combined Results 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. 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

# Continued Revenue Diversification by Product & Geography



Note: Reflects segment data as disclosed in Expedia 10-K and 10-Q filings. Includes Expedia intersegment revenue and does not adjust for separation.

# Strong Balance Sheet to Support Growth Investments

Over \$600 million in cash and credit available on the Balance Sheet - today

**Credit Facility  
\$200 million**

**Cash from  
Warrant Exercises  
as of May 4, 2012  
\$213 million**

**Cash &  
Marketable  
Securities  
\$208.6m as of  
March 31, 2012**



# Why Invest in TripAdvisor?

## ✓ Largest travel website in the world

- *51M monthly uniques<sup>(1)</sup>*

## ✓ Huge and growing market opportunity

- *\$43B+<sup>(2)</sup> spent on travel advertising each year; ad spend migrating online*

## ✓ Definitive resource for travelers and critical partner for merchants

- *Over 60M reviews and opinions; over 570,000 accommodations & ~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*

<sup>(1)</sup> comScore, January 2012

<sup>(2)</sup> IDC, Worldwide New Media Market Model, August 2011

Thank You

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# Non-GAAP Reconciliations

(in thousands)			2010						2011						2012
	FY 2008	FY 2009	Q1	Q2	Q3	Q4	FY 2010	Q1	Q2	Q3	Q4	FY 2011	Q1		
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		
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		
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		
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		
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		
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		
Related-party interest income (expense), net	(4,035)	(978)	(78)	(70)	(56)	(37)	(241)	98	217	212	(136)	391	(2,932)		
Other, net	(1,738)	(660)	(1,315)	(1,359)	1,634	(604)	(1,644)	965	457	(2,802)	126	(1,254)	696		
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		
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		
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		
GAAP Net (income) loss attributable to noncontrolling interest	49	212	(41)	(13)	(27)	(97)	(178)	(93)	(46)	21	4	(114)	(60)		
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		