

# Investor Presentation (NASDAQ: TRIP)

Q2 2013



# 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 fourth 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.

# Our Mission



Home



Stay



Eat



See



Fly



Discuss



Save



More



Current Location



**Help travelers around  
the world plan and have  
the perfect trip**

# Business Overview

# We are the World's Largest Travel Website

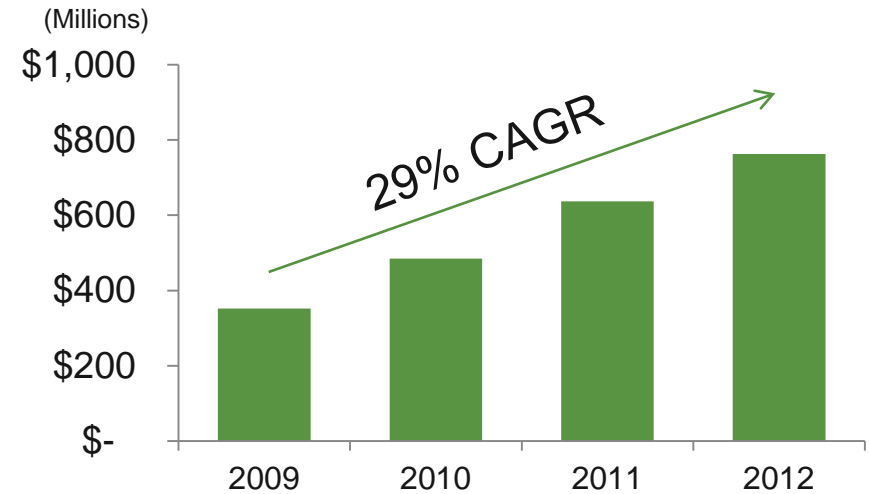
## Key Facts

- Headquartered in Newton, MA
- **30** countries; **21** languages
- **725K+** hotels & accommodation pages
- **1.3M+** restaurant & **300K** attraction pages
- Valuable lead source to OTAs & hoteliers

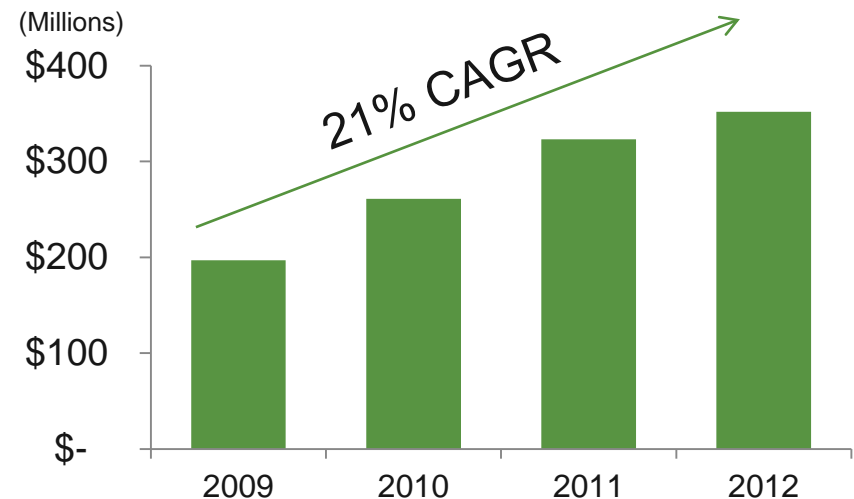
## Site & Content Stats

- **220M+** unique monthly visitors\*
- **53M+** registered emailable members
- **100M+** user-generated reviews & opinions
- **70+** traveler contributions per minute

## Revenues



## Adjusted EBITDA



\*Google Analytics, worldwide data, March 2013

# We Address All Phases of the Travel Cycle



# Valuable Platform for Travelers and Advertisers

## Consumer Value

## Business Value

Facebook friend experiences at the property

Popularity ranking; ratings summary; latest review

Candid traveler photos

Review summary & rating histogram; room tips

Search filtering

Reviewer profile: photo, badges & helpful votes

Detailed reviews

The screenshot shows the TripAdvisor page for the Palace Hotel in San Francisco. Key elements include:

- Header:** TripAdvisor logo, search bar, and navigation menu.
- Hotel Info:** "Palace Hotel" with a 4.5-star rating, address, and phone number.
- Booking Section:** A table of booking options from various providers:
 

Booking.com	\$45 taxes & fees	\$284*	Featured
Travelocity	\$39 taxes & fees	\$262*	
bookit.com	\$43 taxes & fees	\$293*	
LuxuryCollection	\$262*		
getaroom.com	\$246*		10 more sites
- Review Summary:** "1,267 reviews from our community" with a rating histogram showing categories like Excellent (512), Very good (447), Average (181), Poor (78), and Terrible (45).
- Reviews:** A list of reviews, including one from Adam Medros titled "Beautiful hotel, but overrated" and another from Barbara Messing titled "Very nice and good location, but nothing special given the price".
- Related Hotels:** A list of nearby hotels with their ratings and prices, such as W San Francisco (\$257) and Grand Hyatt San Francisco (\$292).
- Map:** A map showing the hotel's location in San Francisco.

Business Listing

Cost-per-click lead generation

Personalization

Display ad / sponsorship

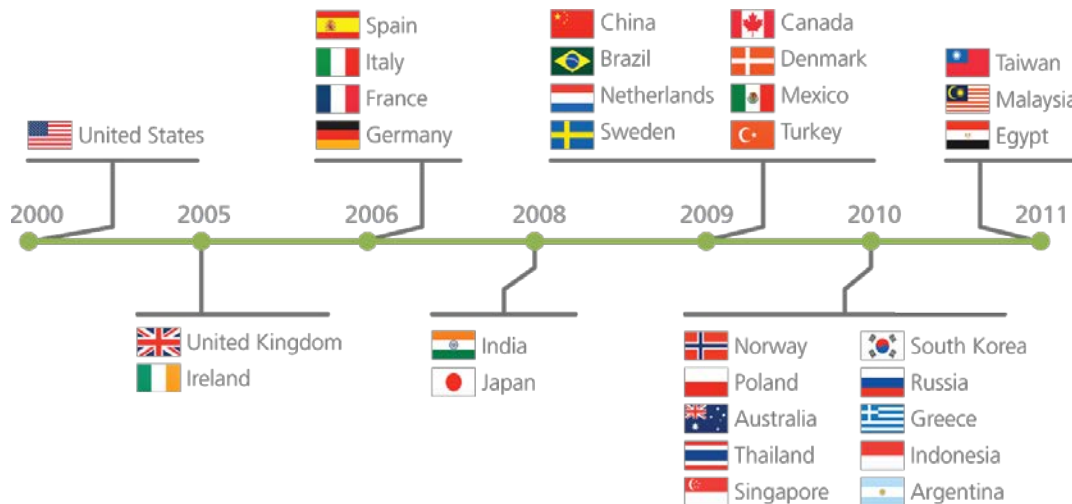


# Global Scale and Robust Travel Platform

Significant Global Reach: 75% of Traffic from International IP



30 countries in 21 languages



Travel-Specific Brand Portfolio

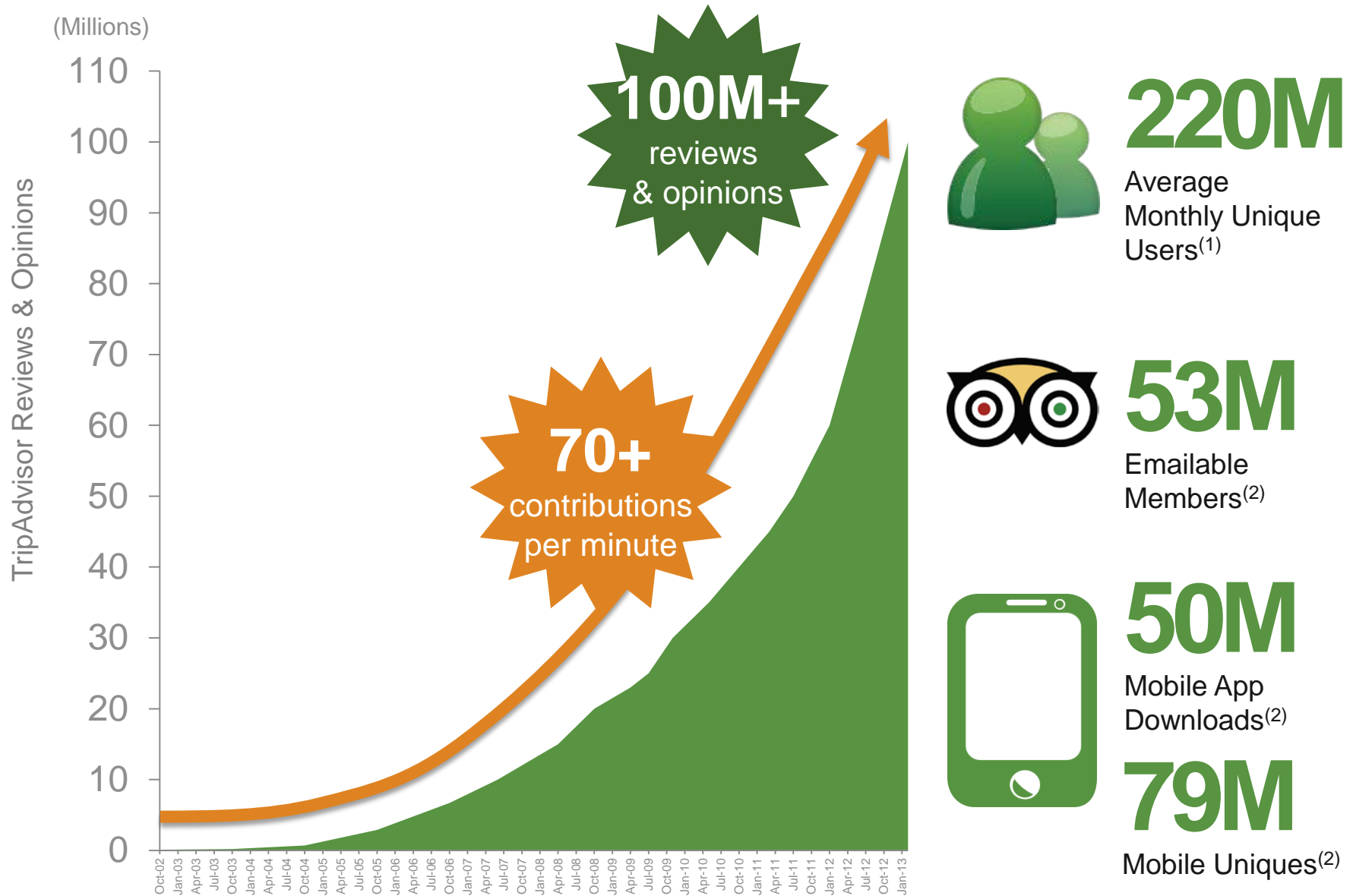


Key Objective: Grow Traffic Funnel

- Brand marketing (Syndication, CRM, offline)
- Direct navigation
- Organic search (SEO)
- Paid search (SEM)
- Partners / Referrals



# Community, Content and Mobile Growing Quickly



(1) Google Analytics, worldwide data, June 2013

(2) TripAdvisor log files, June 30, 2012. App downloads of TripAdvisor, City Guides, SeatGuru, Jetsetter and SeatGuru measured on a cumulative basis. Mobile uniques includes tablet and phone and is measured on an average monthly basis

# Say No to Pop-Ups! New Metasearch on Hotel Listings Pages

Home > Asia > Singapore > Singapore > Singapore Hotels

## Singapore Hotels

Hotels (249)

B&B and Inns (34)

Specialty Lodging (130)

Vacation Rentals (5)



All Hotels (249)



Best Value (27)



Luxury (77)



Family (75)



Business (74)



Romantic (19)

Sun, Aug 4

Sun, Aug 18

Clear dates Show unavailable

Price

Traveler rating

Neighborhood

More



Go to map view

249 of 285 hotels shown

Sorted by Ranking

### The Forest by Wangz ★★★★★

Travelers' Choice® 2013 Winner Best Service | Top

Offers & Announcements 15% off room rate



Ranked #1 of 285 hotels in Singapore

102 reviews

"Excellent." 06/23/2013

"Wonderful Stay" 06/22/2013

Professional photos | Traveler photos (38) | Map

\$197

per night\*  
Lowest price



Expedia.com

\$251\*

Booking.com

\$252\*

AsiaRooms.com

\$197\*

See all 8

### Special offers in Singapore



Orchard Hotel Singapore

927 Reviews

25% off rm, 20% off dining



Madras Hotel

33 Reviews

More Discounts



Hotel Nostalgia Pte Ltd

111 Reviews

Exclusive Deals

View all Special Offers in Singapore

### Raffles Hotel Singapore ★★★★★

Travelers' Choice® 2013 Winner Luxury | Best Service | Top

Special Offer 25% Off Rise & Shine

\$515

per night\*  
Lowest price



Agoda.com

\$623\*

### Top picks in Singapore

# ...and on Hotel Review Pages!



Sign in with Facebook | Sign in | Register Now! | FREE Mobile App

Copacabana Palace Hotel by Orient-Express, Rio de Janeiro, Brazil

City, hotel name, etc. **SEARCH**

Home | Rio de Jane... | Hotels | Flights | Vacation Rentals | Restaurants | Things to Do | Best of 2013 | Your Friends | More | Write a Review

Home > South America > Brazil > State of Rio de Janeiro (RJ) > Rio de Janeiro > Rio de Janeiro Hotels > Copacabana Palace Hotel by Orient-Express

## Copacabana Palace Hotel by Orient-Express

All 199 Rio de Janeiro hotels

Avenida Atlantica 1702, Rio de Janeiro, State of Rio de Janeiro 22021, Brazil

Hotel website | Hotel deals | 011 55 21 2548-7070 | Hotel amenities

Offers & Announcements **Book now and save 20%**



Professional photos



399 traveler photos

	Check-in	Check-out	
	Sun, Jul 7	Sat, Jul 13	
Booking.com	\$23 taxes & fees	<b>\$465*</b> Featured	
Expedia	\$76 taxes & fees	<b>\$474*</b>	
Cheap Tickets	\$66 taxes & fees	<b>\$421*</b>	
LHW.com	\$418*	Jetsetter.com \$474*	
Otels.com	\$500*	8 more sites	

\*Prices as shown are provided by partners for one room, double occupancy and do not include taxes and fees. Please see our partners for full details.

**85%** Ranked #1 of 199 hotels in Rio de Janeiro  
706 Reviews  
Travelers' Choice® 2013 Winner  
Luxury | Top

57

Like

Related hotels...



# Mobile is a Powerful, Fast-growing, Platform Extension

20

Languages

50M

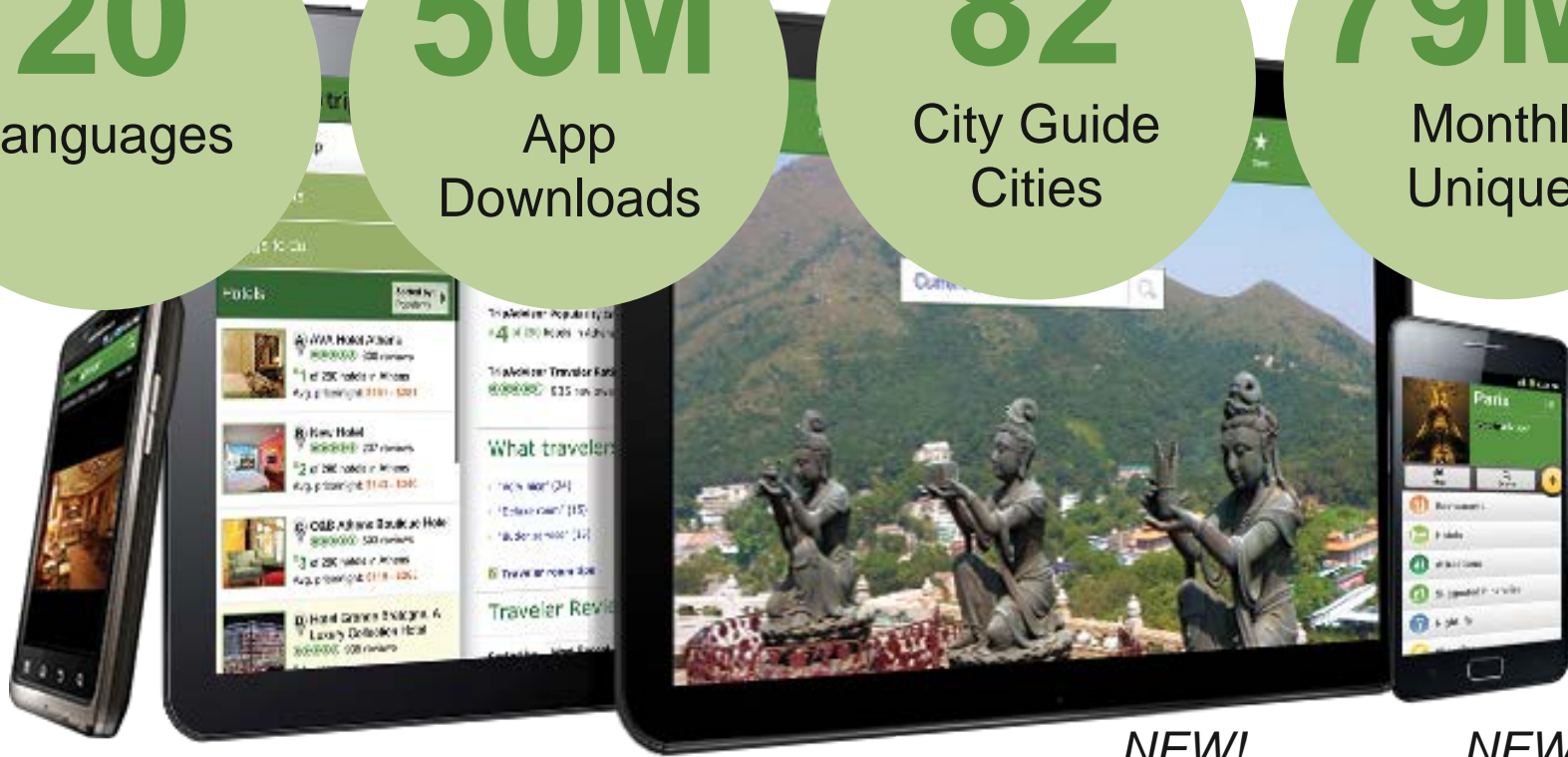
App Downloads

82

City Guide Cities

79M\*

Monthly Uniques



*NEW!*

*NEW!*

\* Average monthly unique users on mobile devices for Q2 2013, according to TripAdvisor log files

# Social: Driving Increased Awareness, Members & Engagement

## Boston Hotels

The screenshot displays the TripAdvisor interface for Boston hotels. At the top, there are filters for 'Hotels (77)', 'B&B and Inns (46)', 'Specialty Lodging (14)', and 'Vacation Rentals (143)'. Below these are icons for various amenities like glasses, a piggy bank, a family, a briefcase, a diamond, a heart, and a leaf. A social activity banner shows: 'Ruane Fisher Sardelli, Melissa Zeller, and 9 other friends have stayed in Boston. See where they've stayed...'. Below this, a map shows the location of Boston Harbor Hotel. A yellow banner reads 'Now showing your friends first'. Below this, a list of social activity includes: 'Abbey Yang reviewed Boston Harbor Hotel "Beautiful and Lux Old World Hotel" (5 stars)', 'Sarah Pellegrini is friends with a reviewer of Boston Harbor Hotel', and 'Melissa Zeller, Christine Rivieccio, and 1 other friend stayed at Boston Harbor Hotel'. The main listing for 'Boston Harbor Hotel' shows it is ranked #2 of 77 hotels in Boston with 745 reviews and a 4.5-star rating. It includes a 'Price Your Stay' button and a 'Top picks in Boston' section with 'Hotel Commonwealth' and 'Boston Harbor Hotel'. A 'Friends' activity nearby' section shows 'Fenway Park' and 'House of Blues Boston' with '+9' activity indicators. At the bottom, the 'Seaport Boston Hotel' is listed as ranked #6 of 77 hotels in Boston with 1,069 reviews and a 4.5-star rating.







+



- Launched Cities I've Visited in **2007**;
- Instant Personalization partner since **2010**;
- Launched Friend-of-a-friend in **2012**
- Building TripAdvisor Brand:
  - Reached #1 Facebook app ranking in Dec 2012
  - 35% of new reviews are from Facebook-connected users
  - 1B+ Open Graph actions & 2B+ travel "pins" collected

# 1H13 Acquisitions

	Acquisition	Date	Purpose
 <b>TINY POST</b>	TinyPost	March 2013	Social, Mobile
<b>JETSETTER</b>	Jetsetter	April 2013	Flash Sale, Mobile
 <b>cruisewise</b>	CruiseWise	May 2013	Cruise
 <b>Niumba</b>	Niumba	May 2013	Vacation Rentals, International
 <b>GateGuru®</b>	GateGuru	June 2013	Flights, Mobile

# 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 725K+ hotels & accommodations in our database
- Easy, cost-effective means for hoteliers to market to target global travel audience
- Worldwide traffic growth drives enhanced product value
- Enhanced exposure through special offers, announcements and mobile upgrade
- Untapped opportunity with 1.3M+ restaurants & attractions on TripAdvisor

## Vacation Rentals



- \$85B vacation rental market in 2010 and growing<sup>(1)</sup>; Highly fragmented and inefficient market
- 300K+ property listings and growing
- Leverage fast-growing global travel audience; Contextual cross-sell enhances user experience; Online payment capability
- Complement & extend TripAdvisor's leading online travel platform



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



## International / 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

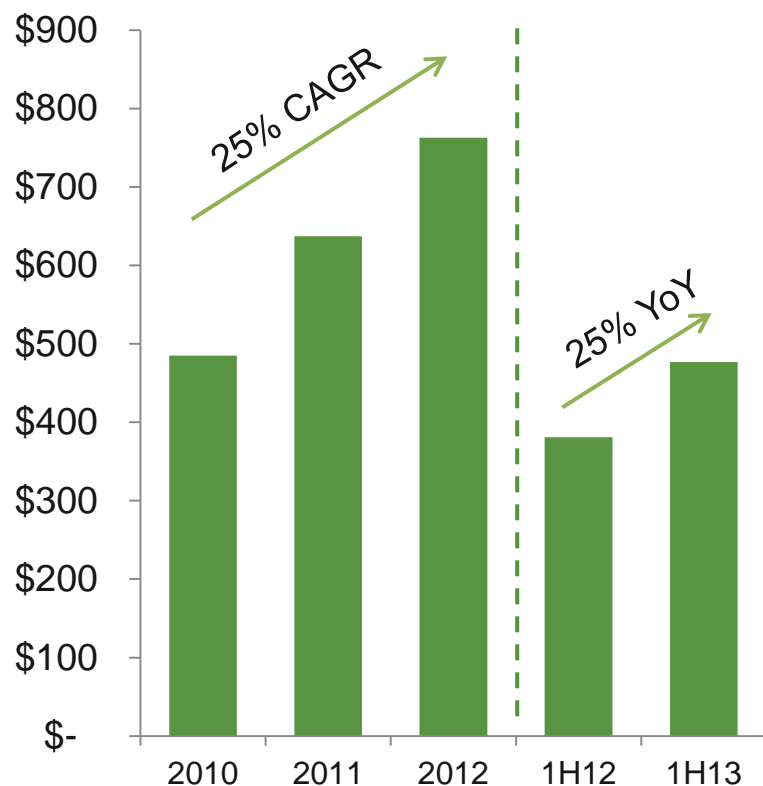
(2) Boston Consulting Group, The Internet's New Billion: Digital Consumers in Brazil, Russia, India, China and Indonesia, Sept 2010



# Financial Overview

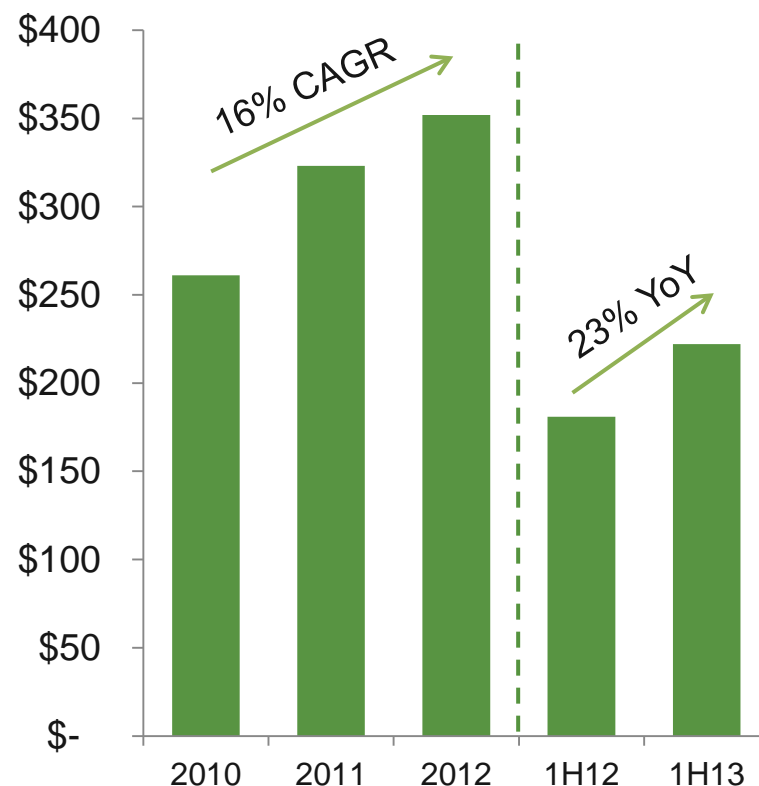
# Financial Overview: Track Record of Profitable Growth

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



YoY growth	2010	2011	2012	1H12	1H13
	38%	31%	20%	19%	25%

## Adjusted EBITDA<sup>(2)</sup> (\$M)



Adj. EBITDA Margin	2010	2011	2012	1H12	1H13
	54%	51%	46%	48%	47%

(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

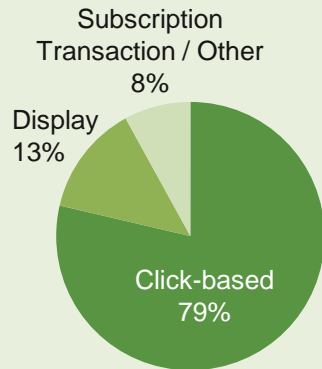
# Steady Revenue Diversification

2011

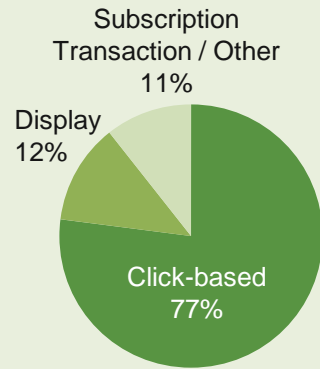
2012

1H13

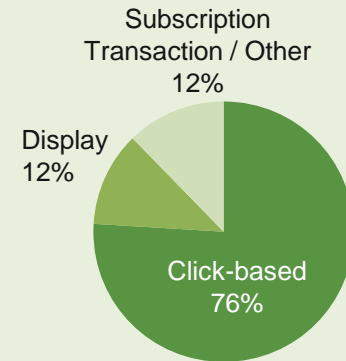
## Revenue by product



\$637M

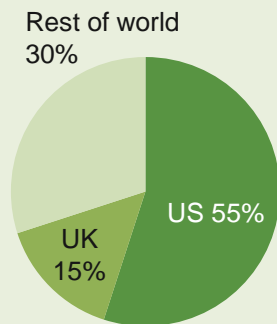


\$763M

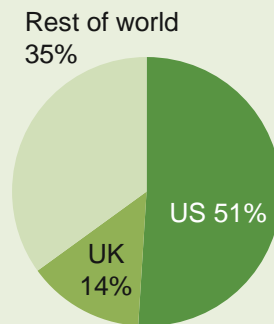


\$477M

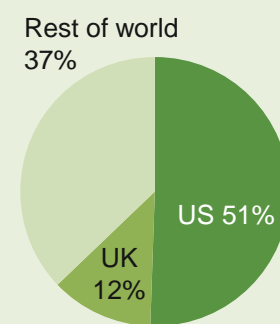
## Revenue by geography



\$637M



\$763M



\$477M

# Why Invest in TripAdvisor?

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## Largest travel website in the world

220M monthly unique users<sup>(1)</sup>

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## Huge and growing market opportunity

Global travel industry gross bookings to exceed \$1.1T in 2013<sup>(2)</sup>; \$43B+<sup>(3)</sup> spent on travel advertising each year; ad spend migrating online

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## Definitive resource for travelers and critical partner for merchants

Eclipsed over 100M reviews and opinions on more than 725,000 accommodations & 1.3M+ restaurants & attractions

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## Scale begets powerful network effects

Global scale generates a richer experience for travelers and advertisers

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## Compelling and differentiated business model

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

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## Profitable and growing

Strong revenue growth; Solid EBITDA & FCF generation

(1) Google Analytics, worldwide data, June 2013

(2) PhoCusWright Online Travel Overviews

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

# Thank You



# Non-GAAP Reconciliations

(in thousands)	FY 2008	FY 2009	FY 2010	FY 2011	2012				FY 2012	2013		1H 2013
					Q1	Q2	Q3	Q4		Q1	Q2	
<b>Adjusted EBITDA and OIBA Reconciliation</b>												
Adjusted EBITDA (1)	\$ 146,626	\$ 197,219	\$ 260,963	\$ 322,918	\$ 84,189	\$ 96,921	\$ 107,059	\$ 64,305	\$ 352,474	\$ 109,347	\$ 112,832	\$ 222,179
Depreciation (2)	5,022	9,330	12,871	18,362	4,281	4,715	5,037	5,933	19,966	6,324	6,876	13,200
OIBA (3)	\$ 141,604	\$ 187,889	\$ 248,092	\$ 304,556	\$ 79,908	\$ 92,206	\$ 102,022	\$ 58,372	\$ 332,508	\$ 103,023	\$ 105,956	\$ 208,979
Amortization of intangible assets	11,161	13,806	14,609	7,523	1,839	1,760	1,310	1,201	6,110	1,109	1,630	2,739
Stock-based compensation	5,560	5,905	7,183	17,344	4,692	6,768	8,463	10,179	30,102	13,611	10,208	23,819
Spin-off costs	-	-	-	6,932	-	-	-	-	-	-	-	-
GAAP Operating Income	\$ 124,883	\$ 168,178	\$ 226,300	\$ 272,757	\$ 73,377	\$ 83,678	\$ 92,249	\$ 46,992	\$ 296,296	\$ 88,303	\$ 94,118	\$ 182,421
Other interest income (expense), net	(4,035)	(978)	(241)	391	(2,932)	(2,405)	(2,806)	(2,728)	(10,871)	(2,406)	(2,066)	(4,472)
Other, net	(1,738)	(660)	(1,644)	(1,254)	696	(4,539)	1,367	(974)	(3,450)	(1,461)	(2,150)	(3,611)
Income before income taxes	119,110	166,540	224,415	271,894	71,141	76,734	90,810	43,290	281,975	84,436	89,902	174,338
Provision for income taxes	46,788	64,325	85,461	94,103	22,970	23,569	31,275	9,573	87,387	22,137	22,914	45,051
GAAP Net income	72,322	102,215	138,954	177,791	48,171	53,165	59,535	33,717	194,588	62,299	66,988	129,287
GAAP Net (income) loss attributable to noncontrolling interest	49	212	(178)	(114)	(60)	(146)	(175)	(138)	(519)	-	-	-
GAAP Net income attributable to TripAdvisor, Inc.	\$ 72,371	\$ 102,427	\$ 138,776	\$ 177,677	\$ 48,111	\$ 53,019	\$ 59,360	\$ 33,579	\$ 194,069	\$ 62,299	\$ 66,988	\$ 129,287
<b>Non-GAAP Net income Reconciliation</b>												
Non-GAAP Net income	\$ 82,524	\$ 114,525	\$ 152,269	\$ 204,732	\$ 52,533	\$ 58,928	\$ 65,767	\$ 41,311	\$ 223,296	\$ 73,074	\$ 75,677	\$ 148,860
Stock-based compensation	5,560	5,905	7,183	17,344	4,692	6,768	8,463	10,179	30,102	13,611	10,208	23,819
Amortization of intangible assets	\$ 11,161	\$ 13,806	\$ 14,609	\$ 7,523	\$ 1,839	\$ 1,760	\$ 1,310	\$ 1,201	\$ 6,110	\$ 1,109	\$ 1,630	\$ 2,739
Spin-off costs	-	-	-	6,932	-	-	-	-	-	-	-	-
Income tax effect of non-GAAP adjustments (4)	6,568	7,613	8,299	4,744	2,109	2,619	3,366	3,648	6,985	3,945	3,149	6,985
GAAP Net income attributable to TripAdvisor, Inc.	\$ 72,371	\$ 102,427	\$ 138,776	\$ 177,677	\$ 48,111	\$ 53,019	\$ 59,360	\$ 33,579	\$ 194,069	\$ 62,299	\$ 66,988	\$ 129,287
<b>Non-GAAP Share Count Reconciliation</b>												
Non-GAAP Diluted Shares Outstanding (MM)	133,461,019	133,461,019	133,461,019	135,488,014	136,804,727	142,335,533	144,217,771	144,147,787	145,777,414	145,067,403	146,487,424	145,777,414
Additional restricted stock units	-	-	-	622,845	647,052	598,639	560,786	333,936	617,689	412,163	823,214	617,689
GAAP Diluted Shares Outstanding (MM)	133,461,019	133,461,019	133,461,019	134,865,169	136,157,675	141,736,894	143,656,985	143,813,851	145,159,725	144,655,240	145,664,210	145,159,725
<b>Non-GAAP Earnings Per Share</b>												
Diluted Non-GAAP EPS	\$ 0.62	\$ 0.86	\$ 1.14	\$ 1.51	\$ 0.38	\$ 0.41	\$ 0.46	\$ 0.29	\$ 1.54	\$ 0.50	\$ 0.52	\$ 1.02
<b>Revenue growth ex-Foreign Exchange Reconciliation</b>												
Non-GAAP Revenue growth	-	-	-	-	-	19%	22%	24%	-	24%	25%	25%
Foreign exchange impact	-	-	-	-	-	-3%	-4%	-1%	-	1%	0%	1%
GAAP Revenue growth	-	-	-	-	-	16%	18%	23%	-	25%	25%	25%

(1) Adjusted EBITDA is defined as net income (loss) plus: (i) provision for income taxes; (ii) other (income) expense, net; (iii) depreciation of property and equipment, including internal use software and website development; (iv) amortization of intangible assets; (v) stock-based compensation; and (vi) non-recurring expenses.

(2) Includes internal use software and website development.

(3) Our primary operating metric prior to the Spin-Off for evaluating operating performance was Operating Income Before Amortization ("OIBA"), as reported on our Form S-4 filed on November 1, 2011. OIBA is defined as Operating income plus: (1) amortization of intangible assets and any related impairment; (2) stock-based compensation expense; and (3) non-recurring expenses incurred to effect the Spin-Off during the year ended December 31, 2011. This operating metric is no longer being used by our management to measure operating performance and is only being shown above to illustrate the financial impact given that we have converted to a new operating metric post Spin-Off.

(4) Represents the reduction in the income tax benefit recorded for all periods presented based on our effective tax rate, adjusted for non-GAAP items.