

Investor Presentation (NASDAQ: TRIP)

Q4 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 fourth 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



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

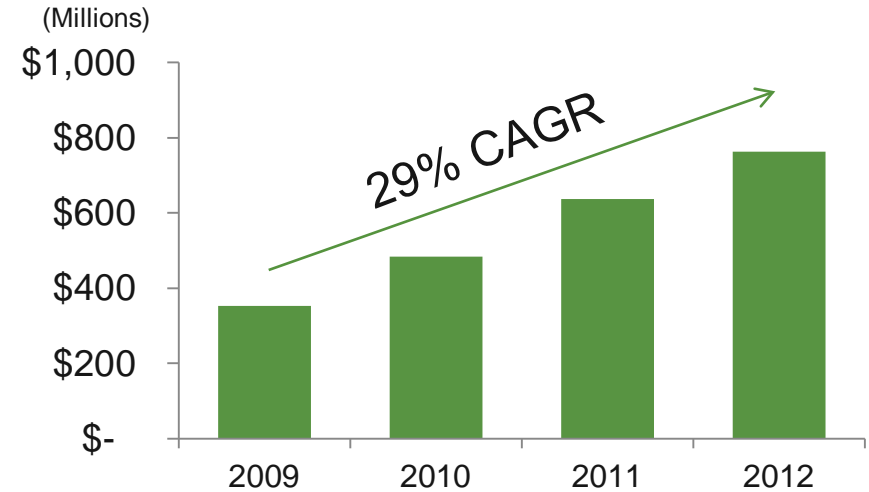
Key Facts

- Headquartered in Newton, MA
- **30** countries; **21** languages
- **670K+** hotels & accommodation pages
- **1M+** restaurant & **250K** attraction pages
- Valuable lead source to OTAs & hoteliers

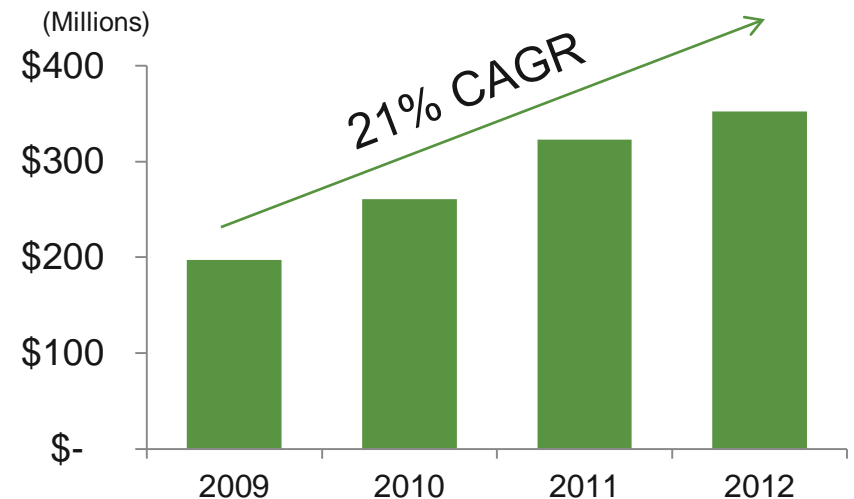
Site & Content Stats

- **60M+** unique monthly visitors*
- **44M+** registered emailable members
- **75M+** user-generated reviews & opinions
- **60+** traveler contributions per minute

Revenues



Adjusted EBITDA



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

We Address All Phases of the Travel Cycle



Valuable Platform for Travelers and Marketers

Consumer Value

Business Value

Facebook friend experiences at the property

Candid traveler photos

Review summary
Room tips

Search filtering

Reviewer badges & helpful votes

Detailed reviews

Facebook friend ratings, check-ins

The screenshot shows the TripAdvisor page for The Lenox Hotel in Boston. Key features highlighted include:

- Facebook friend experiences:** A box highlights a notification: "Steve Sarro, Jay Briedis, Cindy Klein Roche and 2 other friends have been here. See their rating..."
- Candid traveler photos:** A box highlights a photo of the hotel building at night.
- Review summary:** A box highlights the "1,680 reviews from our community" section, including a traveler rating bar chart and a "See reviews for" table.
- Search filtering:** A box highlights the "1,680 reviews sorted by Friends first" dropdown menu.
- Reviewer badges & helpful votes:** A box highlights a reviewer's profile with a "3 reviews" badge and a "1 helpful vote" badge.
- Detailed reviews:** A box highlights a full review text: "We spent two night's at the Lenox. It is an incredibly welcoming environment with the entire staff, front desk, doormen, maids, etc. highly motivated in creating a warm and relaxing ambiance. We stayed in a junior suite, which is a single corner room with two queen beds overlooking downtown Boston."
- Facebook friend ratings, check-ins:** A box highlights a notification: "Zoe Wakefield, Corie Mieth, Sara Baldwin and 3 other people are friends with this reviewer"

Personalization

Business Listing

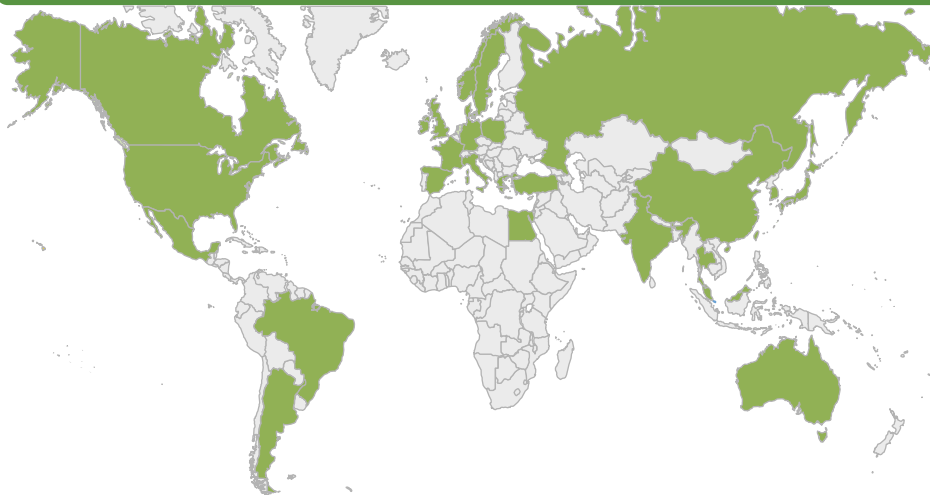
Cost-per-click lead generation

Display ad / sponsorship

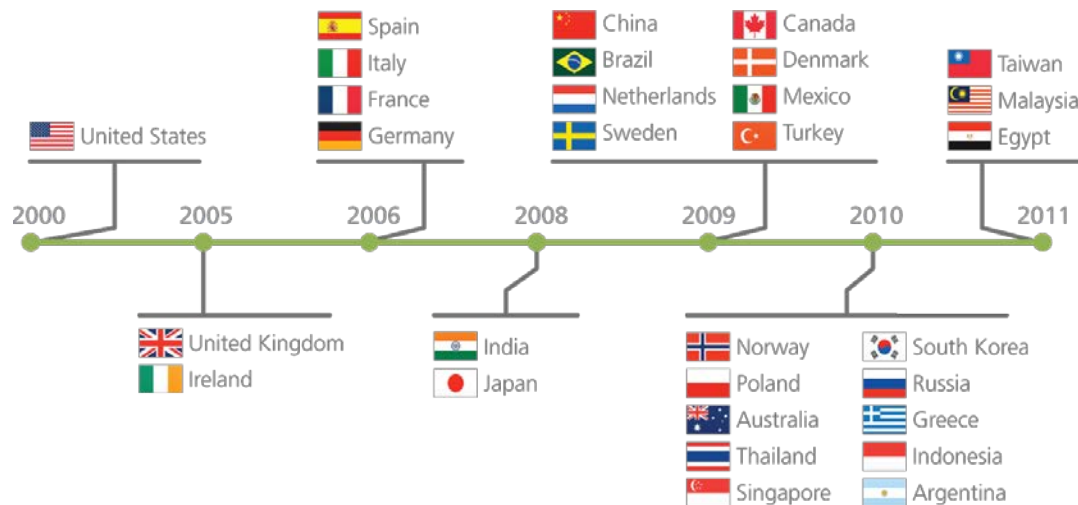
Key 2013 Theme:
TripAdvisor Everywhere

Global Scale and Robust Travel Platform

Significant Global Reach: 75% of Traffic from International IP



30 countries in 21 languages



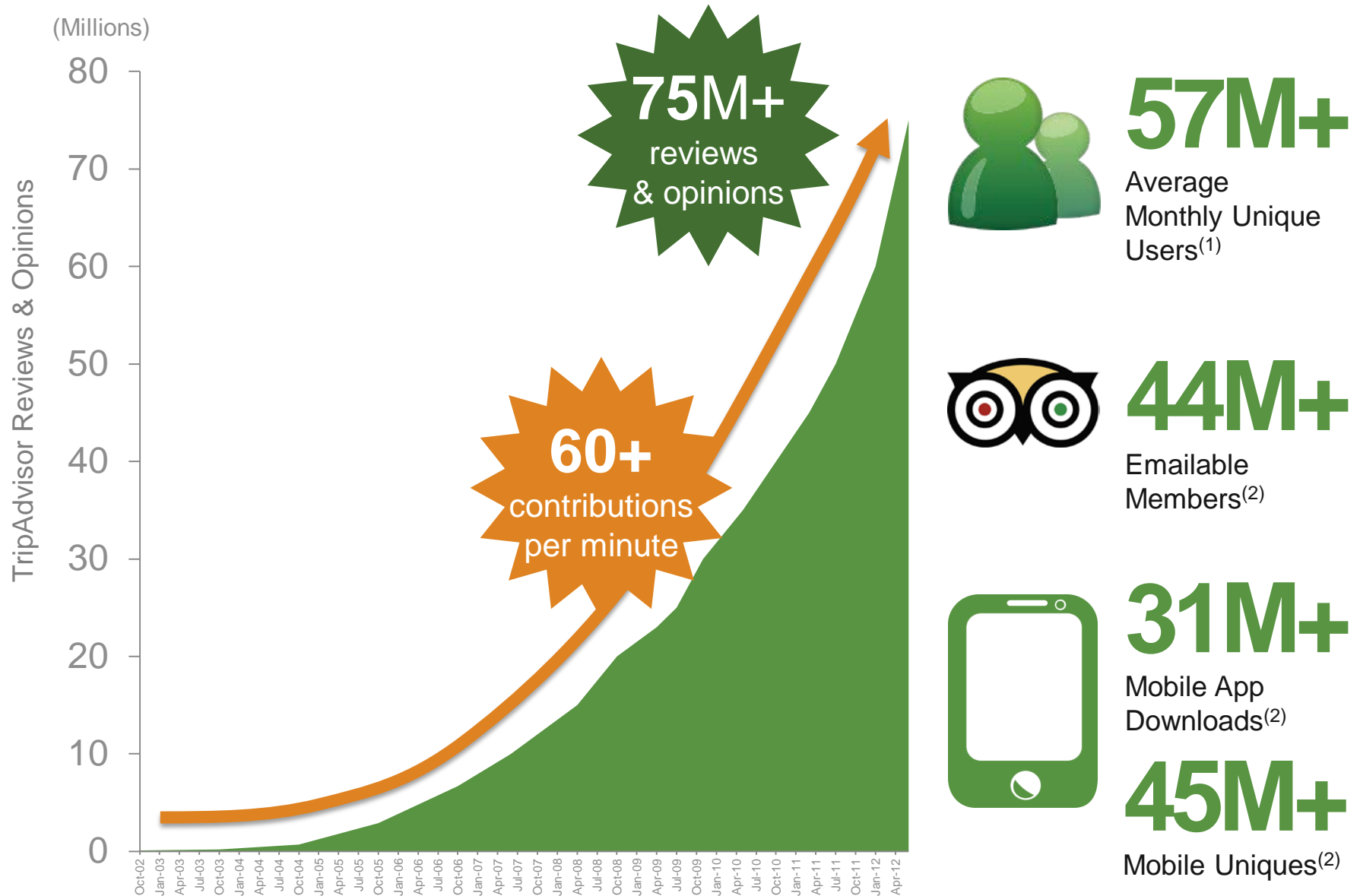
Travel-Specific Brand Portfolio



Key Objective: Grow Traffic Funnel

- Brand marketing
- Direct navigation
- Organic search (SEO)
- Paid search (SEM)
- Partners / Referrals

Community, Content and Mobile Growing Quickly



(1) Average comScore Media Metrix for TripAdvisor Sites, Worldwide, Q3 2012

(2) TripAdvisor log files, December 31, 2012. App downloads of TripAdvisor, City Guides and SeatGuru measured on a cumulative basis. Mobile uniques includes tablet and phone and is measured on an average monthly basis

Premiere Brand That's Visible Where You Want to Travel

The screenshot shows the TripAdvisor homepage. At the top, the TripAdvisor logo is on the left, and navigation links for 'Sharing On', 'Your Business & Account', and 'Sign out' are on the right. Below the logo is the tagline 'Best Beaches, Family Vacations, Hotels & Destinations'. A search bar contains the text 'City, hotel name, etc.' and a 'SEARCH' button. A green navigation bar includes links for 'Home', 'Hotels', 'Flights', 'Vacation Rentals', 'Restaurants', 'Best of 2013', 'Your Friends', 'More', and 'Your Business'. The main content area features a 'TRAVELERS' CHOICE' badge with the text 'Chosen by millions of travelers'. Below this is a '2013 award winners' section with a list of categories: 'Hotels', 'Hotels for romance', 'Hotels for families', 'Destinations', 'Beach destinations', 'Wine destinations', 'Destinations on the rise', and 'Restaurants'. A large banner for 'Best hotels 2013' shows a resort poolside scene. At the bottom, there's a section 'Inspire your next adventure' with four image thumbnails: 'Best hotels', 'Best beaches', 'Favorite restaurants', and 'Best hotels for roma'. A large, semi-transparent award badge is overlaid on the bottom right of the screenshot.



A certificate of excellence from TripAdvisor. At the top is the TripAdvisor logo. Below it, the text reads: 'THIS IS TO CERTIFY THAT' followed by 'Argos in Cappadocia' in a bold, black, serif font. A horizontal line separates this from the next section: 'HAS ACHIEVED A TRIPADVISOR RATING OF'. Below this is a row of five green circles, each with a white center, representing a 5-star rating. The text continues: 'BY ITS GUESTS AND THEREFORE HAS BEEN AWARDED A' followed by 'CERTIFICATE OF EXCELLENCE' in a large, bold, black, serif font, and 'FOR THE YEAR 2012' in a smaller, black, serif font. At the bottom, there's a green box containing the text 'Certificate of Excellence' in a white, sans-serif font, and another green box containing '2012 WINNER' in a white, bold, sans-serif font. The TripAdvisor logo is at the very bottom. The entire certificate is framed by a green border.

Recently Announced our Largest Travelers' Choice Campaign Ever

 **tripadvisor**.co.uk

Sign out 

City, hotel name, etc.

SEARCH

Best Beaches, Family Holidays, Hotels & Destinations

Home Hotels Flights Holiday Rentals Restaurants Best of 2013 Your Friends  More Your Business



TRAVELLERS' CHOICE®

Chosen by millions of travellers

2013 award winners

[Hotels](#)

2012 award winners

[Hotels for romance](#)

[Hotels for families](#)

[Destinations](#)

[Beach destinations](#)

[Wine destinations](#)

[Destinations on the rise](#)

[Restaurants](#)



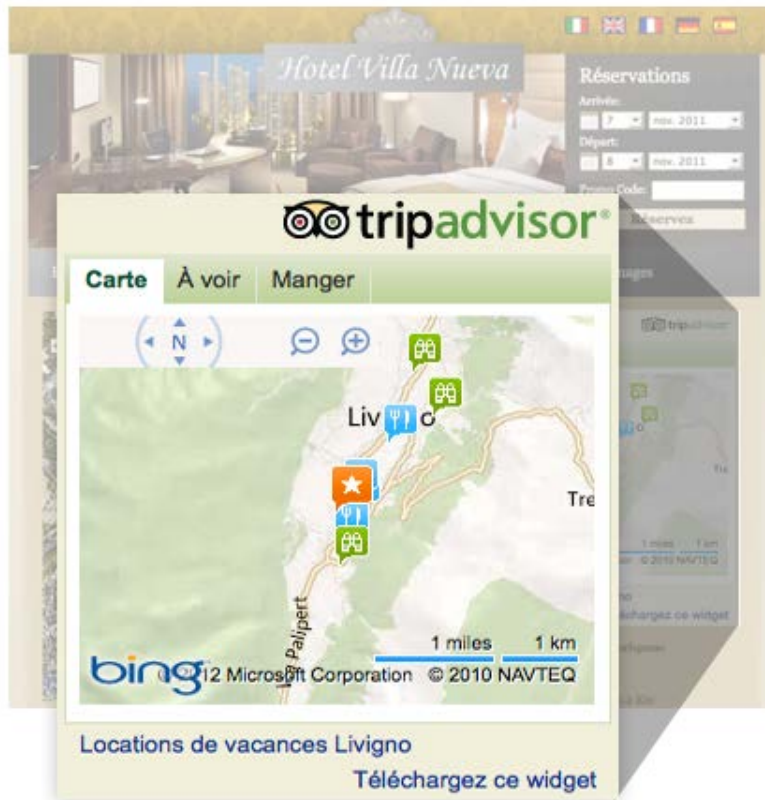
Favourite restaurants 2012

La Tour d'Argent, Paris

Inspire your next adventure

Content Syndication Reinforces Brand

- Nearly **600** content syndication partners
- **70K+** sites show TripAdvisor reviews, ratings and widgets
- **300M+** travelers see TripAdvisor content every month



Social:
Building Virality Through the Wisdom of
Friends

Social: Driving Increased Awareness, Members & Engagement



+



Corie Mieth and 3 other people are friends with reviewers of Fairmont Battery Wharf

Fairmont Battery Wharf ★★★★★

\$234 and up *

Special Offer Triple Upgrade Offer



Ranked #14 of 75 hotels in Boston

419 reviews

"Great Hotel in Great Waterfront Locati..." 02/01/2013

"American Trip" 01/30/2013

Professional photos | Traveler photos (222) | Map

Price Your Stay



thehankster
Hollywood, Florida

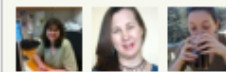
Senior Contributor

★ 30 reviews

16 hotel reviews

Reviews in 21 cities

51 helpful votes



Zoe Wakefield, Corie Mieth, Sara Baldwin and 3 other people are friends with this reviewer

Friend of a friend's review

"Exquisite service"

Reviewed May 7, 2011

I travel to Boston frequently and have stayed at a number of downtown hotels, and every stay has been a pretty good experience. Decided to try the Lenox on my last trip, though, and I was absolutely blown away by the service. Everyone on the staff, from the doormen to the front desk to the concierge to the staff at...

More ▾

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

Mobile:
Travel Research in the Palm of Your Hand

Mobile: Powerful, Fast-growing, Platform Extension

20

Languages

31M

App Downloads

80

City Guide Cities

45M*

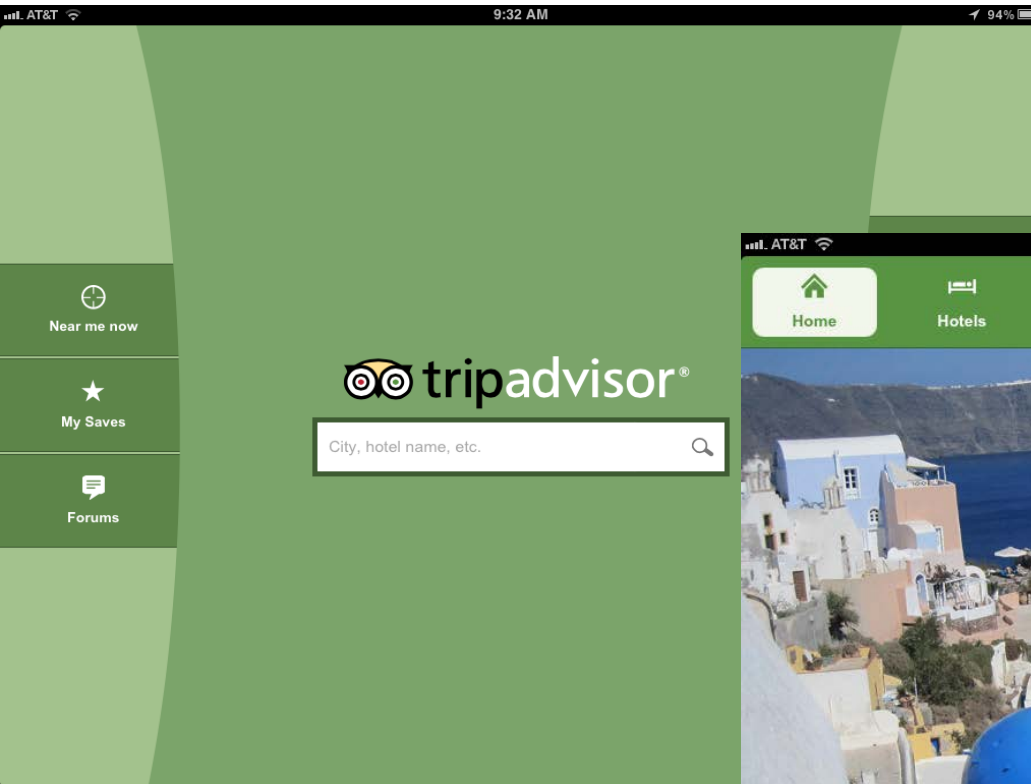
Monthly Uniques



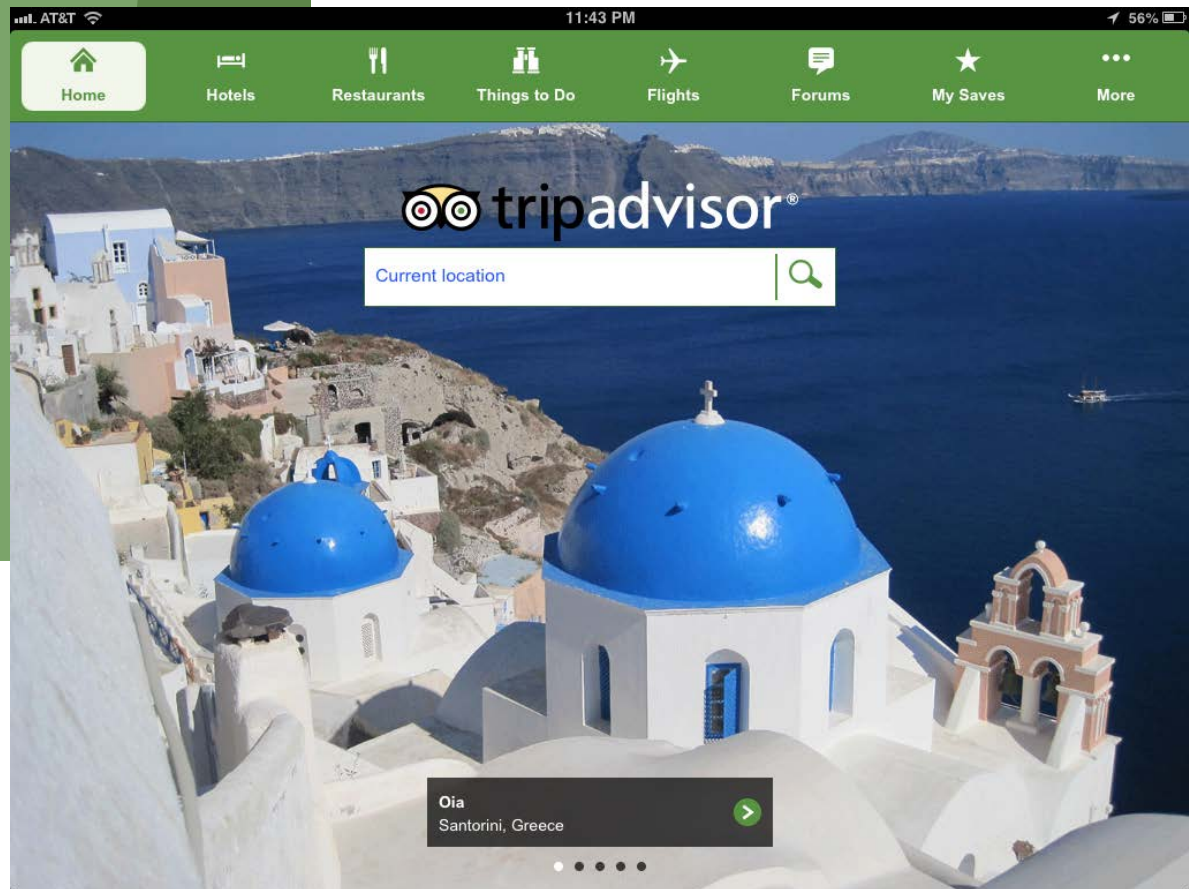
* Average monthly unique users on mobile devices for Q4 2012, according to TripAdvisor log files

We're Improving our Tablet Experience...

One year ago

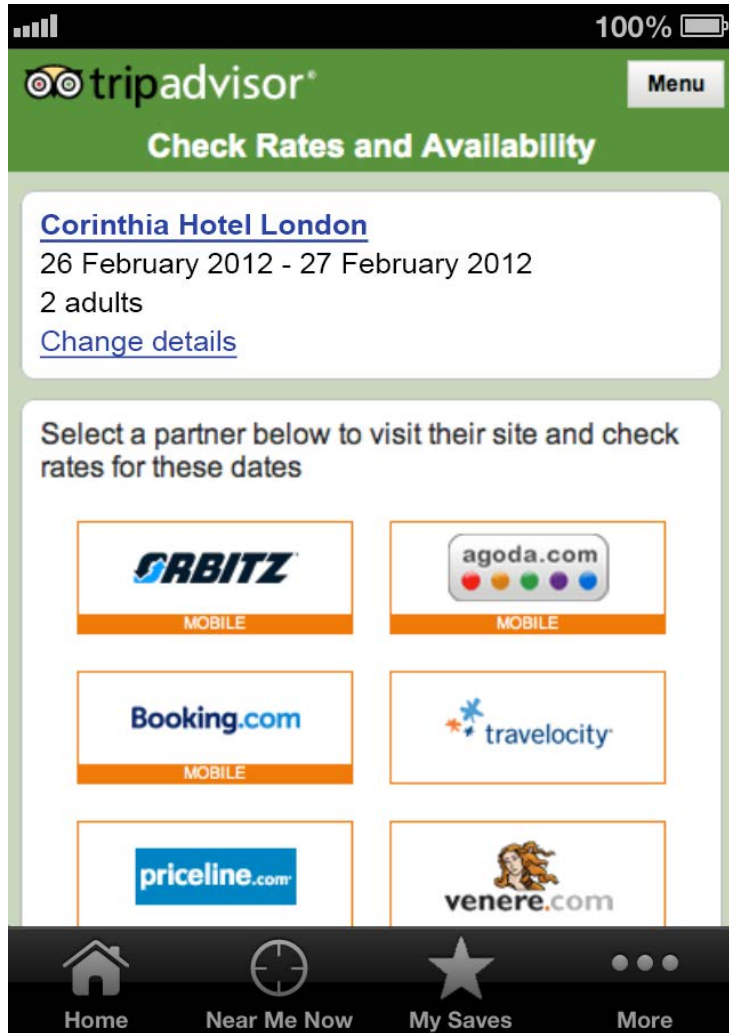


Today

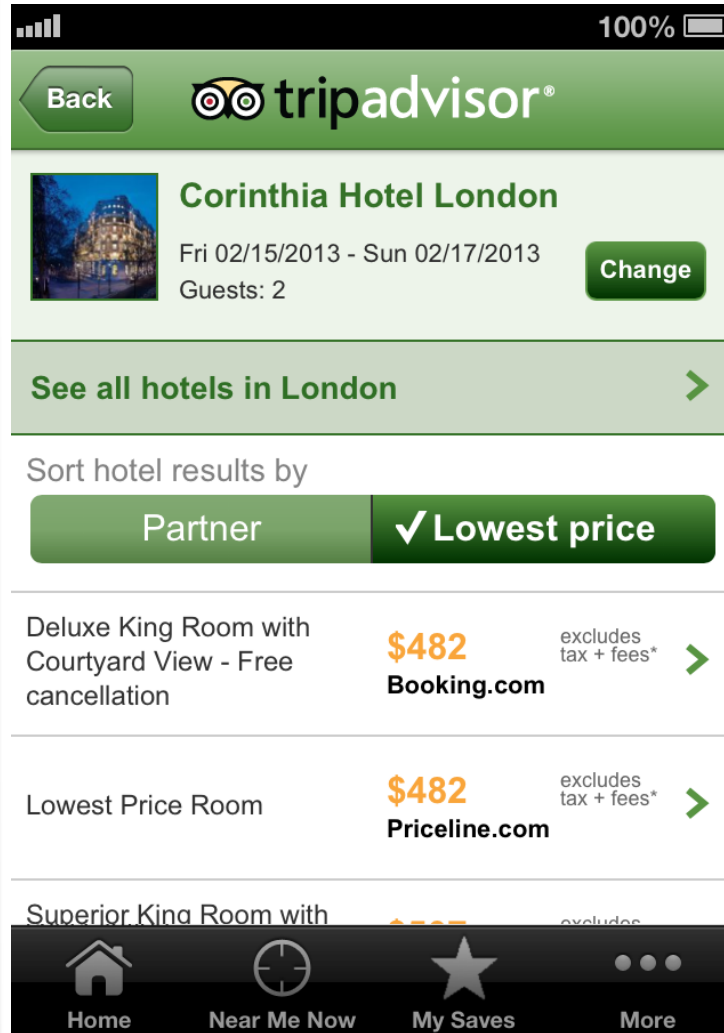


...and We Introduced Metasearch on Smartphone

One year ago



Today



Meta display shows partner room pricing & availability

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 670K+ 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 1.25M+ restaurants & attractions on TripAdvisor

Vacation Rentals



- \$85B vacation rental market in 2010 and growing⁽¹⁾; 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 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

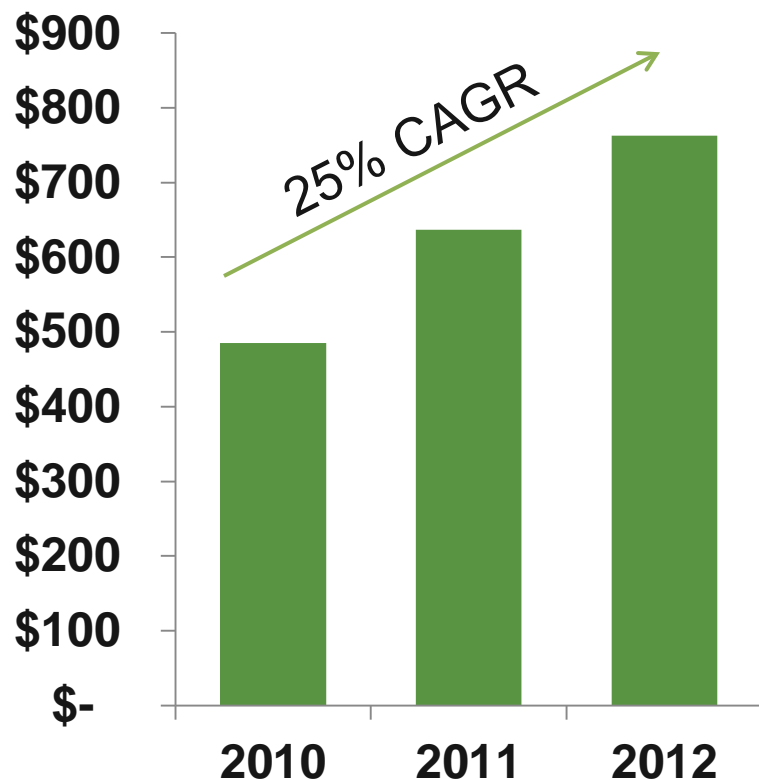


(1) Radius Global Market Research, Market Sizing Study, Nov 2011
(2) Boston Consulting Group, The Internet's New Billion: Digital Consumers in Brazil, Russia, India, China and Indonesia, Sept 2010

Financial Overview

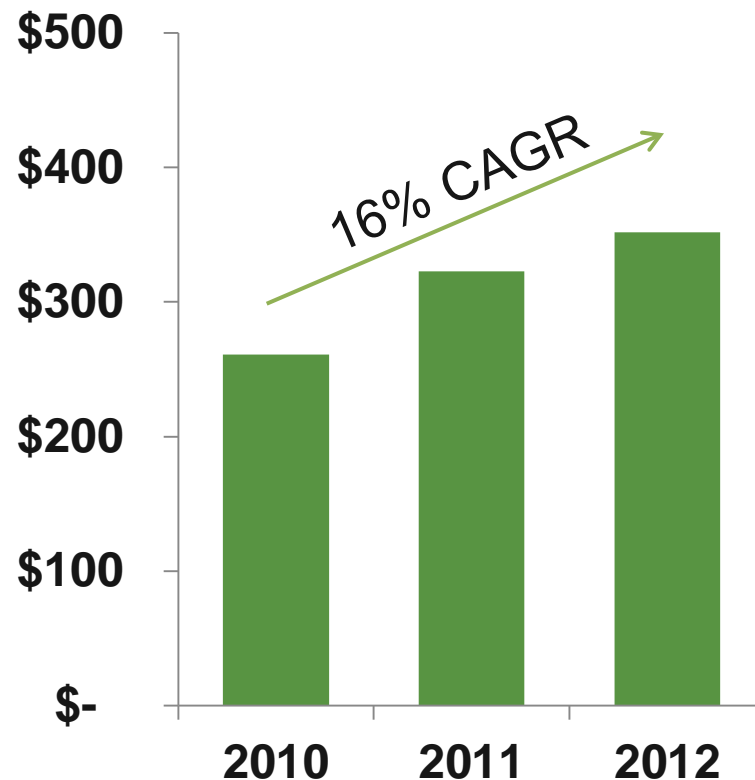
Financial Overview: Track Record of Profitable Growth

Revenue⁽¹⁾ (\$M)



YoY growth	2010	2011	2012
	38%	31%	20%

Adjusted EBITDA⁽²⁾ (\$M)



Adj. EBITDA Margin	2010	2011	2012
	51%	54%	49%

(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

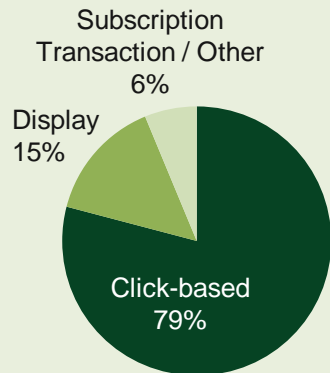
Steady Revenue Diversification

2010

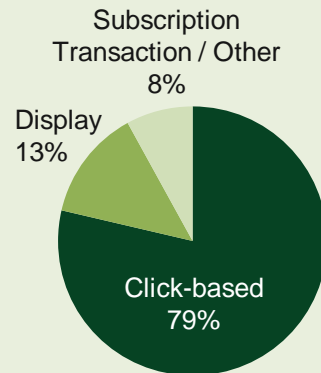
2011

2012

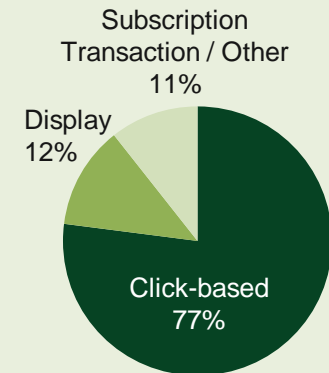
Revenue by product



\$485M

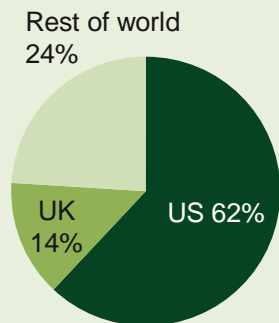


\$637M

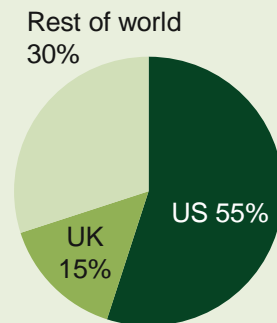


\$763M

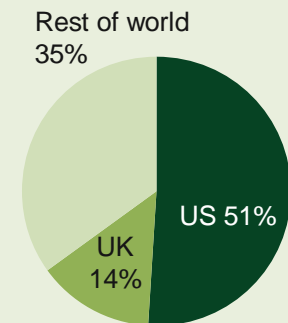
Revenue by geography



\$485M



\$637M



\$763M

Why Invest in TripAdvisor?

Largest travel website in the world

60M monthly uniques⁽¹⁾

Huge and growing market opportunity

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

Definitive resource for travelers and critical partner for merchants

Approaching 100M reviews and opinions on more than 670,000 accommodations & 1.2M+ restaurants & attractions

Scale begets powerful network effects

Global scale generates a richer experience for travelers and advertisers

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) PhoCusWright Online Travel Overviews

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

Thank You



Non-GAAP Reconciliations

(in thousands)				2011				2012				FY 2012	
	FY 2008	FY 2009	FY 2010	Q1	Q2	Q3	Q4	FY 2011	Q1	Q2	Q3		Q4
Adjusted EBITDA and OIBA Reconciliation													
Adjusted EBITDA (1)	\$ 146,626	\$ 197,219	\$ 260,963	\$ 82,007	\$ 92,487	\$ 93,339	\$ 55,085	\$ 322,918	\$ 84,189	\$ 96,921	\$ 107,059	\$ 64,305	\$ 352,474
Depreciation (2)	5,022	9,330	12,871	4,102	4,514	4,630	5,116	18,362	4,281	4,715	5,037	5,933	19,966
OIBA (3)	\$ 141,604	\$ 187,889	\$ 248,092	\$ 77,905	\$ 87,973	\$ 88,709	\$ 49,969	\$ 304,556	\$ 79,908	\$ 92,206	\$ 102,022	\$ 58,372	\$ 332,508
Amortization of intangible assets	11,161	13,806	14,609	2,117	1,132	2,394	1,880	7,523	1,839	1,760	1,310	1,201	6,110
Stock-based compensation	5,560	5,905	7,183	2,474	1,968	2,036	10,866	17,344	4,692	6,768	8,463	10,179	30,102
Spin-off costs	-	-	-	-	1,054	2,211	3,667	6,932	-	-	-	-	-
GAAP Operating Income	\$ 124,883	\$ 168,178	\$ 226,300	\$ 73,314	\$ 83,819	\$ 82,068	\$ 33,556	\$ 272,757	\$ 73,377	\$ 83,678	\$ 92,249	\$ 46,992	\$ 296,296
Other interest income (expense), net	(4,035)	(978)	(241)	98	217	212	(136)	391	(2,932)	(2,405)	(2,806)	(2,728)	(10,871)
Other, net	(1,738)	(660)	(1,644)	965	457	(2,802)	126	(1,254)	696	(4,539)	1,367	(974)	(3,450)
Income before income taxes	119,110	166,540	224,415	74,377	84,493	79,478	33,546	271,894	71,141	76,734	90,810	43,290	281,975
Provision for income taxes	46,788	64,325	85,461	27,006	30,383	25,185	11,529	94,103	22,970	23,569	31,275	9,573	87,387
GAAP Net income	72,322	102,215	138,954	47,371	54,110	54,293	22,017	177,791	48,171	53,165	59,535	33,717	194,588
GAAP Net (income) loss attributable to noncontrolling interest	49	212	(178)	(93)	(46)	21	4	(114)	(60)	(146)	(175)	(138)	(519)
GAAP Net income attributable to TripAdvisor, Inc.	\$ 72,371	\$ 102,427	\$ 138,776	\$ 47,278	\$ 54,064	\$ 54,314	\$ 22,021	\$ 177,677	\$ 48,111	\$ 53,019	\$ 59,360	\$ 33,579	\$ 194,069
Non-GAAP Net income Reconciliation													
Non-GAAP Net income	\$ 82,524	\$ 114,525	\$ 152,269	\$ 50,202	\$ 56,724	\$ 58,851	\$ 32,793	\$ 198,461	\$ 52,533	\$ 58,928	\$ 65,767	\$ 41,311	\$ 218,674
Stock-based compensation	5,560	5,905	7,183	2,474	1,968	2,036	10,866	17,344	4,692	6,768	8,463	10,179	30,102
Amortization of intangible assets	\$ 11,161	\$ 13,806	\$ 14,609	\$ 2,117	\$ 1,132	\$ 2,394	\$ 1,880	\$ 7,523	\$ 1,839	\$ 1,760	\$ 1,310	\$ 1,201	\$ 6,110
Spin-off costs	-	-	-	-	1,054	2,211	3,667	6,932	-	-	-	-	-
Income tax effect of non-GAAP adjustments (4)	6,568	7,613	8,299	1,667	1,494	2,104	5,641	11,015	2,109	2,619	3,366	3,648	11,607
GAAP Net income attributable to TripAdvisor, Inc.	\$ 72,371	\$ 102,427	\$ 138,776	\$ 47,278	\$ 54,064	\$ 54,314	\$ 22,021	\$ 177,677	\$ 48,111	\$ 53,019	\$ 59,360	\$ 33,579	\$ 194,069
Non-GAAP Share Count Reconciliation													
Non-GAAP Diluted Shares Outstanding (MM)	133,461,019	133,461,019	133,461,019	133,461,019	133,461,019	133,461,019	135,550,912	135,550,831	136,804,727	142,335,533	144,217,771	144,147,787	141,878,430
Additional restricted stock units	-	-	-	-	-	-	685,662	685,662	647,052	598,639	560,786	333,936	537,079
GAAP Diluted Shares Outstanding (MM)	133,461,019	133,461,019	133,461,019	133,461,019	133,461,019	133,461,019	134,865,250	134,865,169	136,157,675	141,736,894	143,656,985	143,813,851	141,341,351
Non-GAAP Earnings Per Share													
Diluted Non-GAAP EPS	\$ 0.62	\$ 0.86	\$ 1.14	\$ 0.38	\$ 0.43	\$ 0.44	\$ 0.24	\$ 1.46	\$ 0.38	\$ 0.41	\$ 0.46	\$ 0.29	\$ 1.54
Revenue growth ex-Foreign Exchange Reconciliation													
Non-GAAP Revenue growth	-	-	-	-	-	-	-	-	-	19%	22%	24%	-
Foreign exchange impact	-	-	-	-	-	-	-	-	-	-3%	-4%	-1%	-
GAAP Revenue growth	-	-	-	-	-	-	-	-	-	16%	18%	23%	-

(1) Adjusted EBITDA is defined as operating income 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 incurred to effect the Spin-Off during the year ended December 31, 2011.

(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 the three and nine months ended September 30, 2012 based on our effective rate for the three months ended September 30, 2012, respectively. The non-GAAP adjustments would have no impact on the provision for income taxes recorded for the three and nine months ended September 30, 2012.