

Expedia, Inc.
Form S-4/A
November 24, 2015
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As filed with the Securities and Exchange Commission on November 24, 2015

Registration No. 333-208025

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1
to
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

EXPEDIA, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of

4700
(Primary Standard Industrial

20-2705720
(I.R.S. Employer

incorporation or organization)	Classification Code Number)	Identification Number)
	333 108th Avenue N.E.	
	Bellevue, WA 98004	
	(425) 679-7200	

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

Robert J. Dzielak, Esq.
General Counsel and Secretary
Expedia, Inc.
333 108th Avenue N.E.
Bellevue, WA 98004
(425) 679-7200

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

Andrew J. Nussbaum, Esq.	Melissa Frugé, Esq.	Paul R. Tobias, Esq.
Wachtell, Lipton, Rosen & Katz	Senior Vice President, General	Robert T. Ishii, Esq.
51 West 52nd Street	Counsel and Secretary	Wilson Sonsini Goodrich & Rosati, P.C.
New York, New York 10019	HomeAway, Inc.	900 South Capital of Texas Hwy
(212) 403-2000	1011 W. Fifth Street, Suite 300	Las Cimas IV, Fifth Floor
	Austin, Texas 78703	Austin, TX 78746-5546
	(512) 684-1100	(512) 338-5400

Approximate date of commencement of proposed sale of the securities to the public: November 16, 2015, the date on which the preliminary prospectus and tender offer materials are filed and sent to securityholders. The offer cannot, however, be completed prior to the time this Registration Statement becomes effective. Accordingly, any actual sale or purchase of securities pursuant to the offer will occur only after this Registration Statement is effective, subject to the conditions to the transactions described herein.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

If applicable, place an x in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this document is not complete and may change. The registrant may not complete the offer and issue these securities until the registration statement filed with the U.S. Securities and Exchange Commission is effective. This document is not an offer to sell these securities, and the registrant is not soliciting an offer to buy these securities, in any state or jurisdiction in which such offer is not permitted.

PRELIMINARY AND SUBJECT TO CHANGE, DATED NOVEMBER 24, 2015

Offer by

HMS 1 INC.,

a direct wholly owned subsidiary of

EXPEDIA, INC.

to Exchange Each Outstanding Share of Common Stock of

HOMEAWAY, INC.

for

\$10.15 in cash

and

0.2065 of a share of common stock of Expedia, Inc.

THE OFFER AND THE WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, EASTERN STANDARD TIME, AT THE END OF DECEMBER 14, 2015, UNLESS EXTENDED OR TERMINATED.

Expedia, Inc. (Expedia), a Delaware corporation, through its direct wholly owned subsidiary HMS 1 Inc., a Delaware corporation (the Offeror), is offering, upon the terms and subject to the conditions set forth in this prospectus/offer to exchange and in the accompanying letter of transmittal, to exchange for each outstanding share of common stock of HomeAway, Inc., a Delaware corporation (HomeAway), par value \$0.0001 per share (HomeAway common stock and such shares of HomeAway common stock, HomeAway shares), validly tendered and not validly withdrawn in the offer:

\$10.15 in cash; and

0.2065 of a share of Expedia common stock, par value \$0.0001 per share (Expedia common stock and such shares of Expedia common stock, Expedia shares), together with cash in lieu of any fractional shares of Expedia common stock;

in each case, without interest and less any applicable withholding taxes.

We refer to the above as the transaction consideration.

The Offeror's obligation to accept for exchange, and to exchange, shares of HomeAway common stock for cash and shares of Expedia common stock in the offer is subject to a number of conditions, including there having been validly tendered and not validly withdrawn a number of shares of HomeAway common stock that, together with any shares of HomeAway common stock directly or indirectly owned by Expedia and the Offeror, represents at least a majority of the outstanding shares of HomeAway common stock. See The Offer Conditions of the Offer for a description of all of such conditions.

The offer is being made pursuant to an Agreement and Plan of Reorganization (the transaction agreement), dated November 4, 2015, among Expedia, the Offeror and HomeAway. A copy of the transaction agreement is attached to this document as Annex A.

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The purpose of the offer is for Expedia to acquire control of, and ultimately the entire equity interest in, HomeAway. The offer is the first step in Expedia's plan to acquire all of the outstanding HomeAway shares. If the offer is completed and as a second step in such plan, Expedia intends to consummate as soon as practicable following the consummation of the offer, a merger of the Offeror with and into HomeAway, with HomeAway surviving the merger (which we refer to as the first merger). The purpose of the first merger is for Expedia to acquire all HomeAway shares that it did not acquire in the offer. In the first merger, each outstanding HomeAway share that was not acquired by Expedia or the Offeror (other than certain dissenting, converted or cancelled shares, as described further in this document) will be converted into the right to receive the transaction consideration. Upon the consummation of the first merger, the HomeAway business will be held in a wholly owned subsidiary of Expedia, and the former HomeAway stockholders will no longer have any direct ownership interest in the surviving corporation. If the offer is completed, such that Expedia accordingly owns at least a majority of HomeAway's outstanding common stock, the first merger will be governed by Section 251(h) of the General Corporation Law of the State of Delaware (the DGCL), and accordingly no stockholder vote will be required to complete the first merger. Immediately following the first merger and as the final step in Expedia's plan to acquire all of the outstanding shares of HomeAway common stock, the surviving corporation will merge with and into Expedia (which we refer to as the second merger) and together with the first merger, the mergers), with Expedia surviving the second merger.

The board of directors of HomeAway unanimously determined that the terms of the transaction agreement and the terms of the offer, the mergers and the other transactions contemplated by the transaction agreement are fair to, and in the best interests of, HomeAway and its stockholders; determined that it is in the best interests of HomeAway and its stockholders to enter into, and declared advisable, the transaction agreement; and approved the execution and delivery by HomeAway of the transaction agreement, the performance by HomeAway of its covenants and agreements contained in the transaction agreement and the consummation of the offer, the mergers and the other transactions contemplated by the transaction agreement, upon the terms, and subject to the conditions, contained in the transaction agreement. The board of directors of HomeAway has also resolved to recommend that the stockholders of HomeAway accept the offer and tender their shares of HomeAway common stock to the Offeror pursuant to the offer.

The board of directors of Expedia also unanimously determined that the terms of the transaction agreement and the transactions contemplated by the transaction agreement, including the offer and the mergers, are fair to, and in the best interests of, Expedia and its stockholders.

Expedia common stock is listed on the NASDAQ Global Select Market (the NASDAQ) under the symbol EXPE, and HomeAway common stock is listed on the NASDAQ under the symbol AWAY.

The first merger will entitle HomeAway stockholders to appraisal rights under the DGCL. To exercise appraisal rights, a HomeAway stockholder must strictly comply with all of the procedures under the DGCL. These procedures are described more fully in the section entitled The Offer Dissenters' Rights.

For a discussion of certain factors that HomeAway stockholders should consider in connection with the offer, please read the section of this document entitled Risk Factors beginning on page 23.

You are encouraged to read this entire document and the related letter of transmittal carefully, including the annexes and information referred to or incorporated by reference in this document.

Neither Expedia nor the Offeror has authorized any person to provide any information or to make any representation in connection with the offer other than the information contained or incorporated by reference in this document, and if any person provides any information or makes any representation of this kind, that information or representation must not be relied upon as having been authorized by Expedia or the Offeror.

Neither the U.S. Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.

The date of this preliminary prospectus/offer to exchange is November 24, 2015.

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This document incorporates by reference important business and financial information about Expedia, HomeAway and their respective subsidiaries from documents filed with the SEC that have not been included in or delivered with this document. This information is available without charge at the SEC's website at www.sec.gov, as well as from other sources. See "Where to Obtain More Information."

You can obtain the documents incorporated by reference in this document by requesting them in writing or by telephone at the following address and telephone number:

Expedia, Inc.

HQ 333 108th Avenue NE

Bellevue, WA 98004

Attention: Investor Relations

(425) 679-3759

In addition, if you have questions about the offer or the mergers, or if you need to obtain copies of this document and the letter of transmittal or other documents incorporated by reference in this document, you may contact the information agent for this transaction. You will not be charged for any of the documents you request.

D.F. King & Co., Inc.

48 Wall Street, 22nd Floor

New York, New York 10005

Banks and Brokers Call Collect: (212) 269-5550

All Others Call Toll-Free: (800) 622-1573

Email: HomeAway@dfking.com

If you would like to request documents, please do so by December 7, 2015, in order to receive them before the expiration of the offer.

Information included in this document relating to HomeAway, including but not limited to the descriptions of HomeAway and its business and the information under the headings "Selected Historical Consolidated Financial Data of HomeAway," "The Offer Background of the Offer and Mergers," "The Offer HomeAway's Reasons for the Offer and the Mergers; Recommendation of HomeAway's Board of Directors," "The Offer Opinion of HomeAway's Financial Advisor" and "The Offer Interests of Certain Persons in the Offer and the Mergers," also appears in the Solicitation/Recommendation Statement on Schedule 14D-9 dated the date of this document and filed by HomeAway with the SEC (the "Schedule 14D-9"). The Schedule 14D-9 is being mailed to holders of HomeAway shares as of the date of this document.

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QUESTIONS AND ANSWERS ABOUT THE OFFER AND THE MERGERS

Below are some of the questions that you as a holder of HomeAway shares may have regarding the offer and the mergers and answers to those questions. You are urged to carefully read the remainder of this document and the related letter of transmittal and the other documents to which we have referred because the information contained in this section and in the Summary is not complete. Additional important information is contained in the remainder of this document and the related letter of transmittal. See Where to Obtain More Information. As used in this document, unless otherwise indicated or the context requires, Expedia or we refers to Expedia, Inc. and its consolidated subsidiaries; the Offeror refers to HMS 1 Inc., a direct wholly owned subsidiary of Expedia; and HomeAway refers to HomeAway, Inc. and its consolidated subsidiaries.

Who is offering to buy my HomeAway shares?

Expedia, Inc., through the Offeror, its direct wholly owned subsidiary, is making this offer to exchange cash and Expedia common stock for HomeAway shares. Expedia is an online travel company, empowering business and leisure travelers through technology with the tools and information they need to efficiently research, plan, book and experience travel. Expedia seeks to grow its business through a dynamic portfolio of travel brands, including its majority-owned subsidiaries that feature the world's broadest supply portfolio including more than 271,000 properties in 200 countries, 400 airlines, packages, rental cars, cruises, as well as destination services and activities. Travel suppliers distribute and market products via Expedia's traditional desktop offerings, as well as through alternative distribution channels including mobile and social media, its private label business and its call centers in order to reach its extensive, global audience. In addition, Expedia's advertising and media businesses help other businesses, primarily travel providers, reach a large audience of travelers around the globe.

On November 4, 2015, Expedia, the Offeror and HomeAway entered into an Agreement and Plan of Reorganization, which is referred to as the transaction agreement.

What are the classes and amounts of HomeAway securities that Expedia is offering to acquire?

Expedia is seeking to acquire all issued and outstanding shares of HomeAway common stock, par value \$0.0001 per share.

What will I receive for my HomeAway shares?

Expedia, through the Offeror, is offering to exchange for each outstanding HomeAway share validly tendered and not validly withdrawn in the offer:

\$10.15 in cash (the cash consideration); and

0.2065 of a share of Expedia common stock, par value \$0.0001 per share, together with cash in lieu of any fractional shares of Expedia common stock, without interest and less any applicable withholding taxes (the stock consideration).

We refer to the cash consideration and the stock consideration above collectively as the transaction consideration.

If you do not tender your shares into the offer but the first merger is completed (pursuant to Section 251(h) of the DGCL without a stockholder vote), you will also receive the transaction consideration in exchange for your shares of HomeAway common stock.

What will happen to my options to purchase shares of HomeAway common stock in the offer?

The offer is made only for shares of HomeAway common stock and is not made for any stock options to purchase shares of HomeAway common stock (HomeAway options). If you hold a HomeAway option that is

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exercisable you may, in accordance with the terms and conditions governing such HomeAway option, and, subject to any applicable blackout period(s), exercise the HomeAway option for shares of HomeAway common stock and thereafter participate in the offer, subject to the terms and conditions governing the offer. Any HomeAway options that remain outstanding and unexercised as of the effective time of the first merger shall be treated in accordance with the transaction agreement.

See Transaction Agreement Treatment of HomeAway Equity Awards.

What will happen to my restricted stock units and restricted stock awards relating to shares of HomeAway common stock?

The offer is made only for shares of HomeAway common stock and is not made for any restricted stock units that relate to shares of HomeAway common stock (HomeAway restricted stock units) or any restricted stock awards that relate to shares of HomeAway common stock (HomeAway restricted stock awards). Any HomeAway restricted stock units and HomeAway restricted stock awards shall be treated in accordance with the transaction agreement.

See Transaction Agreement Treatment of HomeAway Equity Awards.

Will I have to pay any fee or commission to exchange my shares of HomeAway common stock?

If you are the record owner of your shares of HomeAway common stock and you tender these shares in the offer, you will not have to pay any brokerage fees, commissions or similar expenses. If you own your shares of HomeAway common stock through a broker, dealer, commercial bank, trust company or other nominee and your broker, dealer, commercial bank, trust company or other nominee tenders your HomeAway shares on your behalf, your broker or such other nominee may charge a fee for doing so. You should consult your broker, dealer, commercial bank, trust company or other nominee to determine whether any charges will apply.

Why is Expedia making this offer?

The purpose of the offer is for Expedia to acquire control of, and ultimately the entire equity interest in, HomeAway. The offer is the first step in Expedia's plan to acquire all of the outstanding HomeAway shares, and the first merger is the second step in such plan.

In the offer, if a sufficient number of shares of HomeAway common stock are tendered into the offer such that Expedia and the Offeror will own at least a majority of the outstanding shares of HomeAway common stock, subject to the satisfaction or waiver of the other conditions to the offer, Expedia and the Offeror will accept for exchange, and exchange, the shares tendered in the offer. Then, as soon as practicable thereafter and as the second step in Expedia's plan to acquire all of the outstanding shares of HomeAway common stock, Expedia intends to consummate a merger of the Offeror with and into HomeAway, with HomeAway surviving the merger (which we refer to as the first merger). The purpose of the first merger is for Expedia to acquire all remaining shares of HomeAway common stock that it did not acquire in the offer. Upon consummation of the first merger, the HomeAway business will be held in a direct wholly owned subsidiary of Expedia, and the former stockholders of HomeAway will no longer have any direct ownership interest in the surviving corporation. If the offer is completed (such that Expedia and the Offeror will own at least a majority of the outstanding shares of HomeAway common stock), the first merger will be governed by Section 251(h) of the General Corporation Law of the State of Delaware (the DGCL), and accordingly no stockholder vote will be required to consummate the first merger.

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Immediately following the first merger and as the final step in Expedia's plan to acquire all of the outstanding shares of HomeAway common stock, the surviving corporation will merge with and into Expedia (which we refer to as the second merger and together with the first merger, the mergers), with Expedia surviving the second merger.

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What does the HomeAway board of directors recommend?

The HomeAway board of directors unanimously determined that the terms of the transaction agreement and the terms of the offer, the mergers and the other transactions contemplated by the transaction agreement are fair to, and in the best interests of, HomeAway and its stockholders; determined that it is in the best interests of HomeAway and its stockholders to enter into, and declared advisable, the transaction agreement; and approved the execution and delivery by HomeAway of the transaction agreement, the performance by HomeAway of its covenants and agreements contained in the transaction agreement and the consummation of the offer, the mergers and the other transactions contemplated by the transaction agreement, upon the terms, and subject to the conditions, contained in the transaction agreement. The HomeAway board of directors has also resolved to recommend that the stockholders of HomeAway accept the offer and tender their shares of HomeAway common stock to the Offeror pursuant to the offer.

See *The Offer HomeAway's Reasons for the Offer and the Mergers; Recommendation of HomeAway's Board of Directors* for more information. A description of the reasons for this recommendation is also set forth in HomeAway's Solicitation/Recommendation Statement on Schedule 14D-9 (the *Schedule 14D-9*) that is being mailed to you together with this document.

What are the most significant conditions of the offer?

The offer is conditioned upon, among other things, the following:

Minimum Tender Condition HomeAway stockholders having validly tendered and not validly withdrawn in accordance with the terms of the offer and prior to the expiration of the offer a number of shares of HomeAway common stock that, together with any shares of HomeAway common stock then owned by Expedia and the Offeror, represents at least a majority of all then-outstanding shares of HomeAway common stock (the *minimum tender condition*);

Regulatory Approvals Any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the *HSR Act*) having expired or been terminated, and the parties having received any applicable approvals, consents or clearances under the competition laws of Germany and Australia;

Effectiveness of Form S-4 The registration statement on Form S-4, of which this document is a part, having become effective under the U.S. Securities Act of 1933, as amended (the *Securities Act*), and must not be the subject of any stop order or proceeding seeking a stop order;

No HomeAway Material Adverse Effect There not having occurred (i) any material adverse effect on the ability of HomeAway to consummate the transactions prior to May 4, 2016 or (ii) any change, effect, development, circumstance, condition, state of facts, event or occurrence after the date of the transaction agreement that would reasonably be expected to have, individually or in the aggregate, a material adverse effect on HomeAway (with such term as defined in the transaction agreement and described under *Transaction Agreement Material Adverse Effect*), and that is continuing as of immediately prior to the expiration of the offer;

No Expedia Material Adverse Effect There not having occurred (i) any material adverse effect on the ability of Expedia to consummate the transactions prior to May 4, 2016 or (ii) any change, effect, development, circumstance, condition, state of facts, event or occurrence after the date of the transaction agreement that would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Expedia (with such term as defined in the transaction agreement and described under Transaction Agreement Material Adverse Effect), and that is continuing as of immediately prior to the expiration of the offer;

Accuracy of HomeAway's Representations and Warranties the representations and warranties of HomeAway contained in the transaction agreement being true and correct as of the expiration date of the offer, subject to specified materiality standards;

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HomeAway's Compliance with Covenants HomeAway must have performed or complied in all material respects with the covenants and agreements required to be performed or complied with by it under the transaction agreement prior to the expiration of the offer;

Listing of Expedia Common Stock The shares of Expedia common stock to be issued in the offer and the first merger having been approved for listing on the NASDAQ, subject to official notice of issuance;

No Legal Prohibition No law, order or injunction restraining or enjoining or otherwise prohibiting the consummation of the offer or the mergers must have been enacted, issued, promulgated or granted by a governmental entity of competent jurisdiction; and

Tax Opinions The receipt of a written opinion by each of Expedia and HomeAway from its legal counsel, dated as of the date of the expiration of the offer, to the effect that the offer and the mergers, taken together, will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code).

The offer is subject to certain other conditions set forth below in the section entitled *The Offer Conditions of the Offer*. The conditions to the offer are for the sole benefit of Expedia and the Offeror and may be asserted by Expedia or the Offeror regardless of the circumstances giving rise to any such condition or may be waived by Expedia or the Offeror, by express and specific action to that effect, in whole or in part at any time and from time to time, in each case. However, certain specified conditions (including all the conditions noted above other than the conditions related to a material adverse effect of HomeAway, accuracy of HomeAway's representations and HomeAway's compliance with covenants) may only be waived by Expedia or the Offeror with the express written consent of HomeAway. Pursuant to the transaction agreement, HomeAway has the right to require that Expedia and the Offeror waive the conditions set forth in the fifth and tenth bullets above (no material adverse effect on Expedia and receipt of tax opinions). There is no financing condition to the offer.

How long will it take to complete the proposed transaction?

The transaction is expected to be completed early in the first quarter of 2016, subject to the satisfaction or waiver of the conditions described in *The Offer Conditions of the Offer* and *Transaction Agreement Conditions of the Mergers*.

How long do I have to decide whether to tender my HomeAway shares in the offer?

The offer is scheduled to expire at 12:00 midnight, Eastern Standard Time, at the end of December 14, 2015, unless extended or terminated. Any extension, delay, termination, waiver or amendment of the offer will be followed as promptly as practicable by public announcement thereof to be made no later than 9:00 a.m., Eastern time, on the next business day after the previously scheduled expiration date. During any such extension, all HomeAway shares previously tendered and not validly withdrawn will remain subject to the offer, subject to the rights of a tendering stockholder to withdraw such stockholder's shares. Expiration date means 12:00 midnight, Eastern Standard Time, at the end of December 14, 2015, unless and until the Offeror has extended the period during which the offer is open, subject to the terms and conditions of the transaction agreement, in which event the term expiration date means the latest time and date at which the offer, as so extended by the Offeror, will expire.

Subject to the provisions of the transaction agreement and the applicable rules and regulations of the SEC, and unless HomeAway consents otherwise or the transaction agreement is otherwise terminated, the Offeror must (1) extend the

offer in the event that any of the offer conditions (including the minimum tender condition) have not been satisfied or waived as of any then scheduled expiration of the offer, for periods of up to ten business days each in order to permit the satisfaction of the conditions to the offer, and (2) extend the offer for any period required by any law, rule, regulation, interpretation or position of the SEC or its staff or NASDAQ which is applicable to the offer or the mergers. However, the Offeror is not required to extend the offer beyond May 4, 2016 (which is the outside date).

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Any decision to extend the offer will be made public by an announcement regarding such extension as described under The Offer Extension, Termination and Amendment of Offer.

How do I tender my HomeAway shares?

To tender your HomeAway shares represented by physical certificates into the offer, you must deliver the certificates representing such shares, together with a completed letter of transmittal and any other documents required by the letter of transmittal, to Computershare Trust Company, N.A. (Computershare), the depository and exchange agent (the exchange agent) for the offer, not later than the expiration date. The letter of transmittal is enclosed with this document.

To tender your HomeAway shares in electronic book entry form, you must deliver an agent s message in connection with a book-entry transfer, and any other required documents, to the exchange agent at its address set forth elsewhere in this document and follow the other procedures for book-entry tender set forth herein, not later than the expiration date.

If your HomeAway shares are held in street name (i.e., through a broker, dealer, commercial bank, trust company or other nominee), these shares can be tendered by your nominee by book-entry transfer through The Depository Trust Company.

We are not providing for guaranteed delivery procedures and therefore you must allow sufficient time for the necessary tender procedures to be completed during normal business hours of The Depository Trust Company prior to the expiration date. Tenders received by the exchange agent after the expiration date will be disregarded and of no effect. In all cases, you will receive your consideration for your tendered HomeAway shares only after timely receipt by the exchange agent of certificates for such shares (or of a confirmation of a book-entry transfer of such shares) and a properly completed and duly executed letter of transmittal and any other required documents.

For a complete discussion of the procedures for tendering your HomeAway shares, see The Offer Procedure for Tendering.

Until what time can I withdraw tendered HomeAway shares?

You may withdraw your previously tendered HomeAway shares at any time until the offer has expired and, if the Offeror has not accepted your HomeAway shares for payment by January 14, 2016, you may withdraw them at any time on or after that date until the Offeror accepts shares for payment. Once the Offeror accepts your tendered HomeAway shares for payment upon or after expiration of the offer, however, you will no longer be able to withdraw them. For a complete discussion of the procedures for withdrawing your HomeAway shares, see The Offer Withdrawal Rights.

How do I withdraw previously tendered HomeAway shares?

To withdraw previously tendered HomeAway shares, you must deliver a written notice of withdrawal with the required information to the exchange agent at any time at which you have the right to withdraw shares. If you tendered HomeAway shares by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, you must instruct such broker, dealer, commercial bank, trust company or other nominee to arrange for the withdrawal of your HomeAway shares and such broker, dealer, commercial bank, trust company or other nominee must effectively withdraw such HomeAway shares at any time at which you have the right to withdraw shares. For a discussion of the procedures for withdrawing your HomeAway shares, including the applicable deadlines for effecting withdrawals, see

The Offer Withdrawal Rights.

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When and how will I receive the transaction consideration in exchange for my tendered HomeAway shares?

The Offeror will exchange all validly tendered and not validly withdrawn HomeAway shares promptly after the expiration date of the offer, subject to the terms thereof and the satisfaction or waiver of the conditions to the offer, as set forth in The Offer Conditions of the Offer. The Offeror will deliver the consideration for your validly tendered and not validly withdrawn shares through the exchange agent, which will act as your agent for the purpose of receiving the transaction consideration from the Offeror and transmitting such consideration to you. In all cases, you will receive your consideration for your tendered HomeAway shares only after timely receipt by the exchange agent of certificates for such HomeAway shares (or a confirmation of a book-entry transfer of such shares as described in The Offer Procedure for Tendering) and a properly completed and duly executed letter of transmittal and any other required documents.

Why does the cover page to this document state that this offer is preliminary and subject to change, and that the registration statement filed with the SEC is not yet effective? Does this mean that the offer has not commenced?

No. Completion of this document and effectiveness of the registration statement are not necessary to commence this offer. The offer was commenced on the date of the initial filing of the registration statement on Form S-4 of which this document is a part. Expedia and the Offeror cannot, however, accept for exchange any HomeAway shares tendered in the offer or exchange any shares until the registration statement is declared effective by the SEC and the other conditions to the offer have been satisfied or waived.

What happens if I do not tender my HomeAway shares?

If, after consummation of the offer, Expedia and the Offeror own a majority of the outstanding HomeAway shares, Expedia intends to immediately complete the first merger as promptly as practicable after the consummation of the offer. Upon consummation of the first merger, each HomeAway share that has not been tendered and accepted for exchange in the offer, unless appraisal rights under Delaware law are properly exercised, will be converted in the first merger into the right to receive the transaction consideration. A letter of transmittal will be sent to you following the consummation of the offer.

Does Expedia have the financial resources to complete the offer and the mergers?

Yes. The transaction consideration will consist of Expedia common stock and cash. The offer and the mergers are not conditioned upon any financing arrangements or contingencies.

If the offer is completed, will HomeAway continue as a public company?

No. Expedia is required, on the terms and subject to the satisfaction or waiver of the conditions set forth in the transaction agreement, to consummate the first merger as soon as practicable following the purchase of HomeAway shares in the offer. If the first merger takes place, HomeAway will no longer be publicly traded. Even if for some reason the first merger does not take place, if Expedia and the Offeror purchase all HomeAway shares validly tendered and not validly withdrawn, there may be so few remaining stockholders and publicly held shares that HomeAway shares will no longer be eligible to be traded through the NASDAQ or other securities exchanges, there may not be an active public trading market for HomeAway shares, and HomeAway may no longer be required to make filings with the SEC or otherwise comply with the SEC rules relating to publicly held companies.

Will the offer be followed by a merger if all HomeAway shares are not tendered in the offer?

Yes, unless the conditions to the first merger are not satisfied or waived. If the Offeror accepts for payment and pays for all HomeAway shares validly tendered and not validly withdrawn pursuant to the offer, and the other

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conditions to the first merger are satisfied or waived, the first merger will take place as soon as practicable thereafter. If the first merger takes place, Expedia will own 100% of the equity of HomeAway, and all of the remaining HomeAway stockholders, other than Expedia, the Offeror, any wholly owned subsidiary of Expedia or HomeAway and any stockholders who are properly exercising their right for appraisal in compliance with the DGCL, will have the right to receive the transaction consideration.

Since the first merger will be governed by Section 251(h) of the DGCL, no stockholder vote will be required to consummate the first merger in the event that the offer is consummated. Expedia is required, on the terms and subject to the satisfaction or waiver of the conditions set forth in the transaction agreement, to consummate the first merger as promptly as practicable following the consummation of the offer. As such, Expedia does not expect there to be a significant period of time between the consummation of the offer and the consummation of the first merger.

What are the U.S. federal income tax consequences of receiving shares of Expedia common stock and cash in exchange for my HomeAway shares in the offer and the first merger?

The offer and the mergers, taken together, are intended to qualify as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to Expedia's obligation to complete the offer that Expedia and HomeAway each receive a written opinion from their respective legal counsel, Wachtell, Lipton, Rosen & Katz (Wachtell Lipton) and Wilson Sonsini Goodrich & Rosati, Professional Corporation (WSGR), respectively, to the effect that the offer and the mergers, taken together, will qualify as a reorganization within the meaning of Section 368(a) of the Code. Accordingly, assuming the receipt and accuracy of such opinions, a U.S. holder (as defined under Material U.S. Federal Income Tax Consequences) of shares of HomeAway common stock that receives a combination of shares of Expedia common stock and cash (other than cash received in lieu of fractional shares of Expedia common stock) in exchange for shares of HomeAway common stock pursuant to the offer and/or the first merger generally will recognize gain (but not loss) in an amount equal to the lesser of (i) the amount by which the sum of the fair market value of Expedia common stock and cash received by the U.S. holder exceeds such U.S. holder's adjusted tax basis in its shares of HomeAway common stock surrendered and (ii) the amount of cash received by such U.S. holder. Non-U.S. holders (as defined under Material U.S. Federal Income Tax Consequences) of shares of HomeAway common stock that receive the transaction consideration pursuant to the offer or the first merger may be subject to U.S. withholding tax with respect to cash received.

Each HomeAway stockholder should read the discussion under Material U.S. Federal Income Tax Consequences for a more complete discussion of the U.S. federal income tax consequences of the offer and the mergers. Tax matters can be complicated, and the tax consequences of the offer and the mergers to a particular HomeAway stockholder will depend on such stockholder's particular facts and circumstances. HomeAway stockholders should consult their own tax advisors to determine the specific consequences to them of exchanging their shares of HomeAway common stock for the transaction consideration pursuant to the offer and/or the first merger.

Will I have the right to have my HomeAway shares appraised?

Appraisal rights are not available in connection with the offer, and HomeAway stockholders who tender their shares in the offer will not have appraisal rights in connection with the mergers. However, if the Offeror accepts shares in the offer and the first merger is completed, holders of HomeAway shares will be entitled to exercise appraisal rights in connection with the first merger if they did not tender HomeAway shares in the offer, subject to and in accordance with applicable Delaware law. HomeAway stockholders who comply with the applicable statutory procedures under the DGCL will be entitled to receive a judicial determination of the fair value of their HomeAway shares (exclusive of any element of value arising from the accomplishment or expectation of the mergers) and to receive payment of such fair value in cash. Any such judicial determination of the fair value of HomeAway shares could be based upon

considerations other than, or in addition to, the price paid in the offer and the market value of HomeAway shares. The value so determined could be higher or lower than the price per

