

Expedia, Inc.  
Form 3  
May 26, 2006

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â BREAKWELL SIMON J		(Month/Day/Year)	Expedia, Inc. [EXPE]	
(Last)	(First)	(Middle)	05/24/2006	
3150 139TH AVENUE SE			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
BELLEVUE,Â WAÂ 98005			<input checked="" type="checkbox"/> Director	6. Individual or Joint/Group Filing(Check Applicable Line)
(City)	(State)	(Zip)	<input type="checkbox"/> 10% Owner	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			<input type="checkbox"/> Officer	<input type="checkbox"/> Form filed by More than One Reporting Person
			(give title below)	(specify below)

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Class B Common Stock	0	D	Â
Common Stock	26,958 <sup>(1)</sup>	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative	5. Ownership Form of Derivative Security:	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Security	Direct (D) or Indirect (I) (Instr. 5)	
Options to Purchase Common Stock <sup>(2)</sup>	Â <sup>(3)</sup>	02/14/2012	Common Stock	12,183	\$ 25.64 <sup>(2)</sup>	D	Â
Options to Purchase Common Stock <sup>(2)</sup>	Â <sup>(4)</sup>	07/09/2012	Common Stock	7,951	\$ 13.32 <sup>(2)</sup>	D	Â
Options to Purchase Common Stock <sup>(2)</sup>	Â <sup>(5)</sup>	02/07/2013	Common Stock	13,629	\$ 14.5 <sup>(2)</sup>	D	Â
Restricted Stock Units <sup>(6)</sup>	Â <sup>(7)</sup>	02/07/2007	Common Stock	5,490	\$ <sup>(8)</sup>	D	Â
Restricted Stock Units <sup>(6)</sup>	Â <sup>(9)</sup>	02/04/2009	Common Stock	16,575	\$ <sup>(8)</sup>	D	Â
Restricted Stock Units <sup>(6)</sup>	02/04/2009 <sup>(10)</sup>	02/04/2009	Common Stock	73,661	\$ <sup>(8)</sup>	D	Â
Restricted Stock Units <sup>(6)</sup>	Â <sup>(11)</sup>	02/10/2010	Common Stock	15,068	\$ <sup>(8)</sup>	D	Â
Warrants to Purchase Common Stock <sup>(12)</sup>	08/09/2005	02/04/2009	Common Stock	16,350	\$ 11.56	D	Â
Warrants to Purchase Common Stock	08/09/2005	02/04/2009	Common Stock	1,920	\$ <sup>(8)</sup>	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BREAKWELL SIMON J 3150 139TH AVENUE SE BELLEVUE, WA 98005	Â X	Â	Â	Â

## Signatures

By: Michael Marron, Attorney-in-fact 05/26/2006

                     \*\*Signature of Reporting Person Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Includes 14,779 shares of Expedia Common Stock received in connection with the spin-off by IAC/InterActive Corp (IAC) of Expedia, Inc. (Expedia), which was completed on August 9, 2005 (the Spin-Off). The Spin-Off, which was immediately preceded by a one-for-two reverse stock split (the Reverse Stock Split) was effected by way of a reclassification, pursuant to which each share of IAC Common Stock, par value \$0.01 (Old IAC Common Stock), was reclassified into one share of IAC Common Stock, par value \$0.001 (New IAC Common Stock), and 1/100 of a share of IAC Series 1 Mandatory Exchangeable Preferred Stock, which was automatically exchanged into one share of Expedia Common Stock.

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- (2) Represents options to purchase common stock initially granted under IAC employee benefit plans that were adjusted in the spin-off into options to purchase Expedia common stock, under the Expedia 2005 Stock and Annual Incentive Plan.
- (3) Options became fully exercisable prior to May 24, 2006.
- (4) Options for 4,770 shares are exercisable as of May 24, 2006, options for 1,589 additional shares are exercisable June 9, 2006 and options for 1,592 additional shares are exercisable July 9, 2006.  
Options for approximately 3,407 shares are exercisable as of May 24, 2006, options for approximately 1,135 additional shares are exercisable June 7, 2006 and options for approximately 1,135 additional shares are exercisable monthly thereafter until the options are fully exercisable February 7, 2007.
- (5) Represents Restricted Stock Units (RSUs) of Expedia received in connection with the Spin-Off. In connection with the Spin-Off, the reporting person's RSUs of IAC common stock were adjusted into RSUs of Expedia common stock. The vesting schedules below reflect vesting dates remaining following the Spin-Off.
- (6) RSUs for 2,745 shares vest on each of February 7, 2007 and February 8, 2008.
- (8) None.
- (9) RSUs for approximately 5,524 shares vest on each of February 4, 2007, February 4, 2008 and February 4, 2009.
- (10) RSUs vest in full on such date subject to the satisfaction of certain performance-related conditions.
- (11) RSUs for approximately 3,766 shares vest on each of February 10, 2007, February 10, 2008, February 10, 2009 and February 10, 2010.
- (12) Each warrant may be exercised for 0.969375 shares of Expedia common stock.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.