

Expedia, Inc.  
Form 4  
February 07, 2006

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN 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 \*  
**KHOSROWSHAHI DARA**

(Last) (First) (Middle)  
3150 139TH AVENUE SE  
(Street)

BELLEVUE, WA 98005

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
Expedia, Inc. [EXPE]

3. Date of Earliest Transaction  
(Month/Day/Year)  
02/04/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

Chief Executive Officer

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock	02/04/2006		M	17,862 A \$ 0	70,057 <sup>(1)</sup>	D	
Common Stock	02/04/2006		F	4,801 D \$ 25.47	65,256	D	

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

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SEC 1474 (9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number of Shares
Restricted Stock Units <sup>(2)</sup>	<u>(3)</u>	02/04/2006		M	17,862	02/04/2006 <sup>(4)</sup>	02/04/2009	Common Stock	17,862
Options to Purchase Common Stock <sup>(5)</sup>	\$ 5.94					08/09/2005	02/24/2010	Common Stock	10,000
Options to Purchase Common Stock <sup>(5)</sup>	\$ 18.4					08/09/2005	03/02/2010	Common Stock	50,000
Options to Purchase Common Stock <sup>(5)</sup>	\$ 19.29					08/09/2005	05/10/2010	Common Stock	7,500
Options to Purchase Common Stock <sup>(5)</sup>	\$ 22.18					08/09/2005	07/24/2010	Common Stock	150,000
Options to Purchase Common Stock <sup>(5)</sup>	\$ 16.57					08/09/2005	12/18/2010	Common Stock	125,000
Options to Purchase Common Stock <sup>(5)</sup>	\$ 20.06					08/09/2005	04/25/2011	Common Stock	41,667
Options to Purchase Common Stock <sup>(5)</sup>	\$ 21.19					08/09/2005 <sup>(6)</sup>	12/16/2011	Common Stock	164,000
Restricted Stock Units <sup>(2)</sup>	\$ 0 <sup>(3)</sup>					02/12/2006 <sup>(7)</sup>	02/12/2008	Common Stock	84,375

Restricted

Stock \$ 0 <sup>(3)</sup>Units <sup>(2)</sup>02/10/2006<sup>(8)</sup> 02/10/2010 Common Stock 94.1

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KHOSROWSHAHI DARA 3150 139TH AVENUE SE BELLEVUE, WA 98005	X		Chief Executive Officer	

## Signatures

By: Amy E. Weaver,  
Attorney-in-Fact

02/06/2006

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(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 52,195 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.

(2) 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.

(3) None.

(4) Date at which first vesting following August 9, 2005 occurred is indicated. One-fourth of the total number of RSUs outstanding August 9, 2005 vested on the first vesting date and an additional one-fourth each anniversary thereafter until the RSUs are fully vested.

(5) Represents stock options of Expedia received in connection with the Spin-off. In connection with the Spin-Off, stock options to purchase IAC common stock were adjusted into stock options to purchase Expedia common stock. The vesting schedules below reflect vesting dates remaining following the Spin-Off.

(6) Options for 93,750 shares were vested at August 9, 2005, and the balance of 70,277 shares vested on December 16, 2005.

(7) Date at which first vesting following August 9, 2005 occurs is indicated. One-third of the total number of RSUs outstanding August 9, 2005 vest on the first vesting date and an additional one-third on each anniversary thereafter until the RSUs are fully vested.

(8) Date at which first vesting following August 9, 2005 occurs is indicated. One-fifth of the total number of RSUs outstanding August 9, 2005 vest on the first vesting date and an additional one-fifth each anniversary thereafter until the RSUs are fully vested.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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