

Expedia, Inc.
Form SC TO-I/A
June 29, 2007

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Amendment No. 1 to

Schedule TO

Tender Offer Statement under Section

14(d)(1) or 13(e)(1) of the Securities Exchange Act of 1934

Expedia, Inc.

(Name of Subject Company (Issuer))

Expedia, Inc.

(Name of Filing Person (Offeror/Issuer))

Common Stock, Par Value \$.001 Per Share

(Title of Class of Securities)

30212P105

(CUSIP Number of Class of Securities)

Burke F. Norton, Esq.

Executive Vice President, General Counsel and Secretary

Expedia, Inc.

3150 139th Avenue S.E.

Bellevue, WA 98005

Telephone: (425) 679-7200

*(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications on Behalf of Filing Persons)*

Copy to:

Pamela S. Seymon, Esq.

Wachtell, Lipton, Rosen & Katz

51 West 52nd Street

New York, New York 10019

Telephone: (212) 403-1000

CALCULATION OF FILING FEE

Transaction Valuation*

\$3,499,999,950

Amount of Filing Fee**

\$107,450

* Calculated solely for purposes of determining the amount of the filing fee. Pursuant to Rule 0-11(b)(1) of the Securities Exchange Act of 1934, as amended, the

Transaction
Valuation was
calculated
assuming that
116,666,665
outstanding
shares of
common stock,
par value \$.001
per share, are
being purchased
at the maximum
possible tender
offer price of
\$30.00 per
share.

** The amount of
the filing fee,
calculated in
accordance with
Rule 0-11(b)(1)
of the Securities
Exchange Act
of 1934, as
amended, equals
\$30.70 per
million of the
value of the
transaction.

b Check box if
any part of the
fee is offset as
provided by
Rule 0-11(a)(2)
and identify the
filing with
which the
offsetting fee
was previously
paid. Identify
the previous
filing by
registration
statement
number, or the
Form or
Schedule and
the date of its
filing.

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Amount Previously Paid: \$107,450

Filing Party: Expedia, Inc.

Form or Registration No.: Schedule TO

Date Filed: June 29, 2007

- ☐ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- ☐ third-party tender offer subject to Rule 14d-1.
- ☐ issuer tender offer subject to Rule 13e-4.
- ☐ going-private transaction subject to Rule 13e-3.
- ☐ amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: ☐

Amendment No. 1 to Schedule TO

This Amendment No. 1 amends and supplements the Tender Offer Statement on Schedule TO originally filed with the Securities and Exchange Commission on June 29, 2007 (the Schedule TO) by Expedia, Inc., a Delaware corporation (Expedia), relating to the offer to purchase for cash up to 116,666,665 shares of Expedia's common stock, par value \$.001 per share (Shares), or such lesser number of Shares as is properly tendered and not properly withdrawn, at a price determined by Expedia of not more than \$30.00 nor less than \$27.50 per Share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the offer to purchase, dated June 29, 2007 (the Offer to Purchase), and the related letter of transmittal (the Letter of Transmittal), which together, as each may be amended or supplemented from time to time, constitute the Offer. This Amendment No. 1 is intended to satisfy the reporting requirements of Rule 13e-4(c)(3) of the Securities Exchange Act of 1934, as amended. Copies of the Offer to Purchase and the related Letter of Transmittal were previously filed with the Schedule TO as Exhibits (a)(1)(A) and (a)(1)(B), respectively.

The information in the Offer is incorporated in this Amendment No. 1 to the Schedule TO by reference in response to all of the applicable items in the Schedule TO, except that such information is hereby amended and supplemented to the extent specifically provided herein.

ITEM 12. EXHIBITS.

Item 12 of the Schedule TO is hereby amended and restated, as follows:

- (a)(1)(A) Offer to Purchase, dated June 29, 2007(14)
- (a)(1)(B) Letter of Transmittal(14)
- (a)(1)(C) Notice of Guaranteed Delivery(14)
- (a)(1)(D) Letter to brokers, dealers, commercial banks, trust companies and other nominees, dated June 29, 2007(14)
- (a)(1)(E) Letter to clients for use by brokers, dealers, commercial banks, trust companies and other nominees, dated June 29, 2007(14)
- (a)(1)(F) Letter from the Trustee of the Expedia Retirement Savings Plan to plan participants, dated June 29, 2007(14)
- (a)(1)(G) Direction Form for participants in the Expedia Retirement Savings Plan(14)
- (a)(2) Not applicable
- (a)(3) Not applicable
- (a)(4) Not applicable
- (a)(5)(A) Summary Advertisement, dated June 29, 2007(14)
- (a)(5)(B) Letter from Dara Khosrowshahi, Chief Executive Officer of Expedia, Inc., to stockholders of Expedia, Inc., dated June 29, 2007(14)
- (a)(5)(C) Press release, dated June 19, 2007(1)
- (a)(5)(D)

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Letter to Warrant and Series A Cumulative Convertible Preferred Stock Holders, dated June 29, 2007(14)

- (a)(5)(E) Email Message from Dara Khosrowshahi, Chief Executive Officer of Expedia, Inc., to employees of Expedia, Inc., dated June 29, 2007, and Employee Frequently Asked Questions Regarding the Tender Offer
 - (b)(1) Credit Agreement dated as of July 8, 2005, among Expedia, Inc., a Delaware corporation, Expedia, Inc., a Washington corporation, Travelscape, Inc., a Nevada corporation, Hotels.com, a Delaware corporation, and Hotwire, Inc., a Delaware corporation, as Borrowers; the Lenders party thereto; Bank of America, N.A., as Syndication Agent; Wachovia Bank, N.A. and The Royal Bank of Scotland PLC, as Co-Documentation Agents; JPMorgan Chase Bank, N.A., as Administrative Agent; and J.P. Morgan Europe Limited, as London Agent(2)
 - (b)(2) First Amendment, dated as of December 7, 2006, to the Credit Agreement dated as of July 8, 2005, among Expedia, Inc., a Delaware corporation; Expedia, Inc., a Washington corporation; Travelscape LLC, a Nevada limited liability company; Hotels.com, a Delaware corporation; Hotwire, Inc., a Delaware corporation; the other Borrowing Subsidiaries from time to time party thereto; the Lenders from time to time party thereto; JPMorgan Chase Bank, N.A., as Administrative Agent; and J.P. Morgan Europe Limited, as London Agent(3)
-

- (b)(3) Second Amendment, dated as of December 18, 2006, to the Credit Agreement dated as of July 8, 2005, among Expedia, Inc., a Delaware corporation; Expedia, Inc., a Washington corporation; Travelscape LLC, a Nevada limited liability company; Hotels.com, a Delaware corporation; Hotwire, Inc., a Delaware corporation; the other Borrowing Subsidiaries from time to time party thereto; the Lenders from time to time party thereto; JPMorgan Chase Bank, N.A., as Administrative Agent; and J.P. Morgan Europe Limited, as London Agent(4)
- (d)(1) Expedia, Inc. Non-Employee Director Deferred Compensation Plan(5)
- (d)(2) Expedia, Inc. 2005 Stock and Annual Incentive Plan(6)
- (d)(3) Summary of Expedia, Inc. Non-Employee Director Compensation Arrangements(7)
- (d)(4) Stockholders Agreement between Liberty Media Corporation and Barry Diller, dated as of August 9, 2005(8)
- (d)(5) Governance Agreement, by and among Expedia, Inc., Liberty Media Corporation and Barry Diller, dated as of August 9, 2005(8)
- (d)(6) First Amendment to Governance Agreement, by and among Expedia, Inc., Liberty Media Corporation and Barry Diller, dated as of June 19, 2007(1)
- (d)(7) Separation Agreement, dated as of August 9, 2005, by and between IAC/InterActiveCorp and Expedia, Inc.(8)
- (d)(8) Tax Sharing Agreement dated as of August 9, 2005, by and between IAC/InterActiveCorp and Expedia, Inc.(8)
- (d)(9) Form of Expedia, Inc. Restricted Stock Unit Agreement (directors)(8)
- (d)(10) Expedia, Inc. Executive Deferred Compensation Plan, effective as of August 9, 2005(9)
- (d)(11) Expedia, Inc. Restricted Stock Unit Agreement between Expedia, Inc. and Dara Khosrowshahi, dated as of March 7, 2006(10)
- (d)(12) Employment Agreement by and between Michael B. Adler and Expedia, Inc., effective as of May 16, 2006(11)
- (d)(13) Expedia, Inc. Restricted Stock Unit Agreement between Expedia, Inc. and Michael B. Adler, effective as of May 16, 2006(11)
- (d)(14) Employment Agreement by and between Burke F. Norton and Expedia, Inc., effective as of October 25, 2006(11)
- (d)(15) Expedia, Inc., Restricted Stock Unit Agreement (First Agreement) between Expedia, Inc. and Burke F. Norton, dated as of October 25, 2006(11)
- (d)(16)

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Expedia, Inc. Restricted Stock Unit Agreement (Second Agreement) between Expedia, Inc. and Burke F. Norton, dated as of October 25, 2006(11)

(d)(17) Form of Expedia, Inc. Restricted Stock Unit Agreement (domestic employees)(11)

- (d)(18) Equity Warrant Agreement for Warrants to Purchase up to 14,590,514 Shares of Common Stock expiring February 4, 2009, between Expedia, Inc. and The Bank of New York, as Equity Warrant Agent, dated as of August 9, 2005(12)
- (d)(19) Stockholder Equity Warrant Agreement for Warrants to Purchase up to 11,450,182 Shares of Common Stock, between Expedia, Inc. and Mellon Investor Services LLC, as Equity Warrant Agent, dated as of August 9, 2005(12)
- (d)(20) Optionholder Equity Warrant Agreement for Warrants to Purchase up to 1,558,651 Shares of Common Stock, between Expedia, Inc. and Mellon Investor Services LLC, as Equity Warrant Agent, dated as of August 9, 2005(12)
- (d)(21) Indenture, dated as of August 21, 2006, among Expedia, Inc., as Issuer, the Subsidiary Guarantors from time to time parties thereto, and The Bank of New York Trust Company, N.A., as Trustee, relating to Expedia, Inc. s 7.456% Senior Notes due 2018(11)
- (d)(22) First Supplemental Indenture, dated as of January 19, 2007, to Indenture, dated as of August 21, 2006, by and among Expedia, Inc., certain Subsidiary Guarantors (as defined therein) and The Bank of New York Trust Company, N.A., as Trustee(13)
- (d)(23) Amended and Restated Expedia, Inc. Retirement Savings Plan(14)
- (d)(24) First Amendment to Expedia, Inc. Retirement Savings Plan(14)
- (d)(25) Trust Agreement between Expedia, Inc. and Fidelity Management Trust Company, dated as of August 15, 2005, relating to the Expedia Retirement Savings Plan(3)
- (g) Not applicable
- (h) Not applicable
- (1) Incorporated by reference to Expedia, Inc. s Current Report on Form 8-K filed on June 19, 2007
- (2) Incorporated by reference to Expedia, Inc. s Current Report on Form 8-K filed on July 14, 2005
- (3) Incorporated by reference to Expedia, Inc. s Tender Offer Statement on Schedule TO (File

No. 005-80395) filed
on December 11,
2006

(4) Incorporated by
reference to Expedia,
Inc. s Amendment
No. 3 to Tender
Offer Statement on
Schedule TO (File
No. 005-80395) filed
on December 22,
2006

(5) Incorporated by
reference to Expedia,
Inc. s Registration
Statement on Form
S-4/A (File
No. 333-124303-01)
filed on June 13,
2005

(6) Incorporated by
reference to Expedia,
Inc. s Registration
Statement on Form
S-8 (File
No. 333-127324)
filed on August 9,
2005

- (7) Incorporated by reference to Expedia, Inc. s Quarterly Report on Form 10-Q for the quarter ended March 31, 2007
- (8) Incorporated by reference to Expedia, Inc. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2005
- (9) Incorporated by reference to Expedia, Inc. s Current Report on Form 8-K filed on December 20, 2005
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Incorporated by
reference to
Expedia, Inc. s
Registration
Statement on
Form 8-A/A
filed on
August 22, 2005

(13) Incorporated by
reference to
Expedia, Inc. s
Registration
Statement on
Form S-4 (File
No.
333-140195)
filed on
January 25,
2007

(14) Previously filed
with Expedia,
Inc. s Tender
Offer Statement
on Schedule TO
filed on June 29,
2007

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

EXPEDIA, INC.

By: /s/ Burke F. Norton

Name: Burke F. Norton

Title: Executive Vice President,
General Counsel & Secretary

Dated: June 29, 2007

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333-140195)
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