

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 and Ticker or Trading Symbol	
Â Adler Michael B		(Month/Day/Year)	Expedia, Inc. [EXPE]	
(Last)	(First)	(Middle)	05/16/2006	
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 type="checkbox"/> Director <input type="checkbox"/> 10% Owner	6. Individual or Joint/Group Filing(Check Applicable Line)
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			(give title below) (specify below)	<input type="checkbox"/> Form filed by More than One Reporting Person
			CFO	

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 ⁽¹⁾	1,034 ⁽¹⁾	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 ⁽²⁾	08/09/2005 ⁽²⁾	∞ ⁽³⁾	Common Stock	3,750	\$ 22.28	D	∞
Options to Purchase Common Stock ⁽²⁾	08/09/2005 ⁽²⁾	∞ ⁽³⁾	Common Stock	8,750	\$ 21.19	D	∞
Restricted Stock Units ⁽⁴⁾	05/10/2007 ⁽⁵⁾	05/10/2011	Common Stock	137,852	\$ ⁽⁶⁾	D	∞

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Adler Michael B 3150 139TH AVENUE SE BELLEVUE, WA 98005	∞	∞	∞ CFO	∞

Signatures

By: Michael Marron,
Attorney-in-fact

05/26/2006

⁽¹⁾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) Represents 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 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) Expire 90 days after May 8, 2006, Mr. Adler's last day of employment with IAC/InterActive Corp.

(4) Represents restricted stock units (RSUs) granted under the Expedia, Inc. 2005 Stock and Annual Incentive Plan.

(5) Date at which first vesting occurs is indicated. One-fifth of the total number of RSUs vest on the first vesting date and an additional one-fifth each anniversary thereafter until the RSUs are fully vested. In addition, 42,416 RSUs will vest if Mr. Adler is terminated other than for cause, or if he resigns for good reason, as defined in his RSU Agreement. Upon a change of control of Expedia, 100% of Mr. Adler's RSUs will vest immediately.

(6) None.

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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