

Expedia, Inc.  
Form 8-K  
March 06, 2006

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

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**FORM 8-K**  
**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the**  
**Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): February 28, 2006**

**Expedia, Inc.**

**(Exact Name of Registrant as Specified in Charter)**

**Delaware**  
**(State or Other Jurisdiction**  
**of Incorporation)**

**000-51447**  
**(Commission File Number)**

**20-2705720**  
**(IRS Employer**  
**Identification Number)**

**3150 139th Avenue S.E., Bellevue, Washington**  
**(Address of Principal Executive Offices)**

**98005**  
**(Zip Code)**

**Registrant's telephone number, including area code: (425) 679-7200**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01 Entry Into a Material Definitive Agreement**

On February 28, 2006, the Compensation/Benefits Committee (the Committee ) of the Board of Directors of Expedia, Inc. (the Company ) approved performance criteria associated with both the vesting of restricted stock unit awards granted pursuant to the Company's 2005 Stock and Annual Incentive Plan (the 2005 Plan ) on that date and 2006 cash bonuses, in each case, to certain Company executive officers. The vesting of these restricted stock unit awards and the payment of the cash bonuses are subject to the Company's achievement of specified increases in either (i) EBITA (as defined in the 2005 Plan) of the Company on a consolidated basis or (ii) the closing price of the Company's common stock, in each case, over specified time periods.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EXPEDIA, INC.

Date: March 6, 2006

By: /s/ KEENAN M. CONDER  
Name: Keenan M. Conder  
Title: Senior Vice President and General  
Counsel