

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

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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.

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