OFFICE OF FAIR TRADING

Anticipated acquisition by Expedia of Trivago

ME/5894/13

The OFT's decision given on 4 March 2013. Full text of decision published 7 March 2013.

Please note that the square brackets indicate figures or text which have been deleted or replaced in ranges at the request of the parties or third parties for reasons of commercial confidentiality.

PARTIES

1. **Expedia Inc** (Expedia) is headquartered in Bellevue WA U.S. and is an internet based travel website (online travel agent) active in the online supply of hotel rooms, flights and car rental as well as packaged holidays and cruises. Expedia is formed of a number of travel brands including Expedia.com, Hotels.com, Hotwire, Egencia and Venere. Expedia's travel suppliers include hotels, car rental companies and holiday tour operators in a number of countries including the UK.

2. **Trivago GmbH** (Trivago) is a travel metasearch engine (price comparison web site) focussing on hotel room bookings. Trivago is headquartered in Dusseldorf, Germany and compares prices for room accommodation in approximately 500,000 hotels, including in the UK. Trivago's UK turnover in 2011 was [ ].

TRANSACTION

3. On 21 December 2012, Expedia announced its agreement to acquire a 61.6 per cent equity position in Trivago for a total consideration of €477 million (€434 million in cash and €43 million in Expedia Inc common stock).

4. This transaction was notified to the Office of Fair trading (OFT) in December 2012. On the basis of the OFT's finding on jurisdiction, see below, the administrative timetable was not applied.

JURISDICTION

5. The OFT considers that two enterprises have ceased to be distinct. The turnover test under section 23(1)(b) of the Enterprise Act 2002 (the Act) is not met since the target's UK turnover is less than £70 million. For the purposes of the share of supply test under section 23(3) of the Act, the OFT considered, on a cautious basis, the narrowest reasonable description of services provided by the parties to be the supply of online hotel search services to UK customers and the supply of online advertising services to UK hotels. The OFT has not reached a final conclusion on whether this is a reasonable description of products and services in which the parties overlap given that, on any basis (by revenues, commissions, online traffic data or gross booking value) the combined share of supply of the parties does not exceed the relevant threshold.

6. On the basis of the information available to it, the OFT has decided that the anticipated acquisition of a majority share in Trivago by Expedia does not qualify for investigation under the Act, because neither the UK turnover test nor the share of supply test is met. A relevant merger situation has, therefore, not been created.

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4 March 2013