



Australian
Competition &
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Commission

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NEWS RELEASE

ACCC WILL NOT OPPOSE EXPEDIA'S PROPOSED ACQUISITION OF WOTIF

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The Australian Competition and Consumer Commission will not oppose the proposed acquisition by Expedia, Inc. of Wotif.com Holdings Ltd (ASX: WTF).

"The ACCC noted the concerns raised by market participants that Wotif represented an important source of bookings for some accommodation providers and that its removal from the Australian market may result in them paying higher commission rates to online travel agents (OTAs)," ACCC Chairman Rod Sims said.

"However, the ACCC found that there has been considerable change in the competitive dynamics of the online accommodation distribution market in recent years. This has included new entry by a number of competitors and business models, including Booking.com, which has grown quickly to become the largest OTA in Australia," Mr Sims said.

The ACCC also noted the increasing importance of metasearch sites such as TripAdvisor and Google Hotels Finder, which aggregate the offers of hotels and numerous OTAs in one place for consumers to choose from. TripAdvisor is consistently one of the top two travel-related websites visited by consumers in Australia.

"Metasearch websites increasingly facilitate hotels' ability to promote themselves alongside OTAs, and transact directly with consumers," Mr Sims said.

"The ACCC considered that the acquisition was unlikely to diminish the dynamic nature of the industry. Disruptive developments from smaller OTAs and from companies in related online sectors, such as the metasearch providers, can be expected to constrain Expedia in the future," Mr Sims said. For these reasons, the ACCC concluded that the proposed acquisition was not likely to result in a substantial lessening of competition. The ACCC will outline the reasons for its decision in more detail in a forthcoming Public Competition Assessment.

On 4 September 2014, the ACCC had released a Statement of Issues outlining preliminary concern that the proposal may result in a substantial lessening of competition in the supply of online distribution/booking of Australian accommodation.

Further information will be available at www.accc.gov.au

ASX: WTF