LIBERTY
TRIPADVISOR HOLDINGS

PROXY STATEMENT | 2017 ANNUAL REPORT

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LIBERTY TRIPADVISOR HOLDINGS, INC.

12300 Liberty Boulevard
Englewood, Colorado 80112
(720) 875-5200

April 19, 2018

Dear Stockholder:

You are cordially invited to attend the 2018 annual meeting of stockholders of Liberty TripAdvisor Holdings, Inc. (**Liberty TripAdvisor**) to be held at 8:15 a.m., local time, on May 24, 2018, at the corporate offices of Liberty TripAdvisor, 12300 Liberty Boulevard, Englewood, Colorado 80112, telephone (720) 875-5200.

At the annual meeting, you will be asked to consider and vote on the proposals described in the accompanying notice of annual meeting and proxy statement, as well as on such other business as may properly come before the meeting.

Your vote is important, regardless of the number of shares you own. Whether or not you plan to attend the annual meeting, please read the enclosed proxy materials and then promptly vote via the Internet or telephone or by completing, signing and returning by mail the enclosed proxy card. Doing so will not prevent you from later revoking your proxy or changing your vote at the meeting.

Thank you for your cooperation and continued support and interest in Liberty TripAdvisor.

Very truly yours,

Gregory B. Maffei
Chairman of the Board,
President and Chief Executive Officer

The proxy materials relating to the annual meeting are first being mailed on or about April 23, 2018.

LIBERTY TRIPADVISOR HOLDINGS, INC.

12300 Liberty Boulevard
Englewood, Colorado 80112
(720) 875-5200

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

to be Held on May 24, 2018

NOTICE IS HEREBY GIVEN of the annual meeting of stockholders of Liberty TripAdvisor Holdings, Inc. (**Liberty TripAdvisor**) to be held at 8:15 a.m., local time, on May 24, 2018, at the corporate offices of Liberty TripAdvisor, 12300 Liberty Boulevard, Englewood, Colorado 80112, telephone (720) 875-5200, to consider and vote on the following proposals:

1. A proposal (which we refer to as the **election of directors proposal**) to elect Gregory B. Maffei and Michael J. Malone to continue serving as Class III members of our board until the 2021 annual meeting of stockholders or their earlier resignation or removal;
2. A proposal (which we refer to as the **auditors ratification proposal**) to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2018; and
3. A proposal (which we refer to as the **say-on-pay proposal**) to approve, on an advisory basis, the compensation of our named executive officers as described in this proxy statement under the heading "Executive Compensation."

You may also be asked to consider and vote on such other business as may properly come before the annual meeting.

Holders of record of our Series A common stock, par value $0.01 per share, and Series B common stock, par value $0.01 per share, in each case, outstanding as of 5:00 p.m., New York City time, on April 2, 2018, the **record date** for the annual meeting, will be entitled to notice of the annual meeting and to vote at the annual meeting or any adjournment or postponement thereof. These holders will vote together as a single class on each proposal. A list of stockholders entitled to vote at the annual meeting will be available at our offices at 12300 Liberty Boulevard, Englewood, Colorado 80112 for review by our stockholders for any purpose germane to the annual meeting for at least ten days prior to the annual meeting.

We describe the proposals in more detail in the accompanying proxy statement. We encourage you to read the proxy statement in its entirety before voting.

Our board of directors has unanimously approved each proposal and recommends that you vote "**FOR**" the election of each director nominee and "**FOR**" each of the auditors ratification proposal and the say-on-pay proposal.

Votes may be cast in person at the annual meeting or by proxy prior to the meeting by telephone, via the Internet, or by mail.

Important Notice Regarding the Availability of Proxy Materials For the Annual Meeting of Stockholders to be Held on May 24, 2018: our Notice of Annual Meeting of Stockholders, Proxy Statement, and 2017 Annual Report to Stockholders are available at www.envisionreports.com/LTAH.

YOUR VOTE IS IMPORTANT. Voting promptly, regardless of the number of shares you own, will aid us in reducing the expense of any further proxy solicitation in connection with the annual meeting.

By order of the board of directors,

Michael E. Hurelbrink
Secretary

Englewood, Colorado
April 19, 2018

WHETHER OR NOT YOU INTEND TO BE PRESENT AT THE ANNUAL MEETING, PLEASE VOTE PROMPTLY VIA TELEPHONE OR ELECTRONICALLY VIA THE INTERNET. ALTERNATIVELY, PLEASE COMPLETE, SIGN AND RETURN BY MAIL THE ENCLOSED PAPER PROXY CARD.

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2018 ANNUAL MEETING OF STOCKHOLDERS

WHEN

8:15 a.m., local time, on May 24, 2018

WHERE

The Corporate Offices of Liberty TripAdvisor
12300 Liberty Boulevard
Englewood, Colorado 80112

RECORD DATE

5:00 p.m., New York City time, on April 2, 2018

ITEMS OF BUSINESS

1. Election of directors proposal—To elect Gregory B. Maffei and Michael J. Malone to continue serving as Class III members of our board until the 2021 annual meeting of stockholders or their earlier resignation or removal.
2. Auditors ratification proposal—To ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2018.
3. Say-on-pay proposal—To approve, on an advisory basis, the compensation of our named executive officers as described in this proxy statement under the heading “Executive Compensation”.

Such other business as may properly come before the annual meeting.

WHO MAY VOTE

Holders of shares of LTRPA and LTRPB

PROXY VOTING

Stockholders of record on the record date are entitled to vote by proxy in the following ways:

By calling 1 (800) 652-8683 (toll free) in the United States or Canada

Online at www.envisionreports.com/LTAH

By returning a properly completed, signed and dated proxy card

ANNUAL MEETING AGENDA AND VOTING RECOMMENDATIONS

Proposal	Voting Recommendation	Page Reference (for more detail)
Election of directors proposal	✓ **FOR** EACH NOMINEE	8
Auditors ratification proposal	✓ **FOR**	12
Say-on-pay proposal	✓ **FOR**	14

LIBERTY TRIPADVISOR HOLDINGS, INC.

a Delaware corporation

12300 Liberty Boulevard
Englewood, Colorado 80112
(720) 875-5200

PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS

We are furnishing this proxy statement in connection with the board of directors' solicitation of proxies for use at our 2018 Annual Meeting of Stockholders to be held at 8:15 a.m., local time, at the corporate offices of Liberty TripAdvisor, 12300 Liberty Boulevard, Englewood, Colorado 80112, on May 24, 2018 or at any adjournment or postponement of the annual meeting. At the annual meeting, we will ask you to consider and vote on the proposals described in the accompanying Notice of Annual Meeting of Stockholders. The proposals are described in more detail in this proxy statement. We are soliciting proxies from holders of our Series A common stock, par value $0.01 per share (**LTRPA**), and Series B common stock, par value $0.01 per share (**LTRPB**). We refer to LTRPA and LTRPB together as our **common stock**.

THE ANNUAL MEETING

ELECTRONIC DELIVERY

Registered stockholders may elect to receive future notices and proxy materials by e-mail. To sign up for electronic delivery, go to *www.computershare.com/investor*. Stockholders who hold shares through a bank, brokerage firm or other nominee may sign up for electronic delivery when voting by Internet at *www.proxyvote.com* by following the prompts. Also, stockholders who hold shares through a bank, brokerage firm or other nominee may sign up for electronic delivery by contacting their nominee. Once you sign up, you will not receive a printed copy of the notices and proxy materials, unless you request them. If you are a registered stockholder, you may suspend electronic delivery of the notices and proxy materials at any time by contacting our transfer agent, Computershare, at 866-367-6355 (outside the United States 1-781-575-3400). Stockholders who hold shares through a bank, brokerage firm or other nominee should contact their nominee to suspend electronic delivery.

TIME, PLACE AND DATE

The annual meeting of stockholders is to be held at 8:15 a.m., local time, on May 24, 2018, at the corporate offices of Liberty TripAdvisor, 12300 Liberty Boulevard, Englewood, Colorado 80112, telephone (720) 875-5200.

PURPOSE

At the annual meeting, you will be asked to consider and vote on each of the following:

- the election of directors proposal, to elect Gregory B. Maffei and Michael J. Malone to continue serving as Class III members of our board until the 2021 annual meeting of stockholders or their earlier resignation or removal;
- the auditors ratification proposal, to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2018; and
- the say-on-pay proposal, to approve, on an advisory basis, the compensation of our named executive officers as described in this proxy statement under the heading "Executive Compensation."

You may also be asked to consider and vote on such other business as may properly come before the annual meeting, although we are not aware at this time of any other business that might come before the annual meeting.

QUORUM

In order to conduct the business of the annual meeting, a quorum must be present. This means that the holders of at least a majority of the aggregate voting power represented by the shares of our common stock outstanding on the record date and entitled to vote at the annual meeting must be represented at the annual meeting either in person or by proxy. For purposes of determining a quorum, your shares will be included as represented at the meeting even if you indicate on your proxy that you abstain from voting. If a broker, who is a record holder of shares, indicates on a form of proxy that the broker does not have discretionary authority to vote those shares on a particular proposal or proposals, or if those shares are voted in circumstances in which proxy authority is defective or has been withheld, those shares (**broker non-votes**) will nevertheless be treated as present for purposes of determining the presence of a quorum. See "—Voting Procedures for Shares Held in Street Name—Effect of Broker Non-Votes" below.

WHO MAY VOTE

Holders of shares of our common stock, as recorded in our stock register as of 5:00 p.m., New York City time, on April 2, 2018 (such date and time, the **record date** for the annual meeting), will be entitled to notice of the annual meeting and to vote at the annual meeting or any adjournment or postponement thereof.

VOTES REQUIRED

Each director nominee who receives a plurality of the combined voting power of the outstanding shares of our common stock present in person or represented by proxy at the annual meeting and entitled to vote on the election of directors at the annual meeting, voting together as a single class, will be elected to office.

Approval of each of the auditors ratification proposal and the say-on-pay proposal requires the affirmative vote of a majority of the combined voting power of the outstanding shares of our common stock that are present in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class.

VOTES YOU HAVE

At the annual meeting, holders of shares of LTRPA will have one vote per share and holders of shares of LTRPB will have ten votes per share, in each case, that our records show are owned as of the record date.

RECOMMENDATION OF OUR BOARD OF DIRECTORS

Our board of directors has unanimously approved each of the proposals and recommends that you vote "**FOR**" the election of each director nominee and "**FOR**" each of the auditors ratification proposal and the say-on-pay proposal.

SHARES OUTSTANDING

As of the record date, an aggregate of approximately 72,127,000 shares of LTRPA and 2,930,000 shares of LTRPB were issued and outstanding and entitled to vote at the annual meeting.

NUMBER OF HOLDERS

There were, as of the record date, 951 and 53 record holders of LTRPA and LTRPB, respectively (which amounts do not include the number of stockholders whose shares are held of record by banks, brokers or other nominees, but include each such institution as one holder).

VOTING PROCEDURES FOR RECORD HOLDERS

Holders of record of our common stock as of the record date may vote in person at the annual meeting, by telephone or through the Internet. Alternatively, they may give a proxy by completing, signing, dating and returning the proxy card by mail. Instructions for voting by using the telephone or the Internet are printed on the proxy card. In order to vote through the Internet, holders should have their proxy cards available so they can input the required information from the proxy card, and log onto the Internet website address shown on the proxy card. When holders log onto the Internet website address, they will receive instructions on how to vote their shares. The telephone and Internet voting procedures are designed to authenticate votes cast by use of a personal identification number, which will be provided to each voting stockholder separately. Unless subsequently revoked, shares of our common stock represented by a proxy submitted as described herein and received at or before the annual meeting will be voted in accordance with the instructions on the proxy.

YOUR VOTE IS IMPORTANT. It is recommended that you vote by proxy even if you plan to attend the annual meeting. You may change your vote at the annual meeting.

If you submit a properly executed proxy without indicating any voting instructions as to a proposal enumerated in the Notice of Annual Meeting of Stockholders, the shares represented by the proxy will be voted "**FOR**" the election of each director nominee and "**FOR**" each of the auditors ratification proposal and the say-on-pay proposal.

If you submit a proxy indicating that you abstain from voting as to a proposal, it will have no effect on the election of directors proposal and it will have the same effect as a vote "**AGAINST**" each of the other proposals.

If you do not submit a proxy or you do not vote in person at the annual meeting, your shares will not be counted as present and entitled to vote for purposes of determining a quorum, and your failure to vote will have no effect on determining whether any of the proposals are approved (if a quorum is present).

VOTING PROCEDURES FOR SHARES HELD IN STREET NAME

General

If you hold your shares in the name of a broker, bank or other nominee, you should follow the instructions provided by your broker, bank or other nominee when voting your shares or to grant or revoke a proxy. The rules and regulations of the New York Stock Exchange and The Nasdaq Stock Market LLC (**Nasdaq**) prohibit brokers, banks and other nominees from voting shares on behalf of their clients with respect to numerous matters, including, in our case, the election of directors proposal and the say-on-pay proposal described in this proxy statement. Accordingly, to ensure your shares held in street name are voted on these matters, we encourage you to provide promptly specific voting instructions to your broker, bank or other nominee.

Effect of Broker Non-Votes

Broker non-votes are counted as shares of our common stock present and entitled to vote for purposes of determining a quorum but will have no effect on any of the proposals. You should follow the directions your broker, bank or other nominee provides to you regarding how to vote your shares of common stock or how to change your vote or revoke your proxy.

REVOKING A PROXY

If you submitted a proxy prior to the start of the annual meeting, you may change your vote by voting in person at the annual meeting or by delivering a signed proxy revocation or a new signed proxy with a later date to Liberty TripAdvisor Holdings, Inc., c/o Computershare Investor Services, P.O. Box 505008, Louisville, Kentucky 40233-9814. Any signed proxy revocation or new signed proxy must be received before the start of the annual meeting. In addition, you may change your vote through the Internet or by telephone (if you originally voted by the corresponding method) not later than 2:00 a.m., New York City time, on May 24, 2018.

Your attendance at the annual meeting will not, by itself, revoke a prior vote or proxy from you.

If your shares are held in an account by a broker, bank or other nominee, you should contact your nominee to change your vote or revoke your proxy.

SOLICITATION OF PROXIES

We are soliciting proxies by means of our proxy statement and our annual report (together, the **proxy materials**) on behalf of our board of directors. In addition to this mailing, our employees may solicit proxies personally or by telephone. We pay the cost of soliciting these proxies. We also reimburse brokers and other nominees for their expenses in sending the proxy materials to you and getting your voting instructions.

If you have any further questions about voting or attending the annual meeting, please contact Liberty TripAdvisor Investor Relations at (844) 826-8736.

OTHER MATTERS TO BE VOTED ON AT THE ANNUAL MEETING

Our board of directors is not currently aware of any business to be acted on at the annual meeting other than that which is described in the Notice of Annual Meeting of Stockholders and this proxy statement. If, however, other matters are properly brought to a vote at the annual meeting, the persons designated as proxies will have discretion to vote or to act on these matters according to their best judgment. In the event there is a proposal to adjourn or postpone the annual meeting, the persons designated as proxies will have discretion to vote on that proposal.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth information concerning shares of our common stock beneficially owned by each person or entity known by us to own more than five percent of the outstanding shares of any series of our common stock. Beneficial ownership of our common stock is set forth below only to the extent known by us or ascertainable from public filings.

The security ownership information is given as of February 28, 2018, and, in the case of percentage ownership information, is based upon 72,127,032 LTRPA shares and 2,929,777 LTRPB shares, in each case, outstanding on that date. The percentage voting power is presented on an aggregate basis for all series of common stock.

Name and Address of Beneficial Owner	Title of Series	Amount and Nature of Beneficial Ownership	Percent of Series (%)	Voting Power (%)
Gregory B. Maffei c/o Liberty TripAdvisor Holdings, Inc. 12300 Liberty Blvd. Englewood, CO 80112	LTRPA LTRPB	—(1) 2,770,173(1)	— 94.6	27.3
Jackson Square Partners, LLC 101 California Street Suite 3750 San Francisco, CA 94111	LTRPA LTRPB	6,471,817(2) —	9.0 —	6.4
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	LTRPA LTRPB	6,101,687(3) —	8.5 —	6.0
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	LTRPA LTRPB	4,549,913(4) —	6.3 —	4.5
Dimensional Fund Advisors LP Building One 6300 Bee Cave Road Austin, TX 78746	LTRPA LTRPB	5,565,215(5) —	7.7	5.5 —
Eagle Capital Management, LLC 499 Park Avenue 17th Floor New York, NY 10022	LTRPA LTRPB	4,558,718(6) —	6.3 —	4.5

(1) Information with respect to shares of our common stock beneficially owned by Mr. Maffei, our Chairman of the Board, President and Chief Executive Officer, is also set forth in "—Security Ownership of Management."

(2) Based on Amendment No. 2 to Schedule 13G, filed February 13, 2018 by Jackson Square Partners, LLC (**Jackson Square**), which states that Jackson Square has sole voting power over 4,007,733 shares, shared voting power over 1,484,735 shares and sole dispositive power over 6,471,817 shares.

(3) Based on Amendment No. 3 to Schedule 13G, filed February 9, 2018 by The Vanguard Group (**Vanguard**), which states that Vanguard has sole voting power over 81,720 shares, shared voting power over 9,307 shares, sole dispositive power over 6,018,301 shares and shared dispositive power over 83,386 shares.

(4) Based on Amendment No. 3 to Schedule 13G, filed January 25, 2018 by BlackRock, Inc. (**BlackRock**), which states that BlackRock has sole voting power over 4,392,909 shares and sole dispositive power over 4,549,913 shares.

(5) Based on Amendment No. 1 to Schedule 13G, filed February 9, 2018 by Dimensional Fund Advisors LP (**Dimensional**), which states that Dimensional has sole voting power over 5,360,635 shares and sole dispositive power over 5,565,215 shares.

(6) Based on Schedule 13G, filed February 14, 2018 by Eagle Capital Management, LLC (**Eagle Capital**), which states that Eagle Capital has sole voting power over 3,726,950 shares and sole dispositive power over 4,558,718 shares.

SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth information with respect to the ownership by each of our directors and named executive officers (as defined herein) and by all of our directors and executive officers as a group of shares of (1) each series of our common stock (LTRPA and LTRPB) and (2) the Common Stock, par value $0.001 per share (**TRIP**), of our consolidated subsidiary TripAdvisor, Inc. (**TripAdvisor**). None of our directors or named executive officers own shares of TripAdvisor's Class B Common Stock, par value $0.001 per share (**TripAdvisor Class B**). The security ownership information with respect to our common stock is given as of February 28, 2018 and, in the case of percentage ownership information, is based upon 72,127,032 LTRPA shares and 2,929,777 LTRPB shares, in each case, outstanding on that date. The security ownership information with respect to TripAdvisor is given as of February 28, 2018, and, in the case of percentage ownership information, is based on 126,183,939 TRIP shares and 12,799,999 TripAdvisor Class B shares, in each case, outstanding on February 9, 2018. The percentage voting power is presented in the table below on an aggregate basis for all series of common stock.

Shares of restricted stock that have been granted pursuant to TripAdvisor's incentive plans are included in the outstanding share numbers, for purposes of the table below and throughout this proxy statement. Shares of common stock issuable upon exercise or conversion of options, warrants and convertible securities that were exercisable or convertible on or within 60 days after February 28, 2018 are deemed to be outstanding and to be beneficially owned by the person holding the options, warrants or convertible securities for the purpose of computing the percentage ownership of that person and for the aggregate percentage owned by the directors and named executive officers as a group, but are not treated as outstanding for the purpose of computing the percentage ownership of any other individual person. For purposes of the following presentation, beneficial ownership of shares of LTRPB, though convertible on a one-for-one basis into shares of LTRPA, are reported as beneficial ownership of LTRPB only, and not as beneficial ownership of LTRPA. So far as is known to us, the persons indicated below have sole voting and dispositive power with respect to the shares indicated as owned by them, except as otherwise stated in the notes to the table.

Name	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series (%)	Voting Power (%)
Gregory B. Maffei	LTRPA	—[1]	—	27.3
Chairman of the Board, President and Chief Executive Officer	LTRPB	2,770[1]	94.6	
	TRIP	13[2]	*	*
Michael J. Malone	LTRPA	32[3]	*	*
Director	LTRPB	—	—	
	TRIP	—	—	—
Chris Mueller	LTRPA	18[3]	*	*
Director	LTRPB	—	—	
	TRIP	—	—	—
Larry E. Romrell	LTRPA	33[3]	*	*
Director	LTRPB	**	*	
	TRIP	—	—	—
Albert E. Rosenthaler	LTRPA	52[3]	*	*
Chief Corporate Development Officer and Director	LTRPB	—	—	
	TRIP	6	*	*
J. David Wargo	LTRPA	159[3][4][5]	*	*
Director	LTRPB	—	—	
	TRIP	—	—	—
Richard N. Baer	LTRPA	—	—	—
Chief Legal Officer	LTRPB	—	—	
	TRIP	—	—	—

Name	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series (%)	Voting Power (%)
Brian J. Wendling Senior Vice President and Chief Financial Officer	LTRPA	27(3)	*	*
	LTRPB	—	—	
	TRIP	—	—	—
All directors and executive officers as a group (8 persons)	LTRPA	322(1)(3)(4)(5)	*	27.6
	LTRPB	2,770(1)	94.6	
	TRIP	19(2)	*	*

* Less than one percent

** Less than 1,000 shares

(1) Mr. Maffei is party to a standstill agreement with our company, dated December 21, 2014, as described in more detail under "Certain Relationships and Related Transactions—Letter Agreement with Mr. Maffei" below.

(2) Includes 1,938 shares of TRIP held by the Maffei Foundation. Mr. Maffei and his wife, as the two directors of the Maffei Foundation, have shared voting and investment power with respect to any shares held by the Maffei Foundation.

(3) Includes beneficial ownership of shares that may be acquired upon exercise of, or which relate to, stock options exercisable within 60 days after February 28, 2018.

	LTRPA
Michael J. Malone	31,661
Chris Mueller	17,961
Larry E. Romrell	28,729
Albert E. Rosenthaler	33,263
J. David Wargo	31,661
Brian J. Wendling	16,303
Total	159,578

(4) Includes 390 shares of LTRPA held by Mr. Wargo's spouse and 1,200 shares of LTRPA held by Mr. Wargo's brother as to which, in each case, Mr. Wargo has disclaimed beneficial ownership.

(5) Includes (i) 125,472 shares of LTRPA pledged to Fidelity Brokerage Services, LLC (**Fidelity**) in connection with a margin loan facility extended by Fidelity to Mr. Wargo and (ii) 1,200 shares of LTRPA held by Mr. Wargo's brother that are pledged to Fidelity in connection with a margin loan facility extended by Fidelity to Mr. Wargo's brother.

CHANGES IN CONTROL

We know of no arrangements, including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change in control of our company.

PROPOSALS OF OUR BOARD

The following proposals will be presented at the annual meeting by our board of directors.

PROPOSAL 1—THE ELECTION OF DIRECTORS PROPOSAL

BOARD OF DIRECTORS

Our board of directors currently consists of six directors, divided among three classes. Our Class III directors, whose term will expire at the annual meeting, are Gregory B. Maffei and Michael J. Malone. These directors are nominated for election to our board to continue to serve as Class III directors, and we have been informed that each of Messrs. Maffei and Malone is willing to continue to serve as a director of our company. The term of the Class III directors who are elected at the annual meeting will expire at the annual meeting of our stockholders in the year 2021. Our Class I directors, whose term will expire at the annual meeting of our stockholders in the year 2019, are Larry E. Romrell and J. David Wargo. Our Class II directors, whose term will expire at the annual meeting of our stockholders in the year 2020, are Chris Mueller and Albert E. Rosenthaler.

If any nominee should decline election or should become unable to serve as a director of our company for any reason before election at the annual meeting, votes will be cast by the persons appointed as proxies for a substitute nominee, if any, designated by the board of directors.

The following lists the two nominees for election as directors at the annual meeting and the four directors of our company whose term of office will continue after the annual meeting, and includes as to each person how long such person has been a director of our company, such person's professional background, other public company directorships and other factors considered in the determination that such person possesses the requisite qualifications and skills to serve as a member of our board of directors. The number of shares of our common stock beneficially owned by each director is set forth in this proxy statement under the caption "Security Ownership of Certain Beneficial Owners and Management."

Nominees for Election as Directors

Gregory B. Maffei

- *Age*: 57
- Chairman of the Board, Chief Executive Officer and President of our company.
- *Professional Background*: Mr. Maffei has served as Chairman of the Board of our company since June 2015 and as a director and the President and Chief Executive Officer of our company since July 2013. Mr. Maffei has also served as the President and Chief Executive Officer and a director of GCI Liberty, Inc. (**GCI Liberty**) since March 2018. He has served as President and Chief Executive Officer of Liberty Media Corporation (**Liberty Media**) (including its predecessor) since May 2007 and Liberty Broadband Corporation (**Liberty Broadband**) since June 2014. He has served as the Chairman of the Board of Qurate Retail, Inc. (**Qurate**), which was previously named Liberty Interactive Corporation (**Liberty Interactive**) (including its predecessor), since March 2018 and as a director of Qurate (including its predecessor) since November 2005. Mr. Maffei also served as the President and Chief Executive Officer of Liberty Interactive (including its predecessor) from February 2006 to March 2018, having served as its CEO-Elect from November 2005 through February 2006. Prior thereto, Mr. Maffei served as President and Chief Financial Officer of Oracle Corporation (**Oracle**), Chairman of the Board, President and Chief Executive Officer of 360networks Corporation (**360networks**), and Chief Financial Officer of Microsoft Corporation (**Microsoft**).
- *Other Public Company Directorships*: Mr. Maffei has served as (i) a director of Liberty Media (including its predecessor) since May 2007, (ii) the Chairman of the Board of Qurate since March 2018 and a director of Qurate (formerly Liberty Interactive and including its predecessor) since November 2005, (iii) a director of Liberty Broadband since June 2014, (iv) a director of GCI Liberty since March 2018, (v) the Chairman of the Board of TripAdvisor since February 2013, (vi) the Chairman of the Board of Live Nation Entertainment, Inc. since March 2013 and as a director since February 2011, (vii) the Chairman of the Board of Sirius XM Holdings Inc. since April 2013 and as a director since March 2009, (viii) a director of Zillow Group, Inc. since February 2015, having previously served as a director of its predecessor, Zillow, Inc., from May 2005 to February 2015, (ix) a director of Charter Communications, Inc. since May 2013 and (x) the Chairman of the

Board of Pandora Media, Inc. since September 2017. Mr. Maffei served as (i) Chairman of the Board of Starz from January 2013 until its acquisition by Lions Gate Entertainment Corp. in December 2016, (ii) a director of Barnes & Noble, Inc. from September 2011 to April 2014, (iii) a director of Electronic Arts, Inc. from June 2003 to July 2013 and (iv) a director of DIRECTV and its predecessors from February 2008 to June 2010.

- *Board Membership Qualifications*: Mr. Maffei brings to our board significant financial and operational experience based on his senior policy making positions at our company, Qurate (formerly Liberty Interactive and including its predecessor), GCI Liberty, Liberty Media, Liberty Broadband, Oracle, 360networks and Microsoft and his public company board experience. He provides our board with executive leadership perspective on the operations and management of large public companies and risk management principles.

Michael J. Malone

- *Age*: 73
- A director of our company.
- *Professional Background*: Mr. Malone has served as a director of our company since August 2014. Mr. Malone is currently Chief Executive Officer and principal of Hunters Capital, LLC, a real estate development and management company. Mr. Malone also owns and operates several hotels and restaurants, as well as Seattle's oldest jet charter and management company, Erin Air, Inc. He is the retired Chairman of the Board and Chief Executive Officer of DMX Music, Inc. (**DMX**) (formerly AEI Music, Inc.), a multinational music programming and distribution company that he founded in 1971 and which was sold to Liberty Interactive in May 2001, following which he served as Chairman of the Board of Maxide Acquisition, Inc., a subsidiary of Liberty Interactive and the holding company for DMX, from May 2001 to February 2005.
- *Other Public Company Directorships*: Mr. Malone has served as a director of Expeditors International of Washington, Inc. since August 1999. He previously served as a director of Take Two Interactive Software, Inc. from January 2006 through March 2007 and HomeStreet, Inc., a regional bank, from February 2012 to February 2015.
- *Board Membership Qualifications*: Mr. Malone is an experienced entrepreneur with over 20 years of senior leadership and management experience. Mr. Malone provides our board with insight into the structuring of investments and acquisitions and the management of technology companies.

Directors Whose Term Expires in 2019

Larry E. Romrell

- *Age*: 78
- A director of our company.
- *Professional Background*: Mr. Romrell has served as a director of our company since August 2014. Mr. Romrell held numerous executive positions with Tele-Communications, Inc. from 1991 to 1999. Previously, Mr. Romrell held various executive positions with Westmarc Communications, Inc.
- *Other Public Company Directorships*: Mr. Romrell has served as a director of Qurate (formerly Liberty Interactive) since December 2011, having previously served as a director of Liberty Interactive (including its predecessor) from March 1999 to September 2011. He has served as a director of Liberty Media (including its predecessor) since September 2011. He has served as a director of Liberty Global plc (**LGP**) since June 2013, having previously served as a director of Liberty Global, Inc. (**LGI**), LGP's predecessor, from June 2005 to June 2013 and as a director of LGI's predecessor, Liberty Media International, Inc. (**LMI**), from May 2004 to June 2005.
- *Board Membership Qualifications*: Mr. Romrell brings extensive experience, including venture capital experience, in the telecommunications industry to our board and is an important resource with respect to the management and operations of large public companies.

J. David Wargo

- *Age*: 64
- A director of our company.
- *Professional Background*: Mr. Wargo has served as a director of our company since August 2014. Mr. Wargo is the founder of Wargo & Company, Inc., a private company specializing in investing in the communications industry, and has served as its president since 1993. Mr. Wargo is a co-founder and was a member of New Mountain Capital, LLC from 2000 to 2008. Prior to starting Wargo & Company, he was a managing director and senior analyst of The Putnam Companies from 1989 to 1992, senior vice president and a partner in Marble Arch Partners from 1985 to 1989 and senior analyst, assistant director of research and a partner in State Street Research and Management Company from 1978 to 1985.
- *Other Public Company Directorships*: Mr. Wargo has served as a director of LGP since June 2013, having previously served as a director of LGI from June 2005 to June 2013 and as a director of LMI from May 2004 to June 2005. He has served as a director of Liberty Broadband since March 2015. He has served as a director of Discovery Inc., which was formerly known as Discovery Communications, Inc. (**Discovery Communications**), since September 2008, having previously served as a director of Discovery Communications' predecessor, Discovery Holding Company, from May 2005 to September 2008, and as a director of Strayer Education, Inc. since March 2001.
- *Board Membership Qualifications*: Mr. Wargo's extensive background in investment analysis and management, experience as a public company board member and his particular expertise in finance and capital markets contribute to our board's consideration of our capital structure and evaluation of investment and financial opportunities and strategies and strengthen our board's collective qualifications, skills and attributes.

Directors Whose Term Expires in 2020

Chris Mueller

- *Age*: 59
- A director of our company.
- *Professional Background*: Mr. Mueller has served as a director of our company since August 2014. He has served as the Managing Partner of Post Closing 360 LLC, a private investment company, since January 2012. He served as the Vice Chairman and Chief Financial Officer of 360networks from February 2005 to January 2012, and previously held various senior management positions with 360networks. Mr. Mueller served as a Managing Director of Corporate Finance at Ragen MacKenzie, a regional investment bank, and as the Chief Financial Officer and a director of Tuscany, Inc.
- *Other Public Company Directorships*: None.
- *Board Membership Qualifications*: Mr. Mueller has extensive experience in corporate finance and commercial and investment banking with approximately 30 years of experience, as well as in the structuring of strategic acquisitions. His background and expertise assist the board in evaluating strategic acquisition opportunities and developing financial strategies for our company.

Albert E. Rosenthaler

- *Age*: 58
- Chief Corporate Development Officer and a director of our company.
- *Professional Background*: Mr. Rosenthaler has served as a director of our company since August 2014 and as Chief Corporate Development Officer since October 2016, having previously served as Chief Tax Officer from January 2016 to September 2016 and as a Senior Vice President from July 2013 to December 2015. He has also served as Chief Corporate Development Officer of Qurate (formerly Liberty Interactive), Liberty Media, Liberty Broadband and Liberty Expedia Holdings, Inc. (**Liberty Expedia**) since October 2016 and GCI Liberty since March 2018. Mr. Rosenthaler served as Chief Tax Officer of Liberty Media, Liberty Interactive and Liberty Broadband from January 2016 to September 2016 and Liberty Expedia from March 2016 to September 2016. Prior to that, he served as a Senior Vice President of Liberty Media (including its predecessor) from May 2007 to December 2015, a Senior Vice President of Liberty Interactive (including its

predecessor) from April 2002 to December 2015 and a Senior Vice President of Liberty Broadband from June 2014 to December 2015.

- *Other Public Company Directorships*: Mr. Rosenthaler has served as a director of TripAdvisor since February 2016.
- *Board Membership Qualifications*: Mr. Rosenthaler has significant executive and financial experience gained through his service as a Senior Vice President and Chief Tax Officer of Liberty Interactive and Liberty Media for many years, as Chief Corporate Development Officer of our company, Qurate (formerly Liberty Interactive), Liberty Media, Liberty Broadband and Liberty Expedia and as a partner with a major national accounting firm for more than five years before joining Liberty Interactive. Mr. Rosenthaler brings a unique perspective to our company's board of directors, focused in particular on the area of tax management and corporate development. Mr. Rosenthaler's perspective and expertise assist the board in developing strategies that take into consideration a wide range of issues resulting from the application and evolution of tax laws and regulations.

VOTE AND RECOMMENDATION

A plurality of the combined voting power of the outstanding shares of our common stock present in person or represented by proxy at the annual meeting and entitled to vote on the election of directors at the annual meeting, voting together as a single class, is required to elect Messrs. Maffei and Malone as Class III members of our board of directors.

Our board of directors unanimously recommends a vote "FOR" the election of each nominee to our board of directors.

PROPOSAL 2—THE AUDITORS RATIFICATION PROPOSAL

We are asking our stockholders to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2018.

Even if the selection of KPMG LLP is ratified, the audit committee of our board of directors in its discretion may direct the appointment of a different independent accounting firm at any time during the year if our audit committee determines that such a change would be advisable. In the event our stockholders fail to ratify the selection of KPMG LLP, our audit committee will consider it as a direction to select other auditors for the year ending December 31, 2018.

A representative of KPMG LLP is expected to be available to answer appropriate questions at the annual meeting and will have the opportunity to make a statement if he or she so desires.

AUDIT FEES AND ALL OTHER FEES

The following table presents fees incurred for professional audit services rendered by KPMG LLP for the audit of our consolidated financial statements for 2017 and 2016 and fees billed for other services rendered by KPMG LLP:

	2017(1)	2016(1)
Audit fees	$537,800	$462,300
Audit related fees	—	—
Audit and audit related fees	537,800	462,300
Tax fees(2)	48,100	10,200
Total fees	$585,900	$472,500

(1) Such fees with respect to 2017 and 2016 exclude audit fees, audit related fees and tax fees billed by KPMG LLP to TripAdvisor for services rendered. TripAdvisor is a separate public company and its audit fees, audit related fees and tax fees (which aggregated to $2,283,300 and $2,021,500 in 2017 and 2016, respectively) are reviewed and approved by the audit committee of the board of directors of TripAdvisor.

(2) Tax fees consist of tax compliance and consultations regarding the tax implications of certain transactions.

Our audit committee has considered whether the provision of services by KPMG LLP to our company other than auditing is compatible with KPMG LLP maintaining its independence and believes that the provision of such other services is compatible with KPMG LLP maintaining its independence.

POLICY ON PRE-APPROVAL OF AUDIT AND PERMISSIBLE NON-AUDIT SERVICES OF INDEPENDENT AUDITOR

Our audit committee has adopted a policy regarding the pre-approval of all audit and permissible non-audit services provided by our independent auditor. Pursuant to this policy, our audit committee has approved the engagement of our independent auditor to provide the following services (all of which are collectively referred to as **pre-approved services**):

- audit services as specified in the policy, including (i) financial audits of our company and our subsidiaries, (ii) services associated with registration statements, periodic reports and other documents filed or issued in connection with securities offerings (including comfort letters and consents), (iii) attestations of management reports on our internal controls and (iv) consultations with management as to accounting or disclosure treatment of transactions;
- audit related services as specified in the policy, including (i) due diligence services, (ii) financial statement audits of employee benefit plans, (iii) consultations with management as to the accounting or disclosure treatment of transactions, (iv) attest services not required by statute or regulation, (v) certain audits incremental to the audit of our consolidated financial statements, (vi) closing balance sheet audits related to dispositions, and (vii) general assistance with implementation of the requirements of certain Securities and Exchange Commission (**SEC**) rules or listing standards; and
- tax services as specified in the policy, including federal, state, local and international tax planning, compliance and review services, and tax due diligence and advice regarding mergers and acquisitions.

Notwithstanding the foregoing general pre-approval, if, in the reasonable judgment of Liberty TripAdvisor's Senior Vice President and Chief Financial Officer, an individual project involving the provision of pre-approved services is likely to result in fees in excess of $50,000, or if individual projects under $50,000 are likely to total $250,000 during the period between the regularly scheduled meetings of the audit committee, then such projects will require the specific pre-approval of our audit committee. Our audit committee has delegated the authority for the foregoing approvals to the chairman of the audit committee, subject to his subsequent disclosure to the entire audit committee of the granting of any such approval. Chris Mueller currently serves as the chairman of our audit committee. In addition, the independent auditor is required to provide a report at each regularly scheduled audit committee meeting on all pre-approved services incurred during the preceding quarter. Any engagement of our independent auditors for services other than the pre-approved services requires the specific approval of our audit committee.

Under our policy, any fees incurred by TripAdvisor in connection with the provision of services by TripAdvisor's independent auditor are expected to be reviewed and approved by TripAdvisor's audit committee pursuant to TripAdvisor's policy regarding the pre-approval of all audit and permissible non-audit services provided by its independent auditor in effect at the time of such approval. Such approval by TripAdvisor's audit committee pursuant to its policy is deemed to be pre-approval of the services by our audit committee.

Our pre-approval policy prohibits the engagement of our independent auditor to provide any services that are subject to the prohibition imposed by Section 201 of the Sarbanes-Oxley Act.

All services provided by our independent auditor during 2017 were approved in accordance with the terms of the policy.

VOTE AND RECOMMENDATION

The affirmative vote of a majority of the combined voting power of the outstanding shares of our common stock that are present in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class, is required to approve the auditors ratification proposal.

Our board of directors unanimously recommends a vote "FOR" the auditors ratification proposal.

PROPOSAL 3—THE SAY-ON-PAY PROPOSAL

We are providing our stockholders the opportunity to vote to approve, on an advisory basis, the compensation of our named executive officers as described below in accordance with Section 14A of the Securities Exchange Act of 1934, as amended (the **Exchange Act**). This advisory vote is often referred to as the "say-on-pay" vote and allows our stockholders to express their views on the overall compensation paid to our named executive officers. Our company values the views of our stockholders and is committed to the efficiency and effectiveness of our company's executive compensation program.

Our first (and most recent) advisory vote on the compensation of our named executive officers was held at our 2015 annual meeting of stockholders on June 2, 2015, at which stockholders representing a majority of our aggregate voting power present and entitled to vote on the say-on-pay proposal voted in favor of, on an advisory basis, our executive compensation as disclosed in our proxy statement for our 2015 annual meeting of stockholders. Also at this meeting, the frequency at which future advisory votes on executive compensation would be held of once every three years received the affirmative vote of a majority of the votes cast on the say-on-frequency proposal by our stockholders that were present, in person or by proxy, and entitled to vote at the 2015 annual meeting of stockholders, voting together as a single class, and our board of directors adopted this as the frequency at which future advisory votes on executive compensation would be held. We currently expect that our next advisory vote on executive compensation will be held in 2021.

We are seeking stockholder approval of the compensation of our named executive officers as disclosed in this proxy statement in accordance with applicable SEC rules, which include the disclosures under "Executive Compensation—Compensation Discussion and Analysis," the compensation tables (including all related footnotes) and any additional narrative discussion of compensation included herein. Stockholders are encouraged to read the "Executive Compensation—Compensation Discussion and Analysis" section of this proxy statement, which provides an overview of our company's executive compensation policies and procedures.

In accordance with Section 14A of the Exchange Act, and Rule 14a-21(a) promulgated thereunder, and as a matter of good corporate governance, our board of directors is asking stockholders to approve the following advisory resolution at the 2018 annual meeting of stockholders:

RESOLVED, that the stockholders of Liberty TripAdvisor Holdings, Inc. hereby approve, on an advisory basis, the compensation paid to our company's named executive officers, as disclosed in this proxy statement pursuant to the rules of the SEC, including the Compensation Discussion and Analysis, compensation tables and any related narrative discussion.

ADVISORY VOTE

Although this vote is advisory and non-binding on our board and our company, our board and the compensation committee, which are responsible for designing and administering our company's executive compensation program, value the opinions expressed by our stockholders in their vote on this proposal and will consider the outcome of the vote when making future compensation policies and decisions for named executive officers.

VOTE AND RECOMMENDATION

This advisory resolution, which we refer to as the say-on-pay proposal, will be considered approved if it receives the affirmative vote of a majority of the combined voting power of the outstanding shares of our common stock that are present in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class.

Our board of directors unanimously recommends a vote "FOR" the approval of the say-on-pay proposal.

MANAGEMENT AND GOVERNANCE MATTERS

EXECUTIVE OFFICERS

The following lists the executive officers of our company (other than Gregory B. Maffei, our Chairman of the Board, President and Chief Executive Officer, and Albert E. Rosenthaler, Chief Corporate Development Officer of our company, each of whom also serve as directors of our company and who are listed under “Proposals of Our Board—Proposal 1—The Election of Directors Proposal”), their ages and a description of their business experience, including positions held with our company.

Name	Positions
Richard N. Baer Age: 61	Mr. Baer has served as Chief Legal Officer of our company, Liberty Media, Qurate (formerly Liberty Interactive) and Liberty Broadband since January 2016, Liberty Expedia since March 2016 and GCI Liberty since March 2018. He previously served as a Senior Vice President and General Counsel of our company from July 2013 to December 2015, Liberty Interactive and Liberty Media from January 2013 to December 2015 and Liberty Broadband from June 2014 to December 2015. Previously, Mr. Baer served as Executive Vice President and Chief Legal Officer of UnitedHealth Group Incorporated from May 2011 to December 2012. He served as Executive Vice President and General Counsel of Qwest Communications International Inc. from December 2002 to April 2011 and Chief Administrative Officer from August 2008 to April 2011.
Brian J. Wendling Age: 45	Mr. Wendling has served as a Senior Vice President and Chief Financial Officer of our company since January 2016. He previously served as Vice President and Controller of our company from August 2014 to December 2015. He also has served as Senior Vice President and Controller of Liberty Media, Qurate (formerly Liberty Interactive) and Liberty Broadband since January 2016, Senior Vice President of Liberty Expedia since March 2016 and GCI Liberty since March 2018. He previously served as Vice President and Controller of Liberty Media (including its predecessor) from November 2011 to December 2015, Liberty Interactive from November 2011 to December 2015 and Liberty Broadband from October 2014 to December 2015. Prior thereto, Mr. Wendling held various positions with Liberty Media and Liberty Interactive and their predecessors since 1999.

Our executive officers will serve in such capacities until their respective successors have been duly elected and have been qualified, or until their earlier death, resignation, disqualification or removal from office. There is no family relationship between any of our executive officers or directors, by blood, marriage or adoption.

During the past ten years, none of our directors or executive officers has had any involvement in such legal proceedings as would be material to an evaluation of his ability or integrity.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act, requires our executive officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than ten-percent stockholders are required by SEC regulation to furnish us with copies of all Section 16 forms they file.

Based solely on a review of the copies of the Forms 3, 4 and 5 and amendments to those forms furnished to us during our most recent fiscal year and written representations made to us by our executive officers and directors, we believe that, during the year ended December 31, 2017, all Section 16(a) filing requirements applicable to our officers, directors and greater than ten-percent beneficial owners were met with the exception of one Form 4 reporting one transaction that was untimely filed for Mr. Wendling in March 2017.

CODE OF ETHICS

We have adopted a code of business conduct and ethics that applies to all of our employees, directors and officers, which constitutes our "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act. Our code of business conduct and ethics is available on our website at *www.libertytripadvisorholdings.com*.

DIRECTOR INDEPENDENCE

It is our policy that a majority of the members of our board of directors be independent of our management. For a director to be deemed independent, our board of directors must affirmatively determine that the director has no direct or indirect material relationship with us. To assist our board of directors in determining which of our directors qualify as independent for purposes of Nasdaq rules as well as applicable rules and regulations adopted by the SEC, the nominating and corporate governance committee of our board of directors follows Nasdaq's corporate governance rules on the criteria for director independence.

Our board of directors has determined that each of Michael J. Malone, Chris Mueller, Larry E. Romrell and J. David Wargo qualifies as an independent director of our company.

BOARD COMPOSITION

As described above under "Proposals of Our Board—Proposal 1—The Election of Directors Proposal," our board is comprised of directors with a broad range of backgrounds and skill sets, including in media and telecommunications, technology, venture capital, private equity, real estate finance, auditing and financial engineering. For more information on our policies with respect to board candidates, see "—Committees of the Board of Directors—Nominating and Corporate Governance Committee" below.

BOARD LEADERSHIP STRUCTURE

Gregory B. Maffei currently serves as our Chairman of the Board, President and Chief Executive Officer (principal executive officer) and is responsible for identifying and implementing strategic initiatives as well as providing executive leadership. Our board believes that our President and Chief Executive Officer is best suited to serve as Chairman of the Board because he is the director most familiar with our company's business and industry, and most capable of effectively identifying strategic priorities for our company, leading the board in discussions regarding our business and strategic direction, and focusing the board on execution of strategy. Independent directors and management have different perspectives and roles in strategy development. Our independent directors bring experience, oversight and expertise from outside our company and industry, while our President and Chief Executive Officer brings significant financial and operational experience based on his past and present senior policy making positions as a director and/or executive officer at our company and other large public companies. Our board believes that the combined role of Chairman of the Board and President and Chief Executive Officer promotes strategy development and execution, and facilitates information flow between management and the board. In light of the active involvement by our independent directors, our board has not named a lead independent director.

BOARD ROLE IN RISK OVERSIGHT

The board as a whole has responsibility for risk oversight, with reviews of certain areas being conducted by the relevant board committees. Our audit committee oversees management of financial risks and risks relating to potential conflicts of interest. Our compensation committee oversees the management of risks relating to our compensation arrangements with senior officers. Our nominating and corporate governance committee oversees risks associated with the independence of the board. These committees then provide reports periodically to the full board. The oversight responsibility of the board and its committees is enabled by management reporting processes that are designed to provide visibility to the board about the identification, assessment and management of critical risks. These areas of focus include strategic, operational, financial and reporting, succession and compensation, legal and compliance, and other risks. Our management reporting processes include regular reports from Mr. Maffei, which are prepared with input from our senior management team, and also include input from our Internal Audit group.

COMMITTEES OF THE BOARD OF DIRECTORS

Executive Committee

Our board of directors has established an executive committee, whose members are Gregory B. Maffei, Chris Mueller and Albert E. Rosenthaler. Except as specifically prohibited by the General Corporation Law of the State of Delaware, the executive committee may exercise all the powers and authority of our board of directors in the management of our business and affairs, including the power and authority to authorize the issuance of shares of our capital stock.

Compensation Committee

Our board of directors has established a compensation committee, whose chairman is Larry E. Romrell and whose other members are Michael J. Malone and J. David Wargo. See “—Director Independence” above.

In August 2014, the spin-off of our company (formerly a wholly-owned subsidiary of Liberty Interactive) from Liberty Interactive was completed (the **Spin-Off**). In connection with the Spin-Off, we entered into a Services Agreement, dated August 27, 2014, with Liberty Media (the **services agreement**), pursuant to which Liberty Media provides us with administrative, executive and management services. The compensation committee evaluates the services fee under the services agreement on at least an annual basis. In addition, the compensation committee may approve incentive awards or other forms of compensation to employees of Liberty Media who are providing services to our company, which employees include our executive officers. However, the compensation committee determined not to grant such compensation for 2017.

If we engage a chief executive officer, chief financial officer, chief legal officer, chief tax officer or chief corporate development officer to perform services for our company outside the services agreement, the compensation committee will review and approve corporate goals and objectives relevant to the compensation of any such person. The compensation committee also oversees the compensation of the chief executive officers of our non-public operating subsidiaries. For a description of our current processes and policies for consideration and determination of executive compensation, including the role of our Chief Executive Officer in determining or recommending amounts and/or forms of compensation, see “Executive Compensation—Compensation Discussion and Analysis.”

Our board of directors has adopted a written charter for the compensation committee, which is available on our website at *www.libertytripadvisorholdings.com*.

Compensation Committee Report

The compensation committee has reviewed and discussed with our management the “Compensation Discussion and Analysis” included under “Executive Compensation” below. Based on such review and discussions, the compensation committee recommended to our board of directors that the “Compensation Discussion and Analysis” be included in this proxy statement.

Submitted by the Members of the Compensation Committee

Larry E. Romrell
Michael J. Malone
J. David Wargo

Compensation Committee Interlocks and Insider Participation

No member of our compensation committee during 2017 is or has been an officer or employee of our company, or has engaged in any related party transaction in which our company was a participant.

Nominating and Corporate Governance Committee

Our board of directors has established a nominating and corporate governance committee, whose chairman is J. David Wargo and whose other members are Michael J. Malone and Larry E. Romrell. See "—Director Independence" above.

The nominating and corporate governance committee identifies individuals qualified to become board members consistent with criteria established or approved by our board of directors from time to time, identifies director nominees for upcoming annual meetings, develops corporate governance guidelines applicable to our company and oversees the evaluation of our board and management.

The nominating and corporate governance committee will consider candidates for director recommended by any stockholder provided that such recommendations are properly submitted. Eligible stockholders wishing to recommend a candidate for nomination as a director should send the recommendation in writing to the Corporate Secretary, Liberty TripAdvisor Holdings, Inc., 12300 Liberty Boulevard, Englewood, Colorado 80112. Stockholder recommendations must be made in accordance with our bylaws, as discussed under "Stockholder Proposals" below, and contain the following information:

- the name and address of the proposing stockholder and the beneficial owner, if any, on whose behalf the nomination is being made, and documentation indicating the number of shares of our common stock owned beneficially and of record by such person and the holder or holders of record of those shares, together with a statement that the proposing stockholder is recommending a candidate for nomination as a director;
- the candidate's name, age, business and residence addresses, principal occupation or employment, business experience, educational background and any other information relevant in light of the factors considered by the nominating and corporate governance committee in making a determination of a candidate's qualifications, as described below;
- a statement detailing any relationship, arrangement or understanding between the proposing stockholder and/or beneficial owner(s), if different, and any other person(s) (including their names) under which the proposing stockholder is making the nomination and any affiliates or associates (as defined in Rule 12b-2 of the Exchange Act) of such proposing stockholder(s) or beneficial owner (each a **Proposing Person**);
- a statement detailing any relationship, arrangement or understanding that might affect the independence of the candidate as a member of our board of directors;
- any other information that would be required under SEC rules in a proxy statement soliciting proxies for the election of such candidate as a director;
- a representation as to whether the Proposing Person intends (or is part of a group that intends) to deliver any proxy materials or otherwise solicit proxies in support of the director nominee;
- a representation by each Proposing Person who is a holder of record of our common stock as to whether the notice is being given on behalf of the holder of record and/or one or more beneficial owners, the number of shares held by any beneficial owner along with evidence of such beneficial ownership and that such holder of record is entitled to vote at the annual stockholders meeting and intends to appear in person or by proxy at the annual stockholders meeting at which the person named in such notice is to stand for election;
- a written consent of the candidate to be named in the proxy statement and to serve as a director, if nominated and elected;
- a representation as to whether the Proposing Person has received any financial assistance, funding or other consideration from any other person regarding the nomination (a **Stockholder Associated Person**) (including the details of such assistance, funding or consideration); and

- a representation as to whether and the extent to which any hedging, derivative or other transaction has been entered into with respect to our company within the last six months by, or is in effect with respect to, the Proposing Person, any person to be nominated by the proposing stockholder or any Stockholder Associated Person, the effect or intent of which transaction is to mitigate loss to or manage risk or benefit of share price changes for, or increase or decrease the voting power of, the Proposing Person, its nominee, or any such Stockholder Associated Person.

In connection with its evaluation, the nominating and corporate governance committee may request additional information from the proposing stockholder and the candidate. The nominating and corporate governance committee has sole discretion to decide which individuals to recommend for nomination as directors.

To be nominated to serve as a director, a nominee need not meet any specific minimum criteria. However, the nominating and corporate governance committee believes that nominees for director should possess the highest personal and professional ethics, integrity, values and judgment and should be committed to the long-term interests of our stockholders. When evaluating a potential director nominee, including one recommended by a stockholder, the nominating and corporate governance committee will take into account a number of factors, including, but not limited to, the following:

- independence from management;
- his or her unique background, including education, professional experience and relevant skill sets;
- judgment, skill, integrity and reputation;
- existing commitments to other businesses as a director, executive or owner;
- personal conflicts of interest, if any; and
- the size and composition of the existing board of directors, including whether the potential director nominee would positively impact the composition of the board by bringing a new perspective or viewpoint to the board of directors.

The nominating and corporate governance committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. The nominating and corporate governance committee does not have a formal policy with respect to diversity; however, our board and the nominating and corporate governance committee believe that it is important that our board members represent diverse viewpoints.

When seeking candidates for director, the nominating and corporate governance committee may solicit suggestions from incumbent directors, management, stockholders and others. After conducting an initial evaluation of a prospective nominee, the nominating and corporate governance committee will interview that candidate if it believes the candidate might be suitable to be a director. The nominating and corporate governance committee may also ask the candidate to meet with management. If the nominating and corporate governance committee believes a candidate would be a valuable addition to our board of directors, it may recommend to the full board that candidate's nomination and election.

Prior to nominating an incumbent director for re-election at an annual meeting of stockholders, the nominating and corporate governance committee will consider the director's past attendance at, and participation in, meetings of the board of directors and its committees and the director's formal and informal contributions to the various activities conducted by the board and the board committees of which such individual is a member.

The members of our nominating and corporate governance committee have determined that Messrs. Maffei and Malone, who are nominated for election at the annual meeting, continue to be qualified to serve as directors of our company and such nomination was approved by the entire board of directors.

Our board of directors has adopted a written charter for the nominating and corporate governance committee. Our board of directors has also adopted corporate governance guidelines, which were developed by the nominating and corporate governance committee. The charter and the corporate governance guidelines are available on our website at *www.libertytripadvisorholdings.com*.

Audit Committee

Our board of directors has established an audit committee, whose chairman is Chris Mueller and whose other members are Michael J. Malone and J. David Wargo. See "—Director Independence" above.

Our board of directors has determined that Mr. Mueller is our company's "audit committee financial expert" under applicable SEC rules and regulations. The audit committee reviews and monitors the corporate financial reporting and the internal and external audits of our company. The committee's functions include, among other things:

- appointing or replacing our independent auditors;
- reviewing and approving in advance the scope and the fees of our annual audit and reviewing the results of our audits with our independent auditors;
- reviewing and approving in advance the scope and the fees of non-audit services of our independent auditors;
- reviewing compliance with and the adequacy of our existing major accounting and financial reporting policies;
- reviewing our management's procedures and policies relating to the adequacy of our internal accounting controls and compliance with applicable laws relating to accounting practices;
- confirming compliance with applicable SEC and stock exchange rules; and
- preparing a report for our annual proxy statement.

Our board of directors has adopted a written charter for the audit committee, which is available on our website at *www.libertytripadvisorholdings.com*.

Audit Committee Report

Each member of the audit committee is an independent director as determined by our board of directors, based on the listing standards of Nasdaq. Each member of the audit committee also satisfies the SEC's independence requirements for members of audit committees. Our board of directors has determined that Mr. Mueller is an "audit committee financial expert" under applicable SEC rules and regulations.

The audit committee reviews our financial reporting process on behalf of our board of directors. Management has primary responsibility for establishing and maintaining adequate internal controls, for preparing financial statements and for the public reporting process. Our independent auditor, KPMG LLP, is responsible for expressing opinions on the conformity of our audited consolidated financial statements with U.S. generally accepted accounting principles. Our independent auditor also expresses its opinion as to the effectiveness of our internal control over financial reporting.

Our audit committee has reviewed and discussed with management and KPMG LLP our most recent audited consolidated financial statements, as well as management's assessment of the effectiveness of our internal control over financial reporting and KPMG LLP's evaluation of the effectiveness of our internal control over financial reporting. Our audit committee has also discussed with KPMG LLP the matters required to be discussed by the Public Company Accounting Oversight Board Auditing Standard No. 1301, Communications with Audit Committees, including that firm's judgment about the quality of our accounting principles, as applied in its financial reporting.

KPMG LLP has provided our audit committee with the written disclosures and the letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding KPMG LLP's communications with the audit committee concerning independence, and the audit committee has discussed with KPMG LLP that firm's independence from the company and its subsidiaries.

Based on the reviews, discussions and other considerations referred to above, our audit committee recommended to our board of directors that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2017 (the **2017 Form 10-K**), which was filed on February 21, 2018 with the SEC.

Submitted by the Members of the Audit Committee

Chris Mueller
Michael J. Malone
J. David Wargo

Other

Our board of directors, by resolution, may from time to time establish other committees of our board of directors, consisting of one or more of our directors. Any committee so established will have the powers delegated to it by resolution of our board of directors, subject to applicable law.

BOARD MEETINGS

During 2017, there were four meetings of our full board of directors, no meetings of our executive committee, two meetings of our compensation committee, one meeting of our nominating and corporate governance committee and five meetings of our audit committee.

DIRECTOR ATTENDANCE AT ANNUAL MEETINGS

Our board of directors encourages all members of the board to attend the 2018 annual meeting of our stockholders and to attend future annual meetings of our stockholders. All of our six directors attended our 2017 annual meeting of stockholders.

STOCKHOLDER COMMUNICATION WITH DIRECTORS

Our stockholders may send communications to our board of directors or to individual directors by mail addressed to the Board of Directors or to an individual director c/o Liberty TripAdvisor Holdings, Inc., 12300 Liberty Boulevard, Englewood, Colorado 80112. All such communications from stockholders will be forwarded to our directors on a timely basis.

EXECUTIVE SESSIONS

In 2017, the independent directors of our company, then serving, met at three executive sessions without management participation.

Any interested party who has a concern regarding any matter that it wishes to have addressed by our independent directors, as a group, at an upcoming executive session may send its concern in writing addressed to Independent Directors of Liberty TripAdvisor Holdings, Inc., c/o Liberty TripAdvisor Holdings, Inc., 12300 Liberty Boulevard, Englewood, Colorado 80112. The current independent directors of our company are Michael J. Malone, Chris Mueller, Larry E. Romrell and J. David Wargo.

EXECUTIVE COMPENSATION

This section sets forth information relating to, and an analysis and discussion of, compensation paid by our company to the following persons (who we collectively refer to as our **named executive officers**):

- Gregory B. Maffei, our Chairman of the Board, President and Chief Executive Officer; and
- Brian J. Wendling, our Senior Vice President and Chief Financial Officer.

Pursuant to the services agreement (as described below), employees of Liberty Media perform management services for our company for a monthly fee, which is reviewed quarterly by the audit committees of our company and Liberty Media. As described above, our executive officers are comprised of Messrs. Maffei, Baer, Rosenthaler and Wendling, each of whom is an employee of Liberty Media and provides executive services to our company under the services agreement. Our executive officers are not separately compensated by our company other than with respect to any equity awards relating to our common stock that our compensation committee may determine to grant. Our named executive officers did not receive any equity awards relating to our common stock in 2017. Because we did not pay any cash compensation or grant any equity awards to Messrs. Baer and Rosenthaler with respect to 2017, Messrs. Baer and Rosenthaler are not considered "named executive officers" of our company for purposes of the Exchange Act and the rules adopted by the SEC.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Overview

Services Agreement

In connection with the Spin-Off, we entered into the services agreement with Liberty Media in August 2014, pursuant to which Liberty Media provides to our company certain administrative and management services, and we pay Liberty Media a monthly management fee, the amount of which is subject to semi-annual review (and at least an annual review by our compensation committee). As a result, employees, including our named executive officers, who provide services to our company pursuant to the services agreement are not separately compensated by our company other than with respect to equity awards with respect to our common stock. For the year ended December 31, 2017, we accrued management fees payable to Liberty Media under the services agreement of $2.97 million.

Role of Chief Executive Officer in Compensation Decisions; Setting Executive Compensation

Mr. Maffei did not have any role in making compensation decisions for the year ended December 31, 2017.

Prospectively, Mr. Maffei may make recommendations with respect to any equity compensation to be awarded to our executive officers. As a result of the management fee paid to Liberty Media, the compensation committee does not expect to provide any cash compensation to the executive officers, rather it may determine to separately compensate the executive officers with equity incentive compensation. It is expected that our Chief Executive Officer, in making any related recommendations to our compensation committee, will evaluate the performance and contributions of each of our executive officers, given his respective area of responsibility, and, in doing so, will consider various qualitative factors such as:

- the executive officer's experience and overall effectiveness;
- the executive officer's performance;
- the responsibilities of the executive officer, including any changes to those responsibilities over the year; and
- the executive officer's demonstrated leadership and management ability.

At the 2015 annual stockholder meeting, stockholders representing a majority of the aggregate voting power of Liberty TripAdvisor present and entitled to vote on its say-on-pay proposal voted in favor of, on an advisory basis, Liberty TripAdvisor's executive compensation, as disclosed in our proxy statement for the 2015 annual meeting of stockholders. No material changes were implemented to our executive compensation program as a result of this vote. In addition, at the 2015 annual meeting of stockholders, stockholders elected to hold a say-on-pay vote every three years.

Equity Incentive Compensation

None of our executive officers, including our named executive officers, received any equity incentive compensation from our company during 2017. The equity awards held by our named executive officers and reported below in

"—Outstanding Equity Awards at Fiscal Year-End" (other than the stock options granted to Mr. Maffei in 2014 after the Spin-Off) were issued as a result of the anti-dilution adjustments applied to their outstanding equity awards relating to Liberty Interactive's Liberty Ventures common stock at the time of the completion of the Spin-Off, including their outstanding multi-year grants described below.

Consistent with our compensation philosophy, our compensation committee believes in aligning the interests of the named executive officers with those of our stockholders and may grant awards of stock-based incentive compensation in the future to further align their interests. This will ensure that our executives have a continuing stake in our long-term success.

The Liberty TripAdvisor Holdings, Inc. 2014 Omnibus Incentive Plan (Amended and Restated as of March 11, 2015) (the **incentive plan**), as amended, provides for the grant of a variety of incentive awards, including stock options, restricted shares, restricted stock units, stock appreciation rights and performance awards. Our compensation committee has a preference for grants of stock options and awards of restricted stock or restricted stock units (as compared with other types of available awards under the incentive plan) based on the belief that they better promote retention of key employees through the continuing, long-term nature of an equity investment. It is the policy of our compensation committee that stock options be awarded with an exercise price equal to fair market value on the date of grant, typically measured by reference to the closing price on the grant date.

Prior to the Spin-Off, the Liberty Interactive compensation committee (and prior to September 2011 when Liberty Media's former parent company was split off from its former parent company, Liberty Interactive, the Liberty Interactive compensation committee) determined to make larger grants (equaling approximately four to five years' value of the annual grants made in years prior to 2009) that vest between four and five years after grant, rather than making annual grants over the same period. These multi-year stock option grants provide for back-end weighted vesting and generally expire seven to ten years after grant to encourage executives to remain with the company over the long-term and to better align their interests with those of the stockholders. In that regard, multi-year awards were granted to our executive officers prior to 2014, including to our named executive officers, and, accordingly, the multi-year awards were adjusted in connection with the Spin-Off pursuant to the anti-dilution provisions of the incentive plans under which they were granted.

Policy on Restatements

In those instances where we grant equity-based incentive compensation, we expect to include in the related agreement with the executive a right, in favor of our company, to require the executive to repay or return to the company any cash, stock or other incentive compensation (including proceeds from the disposition of shares received upon exercise of options or stock appreciation rights). That right will arise if (1) a material restatement of any of our financial statements is required and (2) in the reasonable judgment of our compensation committee, (A) such restatement is due to material noncompliance with any financial reporting requirement under applicable securities laws and (B) such noncompliance is a result of misconduct on the part of the executive. In determining the amount of such repayment or return, our compensation committee may take into account, among other factors it deems relevant, the extent to which the market value of the applicable series of our common stock was affected by the errors giving rise to the restatement. The cash, stock or other compensation that we may require the executive to repay or return must have been received by the executive during the 12-month period beginning on the date of the first public issuance or the filing with the SEC, whichever occurs earlier, of the financial statement requiring restatement. The compensation required to be repaid or returned will include (1) cash or company stock received by the executive (A) upon the exercise during that 12-month period of any stock appreciation right held by the executive or (B) upon the payment during that 12-month period of any incentive compensation, the value of which is determined by reference to the value of company stock, and (2) any proceeds received by the executive from the disposition during that 12-month period of company stock received by the executive upon the exercise, vesting or payment during that 12-month period of any award of equity-based incentive compensation.

SUMMARY COMPENSATION TABLE

Name and Principal Position (as of 12/31/17)	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Gregory B. Maffei	2017	—	—	—	—	—	—	—	—
Chairman of the Board, President and Chief Executive Officer	2016	—	—	—	—	—	—	—	—
	2015	—	—	—	—	—	—	—	—
Brian J. Wendling(1)	2017	—	—	—	—	—	—	—	—
Senior Vice President and Chief Financial Officer	2016	—	—	—	—	—	—	—	—
	2015	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(1) Mr. Wendling was a named executive officer of our company for the first time with respect to 2016 and his compensation for 2015 has been omitted in reliance upon the SEC's interpretive guidance.

EXECUTIVE COMPENSATION ARRANGEMENTS

Gregory B. Maffei

Option Grant

On December 21, 2014, Mr. Maffei received a one-time grant of 1,797,107 options to purchase shares of LTRPB at an exercise price of $27.83 per share (the **2014 Options**). One-half of the 2014 Options will vest on the fourth anniversary of the grant date with the remaining 2014 Options vesting on the fifth anniversary of the grant date, in each case, subject to Mr. Maffei being employed on the applicable vesting date. The 2014 Options have a term of ten years. Pursuant to the services agreement, as an employee of Liberty Media, Mr. Maffei provides services to our company and is not separately compensated by our company other than with respect to equity awards with respect to our common stock.

Upon a "change in control" (as defined in the award agreement relating to the 2014 Options) prior to Mr. Maffei's termination or in the event of Mr. Maffei's termination for death or disability, all of his unvested 2014 Options will become exercisable. If Mr. Maffei is terminated by our company for "cause" (as such term is defined in the award agreement relating to the 2014 Options), all of his unvested 2014 Options will terminate if there has not been a prior change in control. If Mr. Maffei is terminated by our company without "cause" or if he terminates his employment for "good reason" (as such term is defined in the award agreement relating to the 2014 Options), then each unvested tranche of 2014 Options will vest pro rata based on the number of days in the vesting period for such tranche elapsed since the grant date plus 548 calendar days; however, in the event (i) all members of the "Malone Group" (as such term is defined in the award agreement relating to the 2014 Options) cease to beneficially own our company's securities representing at least 20% of our voting power, (ii) within 90 to 210 days of clause (i) Mr. Maffei's employment is terminated by our company without cause or by Mr. Maffei for good reason and (iii) at the time of clause (i) Mr. Maffei does not beneficially own our company's securities representing at least 20% of our voting power, then all unvested 2014 Options will vest in full as of the date of Mr. Maffei's termination. In no event will the vesting of the 2014 Options accelerate upon Mr. Maffei's voluntary termination of his employment with our company without good reason. In addition, in no event will the vesting of the 2014 Options accelerate upon termination of Mr. Maffei's employment for any reason with Liberty Media. In the event of a change in control prior to Mr. Maffei's termination, all of the 2014 Options will remain exercisable until the end of the term. If Mr. Maffei is terminated for cause prior to December 31, 2019 (without a prior change in control occurring), then all vested 2014 Options will expire on the 90th day following such termination. In all other events of termination or if Mr. Maffei has not been terminated prior to December 31, 2019, all vested 2014 Options will expire at the end of the term.

Equity Incentive Plans

The incentive plan is designed to provide additional remuneration to officers, employees, nonemployee directors and independent contractors for service to our company and to encourage those persons' investment in our company. Non-qualified stock options, SARs, restricted shares, restricted stock units, cash awards, performance awards or any combination of the foregoing may be granted under the incentive plan (collectively, **awards**). The maximum number of shares of our common stock with respect to which awards may be granted is 6,700,000, subject to anti-dilution and other adjustment provisions of the incentive plan. With limited exceptions, under the incentive plan, no person may be granted in any calendar year awards covering more than 2,000,000 shares of our common stock, subject to anti-dilution and other adjustment provisions of the incentive plan. In addition, no person may receive payment for cash awards during any calendar year in excess of $10 million and no nonemployee director may be granted during any calendar year awards having a value (as determined on the grant date of such award) in excess of $3 million. Shares of our common stock issuable pursuant to awards will be made available from either authorized but unissued shares or shares that have been issued but reacquired by our company. The incentive plan is administered by the compensation committee with regard to all awards granted under the incentive plan (other than awards granted to the nonemployee directors), and the compensation committee has full power and authority to determine the terms and conditions of such awards. The incentive plan is administered by the full board of directors with regard to all awards granted under the incentive plan to nonemployee directors, and the full board of directors has full power and authority to determine the terms and conditions of such awards.

In connection with the Spin-Off, new equity incentive awards with respect to our common stock (**new Liberty TripAdvisor awards**) were issued in connection with adjustments made to outstanding equity incentive awards with respect to shares of Liberty Interactive's Liberty Ventures common stock which had been granted to various directors, officers and employees and consultants of Liberty Interactive and certain of its subsidiaries pursuant to the various stock incentive plans administered by the Liberty Interactive board of directors or the compensation committee thereof. These new Liberty TripAdvisor awards were issued pursuant to the Liberty TripAdvisor Holdings, Inc. Transitional Stock Adjustment Plan (the **transitional plan**), which governs the terms and conditions of the new Liberty TripAdvisor awards but cannot be used to make any additional grants following the Spin-Off.

Pay Ratio Information

We are providing the following information about the relationship of the median annual total compensation of our employees and the total compensation of Mr. Maffei, our chief executive officer on December 31, 2017, pursuant to the SEC's pay ratio disclosure rules set forth in Item 402(u) of Regulation S-K. We believe our pay ratio is a reasonable estimate calculated in a manner consistent with the SEC's pay ratio disclosure rules. However, because these rules provide flexibility in determining the methodology, assumptions and estimates used to determine pay ratios and the fact that workforce composition issues differ significantly between companies, our pay ratio may not be comparable to the pay ratios reported by other companies.

To identify our median employee, we first determined our employee population as of December 31, 2017, which consisted of employees located in the U.S., Europe and throughout the rest of the world, representing all full-time, part-time, seasonal and temporary employees, including hourly employees, employed by our company and our consolidated subsidiary, TripAdvisor, on that date. Using information from our payroll records, we then measured each employee's annual total compensation for calendar year 2017, consisting of base salary, short-term bonus at target and long-term equity incentive award at target. TripAdvisor annualized the compensation of approximately 600 full-time and part-time employees who were hired in 2017 but who did not work for it for the entire year. The earnings of TripAdvisor's employees outside the U.S. were converted to U.S. dollars using the currency exchange rates used for TripAdvisor's organizational planning purposes, which consider historic and forecasted rates as well as other factors. We did not make any cost-of-living or full-time equivalent adjustments.

Once we identified our median employee, we then determined that employee's total compensation, including any perquisites and other benefits, in the same manner that we determined the total compensation of our named executive officers for purposes of the Summary Compensation Table above. The ratio of our chief executive officer's total annual compensation to that of the median employee was as follows:

Chief Executive Officer Total Annual Compensation	$ 0
Median Employee Total Annual Compensation	$91,079
Ratio of Chief Executive Officer to Median Employee Total Annual Compensation	0:1

GRANTS OF PLAN-BASED AWARDS

No plan-based incentive awards were granted during the year ended December 31, 2017 to the named executive officers.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table contains information regarding unexercised options which were outstanding as of December 31, 2017 and held by the named executive officers. Messrs. Maffei and Wendling did not have any unvested stock awards as of December 31, 2017.

	Option awards			
Name	**Number of securities underlying unexercised options (#) Exercisable**	**Number of securities underlying unexercised options (#) Unexercisable**	**Option exercise price ($)**	**Option expiration date**
Gregory B. Maffei				
Option Awards				
LTRPB	—	1,797,107(1)	27.83	12/21/2024
Brian J. Wendling				
Option Awards				
LTRPA	16,303	—	14.11	03/19/2020

(1) Vests 50% on December 21, 2018 and 50% on December 21, 2019.

OPTION EXERCISES AND STOCK VESTED

Our named executive officers did not exercise any options to purchase shares of our common stock during 2017. In addition, none of our named executive officers held stock awards relating to our common stock that vested during 2017.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL

The following table sets forth the potential payments to our named executive officers if their employment with our company had terminated or a change in control had occurred, in each case, as of December 29, 2017, which was the last business day of our last completed fiscal year. In the event of such a termination or change in control, the actual amounts may be different due to various factors. In addition, we may enter into new arrangements or modify these arrangements from time to time.

The amounts provided in the tables are based on the closing market prices on December 29, 2017 for our Series A common stock and Series B common stock, which were $9.43 and $9.40, respectively. Because the exercise price of the 2014 Options was more than the closing market price of LTRPB shares on December 29, 2017, and because the exercise price of options to acquire LTRPA shares held by Mr. Wendling was more than the closing market price of LTRPA shares on December 29, 2017, Mr. Maffei's 2014 Options and Mr. Wendling's options have been excluded from the table below.

The circumstances giving rise to these potential payments and a brief summary of the provisions governing their payout are described below and in the footnotes to the table (other than those described under "—Executive Compensation Arrangements," which are incorporated by reference herein):

Voluntary Termination

Each of the named executive officers holds equity awards that were issued under the transitional plan, and Mr. Maffei holds the 2014 Options which were issued under the incentive plan. Under these plans and the related award agreements, in the event of a voluntary termination of his employment with our company for any reason, each named executive officer would only have a right to the equity grants that vested prior to his termination date. Mr. Maffei and Mr. Wendling are not entitled to any severance payments or other benefits upon a voluntary termination of his respective employment for any reason. The foregoing discussion assumes that the named executive officers voluntarily terminated his respective employment without good reason. See "—Termination Without Cause or for Good Reason" below for a discussion of potential payments and benefits upon a named executive officer's voluntary termination of his employment for good reason.

Termination for Cause

All outstanding equity grants constituting options, whether unvested or vested but not yet exercised, under the existing incentive plans would be forfeited by any named executive officer (other than Mr. Maffei in the case of equity grants constituting vested options or similar rights) who is terminated for "cause." Unless there is a different definition in the applicable award agreement, both the transitional plan (which governs the awards other than the 2014 Options) and the incentive plan define "cause" as insubordination, dishonesty, incompetence, moral turpitude, other misconduct of any kind and the refusal to perform his duties and responsibilities for any reason other than illness or incapacity; provided that, if such termination is within 12 months after a change in control (as described below), "cause" means a felony conviction for fraud, misappropriation or embezzlement. With respect to Mr. Maffei's equity grants, including the 2014 Options, "cause," as defined in the applicable award agreement, means (i) Mr. Maffei's willful failure to follow the lawful instructions of the board of directors of our company; (ii) the commission by Mr. Maffei of any fraud, misappropriation or misconduct that causes demonstrable material injury to our company or its subsidiaries; (iii) Mr. Maffei's conviction of, or plea of guilty or nolo contendere to, a felony; or (iv) Mr. Maffei's failure to comply in any material respect with any written agreement between him and our company or any of our subsidiaries if such failure causes demonstrable material injury to our company or any of our subsidiaries, except that Mr. Maffei is entitled to certain procedural and cure rights relating to a termination for cause, except in the case of a termination for cause based on a felony conviction. Mr. Maffei has certain continuing rights under his award agreements, including for his 2014 Options, to exercise vested options following a termination for "cause." See "—Executive Compensation Arrangements."

Termination Without Cause or for Good Reason

Pursuant to the award agreement for the 2014 Options, Mr. Maffei's 2014 Options are subject to acceleration upon a termination of his employment without cause or for good reason. See "—Executive Compensation Arrangements—Gregory B. Maffei" above for additional entitlements. Mr. Maffei is not entitled to any severance pay or other benefits upon a termination without cause or for good reason.

Mr. Wendling does not have any unvested equity awards, and he is not entitled to any severance pay or other benefits upon a termination without cause.

Death

In the event of death of any of the named executive officers, the incentive plans and applicable award agreements provide for vesting in full of any outstanding options. See “Executive Compensation Arrangements” above. None of the named executive officers is entitled to any severance pay or other benefits upon a termination due to death.

Disability

If the employment of any of the named executive officers is terminated due to disability, which is defined in the incentive plans or applicable award agreements, such plans or agreements provide for vesting in full of any outstanding options. See “Executive Compensation Arrangements” above. None of the named executive officers is entitled to any severance pay or other benefits upon a termination due to disability.

Change in Control

In case of a change in control, the incentive plans provide for vesting in full of any outstanding options held by the named executive officers. A change in control is generally defined as:

- The acquisition by a non-exempt person (as defined in the incentive plans) of beneficial ownership of at least 20% of the combined voting power of the then outstanding shares of our company ordinarily having the right to vote in the election of directors, other than pursuant to a transaction approved by our board of directors.
- The individuals constituting our board of directors over any two consecutive years cease to constitute at least a majority of the board, subject to certain exceptions that permit the board to approve new members by approval of at least two-thirds of the remaining directors.
- Any merger, consolidation or binding share exchange that causes the persons who were common stockholders of our company immediately prior thereto to lose their proportionate interest in the common stock or voting power of the successor or to have less than a majority of the combined voting power of the then outstanding shares ordinarily having the right to vote in the election of directors, the sale of substantially all of the assets of the company or the dissolution of the company.

In the case of a change in control described in the last bullet point, our compensation committee may determine not to accelerate the existing equity awards of the named executive officers if equivalent awards will be substituted for the existing awards, except that Mr. Maffei’s awards may also be subject to acceleration upon a change in control, including of the type described in the last bullet point, pursuant to the terms of the award agreement for his 2014 Options. See “—Executive Compensation Arrangements—Gregory B. Maffei” above. For purposes of the tabular presentation below, we have assumed no such determination was made.

Benefits Payable Upon Termination or Change-in-Control

Name	Voluntary Termination Without Good Reason ($)	Termination for Cause ($)	Termination Without Cause or for Good Reason ($)	Death ($)	Disability ($)	After a Change in Control ($)
Gregory B. Maffei						
Options	—	—	—(1)	—(1)	—(1)	—(1)
Total	—	—	—	—	—	—
Brian J. Wendling						
Options	—(1)	—	—(1)	—(1)	—(1)	—(1)
Total	—	—	—	—	—	—

(1) Mr. Maffei’s 2014 Options have been excluded as the exercise price of the 2014 Options was more than the closing market price of LTRPB shares on December 29, 2017. Mr. Wendling’s options to acquire LTRPA shares have been excluded as the exercise price of the options was more than the closing market price of LTRPA shares on December 29, 2017. See the “Outstanding Equity Awards at Fiscal Year-End” table and “—Termination Without Cause or for Good Reason” above.

DIRECTOR COMPENSATION

NONEMPLOYEE DIRECTORS

Director Fees

Each of our directors who is not an employee of, or service provider to, our company is paid an annual fee of $153,000 (which we refer to as the **director fee**) for 2018 ($150,000 for 2017), of which fee each director was permitted to elect to receive 50%, 75% or 100% of such director fee in RSUs or options to purchase LTRPA, which will vest one year from the grant date, with the remainder payable in cash. The awards issued to our directors with respect to their service on our board in 2017 were issued in December 2016. See "—Director Option Grants" below for information on the incentive awards granted in 2017 to the nonemployee directors with respect to service on our board in 2018. Fees for service on our audit committee, compensation committee, executive committee and nominating and corporate governance committee are the same for 2017 and 2018. With respect to our audit committee, compensation committee and nominating and corporate governance committee, each member thereof receives an additional annual fee of $15,000, $10,000 and $10,000, respectively, for his participation on each such committee, except that the chairman of each such committee instead receives an additional annual fee of $25,000, $15,000 and $15,000, respectively, for his participation on that committee. With respect to our executive committee, each member thereof who is not an employee of, or service provider to, our company receives an additional annual fee of $5,000 for his participation on that committee. The cash portion of the director fees and the fees for participation on committees are payable quarterly in arrears.

Management of our company requested Mercer to conduct a market study of nonemployee director compensation in December 2017. In preparing the study, Mercer reviewed the nonemployee director compensation paid at companies that compete in the same markets as our company's operating assets. Also, because of our company's structure, Mercer reviewed director compensation paid at private equity companies. Mercer reviewed the structure and amounts paid at these companies and made comments regarding the ratio of cash compensation to equity compensation, as well as the total compensation that should be paid. After reviewing the report, the board determined to maintain the current pay structure.

Equity Incentive Plans

As discussed above, awards granted to our nonemployee directors under the incentive plan are currently administered by our full board of directors. Our board of directors has full power and authority to grant eligible persons the awards described below and to determine the terms and conditions under which any awards are made. The incentive plan is designed to provide additional remuneration to our nonemployee directors and independent contractors, among others, and to encourage their investment in our capital stock, thereby increasing their proprietary interest in our business. Our board of directors may grant non-qualified stock options, SARs, restricted shares, restricted stock units, cash awards, performance awards or any combination of the foregoing under the incentive plan.

As described above, in connection with the Spin-Off, our company's board of directors adopted the transitional plan, which governs the terms and conditions of awards issued in the Spin-Off in connection with adjustments made to awards previously granted by Liberty Interactive with respect to its Liberty Ventures common stock.

Director Option Grants

Pursuant to our director compensation policy described above and the incentive plan, on December 13, 2017, Messrs. Mueller and Romrell were each granted options to purchase 17,485 LTRPA shares and Messrs. Malone and Wargo were each granted options to purchase 34,970 LTRPA shares, all of which had an exercise price equal to $9.40, which was the closing price of such stock on the grant date. The options will become exercisable on the first anniversary of the grant date, or on such earlier date that the grantee ceases to be a director because of death or disability, and, unless our board determines otherwise, will be terminated without becoming exercisable if the grantee resigns or is removed from the board before the vesting date. Once vested, the options will remain exercisable until the seventh anniversary of the grant date, or, if earlier, until the first business day following the first anniversary of the date the grantee ceases to be a director.

Stock Ownership Guidelines

In March 2016, our board of directors adopted stock ownership guidelines that require each nonemployee director to own shares of our company's stock equal to at least 1.5 times the value of the nonemployee director fee. Nonemployee directors will have five years from the later of (i) the effective date of the guidelines and (ii) the nonemployee director's initial appointment to our board to comply with these guidelines.

DIRECTOR COMPENSATION TABLE

Name[(1)]	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)[(2)(3)]	All Other Compensation ($)	Total ($)
Michael J. Malone	35,000	—	143,599	150	178,749
Chris Mueller	105,000	—	71,800	150	176,950
Larry E. Romrell	25,000	—	71,800	—	96,800
Albert E. Rosenthaler	—	—	—	—	—
J. David Wargo	40,000	—	143,599	—	183,599

(1) Gregory B. Maffei, the Chairman of the Board of our company and a named executive officer, and Albert E. Rosenthaler, who is Chief Corporate Development Officer of our company, received no compensation for serving as directors of our company during 2017.

(2) As of December 31, 2017, our directors (other than Mr. Maffei, whose equity awards are listed in "Executive Compensation—Outstanding Equity Awards at Fiscal Year-End" above) held the following equity awards:

	Michael J. Malone	Chris Mueller	Larry E. Romrell	Albert E. Rosenthaler	J. David Wargo
Options (#)					
LTRPA	66,631	35,446	46,214	33,263	66,631
RSUs (#)					
LTRPA	—	—	—	—	—

(3) The aggregate grant date fair value of the stock option awards has been computed in accordance with FASB ASC Topic 718, but (pursuant to SEC regulations) without reduction for estimated forfeitures. For a description of the assumptions applied in these calculations, see Note 9 to our consolidated financial statements for the year ended December 31, 2017 (which are included in our 2017 Form 10-K).

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information as of December 31, 2017 with respect to shares of our common stock authorized for issuance under our equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders:			
Liberty TripAdvisor Holdings, Inc. 2014 Omnibus Incentive Plan (Amended and Restated as of March 11, 2015), as amended			4,689,174(1)
LTRPA	213,719	$15.14	
LTRPB	1,797,107	$27.83	
Equity compensation plans not approved by security holders:			
Liberty TripAdvisor Holdings, Inc. Transitional Stock Adjustment Plan(2)			—(2)
LTRPA	467,197	$14.46	
LTRPB	—	—	
Total			
LTRPA	680,916		
LTRPB	1,797,107		
			4,689,174

(1) The Liberty TripAdvisor Holdings, Inc. 2014 Omnibus Incentive Plan (Amended and Restated as of March 11, 2015), as amended, permits grants of, or with respect to, shares of any series of our common stock, subject to a single aggregate limit.

(2) The transitional plan was previously approved by our board of directors and our former parent company, Liberty Interactive, as sole stockholder, in connection with the Spin-Off. The transitional plan governs the terms and conditions of awards with respect to our company's common stock that were granted in connection with adjustments made to awards granted by Liberty Interactive with respect to its Liberty Ventures common stock. As a result, no further grants are permitted under this plan.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Under our Code of Business Conduct and Ethics and Corporate Governance Guidelines, if a director or executive officer has an actual or potential conflict of interest (which includes being a party to a proposed “related party transaction” (as defined by Item 404 of Regulation S-K)), the director or executive officer should promptly inform the person designated by our board to address such actual or potential conflicts. No related party transaction may be effected by our company without the approval of the audit committee of our board or another independent body of our board designated to address such actual or potential conflicts.

LETTER AGREEMENT WITH MR. MAFFEI

As described in more detail above under “Executive Compensation—Executive Compensation Arrangements—Gregory B. Maffei,” on December 21, 2014, Mr. Maffei received a one-time grant of the 2014 Options consisting of 1,797,107 options to purchase shares of LTRPB at an exercise price of $27.83 per share. Because of the significant voting power that Mr. Maffei would possess upon exercise of the 2014 Options, our board of directors determined that it would be appropriate to also grant Mr. Maffei approval for purposes of exempting him from the restrictions that may be imposed on him as an “interested stockholder” under Section 203 of the General Corporation Law of Delaware (**Section 203**). Separately, Mr. Maffei advised our board that, although no agreement, arrangement or understanding had been reached, he was in discussions with Mr. Malone regarding a potential exchange of shares of LTRPB owned by the Malones (as defined below) for shares of LTRPA owned by Mr. Maffei. As a result, the compensation committee of our board and the members of our board independent of Mr. Maffei and the Malones determined that it was appropriate to request that Mr. Maffei enter into a standstill agreement with our company, and on December 21, 2014, we and Mr. Maffei entered into a letter agreement (the **Standstill Letter**). The Standstill Letter was entered into in connection with the grant of the 2014 Options to Mr. Maffei and in anticipation of such potential exchange. On December 22, 2014, Mr. Maffei acquired 2,770,173 shares of LTRPB in exchange for 3,047,190 shares of LTRPA pursuant to an exchange transaction pursuant to which he exchanged (the **Exchange**) an aggregate of 3,047,190 shares of LTRPA in a private transaction with John C. Malone, our Chairman at the time, Mr. Malone’s wife and two trusts (the **Trusts**) managed by an independent trustee, the beneficiaries of which are Mr. Malone’s adult children (Mr. Malone, his wife and the Trusts, the **Malones**), for an aggregate of 2,770,173 shares of LTRPB held by Mr. Malone, his wife and the Trusts. Prior to the grant of the 2014 Options and any agreement, arrangement or understanding between Mr. Maffei and Mr. Malone regarding the Exchange, the compensation committee of our board and the members of our board independent of Mr. Maffei and the Malones approved (x) each of Mr. Maffei and certain of his related persons as an “interested stockholder” and (y) the acquisition by such persons of shares of our common stock, in each case, for purposes of Section 203.

Subject to certain exceptions, during the Term (as defined below) of the Standstill Letter, Mr. Maffei has agreed that he will not, and he will not permit his Controlled Affiliates (as defined in the Standstill Letter) to, directly or indirectly, acquire Voting Securities (as such term is defined in the Standstill Letter) of our company if, after giving effect to such acquisition, Mr. Maffei and his Controlled Affiliates would beneficially own (as defined under the Exchange Act, but including all shares Mr. Maffei has the right to acquire without giving effect to any vesting requirements) in excess of 34.9% of our outstanding Voting Securities (the **Cap**); provided, that the Cap will not prohibit, among other things, Mr. Maffei from acquiring or exercising the 2014 Options or acquiring shares of LTRPB pursuant to the Exchange. In the event Mr. Maffei or his Controlled Affiliates have beneficial ownership of Voting Securities of our company in excess of the Cap, subject to limited exceptions, Mr. Maffei will vote such securities in excess of the Cap in the same proportion as the votes cast by stockholders unaffiliated with Mr. Maffei on any matter submitted to a vote of our stockholders.

Pursuant to the Standstill Letter, during the period commencing on December 21, 2014 and ending on the earlier of (x) the fifth anniversary of the closing of the Exchange or (y) the consummation of a Change in Control (as defined in the Standstill Letter) (such period, the **Term**), our company will include Mr. Maffei (or his designee) in management’s slate of directors for election (the **Management Slate**) at each annual or special meeting of stockholders at which directors in Mr. Maffei’s (or his designee’s) class are to be elected. Our company will use reasonable best efforts to cause the election of Mr. Maffei (or his designee) to our board of directors. So long as our company complies with our obligation to include Mr. Maffei (or his designee) on the Management Slate as provided in the Standstill Letter, Mr. Maffei has agreed to vote his shares of our common stock in favor of the Management Slate.

Pursuant to and during the Term of the Standstill Letter, Mr. Maffei has agreed, subject to certain exceptions, to certain customary standstill provisions. Such provisions prohibit Mr. Maffei and his Controlled Affiliates, unless expressly authorized by a majority of the members of our board who are independent, disinterested and unaffiliated with Mr. Maffei and his Controlled Affiliates, from: (i) effecting or seeking, offering or proposing (whether publicly or otherwise) to effect, or announcing any intention to effect or cause or participating in or assisting, facilitating or encouraging any other person to effect or seek, offer or propose (whether publicly or otherwise) to effect or participate in, (A) any acquisition of any equity securities (or beneficial ownership thereof) or rights or options to acquire any equity securities (or beneficial ownership thereof), of our company, (B) any tender or exchange offer, consolidation, business combination, acquisition, merger, joint venture or other business combination involving our company, (C) any recapitalization, restructuring, liquidation, dissolution or other extraordinary transaction with respect to our company or (D) any solicitation of proxies or consents relating to the election of directors with respect to our company; (ii) forming, joining or in any way participating in a “group” (as defined under Rule 13d-3 of the Exchange Act); (iii) depositing any Voting Securities in a voting trust or similar arrangement; (iv) granting any proxies with respect to any Voting Securities to any person (other than in his capacity as a designated representative of our company); (v) otherwise acting (alone or in concert with others), to call or seek to a call a meeting of our stockholders, initiating any stockholder proposal or calling a special meeting of our board of directors; (vi) entering into any third-party discussions regarding the foregoing; (vii) publicly requesting a waiver or amendment of the foregoing, or making any public announcement regarding such restrictions; (viii) taking any action which would reasonably be expected to require our company to make a public announcement regarding the possibility of a business combination or merger; or (ix) advising, assisting or knowingly encouraging or directing any person to do so in connection with the foregoing. However, Mr. Maffei will not be deemed to have breached or violated these limitations to the extent such actions were taken in connection with his provision of services to our company as a member of our board of directors or as Chief Executive Officer of our company.

The standstill limitations cease to apply (i) if our company fails (subject to certain exceptions) to comply with our obligation to include Mr. Maffei (or his designee) on the Management Slate for election as a director (other than at Mr. Maffei’s request or because of Mr. Maffei’s refusal to accept such nomination), (ii) if Mr. Maffei ceases to serve as Chief Executive Officer of our company other than as a result of his resignation without Good Reason (as defined in the grant agreement related to the 2014 Options (the **Option Agreement**)), his Disability (as defined in the Option Agreement) or his termination for Cause (as defined in the Option Agreement), or (iii) if Mr. Maffei (or his designee) ceases to be a director of our company, other than (A) due to his refusal to serve as a director of our company or to propose a designee in his place, (B) due to his (or his designee’s) resignation, (C) due to Mr. Maffei’s election not to submit a replacement candidate for appointment or (D) during a period following Mr. Maffei’s resignation so long as our company is working in good faith to appoint a replacement designee of Mr. Maffei. The standstill limitations also cease to apply upon the occurrence of certain events set forth in the Standstill Letter, including our company entering into discussions regarding a transaction that would, if consummated, be reasonably likely to result in a Change of Control (unless Mr. Maffei has been released from such restrictions to the extent reasonably necessary for him to fully participate in any discussions (in his capacity as a stockholder) and to offer or propose alternative transactions involving himself and his Controlled Affiliates and third parties) or a third party commences a tender or exchange offer for at least 50.1% of our common stock which would result in a Change of Control of our company and which offer is not opposed by our company.

The foregoing is a summary of the Standstill Letter and is qualified by reference to the full text of the Standstill Letter, which is incorporated by reference as Exhibit 7(a) to the Schedule 13D filed by Mr. Maffei with respect to our common stock on December 31, 2014.

STOCKHOLDER PROPOSALS

This proxy statement relates to our annual meeting of stockholders for the calendar year 2018 which will take place on May 24, 2018. Based solely on the date of our 2018 annual meeting and the date of this proxy statement, (i) a stockholder proposal must be submitted in writing to our Corporate Secretary and received at our executive offices at 12300 Liberty Boulevard, Englewood, Colorado 80112, by the close of business on December 24, 2018 in order to be eligible for inclusion in our proxy materials for the annual meeting of stockholders for the calendar year 2019 (the **2019 annual meeting**), and (ii) a stockholder proposal, or any nomination by stockholders of a person or persons for election to the board of directors, must be received at our executive offices at the foregoing address not earlier than February 22, 2019 and not later than March 25, 2019 to be considered for presentation at the 2019 annual meeting. We currently anticipate that the 2019 annual meeting will be held during the second quarter of 2019. If the 2019 annual meeting takes place more than 30 days before or 30 days after May 24, 2019 (the anniversary of the 2018 annual meeting), a stockholder proposal, or any nomination by stockholders of a person or persons for election to the board of directors, will instead be required to be received at our executive offices at the foregoing address not later than the close of business on the tenth day following the first day on which notice of the date of the 2019 annual meeting is communicated to stockholders or public disclosure of the date of the 2019 annual meeting is made, whichever occurs first, in order to be considered for presentation at the 2019 annual meeting.

All stockholder proposals for inclusion in our proxy materials will be subject to the requirements of the proxy rules adopted under the Exchange Act, our charter and bylaws and Delaware law.

ADDITIONAL INFORMATION

We file periodic reports, proxy materials and other information with the SEC. You may read and copy any document that we file at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330. You may also inspect such filings on the Internet website maintained by the SEC at *www.sec.gov*. Additional information can also be found on our website at *www.libertytripadvisorholdings.com*. (Information contained on any website referenced in this proxy statement is not incorporated by reference in this proxy statement.) **If you would like to receive a copy of our 2017 Form 10-K, or any of the exhibits listed therein, please call or submit a request in writing to Investor Relations, Liberty TripAdvisor Holdings, Inc., 12300 Liberty Boulevard, Englewood, Colorado 80112, Tel. No. (844) 826-8736, and we will provide you with the 2017 Form 10-K without charge, or any of the exhibits listed therein upon the payment of a nominal fee (which fee will be limited to the expenses we incur in providing you with the requested exhibits).**

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FORWARD LOOKING STATEMENTS

Certain statements in this Annual Report constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our business, product and marketing strategies; new service offerings; the recoverability of our goodwill and other long-lived assets; our projected sources and uses of cash; and the anticipated impact of certain contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. In particular, statements under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Quantitative and Qualitative Disclosures About Market Risk” contain forward-looking statements. Forward-looking statements inherently involve many risks and uncertainties that could cause actual results to differ materially from those projected in these statements. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but such statements necessarily involve risks and uncertainties, and there can be no assurance that the expectation or belief will result or be achieved or accomplished. The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated:

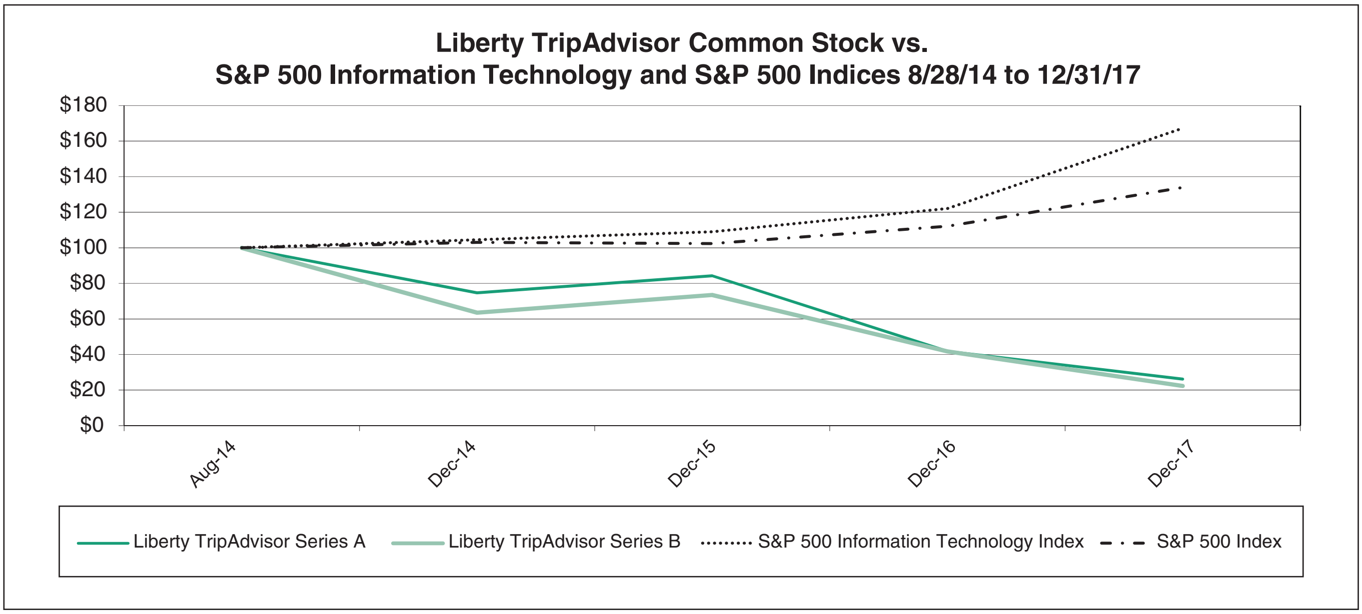
- customer demand for TripAdvisor, Inc.’s (“TripAdvisor”) products and services and its ability to adapt to changes in demand;
- competitor responses to TripAdvisor’s products and services;
- the levels and quality of online traffic to TripAdvisor’s websites and its ability to convert visitors into consumers or contributors;
- the expansion of social integration and member acquisition efforts with social media;
- the impact of changes in search engine algorithms and dynamics or search engine disintermediation;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- our future financial performance, including availability, terms and deployment of capital;
- our ability to successfully integrate and recognize anticipated efficiencies and benefits from the businesses we acquire;
- impairment of goodwill or other intangible assets such as trademarks or other intellectual property arising from acquisitions;
- the ability of suppliers and vendors to deliver equipment, software and services;
- availability of qualified personnel;
- changes in, or failure or inability to comply with, government regulations, including, without limitation, regulations of the Federal Communications Commission, and adverse outcomes from regulatory proceedings;
- changes in business models;
- changes in the nature of key strategic relationships with partners and vendors;
- domestic and international economic and business conditions and industry trends, including the impact of “Brexit” and those conditions and trends which result in declines or disruptions in the travel industry;
- consumer spending levels, including the availability and amount of individual consumer debt;
- costs related to the maintenance and enhancement of brand awareness;
- advertising spending levels;
- rapid technological changes;
- the regulatory and competitive environment of the industries in which our subsidiaries operate;
- failure to protect the security of personal information about customers and users, subjecting us to potentially costly government enforcement actions or private litigation and reputational damage;
- threatened terrorist attacks, political unrest in international markets and ongoing military action around the world; and
- fluctuations in foreign currency exchange rates.

These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this Annual Report, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based. When considering such forward-looking statements, you should keep in mind any risk factors identified and other cautionary statements contained in our publicly filed documents, including our most recent Forms 10-K and 10-Q. Such risk factors and statements describe circumstances which could cause actual results to differ materially from those contained in any forward-looking statement.

This Annual Report includes information concerning TripAdvisor, a public company in which we have a controlling interest that files reports and other information with the SEC in accordance with the Securities Exchange Act of 1934, as amended. Information contained in this Annual Report concerning TripAdvisor has been derived from the reports and other information filed by it with the SEC. If you would like further information about TripAdvisor, the reports and other information it files with the SEC can be accessed on the Internet website maintained by the SEC at www.sec.gov. Those reports and other information are not incorporated by reference in this Annual Report.

STOCK PERFORMANCE

The following graph compares the percentage change in the cumulative total stockholder return on an investment in Liberty TripAdvisor Series A and Series B common stock from August 28, 2014 (the day Liberty TripAdvisor began trading “regular-way” following its spin-off from Liberty Interactive Corporation) through December 31, 2017 in comparison to the S&P 500 Information Technology Index and S&P 500 Index.



	8/28/2014	12/31/2014	12/31/2015	12/31/2016	12/31/2017
Liberty TripAdvisor Series A	$100.00	$ 74.72	$ 84.28	$ 41.81	$ 26.18
Liberty TripAdvisor Series B	$100.00	$ 63.48	$ 73.48	$ 41.67	$ 22.38
S&P 500 Information Technology Index	$100.00	$104.53	$108.99	$122.06	$167.11
S&P 500 Index	$100.00	$103.11	$102.36	$112.12	$133.90

Note: Trading data for the Series B shares is limited as they are thinly traded.

FINANCIAL INFORMATION

Market for Registrant's Common Equity and Related Stockholder Matters of Equity Securities.

Market Information

Our Series A and Series B common stock have been outstanding since August 27, 2014. Each series of our common stock trades on the Nasdaq Global Select Market. The following table sets forth the range of high and low sales prices of shares of our common stock for the years ended December 31, 2017 and 2016.

	Liberty TripAdvisor Holdings, Inc.			
	Series A		Series B	
	High	Low	High	Low
2016				
First quarter	$ 29.86	17.23	30.86	19.92
Second quarter	$ 24.64	19.86	24.95	19.81
Third quarter	$ 24.18	20.34	25.12	21.70
Fourth quarter	$ 22.74	14.83	21.80	16.65
2017				
First quarter	$ 18.75	12.98	17.50	13.50
Second quarter	$ 16.95	10.55	16.60	11.30
Third quarter	$ 14.55	10.05	14.00	11.40
Fourth quarter	$ 13.75	7.90	13.90	9.35

Holders

As of January 31, 2018, there were approximately 967 and 54 record holders of our Series A and Series B common stock, respectively. The foregoing numbers of record holders do not include the number of stockholders whose shares are held nominally by banks, brokerage houses or other institutions, but include each such institution as one shareholder.

Dividends

We have not paid any cash dividends on our common stock, and we have no present intention of so doing. Payment of cash dividends, if any, in the future will be determined by our board of directors in light of our earnings, financial condition and other relevant considerations. Covenants in TripAdvisor's existing debt instruments also restrict the payment of dividends and cash distributions to stockholders. See note 7 to the accompanying consolidated financial statements.

Securities Authorized for Issuance Under Equity Compensation Plans

Information required by this item is incorporated by reference to our definitive proxy statement for our 2018 Annual Meeting of stockholders.

Purchases of Equity Securities by the Issuer

There were no repurchases of our common stock during the three months ended December 31, 2017. No shares of our common stock were surrendered by certain of our officers and employees to pay withholding taxes and other deductions in connection with the vesting of their restricted stock during the three months ended December 31, 2017.

Selected Financial Data.

The following tables present selected historical information relating to our financial condition and results of operations for the past five years. Certain prior period amounts have been reclassified for comparability with current year presentation. The following data should be read in conjunction with our consolidated financial statements.

	December 31,				
	2017	2016	2015	2014	2013
Summary Balance Sheet Data:	amounts in millions				
Cash and cash equivalents	$ 695	654	644	509	354
Investments in available for sale securities and other cost investments	$ 27	16	37	31	188
Intangible assets not subject to amortization (1)	$ 3,717	5,476	5,492	5,510	5,292
Intangible assets subject to amortization, net	$ 382	487	625	841	908
Total assets	$ 5,484	7,282	7,285	7,366	7,087
Long-term debt	$ 704	555	620	662	298
Deferred income tax liabilities	$ 332	659	719	808	853
Total stockholders' equity	$ 424	803	808	897	1,208
Noncontrolling interest	$ 3,329	4,621	4,628	4,450	4,373

	Years ended December 31,				
	2017	2016	2015	2014	2013
Summary Statement of Operations Data:	amounts in millions, except per share amounts				
Revenue	$ 1,569	1,532	1,565	1,329	1,034
Impairment of intangible assets (1)	$ (1,798)	—	(2)	(2)	(3)
Operating income (loss)	$ (1,792)	23	15	68	(17)
Interest expense	$ (25)	(25)	(28)	(13)	(12)
Realized and unrealized gains (losses) on financial instruments, net	$ 24	53	2	1	—
Other, net	$ 1	(5)	(4)	(12)	1
Net earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. shareholders	$ (397)	21	(40)	(22)	(7)
Basic net earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. stockholders per common share:					
Series A and Series B common stock (2)	$ (5.29)	0.28	(0.53)	(0.30)	(0.10)
Diluted earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. stockholders per common share:					
Series A and Series B common stock (2)	$ (5.29)	0.28	(0.53)	(0.30)	(0.10)

(1) During the year ended December 31, 2017, TripCo recorded $1,798 million of impairment losses related to trademarks and goodwill that were initially recorded in conjunction with the acquisition of TripAdvisor.

(2) Liberty issued 73,685,924 common shares, which is the aggregate number of shares of Series A and Series B common stock outstanding upon the completion of the TripCo Spin-Off on August 27, 2014. The same number of shares is being used for both basic and diluted earnings per share for all periods prior to the date of the TripCo Spin-Off as no company equity awards were outstanding prior to the TripCo Spin-Off.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying consolidated financial statements and the notes thereto.

See note 2 in the accompanying consolidated financial statements for an overview of new accounting standards that we have adopted or that we plan to adopt that have had or may have an impact on our financial statements.

Overview

During October 2013, the Board of Directors of Liberty Interactive Corporation and its subsidiaries ("Liberty") authorized a plan to distribute to the stockholders of Liberty's Liberty Ventures common stock shares of a wholly-owned subsidiary Liberty TripAdvisor Holdings, Inc. ("TripCo" or the "Company")(the "TripCo Spin-Off"). TripCo holds its subsidiary TripAdvisor, Inc. ("TripAdvisor") and held its former subsidiary, BuySeasons, Inc. ("BuySeasons") until BuySeasons was sold on June 30, 2017. The TripCo Spin-Off was completed on August 27, 2014 and was effected as a pro-rata dividend of shares of TripCo to the stockholders of Series A and Series B Liberty Ventures common stock of Liberty. The TripCo Spin-Off is intended to be tax-free and has been accounted for at historical cost due to the pro rata nature of the distribution to shareholders of Liberty Ventures common stock.

The financial information represents a combination of the historical results of TripAdvisor and BuySeasons as discussed in note 1 in the accompanying consolidated financial statements. These financial statements refer to the combination of TripAdvisor and BuySeasons as "TripCo," "the Company," "us," "we" and "our" in the notes to the consolidated financial statements. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements.

Our "Corporate and Other" category includes our interest in BuySeasons, until its disposition on June 30, 2017, and corporate expenses.

Strategies and Challenges

Executive Summary

Results for TripCo are largely dependent upon the operating performance of TripAdvisor. Therefore, the executive summary below contains the strategies and challenges of TripAdvisor for an understanding of the business objectives of TripAdvisor.

TripAdvisor's Growth Strategy

TripAdvisor seeks to achieve its mission of helping people around the world plan, book and experience the perfect trip by: leveraging its user-generated content and global brand to attract users to TripAdvisor websites and applications; providing users with the best user experience throughout all phases of the travel journey; deepening its partnerships with travel partners, by providing them with a global platform of advertising opportunities to generate qualified leads and bookings; and investing in technology, product development, marketing, and other strategic areas that TripAdvisor believes can improve its long-term business prospects.

- ***Drive user engagement with TripAdvisor's platform.*** Since TripAdvisor's founding, the TripAdvisor brand has become a globally-recognized travel brand, one that is synonymous with travel reviews and research and increasingly finding the best prices and booking. TripAdvisor believes that its user-generated content and its brand have enabled TripAdvisor to build a large, highly engaged and loyal community of travelers who view TripAdvisor as a valuable resource to help them discover, plan and book their travel experiences, and for millions of users, TripAdvisor gives them an interactive platform to share their travel experiences. TripAdvisor seeks to amplify its global brand and raise user awareness for, and engagement with, its expanded product offerings as TripAdvisor aims to attract users to its websites and applications through various channels, including domain direct and various online and offline marketing channels, including search engines through search engine optimization and search engine marketing, and recently, through television brand advertising.

- ***Deliver the best user experience possible on its platform.*** TripAdvisor believes that giving users more value throughout their TripAdvisor experience is key to its future success. To accomplish this, TripAdvisor has made and will continue to make product improvements in order to provide a more enjoyable and engaging end-to-end user experience throughout all phases of the travel journey – from inspiration and discovery, to researching, price shopping and booking, to in-destination activities and places to eat, and, finally, to sharing the details of these travel experiences on TripAdvisor. These enhancements include having grown the number of hotels, inns, B&Bs and specialty lodging, vacation rentals, restaurants, activities and attractions listed on TripAdvisor's platform to approximately 7.5 million worldwide as of December 31, 2017. In addition to listings and content, TripAdvisor has provided users more options to price compare and book their travel experiences. During 2017, TripAdvisor launched a more engaging hotel shopping experience that focused on helping hotel shoppers find the best prices on TripAdvisor websites and applications. In order to better serve travelers needs when they are in-destination, TripAdvisor has continued to rapidly expand its bookable supply in attractions and restaurants. TripAdvisor believes that its continued focus on delivering an increasingly more robust user experience will ultimately result in more repeat usage on its platform, more value for its partners, and greater monetization for its business. TripAdvisor seeks to quickly identify what users need to conduct their travel research and booking and to deliver product enhancements quickly.

- ***Deepen relationships with its travel partners.*** TripAdvisor is a global platform consisting of listing and advertising opportunities that help generate impressions, brand awareness, qualified leads and bookings for travel partners. TripAdvisor believes that continuing to grow the number of listings and bookable supply, especially in its in-destination Attractions and Restaurants businesses, will enable TripAdvisor to not only serve users in more moments during more trips, but also help partners drive transactions for their business. TripAdvisor is also increasingly providing business-to-business services that are designed to help its partners grow their business. For example, TripAdvisor's Business Advantage and Premium for Restaurants offer hoteliers and restauranteurs affordable marketing and business analytics tools, respectively, to help them attract customers and more effectively manage their business pages on TripAdvisor.

- ***Invest in technology, product, marketing and other strategic areas.*** Continuous product testing and speed to market are two of TripAdvisor's most important priorities, as they enable TripAdvisor to create a richer user experience. TripAdvisor operates on a regular product release cycle, where releases contain new product features for its websites and mobile applications. For example, innovating and improving its mobile phone offerings are key priorities since mobile phone adoption continues to scale and consumers increasingly conduct more internet searches and commerce on these devices. During the year ended December 31, 2017, more than half of TripAdvisor's average monthly unique visitors came from mobile phones, growing nearly 30% year-over-year, according to TripAdvisor's internal log files. TripAdvisor anticipates that the growth rate in mobile phone monthly unique visitors will continue to exceed the growth rate of its overall monthly unique visitors, resulting in an increased proportion of users continuing to use their mobile phones to access the full range of services available on TripAdvisor's websites and applications. TripAdvisor is investing significant resources to improve the features, functionality, engagement, and commercialization of its travel products on TripAdvisor mobile websites and applications.

Current Trends Affecting TripAdvisor's Business

The online travel industry is large and growing and remains highly dynamic and competitive.

Hotel Segment

During 2017, TripAdvisor continued to improve the hotel shopping experience on TripAdvisor, by, among other things, launching a redesigned TripAdvisor website and mobile application and making it easier for users to find the lowest hotel prices. TripAdvisor has and will continue to seek new ways to provide a more comprehensive hotel shopping experience, by improving content on destinations, properties and rooms, optimizing the room selection process and helping users find the best prices with TripAdvisor's hotelier and OTA partners. On the supply side, TripAdvisor continues to on-board more partners that have unique brand, supply or room pricing to provide consumers a more comprehensive selection of accommodations in order to drive higher repeat usage and conversion of hotel shoppers to bookings and higher cost-per-click rates on its platform.

TripAdvisor competes with other travel companies and search engines for hotel shoppers, which its defines as the users who view TripAdvisor hotel pages. Over time, increased competition has caused hotel shoppers visiting TripAdvisor websites and applications from paid online marketing channels to grow faster than traffic from unpaid online marketing channels. Hotel shoppers from unpaid online marketing channels, such as users that navigate directly to TripAdvisor's homepage or applications through branded search queries on search engines, are of the highest value to TripAdvisor's business. Following the launch of TripAdvisor's redesigned website, its new hotel shopping experience, TripAdvisor launched a brand advertising campaign, or television campaign, in June 2017 aimed at increasing usage of TripAdvisor as a place to find and book the best hotels at the lowest prices. TripAdvisor also continues to leverage a number of other marketing channels, both paid and unpaid, to achieve this objective, including online efforts such as social media and cost relationship management, as well as offline efforts such as TripAdvisor-branded advertising campaigns. TripAdvisor's television campaign has been funded, in part, through optimization of its online marketing spend. TripAdvisor expects to continue to optimize its marketing investment mix, between online and offline channels based on the relative growth opportunity, the expected returns and the competitive environment in which it operates. TripAdvisor believes optimizing its marketing mix to include brand advertising will help TripAdvisor establish a more durable, long-lasting direct relationship with users shopping for hotels, with a greater long-term financial return than TripAdvisor would be able to achieve solely from online paid marketing. TripAdvisor's marketing strategy comes with a near-term trade-off, as online paid marketing may better enable TripAdvisor to generate a short-term hotel shopper and click-based and transaction revenue, whereas TripAdvisor expects its television advertising campaign to generate such returns over a longer timeframe, improving marketing efficiency and profit growth.

A key objective is to grow the number of hotel shoppers on TripAdvisor's platform. In the year ended December 31, 2017, average monthly unique hotel shoppers increased 7%, when compared to the same period in 2016, according to TripAdvisor's internal log files. The increase is primarily due to the general trend of an increasing number of hotel shoppers visiting TripAdvisor websites and apps on mobile phones, as well as the success of TripAdvisor's paid online marketing strategy, partially offset by marketing spend tradeoffs resulting from increased brand advertising investment in TripAdvisor's television campaign, as discussed above.

Another key objective is to increase TripAdvisor's revenue per hotel shopper. In the year ended December 31, 2017, TripAdvisor's revenue per hotel shopper decreased 7%, when compared to the same period in 2016, primarily driven by partners bidding to lower CPCs in its click-based metasearch auction during the second half of the year, and the general trend of a greater percentage of hotel shoppers visiting TripAdvisor-branded websites and apps on mobile phones. During the year ended December 31, 2017, the growth rate of hotel shoppers that visited TripAdvisor websites and apps on mobile phones continued to grow significantly faster than that of hotel shoppers using desktop and tablet devices. Mobile phones currently generate significantly lower revenue per hotel shopper compared to desktop and tablet devices. TripAdvisor believes that this monetization difference is due to a number of factors, including the reduced ability to achieve marketing attribution on the mobile phone for facilitating traffic to partner websites and applications; more limited advertising opportunities on smaller screen devices; TripAdvisor's historic positioning as a place to read reviews; and general consumer purchasing patterns on mobile phones resulting in lower booking intent, lower conversion rates, lower cost-per-click bids from its travel partners, and lower average gross booking value. As a result, TripAdvisor's growth in hotel shoppers on mobile phones has remained a headwind against TripAdvisor's overall revenue per hotel shopper and TripAdvisor-branded click-based and transaction revenue.

The general trend of increasing traffic to TripAdvisor websites and apps on mobile phones reduces its ability to grow TripAdvisor-branded display-based advertising revenue, as TripAdvisor believes prioritizing and preserving a cleaner user experience over increasing advertising units on smaller screen devices is the most appropriate way to engage more users on TripAdvisor's mobile phone app. TripAdvisor continues to prioritize investment in product development in order to improve the mobile user experience and to improve mobile phone traffic acquisition to increase its user base. TripAdvisor believes that, over the long-term, these efforts will result in increased usage and engagement, conversion of hotel shoppers to bookings for its hotel advertising partners and higher monetization rates for TripAdvisor.

Non-Hotel Segment

TripAdvisor's ongoing product efforts to deliver an end-to-end user experience extend to its Non-Hotel segment, which includes its Attractions, Restaurants, and Vacation Rentals businesses. TripAdvisor's key growth strategies have been to grow users, improve products and grow bookable supply. TripAdvisor continued to deliver on those objectives during the year ended December 31, 2017, as monthly unique users to these pages on TripAdvisor websites and applications continued to grow, TripAdvisor enhanced its product experience on all devices and grew bookable supply on its platform in its Attractions and Restaurants businesses. Notably, TripAdvisor has been able to increasingly leverage strong user growth on the TripAdvisor-branded platform to drive increased bookings in its Attractions business. Additionally, TripAdvisor's Attractions and Restaurants businesses have both experienced increased engagement and growth on mobile phones. In Vacation Rentals, as the business continues to shift from TripAdvisor's subscription model to its free-to-list model, TripAdvisor has focused on delivering high-quality supply for users in order to drive conversion for partners on its platform. TripAdvisor continued to work to improve content and overall user experience across each business.

Continued successful execution of key growth strategies and increased marketing and operating efficiencies primarily contributed to this segment's revenue and profit growth during the year ended December 31, 2017, as compared to the same period in 2016.

Results of Operations—Consolidated

General. We provide in the tables below information regarding our historical Consolidated Operating Results and Other Income and Expense, as well as information regarding the contribution to those items from our reportable segment. The "corporate and other" category consists of those assets or businesses which we do not disclose separately, such as BuySeasons (through June 30, 2017). For a more detailed discussion and analysis of the financial results of the principal reporting segment, see "Results of Operations—TripAdvisor" below.

Operating Results

	Years ended December 31,		
	2017	2016	2015
	amounts in millions		
Revenue			
TripAdvisor	$ 1,556	1,480	1,492
Corporate and other	13	52	73
Consolidated TripCo	$ 1,569	1,532	1,565
Operating Income (Loss)			
TripAdvisor	$ (1,775)	47	56
Corporate and other	(17)	(24)	(41)
Consolidated TripCo	$ (1,792)	23	15
Adjusted OIBDA			
TripAdvisor	$ 331	352	464
Corporate and other	(9)	(16)	(30)
Consolidated TripCo	$ 322	336	434

Revenue. Our consolidated revenue increased $37 million and decreased $33 million for the years ended December 31, 2017 and 2016, respectively, as compared to the corresponding prior year periods. Revenue for TripAdvisor increased $76 million and decreased $12 million for the years ended December 31, 2017 and 2016, respectively, as compared to the corresponding prior year periods. Revenue for BuySeasons, the only consolidated subsidiary in Corporate and other until its disposition on June 30, 2017, decreased $39 million and $21 million for the years ended December 31, 2017 and 2016, respectively, as compared to the corresponding prior periods. The decrease in revenue for BuySeasons for the year ended December 31, 2017 as compared to the corresponding prior year period was attributable to declines in BuySeasons' sales and the disposition of BuySeasons mid-year. The decrease in revenue for BuySeasons for the year ended

December 31, 2016 as compared to the corresponding prior year period was due to a decrease in retail sales resulting from a decision to shift to a dropship business model, partially offset by revenue from its online marketplace and dropship channels. See “Results of Operations—TripAdvisor” below for a more complete discussion of the results of operations of TripAdvisor.

Operating Income (Loss). Our consolidated operating income decreased $1,815 million and increased $8 million for the years ended December 31, 2017 and 2016, respectively, as compared to the corresponding prior year periods. The primary driver of the decrease in operating income for 2017 is a result of impairments of $1,798 million related to goodwill and trademarks that were recorded in conjunction with the acquisition of TripAdvisor. TripAdvisor’s stand-alone operating income decreased $42 million and $66 million for the years ended December 31, 2017 and 2016, respectively, as compared to the corresponding prior year periods. See “Results of Operations—TripAdvisor” below for a more complete discussion of the results of operations of TripAdvisor.

Operating losses for Corporate and other decreased $7 million and $17 million for the years ended December 31, 2017 and 2016, respectively, as compared to the corresponding prior year periods. These changes are primarily due to BuySeasons, which was sold on June 30, 2017. As discussed above, in 2016, BuySeasons made the decision to focus its business on a dropship model. As part of this shift, BuySeasons reduced certain costs, resulting in improved operating results.

Adjusted OIBDA. We define Adjusted OIBDA as revenue less operating expenses, and selling, general and administrative (“SG&A”) expenses (excluding stock-based compensation), adjusted for specifically identified non-recurring transactions. Our chief operating decision maker and management team use this measure of performance in conjunction with other measures to evaluate our business and make decisions about our resources. We believe this is an important indicator of the operational strength and performance of our businesses, including each business’s ability to service debt and fund capital expenditures. In addition, this measure allows us to view operating results, perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. This measure of performance excludes such costs as depreciation and amortization, stock-based compensation and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. See note 13 to the accompanying December 31, 2017 consolidated financial statements for a reconciliation of Adjusted OIBDA to operating income and earnings (loss) before income taxes.

Consolidated Adjusted OIBDA decreased approximately $14 million and $98 million for the years ended December 31, 2017 and 2016, respectively, as compared to the corresponding prior year periods. Adjusted OIBDA at TripAdvisor decreased $21 million and $112 million during the years ended December 31, 2017 and 2016, respectively, as compared to the corresponding prior year periods. See “Results of Operations—TripAdvisor” below for a more complete discussion of the results of operations of TripAdvisor.

Other Income and Expense

Components of Other Income (Expense) are presented in the table below.

	Years ended December 31,		
	2017	2016	2015
	amounts in millions		
Interest expense			
TripAdvisor	$ (15)	(12)	(10)
Corporate and other	(10)	(13)	(18)
Consolidated TripCo	$ (25)	(25)	(28)
Realized and unrealized gains (losses) on financial instruments, net			
TripAdvisor	$ (1)	2	2
Corporate and other	25	51	—
Consolidated TripCo	$ 24	53	2
Gain (loss) on dispositions, net			
TripAdvisor	$ —	—	20
Corporate and other	(18)	—	(1)
Consolidated TripCo	$ (18)	—	19
Other, net			
TripAdvisor	$ 2	(5)	(4)
Corporate and other	(1)	—	—
Consolidated TripCo	$ 1	(5)	(4)

Interest expense. Interest expense remained flat for the year ended December 31, 2017 when compared to the same period in 2016. TripAdvisor's interest expense increased $3 million for the year ended December 31, 2017 when compared to the same period in 2016 primarily due to higher average outstanding borrowings and effective interest rates during 2017. Interest expense for corporate and other decreased $3 million for the year ended December 31, 2017 when compared to the same period in 2016 due to lower interest rates on outstanding borrowings. Interest expense decreased $3 million for the year ended December 31, 2016 when compared to the same period in 2015. TripAdvisor's interest expense increased $2 million for the year ended December 31, 2016 when compared to the same period in 2015 primarily due to an increase of $3 million in interest imputed on TripAdvisor's financing obligation related to its corporate headquarters lease, partially offset by a decrease in interest incurred due to lower average outstanding borrowings. Interest expense for corporate and other decreased $5 million for the year ended December 31, 2016 when compared to the same period in 2015 due to lower interest rates on outstanding borrowings.

Realized and unrealized gains (losses) on financial instruments, net. Realized and unrealized gains (losses) on financial instruments, net is primarily comprised of the change in the fair value of the variable postpaid forward.

Gain (loss) on dispositions, net. On June 30, 2017, TripCo sold BuySeasons. The sale resulted in an $18 million loss. In August 2015, TripAdvisor sold its 100% interest in a Chinese subsidiary to an unrelated third party, resulting in a $20 million gain.

Other, net. The primary components of other, net are income and interest earned on marketable securities offset by net foreign exchange losses. Other, net expenses decreased $6 million and increased $1 million for the years ended December 31, 2017 and 2016, respectively, when compared to the corresponding prior year periods, primarily due to transactions gains and losses at TripAdvisor as a result of the fluctuation of foreign exchanges rates.

Income taxes. The Company had income tax benefits of $229 million, $1 million and $10 million for the years ended December 31, 2017, 2016, and 2015, respectively.

In connection with our initial analysis of the impact of the Tax Cuts and Jobs Act (the "Tax Act"), as discussed in note 8 to the accompanying financial statements, the Company has recorded a discrete net tax benefit in the period ending

December 31, 2017. This net benefit primarily consists of a net benefit for the corporate rate reduction, offset partially by a net tax expense related to a transition tax on the deemed repatriation of foreign earnings.

During 2016, the Company had income tax benefits from earnings in foreign jurisdictions taxed at rates lower than the 35% U.S. federal tax rate, partially offset by changes in unrecognized tax benefits and changes in valuation allowance. During 2015, the Company had income tax benefits from earnings in foreign jurisdictions taxed at rates lower than the 35% U.S. federal tax rate, partially offset by the recognition of deferred tax liabilities for basis differences in the stock of a consolidated subsidiary, changes in valuation allowance, and changes in unrecognized tax benefits.

Net earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. shareholders. We had net losses attributable to Liberty TripAdvisor Holdings, Inc. shareholders of $397 million, net earnings of $21 million and net losses of $40 million for the years ended December 31, 2017, 2016 and 2015, respectively. The changes in net earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. shareholders were the result of the above-described fluctuations in our revenue, expenses and other gains and losses. Losses attributable to the noncontrolling interests increased during the year ended December 31, 2017 as a result of the goodwill and trademark impairment losses.

Liquidity and Capital Resources

As of December 31, 2017, substantially all of our cash and cash equivalents consist of cash on hand in global financial institutions, money market funds and marketable securities, with maturities of 90 days or less at the date purchased.

The following are potential sources of liquidity: available cash balances, proceeds from asset sales, monetization of our investments, outstanding or anticipated debt facilities, debt and equity issuances, and dividend and interest receipts.

As of December 31, 2017, TripCo had a cash balance of $695 million. Approximately $673 million of the cash balance is held at TripAdvisor. Although TripCo has a 58% voting interest in TripAdvisor, TripAdvisor is a separate public company with a significant non-controlling interest, as TripCo has only a 22% economic interest in TripAdvisor. Even though TripCo controls TripAdvisor through its voting interest and board representation, decision making with respect to using TripAdvisor's cash balances must consider TripAdvisor's minority holders. Accordingly, any potential distributions of cash from TripAdvisor to TripCo would generally be on a pro rata basis based on economic ownership interests. Covenants in TripAdvisor's debt instruments also restrict the payment of dividends and cash distributions to stockholders. See note 7 to the accompanying consolidated financial statements. As of December 31, 2017, approximately $518 million of TripCo cash is held by TripAdvisor foreign subsidiaries.

Cumulative undistributed earnings of foreign subsidiaries totaled approximately $882 million as of December 31, 2017. Subsequent to December 31, 2017, on February 2, 2018, TripAdvisor made a one-time repatriation of $325 million of foreign earnings to the United States primarily to repay remaining outstanding borrowings of $230 million under the 2015 Credit Facility. TripAdvisor intends to indefinitely reinvest the remaining foreign undistributed earnings of $557 million, although TripAdvisor will continue to evaluate the impact of the Tax Act on its capital deployment within and outside the U.S. Should TripAdvisor distribute, or be treated under certain U.S. tax rules as having distributed, the earnings of foreign subsidiaries in the form of dividends or otherwise, TripAdvisor may be subject to U.S. income taxes or tax benefits. The amount of any unrecognized deferred income tax on this temporary difference is not material.

Historically, TripAdvisor's operating cash flows have been sufficient to fund its working capital requirements, capital expenditures and long term debt obligations and other financial commitments and are expected to be sufficient in future periods.

	Years ended December 31,		
	2017	2016	2015
	amounts in millions		
Cash flow information			
TripAdvisor cash provided (used) by operating activities	$ 238	321	418
Corporate and other cash provided (used) by operating activities	(18)	(20)	(27)
Net cash provided (used) by operating activities	$ 220	301	391
TripAdvisor cash provided (used) by investing activities	$ 6	(163)	(58)
Corporate and other cash provided (used) by investing activities	(3)	(1)	(3)
Net cash provided (used) by investing activities	$ 3	(164)	(61)
TripAdvisor cash provided (used) by financing activities	$ (200)	(143)	(189)
Corporate and other cash provided (used) by financing activities	1	33	6
Net cash provided (used) by financing activities	$ (199)	(110)	(183)

During the year ended December 31, 2017, TripCo's primary use of cash was approximately $250 million of share repurchases under TripAdvisor's authorized share repurchase program, as well as $369 million in debt repayments, $63 million in purchases of short term investments and other marketable securities and $65 million of capital expenditures. These uses of cash were funded primarily with cash provided by operations, proceeds from sales and maturities of short term investments and other marketable securities and borrowings of debt. During the year ended December 31, 2016, TripCo's primary uses of cash were $439 million in debt repayments, $166 million in purchases of short term investments and other marketable securities, $105 million of subsidiary share repurchases and $73 million of capital expenditures. These uses of cash were funded primarily with cash provided by operations, proceeds from sales and maturities of short term investments and other marketable securities and borrowings of debt. During the year ended December 31, 2015, TripCo's primary uses of cash were $431 million in debt repayments, $205 million in purchases of short term investments and other marketable securities, $112 million of capital expenditures and $72 million of withholding tax payments. These uses of cash were funded primarily with cash on hand, cash provided by operations, proceeds from sales and maturities of short term investments and other marketable securities and borrowings of debt.

The projected use of TripCo's corporate cash will primarily be to pay fees (not expected to exceed $4 million annually) to Liberty Media for providing certain services pursuant to the services agreement and the facilities sharing agreement, and to pay any other corporate level expenses. We anticipate that TripCo's corporate cash balance (without other financial resources potentially available as discussed above) to be sufficient to maintain operations through a refinancing arrangement on the margin loans and the variable postpaid forward. The debt service costs of two margin loan agreements (the "Margin Loan Agreements") entered into by our bankruptcy remote wholly-owned subsidiary are paid in kind and become outstanding principal. In addition, debt service costs accrue on the variable postpaid forward borrowing described in note 7 to the accompanying consolidated financial statements. At maturity, the accreted loan amount due is approximately $272 million. At the maturity of the Margin Loan Agreements, a number of options are available to satisfy the obligation as discussed above in potential sources of liquidity.

TripAdvisor's available cash and marketable securities, combined with expected cash flows generated by operating activities and available cash from its credit facilities are expected to be sufficient to fund TripAdvisor's foreseeable working capital requirements, capital expenditures, existing business growth initiatives, debt obligations, lease commitments, and other financial commitments through at least the next twelve months. TripAdvisor's future capital requirements may also include capital needs for acquisitions, share repurchases, and/or other expenditures in support of its business strategy; thus potentially reducing TripAdvisor's cash balance and/or increasing its debt.

Off-Balance Sheet Arrangements and Aggregate Contractual Obligations

We have contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business including potential tax obligations associated with certain transactions following the TripCo Spin-Off. Although it is reasonably possible we may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made. In the opinion of management, it is expected that amounts, if any, which may be required to satisfy such contingencies will not be material in relation to the accompanying consolidated financial statements.

Information concerning the amount and timing of required payments, both accrued and off-balance sheet, under our contractual obligations, excluding uncertain tax positions as it is undeterminable when payments will be made, is summarized below.

	Payments due by period				
	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
	amounts in millions				
Consolidated contractual obligations					
Long-term debt(1)	$ 696	7	459	230	—
Interest payments and commitment fees (2)(3)	$ 105	7	87	11	—
Lease obligations	$ 228	28	53	51	96
Total	$ 1,029	42	599	292	96

(1) Amounts are stated at the face amount at maturity of our debt instruments. Amounts also include capital lease obligations. Amounts do not assume additional borrowings or refinancings of existing debt. TripAdvisor's outstanding Chinese credit facility and uncommitted facility agreement with Bank of America Merrill Lynch International Limited have been included as current payments as both are short term in nature.

(2) Amounts (i) are based on our outstanding debt at December 31, 2017, (ii) assume the interest rates on TripAdvisor's variable rate debt remains constant at the December 31, 2017 rates, (iii) assume the interest rates on TripCo's variable rate debt change based on forecasted LIBOR rates and (iv) assume that our existing debt is repaid at maturity.

(3) Amounts reflect expected commitment fee payments based on the unused portion of the TripAdvisor Credit Facilities (as defined in note 7 in the accompanying consolidated financial statements), issued letters of credit, and current effective commitment fee rate as of December 31, 2017.

Critical Accounting Policies and Estimates

The preparation of our financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Listed below are the accounting estimates that we believe are critical to our financial statements due to the degree of uncertainty regarding the estimates or assumptions involved and the magnitude of the asset, liability, revenue or expense being reported.

Recognition and Recoverability of Goodwill, Intangible and Long-lived Assets

We account for acquired businesses using the acquisition method of accounting which requires that the assets acquired and liabilities assumed be recorded at the date of acquisition at their respective fair values. Any excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill. We test goodwill for impairment at the reporting unit level (operating segment or one level below an operating segment). Goodwill is allocated to our reporting units at the date the goodwill is initially recorded. Once goodwill has been allocated to the reporting units, it no longer retains its identification with a particular acquisition and becomes identified with the reporting unit in its entirety. Accordingly, the fair value of the reporting unit as a whole is available to support the recoverability of its goodwill.

Our non-financial instrument valuations are primarily comprised of our annual assessment of the recoverability of our goodwill and other nonamortizable intangibles, such as trademarks and our evaluation of the recoverability of our other long-lived assets upon certain triggering events and the initial recognition of such assets through the application of the purchase accounting method. If the carrying value of our definite lived intangible assets and long-lived assets exceeds their undiscounted cash flows, we are required to write the carrying value down to fair value. Any such writedown is included in impairment of long-lived assets in our consolidated statement of operations. A high degree of judgment is required to estimate the fair value of our long-lived assets. We may use quoted market prices, prices for similar assets, present value techniques and other valuation techniques to prepare these estimates. We may need to make estimates of future cash flows and discount rates as well as other assumptions in order to implement these valuation techniques. Due to the high degree of judgment involved in our estimation techniques, any value ultimately derived from our long-lived assets may differ from our estimate of fair value. As each of our operating segments has long-lived assets, this critical accounting policy affects the financial position and results of operations of each segment.

As of December 31, 2017, the intangible assets not subject to amortization for each of our significant reportable segments was as follows:

	Goodwill	Trademarks	Total
	amounts in millions		
TripAdvisor	$ 2,445	1,272	3,717
Corporate and other	—	—	—
	$ 2,445	1,272	3,717

We perform our annual assessment of the recoverability of our goodwill and other non-amortizable intangible assets during the fourth quarter, or more frequently, if events and circumstances indicate impairment may have occurred. During the fourth quarter, we elected to bypass a qualitative assessment and proceed directly to performing a quantitative impairment test for our non-amortizable intangible assets and our hotel and non-hotel reporting units. The fair value of the non-amortizable intangible assets, which consist of indefinite-lived trademarks, was determined using the relief from royalty method. The fair values of the reporting units were determined using a combination of the income approach and the market approach. Due to certain marketplace factors impacting TripAdvisor's operating results, which led to a decline in TripAdvisor's stock price, impairments of $527 million and $1,271 million were recorded during the year ended December 31, 2017 related to trademarks and goodwill, respectively, related to the hotel reporting unit. Based on the quantitative assessment performed during the fourth quarter and the resulting impairment losses recorded, the estimated fair values of the trademark and hotel reporting unit do not significantly exceed their carrying values as of December 31, 2017. TripCo will continue to monitor TripAdvisor's financial performance, stock price and other events and circumstances that may negatively impact the estimated fair values to determine if an additional impairment assessment is necessary. There were no impairments during the year ended December 31, 2016. Due to declining operating results at BuySeasons, trademark impairments of approximately $2 million were recorded during the year ended December 31, 2015.

Income Taxes

We are required to estimate the amount of tax payable or refundable for the current year and the deferred income tax liabilities and assets for the future tax consequences of events that have been reflected in our financial statements or tax returns for each taxing jurisdiction in which we operate. This process requires our management to make judgments regarding the timing and probability of the ultimate tax impact of the various agreements and transactions that we enter into. Based on these judgments we may record tax reserves or adjustments to valuation allowances on deferred tax assets to reflect the expected realizability of future tax benefits. Actual income taxes could vary from these estimates due to future changes in income tax law, significant changes in the jurisdictions in which we operate, our inability to generate sufficient future taxable income or unpredicted results from the final determination of each year's liability by taxing authorities. These changes could have a significant impact on our financial position.

Additionally, TripAdvisor records liabilities to address uncertain tax positions taken in previously filed tax returns or that are expected to be taken in a future tax return. The determination for required liabilities is based upon an analysis of each individual tax position, taking into consideration whether it is more likely than not that the tax position, based on its technical merits, will be sustained upon examination. For those positions for which a conclusion is reached that it is more likely than not it will be sustained, the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the taxing authority is recognized. The difference between the amount recognized and the total tax position is recorded as a liability. The ultimate resolution of these tax positions may be greater or less than the liabilities recorded.

Results of Operations—TripAdvisor

Our economic ownership interest in TripAdvisor is 22% and our results include the consolidated results of TripAdvisor and the elimination of approximately 78% of TripAdvisor's net income (loss), including purchase accounting adjustments, through the noncontrolling interest line item in the consolidated statements of operations. TripAdvisor is a separate publicly traded company and additional information about TripAdvisor can be obtained through its website and its public filings. We believe a discussion of TripAdvisor's stand alone results promotes a better understanding of overall results of their business. TripAdvisor's revenue, Adjusted OIBDA and operating income on a standalone basis for the years ended December 31, 2017, 2016 and 2015 were as follows (see tables below for a reconciliation of TripAdvisor's standalone results to those amounts reported by TripCo):

	Years ended December 31,		
	2017	2016	2015
	amounts in millions		
Revenue			
Hotel	$ 1,196	1,190	1,263
Non-Hotel	360	290	229
Total revenue	1,556	1,480	1,492
Operating expense, excluding stock-based compensation	275	274	237
SG&A, excluding stock-based compensation and stock settled charitable contribution	950	854	791
Adjusted OIBDA	331	352	464
Stock settled charitable contribution	—	—	67
Stock based compensation	96	85	72
Depreciation and amortization	111	101	93
Operating income (loss) as reported by TripAdvisor	$ 124	166	232

Revenue

TripAdvisor's Hotel revenue increased $6 million and decreased $73 million during the years ended December 31, 2017 and 2016, respectively, as compared to the corresponding prior year periods. The changes in Hotel revenue are detailed as follows:

	Years ended December 31,		
	2017	2016	2015
	amounts in millions		
TripAdvisor-branded click-based and transaction	$ 756	750	837
TripAdvisor-branded display-based advertising and subscription	292	282	272
Other hotel revenue	148	158	154
Total Hotel revenue	$ 1,196	1,190	1,263

TripAdvisor-branded click-based and transaction revenue includes cost-per-click based advertising revenue from its TripAdvisor-branded websites as well as transaction-based revenue from its hotel instant booking feature. For the years ended December 31, 2017, 2016 and 2015, approximately 63%, 63%, and 66%, respectively, of TripAdvisor's total Hotel segment revenue was derived from its TripAdvisor-branded click-based and transaction revenue. TripAdvisor-branded click-based and transaction revenue increased $6 million during the year ended December 31, 2017, when compared to the same period in 2016, primarily due to an increase in average monthly unique hotel shoppers of 7%, which was largely offset by a decrease of 7% in revenue per hotel shopper during the year ended December 31, 2017, according to TripAdvisor's internal log files. TripAdvisor believes the primary drivers of decreases in revenue per hotel shopper were partners bidding to lower CPCs in TripAdvisor's click-based metasearch auction during the second half of the year, and the general trend of a greater percentage of hotel shoppers visiting TripAdvisor-branded websites and apps on mobile phones, which monetize at a lower rate than desktop hotel shoppers, which has grown significantly faster than traffic from desktop and tablet devices, as well as dilution from product testing related to the second-quarter 2017 launch of TripAdvisor's redesigned website and applications, and the timing of its instant booking feature rollout in certain non-U.S. markets during the first half of 2016. TripAdvisor believes the increases in aggregate average monthly unique hotel shoppers was primarily due to the general trend of an increasing number of hotel shoppers visiting TripAdvisor websites and apps on mobile phones, as well as growth in its paid online marketing channels.

TripAdvisor-branded click-based and transaction revenue decreased $87 million during the year ended December 31, 2016, when compared to the same period in 2015, primarily due to a decline of 15% in revenue per hotel shopper, partially offset by an increase in average monthly unique hotel shoppers of 6% during the year ended December 31, 2016. TripAdvisor believes the primary drivers of the decreases in revenue per hotel shopper include the dilutive effects from the global launch of its hotel instant booking feature which impacted 2016 to a greater extent than 2015 due to the timing of the staged rollout; a greater percentage of hotel shoppers visiting TripAdvisor websites and apps via mobile phone; challenging metasearch comparatives in early 2016 relative to the same periods in 2015; increased competition; macroeconomic and geopolitical factors, including foreign currency and a number of terrorism events.

For the years ended December 31, 2017, 2016 and 2015, 24%, 24% and 22%, respectively, of TripAdvisor's Hotel segment revenue was derived from TripAdvisor-branded display-based advertising and subscription revenue, which primarily consists of revenue from display-based advertising and subscription-based hotel advertising revenue. TripAdvisor-branded display-based advertising and subscription revenue increased by $10 million or 4% during each of the years ended December 31, 2017 and 2016 when compared to the same periods in 2016 and 2015. The increase in display-based advertising revenue in 2017 was primarily due to an increase in impressions sold, as well as an increase in pricing, partially offset by the general trend of an increasing percentage of TripAdvisor's traffic visiting TripAdvisor websites and apps on mobile phones. While TripAdvisor continues to focus on new product initiatives to drive growth, its subscription revenue decreased slightly, primarily as TripAdvisor works to enhance its product offering to hoteliers and increase its sales pipeline in this business, in addition to hotel industry consolidation. The increase in display-based advertising revenue in 2016, when compared to 2015, was primarily due to a slight increase in pricing, as well as impressions sold during the year, while the increase in subscription revenue was a result of increased sales productivity in 2015 which also benefitted 2016, as well as increased pricing and improvements in customer retention rates.

For the years ended December 31, 2017, 2016 and 2015, 12%, 13% and 12%, respectively, of TripAdvisor's Hotel segment revenue was derived from other hotel revenue. Other hotel revenue primarily includes revenue from non-TripAdvisor branded websites, such as www.bookingbuddy.com, www.cruisecritic.com, and www.onetime.com, including click-based advertising revenue, display-based advertising revenue and room reservations sold through these websites. Other hotel revenue decreased by $10 million during the year ended December 31, 2017, when compared to the same period in 2016, primarily due to increased focus on return on marketing spend from paid marketing channels within this revenue stream. Other hotel revenue increased $4 million during the year ended December 31, 2016, when compared to the same period in 2015.

For the years ended December 31, 2017, 2016 and 2015, TripAdvisor's Non-Hotel segment revenue accounted for 23%, 20% and 15%, respectively, of TripAdvisor's total consolidated revenue. TripAdvisor's Non-Hotel segment revenue increased by $70 million, or 24%, for the year ended December 31, 2017, when compared to the same period in 2016, driven by increased bookings in TripAdvisor's Attractions and Restaurants businesses. TripAdvisor's Non-Hotel segment revenue increased $61 million, or 27%, during the year ended December 31, 2016 when compared to the same period in 2015, primarily driven by increased bookings across all businesses.

During this timeframe, strong revenue growth in TripAdvisor's Attractions business has been driven by the following factors: growth in bookings sourced by TripAdvisor, growth in bookable supply, which leads to better consumer choice, as well as by growth in free and paid traffic sources. Another contributing factor is the improved shopping experience from the introduction of new features, such as attractions instant booking for mobile phone, which enables users to purchase tickets and tours seamlessly without leaving the mobile app. These factors are all contributing to more consumer choice, increased bookings and continued revenue growth. Similarly, in TripAdvisor's Restaurants business, continued strong revenue growth can be attributed to increased bookings in its most established markets, expansion into new markets, growth in mobile bookings, a continually improving user experience and an increase in bookable supply of restaurant listings. Revenue in TripAdvisor's Vacation Rentals business decreased slightly during the year ended December 31, 2017, when compared to the same period in 2016, primarily due to the continued migration of TripAdvisor's subscription model to its free-to-list model, which TripAdvisor believes will have a longer term return to the business, in addition to slower growth in its free-to-list revenue than 2016. Revenue in TripAdvisor's Vacation Rentals business increased during the year ended December 31, 2016, when compared to the same period in 2015, primarily due to growth in its free-to-list model and increased bookings during the year.

Revenue by Geography

TripAdvisor's U.S. revenue increased $77 million or 10%, during the year ended December 31, 2017, when compared to the same period in 2016. U.S. revenue represented 56% of total revenue during the year ended December 31, 2017. This revenue increase in the U.S. was due primarily to growth in TripAdvisor's Attractions business, as well as an increase in U.S. TripAdvisor-branded click-based and transaction revenue, driven by growth in U.S. revenue per hotel shopper. TripAdvisor's U.S. revenue increased $61 million or 8%, during the year ended December 31, 2016, when compared to the same period in 2015. U.S. revenue represented 54% of total revenue during the year ended December 31, 2016. This revenue increase in U.S. was due primarily to growth in TripAdvisor's Attractions business and TripAdvisor's U.S. display-based advertising and subscription revenue.

Revenue outside of the U.S., or non-U.S. revenue, decreased $1 million during the year ended December 31, 2017, when compared to the same period in 2016. Non-U.S. revenue decreased $73 million or 10%, during the year ended December 31, 2016, when compared to the same period in 2015. Non-U.S. revenue represented approximately 44%, 46%, and 50% of total revenue during the years ended December 31, 2017, 2016, and 2015, respectively. The decline in TripAdvisor's non-U.S. revenue, as a percentage of total revenue during these periods, was primarily driven by the factors noted in the growth of the U.S. revenue discussed above, as well as the timing of TripAdvisor's instant booking feature rollout in non-U.S. markets during the first half of 2016, and its associated dilutive impact to Trip-Advisor-branded click-based and transaction revenue, as compared to the rollout in the U.S. market, which was completed in the third quarter of 2015, and to a lesser extent foreign currency fluctuations.

Operating Expense

The most significant drivers of operating expense are technology and content costs, which were flat during the year ended December 31, 2017 when compared to the same period in 2016, primarily due to a decrease in content translation costs, offset by increased personnel and overhead costs to support TripAdvisor's mobile phone and website initiatives, as well as support business growth.

Technology and content costs increased $24 million during the year ended December 31, 2016 when compared to the same period in 2015, primarily due to increased personnel costs from increased headcount needed to support business growth, including international expansion and enhanced site features.

Selling and Marketing

Selling and marketing expenses primarily consist of direct costs, including traffic generation costs from search engine marketing ("SEM") and other online traffic acquisition costs, syndication costs and affiliate program commissions, social media costs, brand advertising, television and other offline advertising, promotions and public relations. In addition, indirect sales and marketing expense consists of personnel and overhead expenses, including salaries, commissions, benefits, bonuses for sales, sales support, customer support and marketing employees.

Total selling and marketing costs increased $92 million during the year ended December 31, 2017 when compared to the same period in 2016, primarily due to costs incurred related to the launch of TripAdvisor's new television campaign in June of 2017, as well as an increase in SEM and other online traffic acquisition costs of $19 million, driven by TripAdvisor's hotel segment, during the first half of 2017, partially offset by a decrease in other advertising costs.

TripAdvisor spent $74 million on its television advertising campaign during the year ended December 31, 2017 in its Hotel segment, which it did not incur during the year ended December 31, 2016.

Total selling and marketing costs increased $60 million during the year ended December 31, 2016 when compared to the same period in 2015, primarily due to increased SEM and other online traffic acquisition costs of $79 million primarily driven by its Hotel segment, partially offset by a decrease in costs related to the cessation of TripAdvisor's television advertising campaign. TripAdvisor spent $51 million on its television advertising campaign during the year ended December 31, 2015, which it did not incur during the year ended December 31, 2016. Personnel and overhead costs also increased during the year ended December 31, 2016 when compared to the same period in 2015, primarily due to increased headcount in TripAdvisor's Non-Hotel segment, which was needed to support business growth.

General and Administrative

General and administrative expense consists primarily of personnel and related overhead costs, including executive leadership, finance, legal and human resource functions and stock-based compensation as well as professional service fees and other fees including audit, legal, tax and accounting, and other costs including bad debt expense, non-income taxes and charitable foundation costs.

General and administrative expenses increased $4 million during the year ended December 31, 2017, when compared to the same period in 2016, primarily due to increased personnel and overhead costs and bad debt expense, offset by decreased personal services fees, consulting costs and non-income taxes.

General and administrative expenses increased $3 million during the year ended December 31, 2016, when compared to the same period in 2015, primarily due to increased consulting costs, non-income taxes and bad debt expense.

Stock settled charitable contribution

As discussed in note 13 to the accompanying consolidated financial statements, during 2015, TripAdvisor recognized $67 million related to a charitable contribution settled with its treasury shares. Due to the one-time nature and use of stock to settle the obligation, this contribution has been excluded from Adjusted OIBDA for the year ended December 31, 2015.

Stock-based compensation

Stock-based compensation increased $11 million and $13 million for the years ended December 31, 2017 and 2016, respectively, when compared to the same period in the prior year due to continued grants of stock options.

The following is a reconciliation of the results as reported by TripAdvisor, used for comparison purposes as discussed above, for a greater understanding of the stand-alone operations of TripAdvisor to the results reported by TripCo (amounts in millions):

	Year ended December 31, 2017		
	As Reported By TripAdvisor	Purchase Accounting Adjustments	As Reported By TripCo
Revenue	$ 1,556	—	1,556
Operating expense	(275)	—	(275)
SG&A, excluding stock-based compensation and stock settled charitable contribution	(950)	—	(950)
Adjusted OIBDA	331	—	331
Stock-based compensation expense	(96)	—	(96)
Depreciation and amortization expense	(111)	(101)	(212)
Impairment of intangible assets	—	(1,798)	(1,798)
Operating income (loss)	$ 124	(1,899)	(1,775)

	Year ended December 31, 2016		
	As Reported By TripAdvisor	Purchase Accounting Adjustments	As Reported By TripCo
Revenue	$ 1,480	—	1,480
Operating expense	(274)	—	(274)
SG&A, excluding stock-based compensation and stock settled charitable contribution	(854)	—	(854)
Adjusted OIBDA	352	—	352
Stock-based compensation expense	(85)	—	(85)
Depreciation and amortization expense	(101)	(119)	(220)
Operating income (loss)	$ 166	(119)	47

Quantitative and Qualitative Disclosures about Market Risk.

We are exposed to market risk in the normal course of business due to our ongoing investing and financial activities and the conduct of operations by TripAdvisor in different foreign countries. Market risk refers to the risk of loss arising from adverse changes in stock prices, interest rates and foreign currency exchange rates. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. We have established policies, procedures and internal processes governing our management of market risks and the use of financial instruments to manage our exposure to such risks.

We are exposed to changes in interest rates primarily as a result of our borrowing and investment activities, which include investments in fixed and floating rate debt instruments and borrowings used to maintain liquidity and to fund business operations. The nature and amount of our long-term and short-term debt are expected to vary as a result of future requirements, market conditions and other factors. We expect to manage our exposure to interest rates by maintaining what we believe is an appropriate mix of fixed and variable rate debt. We believe this best protects us from interest rate risk. We expect to achieve this mix by (i) issuing fixed rate debt that we believe has a low stated interest rate and significant term to maturity, (ii) issuing variable rate debt with appropriate maturities and interest rates and (iii) entering into interest rate swap arrangements when we deem appropriate. As of December 31, 2017, our debt is comprised of the following amounts:

	Variable rate debt		Fixed rate debt	
	Principal amount	Weighted avg interest rate	Principal Amount	Weighted avg interest rate
	amounts in millions			
TripAdvisor	$ 237	2.8 %	—	N/A
TripCo debt	$ 210	3.6 %	264	1.3 %

TripCo is exposed to foreign exchange rate fluctuations related primarily to the monetary assets and liabilities and the financial results of TripAdvisor's foreign subsidiaries. Assets and liabilities of foreign subsidiaries for which the functional currency is the local currency are translated into U.S. dollars at period-end exchange rates, and the statements of operations are generally translated at the average exchange rate for the period. Exchange rate fluctuations on translating foreign currency financial statements into U.S. dollars that result in unrealized gains or losses are referred to as translation adjustments. Cumulative translation adjustments are recorded in accumulated other comprehensive earnings (loss) as a separate component of stockholders' equity. Transactions denominated in currencies other than the functional currency are recorded based on exchange rates at the time such transactions arise. Subsequent changes in exchange rates result in transaction gains and losses, which are reflected in income as unrealized (based on period-end translations) or realized upon settlement of the transactions. Cash flows from our operations in foreign countries are translated at the average rate for the period. Accordingly, TripCo may experience economic loss and a negative impact on earnings and equity with respect to our holdings solely as a result of foreign currency exchange rate fluctuations.

Financial Statements and Supplementary Data.

The consolidated financial statements of Liberty TripAdvisor Holdings, Inc. are included herein, beginning on Page F-24.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Controls and Procedures.

In accordance with Exchange Act Rules 13a-15 and 15d-15, the Company carried out an evaluation, under the supervision and with the participation of management, including its chief executive officer and its principal accounting and financial officer (the "Executives"), of the effectiveness of its disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Executives concluded that the Company's disclosure controls and procedures were effective as of December 31, 2017 to provide reasonable assurance that information required to be disclosed in its reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

See page F-20 for Management’s Report on Internal Control Over Financial Reporting.

See page F-21 for *Report of Independent Registered Public Accounting Firm* for their attestation regarding our internal control over financial reporting.

There has been no change in the Company's internal control over financial reporting that occurred during the three months ended December 31, 2017 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Other Information.

None.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Liberty TripAdvisor Holdings, Inc.'s (the "Company") management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting, as such term is defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

The Company's management assessed the effectiveness of internal control over financial reporting as of December 31, 2017, using the criteria in *Internal Control-Integrated Framework (2013),* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation the Company's management believes that, as of December 31, 2017, its internal control over financial reporting is effective.

The Company's independent registered public accounting firm that audited the consolidated financial statements and disclosures in the Annual Report has issued an audit report on the effectiveness of the Company's internal control over financial reporting. This report appears on page F-21 of this Annual Report.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Liberty TripAdvisor Holdings, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Liberty TripAdvisor Holdings, Inc. and subsidiaries' (the "Company") internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of December 31, 2017 and 2016, the related consolidated statements of operations, comprehensive earnings (loss), cash flows, and equity for each of the years in the three-year period ended December 31, 2017, and the related notes (collectively, the consolidated financial statements), and our report dated February 21, 2018 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Denver, Colorado
February 21, 2018

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Liberty TripAdvisor Holdings, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Liberty TripAdvisor Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2017 and 2016, the related consolidated statements of operations, comprehensive earnings (loss), cash flows, and equity for each of the years in the three-year period ended December 31, 2017, and the related notes (collectively, the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 21, 2018 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2014.

Denver, Colorado
February 21, 2018

LIBERTY TRIPADVISOR HOLDINGS, INC.

Consolidated Balance Sheets

December 31, 2017 and 2016

	2017	2016
	amounts in millions	
Assets		
Current assets:		
Cash and cash equivalents	$ 695	654
Trade and other receivables, net of allowance for doubtful accounts of $16 million and $9 million, respectively	230	191
Short-term marketable securities (note 5)	35	118
Other current assets	85	47
Total current assets	1,045	1,010
Investments in available-for-sale securities (note 5)	27	16
Property and equipment, at cost	226	225
Accumulated depreciation	(61)	(49)
	165	176
Intangible assets not subject to amortization (note 6):		
Goodwill	2,445	3,694
Trademarks	1,272	1,782
	3,717	5,476
Intangible assets subject to amortization, net (note 6)	382	487
Other assets, at cost, net of accumulated amortization	148	117
Total assets	$ 5,484	7,282

(continued)

See accompanying notes to consolidated financial statements.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Consolidated Balance Sheets (Continued)

December 31, 2017 and 2016

	2017	2016
	amounts in millions	
Liabilities and Equity		
Current liabilities:		
Deferred merchant and other payables	$ 164	146
Accrued liabilities	135	132
Current portion of debt (note 7)	7	80
Deferred revenue	60	64
Other current liabilities	6	13
Total current liabilities	372	435
Long-term debt (note 7)	704	555
Deferred income tax liabilities (note 8)	332	659
Other liabilities	323	209
Total liabilities	1,731	1,858
Equity		
Preferred stock, $.01 par value. Authorized 50,000,000 shares; no shares issued	—	—
Series A common stock, $.01 par value. Authorized 200,000,000 shares; issued and outstanding 72,127,285 at December 31, 2017 and 72,046,485 at December 31, 2016	1	1
Series B common stock, $.01 par value. Authorized 7,500,000 shares; issued and outstanding 2,929,777 at December 31, 2017 and 2016.	—	—
Series C common stock, $.01 par value. Authorized 200,000,000 shares; no shares issued	—	—
Additional paid-in capital	250	245
Accumulated other comprehensive earnings (loss), net of taxes	(23)	(36)
Retained earnings	196	593
Total stockholders' equity	424	803
Noncontrolling interests in equity of subsidiaries	3,329	4,621
Total equity	3,753	5,424
Commitments and contingencies (note 12)		
Total liabilities and equity	$ 5,484	7,282

See accompanying notes to consolidated financial statements.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Consolidated Statements of Operations

Years ended December 31, 2017, 2016 and 2015

	2017	2016	2015
	amounts in millions, except per share amounts		
Service revenue	$ 1,556	1,480	1,492
Other revenue	13	52	73
Total revenue, net	1,569	1,532	1,565
Operating costs and expenses:			
Operating expense, including stock-based compensation (note 2 and 9)	329	369	345
Selling, general and administrative, including stock-based compensation (note 2 and 9)	1,021	918	935
Depreciation and amortization	213	222	268
Impairment of intangible assets (note 6)	1,798	—	2
	3,361	1,509	1,550
Operating income	(1,792)	23	15
Other income (expense):			
Interest expense	(25)	(25)	(28)
Realized and unrealized gains (losses) on financial instruments, net	24	53	2
Gain (loss) on dispositions, net (note 1)	(18)	—	19
Other, net	1	(5)	(4)
	(18)	23	(11)
Earnings (loss) before income taxes	(1,810)	46	4
Income tax (expense) benefit (note 8)	229	1	10
Net earnings (loss)	(1,581)	47	14
Less net earnings (loss) attributable to the noncontrolling interests	(1,184)	26	54
Net earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. shareholders	$ (397)	21	(40)
Basic net earnings (loss) attributable to Series A and Series B Liberty TripAdvisor Holdings, Inc. shareholders per common share (note 2):	$ (5.29)	0.28	(0.53)
Diluted net earnings (loss) attributable to Series A and Series B Liberty TripAdvisor Holdings, Inc. shareholders per common share (note 2):	$ (5.29)	0.28	(0.53)

See accompanying notes to consolidated financial statements.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Consolidated Statements of Comprehensive Earnings (Loss)

Years ended December 31, 2017, 2016 and 2015

	2017	2016	2015
	amounts in millions		
Net earnings (loss)	$ (1,581)	47	14
Other comprehensive earnings (loss), net of taxes:			
Foreign currency translation adjustments	59	(52)	(58)
Reclassification adjustment on sale of business	—	—	1
Other comprehensive earnings (loss)	59	(52)	(57)
Comprehensive earnings (loss)	(1,522)	(5)	(43)
Less comprehensive earnings (loss) attributable to the noncontrolling interests	(1,138)	(15)	9
Comprehensive earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. shareholders	$ (384)	10	(52)

See accompanying notes to consolidated financial statements.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Consolidated Statements of Cash Flows

Years ended December 31, 2017, 2016 and 2015

	2017	2016	2015
	amounts in millions		
Cash flows from operating activities:			
Net earnings (loss)	$ (1,581)	47	14
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	213	222	268
Stock-based compensation	103	91	82
Non-cash contribution to charitable foundation (note 13)	—	—	67
(Gains) losses on dispositions, net (note 4)	18	—	(19)
Impairment of intangible assets (note 6)	1,798	—	2
Realized and unrealized (gains) losses on financial instruments, net	(24)	(53)	(2)
Deferred income tax expense (benefit)	(329)	(52)	(85)
Non-cash interest	11	13	17
Other noncash charges (credits), net	(4)	(12)	(6)
Changes in operating assets and liabilities			
Current and other assets	(70)	(24)	(31)
Payables and other liabilities	85	69	84
Net cash provided (used) by operating activities	220	301	391
Cash flows from investing activities:			
Capital expended for property and equipment, including internal-use software and website development	(65)	(73)	(112)
Acquisitions and other investments, net of cash acquired (note 3)	—	(43)	(29)
Purchases of short term investments and other marketable securities	(63)	(166)	(205)
Sales and maturities of short term investments and other marketable securities	133	116	258
Other investing activities, net	(2)	2	27
Net cash provided (used) by investing activities	3	(164)	(61)
Cash flows from financing activities:			
Borrowings of debt	435	440	293
Repayments of debt	(369)	(439)	(431)
Shares repurchased by subsidiary	(250)	(105)	—
Payment of withholding taxes on net share settlements of equity awards	(17)	(15)	(72)
Shares issued by subsidiary	3	7	12
Option exercises	1	2	5
Other financing activities, net	(2)	—	10
Net cash provided (used) by financing activities	(199)	(110)	(183)
Effect of foreign currency exchange rates on cash	17	(17)	(12)
Net increase (decrease) in cash and cash equivalents	41	10	135
Cash and cash equivalents at beginning of period	654	644	509
Cash and cash equivalents at end of period	$ 695	654	644

See accompanying notes to consolidated financial statements.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Consolidated Statements of Equity

Years ended December 31, 2017, 2016 and 2015

	Stockholders' equity									
	Preferred stock	Series A	Series B	Series C	Additional paid-in capital	Parent's investment	Accumulated other comprehensive earnings (loss)	Retained earnings	Noncontrolling interest in equity of subsidiaries	Total equity
	amounts in millions									
Balance at December 1, 2015	—	1	—	—	296	—	(12)	612	4,450	5,347
Net earnings (loss)	—	—	—	—	—	—	—	(40)	54	14
Other comprehensive earnings (loss)	—	—	—	—	—	—	(12)	—	(45)	(57)
Stock compensation	—	—	—	—	24	—	—	—	67	91
Issuance of common stock upon exercise of stock options	—	—	—	—	5	—	—	—	—	5
Minimum withholding taxes on net share settlements of stock-based compensation	—	—	—	—	(72)	—	—	—	—	(72)
Excess tax benefits on stock-based compensation	—	—	—	—	10	—	—	—	21	31
Shares issued by subsidiary	—	—	—	—	(8)	—	—	—	20	12
Stock settled charitable contribution by subsidiary (note 13)	—	—	—	—	6	—	—	—	61	67
Other, net	—	—	—	—	(1)	—	(1)	—	—	(2)
Balance at December 31, 2015	—	1	—	—	260	—	(25)	572	4,628	5,436
Net earnings (loss)	—	—	—	—	—	—	—	21	26	47
Other comprehensive earnings (loss)	—	—	—	—	—	—	(11)	—	(41)	(52)
Stock compensation	—	—	—	—	26	—	—	—	77	103
Issuance of common stock upon exercise of stock options	—	—	—	—	2	—	—	—	—	2
Withholding taxes on net share settlements of stock-based compensation	—	—	—	—	(15)	—	—	—	—	(15)
Shares issued by subsidiary	—	—	—	—	(6)	—	—	—	13	7
Shares repurchased by subsidiary	—	—	—	—	(23)	—	—	—	(82)	(105)
Other, net	—	—	—	—	1	—	—	—	—	1
Balance at December 31, 2016	$ —	1	—	—	245	—	(36)	593	4,621	5,424
Net earnings (loss)	—	—	—	—	—	—	—	(397)	(1,184)	(1,581)
Other comprehensive earnings (loss)	—	—	—	—	—	—	13	—	46	59
Stock compensation	—	—	—	—	30	—	—	—	85	115
Issuance of common stock upon exercise of stock options	—	—	—	—	1	—	—	—	—	1
Withholding taxes on net share settlements of stock-based compensation	—	—	—	—	(17)	—	—	—	—	(17)
Shares issued by subsidiary	—	—	—	—	(7)	—	—	—	10	3
Shares repurchased by subsidiary	—	—	—	—	(2)	—	—	—	(248)	(250)
Other, net	—	—	—	—	—	—	—	—	(1)	(1)
Balance at December 31, 2017	—	1	—	—	250	—	(23)	196	3,329	3,753

See accompanying notes to consolidated financial statements.

(1) Basis of Presentation

During October 2013, the Board of Directors of Liberty Interactive Corporation and its subsidiaries ("Liberty") authorized a plan to distribute to the stockholders of Liberty's Liberty Ventures common stock shares of a wholly-owned subsidiary, Liberty TripAdvisor Holdings, Inc. ("TripCo" or the "Company") (the "TripCo Spin-Off"). TripCo does not have any operations outside of its controlling interest in its subsidiary TripAdvisor, Inc. ("TripAdvisor") and its former wholly owned subsidiary, BuySeasons, Inc. ("BuySeasons"). TripCo sold its ownership in BuySeasons effective June 30, 2017. BuySeasons includes the retail businesses of BuyCostumes.com and Celebrate Express ("BuySeasons"), and both TripAdvisor and BuySeasons operate as stand-alone operating entities. Both TripAdvisor and historically, BuySeasons have more revenue in the third quarter, based on a higher travel research period and the Halloween period, respectively, as compared to the other quarters of the year.

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and represent a consolidation of the historical financial information of TripAdvisor (see note 4 for a more detailed discussion of transactions related to TripAdvisor) and BuySeasons. The results of BuySeasons are included in the accompanying consolidated financial results of TripCo until June 30, 2017. These financial statements refer to the combination of TripAdvisor and BuySeasons as "TripCo," "the Company," "us," "we" and "our" in the notes to the consolidated financial statements. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements. Additionally, certain prior period amounts have been reclassified for comparability with the current period presentation.

Description of Business

TripAdvisor is an online travel company and its mission is to help people around the world to plan, book and experience the perfect trip. TripAdvisor seeks to achieve its mission by providing users and travel partners a global platform about destinations, accommodations, activities and attractions, and restaurants that encompasses rich user-generated content, price comparison tools and online reservation and related services.

TripAdvisor, by and through its subsidiaries, owns and operates a portfolio of leading online travel brands. Its flagship brand, TripAdvisor, is the world's largest travel site based on monthly unique visitors, with 455 million average monthly unique visitors in its seasonal peak during the year ended December 31, 2017, according to TripAdvisor's internal log files. TripAdvisor-branded websites include tripadvisor.com in the United States and localized versions of the website in 48 markets and 28 languages worldwide. In addition to the flagship TripAdvisor brand, TripAdvisor manages and operates 20 other travel media brands, connected by the common goal of providing users the most comprehensive travel-planning and trip-taking resources in the travel industry. TripAdvisor derives the majority of its revenue from its Hotel segment, which includes TripAdvisor-branded click-based and transaction revenue, TripAdvisor-branded display-based advertising and subscription revenue and other hotel revenue. The remainder of TripAdvisor's revenue is generated through its Non-Hotel segment, which includes its attractions, restaurants and vacation rental businesses.

BuySeasons is an online retailer and supplier of costumes, accessories, seasonal décor, and party supplies. BuySeasons is dedicated to offering a large selection at affordable prices through its brands BuyCostumes.com and Celebrate Express. BuySeasons also operates a private-label drop ship program for other Internet retailers. BuySeasons was sold on June 30, 2017.

Spin-Off of TripCo from Liberty

The TripCo Spin-Off was completed on August 27, 2014 and effected as a pro-rata dividend of shares of TripCo to the stockholders of Series A and Series B Liberty Ventures common stock of Liberty. The TripCo Spin-Off was intended to be tax-free and was accounted for at historical cost due to the pro rata nature of the distribution to shareholders of Liberty Ventures common stock.

Following the TripCo Spin-Off, Liberty and TripCo operate as separate, publicly traded companies, and neither has any stock ownership, beneficial or otherwise, in the other. In connection with the TripCo Spin-Off, TripCo entered into certain agreements, including the reorganization agreement, the services agreement, the facilities sharing agreement and the tax sharing agreement, with Liberty and/or Liberty Media Corporation ("Liberty Media") (or certain of their subsidiaries) in order to govern certain of the ongoing relationships between the companies after the TripCo Spin-Off and to provide for an orderly transition.

The reorganization agreement provides for, among other things, the principal corporate transactions (including the internal restructuring) required to effect the TripCo Spin-Off, certain conditions to the TripCo Spin-Off and provisions governing the relationship between TripCo and Liberty with respect to and resulting from the TripCo Spin-Off.

Pursuant to the services agreement, Liberty Media provides TripCo with general and administrative services including legal, tax, accounting, treasury and investor relations support. TripCo will reimburse Liberty Media for direct, out-of-pocket expenses incurred by Liberty Media in providing these services and TripCo will pay a services fee to Liberty Media under the services agreement that will be subject to adjustment semi-annually, as necessary.

Under the facilities sharing agreement, TripCo shares office space with Liberty Media and related amenities at Liberty Media's corporate headquarters in Englewood, Colorado.

The tax sharing agreement provides for the allocation and indemnification of tax liabilities and benefits between Liberty and TripCo and other agreements related to tax matters. Pursuant to the tax sharing agreement, TripCo has agreed to indemnify Liberty, subject to certain limited exceptions, for losses and taxes resulting from the TripCo Spin-Off to the extent such losses or taxes result primarily from, individually or in the aggregate, the breach of certain restrictive covenants made by TripCo (applicable to actions or failures to act by TripCo and its subsidiaries following the completion of the TripCo Spin-Off).

(2) Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments, including money market funds, with maturities of three months or less at the time of acquisition.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are generally due within 30 days and are recorded net of an allowance for doubtful accounts. Such allowance aggregated $16 million and $9 million at December 31, 2017 and 2016, respectively. For accounts outstanding longer than the contractual payment terms, the Company determines an allowance by considering a number of factors, including the length of time trade accounts receivable are past due, previous loss history, a specific customer's ability to pay its obligations to us, and the condition of the general economy and industry as a whole.

Investments

All marketable debt and equity securities held by the Company are classified as available-for-sale ("AFS") and are carried at fair value generally based on quoted market prices. Fair values are determined for each individual security in the investment portfolio. Unrealized gains and losses, net of taxes, arising from changes in fair value are reported in accumulated other comprehensive income (loss) as a component of equity.

The classification of investments is determined at the time of purchase and reevaluated at each balance sheet date. We invest in highly-rated securities, and our investment policy limits the amount of credit exposure to any one issuer, industry group and currency. The policy requires investments to be investment grade, with the primary objective of minimizing the potential risk of principal loss and providing liquidity of investments sufficient to meet our operating and capital spending requirements and debt repayments.

Marketable debt securities are classified as either short-term or long-term based on each instrument's underlying contractual maturity date and as to whether and when we intend to sell a particular security prior to its maturity date. Marketable debt securities with maturities greater than 90 days at the date of purchase and 12 months or less remaining at the balance sheet date will be classified as short-term and marketable debt securities with maturities greater than 12 months from the balance sheet date will generally be classified as long-term. We classify our marketable equity securities, limited to money market funds and mutual funds, as either a cash equivalent, short-term or long-term based on the nature of each security and its availability for use in current operations.

Realized gains and losses on the sale of securities are determined by specific identification of each security's cost basis. We may sell certain of our marketable securities prior to their stated maturities for strategic reasons including, but not limited to, anticipation of credit deterioration and liquidity and duration management. The weighted average maturity of our total invested cash shall not exceed 18 months, and no security shall have a final maturity date greater than three years.

Derivative Instruments

All of the Company's derivatives, whether designated in hedging relationships or not, are recorded on the balance sheet at fair value. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative are recorded in other comprehensive earnings and are recognized in the statement of operations when the hedged item affects earnings. Ineffective portions of changes in the fair value of cash flow hedges are recognized in earnings. If the derivative is not designated as a hedge, changes in the fair value of the derivative are recognized in earnings. None of the Company's derivatives are currently designated as hedges.

The fair value of certain of the Company's derivative instruments are estimated using the Black-Scholes-Merton model. The Black-Scholes-Merton model incorporates a number of variables in determining such fair values, including expected volatility of the underlying security and an appropriate discount rate. The Company obtains volatility rates from pricing services based on the expected volatility of the underlying security over the remaining term of the derivative instrument. A discount rate is obtained at the inception of the derivative instrument and updated each reporting period, based on the Company's estimate of the discount rate at which it could currently settle the derivative instrument. The Company considered its own credit risk as well as the credit risk of its counterparties in estimating the discount rate. Management judgment is required in estimating the Black-Scholes-Merton model variables.

Property and Equipment

Property and equipment consists of the following (amounts in millions):

	December 31,	
	2017	2016
Buildings	$ 122	123
Leasehold improvements	39	39
Computer equipment	46	39
Furniture, office equipment and other	19	24
Total property and equipment	$ 226	225

Property and equipment is recorded at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is three to five years for computer equipment and furniture, office equipment and other. Leasehold improvements are depreciated using the straight-line method, over the shorter of the estimated useful life of the improvement or the remaining term of the lease. TripAdvisor's building, which is considered an asset for accounting purposes, is depreciated over its estimated useful life of 40 years. See note 12 for additional information related to TripAdvisor's building.

Leases

The Company, through its consolidated companies, leases facilities in several countries around the world and certain equipment under non-cancelable lease agreements. The terms of some of the lease agreements provide for rental payments on a graduated basis. Rent expense is recognized on a straight-line basis over the lease period and accrued as rent expense incurred but not paid. Any lease incentives are recognized as reductions of rental expense on a straight-line basis over the term of the lease. The lease term begins on the date we become legally obligated for the rent payments or when we take possession of the office space, whichever is earlier.

We establish assets and liabilities for the estimated construction costs incurred under lease arrangements where we are considered the owner for accounting purposes only, or build-to-suit leases, to the extent we are involved in the construction of structural improvements or take construction risk prior to commencement of a lease. Upon occupancy of facilities under build-to-suit leases, we assess whether these arrangements qualify for sales recognition under the sale-leaseback accounting guidance. If we continue to be the deemed owner, the facilities are accounted for as financing leases.

Intangible Assets

Intangible assets with estimable useful lives are amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment upon certain triggering events. Goodwill and other intangible assets with indefinite useful lives (collectively, "indefinite lived intangible assets") are not amortized, but instead are tested for impairment at least annually. Our annual impairment assessment of our indefinite-lived intangible assets is performed during the fourth quarter of each year.

In January 2017, the Financial Accounting Standards Board (the "FASB") issued new accounting guidance to simplify the measurement of goodwill impairment. Under the new guidance, an entity no longer performs a hypothetical purchase price allocation to measure goodwill impairment. Instead, a goodwill impairment is measured using the difference between the carrying value and the fair value of the reporting unit. The Company early adopted this guidance during the fourth quarter of 2017.

The accounting guidance permits entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the quantitative goodwill impairment test. The accounting guidance also allows entities the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to the quantitative impairment test. The entity may resume performing the qualitative assessment in any subsequent period.

In evaluating goodwill on a qualitative basis, the Company reviews the business performance of each reporting unit and evaluates other relevant factors as identified in the relevant accounting guidance to determine whether it was more likely than not that an indicated impairment exists for any of our reporting units. The Company considers whether there are any negative macroeconomic conditions, industry specific conditions, market changes, increased competition, increased costs in doing business, management challenges, the legal environments and how these factors might impact company specific performance in future periods. As part of the analysis, the Company also considers fair value determinations for certain reporting units that have been made at various points throughout the current year and prior year for other purposes. If based on the qualitative analysis it is more likely than not that an impairment exists, the Company performs the quantitative impairment test.

The quantitative goodwill impairment test compares the estimated fair value of a reporting unit to its carrying value. Developing estimates of fair value requires significant judgments, including making assumptions about appropriate discount rates, perpetual growth rates, relevant comparable market multiples, public trading prices and the amount and timing of expected future cash flows. The cash flows employed in TripCo's valuation analyses are based on management's best estimates considering current marketplace factors and risks as well as assumptions of growth rates in future years. There is no assurance that actual results in the future will approximate these forecasts.

The accounting guidance also permits entities to first perform a qualitative assessment to determine whether it is more likely than not that an indefinite-lived intangible asset, other than goodwill, is impaired. The accounting guidance also allows entities the option to bypass the qualitative assessment for any indefinite-lived intangible asset in any period and proceed directly to the quantitative impairment test. The entity may resume performing the qualitative assessment in any subsequent period. If the qualitative assessment supports that it is more likely than not that the carrying value of the Company’s indefinite-lived intangible assets, other than goodwill, exceeds its fair value, then a quantitative assessment is performed. If the carrying value of an indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. See note 6 for discussion of goodwill and trademark impairments.

Websites and Internal Use Software Development Costs

Certain costs incurred during the application development stage related to the development of websites and internal use software are capitalized and included in other intangible assets subject to amortization. Capitalized costs include internal and external costs, if direct and incremental, and deemed by management to be significant. Costs related to the planning and post-implementation phases of software and website development are expensed as these costs are incurred. Maintenance and enhancement costs (including those costs in the post-implementation stages) are typically expensed as incurred, unless such costs relate to substantial upgrades and enhancements to the website or software resulting in added functionality, in which case the costs are capitalized.

Impairment of Long-lived Assets

The Company periodically reviews the carrying amounts of its property and equipment and its intangible assets (other than goodwill and indefinite-lived intangibles) to determine whether current events or circumstances indicate that such carrying amounts may not be recoverable. If the carrying amount of the asset group is greater than the expected undiscounted cash flows to be generated by such asset group, including its ultimate disposition, an impairment adjustment is recognized. Such adjustment is measured by the amount that the carrying value of such asset groups exceeds their fair value. The Company generally measures fair value by considering sale prices for similar assets or by discounting estimated future cash flows using an appropriate discount rate. Considerable management judgment is necessary to estimate the fair value of asset groups. Accordingly, actual results could vary significantly from such estimates. Asset groups to be disposed of are carried at the lower of their financial statement carrying amount or fair value less costs to sell.

Noncontrolling Interests

Noncontrolling interest relates to the equity ownership interest in TripAdvisor that the Company does not own. The Company reports noncontrolling interests of consolidated companies within equity in the consolidated balance sheets and the amount of net income attributable to the parent and to the noncontrolling interest is presented in the consolidated statements of operations. Also, changes in ownership interests in consolidated companies in which the Company maintains a controlling interest are recorded in equity.

Foreign Currency Translation and Transaction Gains and Losses

The functional currency of the Company is the United States ("U.S.") dollar. The functional currency of the Company's foreign operations generally is the applicable local currency for each foreign subsidiary. Assets and liabilities of foreign subsidiaries are translated at the spot rate in effect at the applicable reporting date, and the consolidated statements of operations are translated at the average exchange rates in effect during the applicable period. The resulting unrealized cumulative translation adjustment, net of applicable income taxes, is recorded as a component of accumulated other comprehensive earnings (loss) in equity.

Transactions denominated in currencies other than the functional currency are recorded based on exchange rates at the time such transactions arise. Subsequent changes in exchange rates result in transaction gains and losses which are reflected in the accompanying consolidated statements of operations and comprehensive earnings (loss) as unrealized (based on the applicable period-end exchange rate) or realized upon settlement of the transactions.

Accordingly, we have recorded foreign exchange gains of $1 million and losses of $4 million and $3 million for the years ended December 31, 2017, 2016 and 2015, respectively, in other, net on our consolidated statements of operations. These amounts include gains and losses, realized and unrealized, on foreign currency forward contracts.

Revenue Recognition

Revenue is recognized from services rendered when the following four revenue recognition criteria are met: persuasive evidence of an arrangement exists, services have been rendered, the price is fixed or determinable, and collectability is reasonably assured. Deferred revenue, which primarily relates to subscription-based and commission based arrangements, is recorded when payments are received in advance of TripAdvisor's performance as required by the underlying agreements.

Click-based advertising and transaction revenue. Revenue is derived primarily from click-through fees charged to TripAdvisor's travel partners for traveler leads sent to the travel partners' website. TripAdvisor records revenue from click-through fees after the traveler makes the click-through to the travel partners' websites. TripAdvisor's instant booking transaction model revenue is comprised of commissions earned on all valid instant booking reservations. In a transaction model, instant booking commission revenue is recorded at the time a traveler books a hotel transaction on TripAdvisor's site where TripAdvisor does not assume cancellation risk. In transactions in which TripAdvisor assumes cancellation risk, it records revenue when the traveler's stay at a hotel occurs. TripAdvisor has no post-booking service obligations for instant booking transactions.

Display-based and subscription-based advertising. TripAdvisor recognizes display advertising revenue ratably over the advertising period or upon delivery of advertising impressions, depending on the terms of the advertising contract. Subscription-based advertising revenue is recognized ratably over the related contractual period over which service is delivered.

Attractions. TripAdvisor works with local operators, or merchant partners, to provide travelers with access to tours and activities in popular destinations worldwide, earning a commission for such service. While the merchant of record, TripAdvisor receives cash from the consumer at the time of booking of the destination activity and records these amounts, net of commissions, as deferred merchant payables on its consolidated balance sheets. Commission revenue is recorded as deferred revenue at the time of booking and later recognized when the consumer has completed the destination activity. TripAdvisor pays the destination activity operators after the travelers' use. In transactions where TripAdvisor is not the merchant of record, it invoices and receives commissions directly from its merchant partners and records commission revenue when the consumer has completed the destination activity.

Restaurants. TripAdvisor recognizes reservation revenue (or per seated diner fees) on a transaction-by-transaction basis as diners are seated by its restaurant customers. Subscription-based revenue is recognized ratably over the related contractual period over which the service is delivered.

Vacation Rentals. TripAdvisor generates revenue from customers primarily on either a subscription basis over a fixed-term, or on a commission basis for transactions that are booked on TripAdvisor's platform. Payments for term-based subscriptions, related to online advertising services for the listing of vacation rental properties for rent, received in advance of services being rendered are recorded as deferred revenue and recognized ratably to revenue on a straight-line basis over the listing period. TripAdvisor's commission revenue is primarily generated on its free-to-list option, in lieu of a pre-paid subscription fee. When a commissionable transaction is booked on TripAdvisor's platform, TripAdvisor acts as the merchant of record and receives cash from the traveler that includes both commission, which is recorded as deferred revenue, and the amount due to the property owner, which is recorded to deferred merchant payables on TripAdvisor's consolidated balance sheet. TripAdvisor pays the amount due to the property owner and recognizes its commission revenue at the time of the traveler's stay. Additional revenue is derived on a pay-per-lead basis, as TripAdvisor provides leads for rental properties to property managers. Pay-per-lead revenue is billed and recognized in the period when the leads are delivered to the property managers.

Operating Expense

Operating expenses consist primarily of certain technology and content expenses, including personnel and overhead expenses which include salaries, benefits and bonuses for salaried employees and contractors engaged in the design, development, testing content support and maintenance of TripAdvisor's websites and mobile apps. Operating expense also includes to a lesser extent costs of services which are expenses that are closely correlated or directly related to service revenue generated, including ad serving fees, flight search fees, credit cards fees and other transaction costs, and data center costs. Other costs include licensing, maintenance expense, computer supplies, telecom costs, content translation costs and consulting costs.

General and Administrative

General and administrative expenses consist primarily of personnel and related overhead costs, including personnel engaged in executive leadership, finance, legal and human resource functions as well as professional service fees and other fees including audit, legal, tax and accounting, and other costs including bad debt expense, non-income taxes, such as sales, use and other non-income related taxes, and charitable contributions.

Selling and Marketing

Selling and marketing expenses primarily consist of direct costs, including traffic generation costs from search engine marketing, or SEM, and other online traffic acquisition costs, syndication costs and affiliate program commissions, social media costs, brand advertising, television and other offline advertising, promotions and public relations. In addition, our indirect sales and marketing expense consists of personnel and overhead expenses, including salaries, commissions, benefits, and bonuses for sales, sales support, customer support and marketing employees.

TripAdvisor incurs advertising expense consisting of traffic generation costs from SEM and other online traffic costs, affiliate program commissions, display advertising, social media, other online and offline (including television) advertising expense, and promotions and public relations to promote its brands. Costs associated with communicating the advertisements are expensed in the period in which the advertisement takes place. Production costs associated with advertisements are expensed in the period in which the advertisement first takes place. Advertising expense was $629 million, $544 million and $519 million for each of the years ended December 31, 2017, 2016 and 2015, respectively.

Stock-Based Compensation

As more fully described in note 9, TripCo grants to its directors, employees and employees of its subsidiaries restricted stock and options (collectively, “Awards”) to purchase shares of TripCo common stock. TripCo measures the cost of employee services received in exchange for an Award of equity instruments (such as stock options and restricted stock) based on the grant-date fair value of the Award, and recognizes that cost over the period during which the employee is required to provide service (usually the vesting period of the Award). TripCo measures the cost of employee services received in exchange for an Award of liability instruments (such as stock appreciation rights that will be settled in cash) based on the current fair value of the Award, and remeasures the fair value of the Award at each reporting date. Certain outstanding awards that were previously granted by Liberty were assumed by TripCo upon the completion of the TripCo Spin-Off. Additionally, TripAdvisor is a consolidated company and has issued stock-based compensation to its employees related to its common stock. The consolidated statements of operations include stock-based compensation related to TripCo Awards, TripAdvisor equity, and Liberty Awards already held by BuySeasons employees.

Included in the accompanying consolidated statements of operations are the following amounts of stock-based compensation for the years ended December 31, 2017, 2016 and 2015 (amounts in millions):

	December 31,		
	2017	**2016**	**2015**
Operating expense	$ 40	40	32
Selling, general and administrative	63	51	50
	$ 103	91	82

During the years ended December 31, 2017, 2016 and 2015, TripAdvisor capitalized $13 million, $12 million and $8 million, respectively, of stock-based compensation expense as internal-use software and website development costs.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying value amounts and income tax bases of assets and liabilities and the expected benefits of utilizing net operating loss and tax credit carryforwards. The deferred tax assets and liabilities are calculated using enacted tax rates in effect for each taxing jurisdiction in which the Company operates for the year in which those temporary differences are expected to be recovered or settled. Net deferred tax assets are then reduced by a valuation allowance if the Company believes it more likely than not that such net deferred tax assets will not be realized. We consider all relevant factors when assessing the likelihood of future realization of our deferred tax assets, including our recent earnings experience by jurisdiction, expectations of future taxable income, and the carryforward periods available to us for tax reporting purposes, as well as assessing available tax planning strategies. The effect on deferred tax assets and liabilities of an enacted change in tax rates is recognized in income in the period that includes the enactment date. Due to inherent complexities arising from the nature of our businesses, future changes in income tax law, tax sharing agreements or variances between our actual and anticipated operating results, we make certain judgments and estimates. Therefore, actual income taxes could materially vary from these estimates.

When the tax law requires interest to be paid on an underpayment of income taxes, the Company recognizes interest expense from the first period the interest would begin accruing according to the relevant tax law. Such interest expense is included in income tax (expense) benefit in the accompanying consolidated statements of operations. Any accrual of penalties related to underpayment of income taxes on uncertain tax positions is included in income tax (expense) benefit in the accompanying consolidated statements of operations.

We recognize in our consolidated financial statements the impact of a tax position, if that position is more likely than not to be sustained upon an examination, based on the technical merits of the position.

Deferred Merchant Payables

In TripAdvisor's Vacation Rentals free-to-list model and its Attractions business, TripAdvisor receives cash from travelers at the time of booking and it records these amounts, net of commissions, on its consolidated balance sheets as deferred merchant payables. TripAdvisor pays the suppliers, or the vacation rental owners and tour providers, respectively, after the travelers' use. Therefore, it receives cash from the traveler prior to paying the suppliers and this operating cycle represents a working capital source or use of cash to TripAdvisor. TripAdvisor's deferred merchant payables balance was $156 million and $128 million for the years ended December 31, 2017 and 2016, respectively.

Certain Risks and Concentrations

The TripAdvisor business is subject to certain risks and concentrations, including concentrations related to dependence on relationships with its customers. For the years ended December 31, 2017, 2016 and 2015, TripAdvisor's two most significant travel partners, Expedia (and its subsidiaries) and Priceline (and its subsidiaries), each accounted for more than 10% of TripAdvisor's consolidated revenue and combined accounted for approximately 43%, 46% and 46%, respectively, of its total revenue.

Contingent Liabilities

Periodically, the Company reviews the status of all significant outstanding matters to assess any potential financial exposure. When (i) it is probable that an asset has been impaired or a liability has been incurred and (ii) the amount of the loss can be reasonably estimated, we record the estimated loss in our consolidated statements of operations. The Company provides disclosure in the notes to the consolidated financial statements for loss contingencies that do not meet both these conditions if there is a reasonable possibility that a loss may have been incurred that would be material to the financial statements. Significant judgment is required to determine the probability that a liability has been incurred and whether such liability is reasonably estimable. Accruals are based on the best information available at the time which can be highly subjective. The final outcome of these matters could vary significantly from the amounts included in the accompanying consolidated financial statements.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss), cumulative foreign currency translation adjustments, and unrealized gains and losses on available-for-sale securities, net of tax.

Earnings (Loss) per Common Share (EPS)

Basic earnings (loss) per common share ("EPS") is computed by dividing net earnings (loss) by the weighted average number of common shares outstanding for the period. Diluted EPS presents the dilutive effect on a per share basis of potential common shares as if they had been converted at the beginning of the periods presented. Excluded from EPS for the years ended December 31, 2017, 2016 and 2015 are 2 million, 2 million and less than a million potential common shares, respectively, because their inclusion would be antidilutive.

	Years ended December 31,		
	2017	2016	2015
	number of shares in millions		
Basic EPS	75	75	75
Potentially dilutive shares	—	—	—
Diluted EPS	75	75	75

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The Company considers (i) recoverability and recognition of goodwill, intangible and long-lived assets and (ii) accounting for income taxes to be its most significant estimates.

New Accounting Pronouncements Not Yet Adopted

In May 2014, the FASB issued new accounting guidance on revenue from contracts with customers. The new guidance requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This new guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. In March 2016, the FASB issued additional guidance which clarifies principal versus agent considerations, and in April 2016, the FASB issued further guidance which clarifies the identification of performance obligations and the implementation guidance for licensing. The updated guidance will replace most existing revenue recognition guidance in GAAP when it becomes effective and permits the use of either a full retrospective or modified retrospective transition method. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, and early adoption is permitted only for fiscal years beginning after December 15, 2016. The Company will adopt this new guidance under the modified retrospective method on January 1, 2018.

TripAdvisor has evaluated its revenue streams and based on the Company's analysis; the adoption of this new revenue guidance will result primarily in immaterial timing changes in recognition of revenue to certain revenue streams, such as for its instant booking revenue recorded under the consumption model, which will be recognized at the transaction booking date for a hotel accommodation rather than upon completion of the stay by the traveler. TripAdvisor expects the adoption of this new revenue standard will not have a material impact, either on an annual or quarterly basis, to its consolidated financial statements on a go-forward basis. TripAdvisor's systems and internal controls were not significantly impacted related to the identified accounting changes. While TripAdvisor has made the necessary changes to its accounting policies and internal processes to support the new revenue recognition standard, TripAdvisor is continuing its assessment of potential changes to its disclosures under the new guidance.

In February 2016, the FASB issued new guidance which revises the accounting for leases. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset for all leases. The new guidance also simplifies the accounting for sale and leaseback transactions. The new standard, to be applied via a modified retrospective transition approach, is effective for the Company for fiscal years and interim periods beginning after December 15, 2018, with early adoption permitted. The Company anticipates adopting this new guidance on January 1, 2019. TripAdvisor has made measurable progress towards evaluating the new lease guidance and is in the process of updating accounting policies, accounting position memos, and evaluating its existing population of contracts to ensure all contracts that meet the definition of a lease contract under the new standard are identified. TripAdvisor is also in the process of implementing additional lease software to support the accounting and reporting process, including the new quantitative and qualitative financial disclosure requirements. In addition, TripAdvisor is evaluating the impact of the system implementation and new accounting guidance on internal controls. TripAdvisor will continue to provide updates of its assessment of the effect, that this new lease guidance will have on its consolidated financial statements, disclosures, systems and related internal controls, and will disclose any material effects, if any, when known.

In August and November 2016, the FASB issued new accounting standards which add and clarify guidance on the classification of certain cash receipts and payments in the statement of cash flows, and add guidance on the presentation of restricted cash in the statement of cash flows, respectively. The guidance in both standards is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted, including adoption in an interim period, but any adjustments must be reflected as of the beginning of the fiscal year that includes that interim period. Upon adoption, an entity may apply the new guidance only retrospectively to all prior periods presented in the financial statements. The Company will adopt this new guidance on January 1, 2018 and does not expect the new guidance to have a material impact on its consolidated financial statements and disclosures.

In October 2016, the FASB issued new accounting guidance on income tax accounting associated with intra-entity transfers of assets other than inventory. This accounting update, which is part of the FASB's simplification initiative, is intended to reduce diversity in practice and the complexity of tax accounting, particularly for those transfers involving intellectual property. This new guidance requires an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. Upon adoption of this new guidance on January 1, 2018, it is required to apply the new guidance only on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption, which the Company does not expect to be material to its consolidated financial statements and related disclosures.

In May 2017, the FASB issued new accounting guidance that clarifies when changes to the terms or conditions of a share-based payment award must be accounted for as modifications. Under the new guidance, an entity will not apply modification accounting to a share-based payment award if the award's fair value (or calculated value or intrinsic value, if those measurement methods are used), the award's vesting conditions, and the award's classification as an equity or liability instrument are the same immediately before and after the change. The guidance also states that an entity is not required to estimate the value of the award immediately before and after the change if the change does not affect any of the inputs to the model used to value the award. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, and will be applied prospectively to awards modified on or after the adoption date. Early adoption is permitted, including adoption in any interim period for which financial statements have not yet been issued or made available for issuance. The Company will adopt this new guidance on January 1, 2018. Upon adoption, the Company believes the new guidance will likely result in fewer changes to the terms of an award being accounted for as modifications.

(3) Supplemental Disclosures to Consolidated Statements of Cash Flows

	Years ended December 31,		
	2017	2016	2015
	amounts in millions		
Acquisitions and other investments, net of cash acquired:			
Intangibles not subject to amortization	$ —	17	17
Intangibles subject to amortization	—	25	12
Fair value of other assets acquired	—	9	2
Net liabilities assumed	—	(8)	—
Deferred tax assets (liabilities)	—	—	(2)
Acquisitions and other investments, net of cash acquired	$ —	43	29
Cash paid for interest	$ 13	10	7
Cash paid for income taxes	$ 62	30	44

(4) TripAdvisor Acquisitions and Dispositions

Acquisitions

During the year ended December 31, 2016, TripAdvisor completed five acquisitions for a total purchase price of $34 million. TripAdvisor paid net cash consideration of $28 million, which is net of $4 million of cash acquired, and includes $2 million in future holdback payments, which TripAdvisor currently expects to settle with its common stock. During the year ended December 31, 2015, TripAdvisor completed three acquisitions for a total purchase price consideration of $28 million and paid in cash.

The following table presents the purchase price allocations recorded on our consolidated balance sheet for the 2016 and 2015 acquisitions (in millions):

	Years ended December 31,	
	2016	2015
	amounts in millions	
Goodwill	$ 17	17
Intangible assets	25	12
Net tangible assets	—	1
Deferred tax liabilities, net	—	(2)
Net liabilities assumed	(8)	—
Total purchase price consideration	$ 34	28

Intangible assets acquired during 2016 included trade names of $4 million, customer lists and supplier relationships of $4 million, subscriber relationships of $5 million, and technology and other of $12 million. The overall weighted-average life of the intangible assets acquired in the purchase of these businesses during 2016 was 6 years, and will be amortized on a straight-line basis over their estimated useful lives. Intangible assets acquired during 2015 included trade names of $2 million, customer lists and supplier relationships of $7 million, and technology and other of $3 million. The overall weighted average life of the intangible assets acquired in the purchase of these businesses during 2015 was approximately 6 years, and will be amortized on a straight-line basis over their estimated useful lives.

Dispositions

On June 30, 2017, TripCo sold BuySeasons. The sale resulted in an $18 million loss, which is included in gain (loss) on dispositions, net in the accompanying consolidated statement of operations. BuySeasons is not presented as a discontinued operation as the sale did not represent a strategic shift that had a major effect on TripCo's operations and financial results. Included in other revenue in the accompanying consolidated statements of operations is $13 million, $52 million, and $73 million for the years ended December 31, 2017, 2016 and 2015, respectively, related to BuySeasons. Included in net earnings (loss) in the accompanying consolidated statements of operations are losses of $2 million, $8 million, and $21 million for the years ended December 31, 2017, 2016, and 2015, respectively, related to BuySeasons. Included in total assets in the accompanying consolidated balance sheets as of December 31, 2016 is $23 million related to BuySeasons.

In August 2015, TripAdvisor sold its 100% interest in a Chinese subsidiary to an unrelated third party for $28 million in cash consideration. Accordingly, TripAdvisor deconsolidated $11 million of assets (which included $3 million of cash sold) and $4 million of liabilities from its consolidated balance sheets and recognized a $20 million gain on sale in gain (loss) on dispositions, net on the consolidated statements of operations.

(5) Assets and Liabilities Measured at Fair Value

For assets and liabilities required to be reported at fair value, GAAP provides a hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs, other than quoted market prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The Company does not have any recurring assets or liabilities measured at fair value that would be considered Level 3.

The Company's assets and liabilities measured at fair value are as follows:

	December 31, 2017			December 31, 2016		
Description	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
			amounts in millions			
Cash equivalents	$ 32	23	9	53	53	—
Marketable securities	$ 35	—	35	118	—	118
Available-for-sale securities	$ 27	—	27	16	—	16
Variable postpaid forward	$ 75	—	75	51	—	51

On June 6, 2016, TripCo entered into a variable postpaid forward transaction with a financial institution with respect to 7 million TripAdvisor shares held by the Company with a forward floor price of $38.90 per share and a forward cap price of $98.96 per share. TripCo borrowed $259 million against the variable postpaid forward on June 23, 2016 (see note 7). The asset associated with this instrument is included in the other assets line item in the consolidated balance sheet as of December 31, 2017. Changes in the fair value of the variable postpaid forward are recognized in realized and unrealized gains (losses) on financial instruments in the consolidated statements of operations.

The fair value of Level 2 marketable securities and available-for-sale securities were obtained from pricing sources for identical or comparable instruments, rather than direct observations of quoted prices in active markets. The fair value of Level 2 derivative assets were derived from a Black-Scholes-Merton model using observable market data as the significant inputs.

Other Financial Instruments

Other financial instruments not measured at fair value on a recurring basis include trade receivables, trade payables, accrued and other current liabilities, current portion of debt and long-term debt. With the exception of debt, the carrying amount approximates fair value due to the short maturity of these instruments as reported on our condensed consolidated balance sheets. The carrying value of our debt bears interest at a variable rate and therefore is also considered to approximate fair value.

(6) Goodwill and Other Intangible Assets

Goodwill and Indefinite Lived Intangible Assets

Changes in the carrying amount of goodwill are as follows (amounts in millions):

	TripAdvisor	Corporate and Other	Total
Balance at January 1, 2016	$ 3,689	—	3,689
Acquisition (1)	17	—	17
Other (3)	(12)	—	(12)
Balance at December 31, 2016	3,694	—	3,694
Impairment (2)	(1,271)	—	(1,271)
Other (3)	22	—	22
Balance at December 31, 2017	$ 2,445	—	2,445

(1) Additions to goodwill relate to TripAdvisor's acquisitions. See "Note 4 – TripAdvisor Acquisitions and Dispositions," for further information.

(2) See discussion of impairment below.

(3) Other changes are primarily due to foreign currency translation on goodwill.

As presented in the accompanying consolidated balance sheets, trademarks are the other significant indefinite lived intangible asset. See the disclosure below for information related to the current period impairment of the Company's trademarks. Other fluctuations in the trademark balance from the prior year were due to the change in foreign exchange rates.

Intangible Assets subject to amortization

Intangible assets subject to amortization are comprised of the following:

	December 31, 2017				December 31, 2016		
	Weighted Average Remaining Useful Life	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
	in years			amounts in millions			
Customer relationships . .	4	908	(735)	173	866	(615)	251
Other.	3	542	(333)	209	480	(244)	236
Total.		1,450	(1,068)	382	1,346	(859)	487

Intangible assets are being amortized on an accelerated basis as reflected in amortization expense and in the future amortization table below.

Amortization expense was $188 million, $198 million and $245 million for the years ended December 31, 2017, 2016 and 2015, respectively.

The estimated future amortization expense for the next five years related to intangible assets with definite lives as of December 31, 2017, assuming no subsequent impairment of the underlying assets, is as follows (amounts in millions):

2018	$	95
2019	$	92
2020	$	86
2021	$	70
2022	$	27

Impairments

Due to certain marketplace factors impacting TripAdvisor's operating results, which led to a decline in TripAdvisor's stock price, impairment losses of $527 million and $1,271 million were recorded during the year ended December 31, 2017 related to trademarks and goodwill, respectively, related to the hotel reporting unit. The fair value of the trademarks was determined using the relief from royalty method. The fair values of the reporting units were determined using a combination of market multiples (market approach) and discounted cash flow (income approach) calculations (Level 3). As of December 31, 2017, accumulated goodwill impairment losses for TripAdvisor totaled $1,271 million.

During the year ended December 31, 2015, we recorded an impairment related to BuySeasons, presented in the statements of operations, which is included in the Corporate and other segment. The impairment is primarily related to trademarks. Continued declining operating results as compared to budgeted results and certain trends required a quantitative impairment test and a determination of fair value for BuySeasons. This fair value, including the related intangibles and goodwill, was determined using projections of future operating performance and applying a combination of market multiples (market approach) and discounted cash flow (income approach) calculations (Level 3).

(7) Debt

Outstanding debt at December 31, 2017 and 2016 is summarized as follows:

	December 31, 2017	December 31, 2016
	amounts in millions	
TripAdvisor Credit Facilities	$ 230	164
TripAdvisor Chinese credit facilities	7	7
TripCo margin loans	210	203
TripCo variable postpaid forward	264	261
Total consolidated TripCo debt	$ 711	635
Less debt classified as current	(7)	(80)
Total long-term debt	$ 704	555

TripAdvisor Credit Facilities

In June 2015, TripAdvisor entered into a five year credit agreement with a group of lenders which, among other things, provided for a $1 billion unsecured revolving credit facility (the "2015 Credit Facility") and immediately borrowed $290 million. In May 2017, the 2015 Credit Facility was amended to, among other things, (i) increase the aggregate amount of revolving loan commitments available from $1.0 billion to $1.2 billion; and (ii) extend the maturity date of the 2015 Credit Facility from June 26, 2020 to May 12, 2022 (the "First Amendment"). Borrowings under the 2015 Credit Facility generally bear interest, at TripAdvisor's option, at a rate per annum equal to either (i) the Eurocurrency Borrowing rate, or the adjusted LIBOR for the interest period in effect for such borrowing; plus an applicable margin ranging from 1.25% to 2.00% ("Eurocurrency Spread"), based on TripAdvisor's leverage ratio; or (ii) the Alternate Base Rate ("ABR") Borrowing, which is the greatest of (a) the Prime Rate in effect on such day, (b) the New York Fed Bank Rate in effect on such day plus 1/2 of 1.00% per annum and (c) the Adjusted LIBOR (or LIBOR multiplied by the Statutory Reserve Rate) for an interest period of one month plus 1.00%; in addition to an applicable margin ranging from 0.25% to 1.00% ("ABR Spread"), based on TripAdvisor's leverage ratio. TripAdvisor may borrow from the revolving credit facility in U.S. dollars, Euros and British pound sterling.

During the year ended December 31, 2017, TripAdvisor borrowed an additional $435 million and repaid $296 million of its outstanding borrowings under the 2015 Credit Facility. These net borrowings during the year were primarily used to repurchase shares of TripAdvisor's outstanding common stock under its repurchase program. During the year ended December 31, 2016, TripAdvisor borrowed an additional $101 million and repaid $210 million of its outstanding borrowings on the 2015 Credit Facility.

As of December 31, 2017, based on TripAdvisor's leverage ratio, borrowings bear interest at LIBOR plus an applicable margin of 1.25%, or the Eurocurrency Spread. TripAdvisor was borrowing under a one-month interest rate period or a weighted average rate of 2.74% per annum as of December 31, 2017, using a one-month interest period Eurocurrency Spread, which will reset periodically. Interest will be payable on a monthly basis while TripAdvisor is borrowing under the one-month interest rate period.

TripAdvisor is also required to pay a quarterly commitment fee, at an applicable rate ranging from 0.15% to 0.30%, on the daily unused portion of the 2015 Credit Facility for each fiscal quarter and additional fees in connection with the issuance of letters of credit. As of December 31, 2017, TripAdvisor's unused revolver capacity was subject to a commitment fee of 0.15%, given TripAdvisor's leverage ratio. The 2015 Credit Facility includes $15 million of borrowing capacity available for letters of credit and $40 million for Swing Line borrowings on same-day notice. As of December 31, 2017, TripAdvisor had issued $3 million of outstanding letters of credit under the 2015 Credit Facility.

There is no specific repayment date prior to the maturity date for borrowings under this credit agreement. TripAdvisor may voluntarily repay any outstanding borrowing under the 2015 Credit Facility at any time without premium or penalty, other than customary breakage costs with respect to Eurocurrency loans. Additionally, TripAdvisor believes that the likelihood of the lender exercising any subjective acceleration rights, which would permit the lenders to accelerate repayment of any outstanding borrowings, is remote. As such, borrowings under this facility are classified as long-term debt.

The 2015 Credit Facility contains a number of covenants that, among other things, restrict TripAdvisor's ability to: incur additional indebtedness, create liens, enter into sale and leaseback transactions, engage in mergers or consolidations, sell or transfer assets, pay dividends and distributions, make investments, loans or advances, prepay certain subordinated indebtedness, make certain acquisitions, engage in certain transactions with affiliates, amend material agreements governing certain subordinated indebtedness, and change its fiscal year. The 2015 Credit Facility also requires TripAdvisor to maintain a maximum leverage ratio and contains certain customary affirmative covenants and events of default, including a change of control. If an event of default occurs, the lenders under the 2015 Credit Facility will be entitled to take various actions, including the acceleration of all amounts due under the 2015 Credit Facility.

In February 2018, TripAdvisor made a one-time repatriation of $325 million of foreign earnings to the U.S. primarily to repay outstanding borrowings under the 2015 Credit Facility.

In September 2016, TripAdvisor entered into an uncommitted facility agreement which provides for a $73 million unsecured revolving credit facility (the "2016 Credit Facility" and together with the 2015 Credit Facility, the "TripAdvisor Credit Facilities") with no specific expiration date. The 2016 Credit Facility is available at the Lender's discretion and can be canceled at any time. Repayment terms for borrowings under the 2016 Credit Facility are generally one to six month periods or such other periods as the parties may mutually agree and bear interest at LIBOR plus 112.5 basis points. TripAdvisor may borrow from the 2016 Credit Facility in U.S. dollars only and it may voluntarily repay any outstanding borrowing at any time without premium or penalty. Any overdue amounts under or in respect of the 2016 Credit Facility not paid when due shall bear interest in the case of principal at the applicable interest rate plus 1.50% per annum. In connection with the 2016 Credit Facility, any lender fees and debt financing costs paid were not material. There are no specific financial or incurrence covenants.

TripAdvisor borrowed $73 million from this uncommitted credit facility in September 2016 and repaid the full amount during the first three months of 2017. These funds were used for TripAdvisor's general working capital needs, primarily for partial repayment of TripAdvisor's 2015 Credit Facility, and recorded in current portion of debt on the consolidated balance sheet at December 31, 2016. TripAdvisor had no outstanding borrowings under this 2016 Credit Facility as of December 31, 2017.

TripAdvisor Chinese Credit Facilities

In addition to borrowings under the Trip Advisor Credit Facilities, TripAdvisor maintains two credit facilities in China (jointly, the "Chinese Credit Facilities").

TripAdvisor's Chinese subsidiary is party to a $30 million, one year revolving credit facility with Bank of America (the "Chinese Credit Facility—BOA") that is currently subject to review on a periodic basis with no specific expiration period. Borrowings under the Chinese Credit Facility—BOA generally bear interest at a rate based on the People's Bank of China benchmark, including certain adjustments which may be made in accordance with the market condition at the time of borrowing. As of December 31, 2017 and 2016, there were no outstanding borrowings under the Chinese Credit Facility—BOA.

In addition, TripAdvisor's Chinese subsidiary is party to a RMB 70,000,000 (approximately $10 million) one-year revolving credit facility with J.P. Morgan Chase Bank (the "Chinese Credit Facility—JPM"). Borrowings under the Chinese Credit Facility—JPM generally bear interest at a rate based on the People's Bank of China benchmark, including certain adjustments which may be made in accordance with the market condition at the time of borrowing. As of both December 31, 2017 and December 31, 2016, TripAdvisor had $7 million of outstanding borrowings from the Chinese Credit Facility—JPM at a weighted average rate of 5.00% and 4.35%, respectively.

TripCo Margin Loans and Variable Postpaid Forward

On August 21, 2014, a wholly owned subsidiary of TripCo ("TripSPV"), entered into two margin loan agreements which aggregated total borrowings of $400 million. Interest on the margin loans accrues at a rate of 3.65% plus LIBOR for six months and 3.25% plus LIBOR thereafter. Interest on the margin loans was paid in kind and added to the principal amount on the loans.

In connection with the variable postpaid forward transaction entered into on June 6, 2016, as described in note 5, TripCo borrowed $259 million against the variable postpaid forward on June 23, 2016. The term of the forward is four years. At maturity, the accreted loan amount due is approximately $272 million. The proceeds from the forward were used to repay $200 million in principal and $29 million of paid in kind interest on the margin loans with the remainder being used for general corporate purposes.

On June 23, 2016, TripCo amended the terms of the margin loan agreements with respect to the remaining borrowings of $200 million. Common Stock and Class B Common Stock of TripAdvisor were pledged as collateral pursuant to these agreements. Each agreement contains language that indicates that the Company, as borrower and transferor of underlying shares as collateral, has the right to exercise all voting, consensual and other powers of ownership pertaining to the transferred shares for all purposes, provided that TripCo agrees that it will not vote the shares in any manner that would reasonably be expected to give rise to transfer or certain other restrictions. Similarly, the loan agreements indicate that no lender party shall have any voting rights with respect to the shares transferred, except to the extent that a lender party buys any shares in a sale or other disposition made pursuant to the terms of the loan agreements. The agreements also contain certain restrictions related to additional indebtedness and margin calls. The initial margin call would require the outstanding balance to be reduced to $150 million if at any time the closing price per share of TripAdvisor common stock were to fall below a certain minimum value. Pursuant to the amendments, interest on the margin loans accrued at a rate of 2.0% plus LIBOR. On November 7, 2017, pursuant to another amendment to the margin loan agreements, the interest rate on the margin loans increased to 2.4% plus LIBOR per year. The interest can be paid in kind or cash at the election of TripCo. The Company expects that interest on the loan will be paid in kind and added to the principal amount on the loan. The term of the loan is three years and the maturity date is June 21, 2019.

During the year ended December 31, 2017, TripCo recorded $7 million and $3 million of non-cash interest related to the amended margin loans and variable postpaid forward, respectively.

As of December 31, 2017, the values of TripAdvisor's shares pledged as collateral pursuant to the margin loan agreements and variable postpaid forward, determined based on the trading price of the Common Stock and on an as-if converted basis for the Class B Common Stock, are as follows:

Pledged Collateral	Number of Shares Pledged as Collateral as of December 31, 2017	Share value as of December 31, 2017
	amounts in millions	
Common Stock	18.2	$ 627
Class B Common Stock	12.8	$ 441

The outstanding margin loans contain various affirmative and negative covenants that restrict the activities of the borrower. The loan agreements do not include any financial covenants.

Fair Value

Due to the primarily variable rate nature, TripCo believes that the carrying amount of its debt approximated fair value at December 31, 2017 and 2016.

Debt Covenants

As of December 31, 2017, each of the Company and TripAdvisor was in compliance with its respective debt covenants.

(8) Income Taxes

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes broad and complex changes to the U.S. tax code, including, but not limited to, (1) reducing the U.S. federal corporate tax rate from 35 percent to 21 percent; (2) bonus depreciation that will allow for full expensing of qualified property; (3) creating a new limitation on deductible interest expense; (4) eliminating the corporate alternative minimum tax (AMT) and changing how existing AMT credits can be realized; (5) changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017; (6) limitations on the deductibility of certain executive compensation; and (7) requiring a one-time transition tax on certain unrepatriated earnings of foreign subsidiaries that is payable over eight years. The SEC issued guidance on accounting for the tax effects of the Tax Act. The Company must reflect the income tax effects of those aspects of the Tax Act for which the accounting is known. To the extent that a company's accounting for certain income tax effects of the Tax Act is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements and the Tax Act provides a measurement period that should not extend beyond one year from the Tax Act enactment date. If a company cannot determine a provisional estimate to be included in the financial statements, it should continue to apply the tax laws that were in effect immediately before the enactment of the Tax Act.

The corporate tax rate reduction was applied to our inventory of deferred tax assets and deferred tax liabilities, which resulted in the net tax benefit in the period ending December 31, 2017. Additionally, we are subject to the one-time transition tax on certain unrepatriated earnings on previously untaxed accumulated and current earnings and profits. We have reported provisional amounts for the income tax effects of the Tax Act for which the accounting is incomplete but a reasonable estimate could be determined. Based on a continued analysis of the estimates and further guidance and interpretations on the application of the law, additional revisions may occur throughout the allowable measurement period.

Other provisions that are not yet effective but may impact income taxes in future years include: an exemption from U.S. tax on dividends of future foreign earnings, limitations on the deductibility of certain executive compensation, an incremental tax (base erosion anti-abuse tax or "BEAT") on excessive amounts paid to foreign related parties, deductions related to foreign derived intangible income, and a minimum tax on certain foreign earnings in excess of 10 percent of the foreign subsidiaries tangible assets (i.e., global intangible low-taxed income).

Income tax benefit (expense) consists of:

	Years ended December 31,		
	2017	2016	2015
	amounts in millions		
Current:			
Federal	$ (92)	(33)	(42)
State and local	(2)	(3)	(7)
Foreign	(6)	(15)	(26)
	$ (100)	(51)	(75)
Deferred:			
Federal	$ 288	30	52
State and local	30	6	7
Foreign	11	16	26
	329	52	85
Income tax benefit (expense)	$ 229	1	10

The following table presents a summary of our domestic and foreign earnings from continuing operations before income taxes:

	Years ended December 31,		
	2017	2016	2015
	amounts in millions		
Domestic	$ (1,720)	24	(70)
Foreign	(90)	22	74
Total	$ (1,810)	46	4

Income tax benefit (expense) differs from the amounts computed by applying the U.S. federal income tax rate of 35% as a result of the following:

	Years ended December 31,		
	2017	2016	2015
	amounts in millions		
Computed expected tax benefits (expense)	$ 634	(16)	(1)
State and local taxes, net of federal income taxes	17	(3)	2
Foreign taxes, net of foreign tax credits	2	28	48
Transition tax	(67)	—	—
Change in tax rate due to Tax Act	139	—	—
Basis difference in consolidated subsidiary	(8)	6	(21)
Change in valuation allowance	(27)	(9)	(7)
Change in unrecognized tax benefits	(11)	(11)	(12)
Federal tax credits	8	10	3
Impairment of nondeductible goodwill	(445)	—	—
Other	(13)	(4)	(2)
Income tax (expense) benefit	$ 229	1	10

During 2017, the Company recognized an impairment loss on its goodwill that is not deductible for tax purposes. In connection with the initial analysis of the impact of the Tax Act, the Company estimates, based on currently available information, a one-time increase in tax expense of $67 million on the deemed repatriation of undistributed earnings of non-U.S. shareholders as a result of the Tax Act. In addition, the Company has recorded a discrete net tax benefit of $139 million in the period ending December 31, 2017. This net benefit primarily consists of a net benefit for the corporate rate reduction. The Company is in the process of analyzing certain other provisions of this legislation.

During 2016, the Company had income tax benefits from earnings in foreign jurisdictions taxed at rates lower than the 35% U.S. federal tax rate, partially offset by changes in unrecognized tax benefits and changes in valuation allowance.

During 2015, the Company had income tax benefits from earnings in foreign jurisdictions taxed at rates lower than the 35% U.S. federal tax rate, partially offset by the recognition of deferred tax liabilities for basis differences in the stock of a consolidated subsidiary, changes in valuation allowance, and changes in unrecognized tax benefits. Included in the income tax benefits from earnings in foreign jurisdictions is a $13 million tax benefit recorded at TripAdvisor as a result of a favorable decision in a U.S tax court case issued in July 2015 related to the treatment of stock-based compensation in intercompany cost-sharing agreements.

The tax effects of temporary differences and tax attributes that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities are presented below:

	December 31, 2017	December 31, 2016
	amounts in millions	
Deferred tax assets:		
Loss carryforwards	$ 99	93
Stock-based compensation	40	57
Lease financing obligation	22	33
Other	60	85
Total deferred tax assets	221	268
Less: valuation allowance	(64)	(33)
Net deferred tax assets	157	235
Deferred tax liabilities:		
Intangible assets	(392)	(773)
Investments	(38)	(45)
Other	(59)	(76)
Total deferred tax liabilities	(489)	(894)
Net deferred tax liability	$ (332)	(659)

During the year ended December 31, 2017, there was a $27 million increase in the Company's valuation allowance that affected tax expense and a $4 million increase due the foreign exchange impact of TripAdvisor's foreign net operating losses.

Cumulative undistributed earnings of TripAdvisor's foreign subsidiaries totaled approximately $882 million as of December 31, 2017. In February 2018, TripAdvisor made a one-time repatriation of $325 million of foreign earnings to the U.S. primarily to repay remaining outstanding debt under the 2015 Credit Facility. TripAdvisor intends to indefinitely reinvest the remaining foreign undistributed earnings of $557 million, although it will continue to evaluate the impact of the Tax Act on capital deployment within and outside the U.S. Should TripAdvisor distribute, or be treated under certain U.S. tax rules as having distributed, the earnings of foreign subsidiaries in the form of dividends or otherwise, TripAdvisor may be subject to U.S. income taxes or tax benefits. The amount of any unrecognized deferred income tax on this temporary difference is not material.

At December 31, 2017, the Company has a deferred tax asset of $99 million for federal, state, and foreign loss carryforwards. Of this amount, $56 million is recorded at TripAdvisor. If not utilized to reduce income tax liabilities at TripAdvisor in future periods, these loss carryforwards will expire at various times between 2018 and 2037. The remaining deferred tax asset of $43 million relates to federal and state net operating loss carryforwards recorded at TripCo. If not utilized to reduce income tax liabilities at TripCo in future periods, these net operating loss carryforwards will expire at various times between 2021 and 2037. The loss carryforwards recorded at TripAdvisor and TripCo are expected to be utilized prior to expiration, except for $8 million of state net operating losses and $56 million of foreign net operating losses (on a tax-effected basis), which based on current projections of state and foreign taxable income may expire unused.

A reconciliation of unrecognized tax benefits is as follows (amounts in millions):

	Years ended December 31,		
	2017	2016	2015
Balance at beginning of year	$ 105	89	67
Additions based on tax positions related to the current year	17	16	15
Additions for tax positions of prior years	1	1	7
Reductions for lapse of statute of limitations	—	(1)	—
Balance at end of year	$ 123	105	89

As of December 31, 2017, 2016 and 2015 the Company had recorded tax reserves of $123 million, $105 million and $89 million, respectively, related to unrecognized tax benefits for uncertain tax positions, which is classified as long-term and included in other long-term liabilities on the consolidated balance sheets. Prior to the acquisition of a controlling interest in TripAdvisor in December 2012, the Company did not have any unrecognized tax benefits for uncertain tax positions. If the unrecognized tax benefits were to be recognized for financial statement purposes, approximately $78 million, $63 million and $53 million for the years ended December 31, 2017, 2016 and 2015, respectively, would be reflected in the Company's tax expense and affect its effective tax rate. The Company's estimate of its unrecognized tax benefits related to uncertain tax positions requires a high degree of judgment. The Company does not anticipate any material changes in the next fiscal year.

As of December 31, 2017 and 2016, the Company had recorded approximately $13 million and $9 million, respectively, of accrued interest and penalties related to uncertain tax positions.

As of December 31, 2017, Liberty's tax years prior to 2014 are closed for federal income tax purposes, and the Internal Revenue Service ("IRS") has completed its examination of TripCo's 2015 and 2016 tax years. TripCo's 2017 tax year is being examined currently as part of the IRS's Compliance Assurance Process program. Because TripCo's ownership of TripAdvisor is less than the required 80%, TripAdvisor does not consolidate with TripCo for federal income tax purposes.

Prior to December 2011, TripAdvisor was included in the consolidated federal income tax returns filed by Expedia. Expedia's 2009, 2010 and short-period 2011 tax years are currently being audited by the IRS. TripAdvisor and Expedia are parties to a tax sharing agreement whereby TripAdvisor is generally required to indemnify Expedia for any taxes resulting from the Expedia spin-off (and any related interest, penalties, legal and professional fees, and all costs and damages associated with related stockholder litigation or controversies) to the extent such amounts resulted from (i) any act or failure to act by TripAdvisor described in the covenants in the tax sharing agreement, (ii) any acquisition of TripAdvisor's equity securities or assets or those of a member of its group, or (iii) any failure of the representations with respect to TripAdvisor or any member of its group to be true or any breach by TripAdvisor or any member of its group of any covenant, in each case, which is contained in the separation documents or in the documents relating to the IRS private letter ruling and/or the opinion of counsel.

TripAdvisor is undergoing an audit by the IRS for the short-period 2011, 2012 and 2013 tax years. Various states are currently examining TripAdvisor's prior year's state income tax returns. TripAdvisor is no longer subject to tax examinations by tax authorities for years prior to 2009. As of December 31, 2017, no material assessments have resulted for the 2012 and 2013 tax years.

In January 2017, as part of Expedia's IRS audit, TripAdvisor received Notices of Proposed Adjustment from the IRS for the 2009 and 2010 tax years. These proposed adjustments are related to certain transfer pricing arrangements with TripAdvisor's foreign subsidiaries, and would result in an increase to TripAdvisor's worldwide income tax expense in an estimated range of $10 million to $14 million for 2009 and 2010 after consideration of competent authority relief, exclusive of interest and penalties. TripAdvisor disagrees with the proposed adjustments and intends to defend its position through applicable administrative and, if necessary, judicial remedies. TripAdvisor's policy is to review and update tax reserves as facts and circumstances change. Based on TripAdvisor's interpretation of the regulations and available case law, it believes the position taken with regard to transfer pricing with its foreign subsidiaries is sustainable. In addition to the risk of additional tax for 2009 and 2010 transactions, if the IRS were to seek transfer pricing adjustments of a similar nature for transactions in subsequent years, TripAdvisor would be subject to significant additional tax liabilities.

(9) Stock-Based Compensation

TripCo Incentive Plans

Pursuant to the Liberty TripAdvisor Holdings, Inc. 2014 Omnibus Incentive Plan (Amended and Restated as of March 11, 2015) (the "2014 Plan"), the Company may grant Awards in respect of a maximum of 6.7 million shares of TripCo common stock. Awards generally vest over 1-5 years and have a term of 7-10 years. TripCo issues new shares upon exercise of equity awards.

TripCo - Grants

During the years ended December 31, 2017, 2016 and 2015, TripCo granted 105 thousand, 67 thousand and 25 thousand options, respectively, to purchase shares of Series A common stock to its non-employee directors. Such options had a weighted average grant-date fair value ("GDFV") of $4.11, $6.63 and $12.66 per share, respectively, and cliff vest over a 1-year vesting period. There were no options to purchase shares of Series B common stock granted and no exercises, forfeitures or cancellations of Series B common stock during the year ended December 31, 2017.

The Company has calculated the GDFV for all of its equity classified awards and any subsequent remeasurement of its liability classified awards using the Black-Scholes-Merton Model. The Company estimates the expected term of the Awards based on historical exercise and forfeiture data. For grants made in 2017, 2016 and 2015, the range of expected terms was 4.8 years to 5.9 years. The volatility used in the calculation for Awards is based on the historical volatility of TripCo common stock and the implied volatility of publicly traded TripCo options. For grants made in 2017, 2016 and 2015, the range of volatilities was 40.6% to 49.1%. The Company uses a zero dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject options. The Company recognizes the cost of an Award over the period during which the employee is required to provide service (usually the vesting period of the Award).

TripCo - Outstanding Awards

The following tables present the number and weighted average exercise price ("WAEP") of Awards to purchase TripCo common stock granted to certain officers, employees and directors of the Company, as well as the weighted average remaining life and aggregate intrinsic value of the Awards.

	Series A in thousands	WAEP	Weighted average remaining contractual life in years	Aggregate intrinsic value in millions
Outstanding at January 1, 2017	661	$ 14.99		
Granted	105	$ 9.40		
Exercised	(82)	$ 10.25		
Forfeited/Cancelled	(3)	$ 20.45		
Outstanding at December 31, 2017	681	$ 14.68	2.8	$ —
Exercisable at December 31, 2017	570	$ 15.56	2.1	$ —

There was no activity during the year ended December 31, 2017 related to the outstanding TripCo Series B options.

As of December 31, 2017, the total unrecognized compensation cost related to unvested equity Awards was $10 million. Such amount will be recognized in the Company's statements of operations over a weighted average period of approximately 1.5 years.

As of December 31, 2017, TripCo reserved 2.5 million shares of Series A and Series B common stock for issuance under exercise privileges of outstanding stock Awards.

TripCo - Exercises

The aggregate intrinsic value of all TripCo options exercised during the years ended December 31, 2017, 2016 and 2015 was $478 thousand, $1.2 million and $7.3 million, respectively.

TripCo — Restricted Stock

The aggregate fair value of all restricted shares of TripCo common stock that vested during the years ended December 31, 2017, 2016 and 2015 was $13 thousand, $284 thousand and $797 thousand, respectively.

As of December 31, 2017, the Company had approximately 14,000 unvested restricted shares of Series A TripCo common stock held by certain directors, officers and employees of the Company with a weighted average GDFV of $4.98 per share.

TripAdvisor Equity Grant Awards

Pursuant to TripAdvisor's Amended and Restated 2011 Stock and Annual Incentive Plan (the "2011 Incentive Plan"), TripAdvisor may grant restricted stock, restricted stock awards, restricted stock units ("RSUs"), stock options and other stock-based awards to TripAdvisor directors, officers, employees and consultants. Grants were valued using a volatility of 42.1% and the applicable risk free rate for an expected term of 6.1 years for the year ended December 31, 2017, volatility of 41.8% and the applicable risk free rate for an expected term of 4.9 years for the year ended December 31, 2016 and a volatility of 41.8% and the applicable risk free rate for an expected term of 5.4 years for the year ended December 31, 2015.

Performance-based stock options and RSUs vest upon achievement of certain TripAdvisor company-based performance conditions and a requisite service period. On the date of grant, the fair value of stock options is calculated using a Black-Scholes-Merton model, which incorporates assumptions to value stock-based awards, including the risk-free rate of return, expected volatility, expected term and expected dividend yield. If, upon grant, TripAdvisor assesses the achievement of performance targets as probable, compensation expense is recorded for the awards over the estimated performance period on a straight-line basis. At each reporting period, the probability of achieving the performance targets and the performance period required to meet those targets is assessed. To the extent actual results or updated estimates differ from TripAdvisor's estimates, the cumulative effect on current and prior periods of those changes will be recorded in the period estimates are revised, or the change in estimate will be applied prospectively depending on whether the change affects the estimate of total compensation cost to be recognized or merely affects the period over which compensation cost is to be recognized.

The following table presents the number, WAEP and aggregate intrinsic value of stock options to purchase TripAdvisor common stock granted under their 2011 Incentive Plan:

	Number of Options	WAEP	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
	in thousands		in years	in millions
Outstanding at January 1, 2017	5,818	$ 57.60		
Granted	2,333	$ 40.03		
Exercised	(496)	$ 29.37		
Cancelled or expired	(802)	$ 65.13		
Outstanding at December 31, 2017	6,853	$ 52.78	6.5	$ 3
Exercisable at December 31, 2017	3,340	$ 52.69	4.4	$ 3

During the year ended December 31, 2017, TripAdvisor granted approximately 2 million of service based stock options under their 2011 Incentive Plan, with a weighted average estimated GDFV per option of $40.03. These stock options generally have a term of ten years from the date of grant and typically vest equally over a four year requisite service period. As of December 31, 2017, the total number of shares reserved for future stock-based awards under the 2011 Incentive Plan is approximately 9.4 million shares. TripAdvisor related stock-based compensation for the year ended December 31, 2017 was approximately $96 million. As of December 31, 2017, the total unrecognized compensation cost related to unvested TripAdvisor stock options was approximately $52 million and will be recognized over a weighted average period of approximately 2.9 years.

Restricted Stock Units

RSUs are stock awards that are granted to employees entitling the holder to shares of TripAdvisor common stock as the award vests. RSUs are measured at fair value based on the number of shares granted and the quoted price of TripAdvisor common stock at the date of grant. The fair value of RSUs is amortized as stock-based compensation expense over the vesting term on a straight-line basis, with the amount of compensation expense recognized at any date at least equaling the portion of the GDFV of the award that is vested at that date.

During the year ended December 31, 2017, TripAdvisor granted approximately 5 million service based RSUs under their 2011 Incentive Plan for which the fair value was measured based on the quoted price of TripAdvisor common stock at the date of grant. The weighted average GDFV for RSUs granted during 2017 was $41.09 per share. The unvested TripAdvisor RSUs had a weighted average GDFV of $48.14 as of December 31, 2017. As of December 31, 2017, the total unrecognized compensation cost related to 6.0 million unvested TripAdvisor RSU's outstanding was approximately $222 million which will be recognized over the remaining vesting term of approximately 3 years.

(10) Employee Benefit Plans

TripAdvisor and BuySeasons sponsor 401(k) plans, which provide their employees an opportunity to make contributions to a trust for investment in TripCo common stock, as well as other mutual funds. The Company's consolidated companies make matching contributions to the plans based on a percentage of the amount contributed by employees. Employer cash contributions related to BuySeasons and TripAdvisor were $9 million, $9 million and $7 million for the years ended December 31, 2017, 2016 and 2015, respectively.

(11) Related Party Transactions

Agreement with Chairman, President and CEO

Because of the significant voting power that Gregory B. Maffei would possess upon exercise of the options granted to him on December 21, 2014 and as a result of the share exchange between Mr. Maffei and certain of our stockholders in December 2014, the Compensation Committee of the Board of Directors of TripCo (the "Board") and members of the Board independent of Mr. Maffei determined it was appropriate to request that Mr. Maffei and TripCo enter into a standstill agreement that would cap his voting interest at 34.9%, subject to a variety of limitations and exceptions.

(12) Commitments and Contingencies

Operating Leases

TripCo's consolidated companies have contractual obligations in the form of operating leases for office and warehouse space for which the related expense is recorded on a monthly basis. Certain leases contain periodic rent escalation adjustments and renewal options. Rent expense related to such leases is recorded on a straight-line basis. Operating lease obligations expire at various dates with the latest maturity in December 2030.

In June 2013, TripAdvisor entered into a lease to move its headquarters to Needham, Massachusetts in 2015. TripAdvisor was the deemed owner (for accounting purposes only) of the new building during the construction period under build to suit lease accounting. As building construction began in the fourth quarter of 2013, TripAdvisor recorded project construction costs incurred by the landlord as a construction-in-progress asset and a corresponding construction financing obligation in "Property and equipment, at cost" and "Other liabilities," respectively, in the consolidated balance sheets.

Upon completion of construction at the end of the second quarter of 2015, TripAdvisor evaluated the construction-in-progress asset and construction financing obligation for de-recognition under the criteria for "sale-leaseback" treatment under GAAP. TripAdvisor has continued economic involvement in the facility, and therefore did not meet the provisions for sale-leaseback accounting. This determination was based on TripAdvisor's continuing involvement with the property in the form of non-recourse financing to the lessor. Therefore, the lease has been accounted for as a financing obligation. Accordingly, TripAdvisor began depreciating the building asset over its estimated useful life and incurring interest expense related to the financing obligation imputed using the effective interest rate method. TripAdvisor bifurcates the lease payments into (i) a portion that is allocated to the building (a reduction to the construction financing obligation) and; (ii) a portion that is allocated to the land on which the building was constructed. The portion of the lease payments allocated to the land is treated as an operating lease that commenced in 2013. The lease costs allocated to the land are recognized as rent expense on a straight-line basis over the term of the lease and are recorded in general and administrative expense in the consolidated statements of operations. The construction financing obligation is considered a long-term finance lease obligation and is recorded to noncurrent "Other liabilities" in the consolidated balance sheets. At the end of the lease term, the carrying value of the building asset and of the remaining financing obligation are expected to be equal, at which time TripAdvisor may either surrender the leased asset as settlement of the remaining financing obligation or extend the initial term of the lease for the continued use of the asset. TripAdvisor incurred approximately $6 million of non-cash construction costs and related obligations in connection with the capitalization of construction-in-progress and tenant improvement costs during the year ended December 31, 2015.

TripAdvisor also leases an aggregate of approximately 450,000 square feet at approximately 40 other locations across North America, Europe and Asia Pacific, primarily for its international management teams, sales offices, and subsidiary headquarters, pursuant to leases with expiration dates through June 2027.

For the years ended December 31, 2017, 2016 and 2015, TripCo recorded rental expense of $19 million, $21 million and $22 million, respectively. The following table presents TripCo's estimated future minimum rental payments under operating leases with non-cancelable lease terms, including TripAdvisor's headquarters lease, that expire after December 31, 2017 (amounts in millions):

2018	$ 28
2019	27
2020	26
2021	25
2022	26
Thereafter	96
	$ 228

Off-Balance Sheet Arrangements

TripCo did not have any other off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the Company's financial condition, results of operations, liquidity, capital expenditures or capital resources.

Litigation

In the ordinary course of business, the Company and its subsidiaries are parties to legal proceedings and claims arising out of our operations. These matters may relate to claims involving alleged infringement of third-party intellectual property rights, defamation, taxes, regulatory compliance and other claims. Although it is reasonably possible that the Company may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made. In the opinion of management, it is expected that amounts, if any, which may be required to satisfy such contingencies will not be material in relation to the accompanying consolidated financial statements.

(13) Segment Information

TripCo, through its ownership interests in subsidiaries and other companies, is primarily engaged in the online commerce industries. TripCo identifies its reportable segments as (A) those consolidated companies that represent 10% or more of its consolidated annual revenue, annual adjusted operating income before depreciation and amortization ("Adjusted OIBDA") or total assets and (B) those equity method affiliates whose share of earnings represent 10% or more of TripCo's annual pre-tax earnings.

TripCo evaluates performance and makes decisions about allocating resources to its operating segments based on financial measures such as revenue, Adjusted OIBDA, gross margin, average sales price per unit, number of units shipped and revenue or sales per customer equivalent. In addition, TripCo reviews nonfinancial measures such as unique website visitors, conversion rates and active customers, as appropriate.

TripCo defines Adjusted OIBDA as revenue less operating expenses, and selling, general and administrative expenses (excluding stock-based compensation), adjusted for specifically identified non-recurring transactions. TripCo believes this measure is an important indicator of the operational strength and performance of its businesses, including each business's ability to service debt and fund capital expenditures. In addition, this measure allows management to view operating results and perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. This measure of performance excludes depreciation and amortization, equity settled liabilities (including stock-based compensation), separately reported litigation settlements and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. TripCo generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties, that is, at current prices.

For the year ended December 31, 2017, TripCo has identified the following consolidated company as its reportable segment:

- TripAdvisor - an online travel research company, empowering users to plan and maximize their travel experience.

TripCo's operating segments are strategic business units that offer different products and services. They are managed separately because each segment requires different technologies, distribution channels and marketing strategies. The accounting policies of the segments that are also consolidated companies are the same as those described in the Company's summary of significant accounting policies.

Performance Measures

	Years ended December 31,					
	2017		2016		2015	
	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA
	amounts in millions					
TripAdvisor	$ 1,556	331	1,480	352	1,492	464
Corporate and other	13	(9)	52	(16)	73	(30)
Consolidated TripCo	$ 1,569	322	1,532	336	1,565	434

Other Information

	December 31, 2017		December 31, 2016	
	Total Assets	Capital expenditures	Total Assets	Capital expenditures
	amounts in millions			
TripAdvisor	$ 5,387	64	7,171	72
Corporate and other	97	1	111	1
Consolidated TripCo	$ 5,484	65	7,282	73

Revenue by Geographic Area

	December 31,		
	2017	2016	2015
	amounts in millions		
United States	$ 890	850	807
United Kingdom	209	210	215
Other countries	470	472	543
Consolidated TripCo	$ 1,569	1,532	1,565

Long-lived Assets by Geographic Area

	December 31,	
	2017	2016
	amounts in millions	
United States	$ 147	158
Other countries	18	18
Consolidated TripCo	$ 165	176

The following table provides a reconciliation of consolidated Adjusted OIBDA to operating income and earnings (loss) before income taxes:

	Years ended December 31,		
	2017	2016	2015
	amounts in millions		
Consolidated Adjusted OIBDA	$ 322	336	434
Stock settled charitable contribution (1)	—	—	(67)
Stock-based compensation	(103)	(91)	(82)
Depreciation and amortization	(213)	(222)	(268)
Impairment of intangible assets	(1,798)	—	(2)
Operating income	(1,792)	23	15
Interest expense	(25)	(25)	(28)
Realized and unrealized gains (losses) on financial instruments, net	24	53	2
Gain (loss) on dispositions, net	(18)	—	19
Other, net	1	(5)	(4)
Earnings (loss) before income taxes	$ (1,810)	46	4

(1) TripAdvisor recorded an expense for the year ending December 31, 2015 in the amount of $67 million for a non-cash contribution to the TripAdvisor Charitable Foundation (the "Foundation") which was recorded to general and administrative expense in the consolidated statements of operations. TripAdvisor settled this obligation with treasury shares based on the fair value of its common stock on the date the treasury shares were issued to the Foundation. Due to the one-time nature and use of stock to settle the obligation, the amount has been excluded from Adjusted OIBDA for the year ended December 31, 2015, as shown above.

(14) Quarterly Financial Information (Unaudited)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	amounts in millions, except per share amounts			
2017:				
Revenue	$ 378	431	439	321
Operating income (loss)	$ (7)	13	16	(1,814)
Net earnings (loss)	$ (9)	(7)	(7)	(1,558)
Net earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. Series A and Series B stockholders	$ (3)	(12)	(13)	(369)
Basic earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. Series A and Series B stockholders per common share	$ (0.04)	(0.16)	(0.17)	(4.92)
Diluted earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. Series A and Series B stockholders per common share	$ (0.04)	(0.16)	(0.17)	(4.92)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	amounts in millions, except per share amounts			
2016:				
Revenue	$ 361	398	434	339
Operating income (loss)	$ 2	13	31	(23)
Net earnings (loss)	$ (5)	6	26	20
Net earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. Series A and Series B stockholders	$ (11)	(2)	(1)	35
Basic earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. Series A and Series B stockholders per common share	$ (0.15)	(0.03)	(0.01)	0.47
Diluted earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. Series A and Series B stockholders per common share	$ (0.15)	(0.03)	(0.01)	0.47

LIBERTY TRIPADVISOR HOLDINGS, INC.
CORPORATE DATA

Board of Directors
Gregory B. Maffei
Chairman of the Board, President and Chief Executive Officer
Liberty TripAdvisor Holdings, Inc.

Michael J. Malone
Chief Executive Officer and Principal
Hunters Capital, LLC

Chris Mueller
Managing Partner
Post Closing 360 LLC

Larry E. Romrell
Retired Executive Vice President
Tele-Communications, Inc.

Albert E. Rosenthaler
Chief Corporate Development Officer
Liberty TripAdvisor Holdings, Inc.

J. David Wargo
Founder and President
Wargo & Company, Inc.

Executive Committee
Gregory B. Maffei
Chris Mueller
Albert E. Rosenthaler

Compensation Committee
Larry E. Romrell (Chairman)
Michael J. Malone
J. David Wargo

Audit Committee
Chris Mueller (Chairman)
Michael J. Malone
J. David Wargo

Nominating & Corporate Governance Committee
J. David Wargo (Chairman)
Michael J. Malone
Larry E. Romrell

Senior Officers
Gregory B. Maffei
President and Chief Executive Officer

Richard N. Baer
Chief Legal Officer

Albert E. Rosenthaler
Chief Corporate Development Officer

Brian J. Wendling
Senior Vice President and Chief Financial Officer

Corporate Secretary
Michael E. Hurelbrink

Corporate Headquarters
12300 Liberty Boulevard
Englewood, CO 80112
(720) 875-5200

Stock Information
Series A Common Stock (LTRPA) and Series B Common Stock (LTRPB) trade on the NASDAQ Global Select Market.

CUSIP Numbers
LTRPA – 531465 102
LTRPB – 531465 201

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Visit the Liberty TripAdvisor Holdings, Inc. website at
www.libertytripadvisorholdings.com.

Financial Statements
Liberty TripAdvisor Holdings, Inc. financial statements are filed with the Securities and Exchange Commission. Copies of these financial statements can be obtained from the Transfer Agent or through the Liberty TripAdvisor Holdings, Inc. website.

LIBERTY
TRIPADVISOR HOLDINGS

OUR ENVIRONMENT

Liberty believes in working to keep our environment cleaner and healthier. We are proud to have our headquarters overlooking the Colorado Rockies. Every day, Liberty takes steps to preserve the natural beauty of the surroundings that we are privileged to enjoy.

ELECTRONIC DELIVERY

We encourage Liberty stockholders to voluntarily elect to receive future proxy and annual report materials electronically.

- If you are a registered stockholder, please visit ***www-us.computershare.com/investor*** for simple instructions.
- Beneficial shareowners can elect to receive future proxy and annual report materials electronically as well as vote their shares online at ***www.proxyvote.com***.
  ▸ Faster ▸ Economical ▸ Cleaner ▸ Convenient

SCAN THE QR CODE

- to vote using your mobile device, sign up for e-delivery or download annual meeting materials.

Registered stockholders

Beneficial shareowners

▸ Liberty's initiative in reducing its carbon footprint by promoting electronic delivery of shareholder materials has had a positive effect on the environment. Based upon 2017 statistics, voluntary receipt of e-delivery resulted in the following environmental savings:

- Using approximately 6 fewer tons of wood, or 41 fewer trees
- Using approximately 56 million fewer BTUs, or the equivalent of the amount of energy used by one home for 7 months
- Using approximately 9,640 fewer pounds of greenhouse gases, including carbon dioxide, or the equivalent of 1 automobile running for 1 calendar year
- Saving approximately 39,331 gallons of water, or the equivalent of approximately 1½ swimming pools
- Saving approximately 3,307 pounds of solid waste
- Reducing hazardous air pollutants by approximately 5 pounds

Environmental impact estimates calculated using the Environmental Paper Network Paper Calculator. For more information visit ***www.papercalculator.org***.

2018 ANNUAL MEETING OF STOCKHOLDERS

Thursday, May 24, 2018
8:15 a.m. Local Time
Corporate Offices of Liberty TripAdvisor Holdings, Inc.
12300 Liberty Boulevard, Englewood, Colorado 80112