

Travel site Kayak.com files for IPO

The Associated Press

Kayak Software Corp., whose site Kayak.com is a popular aggregator of flight and hotel deals, filed for an initial public offering Wednesday, with hopes of raising up to \$50 million.

The Norwalk, Conn., company did not say in its filing with the Securities and Exchange Commission how many shares would be for sale or at what price.

Kayak also did not specify on what stock exchange it expects to trade, nor under what symbol.

Although Kayak said it hopes to raise up to \$50 million in the IPO, estimates such as these are often rough, and mostly reflect the process by which companies calculate the registration fee associated with going public.

Venture capital firms General Catalyst Partners, Sequoia Capital, Accel Funds and Oak Investment Partners have all invested in the company, and will be selling shares in the IPO.

Kayak was founded in 2004, and is the brainchild of people who helped launch fellow travel sites Expedia, Travelocity and Orbitz. As of Oct. 31, it had 140 employees and local websites in 14 countries besides the U.S., including the U.K., Germany, France, Spain, Italy and India.

According to the filing, the company's revenue grew 80 percent to \$48 million in the quarter that ended Sept. 30. During that time, its volume of user queries increased by 50 percent year over year.

Although revenue is up, the company acknowledged in the filing that one risk in investing in the company is that it has relied on just one faring engine, ITA Software Inc., to handle the behind-the-scenes work of culling flight fares. Google Inc. intends to buy ITA, a deal under review by the Department of Justice. If that acquisition goes through, however, Kayak will have to find a new provider and face possible competition from Google, which will have the personnel and intellectual property to build its own online travel tools.

Morgan Stanley and Deutsche Bank Securities are the lead underwriters of the offering, with Piper Jaffray, Stifel Nicolaus Weisel and Pacific Crest Securities are listed as underwriters as well.

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