Doug Lebda
Founder and CEO
Overview

Our Vision and How We Plan to Achieve It

November 11, 2003
Mission

LendingTree will be the Dominant Lending and Real Estate Exchange Connecting Consumers, Lenders and REALTORS®, Generating $75 Billion in Gross Transaction Volume in 2008.
Agenda

- Business Overview
- Historical Performance
- Key Initiatives
- Long Range Plans
Business Overview - Lending

The U.S. Consumer Lending Market is Extremely Large...

$9.5 Trillion

2003 Total Debt Outstanding

- Home Equity
- Revolving – Credit Card
- Non-Revolving – Auto/Personal

$4.7 Trillion

2003 Total Originations by Product

- Home Equity
- Auto
- Credit Card
- Personal


Note: Mortgage origination includes trailing four quarters ended Q2 2003.
Other loan product origination is for 2002.
Business Overview - Lending

…and Highly Fragmented.

Mortgage Originations by Source

- **50,000 Institutions**
  - **$3.3 Trillion**

- **Top 15 Retail Producers**
  - **$708B (29%)**

- **Large Bank Example**

- **10,000 Small/Medium Lenders**
  - **$281B (11%)**

- **LendingTree.com**
  - **$16B (0.7%)**

LendingTree Mortgage Market Share

- **10.0%**

- **8.0%**

- **6.0%**

- **4.0%**

- **2.0%**

- **0.0%**

Business Overview - Lending

LendingTree Creates an Efficient Exchange Between Consumers and Lenders.
“Over the last 15 years, I’ve purchased three homes, refinanced and made equity loans, and have never had such a pleasant experience as I am now having utilizing LendingTree.com. Not only do you provide competitive quotes from different lenders, but your website provides the tools needed to easily assess the offers in relation to each other as well as to my needs.”
“Over the last 15 years, I’ve purchased three homes, refinanced and made equity loans, and have never had such a pleasant experience as I am now having utilizing LendingTree.com. Not only do you provide competitive quotes from different lenders, but your website provides the tools needed to easily assess the offers in relation to each other as well as to my needs.”
Business Overview – Lending

Loan Pricing Structure is Aligned with Consumer and Lender Goals.

### Standard Fees for Loan Products

<table>
<thead>
<tr>
<th></th>
<th>Mortgage</th>
<th>Home Equity</th>
<th>Auto</th>
<th>Personal</th>
<th>Credit Card</th>
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<tbody>
<tr>
<td>Transmit Fees</td>
<td>$11.00</td>
<td>$11.00</td>
<td>$1.00</td>
<td>$1.00</td>
<td>$0.00</td>
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<tr>
<td>Closed Loan Fees</td>
<td>$330 - $835&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>$265</td>
<td>$108</td>
<td>$80</td>
<td>$36</td>
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</tbody>
</table>

<sup>(1)</sup> Mortgage Closed Loan Fees are tiered depending on loan size ranging from $330.00 for loan amounts below $125,000 and $835.00 for loan amounts over $300,700.
# Business Overview – Lending

LendingTree is the Leading Lending Exchange and Competition is Primarily with Offline Players.

<table>
<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td>Credit Land</td>
<td>LendingTree</td>
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<tr>
<td></td>
<td>Home Advisor</td>
<td>GetSmart</td>
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<td></td>
<td>QuickenLoans</td>
<td>Other small players</td>
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<tr>
<td></td>
<td>Mortgage Bid</td>
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<td>GetSmart</td>
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<td>UltraPrise</td>
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<td></td>
<td>LendingTree</td>
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<td></td>
<td>E-Loan</td>
<td>E-Loan</td>
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<td>iOwn</td>
<td>E*Trade</td>
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<td>Mortgage Bid</td>
<td>MortgageSelect</td>
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<td></td>
<td>Next Card</td>
<td>Quicken Loans</td>
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<td>PeopleFirst</td>
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<tr>
<td></td>
<td>Bank of America</td>
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<td></td>
<td>BankOne</td>
<td>Ameriquest</td>
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<td></td>
<td>Cendant</td>
<td>America’s Lending Partners</td>
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<td>Chase</td>
<td>Bank of America</td>
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<tr>
<td></td>
<td>Citibank</td>
<td>BankOne</td>
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<td>Countrywide</td>
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<td></td>
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<td>WAMU</td>
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<td></td>
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<td>Wells Fargo</td>
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</tbody>
</table>

LendingTree Customers/Partners
Business Overview – Real Estate

The Real Estate Market is Very Large…

Total Home Sales (units in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Existing Homes Sold</th>
<th>New Homes Sold</th>
</tr>
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<tbody>
<tr>
<td>1997</td>
<td>5.2</td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>5.9</td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>6.1</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>6.2</td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>6.5</td>
<td></td>
</tr>
<tr>
<td>2003E</td>
<td>6.9</td>
<td></td>
</tr>
</tbody>
</table>

Source: U.S. Bureau of the Census, Construction Reports

Broker Commissions ($ in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Commission ($)</th>
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<tbody>
<tr>
<td>1997</td>
<td>$41.5</td>
</tr>
<tr>
<td>1998</td>
<td>$48.8</td>
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<td>1999</td>
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<td>2000</td>
<td>$56.3</td>
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<td>2002</td>
<td>$69.7</td>
</tr>
<tr>
<td>2003E</td>
<td>$77.7</td>
</tr>
</tbody>
</table>

Source: U.S. Bureau of Economics – Table 5.6U 2nd Quarter 2002
Business Overview – Real Estate

…and Highly Fragmented with over 80,000 Brokerage Companies and 860,000 REALTORS®.

REALTOR® Breakdown (% of total)

- RE/MAX: 9%
- GMAC: 3%
- NRT: 6%
- ERA: 4%
- Century 21: 13%
- Coldwell Banker: 9%
- Prudential: 5%
- Other: 51%

Source: Real Trends, NAR, and Individual Company Sources
Business Overview – Real Estate

Consumers are 7.3x More Inclined to Find a REALTOR® on the Internet than Originate a Loan, Highlighting the Real Estate Opportunity for LendingTree.

How Consumers Use the Internet to Facilitate Real Estate Transactions

% of Internet Consumers Using Function

- Find homes: 88%
- Preview homes: 87%
- Find agent: 73%
- Access Financing: 38%
- Find Real Estate Co: 32%
- Access Lender/rate info: 21%
- Research Neighborhoods: 16%
- Originate loan: 10%
- Research Schools: 5%
- Analyze Taxes etc.: 4%

Source: California Association of REALTORS® 2002
Business Overview – Real Estate

Realty Services is an Efficient Exchange Between Consumers and REALTORS®…
Business Overview – Real Estate

LendingTree Has a Simple Process to Help Consumers Through a Complex Transaction and Earn up to $2,000.

Step 1: Complete the short information form

Step 2: Choose from up to four brokerage companies

Step 3: Contact or be contacted by a Relocation Director who will assist in selecting the best agent for you

Step 4: Use one of our 7,500 Agents to close on your home

Step 5: Receive your incentive

Begin Your Mortgage Request >>
Business Overview – Real Estate

How LendingTree Makes Money in Real Estate.

Assume Home Price = $225,000

One Sided Transaction (Buy or Sell)
- LendingTree Net Revenue: $1,362
- Realtor Commission: $4,388
- Consumer Rebate: $1,000

Double Sided Transaction (Buy or Sell)
- LendingTree Net Revenue: $2,725
- Realtor Commission: $8,775
- Consumer Rebate: $2,000

Total Commission @ 3%: $6,750
Total Commission @ 6%: $13,500

Note: Illustrated consumer rebate is for the LendingTree.com channel.
Business Overview—Real Estate

In 2003, LendingTree expects to facilitate an estimated .11% of total home sales. Our five-year projection calls for ten-fold growth.

LendingTree Projected Realty Closings

Source: NAR May 2003 and NAR Real Estate Outlook Sept 2003
Agenda

- Business Overview
- Historical Performance
- Key Initiatives
- Long Range Plans
Historical Performance

Lending and Real Estate Exchange Volume Has Grown Substantially…

Total Transmitted QFs

(in thousands)

CAGR: 67%

Total $ Transacted

($ in billions)

CAGR: 166%
Historical Performance

…While Margins Continue to be Strong…

Total Gross Margin %

<table>
<thead>
<tr>
<th>Quarter</th>
<th>00</th>
<th>01</th>
<th>02</th>
<th>03</th>
<th>04</th>
<th>05</th>
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<tbody>
<tr>
<td>Q1</td>
<td>62.9%</td>
<td>82.4%</td>
<td>84.8%</td>
<td>84.9%</td>
<td>84.9%</td>
<td>84.8%</td>
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<tr>
<td>Q2</td>
<td>68.3%</td>
<td>80.8%</td>
<td>84.6%</td>
<td>84.9%</td>
<td>84.9%</td>
<td>84.9%</td>
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<tr>
<td>Q3</td>
<td>71.6%</td>
<td>77.3%</td>
<td>82.4%</td>
<td>84.6%</td>
<td>84.9%</td>
<td>84.9%</td>
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<tr>
<td>Q4</td>
<td>73.2%</td>
<td>71.2%</td>
<td>80.8%</td>
<td>84.6%</td>
<td>84.9%</td>
<td>84.9%</td>
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</table>

Total Contribution Margin per Transmit

<table>
<thead>
<tr>
<th>Quarter</th>
<th>00</th>
<th>01</th>
<th>02</th>
<th>03</th>
<th>04</th>
<th>05</th>
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<tbody>
<tr>
<td>Q1</td>
<td>$29.80</td>
<td>$22.43</td>
<td>$24.48</td>
<td>$24.68</td>
<td>$28.24</td>
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<td>Q3</td>
<td>$28.24</td>
<td>$70.00</td>
<td>$60.00</td>
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<td>Q4</td>
<td>$30.00</td>
<td>$40.00</td>
<td>$50.00</td>
<td>$60.00</td>
<td>$70.00</td>
<td>$80.00</td>
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<tr>
<td>Q5</td>
<td>$40.00</td>
<td>$50.00</td>
<td>$60.00</td>
<td>$70.00</td>
<td>$80.00</td>
<td>$90.00</td>
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</table>
Historical Performance

...Translating into Significant Revenue and OIBA Growth.

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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<tbody>
<tr>
<td>2000</td>
<td>$4</td>
<td>$8</td>
<td>$9</td>
<td>$10</td>
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<tr>
<td>2001</td>
<td>$12</td>
<td>$17</td>
<td>$19</td>
<td>$21</td>
</tr>
<tr>
<td>2002</td>
<td>$24</td>
<td>$31</td>
<td>$35</td>
<td>$45</td>
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<tr>
<td>2003</td>
<td>$45</td>
<td>$45</td>
<td>$39</td>
<td>$35</td>
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</table>

CAGR: 115%

Note: Q3 2003 OIBA excludes merger-related expenses.
Historical Performance

While Refinance Mortgage Volume Clearly Improved Results in 2002 and 2003…

Total Mortgage Origination ($ in B)

Historical Performance

...Improved Lender Metrics Help Offset Volume Declines...

High/Increasing Interest Rates
Q2 2002

- Completed QFs: 100 QFs
- Transmit Rate: 83%
- Multiple Transmits per QF: 3.11
- Close Rate: 7.9%
- Multiple Referrals: 258
- Total Closings: 20

Low/Declining Interest Rates
Q1 2003

- Completed QFs: 244 QFs
- Transmit Rate: 79%
- Multiple Transmits per QF: 2.84
- Close Rate: 10.3%
- Multiple Referrals: 548
- Total Closings: 56

High/Increasing Interest Rates
Q3 2003

- Completed QFs: 174 QFs
- Transmit Rate: 84%
- Multiple Transmits per QF: 3.02
- Close Rate: 12.0%
- Multiple Referrals: 441
- Total Closings: 53
Historical Performance

... And Other Lending Product Revenue is Increasing as a Percentage of Total Lending Revenue.

Mortgage Refinance Revenue vs. Other Lending Product Revenue 2003-2004
Historical Performance

Strong Brand Awareness Enables Us to Drive Volume and Share When Lenders Need It Most.

LendingTree Total Brand Awareness

Year 1: 41%
Year 2: 59%
Year 3: 67%
Year 4: 73%

Source: LendingTree Sponsored Surveys Conducted by Chadwick Martin & Bailey
Agenda

- Business Overview
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- Key Initiatives
- Long Range Plans
Key Initiatives
A Rigorous Process is in Place to Prioritize New Initiatives.

Doability

L=1

H=5

Aggressive Go

Impact at Full Implementation:
- Small
- Medium
- Large

H=5

Near Term

Strategic Relevance

A. Initiative A
B. Initiative B
C. Initiative C
D. Initiative D
E. Initiative E
F. Initiative F
G. Initiative G
H. Initiative H
I. Initiative I
J. Initiative J
K. Initiative K

L=1

3

Drop

D
I
C
G
A
H
B
F
K
3

H=5
Key Initiatives

Resulting From This Process are a Number of Initiatives for the Next Year

- GetSmart Transition
- Realty Services Product Evolution
- Home Listings
- Access to Capital
- 100% Instant Offer
- Title / Vendor Management
- e-Sign Technology
- LenderWeb Apex
- Lender Sales Excellence
- Benchmarking
Agenda

- Business Overview
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- Key Initiatives
- Long Range Plans
Long Range Plans

Modest Improvements in Core Metrics, Such as Transmit Rates and Closing Rates…

Mortgage Transmit Rate

Home Equity Transmit Rate

Mortgage Close Rates

Home Equity Close Rates
Long Range Plans

...Particularly With Small Changes in the Average Closing Rates Per Lender...

Average Lender Close Rate
Mortgage

- 2002: 4.1%
- 2003: 4.2%
- 2004: 4.1%
- 2005: 4.2%
- 2006: 4.1%
- 2007: 4.2%
- 2008: 4.1%

Average Lender Close Rate
Home Equity

- 2002: 8.0%
- 2003: 7.0%
- 2004: 8.0%
- 2005: 7.0%
- 2006: 8.0%
- 2007: 7.0%
- 2008: 8.0%
Long Range Plans

...Will Add Significantly to Our Financial Results.

**Total Revenue (Excludes GetSmart)**

($ in millions)

- **CAGR: 20%**

**Total OIBA (Excludes GetSmart)**

($ in millions)

- **CAGR: 48%**

GetSmart transaction pending.
Financial Services

Q&A