

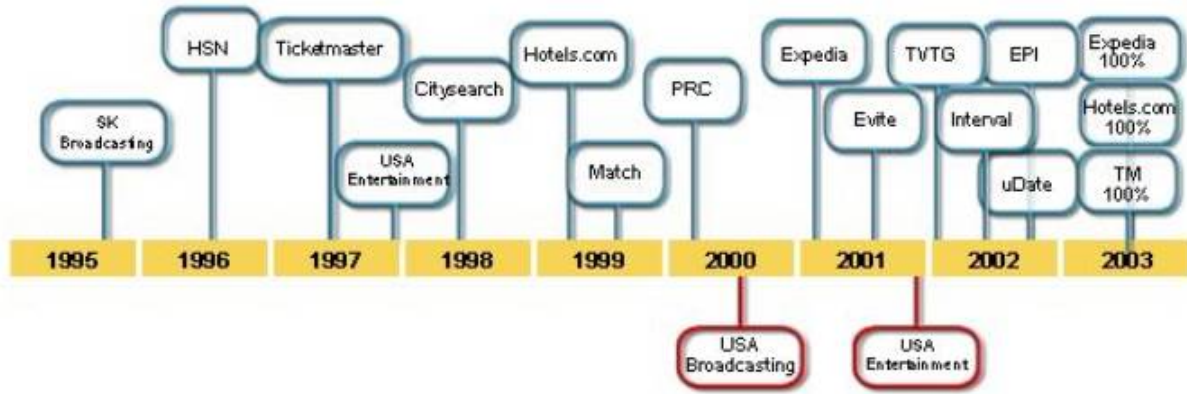


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11

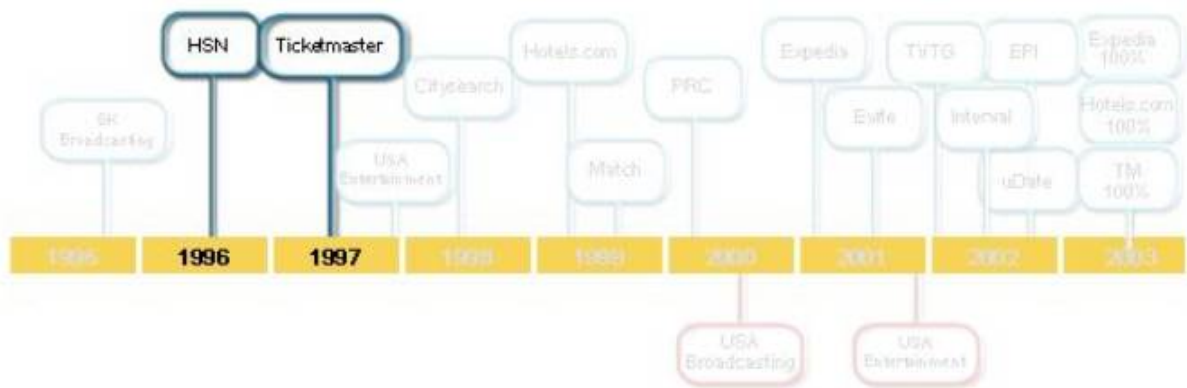
[Link to searchable text of slide shown above](#)

History



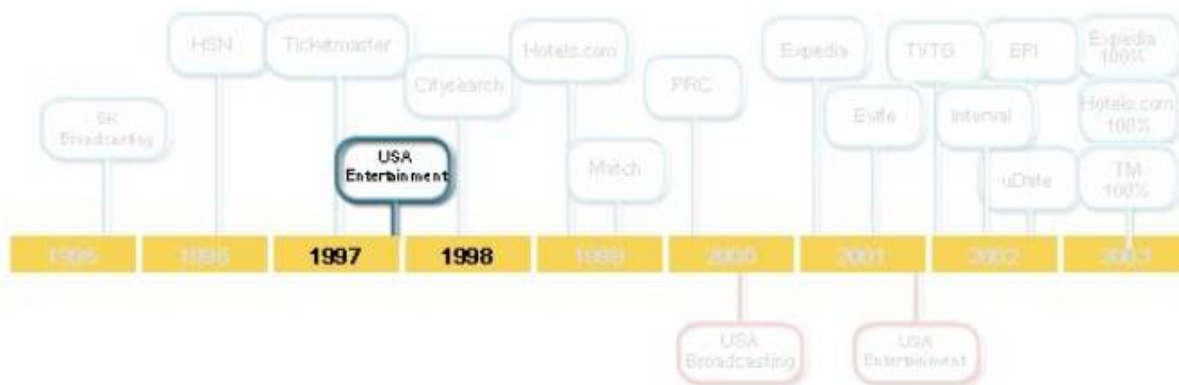
[Link to searchable text of slide shown above](#)

Inflection # 1: Primitive Interactivity



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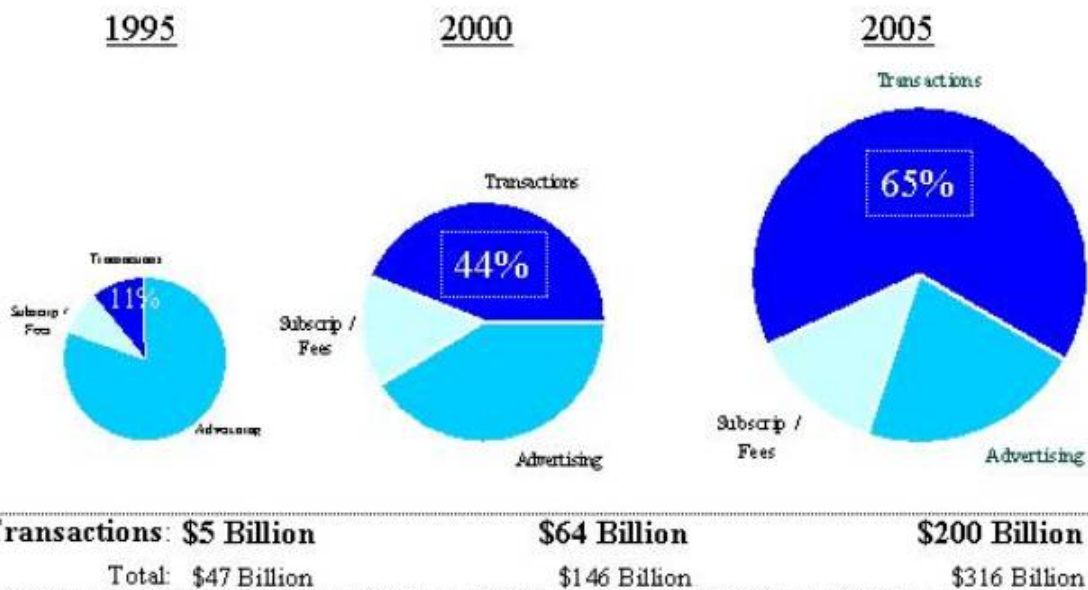
Inflection #2: Traditional Media



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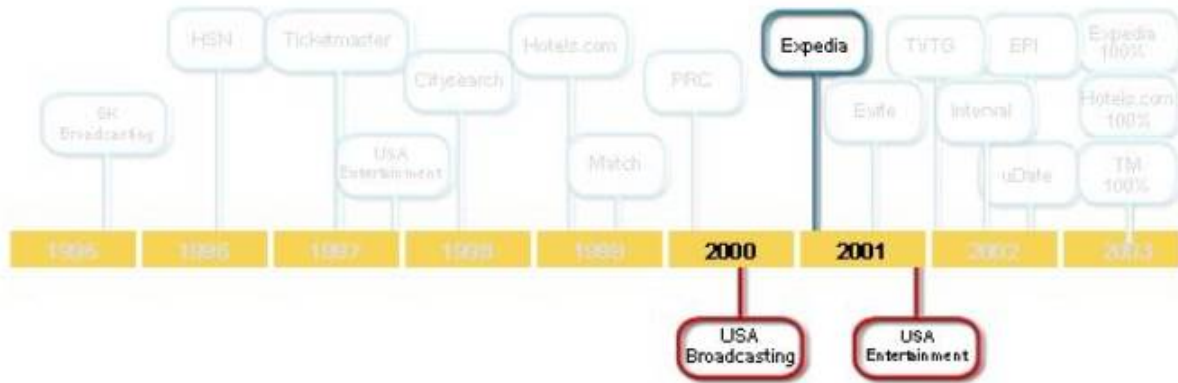
The Shift Towards Transactions

REVENUE THROUGH THE SCREEN



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Inflection #3: Expedia; Exit Media

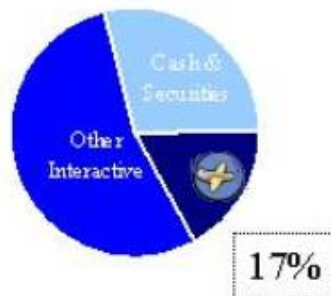
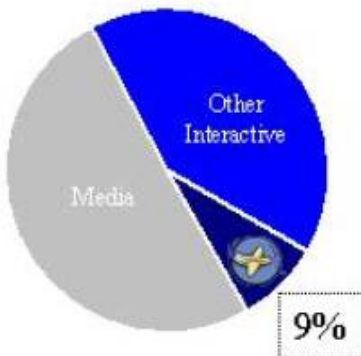


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Nearly Doubled our Bet on Expedia

Pre-VUE (A)
 $800 \text{ mm shares} \times \21
= \$17 Billion

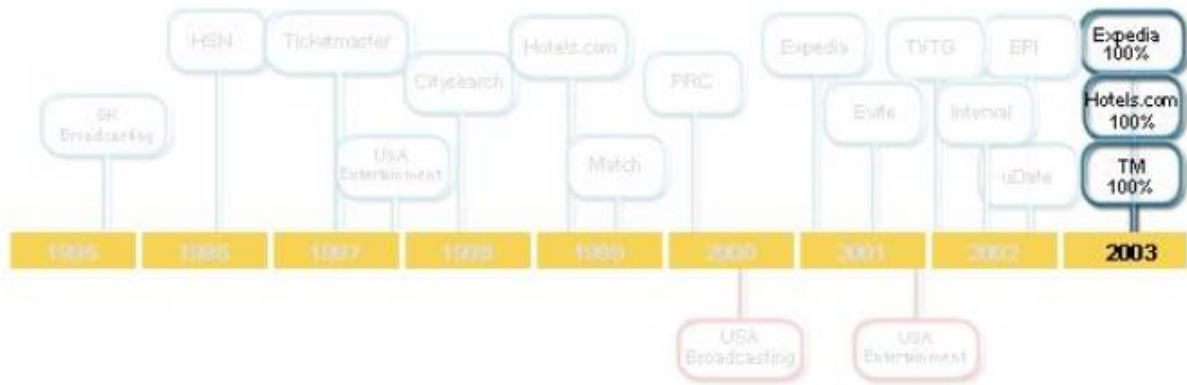
Post-VUE (A)
 $420 \text{ mm shares} \times \21
= \$9 Billion



(A) Based on average closing price of 2-month trading period prior to Viendi transaction announcement date of 12/17/01.

[Link to searchable text of slide shown above](#)

Inflection #4: Simplification



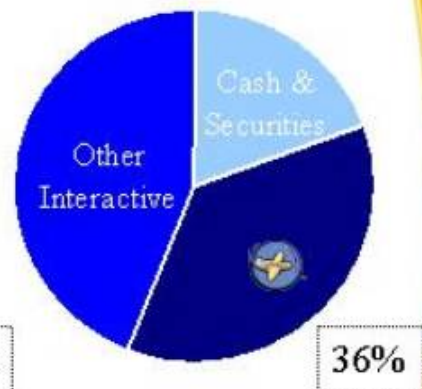
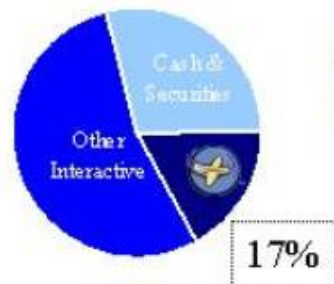
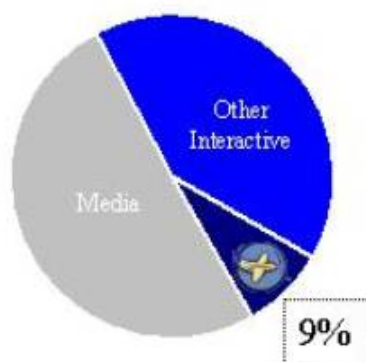
[Link to searchable text of slide shown above](#)

Quadrupled our Bet on Expedia

Pre-VUE ^(a)
 800 mm shares × \$21
 = \$17 Billion

Post-VUE ^(a)
 420 mm shares × \$21
 = \$9 Billion

Today ^(b)
 700 mm shares × \$29
 = \$20 Billion

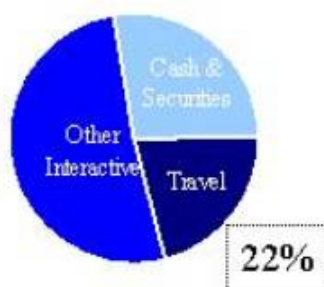
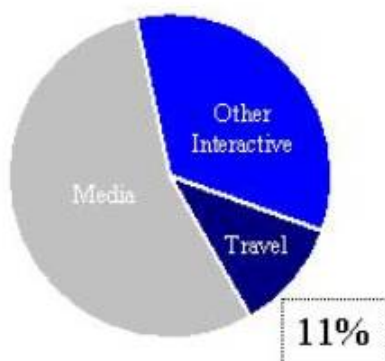


(a) Based on average closing price of 1-month trading period prior to VUE transaction announcement date of 1/24/2001.
 (b) Pro Forma for pending Expedia and Hotels.com merger.



Quintupled our Bet on Travel

Pre-VUE ^(a) <hr/> 800 mm shares × \$21 = \$17 Billion	Post-VUE ^(a) <hr/> 420 mm shares × \$21 = \$9 Billion	Today ^(b) <hr/> 700 mm shares × \$29 = \$20 Billion
---	---	---



(a) Based on average closing price of 2-month trading period prior to Viendi transaction announcement date of 12/17/01.
 (b) Pro Forma for pending Expedia and Hotels.com merger.

Powered by DDM - Total Investor Activism | Public split between interactive and media for DDM based on operating EBITDA contribution from interactive vs. media units. All share counts and prices are approximate.



Scorecard

<u>Pre-VUE</u>		<u>Today</u>	
<u>2000:</u>		<u>2003B:</u>	
Shares O/S	800 million	Shares O/S	700 million
Stock Price	\$21.00	Stock Price	\$29.00
Market Cap	\$17 billion	Market Cap	\$20 billion
Net Cash & Equiv.	\$(56) million	Net Cash & Equiv.	\$3.9 billion
Revenue	\$4.6 billion	Revenue	\$6.0 billion
Free Cash Flow	\$(39) million	Free Cash Flow	\$811 million
EBITA (Operating)	\$848 million	EBITA (Total)	\$751 million
CAGR '99 - '01	14%	CAGR '01 - '03	97%

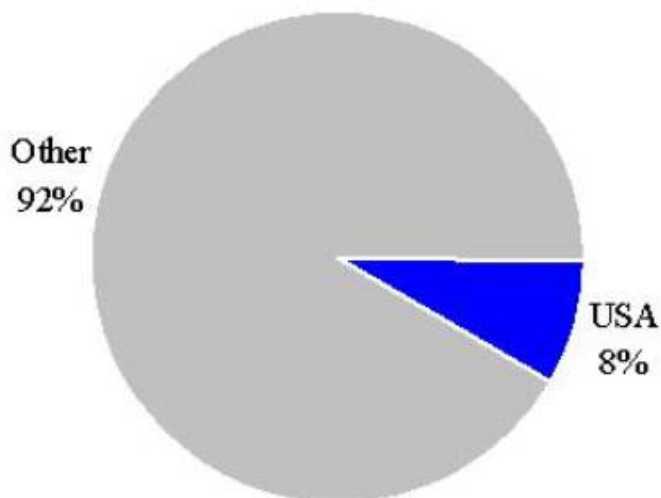
Powered by DDM - Total Investor Activism | File: 2003results.ppt

Strategic Priorities



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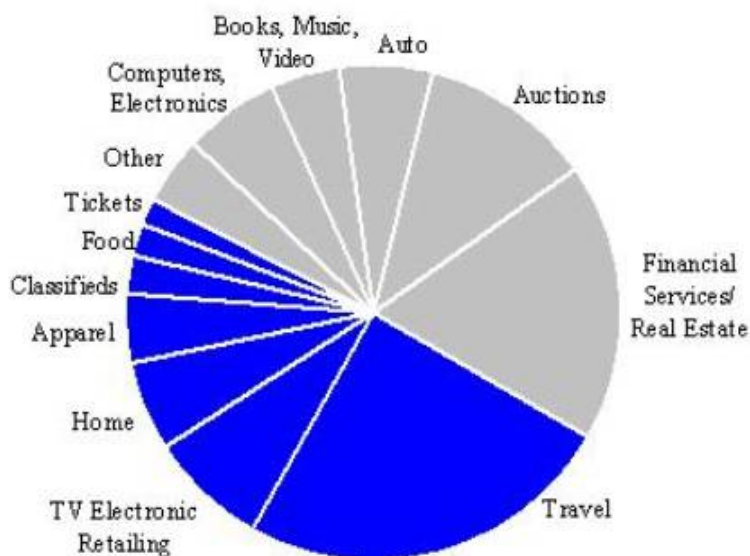
Today: 8% of Interactive Commerce



Total = \$125 billion GTV (U.S. 2002 est.)

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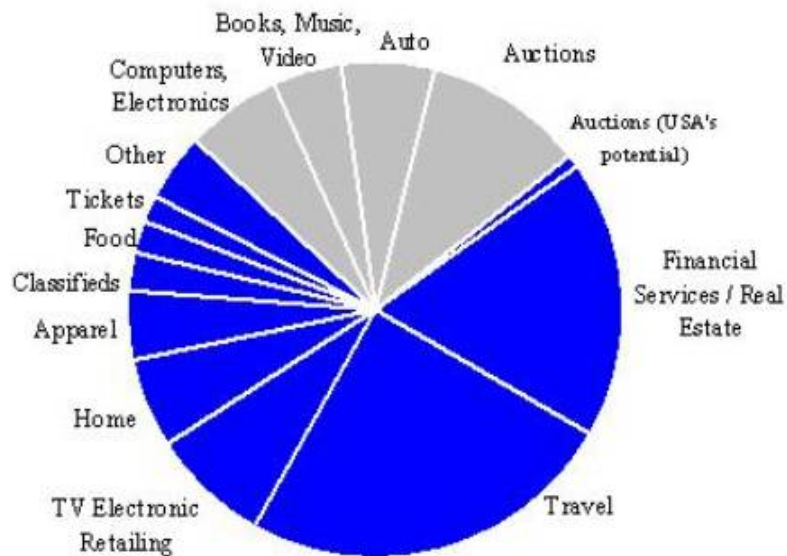
Current Verticals



In ~50% of Categories

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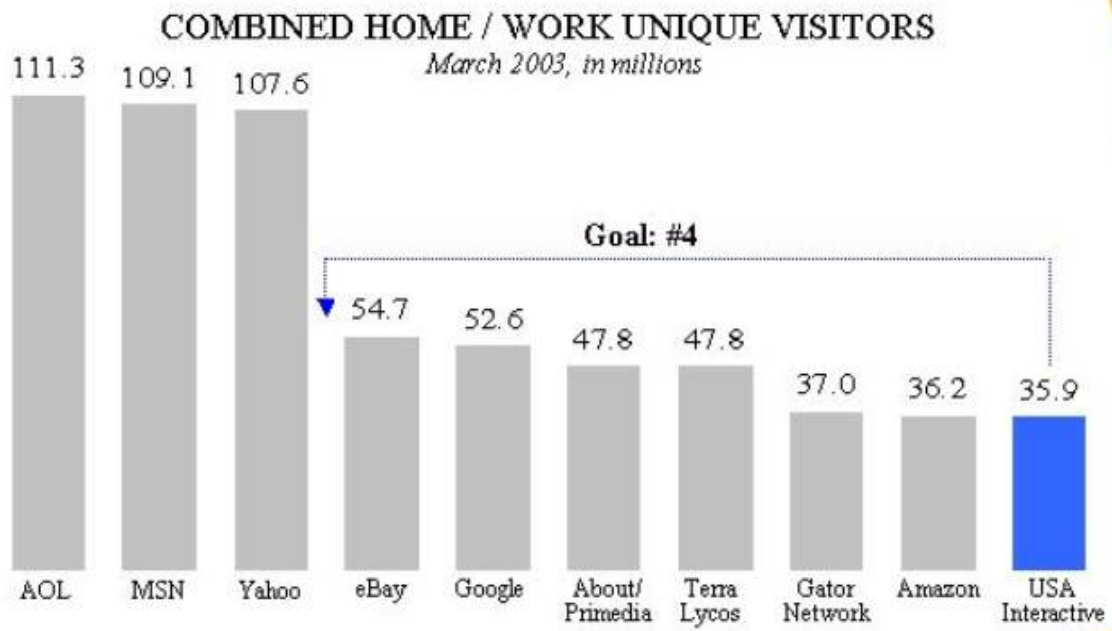
Potential Verticals



In ~75% of Categories

[Link to searchable text of slide shown above](#)

Today: #10 in Online Reach



[Link to searchable text of slide shown above](#)

How to Reach #4?

- Grow existing brands
- New brands
- New verticals
- Add traffic
 - Portal-like
 - Communities



Source: eMarketer - Total Unique Online Users
Data for USA is from eMarketer. All other data is based on company reports. USA represents combined unique users of all of USA's subsidiaries and is compared to the eMarketer Top 100 Properties. Data for other companies is from eMarketer's Top 100 Properties report.

[Link to searchable text of slide shown above](#)

Scale & Infrastructure

Unique online users (U.S.)	34 million
Worldwide television households	175 million
Active customers	25 million
Customer database	90 million
<hr/>	
Inbound phone minutes	800 billion
Inbound phone calls	150 billion
Orders processed	110 million
Items shipped	45 million

Source: eMarketer - Total Unique Online Users
All other customer database data is based on company reports. USA includes

[Link to searchable text of slide shown above](#)

Financial Highlights

\$ in millions. Pro forma adjusted.

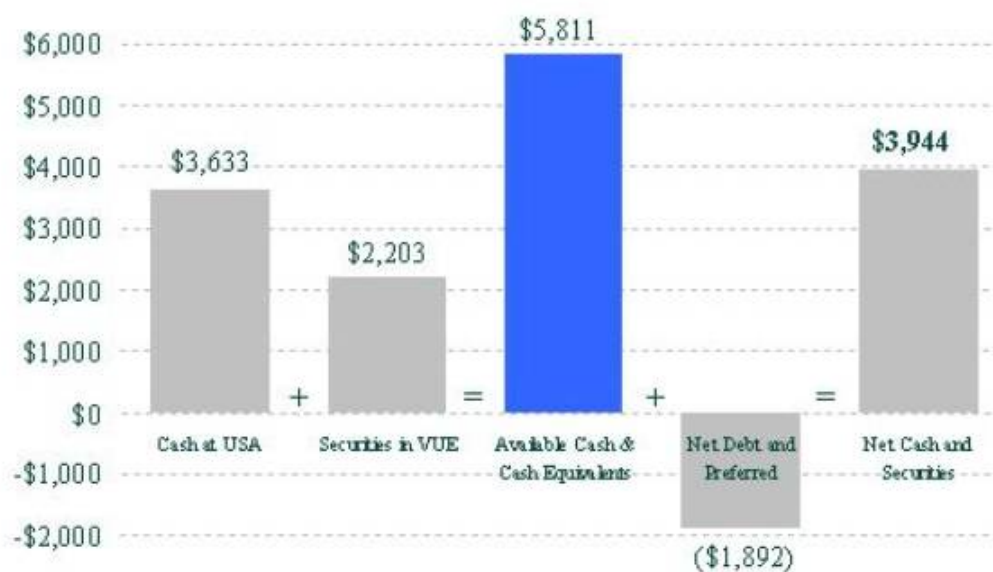
	2001	2002	2003B	CAGR
Gross Transactions	\$ 9,033	\$ 12,903	N/A	N/A
Revenue	3,766	4,657	6,008	26%
Gross Profit	1,341	1,834	2,617	40%
Operating Expenses ^(a)	1,431	1,684	2,268	26%
Operating Income	(90)	150	348	NM
EBITA	193	448	751	97%
Adjusted EPS	\$0.24	\$0.45	\$0.75	77%

(a) Not including one-time items of \$26 million and \$121 million in 2001 and 2002, respectively.

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Strong Balance Sheet

\$ in millions, as of December 31, 2002. Pro forma for recent and pending transactions.

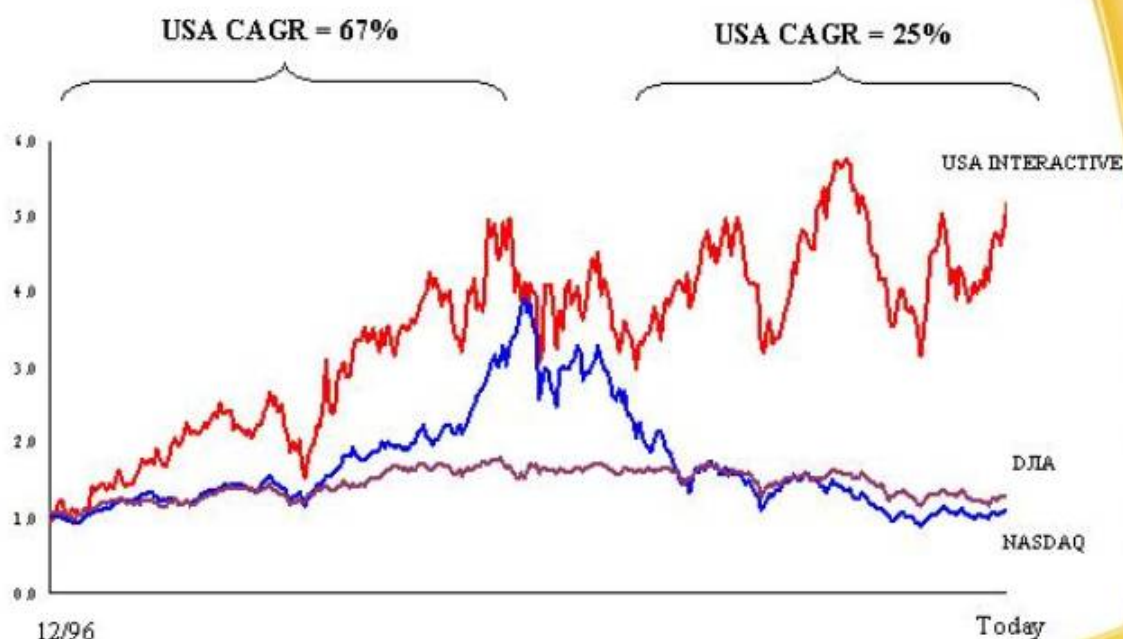


Putting Our Cash to Work next 12-18 months

- Conservative reserve ~ \$1 - \$2 billion
- Organic growth
- Interactive development
- Acquisitions
- Shrink capital structure

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Shareholder Value Creation





Perspective vs. Tier 1 Interactive

\$ in millions

OPERATING METRICS

	2002 Gross Transaction Value	2003E Revenue	2003E Free Cash Flow	2003E EBITA	Net Cash
USA	#2 \$12,903 #1	\$6,008 #1	\$811 #1	\$751 #1	\$3,944 ^(a)
eBay	14,868	2,050	508	646	1,538
Amazon	3,933	4,655	257	256	(990)
Yahoo	N/A	1,320	327	303	774

(a) Includes VUE securities.

USA data per USA 2001 Budget released on 2/2/02. eBay per Morgan Stanley research dated 11/22/01. Amazon per JP Morgan research dated 11/9/01. Yahoo per Thomson Financial research dated 11/10/01

Perspective vs. Tier 1 Interactive

	TRADING METRICS				
	Price	2003E Adjusted EPS	P/AEPS	Growth 02-03	PEG
USA	\$28.00	\$0.75	37x	67%	0.6x
eBay	\$94.00	\$1.42	66x	65%	1.0x
Amazon	\$26.00	\$0.33	79x	94%	0.8x
Yahoo	\$26.00	\$0.55	47x	53%	0.9x

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USA data per USA 2003 Budget released on 2/20/02. eBay per Morgan Stanley research dated 2/21/02. Amazon per JP Morgan research dated 4/9/02. Yahoo per Sunam Market research dated 4/10/02. Adjusted 2003E per Yahoo research dated 4/10/02.

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Diverse Growth Areas

	Long Term EBITA Goal	
TRAVEL	40% +	} High Growth
PERSONALS	40% +	
LOCAL	40% +	
New Vertical #1	40% +	
New Vertical #2	40% +	
TICKETING	20% +	} Good Growth
ELECTRONIC RETAIL	20% +	

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Travel Services



hotels.com
 Las Vegas, NV
 Lowest Rate
 1. **Wynn** - 5.0 stars, USD \$150
 2. **Green Valley Ranch Resort** - 4.5 stars, USD \$145
 3. **Venetian** - 4.5 stars, USD \$158
 4. **Aria Resort & Casino** - 4.5 stars, USD \$150
 5. **Caesars Palace** - 4.5 stars, USD \$128
 6. **The Mirage** - 4.5 stars, USD \$128
 7. **Aria's Park Resort** - 4.5 stars, USD \$150

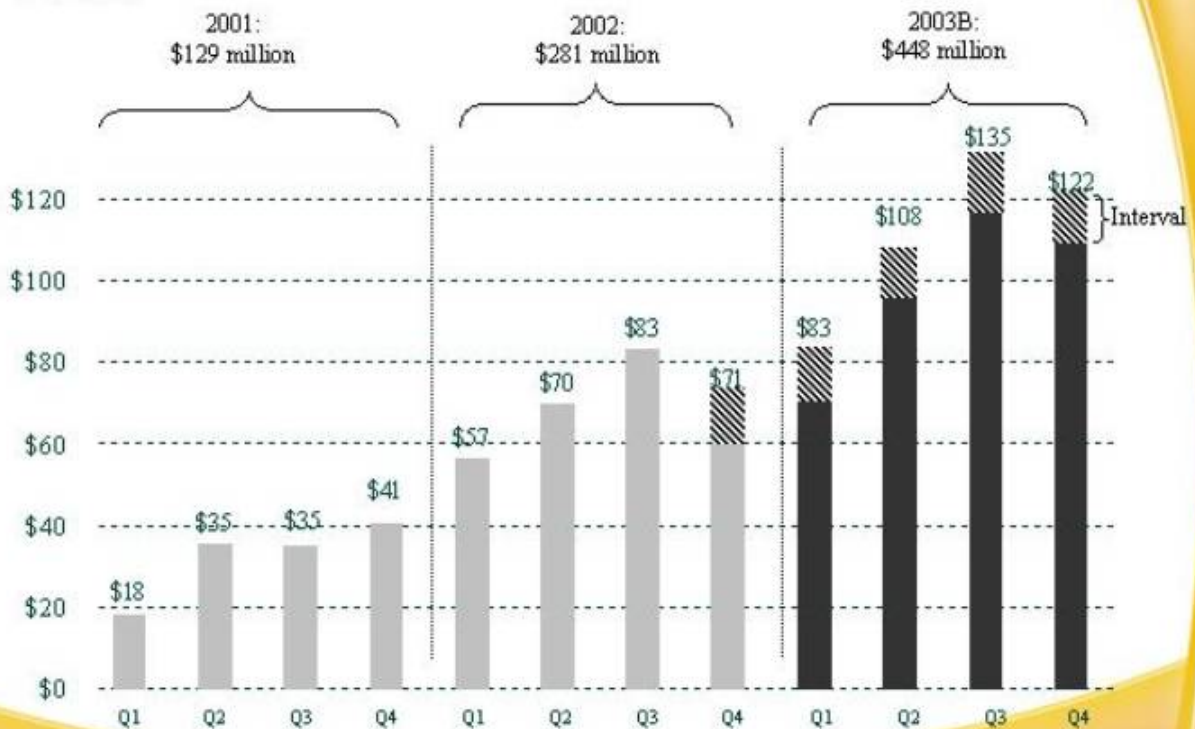
Expedia.com
 UNITED
 New York to San Francisco packages
 Currently included package items:
 Check-in: Fri 24 Jan-03, Check-out: Mon 27 Jan-03
 Newark (EWR) to San Francisco (SFO) Fri 24 Jan-03 3:48 PM - 6:15 PM
 San Francisco (SFO) to Newark (EWR) Mon 27 Jan-03 6:45 AM - 9:11 PM
 Choose a hotel for your package
 Available packages: 1-25 25-20
\$674.31 (Expedia) \$1,140.01 (Hotels.com)
 Package includes: Deluxe room, 3 nights hotel, 2 roundtrip tickets, taxes, & regulatory surcharges
Hotel Palomar
 40000 San Francisco, CA
 • Located central to San Francisco's downtown area
 • The Fifth Floor Restaurant Park is a Cutting-Edge Design with Mix
 • High-end... Massachusetts



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EBITA – Travel Services

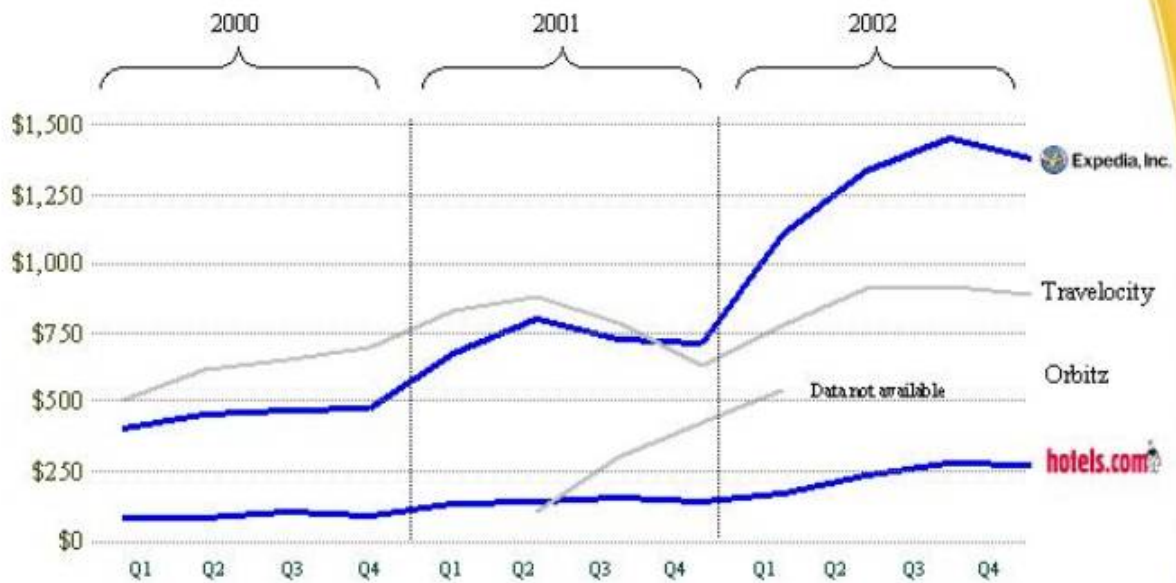
\$ in millions



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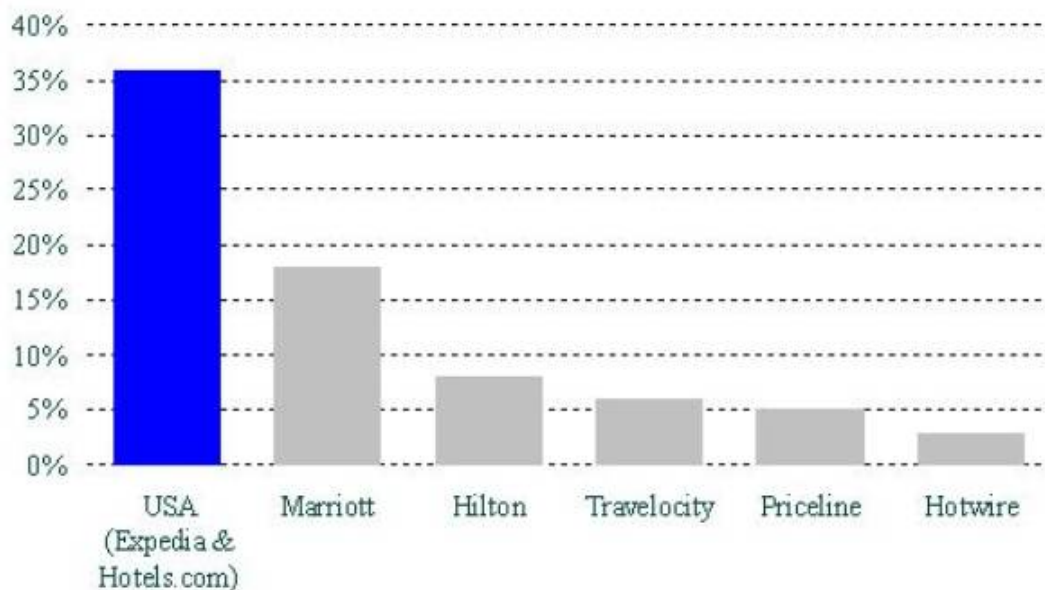
#1 in Online Travel Gross Bookings U.S.

\$ in millions



[Link to searchable text of slide shown above](#)

#1 in Online Hotel Rooms



[Link to searchable text of slide shown above](#)

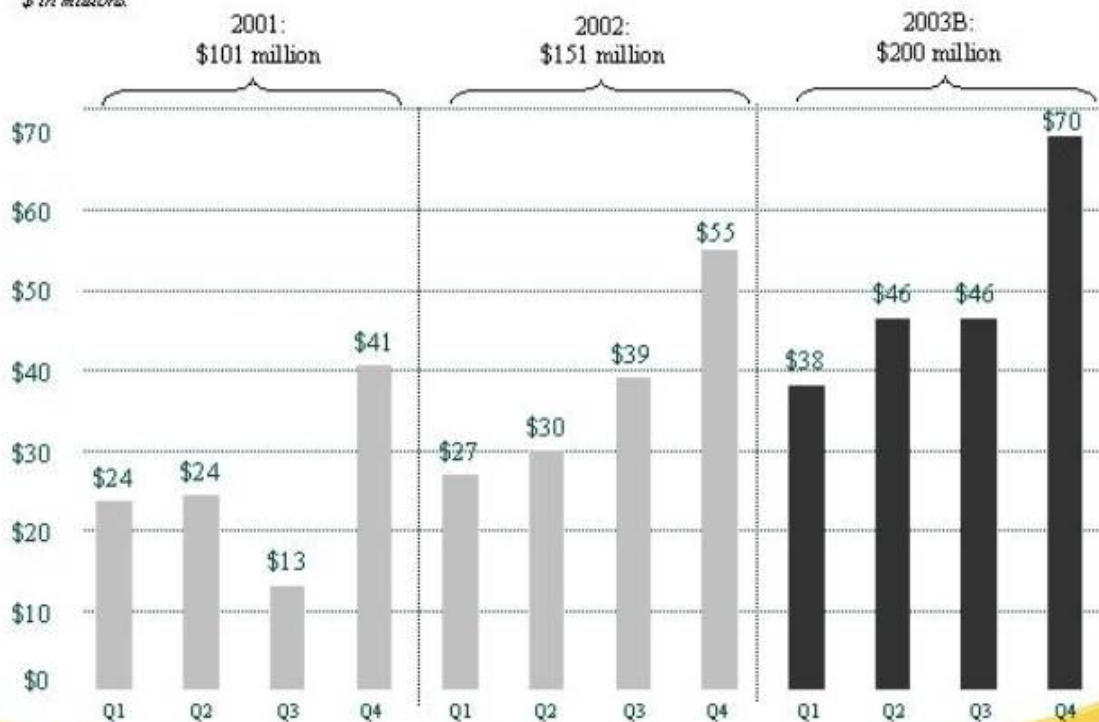
Electronic Retailing



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EBITA - Electronic Retailing

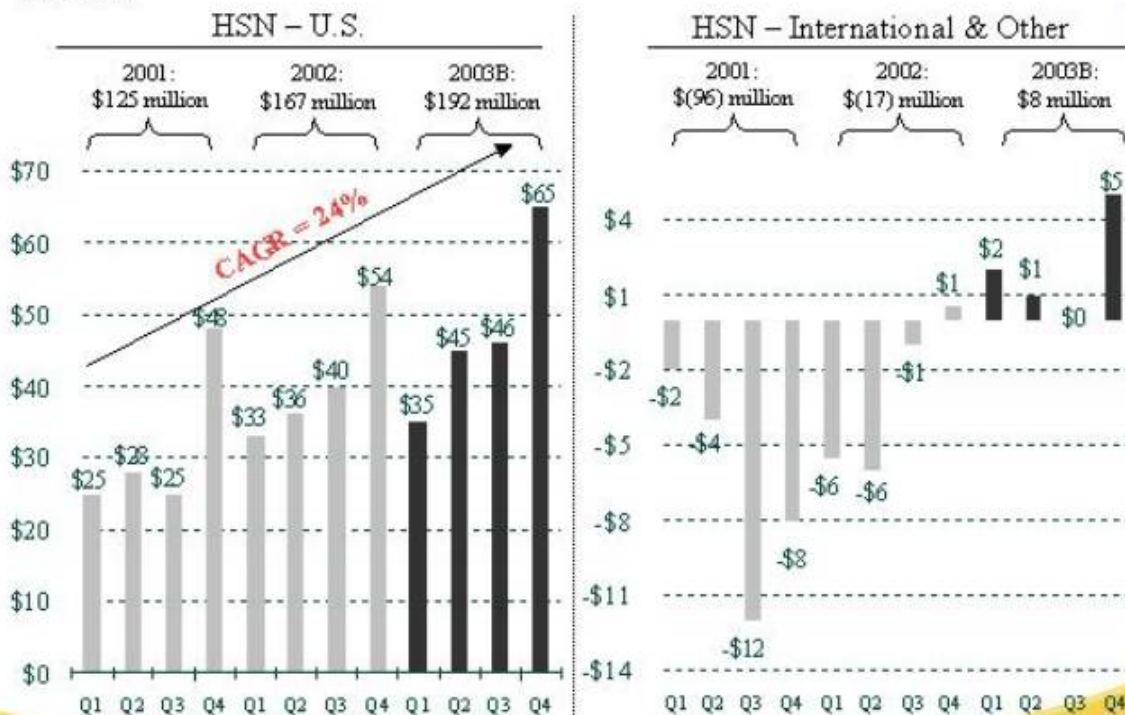
\$ in millions



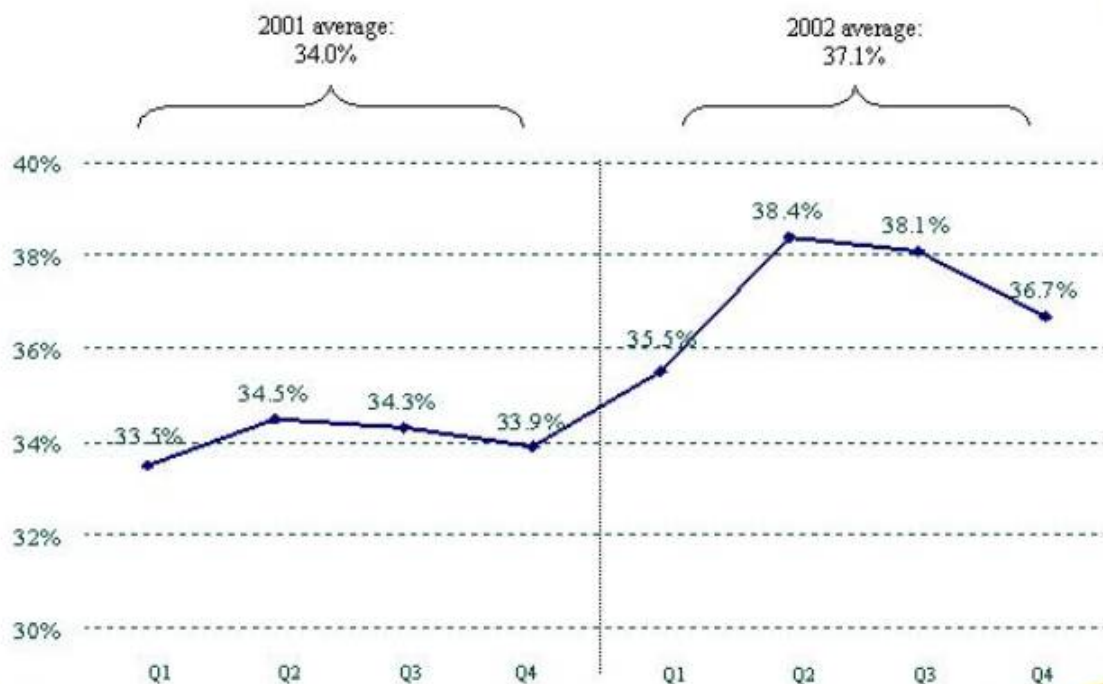


EBITA - Electronic Retailing

\$ in millions



Gross Profit - HSN U.S.





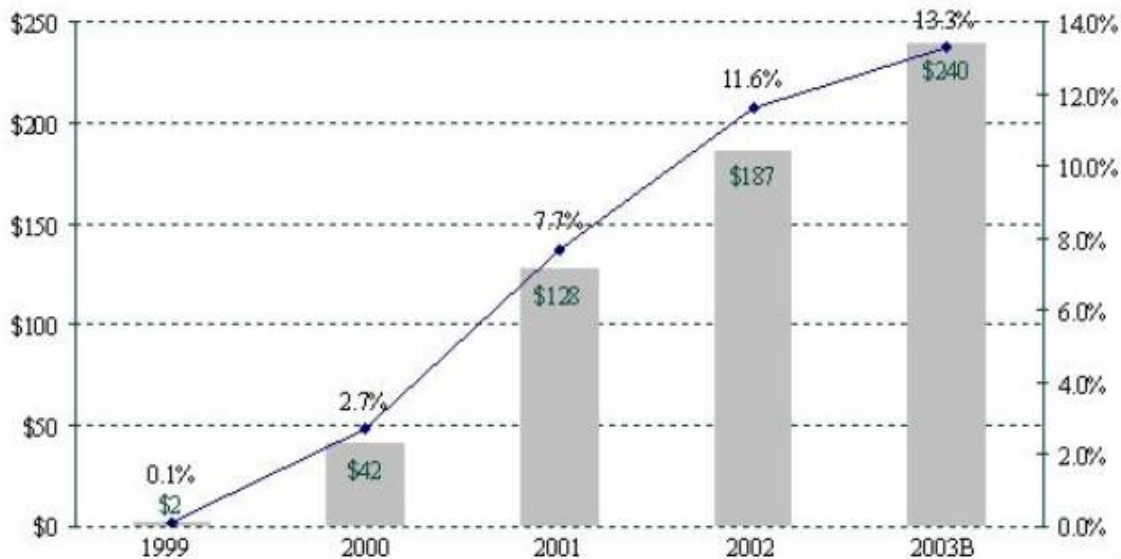
Product Mix – HSN U.S.

	<u>2001</u>	<u>2002</u>	<u>Gross Profit</u>
Home & Licensing	38%	31%	20-30%
Home Fashions	4%	7%	30-40%
Jewelry	25%	25%	40-50%
Health / Beauty	19%	23%	40-50%
Apparel / Accessories	14%	14%	30-40%

HSN.com Trajectory

\$ in millions

As % of HSN - U.S.



Prepared by DDT - Data Development & Analytics

Source: USA Commerce

[Link to searchable text of slide shown above](#)

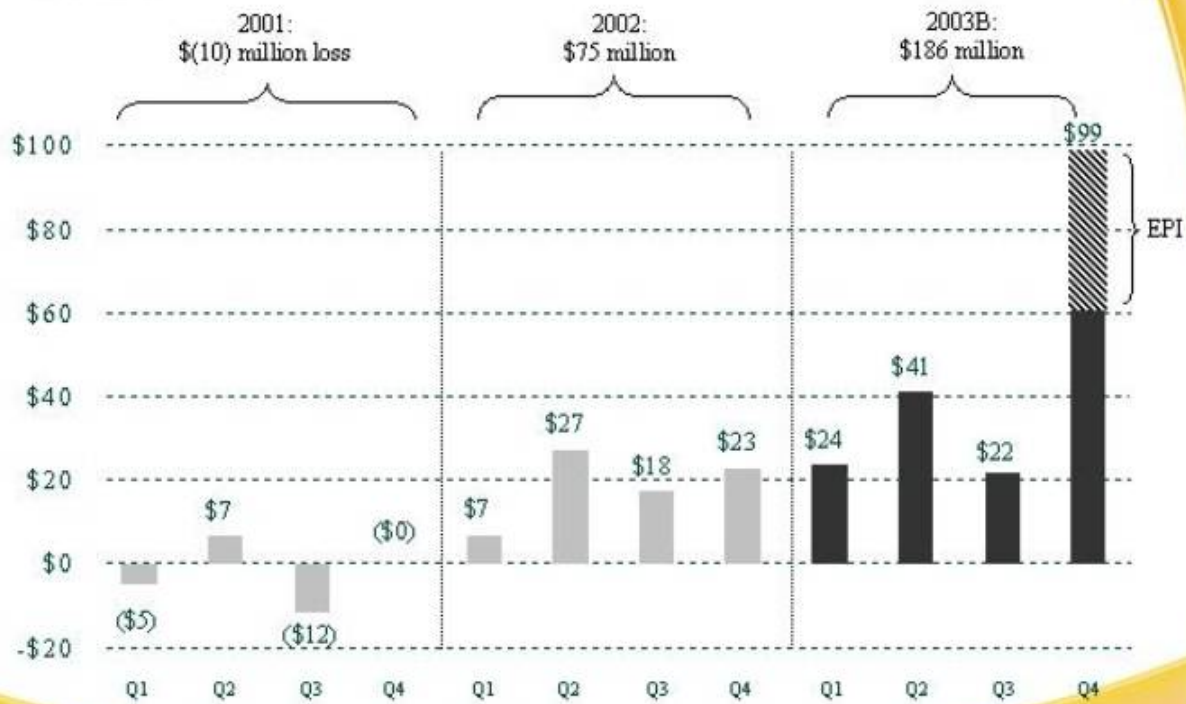
Information & Services

Prepared by DDT - Data Development & Analytics

[Link to searchable text of slide shown above](#)

EBITA – Information & Services

\$ in millions



Prepared © 2001 - Reed Business Information

Source: US 2003 Budget released on 2/20/02. Stated earnings are EBITA which closed on 2/28/02.

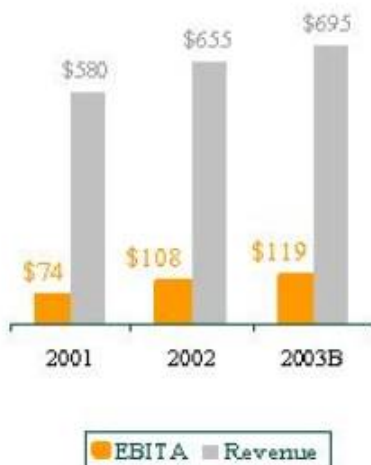
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Ticketmaster: A Growth Company

\$ in millions

Financial Growth

EBITA CAGR = 27%
Revenue CAGR = 9%



New Technologies

- Ticket Fast
- Box Office Solutions
- Group Manager
- Account Manager
- Team Exchange
- Loyalty Manager
- Ticket Alerts
- Mail Managers
- Targeted
- Offers/Discounts/Bundles
- Dynamic Pricing
- Yield Management
- Ticket Exchange

Prepared © 2001 - Reed Business Information

Source: US 2003 Budget

[Link to searchable text of slide shown above](#)

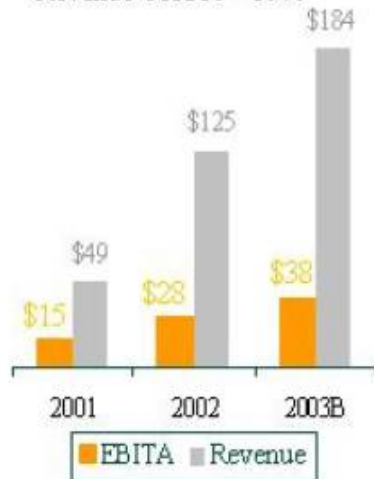
Match: Category Leader

\$ in millions

Financial Growth

EBITA CAGR = 93%

Revenue CAGR = 59%



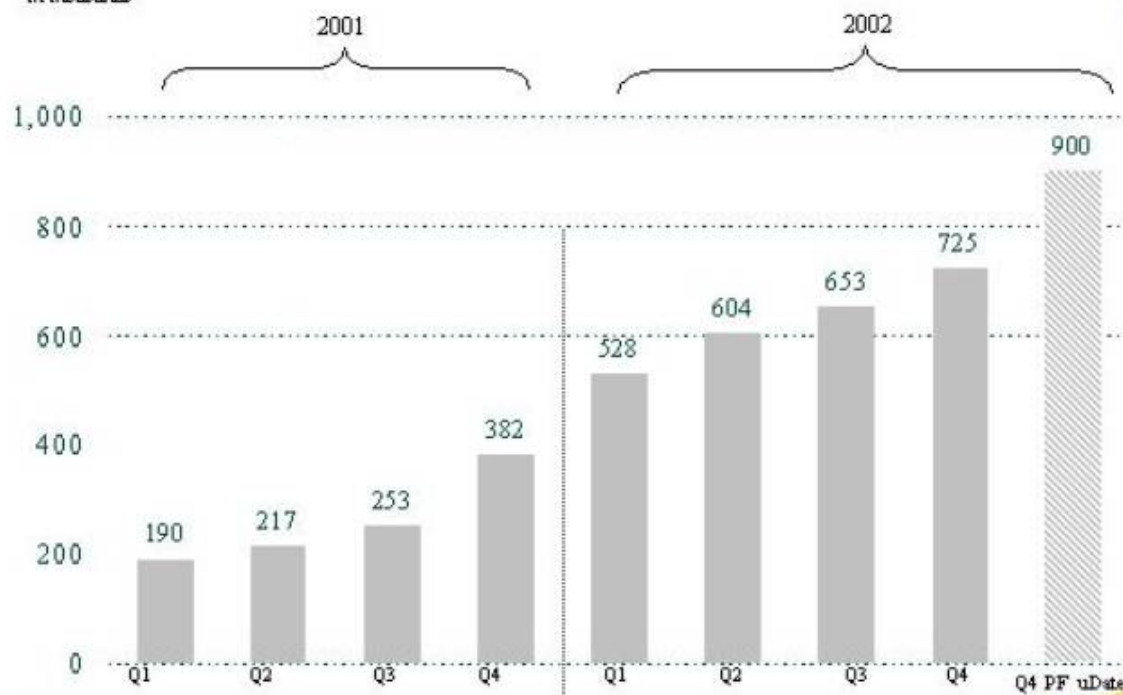
Strong Brand

- 8MM users
- 30 Sites in 15 Languages
- 360% subscriber growth since 12/00
- Significant marketing investment
- Introducing voice and video technologies

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Match Subscriber Growth

in thousands



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Local is a Huge Opportunity



	<u>Impression Based</u>	<u>Pay for Performance</u>
<u>Local</u>	<p>\$90 Billion+</p>	<p>??????????</p>
<u>National</u>	<p>\$100 Billion+</p>	<p>\$1.4 Billion</p>

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Size of the Opportunity



**COUPONING =
\$180 BILLION**

80% of US Households Use Coupons



8% Use EPI

Today:

- Distribution: 50,000 schools / community groups
- Direct relationship with only 12% of members
- \$10B total annual merchant sales
 - Avg. member redeems 25+ offers/year
 - Avg. merchant receives 2-3K/year

Electronic Discount Program Will:

- Add web distribution via USA and portals
- Increase registrations, renewals, subscriptions
- Enable EPI to capture % of transaction
 - ~\$300 million opportunity

EPI & Citysearch

Home | Dining & Entertainment | Hotels & Travel | Classifieds | Yellow Pages | My Citysearch

Change Neighborhood: **West Hollywood, CA** | [Other Cities](#)

Home - Restaurants - Romantic Date

Search only in West Hollywood, CA

Top Rated | All Results

Name	Address	Price	Distance	Rating
Bliss -- American (New)	650 N La Cienega Blvd, West Hollywood, CA	\$\$\$\$	0.3 miles	8.8
Bastide -- French	8475 Melrose Pl, West Hollywood, CA	\$\$\$\$	0.3 miles	8.8
Bliss -- American (New)	650 N La Cienega Blvd, West Hollywood, CA	\$\$\$\$	0.3 miles	7.6
Daquibee -- French, Russian	1020 N San Vicente Blvd, W Hollywood, CA	\$\$\$\$	0.8 miles	8.7
Sana -- American (New)	481 N La Cienega Blvd, West Hollywood, CA	\$\$\$\$	0.9 miles	8.4

Bliss -- American (New)
650 N La Cienega Blvd, West Hollywood, CA
A striking La Cienega space that serves up contemporary American fare to a glamorous crowd.

entertainment Savings Save 50% on your next purchase - valid anytime

EPI & Expedia

home | flights | hotels | cars | packages | cruises | deals | vacation packages & interests | maps | corporate travel

Los Angeles to Orlando packages

Book this destination online, or call our reservation agents toll-free at 1 (800) 596-8252

Currently included package items

- Check-in Sat 15-Feb-03 | Check-out Fri 28-Feb-03
- Los Angeles (LAX) to Orlando (ORL) | To 152 mi
- Orlando (ORL) to Los Angeles (LAX) | To 152 mi

Tip: Don't want to fly? Click Choose a different mode of transport

Choose a hotel for your package

Sort by: Expedia Picks | Price | Distance

Available packages: 1-8

entertainment Savings
Receive a bundle of offers for over 100 popular restaurants and attractions in Orlando. These offers are only good for the duration of your vacation package and will expire once your vacation is over.

Busch Gardens
 Receive 50% admission prices.

Sea World
 Receive 50% admission prices.

Queen Mary Restaurant
 Buy one entree, get one free.

See ALL Entertainment Savings | Get the Entertainment Savings Package for \$9.95 | Add Item

\$2,269.34 (per person \$4,538.68 total)

Package includes: Superior room (non-12 nights hotel), 2 roundtrip tickets, taxes, 6 regulatory surcharges for flight

Why We've Grown

- Opportunism
- Conservatism
- Embrace change
- Focus on process
- Entrepreneurial spirit
- Excellent management

Important

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements relating to USA's anticipated financial performance, business prospects, new developments, new merchandising strategies and similar matters, and/or statements preceded by, followed by or that include the words "believe," "could," "expect," "anticipate," "estimate," "intend," "plan," "project," "seek," or similar expressions. These forward-looking statements are necessarily estimates reflecting the best judgment of USA's senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements are subject to risk, uncertainties and assumptions that could have a material adverse effect on USA's business, financial condition or results of operations. You should understand that the following important factors could affect USA's future results and could cause those results to differ materially from those expressed in the forward-looking statements: (1) the risk that USA's and Expedia's businesses and/or USA's and Hotels.com's businesses will not be integrated successfully; (2) cost related to the proposed transaction; (3) material adverse change in economic conditions generally or in such conditions affecting USA's market or industry; (4) future regulatory and legislative actions and conditions affecting USA's operating areas; (5) competition from others; (6) successful integration of our divisions' management structures; (7) product demand and market acceptance; (8) the ability to protect proprietary information and technology or to obtain necessary licenses on commercially reasonable terms; (9) the ability to maintain the integrity of USA's systems and infrastructure; (10) the ability to expand into and successfully operate in foreign markets; (11) obtaining and retaining skilled workers and key executives; (12) acts of terrorism; and (13) war or political instability. In addition, investors should consider the other information contained in or incorporated by reference into USA's filings with the U.S. Securities and Exchange Commission (the "SEC"), including its Annual Report on Form 10-K for the fiscal year ended 2002, especially in the Risk Factors and the Management's Discussion and Analysis sections, and its Current Report on Form 8-K. Other unknown or unpredictable factors also could have material adverse effect on USA's future results, performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking statements discussed in this press release may not occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this press release.

USA is not under any obligation and does not intend, except as specifically stated, to make publicly available any update or other revisions to any of the forward-looking statements contained in this press release to reflect circumstances existing after the date of this press release or to reflect the occurrence of future events even if experience or future events make it clear that any expected results expressed or implied by these forward-looking statements will not be realized.

In connection with the proposed merger transaction with Expedia and Hotels, USA Interactive and Expedia will file a proxy and information statement/prospectus and USA Interactive and Hotels.com will file an Information Statement/Prospectus, in each case with the Securities and Exchange Commission. Investors and security holders are urged to read carefully these documents regarding the proposed transaction when they become available, because they will contain important information. Investors and security holders may obtain a free copy of these documents (when such is available) and other documents containing information about USA Interactive, Expedia, Inc. and Hotels.com, without charge, at the SEC's web site at <http://www.sec.gov>. Free copies of USA Interactive's filings may be obtained by directing a request to USA Interactive, 132 West 37th Street, New York, New York 10019, Attention: Investor Relations, free copies of Expedia's filings may be obtained by directing a request to Expedia, Inc. 13810 SE Eastgate Way, Suite 400, Bellevue, Washington 98005, Attention: Investor Relations, and free copies of Hotels.com's filings may be obtained by directing a request to Hotels.com, 8140 Walnut Hill Lane, Suite 203, Dallas, TX 75231, Attention: Investor Relations.

This presentation refers to budgeted data from the USA 2003 budget released on February 4, 2003. The budgeted data is as of February 4, 2003 and is not being updated or confirmed as of the date hereof. Pro forma financial information includes the results from Expedia as of January 1, 2001, and is pro forma for the exchange of Hotels.com by Liberty, the Viandri transaction and the Ticketmaster merger as if they had occurred on January 1, 2001.

EBITA is defined as defined as operating income plus amortization of (1) non-cash compensation, (2) non-cash distribution and marketing and (3) other intangibles (and goodwill in 2001); (4) non-recurring items and (5) ESN divestment costs. Adjusted Net Income generally captures all income statement items that have been or will ultimately be settled in cash and is defined as net income available to common shareholders plus: (1) amortization of non-cash distribution and marketing expense, (2) amortization of non-cash compensation expense, (3) amortization of intangibles (and goodwill in 2001), net of related tax and minority interest expense, (4) equity income or loss from USA's 5.44% interest in VUE, and (5) non-recurring items and/or restructuring charges. Adjusted EBIT is defined as Adjusted Net Income limited by fully diluted shares outstanding for Adjusted EBIT purposes. For reconciliations from non-GAAP to GAAP metrics, please refer to www.usainteractive.com.

Prepared 01/01/03 - Read Important Disclosure

[Link to searchable text of slide shown above](#)



USA
INTERACTIVE

*Engaging worldwide in the business of interactivity
via the Internet, the television and the telephone.*

Prepared 01/01/03 - Read Important Disclosure

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Filed by USA Interactive
Pursuant to Rule 425 Under the Securities Act of 1933
Subject Company: Hotels.com
Commission File No.: 000-29575

[USA INTERACTIVE LOGO]

Prepared 4/30/03 - Read important disclaimer(s)

1

[USA INTERACTIVE LOGO]

History

[CHART]

Reflects transactions as of dates of announcement.

2

Inflection #1: Primitive Interactivity

[CHART]

Reflects transactions as of dates of announcement.

3

Inflection #2: Traditional Media

[CHART]

Reflects transactions as of dates of announcement.

4

The Shift Towards Transactions

REVENUE THROUGH THE SCREEN

1995

[CHART]

2000

[CHART]

2005

[CHART]

Transactions:	\$	5 Billion	\$	64 Billion	\$	200 Billion
Total:	\$	47 Billion	\$	146 Billion	\$	316 Billion

Revenues "through the screen" represent consumer related interactive transactions through television and the personal computer compiled as of 1/29/02.
Includes financial services and online classifieds Compiled estimates per MSDW, Jupiter, Shop.org, McCann Erickson, Zenith Media, Paul Kagan, Prudential, Furman Selz, PaineWebber, SSB, and Forrester.

 Inflection #3: Expedia; Exit Media

[CHART]

Reflects transactions as of dates of announcement.

 Nearly Doubled our Bet on Expedia

Pre-VUE(a)
 800 mm shares × \$21
 = \$17 Billion

[CHART]

Post-VUE(a)
 420 mm shares × \$21
 = \$9 Billion

[CHART]

 (a) Based on average closing price of 2-month trading period prior to Vivendi transaction announcement date of 12/17/01.

Value split between interactive and media for 2000 based on operating EBITDA contribution from interactive vs. media assets. All share counts and prices are approximated.

 Inflection #4: Simplification

[CHART]

Reflects transactions as of dates of announcement.

 Quadrupled our Bet on Expedia

Pre-VUE(a)
 800 mm shares × \$21
 = \$17 Billion

[CHART]

Post-VUE(a)
 420 mm shares × \$21
 = \$9 Billion

[CHART]

Today(b)
 700 mm shares × \$29
 = \$20 Billion

[CHART]

 (a) Based on average closing price of 2-month trading period prior to Vivendi transaction announcement date of 12/17/01.

(b) Pro Forma for pending Expedia and Hotels.com mergers.

Value split between interactive and media for 2000 based on operating EBITDA contribution from interactive vs. media assets. All share counts and prices are approximated.

Pre-VUE(a)
 800 mm shares × \$21
 = \$17 Billion

[CHART]

Post-VUE(a)
 420 mm shares × \$21
 = \$9 Billion

[CHART]

Today(b)
 700 mm shares × \$29
 = \$20 Billion

[CHART]

(a) Based on average closing price of 2-month trading period prior to Vivendi transaction announcement date of 12/17/01.

(b) Pro Forma for pending Expedia and Hotels.com mergers.

Value split between interactive and media for 2000 based on operating EBITDA contribution from interactive vs. media assets. All share counts and prices are approximated.

Scorecard

Pre-VUE

2000:

Shares O/S		800million
Stock Price	\$	21.00
Market Cap	\$	17billion
Net Cash & Equiv.	\$	(56)million
Revenue	\$	4.6billion
Free Cash Flow	\$	(39)million
EBITA (Operating)	\$	848million
CAGR '99 – '01		14%

Today

2003B:

Shares O/S		700million
Stock Price	\$	29.00
Market Cap	\$	20billion
Net Cash & Equiv.	\$	3.9billion
Revenue	\$	6.0billion
Free Cash Flow	\$	811million
EBITA (Total)	\$	751million
CAGR '01 – '03		97%

Note: 2000 results actual.

Strategic Priorities

[CHART]

[CHART]

Total = \$125 billion GTV (U.S. 2002 est.)

Source: Forrester, CSFB and other Wall Street analyst estimates. Interactive commerce is defined as gross transactions through the TV and PC. Gross transactions for financial services is defined as revenue.

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Current Verticals

[CHART]

In ~ 50% of Categories

Source: Forrester, CSFB and other Wall Street analyst estimates.

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Potential Verticals

[CHART]

In ~ 75% of Categories

Source: Forrester, CSFB and other Wall Street analyst estimates.

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Today: #10 in Online Reach

COMBINED HOME / WORK UNIQUE VISITORS
March 2003, in millions

[CHART]

Data for USA is from a comScore Media Metrix unranked custom entity report defined by USA, representing combined home / work unduplicated reach for all of USA's subsidiaries, and is compared to the comScore Media Metrix Top 100 Properties list. Data for other companies is per comScore Media Metrix's Top 100 Properties report.

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How to Reach #4?

- Grow existing brands
- New brands
- New verticals
- Add traffic
 - Portal-like
 - Communities

[CHART]

Data for USA is from a comScore Media Metrix unranked custom entity report defined by USA, representing combined home/work unduplicated reach for all of USA's subsidiaries, and is compared to the comScore Media Metrix Top 100 Properties list. Data for other companies is per comScore Media Metrix's Top 100 Properties report.

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Scale & Infrastructure

Unique online users (U.S.)	34million
Worldwide television households	175million
Active customers	25million
Customer database	90million

Inbound phone minutes	800billion
Inbound phone calls	150billion
Orders processed	110million
Items shipped	45million

Active customers assumes 25% duplication across USA brands

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Financial Highlights

\$ in millions. Pro forma adjusted.

	2001	2002	2003B	CAGR
Gross Transactions	\$ 9,033	\$ 12,903	N/A	N/A
Revenue	3,766	4,657	6,008	26%
Gross Profit	1,341	1,834	2,617	40%
Operating Expenses (a)	1,431	1,684	2,268	26%
Operating Income	(90)	150	348	NM
EBITA	193	448	751	97%
Adjusted EPS	\$ 0.24	\$ 0.45	\$ 0.75	77%

(a) Not including one-time items of \$26 million and \$121 million in 2001 and 2002, respectively.

Source: USA 2003 budget released on 2/6/03.

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Strong Balance Sheet

\$ in millions, as of December 31, 2002. Pro forma for recent and pending transactions.

[CHART]

As adjusted as of 12/31/02. Pro forma for EPI transaction, Liberty pre-emptive and Hotels.com share buy backs. Excludes cash due to clients at Ticketmaster.

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Putting Our Cash to Work next 12-18 months

- Conservative reserve ~ \$1- \$2 billion
- Organic growth
- Interactive development
- Acquisitions
- Shrink capital structure

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Shareholder Value Creation

[CHART]

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Perspective vs. Tier 1 Interactive

\$ in millions

OPERATING METRICS

	2002 Gross Transaction Value	2003E Revenue	2003E Free Cash Flow	2003E EBITA	Net Cash
USA	#2 \$ 12,903	#1 \$ 6,008	#1 \$ 811	#1\$ 751	#1\$ 3,944(a)
eBay	14,868	2,050	508	646	1,538
Amazon	3,933	4,655	257	256	(990)
Yahoo	N/A	1,320	327	303	774

(a) Includes VUE securities.

USA data per USA 2003 budget released on 2/6/03. eBay per Morgan Stanley research dated 4/23/03. Amazon per JP Morgan research dated 4/9/03. Yahoo per Thomas Weisel research dated 4/10/03.

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Perspective vs. Tier 1 Interactive

TRADING METRICS

	Price	2003E Adjusted EPS	P/AEPS	Growth 02-03	PEG
USA	\$ 28.00	\$ 0.75	37x	67%	0.6x
eBay	\$ 94.00	\$ 1.42	66x	65%	1.0x
Amazon	\$ 26.00	\$ 0.33	79x	94%	0.8x
Yahoo	\$ 26.00	\$ 0.55	47x	53%	0.9x

USA data per USA 2003 budget released on 2/6/03. eBay per Morgan Stanley research dated 4/23/03. Amazon per JP Morgan research dated 4/9/03. Yahoo per Thomas Weisel research dated 4/10/03. Adjusted EPS for Yahoo represents After-Tax Cash Flow.

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Diverse Growth Areas

	Long Term EBITA Goal
TRAVEL	40%+
PERSONALS	40%+
LOCAL	40%+ High Growth
New Vertical #1	40%+
New Vertical #2	40%+
TICKETING	20%+
ELECTRONIC RETAIL	20%+ Good Growth

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Travel Services

[PICTURE]

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EBITA – Travel Services
\$ in millions.

[CHART]

Source: USA 2003 budget released on February 6, 2003 and other SEC filings. Shaded areas represent Interval, which closed on 9/24/02.

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#1 in Online Travel - Gross Bookings U.S.
\$ in millions.

[CHART]

Source: Company reports, Expedia estimates.
ROOM figure is gross sales as ROOM does not report gross bookings.

#1 in Online Hotel Rooms

[CHART]

Sources: Smith Travel Research, Travelclick and Thomas Weisel Partners LLC estimates.

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Electronic Retailing

[PICTURE]

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EBITA - Electronic Retailing
\$ in millions.

[CHART]

Source: USA 2003 budget released on February 6, 2003 and other SEC filings.

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EBITA - Electronic Retailing
\$ in millions.

HSN – U.S.

[CHART]

HSN – International & Other

[CHART]

Source: USA 2003 budget released on February 6, 2003 and other SEC filings.

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Gross Profit – HSN U.S.

[CHART]

Source: USA SEC filings.

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Product Mix – HSN U.S.

	2001	2002	Gross Profit
Home & Licensing	38%	31%	20-30%
Home Fashions	4%	7%	30-40%
Jewelry	25%	25%	40-50%
Health / Beauty	19%	23%	40-50%
Apparel / Accessories	14%	14%	30-40%

Source: USA SEC filings and HSN estimates.

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[CHART]

Sources: USA estimates.

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Information & Services

[PICTURE]

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EBITA – Information & Services
\$ in millions.

[CHART]

Source: USA 2003 budget released on 2/6/03. Shaded area represents EPI, which closed on 3/25/03.

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Ticketmaster: A Growth Company
\$ in millions

Financial Growth

EBITA CAGR = 27%

Revenue CAGR = 9%

[CHART]

New Technologies

Ticket Fast

Box Office Solutions

Group Manager

Account Manager

Team Exchange

Loyalty Manager

Ticket Alerts

Mail Managers

Targeted

Offers/Discounts/Bundles

Dynamic Pricing

Yield Management

Ticket Exchange

Source: USA filings.

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Match: Category Leader
\$ in millions

Financial Growth

EBITA CAGR = 93%

Revenue CAGR = 59%

[CHART]

Strong Brand

- 8MM users
- 30 Sites in 15 Languages

- 360% subscriber growth since 12/00
- Significant marketing investment
- Introducing voice and video technologies

Source: USA filings.

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Match Subscriber Growth
in thousands

[CHART]

Source: USA SEC filings.

40

Local is a Huge Opportunity
[CITYSEARCH LOGO]

Impression Based

Local \$90 Billion+

[VERIZON LOGO] [CHICAGO TRIBUNE LOGO]

National \$100 Billion+

[ABC LOGO] [LOGO]

Pay for Performance

Local ?????????

[CITYSEARCH LOGO]

National \$1.4 Billion

[GOOGLE LOGO] [OVERTURE LOGO]

Source: Salomon Smith Barney 2002, "The Internet Search Market" and Kelsey Group Custom Research.

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Size of the Opportunity
[ENTERTAINMENT LOGO]

COUPONING \$180 BILLION = 80% of US Households Use Coupons

[CHART]

Today:

- Distribution: 50,000 schools / community groups
- Direct relationship with only 12% of members
- \$10B total annual merchant sales
 - Avg. member redeems 25+ offers/year
 - Avg. merchant receives 2-3K/year

Electronic Discount Program Will:

- Add web distribution via USA and portals
- Increase registrations, renewals, subscriptions
- Enable EPI to capture % of transaction
 - ~\$300 million opportunity

Pie chart depicts US households. Source: NCH NuWorld Marketing and AVISO Inc.; Ticketmaster internal estimates.

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[PICTURE]

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[PICTURE]

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Why we've Grown

- Opportunism
- Conservatism
- Embrace change
- Focus on process
- Entrepreneurial spirit
- Excellent management

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Important

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements relating to USA’s anticipated financial performance, business prospects, new developments, new merchandising strategies and similar matters, and/or statements preceded by, followed by or that include the words “believes,” “could,” “expects,” “anticipates,” “estimates,” “intends,” “plans,” “projects,” “seeks,” or similar expressions. These forward-looking statements are necessarily estimates reflecting the best judgment of USA’s senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions that could have a material adverse effect on USA’s business, financial condition or results of operations. You should understand that the following important factors could affect USA’s future results and could cause those results to differ materially from those expressed in the forward-looking statements: (1) the risk that USA’s and Expedia’s businesses and/or USA’s and Hotels.com’s businesses will not be integrated successfully; (2) costs related to the proposed transactions; (3) material adverse changes in economic conditions generally or in such conditions affecting USA’s markets or industries; (4) future regulatory and legislative actions and conditions affecting USA’s operating areas; (5) competition from others; (6) successful integration of our divisions’ management structures; (7) product demand and market acceptance; (8) the ability to protect proprietary information and technology or to obtain necessary licenses on commercially reasonable terms; (9) the ability to maintain the integrity of USA’s systems and infrastructure; (10) the ability to expand into and successfully operate in foreign markets; (11) obtaining and retaining skilled workers and key executives, (12) acts of terrorism; and (13) war or political instability. In addition, investors should consider the other information contained in or incorporated by reference into USA’s filings with the U.S. Securities and Exchange Commission (the “SEC”), including its Annual Report on Form 10-K for the fiscal year ended 2002, especially in the Risk Factors and the Management’s Discussion and Analysis sections, and its Current Reports on Form 8-K. Other unknown or unpredictable factors also could have material adverse effects on USA’s future results, performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this press release may not occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this press release.

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In connection with the proposed merger transactions with Expedia and Hotels, USA Interactive and Expedia will file a proxy and information statement/prospectus and USA Interactive and Hotels.com will file an Information Statement/Prospectus, in each case with the Securities and Exchange Commission. Investors and security holders are urged to read carefully these documents regarding the proposed transactions when they become available, because they will contain important information. Investors and security holders may obtain a free copy of these documents (when each is available) and other documents containing information about USA Interactive, Expedia, Inc. and Hotels.com, without charge, at the SEC’s web site at <http://www.sec.gov>. Free copies of USA Interactive’s filings may be obtained by directing a request to USA Interactive, 152 West 57th Street, New York, New York, 10019, Attention: Investor Relations, free copies of Expedia’s filings may be obtained by directing a request to Expedia, Inc. 13810 SE Eastgate Way, Suite 400, Bellevue, Washington 98005, Attention: Investor Relations, and free copies of Hotels.com’s filings may be obtained by directing a request to Hotels.com, 8140 Walnut Hill Lane, Suite 203, Dallas, TX 75231, Attention: Investor Relations.

This presentation refers to budgeted data from the USA 2003 budget released on February 6, 2003. The budgeted data is as of February 6, 2003 and is not being updated or confirmed as of the date hereof. Pro forma financial information includes the results from Expedia as of January 1, 2001, and is pro forma for the exchange of Holdco shares by Liberty, the Vivendi transaction and the Ticketmaster merger as if they had occurred on January 1, 2001.

EBITA is defined as operating income plus amortization of (1) non-cash compensation, (2) non-cash distribution and marketing and (3) other intangibles (and goodwill in 2001), (4) non-recurring items and (5) HSN disengagement costs. Adjusted Net Income generally captures all income statement items that have been, or will ultimately be, settled in cash and is defined as net income available to common shareholders plus: (1) amortization of non-cash

distribution and marketing expense, (2) amortization of non-cash compensation expense, (3) amortization of intangibles (and goodwill in 2001), net of related tax and minority interest expense, (4) equity income or loss from USA's 5.44% interest in VUE, and (5) non-recurring items and / or restructuring charges. Adjusted EPS is defined as Adjusted Net Income divided by fully diluted shares outstanding for Adjusted EPS purposes For reconciliations from non-GAAP to GAAP metrics, please refer to www.usainteractive.com.

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