# IAC/InterActiveCorp

**Thomas J. McInerney** EVP & Chief Financial Officer

June 2006

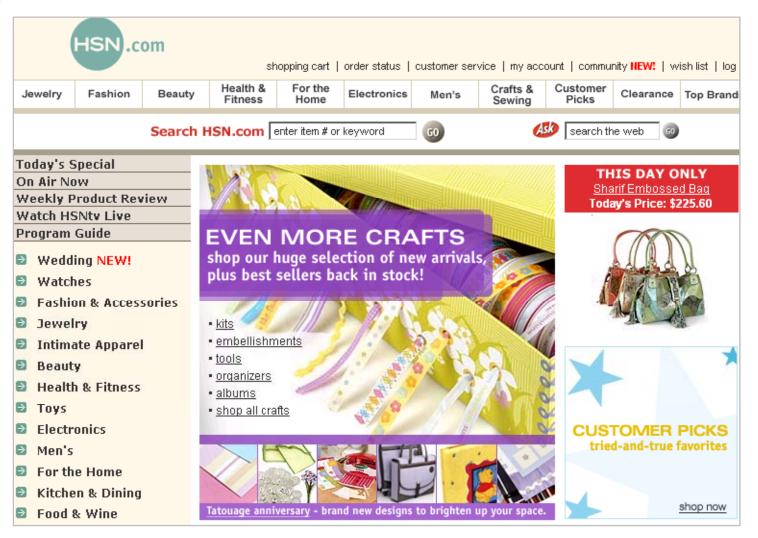
### **Building Businesses Across the Consumer Spectrum**

Retailing	HSN.com Cornerstone Brands, Inc. OPHSE 24
Services	ticketmaster LendingTree VIEW LAKES COMPETE TO VIEW
Media	<b>Ocitysearch Citysearch</b>
Membership	INTERNAL match.com extertainment.

For financial reporting purposes, Gifts, Pronto and iBuy are part of IAC's Emerging Businesses Sector.



### **HSN**



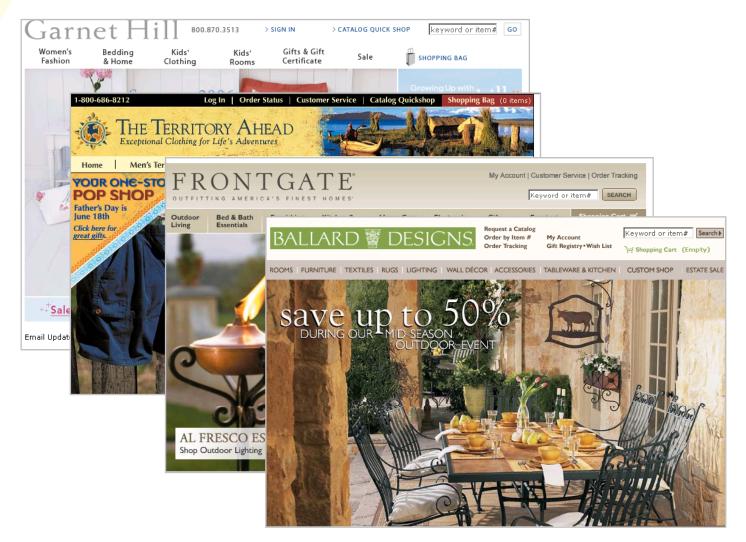


### **HSE 24**

ĠHSE24		<u>Mein Konto</u>	<u>Newsletter</u>	<u>Über uns</u> l	<u>Kontakt</u> I <u>Se</u>	rvice & Hilfe
Der Shoppingsender	Suche nach	in alle	en Kategorien	• •		
Start-Basteln & Haushalt Seite Sammeln Haushalt	Hobby & Kosmetik	Mode Schmuck & Uhren	Sport & Freizeit	Technik	Wellness & Gesundheit	Wohnen & Dekorieren
Angebot des Tages Jetzt live im TV 24h TV Rückblick TV Programm HSE24 digital TV Bestellschein Die schnelle und bequeme Bestellalternative für alle Kunden mit Kundennummer. Beratung Interessante Zusatzinfos und Tipps rund um unser Sortiment.	Weltmeisterliches Grillver           Grillsaison eröffnet. Sorgen S           hoffentlich zahlreichen sonnig	ie dafür, dass Sie für die	Harry Ivens Hot Bei Anruf Schmu Bequeme Schu	ck	Warenkol O Artikel für O,OO CHF inkl. gesetzl. M 7,95 CHF Versa Angebot des	wSt.; zzgl. Indkosten
Newsletter	TV Highlights am 31.05.06		100			)-
Infos per E-Mail zum Nulltarif. Entdecken Sie die Vielfalt - wählen Sie Ihre bevorzugten Themen aus!	<ul> <li>14 Uhr - Harry Ivens' Hotlin</li> <li>17 Uhr - Slinky Brand Fast</li> <li>19 Uhr - Spezial: Grillvergr</li> </ul>	nion nügen pur		Luna		arWahl
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Der Info-Service via Handy zum Angebot des Tages. Service Versand und Lieferung 🕡		M. Asam	Po	0	angenähtem Überschlagdec x 25 x 7 cm; in Statt Jetzt	
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### **Cornerstone Brands**





## **ShoeBuy**

SHOE DULY.com®	The World's Larges HOME BRAN Accessories Har		MEN KIDS	BOOTS SALE CENTER	
	REE return ship			Ce guarantee on eve Clicki Gales Tax on every orde	ry purchase here for details r.
SEARCH GO Advanced Search Search By Brand Search By Size Wide Shoes Narrow Shoes Sale Shoes BROWSE	Women's Sho Athletic Shoes Boots Business Shoes Casual Shoes Classics Clogs Comfort Shoes Dress Shoes Men's Shoes	Evening Shoes Fashion Shoes Flats Heels Loafers Mules Running Shoes Sandals Fashion Shoes	<u>Slides</u> <u>Slip-on Shoes</u> <u>Sneakers</u> <u>Walking Shoes</u> <u>New</u> <u>Sale</u> <u>View All</u>	All The Best BOOG FREE Shipping, Returns	TS A No Tax
Departments <u>Women's Shoes</u> <u>Men's Shoes</u> <u>Teens' Shoes</u> <u>Children's Shoes</u> <u>Sale Shoes</u>	<u>Boots</u> <u>Business Shoes</u> <u>Cap Toe Shoes</u> <u>Casual Shoes</u> <u>Comfort Shoes</u> <u>Deck Shoes</u> <u>Dress Shoes</u>	<u>Fitness Shoes</u> <u>Loafers</u> <u>Moc Toe Shoes</u> <u>Moccasins</u> <u>Oxfords</u> <u>Plain Toe Shoes</u> Running Shoes	<u>Slip-on Shoes</u> <u>Sneakers</u> Walking Shoes Work Boots <u>New</u> <u>Sale</u> <u>View All</u>	Shop Boots: Women	
Collections Boots Bridal Shoes Classic Shoes	Over 200 Bra	nds Of Shoes PHY.	Reebok	Rations Nat	uralizer
<u>Sandals</u> <u>Slippers</u> <u>Accessories</u> Appadbags	<u>adidas</u> <u>Aerosoles</u> <u>Allen-Edmonds</u> Born	<u>Dexter</u> <u>Dr. Martens</u> <u>Florsheim</u> Giorgio Brut	Naturaliz	zer <u>Skechers</u>	p-Sider

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### iBuy



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### **Gifts.com**





### **Pronto**

### \***pronto**<sup>®</sup> The *easiest* way to save money online

Help | FAQs | Learn More

#### > Shop Easier

Find the best products and prices instantly from tens of thousands of online merchants

#### > Shop Smarter

Discover when prices drop on products you're looking to buy

#### Save More

Get special offers delivered directly to you while you shop

Free Download

Download Now

System Requirements We now support Firefox



# See how Pronto saves you time and money





### IAC Retailing Advantage

- Interactive, Multi-Channel, Multi-Model Approach
- Focus on Differentiation
- Mix of Home Grown/Acquired
- Disciplined Capital Allocation

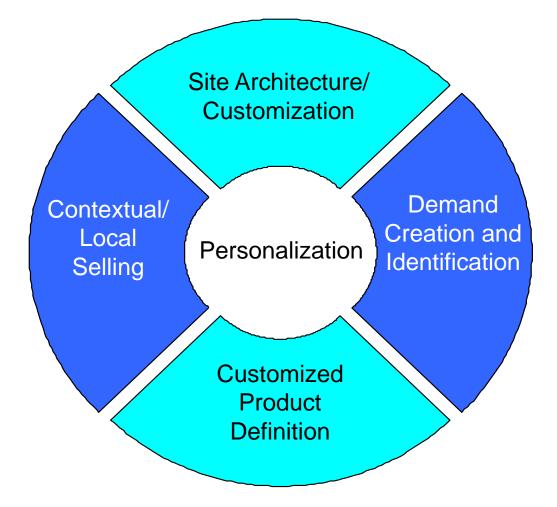


### **An Internet Retailing Retrospective**

- Growth Expectations Largely Met
- Barriers-to-Entry: Low
- Profit: Function of Cross-Channel Leverage
- Fragmented Market
- Paucity of Scaled Innovation



### *What's Next?* – Creating Personalized Experiences



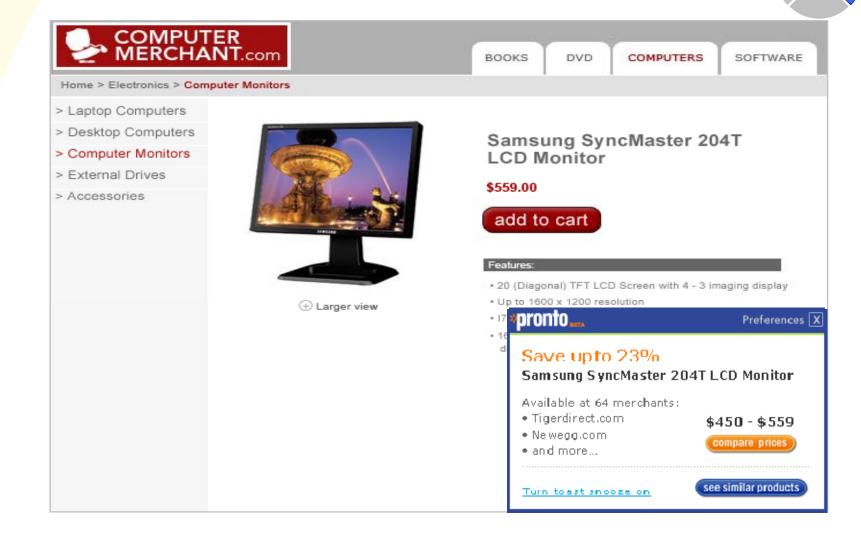
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### **Site** Architecture / Customization

g	ifts.con	$\mathcal{N}^{TM}$ The easy w	ray to find great gifts.		<b>Welcome!</b> (sign out) Wish List [0] Recently Viewed
×	RECIPIENT	► OCCASION	► CATEGORY ► MYGIFT	s	SEARCH
	Hand-picked gil best stores on th SHOP BY RECIT HIM HER TEEN GUYS TEEN GIRLS BOYS	ne Web. PIENT ▶ ▶ ₽	your dad's give accord Our Personal Shoppers found y the perfect gift. All you have to her's Day Gifts	our one-of-a-kind Dad	d.
(	GIRLS BABY SHOP BY OCCA SHOP BY CATE SHOP BY CATE WEDDING I FIND Quickly and easil they've reg First Nam Last Nam Bride	A SION AN	Aduation Gifts school gifts wideling Gifts we baby Gifts by Shower Gi ank You Gifts gagement Gifts usewarming IEW MORE > Celebrate that fit the >> For Him Christening / Baptism Celebrate that fit the >> For Him Bachelor Party Bachelor Pa	Admin Professional's Day Easter St.Patrick's Day Christmas Hanukkah Kwanzaa New Year's Eve / Day April Fools Passover Cinco De Mayo Memorial Day Mother's Day Fourth of July Labor Day Grandparent's Day Boss's Day Halloween Thanksgiving Valentine's Day	r the Jusic Lover Welcome their new arrival <b>Baby Gifts</b>

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### **Demand Creation and Identification** ... **Pronto**



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### **Demand Creation and Identification** ... **Pronto**

> Sea	rch	( <b>BO</b> )	My Pronto	My Alerts	Product History	Merchant Offe
Ż	Samsung SyncMast Last Viewed at : Comp Price: \$559.00 + \$26.3	outermerchant.com	" LCD Monito	\$1	Set a Price tify me if the price o All Merchants 💌	
mpare	e Prices (from 64 merchants	) Filter R	esults: 🗌 Free Merchant	Shipping [	] Popular Merchant:	save 23%
oduct		Merchant	Ratings	Price	Offers	Price
	.istings Samsung SyncMaster 204T (Black) 20″ Monitor	TigerDirect.com	100% (17 ratings) Rate: 🖶 🚍	Price: \$4 Tax: \$0.0 Free Ship	10% <b>0</b> 1	ff \$449.99
	Samsung SyncMaster 204T (Black) 20″ Monitor	Techforless.com	<b>75%</b> (3 ratings) Rate: 🕂 🚍	Price: \$4 Tax: \$0.0 Shipping:	0	\$439.99
	Samsung SyncMaster 204T (Black) 20″ Monitor	Newegg.com	80% (5 ratings) Rate: 🖶 🚍	Price: \$4 Tax: \$0.0 Free Ship	0	\$445.99
			83%			

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### **Demand Creation and Identification** ... **Pronto**

*pro	The easiest way to save money online				Log Out Help
>> Se	arch 🛛 😰 🕨	Ay Pronto	My Alerts	Product History	Merchant Offers
My Pric	Ce Drops (What's this?)	*	See All	MERCHANT	OFFERS ⊗See All
	Harry Potter and the Goblet of Fire - 2-Disc Collector Director's Cut Preview bn,nnln, Was: \$35.96 Now: \$28.77 (Bestbuy.com)	rs Set wit 20°D		20% off All Products Electronics 15% off	amazon.com
	Banana Republic Very Soft Cashmere Sweater White Light Weight Was: \$205.95 Now: \$150.35 (Bananarepublic.com)	Crew Nec 270		All New Products 10% off All Cameras	TigerDirect.com
	Canon Powershot A610 5MP Digital Elph Camera wit Was: \$300.95 Now: \$201.64 (Amazon.com)		n	in Store	About Yourself
My Ale	rts (What's this?)	*	See All		
1	Bush Industries Crescendo Collection Flat Screen TV VS30142	Stand		DID YOU KNO	
	Target Price: \$1999.00 <b>Now: \$1799.99</b> (Pcconnection.com)	<b>10</b> %	rop	receive email prices drop.	
	Canon Digital Rebel XT / Canon 350D Alpha Graphics Target Price: \$205.95 Now: \$148.29 (Supremevideo.com)	 288	rop		Price Alert price drops to: \$399

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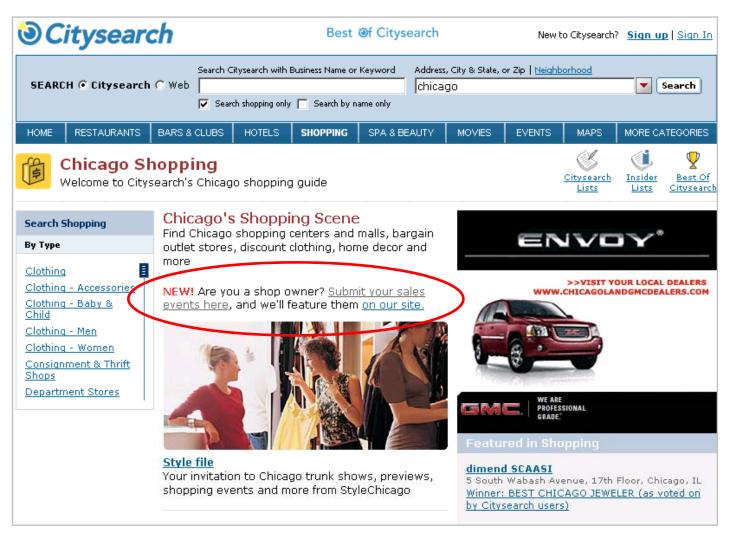
### **Customized Product Definition**







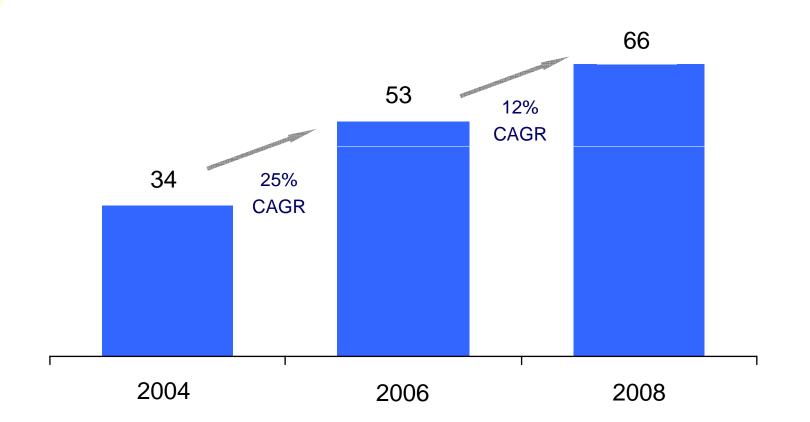
### **Contextual / Local Selling**





### What's Next? – Creating A Broadband Experience

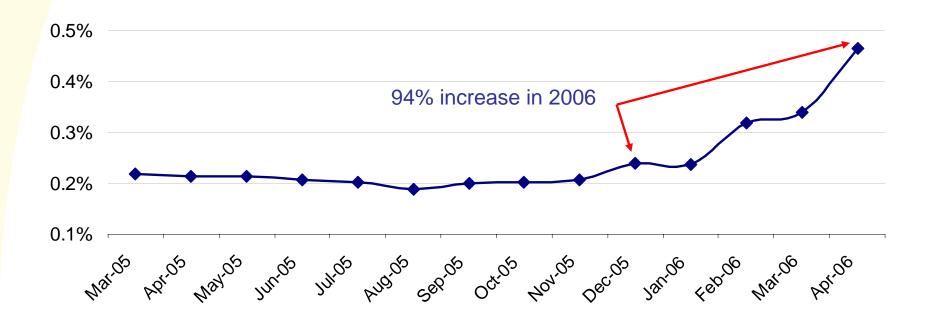
Subscribers in millions



Source: Management Estimates based on Kagan data '04 -'10

### Video Consumption Poised to Take Off

Entertainment Multi-Media Share of Total Internet Visits



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Source: Hitwise

### **HSN:** Highly Complimentary Sales Channels



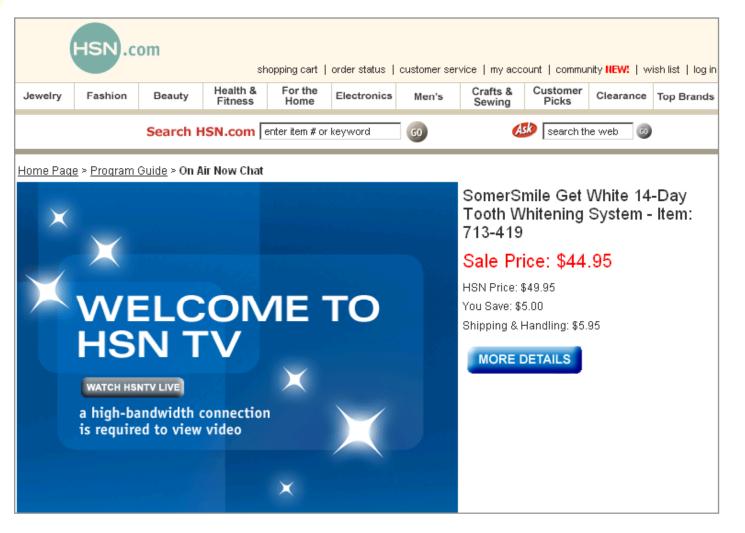
- Detailed explanation
- Highly visual
- Call to action
- Entertaining
- Credibility from personality



- Customer controlled
- Non-linear
- Always accessible
- Additional product
- Credibility from information



### **HSN: TV Live Online**





## HSN: Daily Program Guide

LICN		watch HSNtv	/ live
Thursc	Aaily program guide for:	Live! watc	niss a second. h HSNtv Live h high speed (cable/dsl)
(est)	show title	host name	guest name
12am	DeStress With Tony Little 3rd Anniversa	Narlo Tejera	Tony Little
1am	<u>Gifts For Dad</u>	<u>Marlo Tejera</u>	Dan Ferrazza Dan Lier Michael Miranda Tony Little
2am	Toni Brattin Beauty Secrets	Rachel Huber	Toni Brattin
3am	Fashion Alert: Dresses	Rachel Huber	
4am	<u>Ultrex Kitchen</u>	Rachel Huber	Dave Crusoe
5am	<u>Ultrex Kitchen</u>	<u>Kelly Repassy</u>	Dave Crusoe
6am	<u>Ultrex Kitchen</u>	Kelly Repassy	Dave Crusoe
7am	<u>Sunrise</u>	<u>John Cremeans</u> <u>Kelly Repassy</u>	Adrian Cordova Cecilia Stock Jillian Barberie

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### **Video** – **Product Information**

### Feature Rich



### "Touch and Feel"



### Demonstration





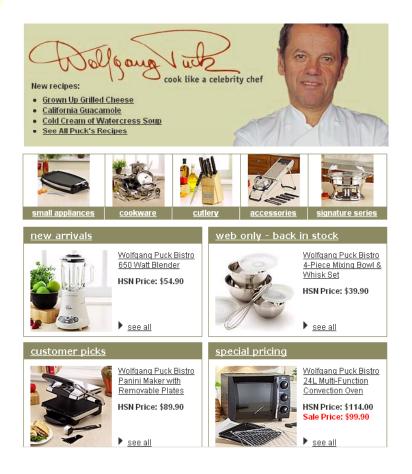
## Video – Creating Context





### **Video** – Content and Community

#### **Retailer Generated**



#### Community



SHOP TRIED AND TRUE FAVORITES On average, HSN shoppers rated these items at least 4 out of 5 stars. under \$20 | under \$50 | free shipping | only online



















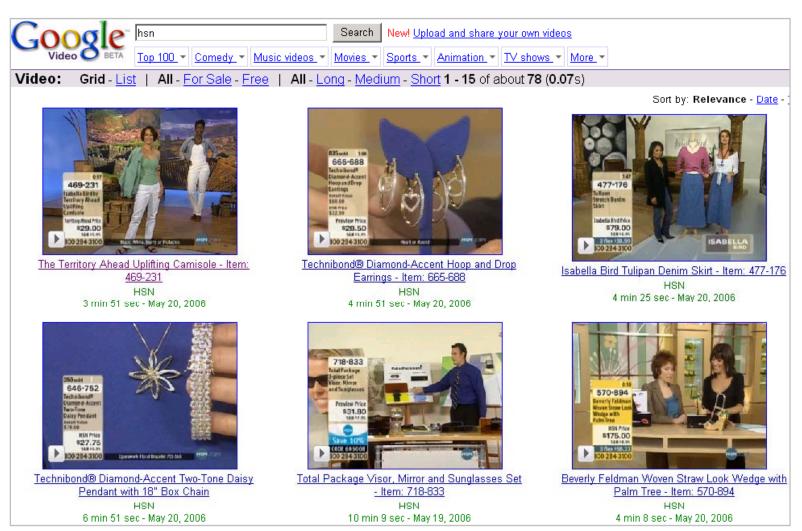






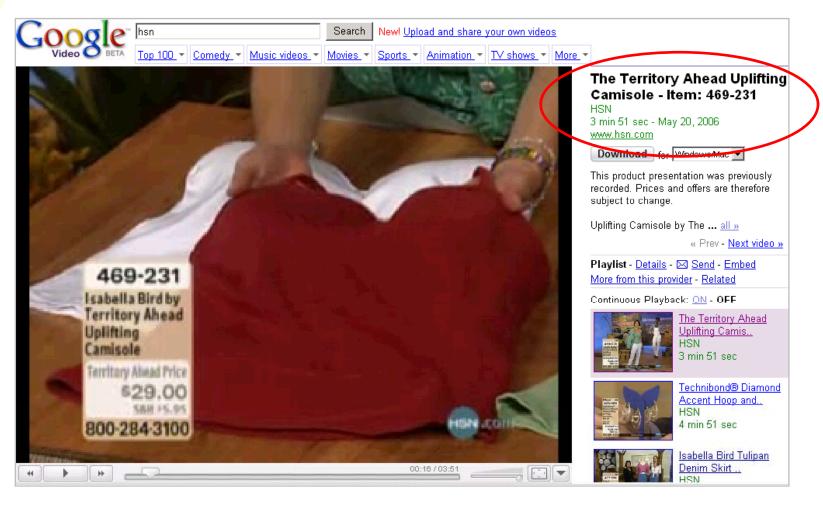


### **Video** – Drives Distribution





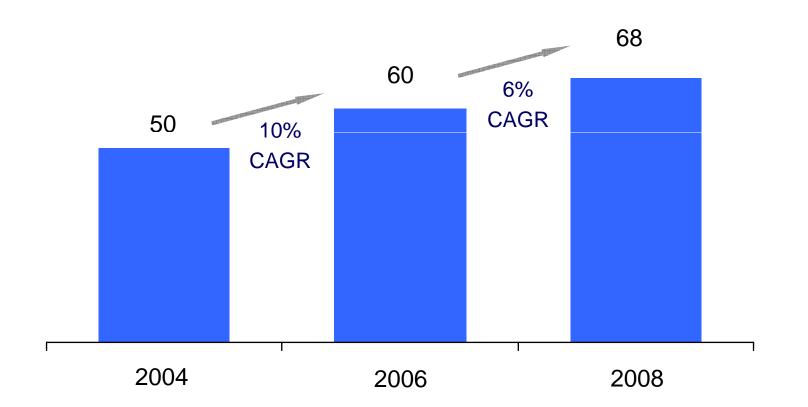
### **Video** – Distribution Drives Transactions





### *What's Next?* – Digital TV Creates Opportunity

Digital cable and satellite households in millions



Source: Kagan Research







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John I 1234 M Apt. 3	Vlain St.	Billing to: Visa xxxxxxxxxx	x1234
Qty	Description		
1	DXG 305V Digital Camcorder and MP3 Player with USB and A/V Cables and 20 MB internal memory - Silver, 2 year Protection	S&H: \$ Tax: \$ Discount: \$ Order Total: \$13 Press B to Buy	
Ba		Help 🕜 Exit HS	SN iTV





### **iTV** Meets onDemand





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### onDemand: What You Want, When You Want It





DVD PLAYERS

MP3 PLAYERS



DIGITAL CAMERAS



CAMCORDERS

PHONES



PRINTERS

- MORE STORES

   Audio
- GPS Navigation
   PDAs
- Telescopes
- <u>Clearance</u>
- TIPS & GUIDES





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### **Categories for onDemand**









PAINTING







**BOOKS & SOFTWARE** 



### **Concluding Thoughts**





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