HOTELS COM
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Under the Securities Act of 1933

Subject Company: Hotels.com

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Dara Khosrowshahi

EVP & CFO

June 4, 2003

Deutsche Bank 11th Annual Media Conference

USA Interactive

[GRAPHIC]

Prepared 6/4/03 - Read important disclaimer(s)

As of June 2003. Includes some companies majority or partially owned by USA.

Strategies

[CHART]

Strategies

[CHART]

Ticketmaster

[CHART]

Travel

$ in billions

ONLINE PENETRATION BY CATEGORY

[CHART]

Source CSFB and PhocusWright research.

LendingTree

2002 CONSUMER LENDING

[CHART]

Total = $3.9 Trillion

Source: IDC, MBAA, SMR Home Equity and subprime Mortage Loans, 2002, NADA and Manheim Auctions.

Local Discounting

[GRAPHIC]

Strategies

[CHART]

International Revenues

$ in millions

INTERNATIONAL REVENUES
and as % OF TOTAL REVENUES

[CHART]

Source: USA public filings. Pro forma for Expedia transaction.

International Opportunity

$ in billions

B2C ECOMMERCE SPENDING

[CHART]

Source: IDC. Internet Commerce Market Model version 8.3 December 2002. Excludes TV electronic retailing and financial services.

Strategies

[CHART]

Expedia

[GRAPHIC]

Ticketmaster

[GRAPHIC]

Match

[GRAPHIC]

LendingTree

[GRAPHIC]

Strategies

[CHART]

Marketing

$ in millions

[CHART]

Sources: USA public filings; pro forma for Expedia transaction.

Reach

QUARTERLY UNIQUE VISITORS

(in millions)

[CHART]

Source: Neilson/Net Ratings Quarterly Trend Report.

#9 in Online Reach

COMBINED HOME / WORK UNIQUE VISITORS

April 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.

Strategies

[CHART]

User Base

$ in millions

ACTIVE CUSTOMERS

As of Q1 2003 (in millions)

[CHART]

USA represents active customers, defined as customers who have purchased within the past twelve months. Assumes 25% duplication across USA brands. eBay represents active users. Amazon represents active customers. Yahoo represents active registered users.

Transactions Driving Profits

GROSS PROFIT PER ACTIVE CUSTOMER

Q1 2003

[CHART]

USA represents active customers, defined as customers who have purchased within the past twelve months. Assumes no duplication across USA brands.and excludes EPI, which was acquired on 3/24/03. eBay represents active users. Amazon represents active customers. Yahoo represents active registered users.

Strong Financial Growth

$ in millions

	Q1 02	Q1 03	Growth
Gross Transaction Value	$ 2,782	$ 4,141	49%
Revenue	972	1,392	43%
Gross Profit	354	598	69%
Operating Income	28	93	236%
Net Income/(Loss)	$ (437)	$ (110)	75%
Cash Flow from Operations	14	467	NM
EBITA (pro forma)	79	173	120%
Adjusted Net Income (pro forma)	43	110	156%
Free Cash Flow	$ 149	$ 406	172%

Revenue, gross profit, operating income, net income/(loss) and cash flow from operations presented on actual basis. EBITA and Adjusted net income are pro forma for Ticketmaster merger and pending Expedia and Hotels.com mergers, and are adjusted for one time items. Please see definitions and reconciliations at the end of this document.

Strong Balance Sheet

$ in millions, as of March 31, 2003. Pro forma for recent and pending transactions.

[CHART]

As adjusted as of 3/31/03. Includes marketable securities. Pro forma for Liberty pre -emptives and repurchase of 0.9 million USA shares through May 9, 2003. Excludes cash due to clients of $129 million at Ticketmaster.

Includes $270 million in deferred merchant bookings at Expedia and $112 million in deferred merchant revenue at Hotels.com.

Shareholder Value Creation

[CHART]

Important

This presentation contains forward looking statements relating to possible or assumed future results of USA. It reflects the views of USA with respect to future events, and is subject to risks that could cause future results to materially differ. These risks are described in USA s Securities and Exchange Commission filings. Information contained herein about entities other than USA has been obtained from sources believed to be reliable, but no independent verification has been made and no representation is made as to its accuracy or completeness. Any statements non-factual in nature constitute opinions, which are subject to change without notice. The forward looking statements and opinions in this presentation are made as of the date of this presentation unless otherwise noted, and USA undertakes no obligation to update or revise them for any reason. These statements do not include the potential impact of any mergers, acquisitions or other business combinations that may be completed in the future other than as noted.

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 defined as operating income plus amortization of (1) non-cash compensation, (2) non-cash distribution and marketing, (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.usainteractivecom.

In connection with the proposed merger transactions with Expedia and Hotels, USA Interactive and Expedia have filed a proxy and information statement/prospectus and USA Interactive and Hotels.com have filed 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, because they will contain important information. Investors and security holders may obtain a free copy of these documents 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.

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

Reconciliations

$ in millions

	Q1 02	Q1 03
EBITA	$ 79	$ 173
Amortization of non-cash items	(123)	(136)
HSN disengagement costs	(11)	(4)
One-time items	0	(2)
Pro forma adjustments	84	63
Operating Income	$ 28	$ 93

Pro forma adjustments reflect Ticketmaster merger, pending Expedia merger and pending Hotels.com merger.

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Reconciliations

amounts in millions, except per share

	Q1 02	Q1 03
Adjusted net income	$ 43	$ 110
Amortization of non-cash items	(123)	(136)
Equity pick-up of VUE	0	(243)
Related tax and minority interest	39	141
Pro forma adjusted diluted net loss	(42)	(128)
One-time items	(461)	(1)
Pro forma adjustments	64	17
Impact of dilutive securities	2	2
Net loss available to common shareholders	$ (437)	$ (110)

Pro forma adjustments reflect Ticketmaster merger, pending Expedia merger and pending Hotels.com merger.