

**INTERSECTIONS INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	(in thousands, except per share data)			
	<u><b>2010</b></u>	<u><b>2009</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>
Revenue	\$ 89,326	\$ 88,324	\$ 272,940	\$ 256,965
Operating expenses:				
Marketing	11,828	15,492	41,615	45,868
Commissions	28,731	28,232	89,335	80,882
Cost of revenue	21,528	22,682	66,610	67,915
General and administrative	16,024	15,420	46,585	44,595
Depreciation	2,039	1,753	6,094	5,430
Amortization	<u>1,394</u>	<u>1,795</u>	<u>5,570</u>	<u>6,134</u>
Total operating expenses	<u>81,544</u>	<u>85,374</u>	<u>255,809</u>	<u>250,824</u>
Income from operations	7,782	2,950	17,131	6,141
Interest income	5	6	16	148
Interest expense	(527)	(443)	(1,658)	(843)
Other (expense) income, net	<u>(224)</u>	<u>229</u>	<u>( 274)</u>	<u>40</u>
Income from continuing operations before income taxes	7,036	2,742	15,215	5,486
Income tax expense	<u>(2,663)</u>	<u>(1,206)</u>	<u>(6,292)</u>	<u>(2,070)</u>
Income from continuing operations	4,373	1,536	8,923	3,416
Income (loss) from discontinued operations, net of tax	63	(1,187)	(379)	(10,663)
Gain on disposal of discontinued operations	5,868	-	5,868	-
Net loss attributable to noncontrolling interest in discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,380</u>
Income (loss) from discontinued operations	<u>5,931</u>	<u>(1,187)</u>	<u>5,489</u>	<u>(6,283)</u>
Net income (loss) attributable to Intersections, Inc.	<u>\$ 10,304</u>	<u>\$ 349</u>	<u>\$ 14,412</u>	<u>\$ (2,867)</u>
Basic earnings (loss) per share:				
Net income from continuing operations	\$ 0.25	\$ 0.09	\$ 0.50	\$ 0.20
Net income (loss) from discontinued operations	<u>\$ 0.33</u>	<u>\$ (0.07)</u>	<u>\$ 0.31</u>	<u>\$ (0.36)</u>
Basic earnings (loss) per share	<u>\$ 0.58</u>	<u>\$ 0.02</u>	<u>\$ 0.81</u>	<u>\$ (0.16)</u>
Diluted earnings (loss) per share:				
Net income from continuing operations	\$ 0.24	\$ 0.09	\$ 0.49	\$ 0.20
Net income (loss) from discontinued operations	<u>\$ 0.32</u>	<u>\$ (0.07)</u>	<u>\$ 0.30</u>	<u>\$ (0.36)</u>
Diluted earnings (loss) per share	<u>\$ 0.56</u>	<u>\$ 0.02</u>	<u>\$ 0.79</u>	<u>\$ (0.16)</u>
Cash dividends paid per common share	\$ 0.15	\$ -	\$ 0.15	\$ -
Weighted average common shares outstanding – basic	17,759	17,534	17,688	17,470
Weighted average common shares outstanding – diluted	18,568	17,851	18,175	17,598

**INTERSECTIONS INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited, in thousands)

	September 30, <u>2010</u>	December 31, <u>2009</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 28,330	\$ 12,394
Short-term investments	4,994	4,995
Accounts receivable, net	17,659	25,111
Prepaid expenses and other current assets	5,617	5,182
Income tax receivable	5,640	2,460
Deferred subscription solicitation costs	<u>26,808</u>	<u>34,256</u>
Total current assets	89,048	84,398
PROPERTY AND EQUIPMENT – net	17,854	17,802
DEFERRED TAX ASSET - net	6,983	3,700
LONG-TERM INVESTMENT	4,327	3,327
GOODWILL	43,235	46,939
INTANGIBLE ASSETS – net	16,043	21,613
OTHER ASSETS	<u>8,144</u>	<u>14,392</u>
TOTAL ASSETS	\$ <u>185,634</u>	\$ <u>192,171</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ -	\$ 7,000
Capital leases – current portion	1,353	1,028
Accounts payable	3,168	9,168
Accrued expenses and other current liabilities	15,527	17,255
Accrued payroll and employee benefits	2,673	2,782
Commissions payable	755	2,044
Deferred revenue	4,698	5,202
Deferred tax liability – net, current portion	<u>15,275</u>	<u>14,879</u>
Total current liabilities	<u>43,449</u>	<u>59,358</u>
LONG-TERM DEBT	21,000	31,393
OBLIGATIONS UNDER CAPITAL LEASES – less current portion	2,446	1,681
OTHER LONG-TERM LIABILITIES	<u>7,284</u>	<u>3,332</u>
TOTAL LIABILITIES	\$ 74,179	\$ 95,764
STOCKHOLDERS' EQUITY:		
Common stock	189	187
Additional paid-in capital	107,814	104,810
Treasury stock	(9,948)	(9,516)
Retained earnings	13,773	2,027
Accumulated other comprehensive loss-cash flow hedge relationship	(377)	(856)
Accumulated other comprehensive income (loss) -other	<u>4</u>	<u>(245)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>111,455</u>	<u>96,407</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ <u>185,634</u>	\$ <u>192,171</u>

**INTERSECTIONS INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

(Unaudited, in thousands)

	<b>Nine Months Ended September 30,</b>	
	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ 14,412	\$ (7,247)
Adjustments to reconcile net income (loss) to cash flows provided by operating activities:		
Depreciation	6,521	6,061
Amortization	5,570	6,473
Amortization of debt issuance cost	104	65
Loss on disposal of fixed assets	-	64
Accretion of interest on note payable	73	-
Provision for doubtful accounts	(210)	47
Share based compensation	4,168	3,151
Amortization of deferred subscription solicitation costs	48,425	49,477
Goodwill impairment charges	-	6,163
Gain on disposal of discontinued operations	(5,868)	-
Foreign currency transaction losses (gains), net	301	(616)
Derivative loss reclassified to earnings	265	-
Changes in assets and liabilities:		
Accounts receivable	4,411	2,418
Prepaid expenses and other current assets	(895)	(129)
Income tax receivable	(2,911)	5,123
Deferred subscription solicitation costs	(38,429)	(53,885)
Other assets	5,180	(3,773)
Accounts payable	(4,740)	(3,732)
Tax benefit upon vesting of restricted stock units and stock options exercised	(68)	(338)
Accrued expenses and other current liabilities	(2,299)	3,636
Accrued payroll and employee benefits	511	(1,931)
Commissions payable	(1,289)	(615)
Deferred revenue	(500)	657
Deferred income tax, net	(3,727)	2,718
Other long-term liabilities	<u>4,065</u>	<u>(651)</u>
Cash flows provided by operating activities	<u>33,070</u>	<u>13,136</u>
<b>CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES:</b>		
Proceeds from the sale of discontinued operations	12,640	-
Purchase of additional interest in long-term investment	(1,000)	-
Acquisition of property and equipment	(5,803)	(5,868)
Proceeds from sale of property and equipment	-	26
Cash flows provided by (used in) investing activities	<u>5,837</u>	<u>(5,842)</u>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES:</b>		
Repayments under credit agreement	(16,583)	(5,260)
Repayment of note payable to CRG	(1,400)	-
Cash dividends paid on common shares	(2,666)	-
Cash distribution on vesting of restricted stock units	(970)	-
Capital lease payments	(887)	(559)
Purchase of treasury stock	(432)	-
Withholding tax payment on vesting of restricted stock units	(284)	(362)
Tax benefit upon vesting of restricted stock units and stock options exercised	68	338
Cash proceeds from stock options exercised	<u>169</u>	<u>2</u>
Cash flows used in financing activities	<u>(22,985)</u>	<u>(5,841)</u>
EFFECT OF EXCHANGE RATE ON CASH	14	(182)
INCREASE IN CASH AND CASH EQUIVALENTS	15,936	1,271
CASH AND CASH EQUIVALENTS—Beginning of period	<u>12,394</u>	<u>10,762</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 28,330</u>	<u>\$ 12,033</u>

**INTERSECTIONS INC.**  
**OTHER DATA**  
(Unaudited, in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Subscribers at beginning of period	4,107	4,467	4,301	4,730
New subscribers – indirect	251	171	671	622
New subscribers – direct	289	582	1,054	1,703
Cancelled subscribers within first 90 days of subscription	(144)	(240)	(587)	(700)
Cancelled subscribers after first 90 days of subscription	<u>(402)</u>	<u>(581)</u>	<u>(1,338)</u>	<u>(1,956)</u>
Subscribers at end of period	<u>4,101</u>	<u>4,399</u>	<u>4,101</u>	<u>4,399</u>
Indirect subscribers	40.8%	39.4%	40.8%	39.4%
Direct subscribers	<u>59.2</u>	<u>60.6</u>	<u>59.2</u>	<u>60.6</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
*Cancellations within first 90 days of subscription	26.7%	31.8%	33.9%	30.1%
**Cancellations after first 90 days of subscription	32.0%	38.5%	32.0%	38.5%
***Overall retention	59.9%	54.6%	59.9%	54.6%
Percentage of revenue from indirect marketing arrangements to total subscription revenue	10.1%	12.1%	10.9%	12.6%
Percentage of revenue from direct marketing arrangements to total subscription revenue	<u>89.9</u>	<u>87.9</u>	<u>89.1</u>	<u>87.4</u>
Total subscription revenue	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Total revenue	\$ 89,326	\$ 88,324	\$ 272,940	\$ 256,965
Revenue from transactional sales	(1,081)	(883)	(3,109)	(2,935)
Revenue from lost/stolen credit card registry	<u>(5)</u>	<u>(12)</u>	<u>(21)</u>	<u>(38)</u>
Subscription revenue	<u>88,240</u>	<u>87,429</u>	<u>269,810</u>	<u>253,992</u>
Marketing and commissions	40,559	43,724	130,950	126,750
Commissions paid on transactional sales	-	(1)	(1)	(3)
Commissions paid on lost/stolen credit card registry	<u>(29)</u>	<u>(41)</u>	<u>(64)</u>	<u>(83)</u>
Marketing and commissions associated with subscription revenue	<u>40,530</u>	<u>43,682</u>	<u>130,885</u>	<u>126,664</u>
Subscription revenue, net of marketing and commissions associated with subscription revenue	\$ <u>47,710</u>	\$ <u>43,747</u>	\$ <u>138,925</u>	\$ <u>127,328</u>

\* Percentage of cancellation within the first 90 days to new subscribers

\*\* Percentage of the number of subscribers at the beginning of the period plus new subscribers during the period less cancellations within the first 90 days

\*\*\* On a rolling 12 month basis by taking subscribers at the end of the period divided by the sum of the subscribers at the beginning of the period plus additions for the period

**INTERSECTIONS INC.**  
**OTHER DATA, continued**  
(Unaudited)

Intersections Inc.  
Reconciliation of Non-GAAP Financial Measures  
(dollars in thousands, except for per subscriber information)

The table below includes financial information prepared in accordance with accounting principles generally accepted in the United States, or GAAP, as well as other financial measures referred to as non-GAAP financial measures. Consolidated EBITDA from continuing operations before share based compensation and consolidated adjusted net income excluding non-cash charges are presented in a manner consistent with the way management evaluates operating results and which management believes is useful to investors and others. An explanation regarding the company's use of non-GAAP financial measures and a reconciliation of non-GAAP financial measures used by the company to GAAP measures is provided below. These non-GAAP financial measures should be considered in addition to, but not as a substitute for, net income and the other information prepared in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies. Management strongly encourages shareholders to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure.

(1) Consolidated EBITDA from continuing operations before share based compensation, represents consolidated income (loss) from continuing operations before income taxes plus non-cash share based compensation, non-cash goodwill, intangible and long-lived asset impairment charges, depreciation and amortization, interest income (expense), and other income (expense). We believe that the consolidated EBITDA from continuing operations before share based compensation calculation provides useful information to investors because they are indicators of our operating performance. Consolidated EBITDA from continuing operations before share based compensation is commonly used as a basis for investors and analysts to evaluate and compare the periodic and future operating performance and value of companies within our industry. Our Board of Directors and Management use consolidated EBITDA from continuing operations before share based compensation to evaluate the operating performance of the company and to make compensation and bonus determinations, and our lenders use consolidated EBITDA from continuing operations before share based compensation as a measure of our ability to make interest payments and to comply with our debt covenants.

We provide this information to show the impact of share based compensation on our operating results, as it is excluded from our internal operating and budgeting plans and measurements of financial performance; however, we do consider the dilutive impact to our shareholders when awarding share based compensation and consider both the Black-Scholes value and GAAP value in connection therewith, and value such awards accordingly. We do not consider share based compensation charges when we evaluate the performance of our individual business groups or formulate our short and long-term operating

**INTERSECTIONS INC.**  
**OTHER DATA, continued**  
(Unaudited)

plans. We hold our management team accountable for cash-based compensation and such amounts are included in their operating plans. Due to its nature, individual managers generally are unable to project the impact of share based compensation and accordingly we do not hold them accountable for the impact of equity award grants. When we consider making share based compensation grants, we primarily take into account the need to attract and retain high quality employees, overall shareholder dilution and the Black-Scholes values of the equity grant to the recipient, rather than the potential accounting charges associated with such grants. For comparability purposes, we believe it is useful to provide a non-GAAP financial measure that excludes share based compensation in order to better understand the long-term performance of our core business and to compare our results to the results of our peer companies because of varying available valuation methodologies and the variety of award types that companies can use under GAAP. Furthermore, unlike cash compensation, the value of share based compensation is determined using a complex formula that incorporates factors, such as market volatility, that are beyond our control. Accordingly, we believe that the presentation of EBITDA from continuing operations before share based compensation when read in conjunction with our reported GAAP results can provide useful supplemental information to our management, to investors and to our lenders regarding financial and business trends relating to our financial condition and results of operations.

EBITDA from continuing operations before share based compensation has limitations due to the fact it does not include all compensation related expenses. For example, if we only paid cash based compensation as opposed to a portion in share based compensation, the cash compensation expense included in our general and administrative expenses would be higher. We compensate for this limitation by providing information required by GAAP about outstanding share based awards in the footnotes to our financial statements in our SEC filings. We believe equity based compensation is an important element of our compensation program and all forms of share based awards are valued and included as appropriate in our operating results.

The following table reconciles consolidated income (loss) from continuing operations before income taxes to consolidated EBITDA from continuing operations before share based compensation, as defined for the previous seven quarters and nine months year-to-date through September 30, 2009 and September 30, 2010. Due to the sale of Screening International on July 19, 2010, we have recast our condensed consolidated statement of operations and presented the results of Screening International as discontinued operations for all periods presented. In managing our business, we analyze our performance quarterly on a consolidated income (loss) from continuing operations before income tax basis.

**INTERSECTIONS INC.**  
**OTHER DATA, continued**  
(Unaudited)

**2009**  
For the Three Months Ended

**2010**  
For the Three Months Ended

	March 31	June 30	September 30	December 31	March 31	June 30	September 30
<b><u>Reconciliation from consolidated income (loss) from continuing operations before income taxes to consolidated EBITDA from continuing operations before share based compensation</u></b>							
Consolidated income (loss) from continuing operations before income taxes	\$1,528	\$1,216	\$2,742	(\$4,631)	\$87	\$8,092	\$7,036
Share based compensation	968	1,070	1,113	1,405	1,419	1,366	1,383
Goodwill, intangible, and long-lived asset impairment charges	-	-	-	948	-	-	-
Depreciation	1,933	1,744	1,753	2,006	2,096	1,959	2,039
Amortization	2,281	2,058	1,795	2,944	2,299	1,877	1,394
Interest expense, net	87	171	437	408	600	520	522
Other expense (income), net	<u>292</u>	<u>(103)</u>	<u>(229)</u>	<u>(1,322)</u>	<u>21</u>	<u>29</u>	<u>224</u>
Consolidated EBITDA from continuing operations before share based compensation (1)	<u>\$7,089</u>	<u>\$6,156</u>	<u>\$7,611</u>	<u>\$1,758</u>	<u>\$6,522</u>	<u>\$13,843</u>	<u>\$12,598</u>

**For the Nine Months Ended  
September 30,**

**2009                      2010**

**Reconciliation from consolidated income from continuing operations before income taxes to consolidated EBITDA from continuing operations before share based compensation**

Consolidated income from continuing operations before income taxes	\$5,486	\$15,215
Share based compensation	3,151	4,168
Goodwill, intangible and long-lived asset impairment charges	-	-
Depreciation	5,430	6,094
Amortization	6,134	5,570
Interest expense, net	695	1,642
Other (income) expense, net	<u>(40)</u>	<u>274</u>
Consolidated EBITDA from continuing operations before share based compensation (1)	<u>\$20,856</u>	<u>\$32,963</u>

**INTERSECTIONS INC.**  
**OTHER DATA, continued**  
(Unaudited)

(2) Net amortization and share based compensation per share is not a measurement under GAAP, may not be similar to net amortization and share based compensation per share measures of other companies and should be considered in addition to, but not as a substitute for, the information contained in our statement of operations. We believe that net amortization and share based compensation per share provides useful information to investors because it is an indicator of operating performance since it excludes items that are not directly attributable to ongoing business operations, as well as a non-cash share based compensation expense that we are required to record under GAAP. We believe our net amortization and share based compensation per share calculations are commonly used as some of the bases for investors, analysts and credit rating agencies to evaluate and compare the periodic and future operating performance and value of companies.

The following table provides the consolidated Net Amortization and Share Based Compensation per Share amount:

	<b>2009</b>				<b>2010</b>		
	<b>For the Three Months Ended</b>						
	<b>March 31</b>	<b>June 30</b>	<b>September 30</b>	<b>December 31</b>	<b>March 31</b>	<b>June 30</b>	<b>September 30</b>
<b><u>Net amortization and share based compensation per share</u></b>							
Amortization	\$ 2,281	\$ 2,058	\$ 1,795	\$ 2,944	\$ 2,299	\$ 1,877	\$ 1,394
Share based compensation	<u>968</u>	<u>1,070</u>	<u>1,113</u>	<u>1,405</u>	<u>1,419</u>	<u>1,366</u>	<u>1,383</u>
Subtotal	3,249	3,128	2,908	4,349	3,718	3,243	2,777
Estimated tax effect at 40%	<u>(1,300)</u>	<u>(1,251)</u>	<u>(1,163)</u>	<u>(1,740)</u>	<u>(1,487)</u>	<u>(1,297)</u>	<u>(1,111)</u>
Net amortization and share based compensation	1,949	1,877	1,745	2,609	2,231	1,946	1,666
Diluted shares	<u>17,389</u>	<u>17,486</u>	<u>17,851</u>	<u>17,601</u>	<u>17,621</u>	<u>18,128</u>	<u>18,568</u>
Net amortization and share based compensation per share (2)	<u>\$ 0.11</u>	<u>\$ 0.11</u>	<u>\$ 0.10</u>	<u>\$ 0.15</u>	<u>\$ 0.13</u>	<u>\$ 0.11</u>	<u>\$ 0.09</u>



**INTERSECTIONS INC.**  
**OTHER DATA, continued**  
(Unaudited)

	For the Nine Months Ended September 30,	
	2009	2010
<b><u>Net amortization and share based compensation per share</u></b>		
Amortization	\$ 6,134	\$ 5,570
Share based compensation	<u>3,151</u>	<u>4,168</u>
Subtotal	9,285	9,738
Estimated tax effect at 40%	<u>(3,714)</u>	<u>(3,895)</u>
Net amortization and share based compensation	5,571	5,843
Diluted shares	<u>17,598</u>	<u>18,175</u>
Net amortization and share based compensation per share (2)	<u>\$ 0.32</u>	<u>\$ 0.32</u>

The following table provides components of Intersections' Consumer Products and Services (CPS) segment on a per ending subscriber per quarter basis. In the year ended December 31, 2009, we changed our segment reporting by realigning services from our relationship with a third party that administers referrals for identity theft to major banking institutions and breach services to the Consumer Products and Services segment. The modification to the business segments was determined based on how our senior management analyzed, evaluated, and operated our global operations beginning in the three months ended December 31, 2009.

**INTERSECTIONS INC.**  
**OTHER DATA, continued**  
(Unaudited)

	2009				2010		
	For the Three Months Ended				For the Three Months Ended		
	March 31	June 30	September 30	December 31	March 31	June 30	September 30
<b><u>Per ending subscriber per quarter</u></b>							
Revenue	\$18.11	\$19.07	\$19.95	\$20.60	\$21.45	\$22.28	\$21.61
Cost of revenue	4.88	5.06	5.09	5.33	5.42	5.30	5.21
Gross margin (4)(A)	13.24	14.02	14.86	15.26	16.03	16.98	16.40
Marketing	3.31	3.44	3.52	4.51	4.04	3.09	2.88
Commissions	5.70	6.00	6.42	6.85	7.27	7.26	7.01
Revenue less marketing and commissions (4)(B)	9.10	9.64	10.01	9.24	10.15	11.93	11.72
General and administrative	2.76	3.01	2.91	3.28	3.36	3.49	3.68
Share based compensation	(0.21)	(0.24)	(0.25)	(0.33)	(0.33)	(0.33)	(0.34)
EBITDA from continuing operations before share based compensation (4)(C)	1.68	1.82	2.27	0.95	1.70	3.48	3.17

Intersections Inc.  
**Reconciliation of Non-GAAP Financial Measures**  
(dollars in thousands, except for per subscriber information)

The table above includes financial information prepared in accordance with GAAP as well as other financial measures referred to as non-GAAP financial measures. CPS EBITDA from continuing operations before share based compensation, CPS Gross margin per ending subscriber, CPS Revenue less marketing and commissions per ending subscriber and CPS EBITDA from continuing operations before share based compensation per ending subscriber are non-GAAP financial measures that are presented in a manner consistent with the way management evaluates operating results, and which management believes is useful to investors and others. An explanation regarding the company's use of non-GAAP financial measures and a reconciliation of non-GAAP financial measures used by the company to GAAP measures is provided below. These non-GAAP financial measures should be considered in addition to, but not as a substitute for, net income and the other information prepared in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies.

**INTERSECTIONS INC.**  
**OTHER DATA, continued**  
(Unaudited)

(3) CPS earnings from continuing operations before interest, tax, non-cash goodwill, intangible and long-lived asset impairment charges, depreciation and amortization, or EBITDA from continuing operations before share based compensation, represents income from continuing operations before income taxes plus non-cash share based compensation, non-cash goodwill, intangible and long-lived asset impairment charges, depreciation and amortization, interest income (expense), and other income (expense) for the CPS segment.

We believe that the EBITDA from continuing operations before share based compensation calculation provides useful information to investors because they are indicators of our operating performance. EBITDA from continuing operations before share based compensation is commonly used as a basis for investors and analysts to evaluate and compare the periodic and future operating performance and value of companies within our industry. Our Board of Directors and Management use EBITDA from continuing operations before share based compensation to evaluate the operating performance of the CPS segment and to make compensation and bonus determinations, and our lenders use EBITDA from continuing operations before share based compensation as a measure of our ability to make interest payments and to comply with our debt covenants.

The following table reconciles CPS income from continuing operations before income taxes to EBITDA from continuing operations before share based compensation, as defined for the previous seven quarters and nine months year-to-date through September 30, 2009 and September 30, 2010. In managing our business, we analyze the performance of our segments quarterly on an income (loss) before income tax basis.

**INTERSECTIONS INC.**  
**OTHER DATA, continued**  
(Unaudited)

	2009				2010		
	For the Three Months Ended				For the Three Months Ended		
	March 31	June 30	September 30	December 31	March 31	June 30	September 30
<b><u>CPS reconciliation from income (loss) from continuing operations before income taxes to EBITDA from continuing operations before share based compensation</u></b>							
CPS income (loss) before income taxes	\$2,174	\$3,308	\$5,252	(\$1,221)	\$ 790	\$8,560	\$7,435
Share based compensation	968	1,069	1,114	1,405	1,419	1,366	1,383
Goodwill, intangible and long-lived asset impairment charges	-	-	-	-	-	-	-
Depreciation	1,925	1,734	1,736	1,984	2,091	1,955	2,031
Amortization	2,157	1,934	1,671	2,821	2,292	1,870	1,388
Interest expense, net	87	171	436	407	600	520	522
Other expense (income), net	<u>292</u>	<u>(103)</u>	<u>(229)</u>	<u>(1,322)</u>	<u>21</u>	<u>30</u>	<u>224</u>
EBITDA before share based compensation (3)	<u>\$7,603</u>	<u>\$8,113</u>	<u>\$9,980</u>	<u>\$4,074</u>	<u>\$7,213</u>	<u>\$14,301</u>	<u>\$12,983</u>

**CPS reconciliation from income from continuing operations before income taxes to EBITDA from continuing operations before share based compensation**

	For the Nine Months Ended September 30	
	2009	2010
CPS income from continuing operations before income taxes	\$10,734	\$16,785
Share based compensation	3,151	4,168
Goodwill, intangible and long-lived asset impairment charges	-	-
Depreciation	5,395	6,077
Amortization	5,762	5,550
Interest expense, net	694	1,642
Other (income) expense, net	<u>(40)</u>	<u>275</u>
EBITDA from continuing operations before share based compensation (3)	<u>\$25,696</u>	<u>\$34,497</u>

**INTERSECTIONS INC.**  
**OTHER DATA, continued**  
(Unaudited)

(4) A. CPS gross margin per ending subscriber represents CPS revenue less cost of revenue divided by the ending number of subscribers. We believe this measure is important to investors because it demonstrates our profitability trend on a per subscriber basis and is one that we use in managing our CPS business because it demonstrates our profitability trend on a per subscriber basis. B. CPS Revenue less marketing and commissions per ending subscriber represents CPS revenue less marketing and commissions divided by the ending number of subscribers. We believe this measure is important to investors and is one that we use in managing our CPS business because it normalizes the effect of changes in the mix of direct and indirect marketing arrangements and it demonstrates our profitability trend on a per subscriber basis. C. CPS EBITDA from continuing operations before share based compensation per ending subscriber represents CPS EBITDA from continuing operations before share based compensation (defined in section (1) above) divided by the ending number of subscribers. We believe this measure is important to investors because it demonstrates our profitability trend on a per subscriber basis and is one that we use in managing our CPS business because it demonstrates our profitability trend on a per subscriber basis.

	2009				2010		
	For the Three Months Ended		For the Three Months Ended		For the Three Months Ended		
	March 31	June 30	September 30	December 31	March 31	June 30	September 30
<b><u>A. CPS gross margin per ending subscriber</u></b>							
Revenue	\$82,164	\$85,182	\$87,755	\$88,594	\$90,918	\$91,507	\$88,627
Cost of revenue	<u>(22,115)</u>	<u>(22,581)</u>	<u>(22,378)</u>	<u>(22,943)</u>	<u>(22,986)</u>	<u>(21,755)</u>	<u>(21,382)</u>
Gross margin	60,049	62,601	65,377	65,651	67,932	69,752	67,245
Ending subscribers	<u>4,536</u>	<u>4,467</u>	<u>4,399</u>	<u>4,301</u>	<u>4,238</u>	<u>4,107</u>	<u>4,101</u>
CPS gross margin per ending subscriber	<u>13.24</u>	<u>14.02</u>	<u>14.86</u>	<u>15.26</u>	<u>16.03</u>	<u>16.98</u>	<u>16.40</u>
<b><u>B. CPS revenue less marketing and commissions per ending subscriber</u></b>							
Revenue	\$82,164	\$85,182	\$87,755	\$88,594	\$90,918	\$91,507	\$88,627
Marketing	(15,029)	(15,346)	(15,493)	(19,400)	(17,103)	(12,684)	(11,828)
Commissions	<u>(25,865)</u>	<u>(26,785)</u>	<u>(28,232)</u>	<u>(29,466)</u>	<u>(30,795)</u>	<u>(29,809)</u>	<u>(28,731)</u>
Revenue less marketing and commissions	41,270	43,051	44,030	39,728	43,020	49,014	48,068
Ending subscribers	<u>4,536</u>	<u>4,467</u>	<u>4,399</u>	<u>4,301</u>	<u>4,238</u>	<u>4,107</u>	<u>4,101</u>
CPS revenue less marketing and commissions per ending subscriber	<u>9.10</u>	<u>9.64</u>	<u>10.01</u>	<u>9.24</u>	<u>10.15</u>	<u>11.93</u>	<u>11.72</u>
<b><u>C. CPS EBITDA from continuing operations before share based compensation per ending subscriber</u></b>							
EBITDA from continuing operations before share based compensation	\$7,603	\$8,113	\$9,980	\$4,074	\$7,213	\$14,300	\$12,984
Ending subscribers	<u>4,536</u>	<u>4,467</u>	<u>4,399</u>	<u>4,301</u>	<u>4,238</u>	<u>4,107</u>	<u>4,101</u>
CPS EBITDA from continuing operations before share based compensation per ending subscriber	<u>1.68</u>	<u>1.82</u>	<u>2.27</u>	<u>0.95</u>	<u>1.70</u>	<u>3.48</u>	<u>3.17</u>

**INTERSECTIONS INC.**  
**OTHER DATA, continued**  
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For the Nine Months Ended September  
**30**

	2009	2010
<b><u>A. CPS gross margin per ending subscriber</u></b>		
Revenue	\$255,101	\$271,052
Cost of revenue	<u>(67,074)</u>	<u>(66,123)</u>
Gross margin	188,027	204,929
Ending subscribers	<u>4,399</u>	<u>4,101</u>
CPS gross margin per ending subscriber	<u>42.74</u>	<u>49.97</u>
<b><u>B. CPS revenue less marketing and commissions per ending subscriber</u></b>		
Revenue	\$255,101	\$271,052
Marketing	(45,868)	(41,615)
Commissions	<u>(80,882)</u>	<u>(89,335)</u>
Revenue less marketing and commissions	128,351	140,102
Ending subscribers	<u>4,399</u>	<u>4,101</u>
CPS revenue less marketing and commissions per ending subscriber	<u>29.18</u>	<u>34.16</u>
<b><u>C. CPS EBITDA from continuing operations before share based compensation per ending subscriber</u></b>		
EBITDA from continuing operations before share based compensation	\$25,696	\$34,497
Ending subscribers	<u>4,399</u>	<u>4,101</u>
CPS EBITDA from continuing operations before share based compensation per ending subscriber	<u>5.84</u>	<u>8.41</u>

**INTERSECTIONS INC.**  
**OTHER DATA, continued**  
(Unaudited)

(5) Consolidated adjusted net income excluding non-cash charges represents consolidated net income (loss) plus non-cash goodwill, intangible and long-lived asset impairment charges and valuation allowances on deferred tax assets. We believe that the consolidated adjusted net income excluding non-cash charges provides a more meaningful representation of our on-going economic performance and therefore we utilize this non-GAAP financial measure internally to evaluate our operating results. We have chosen to provide this information to investors to enable them to make a more meaningful comparison of operating results.

Management uses consolidated adjusted net income excluding non-cash charges to measure the core operating performance of the company's business units. Management believes that this non-GAAP financial measure presents the company's operating results in the ordinary and ongoing course of its business. Given the significant amount of judgment involved in making impairment determinations and that the company does not control two of the key factors – the deterioration in the general economic environment and the decline in the company's market capitalization – which go into the determination, management finds it helpful, and believes that investors find it useful, to consider an operating measure that excludes non-cash charges, such as goodwill, intangible and long-lived asset impairment charge expenses, which are not directly related to the company's operating performance. We believe this permits investors to better understand the company's operating trends and to enable them to make a more meaningful comparison of operating results.

For the nine months ended September 30, 2010, we reported adjusted net income without any non-cash impairment charges. In the future, we expect that we may again report adjusted net income excluding these items and may incur expenses similar to these excluded items. Accordingly, the exclusion of these and similar items in the company's non-GAAP presentation should not be interpreted as implying that these items are non-recurring, infrequent or unusual.

Consolidated adjusted net income excluding non-cash charges has limitations due to the fact it excludes the effect of charges that management does not believe is indicative of the company's ongoing operations. We compensate for these limitations by providing extensive GAAP-based disclosure about the non-cash goodwill, intangible and long-lived asset impairment charges and valuation allowances on the deferred tax assets in the footnotes to our financial statements and MD&A section in our SEC filings.

**INTERSECTIONS INC.**  
**OTHER DATA, continued**  
(Unaudited)

	For the Nine Months Ended September 30 2009	For the Nine Months Ended September 30 2010
<b><u>Consolidated net (loss) income reconciliation from net (loss) income to consolidated adjusted net income excluding non-cash charges</u></b>		
Consolidated net (loss) income	\$ (2,867)	\$ 14,412
Goodwill, intangible and long-lived asset impairment charges, net of estimated tax	6,163	0
Valuation allowance on deferred tax assets	3,659	0
Net loss attributable to noncontrolling interest in discontinued operations	<u>(4,285)</u>	<u>0</u>
Consolidated adjusted net income excluding non-cash charges (5)	<u>\$ 2,670</u>	<u>\$ 14,412</u>

For the reconciliation of certain non-GAAP measures visit our website at [www.intersections.com](http://www.intersections.com).

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