

ID MANAGEMENT SOLUTIONS
FOR A CHANGING WORLD

FINANCIAL HIGHLIGHTS

<i>\$ in millions</i>	2001	2002	2003	2004	2005
Revenue	\$ 56.5	\$ 98.0	\$ 147.3	\$ 152.9	\$ 165.2
Income Before Income Taxes	\$ (16.0)	\$ 5.3	\$ 14.6	\$ 19.5	\$ 20.2
% of Revenue	(28.3%)	5.4%	9.9%	12.8%	12.2%
Net Income	\$ (15.1)	\$ 5.3	\$ 19.4	\$ 10.9	\$ 12.5
Net Income per Diluted Share**	\$ (3.08)	\$ 0.43	\$ 1.36	\$ 0.64	\$ 0.70
Subscription Revenue, net of Marketing and Commissions***	\$ 19.5	\$ 41.9	\$ 63.7	\$ 84.5	\$ 102.6
Acquisition of Property and Equipment	\$ 0.4	\$ 1.1	\$ 5.3	\$ 9.7	\$ 10.6
Cash, Cash Equivalents and Short-Term Investments	\$ 14.3	\$ 9.5	\$ 14.4	\$ 52.2	\$ 51.6
Stockholders' Equity	\$ (19.3)	\$ (14.0)	\$ 5.5	\$ 87.1	\$ 92.9
Subscribers*	894	1,563	2,275	2,885	3,660
Employees at End of Period	245	263	406	596	630

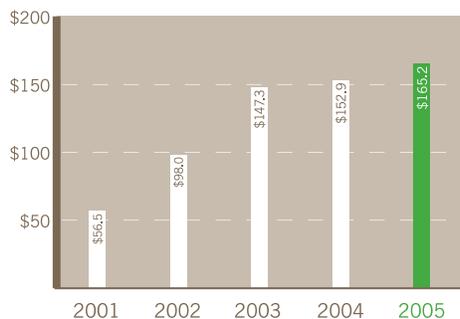
* in thousands

** actual value

*** Subscription revenue, net of marketing and commissions associated with subscription revenue, is a non-GAAP financial measure that we believe is important to investors and one that we utilize in managing our business as it normalizes the effect of changes in the mix of indirect and direct marketing arrangements.

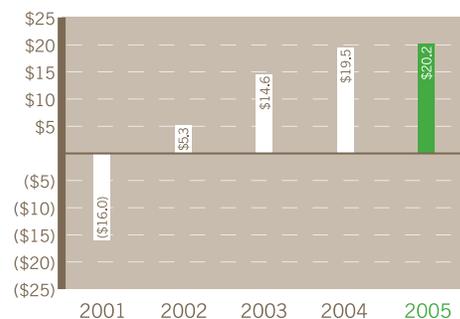
REVENUE

\$ in millions



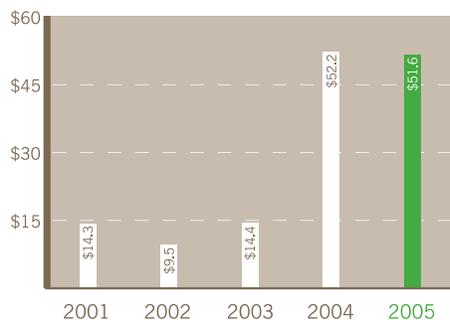
INCOME BEFORE INCOME TAXES

\$ in millions



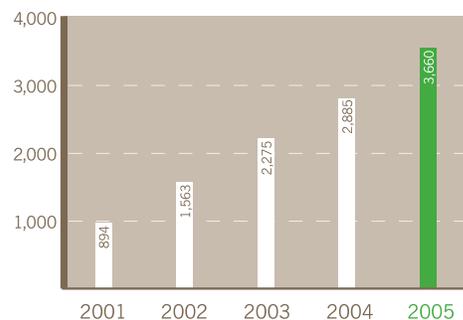
CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

\$ in millions



SUBSCRIBERS

in thousands



TO OUR SHAREHOLDERS

Last year was our first full calendar year as a public company and we are pleased to have met many of our important goals for the year. We achieved solid 2005 financial results adding new subscribers, selling our products through new channels and expanding our product offerings, while meeting client and customer expectations for quality service and comprehensive solutions. In 2005 our revenue grew to \$165.2 million and we earned \$.70 per share. We continue to generate a significant amount of cash flow. Our year-end balance of cash and short-term investments was \$51.6 million, which was achieved after expending \$8.6 million for the repurchase of shares. Most notably, our total subscriber base at the end of 2005 was approximately 3.7 million, a nearly 27 percent increase over subscribers at the end of 2004. We were able to meet our objectives for subscriber growth by remaining focused on our core business, while continuing to build long-term value for our shareholders.

Although we were disappointed with the loss of a longstanding partner, we are pleased with the number of new client additions in 2005. In 2005 we welcomed two more major national banks as clients. These programs have commenced and we are pursuing other business opportunities.

We also launched a program with one of the largest retailers serving the consumer and small business markets. As we move into 2006, we are pursuing other new channel opportunities and plan to expand our business in these untapped market segments. Identity theft and related fraud is a nationwide- and worldwide-issue affecting customers of banks, insurance companies, travel companies, retailers, technology companies and others. The use of our services to enhance client/customer relationships is no longer limited to credit card issuers.

In 2005 we announced the extension of our assistance services for the Identity Theft Assistance Center (ITAC), an initiative of the Financial Services Roundtable. The feedback we are receiving from many of the financial industry executives and managers participating in this program has been positive, and reinforces our belief that ITAC and our breach mitigation services will continue to provide incremental value and build awareness of our capabilities in the enterprise space.

We are also very pleased with the progress being made by American Background Information Services, Inc. (ABI), a company that we acquired in late 2004. ABI is a provider of pre-employment background screening, a market segment that continues to experience significant growth.

More important than where we have been, of course, is where we are going. We have an exciting year ahead of us in 2006. We are committed to managing our business for long-term growth and we believe that we are well-situated to accomplish this goal.

Over the past year, we positioned our company to leverage a broader consumer awareness of identity theft issues, and increasing the availability of meaningful data to create and offer new and cost effective services to meet the fraud challenges consumers face. We made organizational changes to support anticipated growth and continued innovation in our consumer and small business services. We also created new strategic relationships to drive a product creation strategy that will help us enter new—and further penetrate existing—markets.

We believe 2006 will be a critical year for Intersections Inc. We will pursue a strategy of improving the long-term value of the company by utilizing our primary assets including reputation, liquidity, infrastructure, income stream and product innovation. The goal is to take advantage of opportunities to profitably grow such that the risks are carefully managed and are outweighed by the incremental value to the company.

Our strategy is built around several separate, but complementary initiatives. Each of these initiatives uses the infrastructure of our core business, utilizes our knowledge of fraud and credit, and extends our business opportunities in areas related to our core business. We feel this is the right direction to take our company, and that we are well-positioned to pursue these initiatives.

First, we launched our new fraud protection service and our small business service and began actively marketing both in early 2006. We also launched our new Spanish-language credit products in 2006.

We expect our technology investments of the last two years to improve the speed and effectiveness of our **product development** activities in

2006 and beyond. In introducing products we recognize the need to balance the requirements of our core private label clients against the development of new products.

Second, our goal is to increase the number of subscribers and the profitability of our core private label business by focusing on **new client creation** and cost management. The creation of new clients and channels has been part of our strategy over the past couple of years. Our efforts include increasing the amount of direct subscribers in our private label business. In 2005 we established our first internal sales force, which we expect to produce positive results in both traditional and non-traditional markets.

Reducing the cost per subscriber is a major objective over the next eighteen months. We intend to achieve this by keeping overhead flat while continuing to grow the subscriber base as quickly as possible. This is not intended as a cost reduction program, but rather an initiative to maximize scale efficiency.

Third, we plan to expand our consumer products into the consumer direct market. We have been testing consumer direct services for over a year. These efforts have resulted in the creation of customers at profitable costs per subscriber acquired. Our initial successes have convinced us that we can convert what we have learned into a full scale business that reduces our concentration risks, increases our margin per subscriber, reduces the time to market for new products, and provides a venue to explore new product ideas.

In 2006 we will launch our expanded consumer direct services in four areas: incremental marketing of credit and identity theft protection services, Hispanic marketing of credit and identity theft protection services, marketing of our new fraud protection services and marketing of our new small business services. We expect to market these services through multiple channels, including: web keyword marketing, web ad placement, outbound and inbound telemarketing, and for certain products, direct mail and television. In essence, we are pursuing a series of consumer direct services and campaigns aimed at creating a diversified direct-to-consumer strategy.

Our objective is to market many of these services with rates of return comparable to what we have earned in our historical direct business. Specifically, we will target a **50 percent internal rate of return** over a five year period on our direct response marketing dollars. Importantly, we have the ability to manage each of the various channels and products independently, thereby limiting our risk.

We believe the long-term upside of this program is significant. If we are successful, the direct-to-consumer initiative will likely have a negative impact on earnings in 2006, just as direct marketing has an upfront cost impact on our private label business. However, if successful, this program represents a significant avenue for value creation.

Fourth, over the past two years we have spent significant time looking at **fraud in transactions between consumers and businesses**, determining the marketplace's needs, and assessing the available solutions. Through market research and discussions with potential clients it became clear that a comprehensive fraud prevention solution is not available in the market today, or on the horizon. We are continuing to research and study this opportunity and plan to make a decision on whether to invest in this arena.

Finally, the globalization of information processing, tele-centers and banking has created a changing environment in the world of **background screening** with the expectation of significant growth in the use of these services internationally. Today, the United States represents a \$3 billion market for screening, while the United Kingdom represents less than a \$100 million market and the Far and Near East represent a fraction of the UK marketplace.

We are currently exploring avenues to significantly enhance and grow our background screening activities, currently conducted through ABI. We believe this provides a strong opportunity to build a world class international business over the next five years.

These five strategic initiatives provide a roadmap by which we will conduct business over the next year with the ultimate long-term goal of achieving continued profitability and growth in earnings per share resulting in value creation for our shareholders.

There are several elements of this plan that are subject to external factors, and we cannot ensure success in all of our efforts. Accordingly, the plan is based on continuous monitoring of successes and external influences to manage our business flexibly and create shareholder value.

Executing a strategic plan that by design reduces earnings in the current year is not an easy decision. We believe pursuing our plan provides an opportunity for substantial long-term value enhancement without jeopardizing our base business and provides a mechanism to reduce the concentration risks associated with our current business model.

We are very excited about 2006 and believe the steps we are taking will position us for continued and diversified growth that will reward our shareholders.

Thank you for your continued support.



MICHAEL R. STANFIELD
Chairman and Chief Executive Officer

BOARD OF DIRECTORS

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Chief Financial Officer
Sentinel Business Systems, Inc.

Thomas L. Kempner
Chairman and Chief Executive Officer
Loeb Partners Corporation

David A. McGough
President and Chief Executive Officer
Digital Matrix Systems, Inc.

Norman N. Mintz
Vice President and Managing Director
Loeb Partners Corporation

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Wilson Connexions, LLC

PRINCIPAL OFFICERS

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Chairman and Chief Executive Officer

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President, Consumer and Small Business Solutions

Charles P. Garner
Executive Vice President, Strategic Initiatives and
Chief Marketing Officer

John M. Casey
Executive Vice President and Chief Financial Officer

Neal B. Dittersdorf
Chief Legal Officer

George K. Tsantes
Executive Vice President and Chief Technology Officer

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The Company's earnings releases, SEC filings and other financial reports are also available at www.intersections.com. This information, along with press releases, is typically available promptly after issuance. In addition, shareholders may also register for automatic e-mail notifications of SEC filings, releases and events by visiting the Web site and following the instructions under the Investors menu item titled "E-mail Alerts."

ANNUAL MEETING OF SHAREHOLDERS

Intersections' Annual Meeting of Shareholders will be held at 11:00 a.m. Eastern Time on Wednesday, May 24, at the Washington Dulles Airport Marriott, 45020 Aviation Drive, Dulles, Virginia. Shareholders of record as of March 30, 2006, are eligible to vote.

STOCK LISTING

Shares of Intersections Inc. are traded under the symbol "INTX" on the Nasdaq National Market[®]. Price information can be viewed at www.intersections.com.

SHAREHOLDER ACCOUNT INQUIRIES

To expedite changes of address, the transfer of shares, the consolidation of accounts or the replacement of stock certificates, shareholders are asked to contact the Company's stock registrar or transfer agent directly. Please contact your broker if your shares are held in a brokerage account.

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SAFE HARBOR STATEMENT

Statements in this Annual Report relating to future plans, results, performance, expectations, achievements and the like are considered "forward-looking statements." Those forward-looking statements involve known and unknown risks and are subject to change based on various factors and uncertainties that may cause actual results to differ materially from those expressed or implied by those statements. Factors and uncertainties that may cause actual results to differ include, but are not limited to, the risks disclosed in the Company's filings with the U.S. Securities and Exchange Commission, including the enclosed Form 10-K. The Company undertakes no obligation to revise or update any forward-looking statements.



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