# 2nd Quarter 2011 Investor Update August 9, 2011

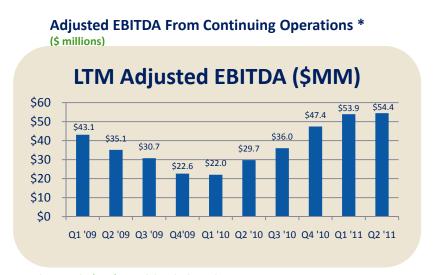
# **Intersections Corporate Overview**

Statements in this presentation relating to future plans, results, performance, expectations, achievements and the like are considered "forward-looking statements." These 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 these 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. The company undertakes no obligation to revise or update any forward-looking statements.

### **About Intersections Inc.**

Intersections Inc. (Nasdaq: <u>INTX</u>) is a leading provider of consumer and corporate identity risk management services. Intersections' services are offered through North America's leading financial institutions, directly to consumers under Intersections' award-winning IDENTITY GUARD® brand, and through the company's exclusive partnership with ITAC, <u>the Identity Theft Assistance Center</u>. Since 1996, Intersections has protected the identities of more than 33 million consumers.

| Fast Facts                   |                      |
|------------------------------|----------------------|
| Founded:                     | 1996                 |
| NASDAQ Symbol:               | INTX                 |
| Headquarters:                | Chantilly, VA        |
| Employees:                   | 1,000                |
| Consumers Protected To Date: | More than 33 million |



<sup>\*</sup> Latest Twelve Months (LTM) consolidated adjusted EBITDA from continuing operations before share related compensation.

### **Investor Relations Update**

- ▶ Presented at the Stephens Spring Investor Conference on May 25, 2011. The presentation can be viewed at www.intersections.com under the Investor & Media section.
- ▶ On August 2, 2011 announced a 33% increase to the company's regular quarterly cash dividend on its common stock to \$0.20 per share. The dividend will be paid on September 9, 2011 to stockholders of record at the close of business on August 31, 2011. This is the fifth consecutive quarter Intersections has paid a quarterly dividend.
- ▶ We currently have \$20 million authorized by our Board of Directors for future stock repurchases.
- ► Intersections is scheduled to present at Imperial Capital's 5<sup>th</sup> Annual Global Opportunities Conference at the Grand Hyatt New York on October 6, 2011. The presentation will be webcast live and available for replay on our website www.intersections.com.



### **Consolidated Highlights**

- ▶ Revenue for the second quarter of 2011 was \$94.1 million, representing a 2.1 percent increase from the same quarter last year and an increase of over 4 percent from the first guarter of 2011.
- ► For the second quarter of 2011 adjusted EBITDA before share related compensation was \$14.4 million, an increase of 3.8 percent compared to the second guarter of 2010 and an increase of over 10 percent from the first quarter of 2011. This was a record for Quarterly adjusted EBITDA. Adjusted EBITDA for the last twelve months ended June 30, 2011 was \$54.4 million.
- ► Income from continuing operations was \$5.2 million, or \$0.28 per diluted share, compared to \$4.8 million, or \$0.27 per diluted share for the second guarter of 2010.
- ► For the first six months of 2011 Intersections generated \$11.5 million from cash flow provided by operating activities.



#### Results Overview – Consumer Products & Services (CP&S)

- ► The CP&S segment accounted for substantially all consolidated revenue and generated all of our consolidated adjusted EBITDA in the second quarter of 2011.
- ► CP&S revenue for the second quarter of 2011 was \$93.3 million, a increase of 2.0 percent from the second quarter of 2010.
  - The increase came principally from subscribers transitioned to Intersections from a new, large indirect client
- ➤ The \$524 thousand increase in consolidated adjusted EBITDA in the second quarter of 2011 compared to the same quarter last year was primarily driven by the following CP&S changes:
  - O Marketing was lower due primarily to the reduction of marketing leads from a large direct client and lower media testing for our IDENTITY GUARD® brand
  - o Commission expenses decreased due largely from the reduction in pre-paid commissions
  - These were offset by higher data costs from one credit bureau, higher payments for non-credit data, and higher fixed costs to support expected growth – all in our Cost of Revenue line
  - G&A before share related compensation was also higher to support new program development and ongoing investments in eCommerce
- ▶ We launched two new important programs in the second quarter of 2011:
  - An indirect relationship with a new, large financial institution client, which included transitioning their customer base to Intersections
  - A new partnership to provide advanced identity theft protection services to the customers of Comcast

#### Year End 2011 Guidance\*

- ► Low single digit revenue growth in 2011 over 2010, driven by:
  - New revenue sources, e.g., the new large indirect client who transitioned to Intersections in 2Q
     2011 and other new programs starting in 2011 which we expect to ramp over the next few years
  - Organic growth from direct to consumer and several existing clients
  - New products and new channels launching with key clients in 2011
  - Offset by reduced marketing leads from a large direct client, and changes in customer billing practices by certain of our clients as a result of federal regulatory agency oversight which we expect to limit our revenue growth for balance of 2011
- ► Mid single digit Adjusted EBITDA before share related compensation growth in 2011 over 2010, due to:
  - Higher margin contribution from existing clients and direct to consumer, in part as a result of lower marketing and pre-paid commission expenses
  - Contribution from the new revenue sources mentioned above
  - Offset by higher data costs from one credit bureau and ongoing investments in IT needed to grow the business and roll out our new eCommerce platform across all clients
- ► 2011 continues to be a year of absorbing new relationships, continuing profitability from existing business and positioning our company for further growth and profitability in the years ahead



<sup>\*</sup> Guidance as of August 9, 2011