

**15 Million Consumers...
169 Million Transactions...
\$7 Billion in Revenue...**

Only Entertainment.

Client Meeting, Date





The InterActive Family

Memberships

match.com[®]

update.com



INTERVAL
INTERNATIONAL[®]
THE QUALITY VACATION EXCHANGE NETWORK™

Media & Advertising

Ask Jeeves[™]

eVite[™]

Citysearch

IAC InterActiveCorp

Retailing

HSN gifts.com

AMERICA'S STORE

LIVE sonnenklar TV
Ihr Ferienfernsehen.

Improvements[®] EUVIA Media AG

Cornerstone Brands, Inc.

Travel

Expedia, Inc.

CLASSIC
CUSTOM VACATIONS
hotels.com

Hotwire.com

tripadvisor

Services

ticketmaster

TICKET WEB

reserve america

LendingTree[®]

getsmart[®]

RealEstate.com
brought to you by LendingTree

ServiceMagic.com

PRC iNest

domania

entertainment

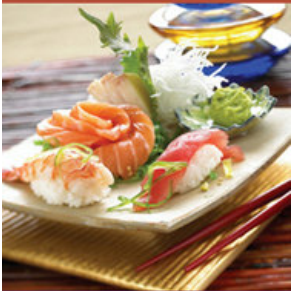


Company Overview

World's Leading Brand of Value and Savings

- In business since 1962
- Value in 155+ North American Markets
- National, regional and local value and savings provided through:
 - 65,000 merchant partners
 - 240,000+ local merchant locations
- Over 6 million Entertainment books distributed nationwide each year
- Over 200 million transactions generated
- Raises more than \$90 million annually for local charities, schools, and community groups
- A wholly owned subsidiary of IAC/InterActiveCorp company



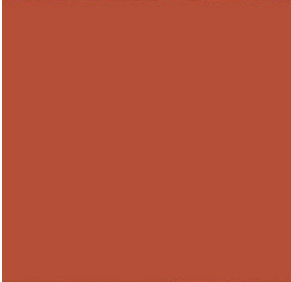


Prime Targets:

A Look at our Demographics

- Base demographic - 25-54
- Mean income - \$71,000
- College educated- 80%
- Has / uses a credit card - 93%
- Internet Access - 79%
- Own their own home - 90%
- Median home value - \$142,000
- Traveled domestically on vacation in the last 12 months - 84%
- Would recommend Entertainment offers to a friend - 84%





Coupon Usage

- 3 of 4 US consumers use coupons.
- Manufacturers offered more than \$300 billion in coupons in 2004.
- Shoppers saved more than \$3 billion in 2006 by using coupons.
- Nearly half of retailers reported offering shoppers some form of a bonus coupon program in 2006.

THE SHARPER IMAGE

Save When You Shop
At America's Favorite
Store For Unique and
Original Gifts

THE SHARPER IMAGE
Save up to \$50.00

Save \$10 Off Any Purchase of \$50 or More Or
\$50 Off Any Purchase of \$250 or More
from The Sharper Image Stores, Catalog and Web Site

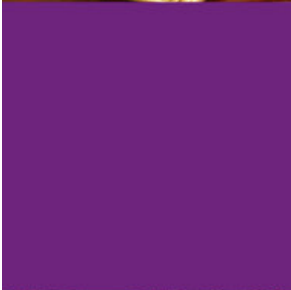
The Sharper Image® shares the fun of discovering innovative products that make life better and more enjoyable. As America's premier specialty retailer, The Sharper Image® is a great place to go for gifts and products for the home, office and travel. **POS CODE: EB A5**
See reverse side for details

THE SHARPER IMAGE
Save up to \$50.00

Save \$10 Off Any Purchase of \$50 or More Or
\$50 Off Any Purchase of \$250 or More
from The Sharper Image Stores, Catalog and Web Site

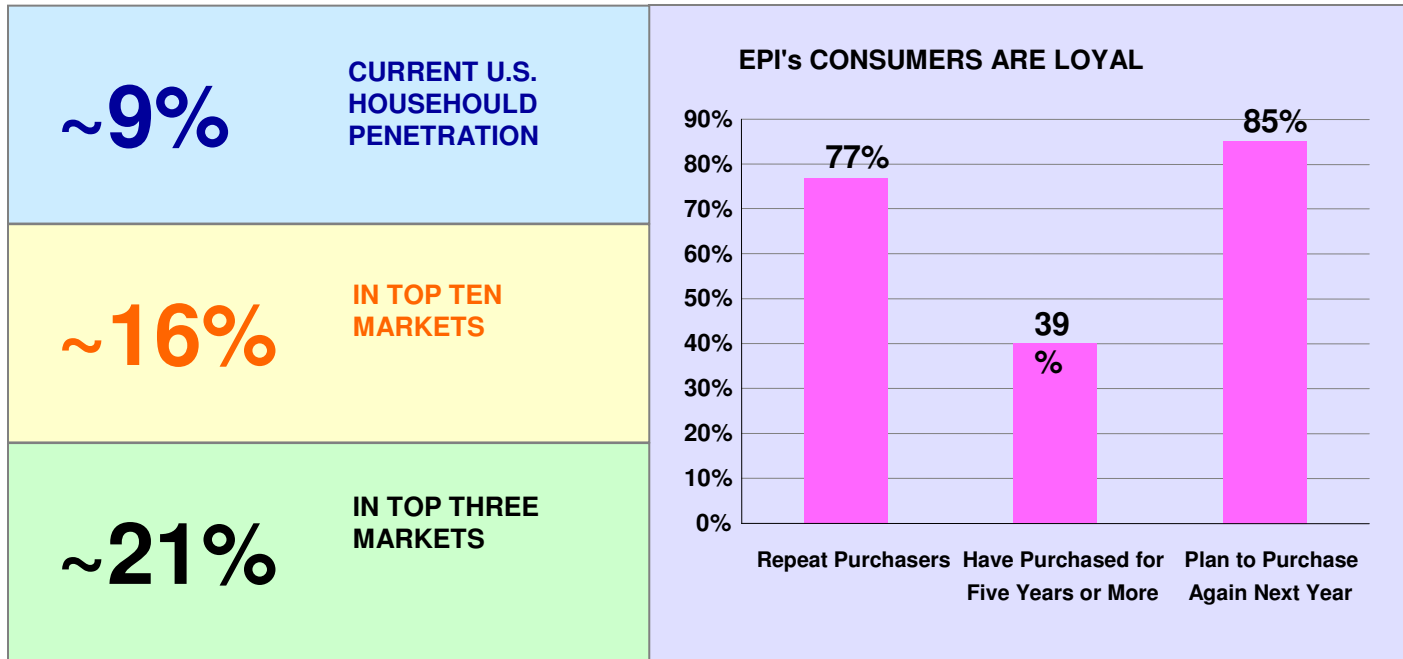
The Sharper Image® shares the fun of discovering innovative products that make life better and more enjoyable. As America's premier specialty retailer, The Sharper Image® is a great place to go for gifts and products for the home, office and travel. **POS CODE: EB A6**
See reverse side for details

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Our Position

Solid Household Penetration & Loyal Customers



Source: 2001 RUF Study; Internal Sales Data

Source: 2002 EPI Attitude & Usage Study





Impressive Usage and Redemption Statistics



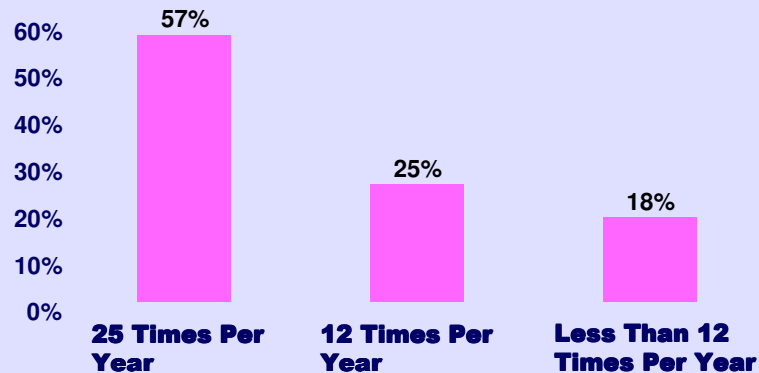
EPI Consumers Drive \$7 Billion in Annual Sales

CONSUMERS:

MERCHANTS:

**Save Money Through Significant Usage:
Consumers Redeem OVER 25 OFFERS Per Year**

How Often Do You Redeem Offers in the Entertainment Book?



**MERCHANT
RENEWAL RATE
85%**

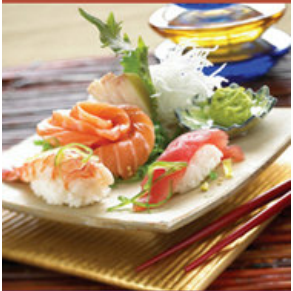
Source: 2002 EPI Attitude & Usage Study

Source: Company estimate



The Power of the Entertainment Network

- Generated over \$300 million for airlines, hotels, rental cars and cruise lines annually
- Generated over \$15 million for just one female apparel promotion annually
- 600 Dining Gift Cards sold monthly — even during off-peak season
- 3% redemption for superstore domestics retailer





Advantage to Our Partners

- **Low-cost distribution**
 - Pay for performance options—
upfront and/or commission payment structure
- **Highly target customer**
 - We control distribution of your promotional offers specifically to value-responsive families
 - Opportunity to deliver brand advertising to active shoppers
- **Ability to create cross-promotions with other IAC companies**
 - Leverage IAC and custom channels for additional online distribution
- **Push last-minute inventory online**
- **Customers can link directly to your website**





The Entertainment Book®

Years of Success Speaks Volumes



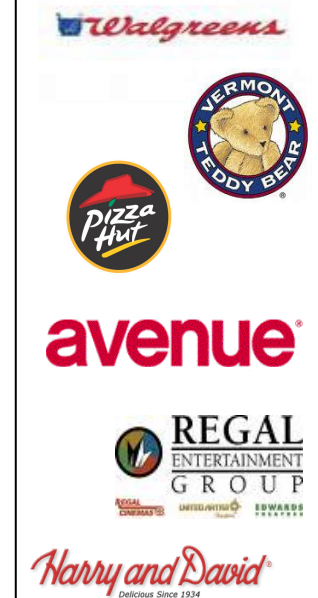
Over 10 Years



5 to 10 Years

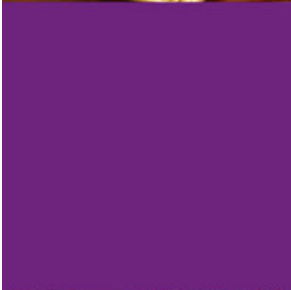


4+ Years



2+ Years

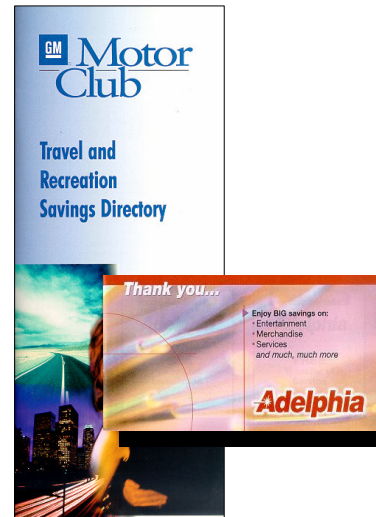




Promotional Network



Print Publications
non-profit campaigns,
Barnes & Noble, Target...

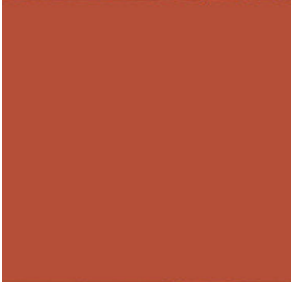


Fortune 1000 Corporations
Private Label Programs



Digital Publications
Entertainment.com/Emails

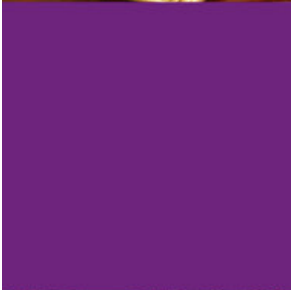




Entertainment® Book

- 155+ U.S. editions featuring 50% off discounts
- More than 6 million books purchased each year
- Members use their book an average of 25 times per year to make a purchase decision
- Redemption rates are highest with our book distribution channel





Markets Served

Alabama

Birmingham

Arizona

Phoenix
Tucson

Arkansas

Little Rock

California

Bakersfield
East Bay
Fresno/Central Valley
Lake Tahoe/Reno
Los Angeles West
Modesto/Stockton
Monterey Peninsula
Orange County
Riverside/Palm Springs/Inland Empire
Sacramento/Gold Country
San Diego
San Fernando Valley
San Francisco/San Mateo County
San Gabriel Valley
San Jose/Santa Clara County
Santa Barbara
Solano/Napa Counties
Sonoma/Marin County

Colorado

Colorado Springs
Denver
Fairfield County
Hartford/Northern CT
New Haven/New London

Connecticut

Fairfield County
Hartford/Northern CT
New Haven/New London

Delaware

Delaware

Florida

Brevard County
Ft. Lauderdale/West Palm Beach
Ft. Meyers/Maples
Gainesville
Jacksonville
Martin/St. Lucie
Miami/Florida Keys
Orlando
Pensacola
Sarasota
St. Petersburg/Clearwater
Tampa

Georgia

Atlanta
Augusta

Hawaii

Hawaii

Idaho

Boise

Illinois

Central Illinois
Chicago North/Northwest
Chicago South/Southwest
Chicago West/Central

Indiana

Ft. Wayne/Northeast Indiana
Indianapolis/Central Indiana
Northwest Indiana
South Bend/Michiana

Iowa

Des Moines
Quad Cities

Kansas

Kansas City
Wichita

Kentucky

Lexington
Louisville/Southern Indiana

Louisiana

Baton Rouge
Lafayette
New Orleans

Maryland

Baltimore
Washington, D.C./MD

Massachusetts

Boston North
Boston South
Central MA/Worcester
Western MA/Springfield

Michigan

Detroit Area
Grand Rapids
Saginaw/Bay City/Midland

Minnesota

Twin Cities Happenings
Twin Ports Happenings

Mississippi

Jackson
Missouri
Kansas City
Springfield/Branson
St. Louis

Nebraska

Omaha

Nevada

Las Vegas
Reno/Lake Tahoe

New Hampshire

Southern New Hampshire

New Jersey

Central/Middlesex
Central/Monmouth
North/Bergen
North/Essex
North/Morris
N.J. South

New Mexico

Albuquerque/Santa Fe

New York

Albany
Binghamton
Buffalo
Cortland/Ithaca/Elmira
L.I./Nassau/Suffolk
Mid-Hudson Valley
New York City
Rochester
Syracuse
Utica/Roma
Westchester/Lower Hudson Valley

North Carolina

Charlotte
Fayetteville
Greensboro
Raleigh/Durham

Ohio

Akron
Canton
Cincinnati Area
Cleveland and East
Cleveland and West
Columbus/Central Ohio
Dayton/Springfield
Toledo/Northwest Ohio/Southeast MI
Youngstown

Oklahoma

Oklahoma City
Tulsa

Oregon

Oregon
Portland/Vancouver

Pennsylvania

Erie
Harrisburg
Lancaster/York
Lehigh Valley
N.E. Pennsylvania/Poconos
Philadelphia North
Philadelphia West
Pittsburgh
Pittsburgh and East
Reading/Pottsville

Rhode Island

Providence

South Carolina

Charleston
Columbia
Greenville/Spartanburg

Tennessee

Memphis
Nashville
Tri-Cities

Texas

Austin Passbook
Corpus Christi
Dallas Passbook
El Paso
Ft. Worth Passbook
Houston
San Antonio

Utah

Utah Happenings

Vermont

Vermont

Virginia

Norfolk/VA Beach
Richmond
Roanoke
Washington D.C./N. VA

Washington

N. Puget Sound
S. Puget Sound
Seattle Area
Spokane/Inland Empire

West Virginia

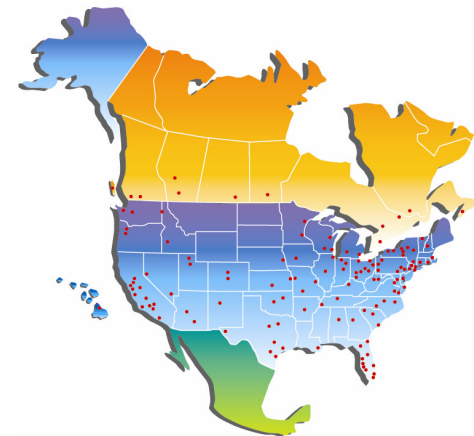
Charleston
Huntington

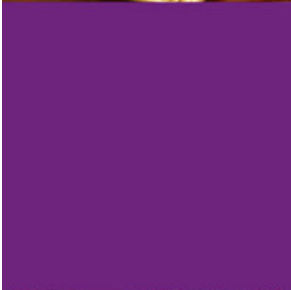
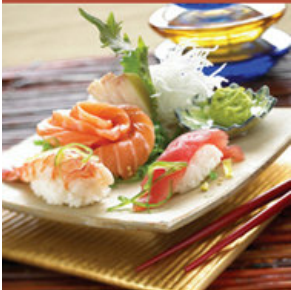
Wisconsin

Appleton/Green Bay
Madison
Milwaukee

Canada

Calgary
Edmonton
Halifax
Hamilton/Burlington/Oakville
Montreal et environs
Okanagan
Ottawa/Outaouais
Saskatchewan
Toronto Area
Vancouver
Vancouver Island
Winnipeg





Custom Programs

- Entertainment's Partnership Marketing Division specializing in private label programs matched to our partner's marketing objectives.
- Several options to deliver targeted consumer savings
 - Coupon book
 - One-to-one newsletters
 - Private-label savings & loyalty card
 - Customized online programs





Entertainment.com

5.7MM visits monthly



- Member Only site for consumers who have purchased the printed Entertainment® book or a standalone online membership
- Offers can be accessed by our members via click-through and/or printable coupons
- Flexibility to change offer content on a monthly basis
- Feature great deals on the Member Home Page



The screenshot shows the Entertainment.com website interface. At the top, there's a navigation bar with 'entertainment.com' logo, 'ONE. SHOP. TRAVEL. SAVE.' tagline, and user account information for 'Robert'. Below the navigation bar, there's a 'MY TOTAL SAVINGS \$17.00' section. The main content area is divided into several sections: 'Most Popular', 'My Saved Offers', 'My Recently Viewed', 'My Recommendations', 'What's New' (featuring 'Our Top 5 Italian Dining Discounts Near You' with a list of restaurants and their respective discounts), 'This week's must-have deals' (including USA Today, Target, and Home Depot), 'Get \$6 Movie Tickets!' (featuring Regal, AMC Theatres, and Loews Cineplex), 'Planning a Trip?' (featuring United, Hertz, and Radisson), and 'Save 50% on dinner tonight' (featuring Family, Asian, Take-out, and Italian).



Email Distribution to Exclusive Membership

Targeted “Theme-mails” to 2.7 Million Entertainment Members:

Monthly email campaign tied to a seasonal theme:

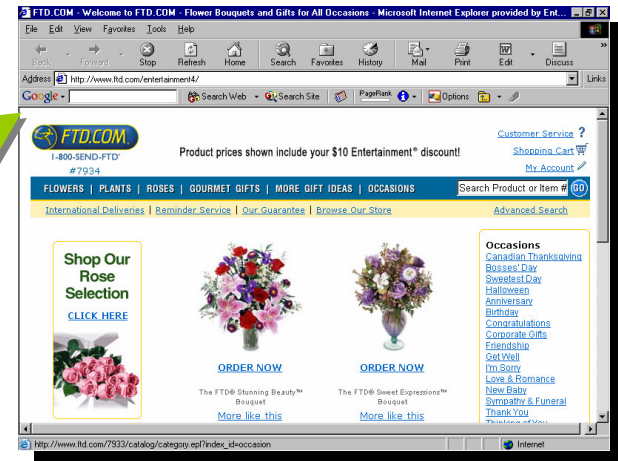
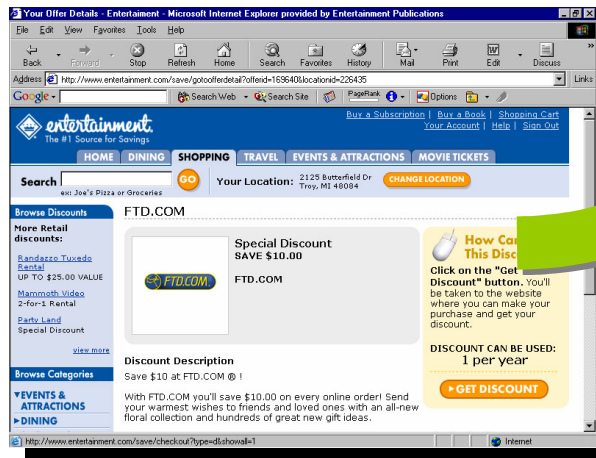
- April Mother’s Day
- May Summer Travel
- June Father’s Day
- July Summer Fun
- August Back to School
- September Fall
- October Holiday Travel
- November Thanksgiving
- December Christmas





Click-Through Offers

Link from Entertainment.com or a corporate private-label site to YOUR e-commerce site.





What Entertainment Partners have to say about us...

“Advertising with Entertainment gives us an effective way to make a wide range of value-added offers available to millions of potential customers whenever they need to select a rental car company.”

— P. James Moskel, Hertz
Director Membership Programs & National Accounts



“Not only a new customer acquisition vehicle, Entertainment is a successful way for us to increase customer order frequency. The turn-key approach to service is a plus”

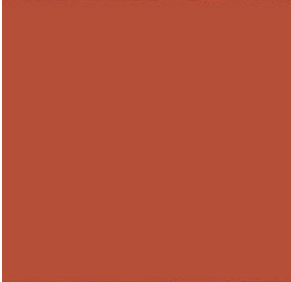
— Julie Evans, Omahasteaks.com
Sales Manager



“Ad placement in the Entertainment® book drives new customers into the Sharper Image stores, our catalog and website. The offer has proven an effective way to increase average spending while serving as a loyalty component year after year. Importantly, we can track the results of the Entertainment program and effectively measure our return on investment”

— Roger Bensinger, Sharper Image Corporation
Vice President, Business Development





What Entertainment Partners have to say about us...

“The Entertainment Book is an excellent acquisition tool. This program gives us the opportunity to reach audiences that FTD does not traditionally target.”

— *Leslie Smithers, FTD*



“Business growth directly attributed to Entertainment programs has far surpassed our expectations.”

— *James D. Krapf, Avis
Vice President, Group Sales*

