



 **INTERSECTIONS INC.**
NASDAQ:INTX

Innovating to protect
WHAT'S IMPORTANT TO YOU

Stephens Spring Investment Conference

June 5, 2013

 **INTERSECTIONS INC.**

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.

Agenda

- **Strategic Overview**
- Financial Review



About Us

Since 1996, Intersections has been the **leading provider of consumer identity theft protection** solutions.



- ▶ More than **35 million consumers** protected
- ▶ Our Platinum product awarded first place as **best overall product** by “demonstrating across-the-board **excellence in service and quality**”*
- ▶ **Preferred partner** to the financial services industry, ISP’s, Insurance Agencies, and Retailers
- ▶ Trailing 12 month **Revenue of \$339.6 million****
- ▶ Trailing 12 month **Adjusted EBITDA** before share related compensation **of \$52.3 million****
- ▶ **NASDAQ listed** (Ticker: INTX) since 2004

*According to Javelin’s Sixth Annual ID Protection Services Scorecard (October 2012) valuation of Identity Guard Platinum product.

**As of the Quarter ended March 31, 2013. Consolidated adjusted EBITDA before share related compensation and non-cash asset impairment charges. Excludes non-cash share based compensation and cash dividend equivalent payments.

What Is a Comprehensive Identity Theft Protection Product?

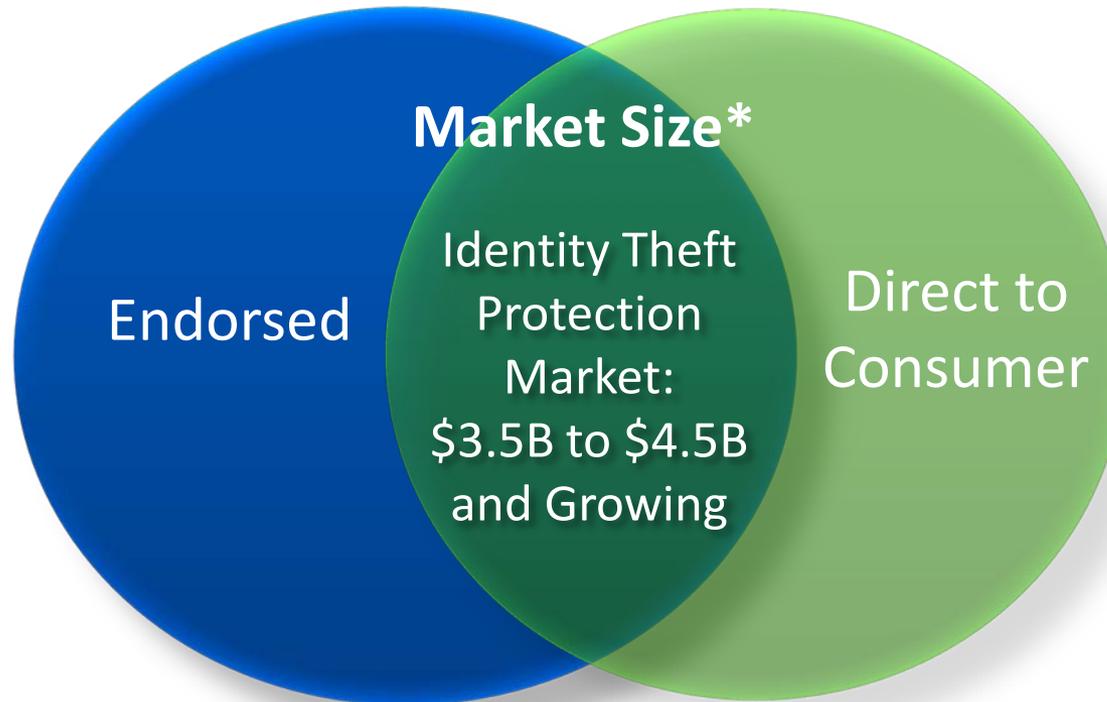
The screenshot displays the Identity Guard dashboard for a user named Bob. The dashboard is organized into several sections:

- Header:** Includes the Identity Guard logo, navigation links (HOME, CREDIT, INTERNET, COMPUTER, ON-THE-GO, MESSAGE CENTER), and user account options (My Account, Get Support).
- Welcome Message:** A personalized greeting for Bob, last logged in on January 1, 2011, with a brief introduction to the service.
- Messages:** A list of recent service notifications, including "New activity detected", "Change in Delivery Method", and "Contact Information Update".
- Your Plan:** A section titled "Total ProtectionSM" showing the status of various services: Credit Protection (ACTIVE), Internet Protection (ACTIVE), Computer Protection (IN PROGRESS or NEED ATTENTION), and On-The-Go Protection (ACTIVE). Each service has a list of features and their status (e.g., Credit Report, Credit Score, Credit Monitoring).
- Current Credit Score:** A summary of credit scores from three bureaus: Equifax (670, Fair), Experian (655, Weak), and TransUnion (675, Fair).
- Account Center Quick Links:** A sidebar with links for "Get Started Guide", "Junk-Mail Removal", "Credit Tools", "Resolve an Issue", "News & Education", and "Insurance Coverage".
- Bottom Promotions:** Two promotional banners: one for a "3-in-1 Credit Report with All 3 Scores" for \$14.95, and another for "KIDSure Child Identity Theft Protection" for \$4.99/mo. per child.

Consumer Benefits May Include:

- ▶ Credit Monitoring Component
 - Customized 1B or 3B Credit Reports and Credit Scores
 - Daily, monthly, and quarterly monitoring of credit files by one or all 3 Bureaus: Equifax, Experian & TransUnion
- ▶ Alternative Data Monitoring
 - Threat assessment via public record information, new account openings, exposed data on the internet, etc.
- ▶ Antivirus, Anti-Keylogging, and other Software Tools
- ▶ Credit Education
- ▶ Identity Theft Insurance
- ▶ Access to a financial services industry sponsored non-profit that assists identity theft victims

Identity Theft Protection Market Overview



The Identity Theft Protection Services industry is estimated for an additional 4.2% increase in 2013 after revenue growth of 4.6% in 2012**

*Market Size based on internal estimates, with \$4.0 billion referenced in Javelin's Sixth Annual ID Protection Services Scorecard (October 2012).

** According to IBIS World Industry Report *Identity Theft Protection Services in the US* report, November 2012

The Two Identity Theft Protection Sectors Are Very Different

	Bank Endorsed	Consumer Direct
Overall Promise	Credit Protection	Personal Protection
Feature Set	Extensive	Limited
Branding	White Label	Self-Branded
Operational Oversight	Significant	None
Print Capabilities	Highly Secure	None
Operational Customization	Significant	None
Marketing	Phone and Mail	Web and Media
Cost to Acquire Customers	Low	High

The most successful direct to consumer providers of identity theft protection products aggressively market limited feature products at low prices to a mass audience.

The Identity Theft Protection Markets Are Changing

Regulatory Scrutiny of Bank Marketing Channels

- Multiple regulatory agencies reviewing marketing and operational oversight of “add-on” products by banks
- Reduced marketing opportunities, subscriber cancellations, declining subscriber counts, and declining revenue

Change In Focus of Risk and Concern

- Initial focus of concern was loss of data by financial institutions
- Broader concern today centers on loss of information via the internet
- Emerging threats to privacy via social media and mobile exposure

Broader Consumer Awareness of Issue and Solutions

- Identity theft is still the number one complaint reported to the Federal Trade Commission’s Consumer Sentinel Network for 2012
- Hundreds of millions in advertising spent by competitors to define the industry and increase awareness

Our Strategic Response

Position the Endorsed Business For Renewed Success

- Make necessary investments to keep pace with increasing regulatory expectations
- Shift focus to embedded vs. marketed products
- Develop business in non-banking verticals

Shift Resources Toward Consumer Direct

- Test media marketing response in preparation for larger marketing spend
- Reduce product costs and simplify marketing messages
- Maintain product leadership in emerging threat categories

Diversify Sources of Cash Flow and Value

- Incubating two SaaS based business models
- Developing a new recurring revenue technology and data enabled product category

Agenda

- Strategic Overview
- **Financial Review**



A Legacy of Strong Financial Performance

LTM Revenue*

\$339.6 Million

LTM Adjusted EBITDA**

\$52.3 Million

Capital Returned Since 2010***

\$70.5 Million

Current Dividend Yield****

8.6%

* Latest Twelve Months (LTM) consolidated revenue.

**Latest Twelve Months (LTM) consolidated adjusted EBITDA from continuing operations before share related compensation and non cash asset impairment charges.

Excludes non-cash share based compensation and cash dividend equivalent payments.

*** As of June 2013.

**** Dividend Yield is based on closing price May 30, 2013 of \$9.35.

Our consolidated financial statements, other data and reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures and related notes can be found in the "GAAP and Non-GAAP Measures" link under the "Investor & Media" page on our website at www.intersections.com.



Proactively Managing Through a Challenging Transition

Guidance Provided Earlier in 2013

- Expect revenue to decline 10-15% versus 2012
- Expect adjusted EBITDA to decline 40-50% versus 2012
- Adjusted EBITDA guidance is after approximately \$14 million in investments

Investing For the Future

- Testing media response and reformulating products for consumer direct
- Launched Zumetrics® SaaS business intelligence service in Q1
- Continued growth in Captira Analytical SaaS business offering
- Developing new technology and data based product offering

Strong Q1 Performance

- Revenue down <10% versus Q1 of 2012
- Adjusted EBITDA of approximately \$9.9 million
- Maintained dividend of 20 cents per share

Positioned to Expand Value in the Years To Come

Substantial Legacy Business

- Generates significant cash flow despite recent declines
- High degree of interest outside traditional financial institution client base
- Expect reduced competition for financial institution business going forward

Consumer Direct Opportunity

- Still a growth sector of the industry
- Small, but faster growing part of our overall business
- Proving out the ability to accelerate growth via greater media spend
- Innovation and product launch platform to demonstrate viability before offering to our larger endorsed clients

Strong Financial Position

- Paying 12th consecutive quarterly dividend on June 7, 2013, an effective dividend Yield of 8.6%*
- Ended Q1 2013 with \$20 million in cash and equivalents and no borrowings under our credit facility of \$30 million.
- Cash flow supporting growth investments and dividends

Multiple Value Sources

- Endorsed identity theft protection
- Near term consumer direct opportunity
- Online business intelligence SaaS
- Bail bonds industry SaaS
- New product introductions

*Dividend Yield is based on May 30, 2013 closing price of \$9.35



Thank You

Corporate Headquarters

Intersections Inc.
3901 Stonecroft Boulevard
Chantilly, VA 20151

Toll-free: 800.695.7536

www.intersections.com

NASDAQ : INTX

Investor Relations

Eric S. Miller
Senior Vice President
Corporate Finance and Investor Relations

Tel: 703.488.6100

IR@intersections.com

