

USA INTERACTIVE
Form S-4
January 24, 2003

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As Filed with the Securities and Exchange Commission on January 24, 2003

Registration No. 333-[]

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-4

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

USA INTERACTIVE

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

4833
(Primary Standard Industrial
Classification Code Number)
152 West 57th Street
New York, New York 10019
(212) 314-7300

59-2712887
(I.R.S. Employer
Identification Number)

(Address, including Zip Code, and Telephone Number, including
Area Code, of Registrant's Principal Executive Offices)

USANi LLC

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

6790
(Primary Standard Industrial
Classification Code Number)
152 West 57th Street
New York, New York 10019
(212) 314-7300

59-3490970
(I.R.S. Employer
Identification Number)

(Address, including Zip Code, and Telephone Number, including
Area Code, of Registrant's Principal Executive Offices)

David Ellen
Deputy General Counsel and Assistant Secretary
USA Interactive
152 West 57th Street
New York, New York 10019
(212) 314-7300

(Name, Address, including Zip Code, and Telephone Number,
including Area Code, of Agent For Service)

Copy to:

J. D. Weinberg
Covington & Burling
1330 Avenue of the Americas
New York, New York 10019

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(212) 841-1000

Approximate Date of Commencement of Proposed Sale to the Public: As soon as practicable after this registration statement becomes effective.

If the securities registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Securities Act"), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Calculation of Registration Fee

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share ⁽¹⁾	Proposed Maximum Aggregate Offering Price ⁽¹⁾	Amount of Registration Fee ⁽²⁾
7% Senior Notes due 2013 USANI's Guarantee	\$750,000,000 (3)	100% (3)	\$750,000,000 (3)	\$69,000 (4)

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f)(2) under the Securities Act of 1933, as amended.

(2) Reflects the product of (a) 0.000092 by (b) the book value of the securities to be received by the Registrant in the exchange, in accordance with Rule 457(f)(2) under the Securities Act. Pursuant to Rule 457(p) under the Securities Act, \$10,786.14 of the \$146,049.14 filing fee previously paid in connection with the registration statement on Form S-4 (No. 333-101199) of USA Interactive, filed on November 14, 2002, is being offset against the filing fee due in connection with the filing of this registration statement. Accordingly, a filing fee of \$58,213.86 is being paid in connection with the filing of this registration statement. After such offset, no balance remains from the filing fee paid with Registration No. 333-101199.

(3) No separate fee is payable pursuant to Rule 457(n) under the Securities Act.

(4) No further fee is payable pursuant to Rule 457(n).

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell or issue these securities until the registration statement filed with the Securities and Exchange Commission relating to these securities is effective. This prospectus is not an offer to sell any securities, and it is not soliciting an offer to buy any securities, in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated January 24, 2003

PROSPECTUS

\$750,000,000

Exchange offer of our 7% Senior Notes due 2013 for all of our outstanding 7% Senior Notes due 2013

We are offering to exchange 7% senior notes due 2013 that we have registered under the Securities Act of 1933, as amended, for all our previously issued and outstanding 7% senior notes due 2013. We refer to the notes offered in this registered offering as the "exchange notes" and the outstanding 7% senior notes due 2013 as the "old 7% notes." We refer to the old 7% notes and the exchange notes together as the "notes."

The Exchange Offer

We will exchange all outstanding old 7% notes that are validly tendered and not validly withdrawn for an equal principal amount of exchange notes.

You may withdraw tenders of the old 7% notes at any time prior to the expiration of the exchange offer.

The exchange offer expires at 5:00 p.m., New York City time, on [], 2003, unless extended. We do not currently intend to extend the expiration date.

We do not intend to apply for listing of the exchange notes on any securities exchange or to arrange for them to be quoted on any quotation system.

The Exchange Notes

The terms of the exchange notes will be substantially identical to the old 7% notes, except that transfer restrictions and registration rights relating to the old 7% notes do not apply to the exchange notes.

We will not receive any proceeds from the exchange offer.

The exchange notes, like the old 7% notes, will be unsecured obligations of USA Interactive and will be unconditionally guaranteed by our wholly-owned subsidiary, USANi LLC. USANi's guarantee will terminate whenever the 6³/₄% Senior Notes due 2005 co-issued by USA Interactive and USANi cease to be outstanding or USANi's obligations under such notes and the related indenture are discharged or defeased pursuant to the terms thereof.

You should carefully review the risk factors beginning on page 9 of this prospectus before making an investment decision.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION, NOR ANY STATE SECURITIES COMMISSION, HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is [], 2003.

You should rely only on the information contained in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus is accurate as of the date on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date. Neither the delivery of this prospectus nor any sale made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date on the cover of this prospectus.

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In this prospectus, "USA," "Company," "we," "us" and "our" refer to USA Interactive and its subsidiaries and "USA Interactive" refers only to "USA Interactive," in each case, unless the context requires otherwise. However, for purposes of "Description of Notes," whenever we refer to "USA" or to "us," or use the terms "we" or "our," we are referring only to USA Interactive and not to any of our subsidiaries and, whenever we refer to the "notes," we are referring also to any additional notes issued under the indenture.

In this prospectus, "Securities Act" refers to the Securities Act of 1933, as amended, and "Exchange Act" refers to the Securities Exchange Act of 1934, as amended.

NOTE ON COPYRIGHTS AND TRADEMARKS

Expedia and Expedia.com, among others, are copyrights and trademarks of Expedia, Inc. Ticketmaster, ticketmaster.com, Ticketfast, Citysearch.com and Match.com, among others, are copyrights and trademarks of Ticketmaster. Hotels.com, among others, is a copyright and trademark of Hotels.com. Styleclick and Styleclick.com, among others, are copyrights and trademarks of Styleclick, Inc. Entertainment® Book, among others, is a copyright and trademark of Entertainment Publications, Inc. uDate.com, www.unicode.com and www.kiss.com, among others, are copyrights and trademarks of uDate.com, Inc.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This prospectus and filings with the Securities and Exchange Commission, or the Commission, that are incorporated by reference into this prospectus contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. For those statements, USA claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform

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Act of 1995. These forward-looking statements include, but are not limited to, statements relating to our anticipated financial performance, business prospects, new developments, new merchandising strategies and similar matters, and/or statements preceded by, followed by or that include the words "believes," "could," "should," "expects," "anticipates," "estimates," "intends," "plans," "projects," "seeks" or similar expressions. These forward-looking statements are necessarily estimates reflecting the best judgment of our senior management and involve a number of risks and uncertainties, including those described in the section "Risk Factors," that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions that could have a material adverse effect on our offering of the exchange notes and/or on our businesses, financial condition or results of operations. In addition, investors should consider the other information contained in or incorporated by reference into our filings with the Commission, including our Annual Reports on Form 10-K, as amended, for the fiscal year ended 2001, especially in the Management's Discussion and Analysis section, our most recent Quarterly Reports on Form 10-Q, as amended, and our Current Reports on Form 8-K. Other unknown or unpredictable factors also could have material adverse effects on our future results, performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this prospectus may not occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this prospectus.

You should understand that the following important factors, in addition to those discussed in the documents incorporated in this prospectus by reference, could affect our future results and could cause those results to differ materially from those expressed in the forward-looking statements:

material adverse changes in economic conditions generally or in our markets or industries;

future regulatory and legislative actions and conditions affecting our operating areas;

competition from others;

successful integration of our acquired assets and entities, and divisions' management structures;

product demand and market acceptance;

the ability to protect proprietary information and technology or to obtain necessary licenses on commercially reasonable terms;

the ability to expand into and successfully operate in foreign markets;

obtaining and retaining key executives and skilled employees; and

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other risks and uncertainties as may be detailed from time to time in our and our publicly held subsidiaries' public announcements and filings with the Commission.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or any other reason. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus may not occur.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Commission under the Securities Exchange Act of 1934, as amended, or the Exchange Act. You may read and copy this information at the Commission's public reference room at 450 Fifth

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Street, N.W., Room 1024, Washington, D.C. 20549. Please call the Commission at 1-800-SEC-0330 for further information on the public reference room. Our filings with the Commission are also available to you free of charge at the Commission's website at www.sec.gov.

We have "incorporated by reference" information into this prospectus, which means that we have disclosed important information to you by referring you to other documents that have been filed with the Commission. The information incorporated by reference is deemed to be part of this prospectus, except for any information superseded by information contained directly in this prospectus, and later information filed with the Commission will update and supersede this information. We incorporate by reference the documents listed below and any future filings made by USA Interactive with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of this offering of the notes:

USA Interactive Filings

Annual Report on Form 10-K for the year ended December 31, 2001, as amended by Amendments No. 1 and 2 to the Annual Report on Form 10-K/A;

Quarterly Reports on Form 10-Q for the first quarter ended March 31, 2002, as amended by Amendment No. 1 and No. 2 to the Quarterly Report on Form 10-Q/A; for the second quarter ended June 30, 2002, as amended by Amendment No. 1 to the Quarterly Report on Form 10-Q/A; and for the third quarter ended September 30, 2002;

Definitive proxy statement filed on March 25, 2002;

Definitive proxy statement filed on April 30, 2002;

Definitive information statement/prospectus filed on December 19, 2002; and

Current Reports on Form 8-K and amendments thereto filed on January 29, 2002 (other than Exhibits 99.2 and 99.3); February 12, 2002; March 1, 2002; March 15, 2002; April 24, 2002 (other than Exhibit 99.2); May 17, 2002; June 3, 2002 (announcing USA's intention to commence exchange offers); June 5, 2002; July 24, 2002 (other than Exhibit 99.2); September 20, 2002; September 25, 2002; October 10, 2002 (announcing the pending Ticketmaster merger); October 24, 2002; October 25, 2002; December 6, 2002; December 13, 2002; and January 21, 2003.

Expedia, Inc. Filings

Audited consolidated financial statements and financial statement schedule of Expedia for the six-month period ended December 31, 2001, as set forth on pages F-1 to F-31 of the Transition Report on Form 10-K.

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Information contained on our websites is not part of this prospectus. You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. The information contained in this prospectus is accurate only as of the date of this prospectus and, with respect to material incorporated herein by reference, the dates of such referenced material.

As used in this prospectus, the term "prospectus" means this prospectus, including the documents incorporated by reference, as the same may be amended, supplemented or otherwise modified from time to time. Statements contained in this prospectus as to the contents of any contract or other document referred to in this prospectus do not purport to be complete and, where reference is made to the particular provisions of such contract or other document, such provisions are qualified in all respects by reference to all of the provisions of such contract or other document. We will provide without charge to each person to whom a copy of this prospectus has been delivered, on the written or oral request of such person, a copy of any or all of the documents which have been or may be incorporated in this prospectus by reference (other than exhibits to such documents unless such exhibits are specifically incorporated by reference in any such documents) and a copy of any or all other contracts or documents which are referred to in this prospectus.

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You may request free copies of any or all of these filings by writing or telephoning us at the following address: USA Interactive, 152 West 57th Street, New York, New York 10019, Telephone: (212) 314-7300, Attention: Corporate Secretary.

TO INSURE TIMELY DELIVERY, YOU SHOULD REQUEST THE DOCUMENTS AND INFORMATION NO LATER THAN [], 2003.

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SUMMARY

This summary highlights only selected information from this prospectus and may not contain all the information that may be important to you. To understand the terms of the exchange notes and the guarantee being offered by this prospectus, you should read the entire prospectus and the documents identified under the caption "Where You Can Find More Information."

As used in this prospectus, references to "pro forma" statement of operations refer to our results of operations, for the relevant period, after giving effect to (1) USA's acquisition of a controlling interest in Expedia, Inc., which occurred on February 4, 2002, which we refer to as the Expedia transaction, (2) the exchange of USANi shares for USA shares by Liberty Media Corporation and the cancellation of USANi shares held by Vivendi Universal, S.A., related to USA's contribution of its Entertainment Group to Vivendi Universal Entertainment LLLP, or VUE, which occurred on May 7, 2002, which we refer to as the VUE transaction, (3) Liberty's exchange of all of its Home Shopping Network, Inc. shares for USA shares, which occurred on June 27, 2002, which we refer to as the Home Shopping Network, Inc. exchange, and (4) USA's acquisition of all outstanding shares in Ticketmaster common stock not already owned by USA, which occurred on January 17, 2003, which we refer to as the Ticketmaster merger, as if such transactions had occurred as of the beginning of the periods presented. In addition, our pro forma results of operations for the year ended December 31, 2001, give effect to the combination of Ticketmaster Online-Citysearch, Inc. and Ticketmaster Group, Inc., which occurred on January 31, 2001, which we refer to as the Ticketmaster combination, as if the Ticketmaster combination had occurred as of January 1, 2001. All amounts exclude the results of USA Entertainment Group, which was contributed to VUE on May 7, 2002. See also "The Company Corporate History."

The Company

USA Interactive (Nasdaq: USAI) engages worldwide in the business of interactivity via the Internet, the television and the telephone. USA's multiple brands are organized across three areas: Electronic Retailing, Information & Services and Travel Services. Electronic Retailing is comprised of HSN, America's Store, HSN.com, and Home Shopping Europe and Euvía in Germany. Information & Services includes Ticketmaster, Match.com, uDate (transaction pending), Citysearch, Evite, Entertainment Publications (transaction pending) and Precision Response Corporation. Travel Services consists of Expedia (Nasdaq: EXPE), Hotels.com (Nasdaq: ROOM), Interval International, TV Travel Group and USA's forthcoming U.S. cable travel network.

USANi LLC

USANi LLC is a wholly-owned subsidiary of USA that holds HSN and ECS/Styleclick. USANi is a co-issuer with USA Interactive of \$500 million principal amount of 6³/₄% Senior Notes due 2005 and the guarantor of our old 7% notes and the exchange notes offered in this exchange offer.

Business Strategy

Our businesses generally act as interactive intermediaries between suppliers and consumers, selling multiple brands across various distribution channels. USA's businesses enable billions of dollars worth of transactions via television, the Internet and telephone.

USA is currently focused on interactive commerce, providing transactional services via television and the Internet. USA's goals include improving organic growth, driving online migration, expanding our margins and exploring strategic acquisition opportunities.

Organic growth. Our goal is to achieve industry-leading growth, in part by increasing the number of our active customers, the transaction value of their average orders and the frequency of their purchases. We believe this may be accomplished by

offering, in a convenient manner, a

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growing selection of goods and services. We are also expanding our direct channels of distribution with various suppliers and cable operators and our network of affiliates.

Online migration. We are generally focused on product categories and services that we believe can be scaled online, such as travel, ticketing and personals. For certain products and services, we believe consumers find that shopping online can offer more convenience and greater value compared, for example, to going to stores. We also seek to be a leader in areas where we believe the interactive channel may help expand a particular marketplace overall, such as personals.

Margin expansion. Our travel, ticketing and personals businesses are generally information intensive and have cost structures that are, to a large extent, fixed. As such, we are able to realize higher profit margins on incremental revenue growth. We believe this contributed to the increase in our pro forma EBITDA margin to 13.2% for the nine months ended September 30, 2002, up from 9.5% for the twelve months ended December 31, 2001.

Opportunistic acquisitions. We have made numerous acquisitions in the past and expect to continue to explore acquisition opportunities that we believe make sense strategically and financially. Our publicly traded stock and strong balance sheet provide us with flexibility in pursuing these opportunities. Among other things, we plan to focus on: (1) companies with potential for high free cash flow generation; (2) transaction-based interactive companies in growth markets with online migration potential; and (3) complementary businesses that we believe would extend our existing portfolio, such as USA's recent acquisition of Interval International and our recently announced proposed acquisitions of Entertainment Publications, Inc. and uDate.com.

Competitive Strengths

We believe our following strengths should help us to achieve our goals:

Industry leadership. HSN, Ticketmaster, Match.com, Hotels.com and Expedia are each among the leading interactive companies in its respective category. We believe this indication of consumer acceptance reflects the quality of our brands and the demand for our services.

Infrastructure and technology. Our businesses have made significant investments to build and maintain our infrastructure and improve our technology, which we believe can accommodate transactions and customer service at significant scale. For example, HSN-U.S. shipped approximately 28 million units during the nine months ended September 30, 2002. Expedia's technology provides expert search and dynamic pricing for various types of travel packages. Ticketmaster sold more than 40% of its tickets via the Internet during the three months ended September 2002, up from 4% for calendar year 1998, in part as a result of improvements in its technology.

Financial strength. As of September 30, 2002, we had consolidated cash and marketable securities of approximately \$3.2 billion, including our attributable share of cash held by our public subsidiaries. Excluding all cash held by our public subsidiaries as of September 30, 2002, our cash and marketable securities would have been approximately \$1.9 billion as of such date.

Relationships with suppliers and cable operators. USA has a diverse distribution network which stems, to a large degree, from contractual relationships with suppliers and partners. These relationships give our customers access to a wide selection of products and services. According to Kagan World Media, through its distribution agreements with cable and digital broadcast satellite, or DBS, operators, HSN reached approximately 78 million homes as of September 30, 2002.

Strong leadership. Barry Diller, our chairman and chief executive officer, has led USA (and predecessor companies) since August 1995. Mr. Diller, who enjoys a strong reputation in the business and investment community, was previously Chairman of QVC, Fox Inc. and Paramount Studios.

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Organizational Structure

The following diagram is a simplified illustration of USA's organizational structure. Subsidiaries are wholly-owned unless otherwise noted. Percentages represent equity ownership/voting power. Percentages of equity ownership for USA Interactive are based on shares outstanding as of September 30, 2002. Percentages of equity ownership for USA Interactive's subsidiaries are based on fully diluted shares using the treasury method as of September 30, 2002.

In connection with the Ticketmaster merger that was completed on January 17, 2003, USA Interactive issued an aggregate of approximately 45.4 million shares of USA common stock to former Ticketmaster stockholders. In general, such issuance of USA common stock has increased the public's equity ownership/voting power of USA Interactive and, subject to Liberty's exercise of its preemptive right to purchase a number of shares of USA common stock to maintain its percentage equity interest in USA Interactive, decreased the equity ownership/voting power of the other stockholders of USA Interactive. See " *Recent Developments Ticketmaster transaction.*"

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- (1) The voting power reflects Mr. Diller's general right to vote USA shares owned by Liberty and Vivendi. See "*The Company Voting Control.*"
 - (2) On January 17, 2003, USA consummated the Ticketmaster merger, and Ticketmaster became a wholly-owned subsidiary of USA.

Recent Developments

Ticketmaster transaction. On January 17, 2003, USA completed its acquisition of all of the outstanding shares of Ticketmaster common stock that USA did not already own. The acquisition was accomplished by the merger of a wholly-owned subsidiary of USA with Ticketmaster, with Ticketmaster surviving as a wholly owned subsidiary of USA.

In the merger, each outstanding share of Ticketmaster Class A common stock and Ticketmaster Class B common stock (other than shares held by USA, Ticketmaster and their subsidiaries) was converted into the right to receive 0.935 of a share of USA common stock. USA issued an aggregate of approximately 45.4 million shares of USA common stock in the merger. As a result of the merger, shares of Ticketmaster Class B common stock, which prior to the merger traded on the Nasdaq National Market under the symbol "TMCS," were delisted from trading.

Entertainment Publications transaction. On November 21, 2002, USA announced that it had entered into a definitive agreement to purchase Entertainment Publications, Inc., originator of the Entertainment® Book, for approximately \$370 million in a combination of cash and USA common stock (up to 50% of the consideration), subject to a maximum discount to USA of \$10 million in the event that USA elects to pay all cash. Based in Michigan, Entertainment Publications sells annual memberships for Entertainment® Books which contain discount offers on dining, hotels, shopping and leisure activities. Entertainment Publications serves many major markets and does business with tens of thousands of local merchants and national retailers. The transaction is expected to be completed no later than the first quarter of 2003, subject to standard closing conditions and approvals.

VUE tax matter. In connection with the formation of VUE, we and various of our affiliates entered into an amended and restated limited liability limited partnership agreement, or the Partnership Agreement, dated as of May 7, 2002, with various affiliates of Vivendi Universal, S.A., as well as Mr. Diller. Pursuant to the Partnership Agreement, VUE "shall, as soon as practicable after the close of each taxable year, make cash distributions" to each partner, including USA and its affiliates, with respect to taxable income of VUE allocated to the partner for the taxable year. Also pursuant to the Partnership Agreement, taxable income of the partnership is to be allocated to USA and its affiliates in a specified order, including amounts corresponding to the cash and pay-in-kind distributions on USA's preferred interests in VUE (which represent a 5% annual return on those interests) (the "Preferred Return"). The actual amount of cash distributions with respect to taxable income on the Preferred Return would depend on several factors, including the amount of VUE's earnings and federal, state and local income tax rates. Assuming sufficient VUE earnings in each of the next 20 years and a discount rate of 7%, such cash distributions could have a present value to USA of up to approximately \$620 million.

Vivendi has advised USA that it does not believe that VUE is obligated under the Partnership Agreement to make these payments in respect of taxable income allocated to USA and its affiliates with respect to the Preferred Return.

USA has advised Vivendi that the contract language is entirely clear on this point and, in fact, was the subject of negotiation between the parties. Moreover, the document language and all revisions were at all times drafted and controlled by Vivendi. USA has asked VUE and Vivendi to acknowledge the obligations expressly set forth in the agreement. Vivendi has stated that VUE does not owe USA a tax distribution on USA's preferred interest in VUE and, to date, the disagreement remains unresolved.

uDate.com transaction. On December 19, 2002, USA announced that it entered into an agreement to acquire uDate.com, Inc., a global online personals group based in Derby, England, which provides dating and matchmaking services through www.ude.com and www.kiss.com, for approximately \$150 million in USA common stock, subject to various adjustments. The transaction is expected to close in the first quarter of 2003, subject to standard closing conditions and approvals.

Summary of Terms of the Exchange Notes

The form and terms of the exchange notes and the old 7% notes are substantially identical in all material respects, except that the transfer restrictions and registration rights applicable to the old 7% notes do not apply to the exchange notes. The exchange notes will evidence the same debt as the old 7% notes and will be governed by the same indenture. The old 7% notes and exchange notes are together referred to as the "notes," and USANi's guarantee of the old 7% notes and its guarantee of the exchange notes are together referred to as "USANi's guarantee," in this prospectus.

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Issuer	USA Interactive.
Guarantee	The notes are unconditionally guaranteed by USANi LLC, a wholly-owned subsidiary of USA. USANi's guarantee will terminate whenever the 6 ³ / ₄ % Notes due 2005 issued by USA Interactive and USANi cease to be outstanding or USANi's obligations under such notes and the related indenture are discharged or defeased pursuant to the terms thereof. Accordingly, USANi's guarantee is currently scheduled to terminate on November 15, 2005, but may be terminated earlier.
Notes Offered	7% Senior Notes due 2013.
Maturity	January 15, 2013.
Interest Payment Dates	January 15 and July 15 of each year, beginning July 15, 2003.
Optional Redemption	We may redeem some or all of the notes at any time, at our option, at a redemption price equal to the greater of (a) 100% of the aggregate principal amount of the notes being redeemed or (b) the sum of the present values of the remaining scheduled payments of principal and interest in respect of the notes to be redeemed that would be due after the redemption date had the redemption not occurred, obtained by discounting such remaining scheduled payments to the redemption date at the treasury rate plus 50 basis points, on a semi-annual basis, in each case, plus any accrued and unpaid interest to the date of redemption. See " <i>Description of Notes - Optional Redemption.</i> "
Ranking	<p>The notes are our senior unsecured obligations and rank equally with all of our existing and future senior unsecured obligations. So long as the guarantee is in effect, USANi's guarantee is a senior unsecured obligation of USANi and ranks equally with its existing and future senior unsecured obligations.</p> <p>The notes are effectively subordinated to all of our existing and future secured indebtedness to the extent of the assets securing such indebtedness and are structurally subordinated to all liabilities of our subsidiaries (other than USANi so long as USANi's guarantee is in effect), including trade payables. So long as the guarantee is in effect, USANi's guarantee is effectively subordinated to all of USANi's existing and future secured indebtedness to the extent of the assets securing such indebtedness and is structurally subordinated to all liabilities of USANi's subsidiaries, including trade payables. As of September 30, 2002, after giving pro forma effect to the issuance of the old 7% notes:</p> <p style="padding-left: 40px;">we and our subsidiaries had approximately \$24.2 million of secured indebtedness, including approximately \$4.0 million of capital lease obligations;</p>

our subsidiaries (other than USANi) had