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HOTELS COM
Form 425
April 30, 2003

Filed by USA Interactive
Pursuant to Rule 425 Under the Securities Act of 1933
Subject Company: Hotels.com
Commission File No.: 000-29575

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[USA INTERACTIVE LOGO]

Prepared 4/30/03 - Read important disclaimer(s)

[USA INTERACTIVE LOGO]

History

[CHART]

Reflects transactions as of dates of announcement.

Inflection #1: Primitive Interactivity

[CHART]

Reflects transactions as of dates of announcement.

Inflection #2: Traditional Media

[CHART]

Reflects transactions as of dates of announcement.

The Shift Towards Transactions

REVENUE THROUGH THE SCREEN

1995

[CHART]

2000

[CHART]

2005

[CHART]

Transactions:	\$	5 Billion	\$	64 Billion	\$	200 Billion
Total:	\$	47 Billion	\$	146 Billion	\$	316 Billion

Revenues through the screen represent consumer related interactive transactions through television and the personal computer compiled as of 1/29/02. Includes financial services and online classifieds Compiled estimates per MSDW, Jupiter, Shop.org, McCann Erickson, Zenith Media, Paul Kagan, Prudential, Furman Selz, PaineWebber, SSB, and Forrester.

Inflection #3: Expedia; Exit Media

[CHART]

Reflects transactions as of dates of announcement.

Nearly Doubled our Bet on Expedia

Pre-VUE(a)
800 mm shares × \$21
= \$17 Billion

[CHART]

Post-VUE(a)
420 mm shares × \$21
= \$9 Billion

[CHART]

(a) Based on average closing price of 2-month trading period prior to Vivendi transaction announcement date of 12/17/01.

Value split between interactive and media for 2000 based on operating EBITDA contribution from interactive vs. media assets. All share counts and prices are approximated.

Inflection #4: Simplification

[CHART]

Reflects transactions as of dates of announcement.

Quadrupled our Bet on Expedia

Pre-VUE(a)
800 mm shares × \$21
= \$17 Billion

[CHART]

Post-VUE(a)
420 mm shares × \$21
= \$9 Billion

[CHART]

Today(b)
700 mm shares × \$29
= \$20 Billion

[CHART]

(a) Based on average closing price of 2-month trading period prior to Vivendi transaction announcement date of 12/17/01.

(b) Pro Forma for pending Expedia and Hotels.com mergers.

Value split between interactive and media for 2000 based on operating EBITDA contribution from interactive vs. media assets. All share counts and prices are approximated.

Quintupled our Bet on Travel

Pre-VUE(a)
800 mm shares × \$21
= \$17 Billion

[CHART]

Post-VUE(a)
420 mm shares × \$21
= \$9 Billion

[CHART]

Today(b)
700 mm shares × \$29
= \$20 Billion

[CHART]

(a) Based on average closing price of 2-month trading period prior to Vivendi transaction announcement date of 12/17/01.

(b) Pro Forma for pending Expedia and Hotels.com mergers.

Value split between interactive and media for 2000 based on operating EBITDA contribution from interactive vs. media assets. All share counts and prices are approximated.

Scorecard

Pre-VUE

2000:

Shares O/S		800million
Stock Price	\$	21.00
Market Cap	\$	17billion
Net Cash & Equiv.	\$	(56)million
Revenue	\$	4.6billion
Free Cash Flow	\$	(39)million
EBITA (Operating)	\$	848million
CAGR 99 01		14%

Today

2003B:

Shares O/S		700million
Stock Price	\$	29.00
Market Cap	\$	20billion
Net Cash & Equiv.	\$	3.9billion
Revenue	\$	6.0billion
Free Cash Flow	\$	811million
EBITA (Total)	\$	751million
CAGR 01 03		97%

Note: 2000 results actual.

Strategic Priorities

[CHART]

Today: 8% of Interactive Commerce

[CHART]

Total = \$125 billion GTV (U.S. 2002 est.)

Source: Forrester, CSFB and other Wall Street analyst estimates. Interactive commerce is defined as gross transactions through the TV and PC. Gross transactions for financial services is defined as revenue.

Current Verticals

[CHART]

In ~ 50% of Categories

Source: Forrester, CSFB and other Wall Street analyst estimates.

Potential Verticals

[CHART]

In ~ 75% of Categories

Source: Forrester, CSFB and other Wall Street analyst estimates.

Today: #10 in Online Reach

COMBINED HOME / WORK UNIQUE VISITORS
March 2003, in millions

[CHART]

Data for USA is from a comScore Media Metrix unranked custom entity report defined by USA, representing combined home / work unduplicated reach for all of USA's subsidiaries, and is compared to the comScore Media Metrix Top 100 Properties list. Data for other companies is per comScore Media Metrix's Top 100 Properties report.

How to Reach #4?

Grow existing brands

New brands

New verticals

Add traffic

Portal-like

Communities

[CHART]

Data for USA is from a comScore Media Metrix unranked custom entity report defined by USA, representing combined home/work unduplicated reach for all of USA's subsidiaries, and is compared to the comScore Media Metrix Top 100 Properties list. Data for other companies is per comScore Media Metrix's Top 100 Properties report.

Scale & Infrastructure

Unique online users (U.S.)	34million
Worldwide television households	175million
Active customers	25million
Customer database	90million
