

Edgar Filing: TICKETMASTER - Form 425

TICKETMASTER
Form 425
October 25, 2002

Filed by USA Interactive
Pursuant to Rule 425 under the Securities Act of 1933

Subject Company: Ticketmaster
Commission File No. 0-25041

USA INTERACTIVE
PRO FORMA SEGMENT RESULTS
\$ IN MILLIONS; ROUNDING DIFFERENCES MAY EXIST. UNAUDITED.

REVENUE	1999		2000		2000
	YE 12/31	YE 12/31	Q1	Q2	Q3
OPERATING BUSINESSES					
HSN - U.S.	\$ 1,332.9	\$ 1,527.0	\$ 349.2	\$ 356.3	\$ 370.0
Ticketing	442.7	518.6	150.1	163.9	138.6
Match.com	9.0	29.2	8.5	10.7	10.0
Hotels.com	161.8	328.0	105.3	138.3	155.0
Expedia	73.0	156.7	57.2	78.5	77.0
Interval	0.0	0.0	0.0	0.0	0.0
Precision Response	215.9	282.1	80.7	75.6	77.0
SUB-TOTAL	2,235.4	2,841.5	751.1	823.3	820.0
EMERGING BUSINESSES					
Citysearch and related	27.3	50.8	12.4	12.4	12.4
International TV shopping and other	175.7	281.0	83.4	87.7	60.0
ECS/Styleclick	55.4	48.5	8.6	7.8	7.8
SUB-TOTAL	258.4	380.3	104.4	107.9	80.2
Non-recurring items	6.9	--	--	--	--
Foreign exchange conversion	--	(35.3)	(13.7)	(13.8)	(13.8)
HSN Disengagement	--	6.2	36.2	25.5	25.5
Intersegment Elimination	--	--	--	(2.6)	(2.6)
TOTAL	\$ 2,500.7	\$ 3,192.8	\$ 877.9	\$ 940.3	\$ 910.0

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ADJUSTED EBITDA	1999		2000		2000
	YE 12/31	YE 12/31	Q1	Q2	Q3

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OPERATING BUSINESSES					
HSN - U.S.	\$ 214.7	\$ 229.6	\$ 45.7	\$ 51.7	\$ 4
Ticketing	93.3	100.0	30.2	35.5	1
Match.com	(0.4)	6.3	0.3	2.8	
Hotels.com	24.2	52.6	15.8	21.0	2
Expedia	(44.3)	(38.8)	4.5	17.7	1
Interval	0.0	0.0	0.0	0.0	
Precision Response	30.4	44.6	10.0	10.2	
Corporate and other	(36.1)	(29.9)	(7.9)	(8.2)	(
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SUB-TOTAL	281.7	364.5	98.6	130.8	10
EMERGING BUSINESSES					
Citysearch and related	(60.4)	(63.9)	(11.8)	(11.0)	(1
International TV shopping and other	11.8	14.7	(0.8)	(1.6)	(1
ECS/Styleclick	(56.0)	(71.2)	(16.9)	(14.5)	(1
	-----	-----	-----	-----	-----
SUB-TOTAL	(104.6)	(120.4)	(29.4)	(27.1)	(3
Foreign exchange conversion	--	(3.9)	(0.9)	(1.0)	
HSN Disengagement	--	0.9	6.0	3.5	
	-----	-----	-----	-----	-----
TOTAL	\$ 177.0	\$ 241.0	\$ 74.3	\$ 106.2	\$ 7
	=====	=====	=====	=====	=====
Non recurring items	--	(4.7)	--	(4.8)	(1
	-----	-----	-----	-----	-----
ADJUSTED EBITDA--LESS					
NON-RECURRING ITEMS	\$ 177.0	\$ 236.3	\$ 74.3	\$ 101.5	\$ 6
	=====	=====	=====	=====	=====

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REVENUE	2002			
	Q1	Q2	Q3	Q4
	-----	-----	-----	-----
OPERATING BUSINESSES				
HSN - U.S.	\$ 396.2	\$ 376.1	\$ 370.7	
Ticketing	153.4	175.4	162.1	
Match.com	25.3	29.5	33.4	
Hotels.com	165.7	229.7	277.4	
Expedia	116.0	142.7	166.6	
Interval	0.0	0.0	2.3	
Precision Response	70.1	72.1	75.0	
	-----	-----	-----	-----
SUB-TOTAL	926.6	1,025.6	1,087.6	
Emerging Businesses				
Citysearch and related	7.3	7.6	7.6	
International TV shopping and other	81.5	87.8	96.7	
ECS/Styleclick	12.1	10.4	7.6	
	-----	-----	-----	-----
SUB-TOTAL	100.9	105.8	111.9	

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Non-recurring items	--	--	0.0
Foreign exchange conversion	(16.5)	(10.1)	(4.9)
HSN Disengagement	(0.9)	(0.9)	0.0
Intersegment Elimination	(3.0)	(2.6)	(2.2)
TOTAL	\$ 1,007.1	\$ 1,117.8	\$ 1,192.5

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ADJUSTED EBITDA	2002			
	Q1	Q2	Q3	Q4
OPERATING BUSINESSES				
HSN - U.S.	\$ 57.7	\$ 62.6	\$ 67.4	
Ticketing	33.7	43.7	36.3	
Match.com	6.9	9.7	7.0	
Hotels.com	25.8	32.9	40.1	
Expedia	34.5	43.3	48.9	
Interval	0.0	0.0	0.4	
Precision Response	5.7	8.1	9.6	
Corporate and other	(8.7)	(9.9)	(11.2)	
SUB-TOTAL	155.6	190.4	198.4	
Emerging Businesses				
Citysearch and related	(10.7)	(8.6)	(8.5)	
International TV shopping and other	(8.5)	(6.1)	0.4	
ECS/Styleclick	(4.6)	(6.2)	(5.2)	
SUB-TOTAL	(23.8)	(20.9)	(13.2)	
Foreign exchange conversion	(0.3)	(0.2)	(0.1)	
HSN Disengagement	0.0	0.0	0.0	
TOTAL	\$ 131.6	\$ 169.3	\$ 185.1	
Non recurring items	0.0	(44.4)	(6.5)	
ADJUSTED EBITDA- LESS NON-RECURRING ITEMS	\$ 131.6	\$ 124.9	\$ 178.6	

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USA INTERACTIVE
RESULTS OF OPERATIONS
\$ IN MILLIONS; ROUNDING DIFFERENCES MAY EXIST. UNAUDITED.

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P&L	1999 (1)	2000 (1)		
	YE 12/31	YE 12/31	Q1	Q2
Revenues, net	2,001.1	2,964.6	877.9	940.
Operating costs and expenses:				
Costs related to revenues	1,318.1	2,000.0	571.5	597.
Gross profit	683.0	964.6	306.4	342.
Other costs and expenses	492.8	687.9	232.1	236.
Depreciation	51.7	105.4	33.0	36.
Amortization of non-cash compensation	6.4	12.7	9.3	5.
Amortization of non-cash distribution and marketing	0.0	11.7	8.0	10.
Amortization of other intangibles (non-cash)	180.9	496.7	40.6	42.
One time charges	0.0	0.0	0.0	10.
HSN disengagement costs	0.0	0.0	0.0	0.
Total operating costs	731.8	1,314.4	323.1	341.
Operating income	(48.8)	(349.8)	(16.7)	0.
Interest expense, net	(29.7)	(7.4)	22.6	19.
Gain on sale of securities	0.0	108.4	0.0	0.
Other, net	(4.3)	(59.3)	(6.5)	(5.
	(34.0)	41.7	16.1	13.
Earnings before income taxes and minority interest	(82.8)	(308.1)	(0.6)	14.
Income tax expense	(28.6)	(43.8)	(22.7)	(13.
Minority interest	42.2	179.5	9.0	2.
Net earnings/(loss) from continuing operations	(69.2)	(172.4)	(14.3)	3.
Preferred dividend	0.0	0.0	(3.3)	(3.
Net earnings available to common shareholders	(69.2)	(172.4)	(17.5)	0.
Weighted average diluted shares	327.8	359.7	431.1	434.
Weighted average fully converted shares	327.8	359.7	431.1	463.
Basic earnings per share	\$ (.21)	\$ (.48)	\$ (.04)	\$ -
Diluted earnings per share	\$ (.21)	\$ (.48)	\$ (.04)	\$ -
EBITDA	190.1	276.7	74.3	101.
Excluding one-time charges and non-operating gains:				
Basic and diluted earnings per share			\$ (.04)	\$.0
Cash net income earnings per share			\$.05	\$.0

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P&L	2002 (
	Q1	Q2	Q
Revenues, net	1,007.1	1,117.8	1
Operating costs and expenses:			
Costs related to revenues	628.1	681.9	
Gross profit	379.0	435.9	
Other costs and expenses	248.3	267.5	
Depreciation	38.9	42.4	
Amortization of non-cash compensation	4.7	3.4	
Amortization of non-cash distribution and marketing	11.0	10.1	
Amortization of other intangibles (non-cash)	41.1	42.4	
One time charges	0.0	70.4	
HSN disengagement costs	10.7	5.3	
Total operating costs	354.7	441.5	
Operating income	24.3	(5.6)	
Interest expense, net	(4.2)	26.6	
Gain on sale of securities	0.0	0.0	
Other, net	12.9	(101.7)	
	8.6	(75.1)	
Earnings before income taxes and minority interest	33.0	(80.7)	
Income tax expense	(21.7)	(14.6)	
Minority interest	(12.9)	(9.7)	
Net earnings/(loss) from continuing operations	(1.6)	(105.1)	
Preferred dividend	(3.3)	(3.3)	
Net earnings available to common shareholders	(4.8)	(108.4)	
Weighted average diluted shares	442.6	447.4	
Weighted average fully converted shares	442.6	447.4	
Basic earnings per share	\$ (.01)	\$ (.24)	\$
Diluted earnings per share	\$ (.01)	\$ (.24)	\$
EBITDA	131.6	126.7	
Excluding one-time charges and non-operating gains:			

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Basic and diluted earnings per share	\$.02	\$.03	\$
	=====	=====	=====
Cash net income earnings per share	\$.05	\$.10	\$
	=====	=====	=====

- (1) Data for 1999 and 2000 is not pro forma for the Expedia and Vivendi transactions. The USA Entertainment Group is treated as a discontinued operation for all periods presented.
- (2) Data for 2001 and 2002 is pro forma for Expedia and Vivendi transactions and the exchange of Holdco shares by Liberty, which closed on February 4, 2002, May 7, 2002, and June 24, 2002, respectively.

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USA INTERACTIVE
OPERATING METRICS
IN MILLIONS

	1999	2000	2001				2002	
	YE	YE	Q1	Q2	Q3	Q4	YE	Q1
GROSS TRANSACTION VALUE ("GTV")								
Total GTV	\$5,279	\$7,082	\$2,167	\$2,429	\$2,135	\$2,303	\$9,033	\$2,782
Interactive GTV (a)	\$2,944	\$4,722	\$1,548	\$1,792	\$1,632	\$1,768	\$6,739	\$2,218
% of Total	56%	67%	71%	74%	76%	77%	75%	80%
Internet GTV (b)	\$1,437	\$3,088	\$1,148	\$1,390	\$1,232	\$1,267	\$5,038	\$1,800
% of Total	27%	44%	53%	57%	58%	55%	56%	65%
International GTV	\$ 605	\$ 800	\$ 254	\$ 289	\$ 252	\$ 291	\$1,086	\$ 335
% of Total	11%	11%	12%	12%	12%	13%	12%	12%

(a) Interactive GTV is defined as GTV which was generated from the TV or PC from HSN, Ticketmaster.com, Hotels.com, Expedia, Match.com and TV Travel Group.

(b) Internet GTV is defined as GTV which was generated online from Ticketmaster.com, Hotels.com, Expedia, Match.com and HSN.com.

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USA INTERACTIVE
OPERATING METRICS
IN MILLIONS EXCEPT PER UNIT

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	1999	2000	2001				
	YE	YE	Q1	Q2	Q3	Q4	YE
HSN- US							
Units shipped	32.1	35.2	8.6	9.0	9.5	11.4	38.5
Gross profit %	34.3%	34.9%	33.5%	34.5%	34.3%	33.9%	34.0%
Return rate	20.3%	19.6%	19.6%	19.6%	19.0%	17.9%	19.0%
Product mix:*							
Home Licensing	N/A	N/A	37%	35%	36%	41%	38%
Home Fashions	N/A	N/A	4%	4%	5%	5%	4%
Jewelry	N/A	N/A	26%	26%	25%	25%	25%
Health/Beauty	N/A	N/A	19%	22%	20%	17%	19%
Apparel/Accessories	N/A	N/A	14%	13%	14%	12%	13%
Average Price Point		\$ 47.82	\$50.06	\$47.36	\$46.21	\$47.36	\$47.69
HSN total homes (end of period)	73.7	77.1	80.2	81.1	82.8	83.0	83.0
America's Store FTE's (end of period)	8.3	8.6	8.3	10.6	11.0	12.3	12.3

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* In Q1 2002, HSN reclassified certain items in its product mix. As such, wellness, ingestibles, and fitness categories were moved out of the Home Goods category and into the Health & Beauty category. Product Mix for 1999 and 2000 assuming reclassification not available. Home Licensing includes electronics, computers, and other licensed homegoods.

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USA INTERACTIVE
OPERATING METRICS
IN MILLIONS EXCEPT PER TICKET

	1999	2000	2001				
	YE	YE	Q1	Q2	Q3	Q4	YE
TICKETING							
Number of tickets sold	75.0	83.0	23.6	23.6	19.3	20.3	86.8
Gross value of tickets sold	\$ 2,781	\$ 3,256	\$ 937	\$1,016	\$ 788	\$ 870	\$3,611

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Share of tickets sold online 13.4% 24.5% 29.5% 33.2% 31.9% 33.9% 32.1%

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USA INTERACTIVE
OPERATING METRICS
IN THOUSANDS

	2000		2001			
	YE	Q1	Q2	Q3	Q4	YE
MATCH.COM						
Paid subscribers	156.9	189.5	216.6	252.7	382.2	382.2
New registrations	1,135.6	1,054.5	1,059.5	1,216.0	2,304.0	5,634.3
New subscriptions (first time only)	399.5	121.7	134.8	154.2	260.4	671.0
Conversion rate (Reg to Subs)	35.2%	11.5%	12.7%	12.7%	11.3%	11.9%

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USA INTERACTIVE
OPERATING METRICS

	1999	2000		2001			
	YE	YE	Q1	Q2	Q3	Q4	YE
HOTELS.COM							
Hotel room nights sold (thousands)	1,229	2,433	799	1,030	1,227	1,187	4,243
Average Daily Rate	N/A	\$131.70	\$124.35	\$129.65	\$120.64	\$112.40	\$121.1
Affiliates (including TravelNow)	N/A	16,200	18,649	20,857	22,793	23,808	23,808
Properties	1,500	2,600	3,084	3,374	3,890	4,567	4,567
Cities served	40	97	135	146	171	178	178

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USA INTERACTIVE
OPERATING METRICS
IN THOUSANDS

	2000	2001	
	YE	Q1	Q2
EXPEDIA			
Total gross bookings (a)	\$1,793,000	\$ 674,000	\$ 802,000
Total transactions (b)	4,832	1,780	2,241
Average monthly Media Metrix reach (c)	N/A	6,969	7,502
Expedia.com conversion (d)	N/A	5.7%	7.0%
Expedia new purchasing customers (e)	1,769	671	904
Expedia cumulative purchasing customers (f)	8,843	3,603	4,507
Expedia quarterly unique purchasing customers (g)	2,741	1,007	1,336

	2002		
	Q1	Q2	Q3
EXPEDIA			
Total gross bookings (a)	\$1,107,000	\$1,333,000	\$1,470,000
Total transactions (b)	3,045	3,681	4,238
Average monthly Media Metrix reach (c)	11,242	12,161	12,615
Expedia.com conversion (d)	5.8%	6.3%	6.7%
Expedia new purchasing customers (e)	1,316	1,529	1,693
Expedia cumulative purchasing customers (f)	7,610	9,139	10,832
Expedia quarterly unique purchasing customers (g)	1,874	2,217	2,492

(a) Gross bookings represents the total value of travel booked through the

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- Expedia, VacationSpot, and WWTE sites.
- (b) Transactions represents the number of reservations and purchases transacted through the Expedia and WWTE sites.
 - (c) Average monthly Media Metrix reach represents the unduplicated reach for the Expedia and VacationSpot sites.
 - (d) Conversion represents the monthly average Expedia.com unique monthly purchasers divided by the monthly average Media Metrix reach for the Expedia.com site.
 - (e) Expedia new purchasing customers represents the number of new customers transacting through the Expedia sites in a quarter.
 - (f) Expedia cumulative purchasing customers represents the cumulative number of customers that have ever transacted through the Expedia sites as of the end of a quarter.
 - (g) Expedia quarterly unique purchasing customers represents the number of unique customers transacting through the Expedia sites over the course of a quarter.

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USA INTERACTIVE
OPERATING METRICS
IN MILLIONS

CAPITALIZATION (AS OF 10/15/02)

REVENUE MIX

Ticker (NASDAQ)	USAI	Revenue
As of 10/15/02		

SHARES OUTSTANDING (MILLIONS) (a):		

USA Common Stock	384	
USA Class B	65	

Total Shares Outstanding	449	
Estimated dilutive options and warrants (treasury method)	24	

Fully diluted shares	473	
	=====	
MARKET CAPITALIZATION:		
Outstanding equity capitalization	\$ 9,339	
Fully diluted equity capitalization	\$ 9,841	
As of 9/30/02		

Attributable Cash (b)	\$ 2,618	
Securities in VUE (c)	2,111	
Debt and Preferred Stock	(1,202)	

Net Attributable Cash and Securities	\$ 3,528	
	=====	

(a) Fully diluted shares includes treasury method options and warrants and

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other dilutive securities, and includes Vivendi's remaining 56.6 million shares that may be delivered to USA in connection with USA's Series B preferred interest in VUE.

- (b) Includes attributable cash from USA's public subsidiaries, based on the Q3 weighted average of USA's fully diluted, treasury method ownership in public subsidiaries, which was 66% for Ticketmaster, 67% for Hotels.com and 56% for Expedia. Excludes cash due to clients at Ticketmaster. Consolidated cash and marketable securities is \$3.0 billion as of September 30, 2002.
- (c) Includes securities issued to USA in the Vivendi transaction, as follows: Class A and Class B preferred interests and 5.44% common interest in Vivendi Universal Entertainment ("VUE") at balance sheet carrying values, less the estimated present value of taxes on the above securities.

	Absolute Shares Owned	% of Shares Outstanding	
	-----	-----	-----
Ticketmaster (NASDAQ: TMCS)	95.8	67%	
Hotels.com (NASDAQ: ROOM)	39.0	67%	
Expedia (NASDAQ: EXPE)	35.4	62%	

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