



## Investor Presentation

December, 2014

Tree.com, Inc.

Nasdaq: TREE

# Forward-Looking Statements

## Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

The matters contained in this presentation may be considered to be "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995. Those statements include statements regarding the intent, belief or current expectations or anticipations of Tree.com and members of our management team. Factors currently known to management that could cause actual results to differ materially from those in forward-looking statements include the following: adverse conditions in the primary and secondary mortgage markets and in the economy, particularly interest rates; seasonality of results; potential liabilities to secondary market purchasers; changes in the Company's relationships with network lenders; breaches of network security or the misappropriation or misuse of personal consumer information; failure to provide competitive service; failure to maintain brand recognition; ability to attract and retain customers in a cost-effective manner; ability to develop new products and services and enhance existing ones; competition; allegations of failure to comply with existing or changing laws, rules or regulations, or to obtain and maintain required licenses; failure of network lenders or other affiliated parties to comply with regulatory requirements; failure to maintain the integrity of systems and infrastructure; liabilities as a result of privacy regulations; failure to adequately protect intellectual property rights or allegations of infringement of intellectual property rights; and changes in management. These and additional factors to be considered are set forth under "Risk Factors" in our Annual Report on Form 10-K for the period ended December 31, 2013, our Quarterly Report on Form 10-Q for the period ended September 30, 2014 and in our other filings with the Securities and Exchange Commission. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results or expectations.

## About Tree.com, Inc.

Tree.com, Inc. (NASDAQ: TREE) is the parent of several brands and businesses including LendingTree, LLC, the nation's leading online loan marketplace, empowering consumers as they comparison-shop across a full suite of loan and credit-based offerings. LendingTree provides an online marketplace which connects consumers with multiple lenders that compete for their business, as well as an array of online tools and information for consumers. Since inception, LendingTree has facilitated more than 32 million loan requests. LendingTree provides access to lenders offering home loans, home equity loans/lines of credit, personal loans, auto loans, student loans and more. For more information, go to [www.lendingtree.com](http://www.lendingtree.com) or call Investor Relations at 877-640-4856.

Tree.com, Inc. is headquartered in Charlotte, N.C. and maintains operations solely in the United States.

# A True Online Marketplace

## Matching Consumers with Lenders and Other Service Providers



# Where Consumers Shop for Money

## THE Online Marketplace for Consumer Loan Shopping

### Your Free Personal Loan Offers

3-Year

Offers for the exact amount requested (2)

**Consolidated Bank & Loan**  
 ★★★★★  
 124 Reviews

APR **6.78%** Est. Payments **\$152/mo.** Loan Amount **\$5,000**

**Northwest Loans**  
 ★★★★★  
 76 Reviews

APR **11.55%** Est. Payments **\$158/mo.** Loan Amount **\$5,000**

Offers for amounts different than requested (4)

**Hampton Lending**  
 ★★★★★  
 240 Reviews

APR **9.07%** Est. Payments **\$234/mo.** Loan Amount **\$7,500**

Analogous to other marketplaces for Travel, Retail, etc.

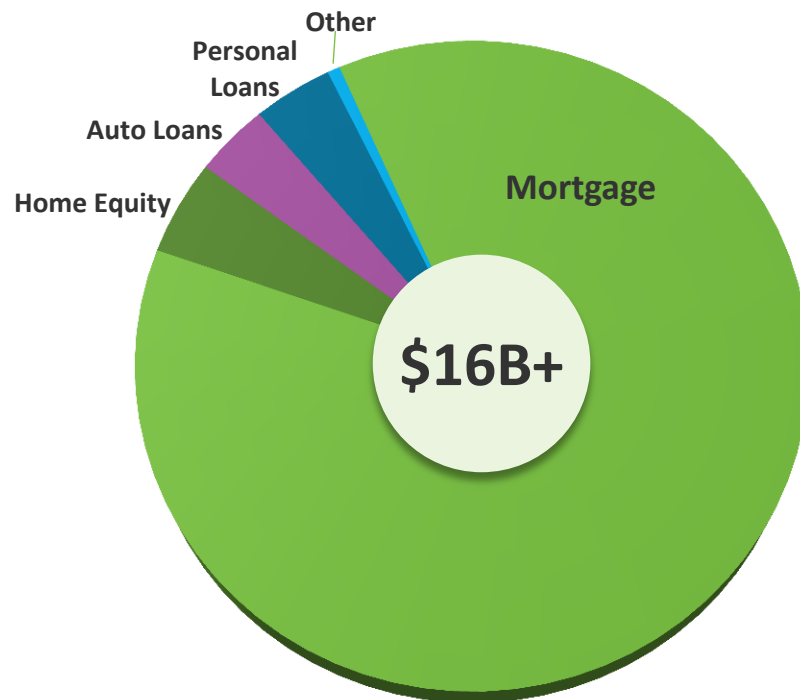
# Working With Top-Tier Lenders...

...of all models...

Banks	 
Mortgage Lenders/ Brokers	  
P2P & Specialty Finance	    
Student Loan Refi	 
Small Business	  

...across loan categories

\$16B+ Annual Loan Originations<sup>(1)</sup>  
Facilitated by **lendingtree**



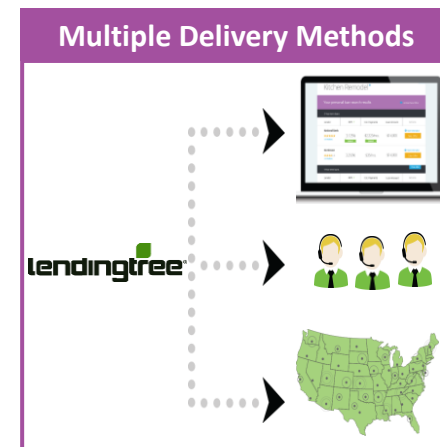
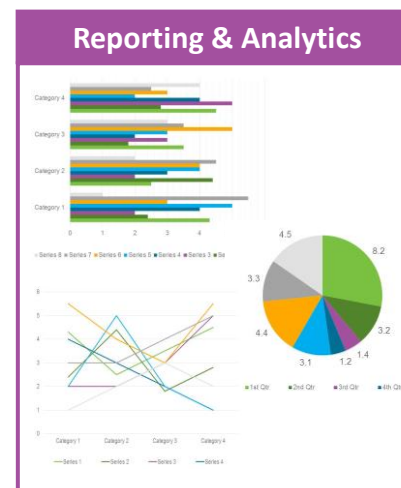
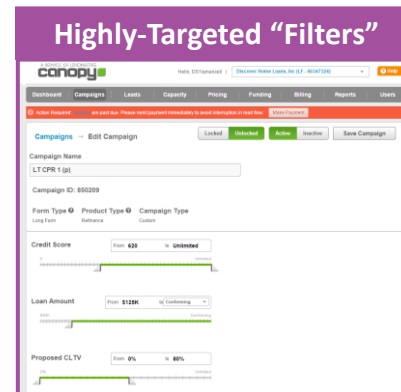
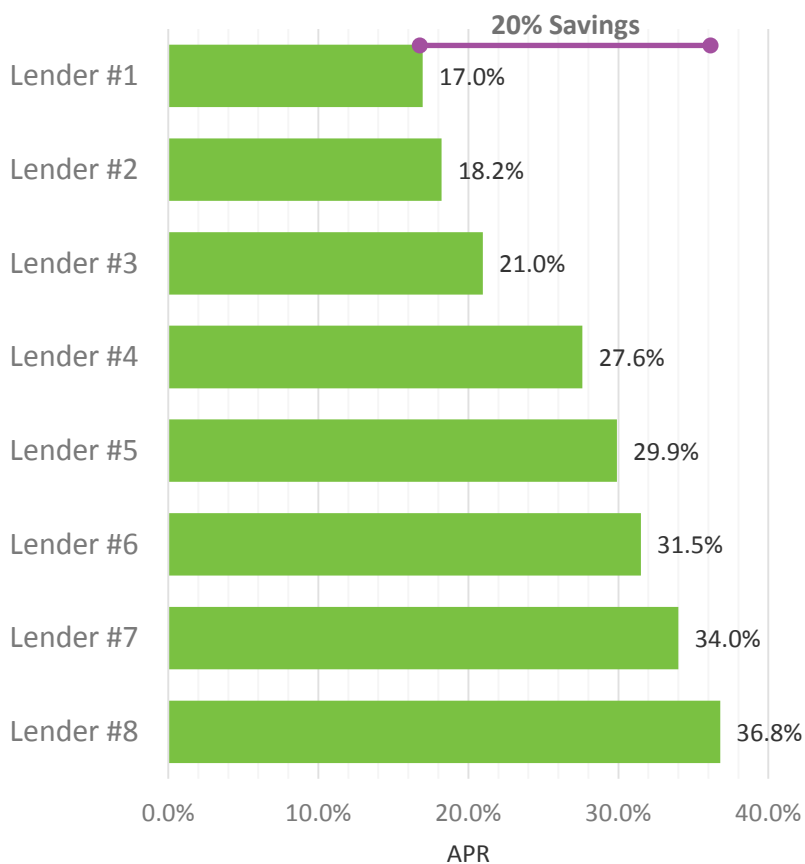
1) Annual run-rate based on lender-reported funding data and internal estimates.

# Providing Value to Both Borrowers and Lenders

**Borrowers** can save by comparison-shopping

**Lenders** receive predictable, targeted, cost-efficient volume

Sample Personal Loan Borrower<sup>(1)</sup>



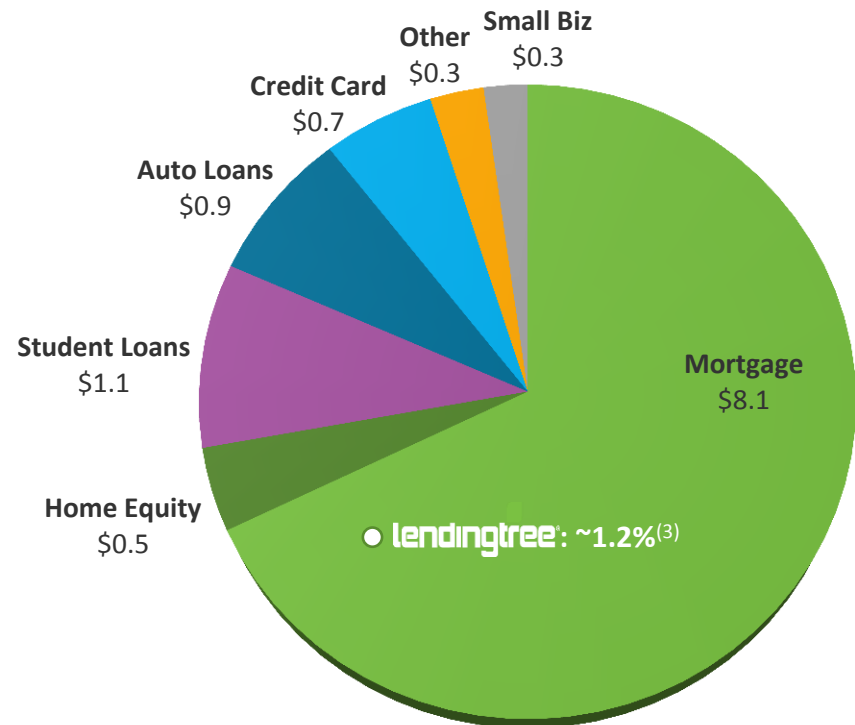
1) LT database: On 11/10/14, all consumers with credit scores between 640-660 requesting personal loans in the amount of \$10,000 - \$15,000 received a total of 300 offers from 8 different lenders and the average offered rate from each lender is reflected.

# Addressable Markets

## Well-positioned to capture share across lending categories

- Mortgage – the largest component of US consumer debt
  - ▶ 7x larger than the #2 category
  - ▶ LendingTree facilitating ~1.2% of total Mortgage originations<sup>(3)</sup>
    - ⇒ Significant share expansion opportunity
- Other loan categories smaller, but poised for growth with advent of Alternative Lending
  - ▶ Personal Loans
  - ▶ Small Business Loans
  - ▶ Student Loans

\$12 Trillion Debt Outstanding  
(US Consumer<sup>(1)</sup> + Small Business<sup>(2)</sup>)



1) FRB of NY – Quarterly Report on Household Debt & Credit, November 2014.

2) FDIC Statistics on Depository Institutions Report (C&I loans of \$1.0M or less to U.S. addressees) as of 9/30/14.

3) Estimated share of mortgage originations facilitated by LendingTree based on lender-reported funding data, internal estimates and market data from Mortgage Banker's Association.

# Continuous Product Innovation

## Student Loan Refi – Q4 '14

Make sure you always have a great student loan

**Start**

### Student Accounts

Recent Loan Requests

Description	Lenders	Offers	Date
Student	0	0	24 Days Ago

Active Accounts

Account Name	Monitoring	Rate	Balance	Mo. Payment
0000065655	GOOD RATE	6.40%	\$19,701*	\$147

## Small Biz Loans – Q3 '14

### Introducing Business Loans

Borrow up to \$1 million at interest rates starting at just 5%!

Choose the loan that best fits your financing needs.

**Business Loans:** Up to \$1 million for qualified business with at least \$100,000 in annual revenue and one year of operating history.

**Personal Loans:** Up to \$50,000 for qualified consumers investing in a new or smaller business.

**Apply for a Business Loan** | **Compare with Personal Loan**

## Local Introductions – Q1 '14

### Local Lender: Charlotte, NC

**Movement Mortgage, LLC**  
 51025 Carnegie Boulevard Suite 240  
 Charlotte, NC 28209

Phone: (704) 408-1974  
 Email: jessica.babinski@movementmortgage.com

**Irongate Home Finance, LLC - 30 Yr 8/1 ARM**  
 Rate: 2.875% APR | Est. Monthly Payment: \$1,410

**Irongate Home Finance, LLC - 10 Yr Fixed**  
 Rate: 3.000% APR | Est. Monthly Payment: \$2,347

## Loan Officer Directory – Q1 '14

### Loan Officer Profile

**Ryan Miller**  
 North American Savings Bank  
 NMLS ID: 115078

**About Me**  
 I'm a dedicated husband and dad (3 sons, ages 6, 4 and 13) I'm the most senior Loan Consultant at NASB started Feb. 2005. I'll guide you through the loan process with honest direct communication and eliminate the stress and chaos often associated with...

**LendingTree Network Rates**

Loan Type	Current Rate	Trend
30 Year Fixed	4.89% APR	No Change
15 Year Fixed	3.81% APR	▲
5/1 ARM	3.81% APR	▲

**Customer Reviews**

**Buttonwood**  
 5/5 (4/20/2014)  
 Yes, I recommend this loan officer. Ryan was awesome to work with, the give great advice on getting finances in order before applying for loan. Closed 2 days ago and it was very smooth and stress free.  
 By: 6341

## Personal Loans – Q3 '13

### Compare Personal Loans and Save!

Debt Consolidation | **Start Loan Request**

### Need Cash Fast? Get a Personal Loan!

Personal Loan Benefits

- Get cash in a lump sum
- Don't have to own a home
- No collateral required
- Used for unexpected expenses
- Used for kitchen remodels or dream vacations

## Mobile Experience – Q2 '13

**Buy a Home**  
 Rates as low as 3.2% APR

Single family home

Credit Score: 705 (Good)

## Credit Cards – Q2 '13

### Compare Credit Cards

What do you use your card for? (choose all that apply)

Travel | Dining | Entertainment | Gas | Groceries

**Barclaycard Arrival™ World MasterCard® - Earn 1x on All Purchases**  
 Average Credit Score: 897  
 Intro APR: 0% (12 months)  
 Regular APR: 14.99% - 18.99% Variable

**Starwood Preferred Guest® Credit Card from American Express**  
 Average Credit Score: 724  
 Intro APR: None  
 Regular APR: 15.24% - 19.24% Variable

## Reverse Mortgage – Q1 '13

### Reverse Mortgage Loans

### Start Enjoying Retirement

How much money can you get with a Reverse Mortgage?

How do you use this property?  
 Primary residence | **Start Request**

**Put the Gold in Your Golden Years**

Reverse Mortgage Benefits

- Get cash in a lump sum
- No mortgage payments
- Still own and live in your house
- Does not affect your Social Security
- No credit score or income requirements

# All-New My LendingTree

## 100% free credit score...“with a brain”

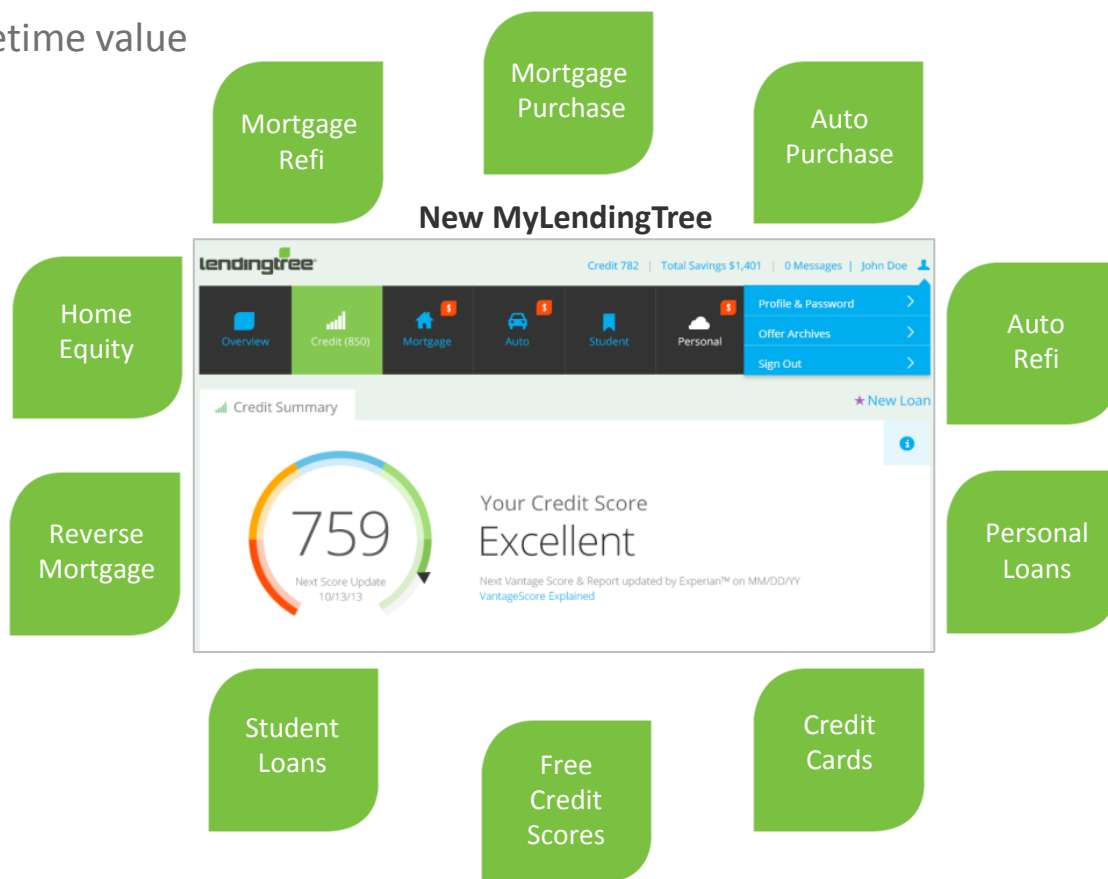
- Free credit score for new and existing customers enables:

- ▶ Proactive, market-based savings alerts to consumers
- ▶ Repeat user engagement – lifetime value
- ▶ Exposure to broader set of LT offerings

- Reduces dependence on paid marketing

- 300,000+ users enrolled

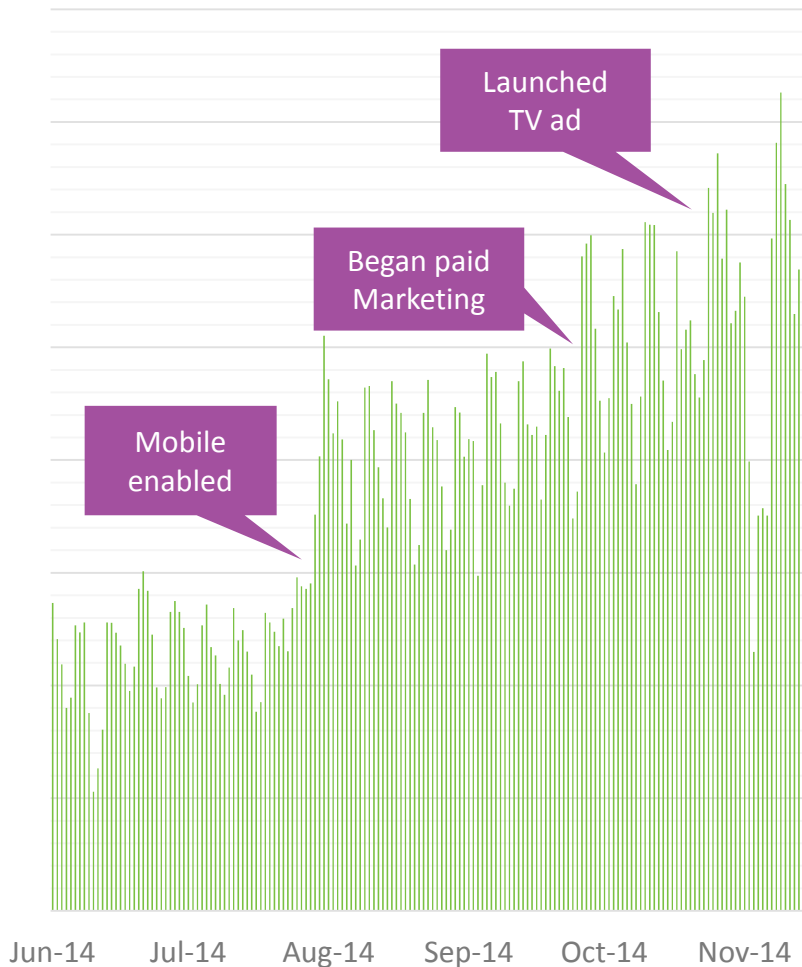
- Launched late Q2 '14



# My LendingTree (cont'd)

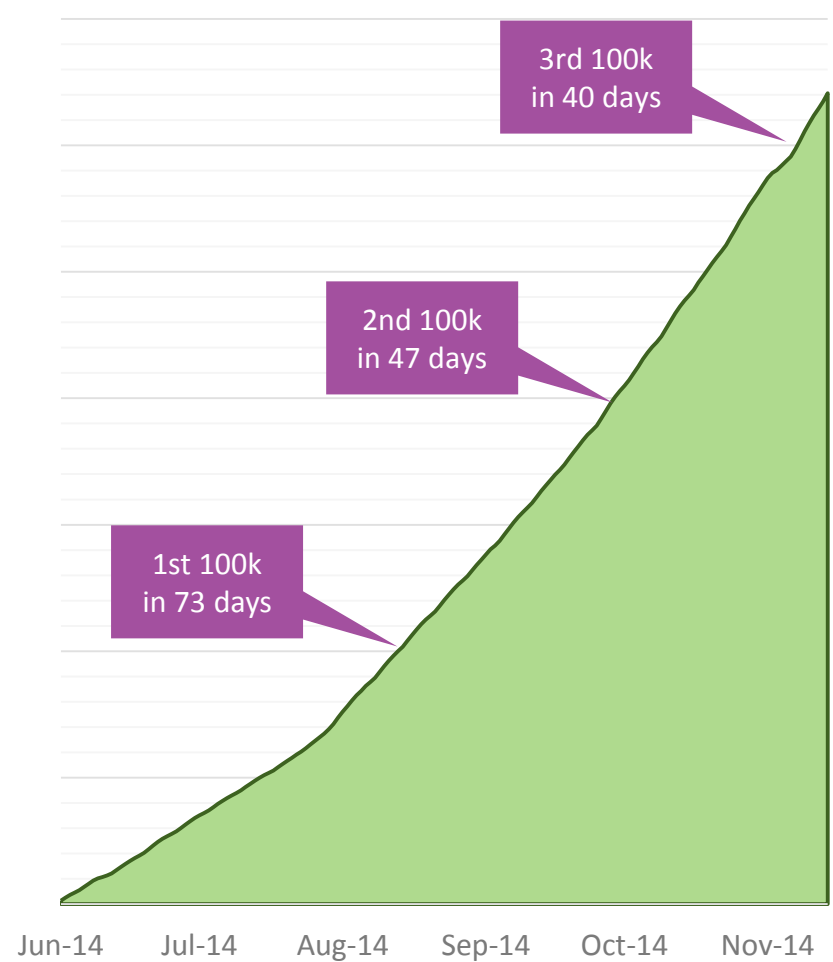
## New user growth accelerating

Daily New Users



## 300k+ users in 160 days

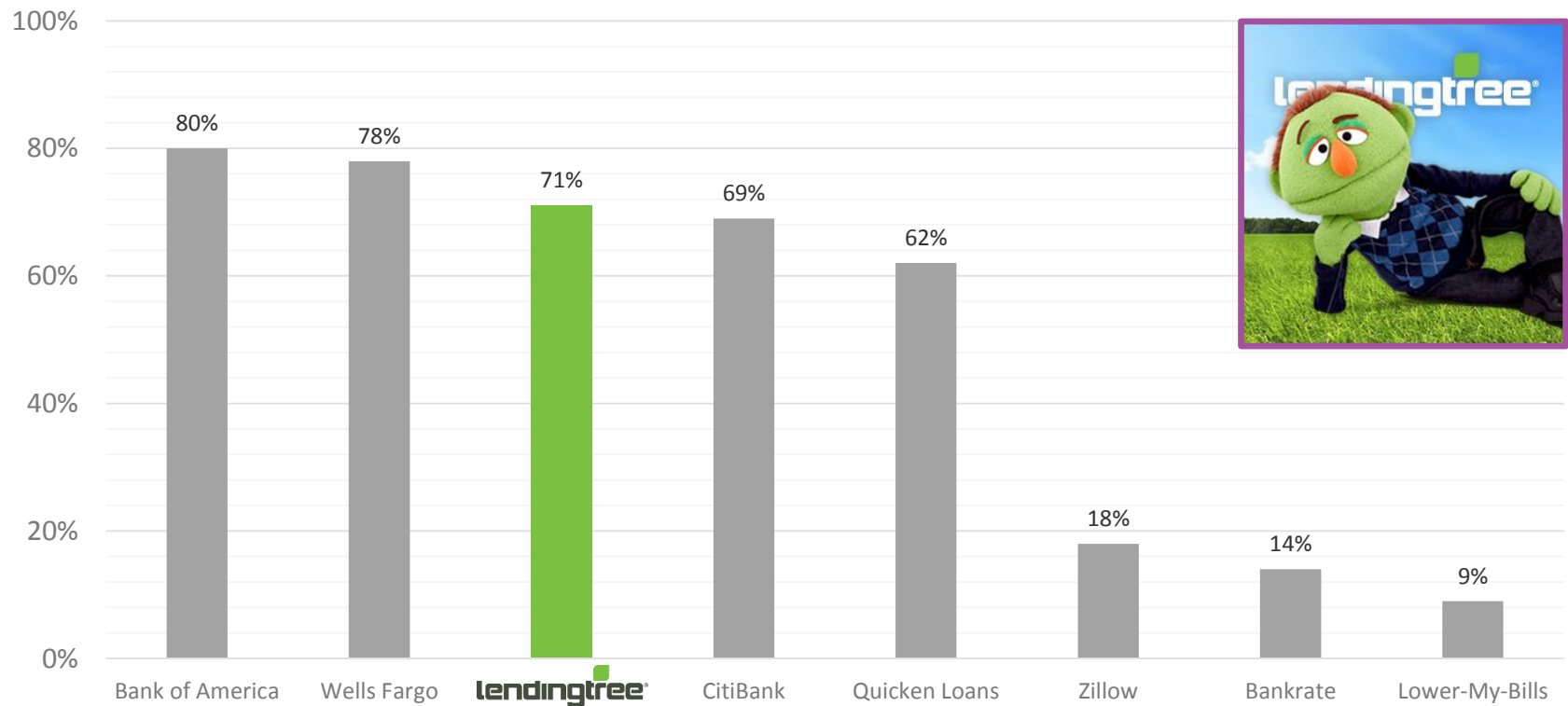
Cumulative New Users



# The Iconic **lendingtree**® Brand

- 71% brand awareness
- \$1+ billion lifetime investment
- Q3 '14 - first TV spot targeting personal loans
- Nov '14 – “Free credit score with a brain” targeting My LendingTree signups

## Aided Brand Awareness<sup>(1)</sup>



Source: LendingTree Consumer Research Study conducted by S. Radoff Associates, LLC, January 2014. 1,860 online surveys. Prospects defined as creditworthy current or prospective homeowners who are in the market for either a primary mortgage or refinancing.

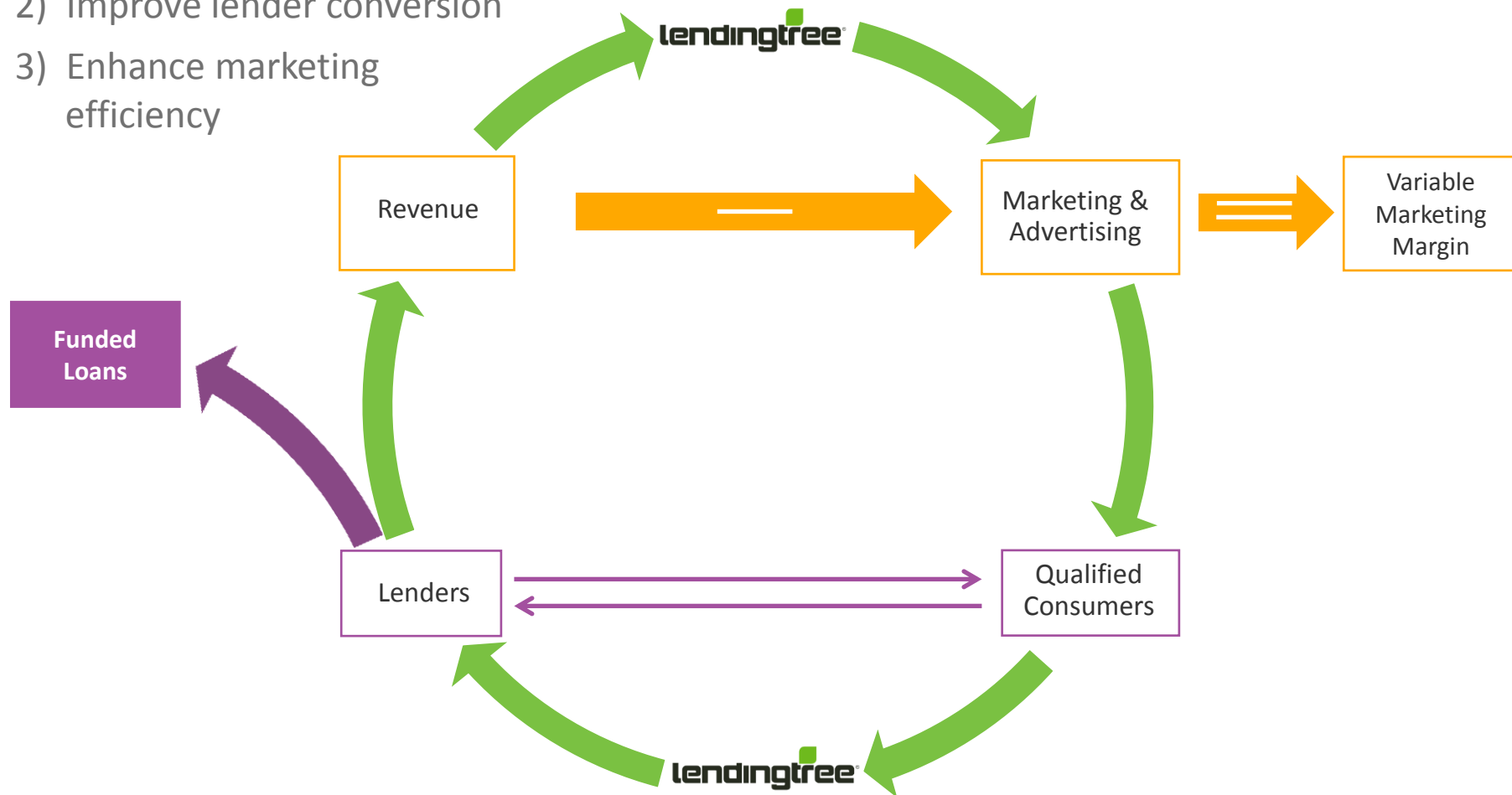
1) Awareness and familiarity of selected companies within category defined by companies that offer mortgages online.

*“To empower **consumers** to make the smartest decisions at the most critical times in their lives and **partners** to build enduring and meaningful businesses with us.”*

# How We Make Money

## Facilitate loan originations for our lender network

- 1) Increase lender demand
- 2) Improve lender conversion
- 3) Enhance marketing efficiency



# Operating Model

Revenue	% of Revenue <sup>(1)</sup>	
	<b>100%</b>	<ul style="list-style-type: none"> <li>• Transmit Fees</li> <li>• Closed Loan Fees</li> <li>• Hybrid</li> </ul>
- Working media expense	57%	<ul style="list-style-type: none"> <li>• TV</li> <li>• Radio</li> <li>• Print</li> <li>• Paid Search</li> <li>• Organic Search</li> <li>• Display</li> <li>• Social Media</li> <li>• Partnerships</li> <li>• Email</li> </ul>
- Non-media expense	3%	<ul style="list-style-type: none"> <li>• Agency Fees</li> <li>• Creative Production</li> <li>• Ad Serving</li> </ul>
<b>= Variable Marketing Margin</b>	<b>40%</b>	
- Cost of Revenue <sup>(2)</sup>	5%	<ul style="list-style-type: none"> <li>• Credit Scoring</li> <li>• Credit Card Processing</li> <li>• Lead Verification</li> <li>• Licensing</li> </ul>
- Selling & Marketing Personnel <sup>(2)</sup>	6%	
- Product Development <sup>(2)(3)</sup>	3%	
- General & Administrative <sup>(2)(4)</sup>	12%	
<b>= Adjusted EBITDA</b>	<b>14%</b>	

1) Reflects the three months ended 9/30/14.

2) Excludes non-cash compensation.

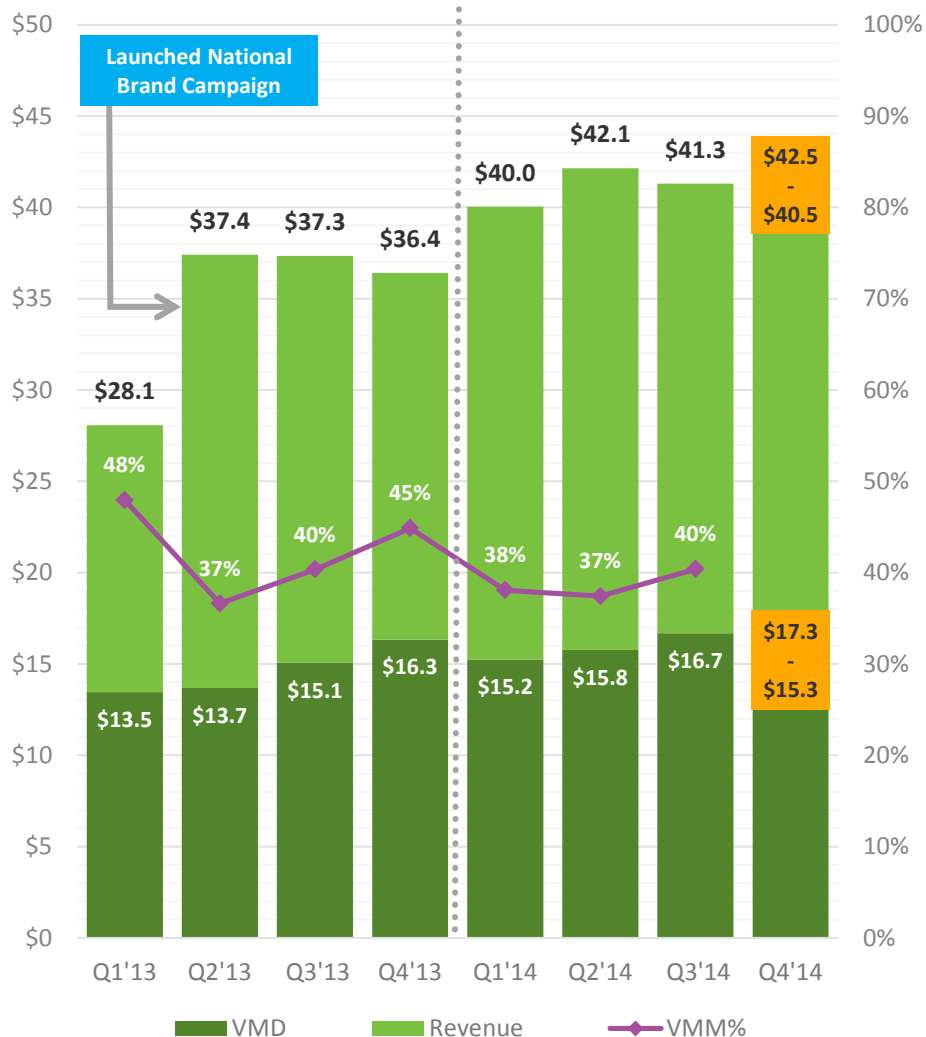
3) Net of capitalized software development expense.

4) Excludes certain adjusted items. Please see Tree.com's "Definition of Adjusted EBITDA" in our form 10-Q for the period ended September 30, 2014.

# Quarterly Financial Performance

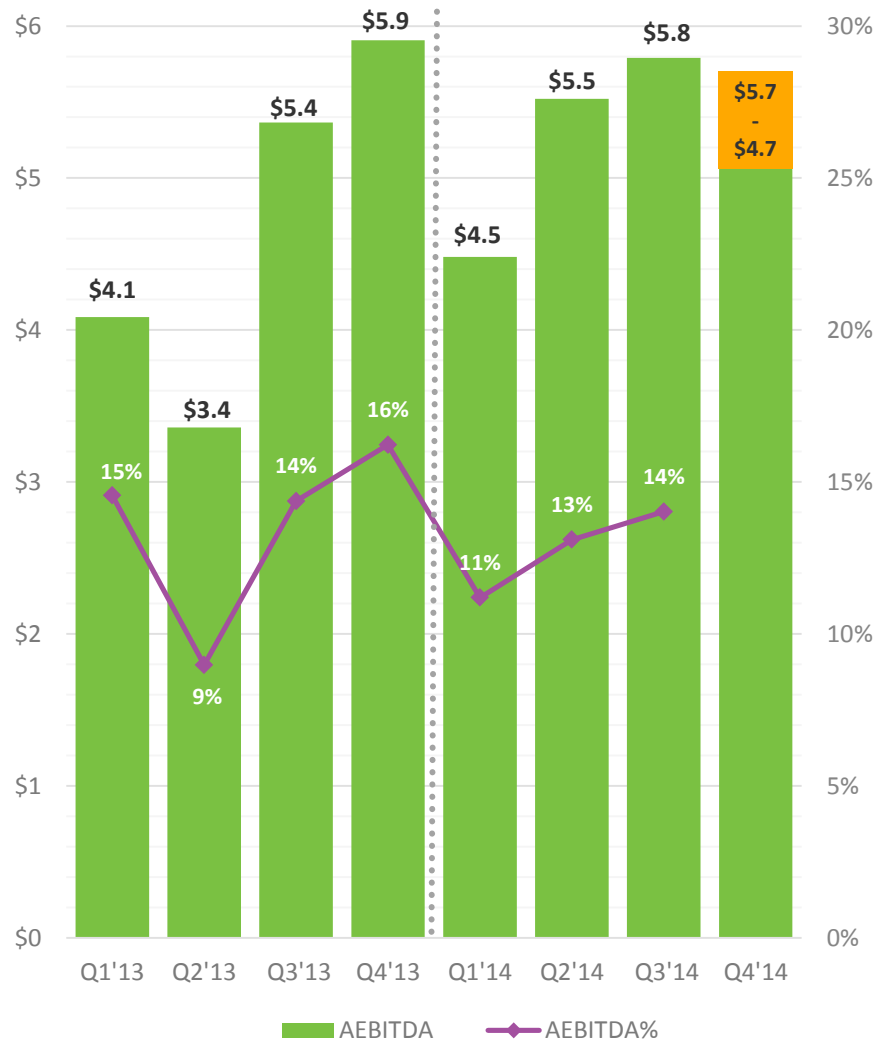
Revenue & VMM

(\$ Mil)



Adjusted EBITDA

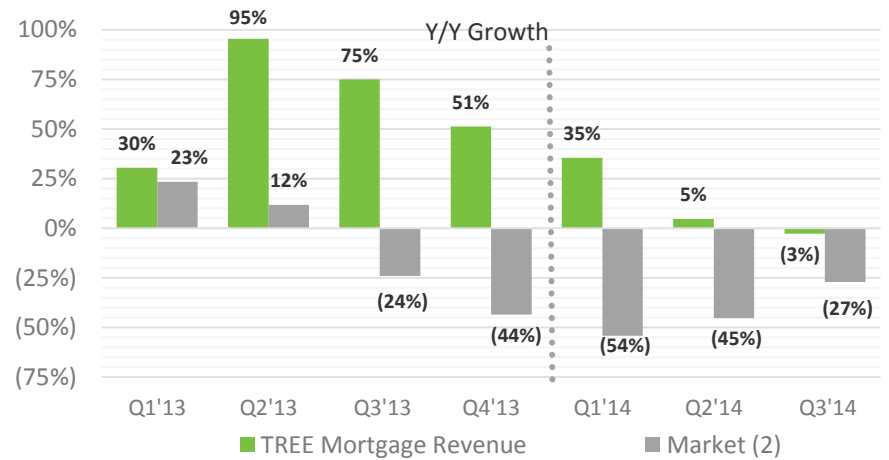
(\$ Mil)



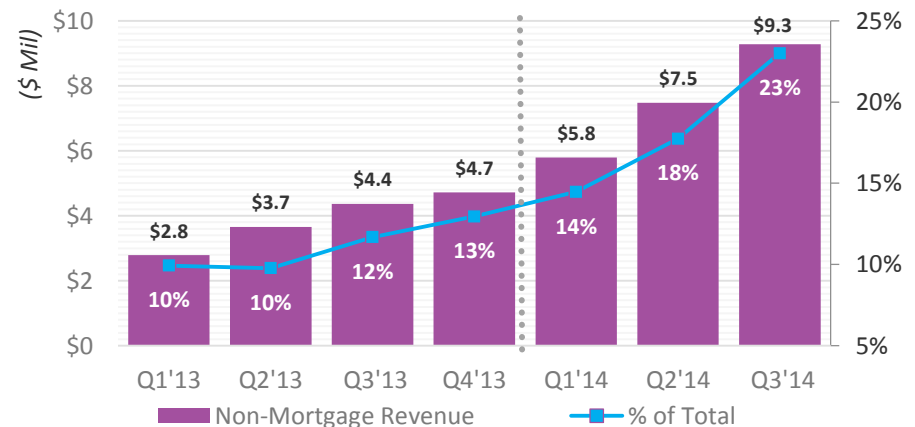
# Unpacking Growth: Mortgage vs. Non-Mortgage



## Mortgage Revenue Outperforming Market Originations



## Increasing Non-Mortgage Contribution



Y/Y Growth	4%	92%	108%	105%	113%
------------	----	-----	------	------	------

1) Reflects certain marketing services revenue recorded in our Corporate segment.  
 2) Survey of estimates from MBA, Fannie Mae and Freddie Mac.

# Selected Balance Sheet Items

	(\$ Mil)
	<b>9/30/14</b>
Cash & Equivalents	\$83.6
Restricted Cash & Equivalents	21.9
Accounts Receivable	13.8
<b>Total Current Assets</b>	<b>121.1</b>
PP&E	5.6
Goodwill	3.6
Intangible Assets	11.6
<b>Total Assets</b>	<b>\$142.0</b>
Accounts Payable	\$2.3
Accrued Expenses & Other Current	23.6
Current Liabilities of Discontinued Ops	31.8
<b>Total Current Liabilities</b>	<b>57.7</b>
<b>Total Liabilities</b>	<b>62.7</b>
Shareholders' Equity	79.3
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$142.0</b>

- Working capital of \$63.4M<sup>(1)</sup>
- Significant NOLs<sup>(2)</sup>
  - ▶ \$30M Federal
  - ▶ \$301M State

1) Defined as current assets minus current liabilities

2) As of 12/31/13.

# Guidance Summary & Investment Highlights

## FY 2014 Guidance

Revenue	\$164.0	-	\$166.0
<i>Y/Y Growth</i>	<i>18%</i>	-	<i>19%</i>
VMM \$	\$63.0	-	\$65.0
<i>Y/Y Growth</i>	<i>8%</i>	-	<i>11%</i>
Adj. EBITDA	\$20.5	-	\$21.5
<i>Y/Y Growth</i>	<i>10%</i>	-	<i>15%</i>

## Investment Highlights

- THE marketplace for consumer loans
- Providing value to consumers & lenders
- Leader in largest loan category – Mortgage
- At forefront of high-growth lending categories
- Iconic **lendingtree** brand
- Cutting-edge marketing & analytics
- Continuous product innovation
- New My LendingTree – personalization platform
- Sound financial model

For more information please contact:

**Trent Ziegler**

VP – Finance & Investor Relations

[trent.ziegler@tree.com](mailto:trent.ziegler@tree.com)

704-943-8294

**Alex Mandel**

Chief Financial Officer

[alex.mandel@tree.com](mailto:alex.mandel@tree.com)

**Doug Lebda**

CEO and Chairman

[doug@tree.com](mailto:doug@tree.com)

The logo for LendingTree, featuring a green square icon above the word "lendingtree" in a white, lowercase, sans-serif font, with a registered trademark symbol (®) to the right. The background is a dark gray, low-poly geometric pattern.

**lendingtree**<sup>®</sup>