


















Thomas J. McInerney  
EVP and Chief Financial Officer

March 2007

# Building Businesses Across the Consumer Spectrum

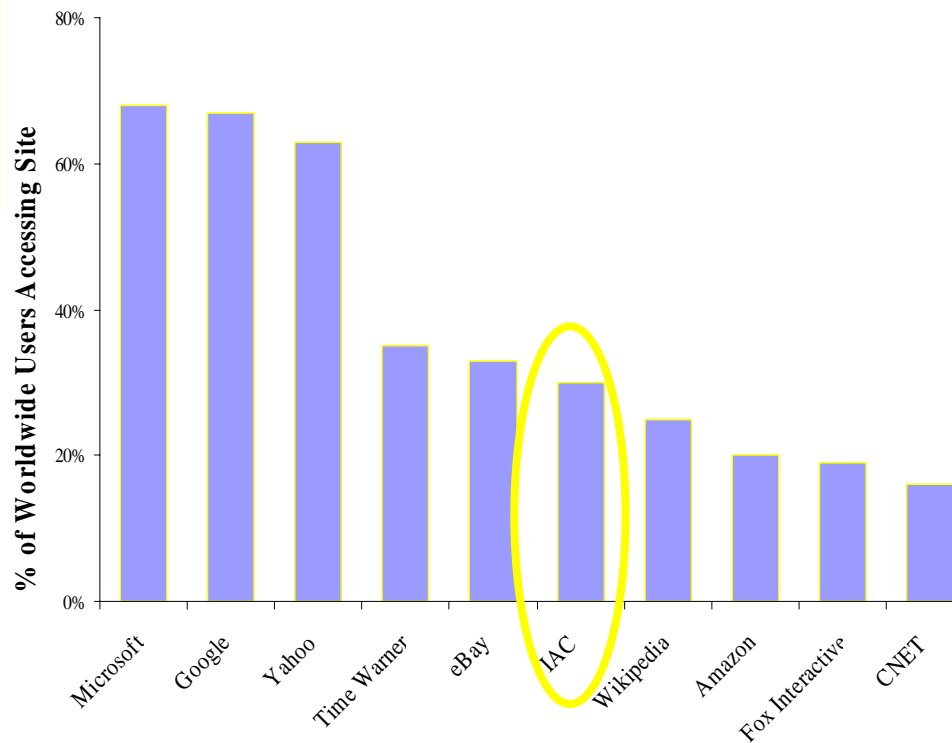
Retailing	     
Services	   
Media	  
Membership	  

*For financial reporting purposes, Gifts and Pronto are part of IAC's Emerging Businesses Sector.*

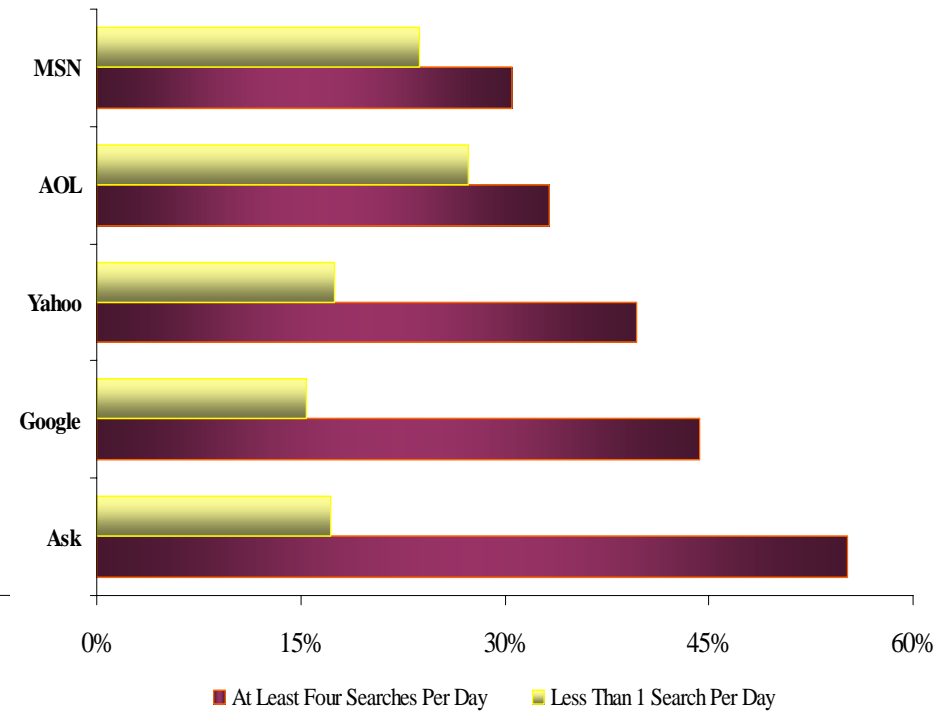


# With Widely Accessed Properties Used Frequently

## Top 10 Internet Networks



## Search: Frequent Users Favor Ask



Source: Comscore January 2007; Site data relates to each properties network of sites; Piper Jaffray User Revolution Report, February 2007



# With Strong Year-over-Year Growth

*Includes Acquisitions of Cornerstone Brands (April 2005), Ask.com (July 2005)*

	Revenue	Operating Income Before Amortization
Retailing	+8%	-3%
Services	+15%	+10%
Media	+155%	+91%
Membership	+9%	+15%
<b>Total Including Acquisitions:</b>	<b>+16%</b>	<b>+14%</b>

\* Please refer to the SEC section of [www.IAC.com](http://www.IAC.com) for reconciliations of non-GAAP numbers to GAAP.



# IAC Strategy

Grow Each Individual Business

Use Ask As The Connecting Thread

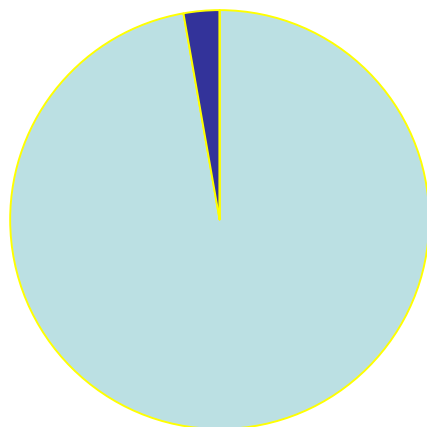
Leverage Scale, Audience and Diversified Expertise



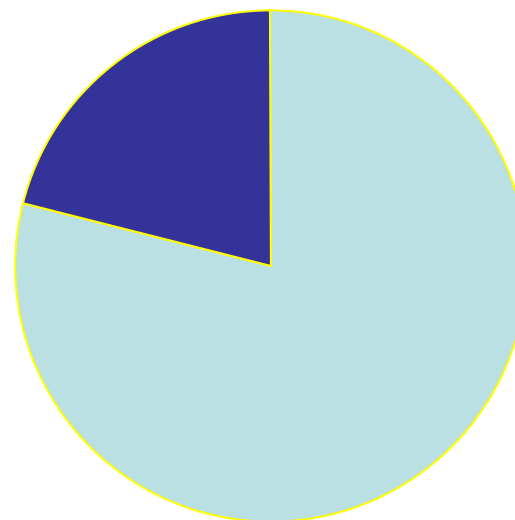
# Growing Contribution From Both Established and Earlier- Stage Businesses

*Operating Income Before Amortization\*; Excludes Emerging Businesses and Corporate and Other*

**2003**



**2006**



Established



Earlier-Stage

\* Please refer to the SEC section of [www.IAC.com](http://www.IAC.com) for reconciliations of non-GAAP numbers to GAAP.

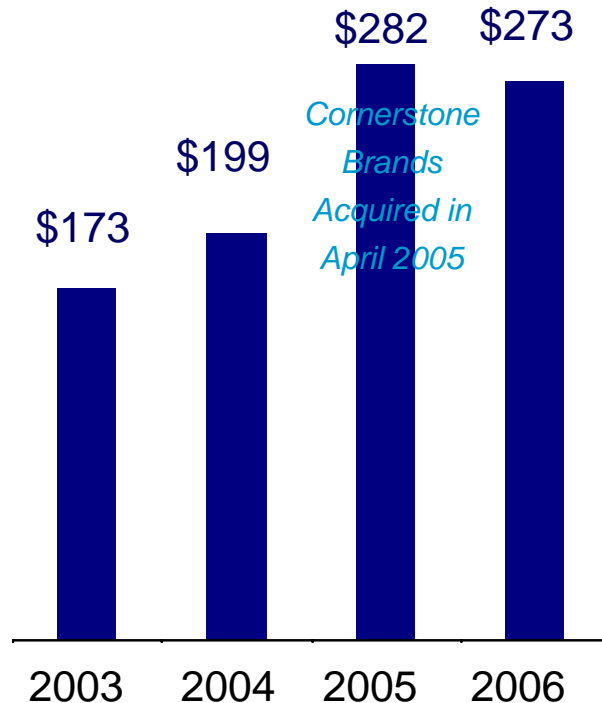


# Growth From Established Businesses - Retailing

Operating Income Before Amortization\*; \$ in millions

**LAC** Retailing

8% HSN CAGR  
16% w/ Acquisitions



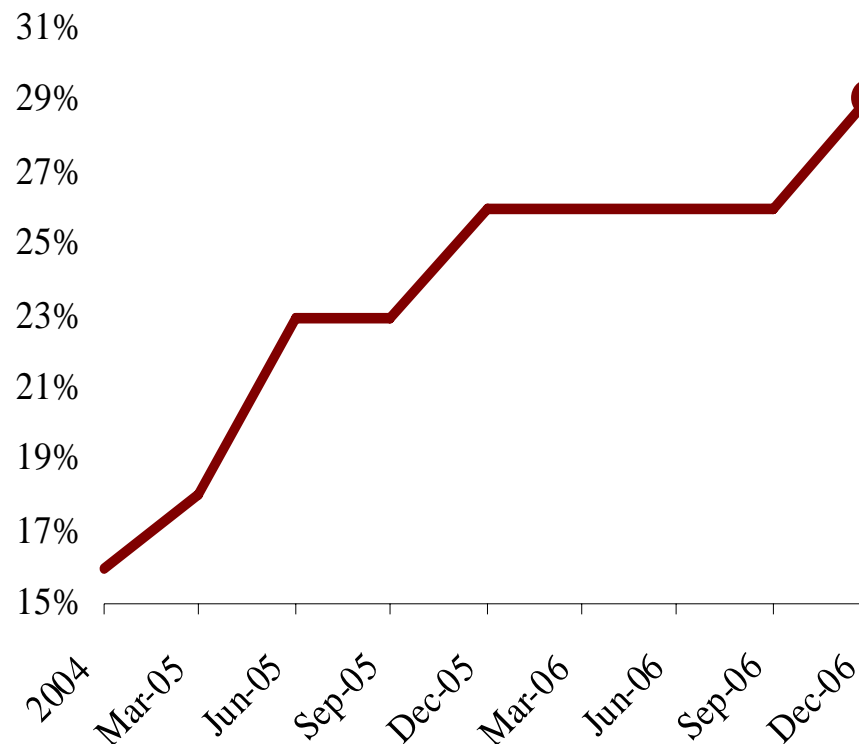
- Recent Performance Unsatisfactory
- New Management Team/Specific Actions Underway
- Significantly Broadening Business Mix
- Targeting Price Points That Will Drive Customer Acquisition

\* Please refer to the SEC section of [www.IAC.com](http://www.IAC.com) for reconciliations of non-GAAP numbers to GAAP.



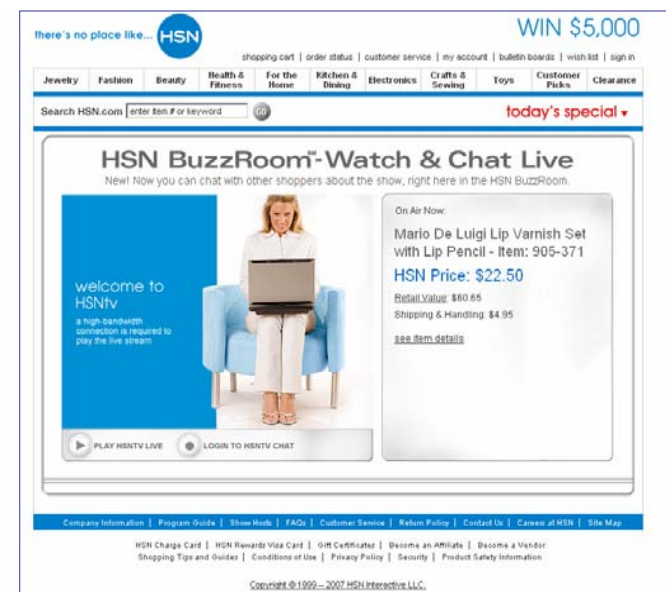
# Retailing: Leveraging On-Line, New Features

## Diversifying Online\*



\* Graph includes Cornerstone, acquired in April 2005

## Expanding Purchase Options



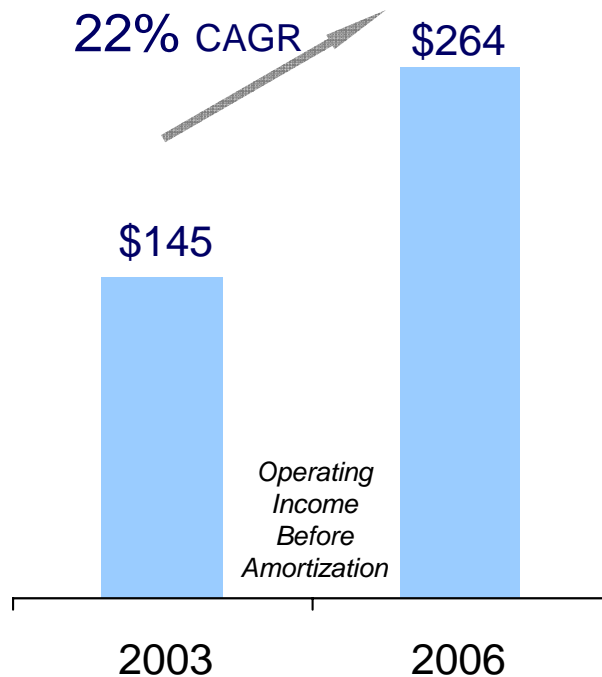
- Integrating Video Into Site
- Over 2,500 Hours (+20K Clips) Of Video Stored For Repurpose
- Adding Several Million iTV Homes in '07



# Growth From Established Businesses - Ticketmaster

Operating Income Before Amortization\*; \$ in millions

**ticketmaster**



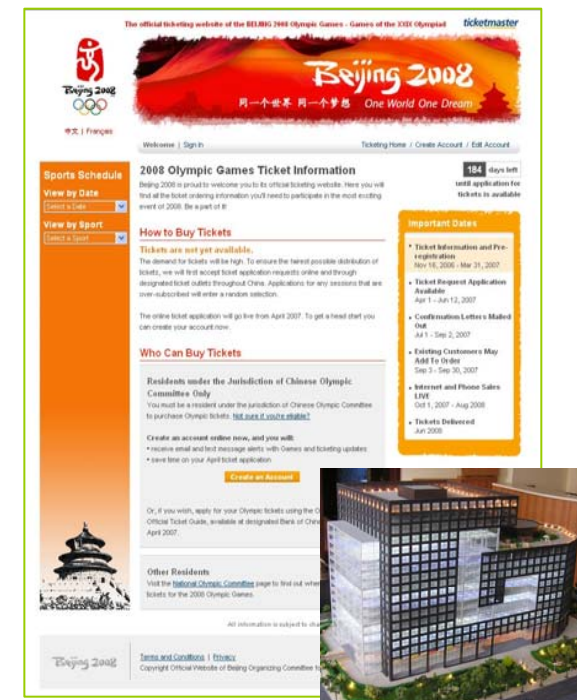
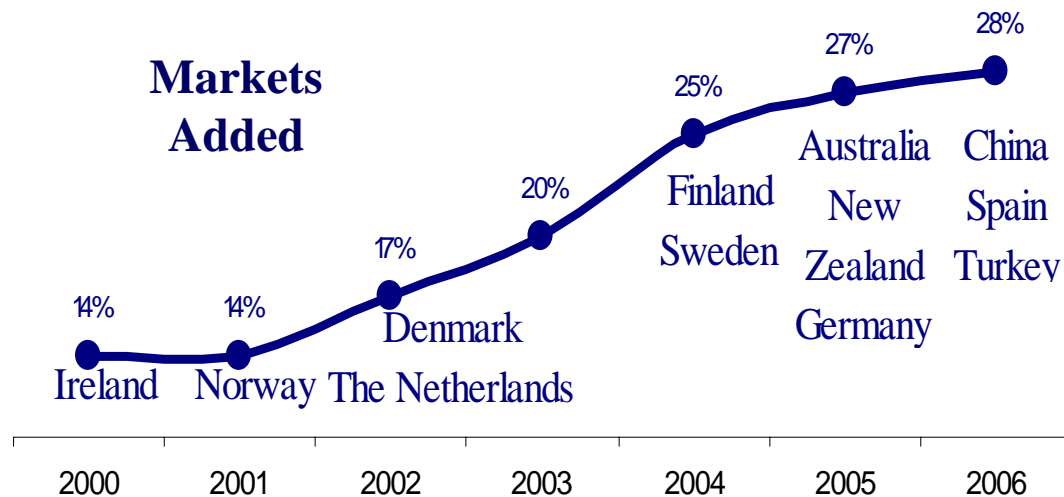
- Volume Growth Consistently Ahead Of Market
- Exceptional Client Retention
- Secondary Market Efforts Gaining Momentum

\* Please refer to the SEC section of [www.IAC.com](http://www.IAC.com) for reconciliations of non-GAAP numbers to GAAP.



# Ticketmaster: Expanding Globally

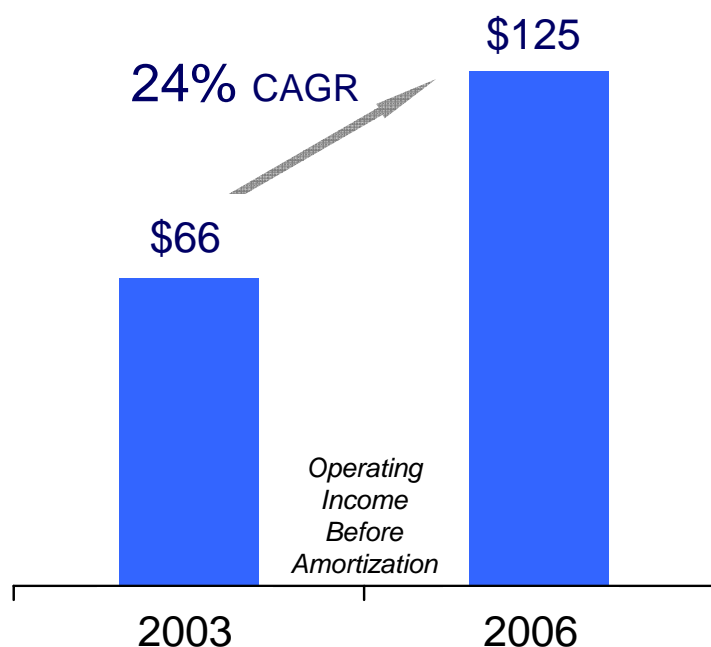
## International % of Ticketing Revenue



**2007 – 2008:  
China / Beijing Olympics**

# Growth From Established Businesses - Interval

*Operating Income Before Amortization\*;* \$ in millions



- Strong Track Record Of Double Digit Growth
- Balanced Revenue (Subscription and Transactions)
- Increasingly On-Line
- Adding Lead Generation Services For Clients

\* Please refer to the SEC section of [www.IAC.com](http://www.IAC.com) for reconciliations of non-GAAP numbers to GAAP.

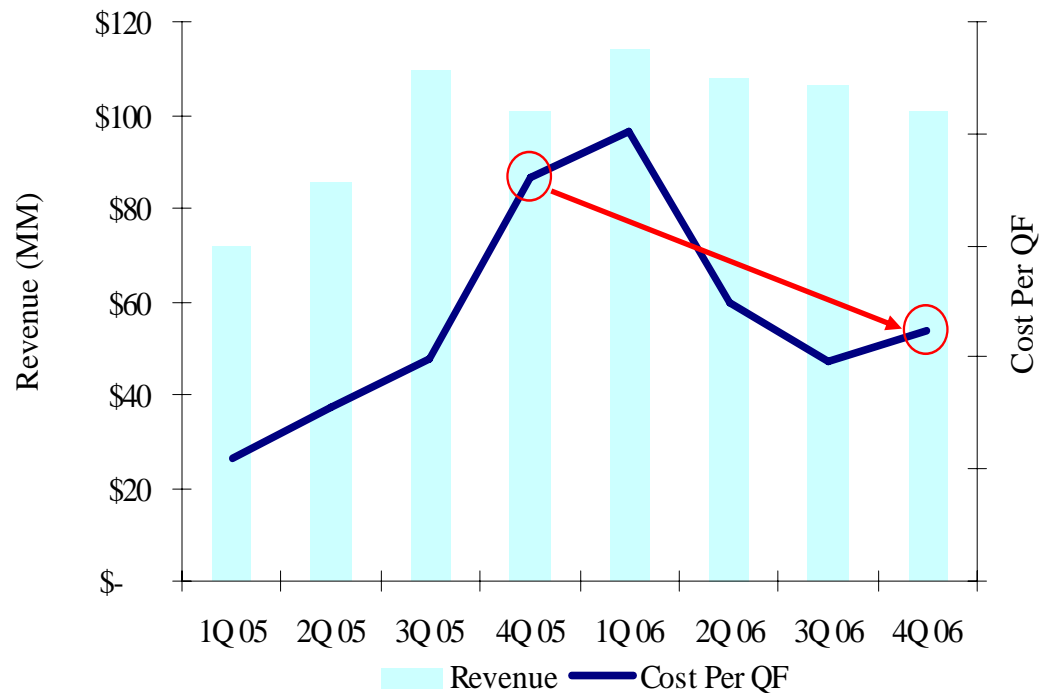
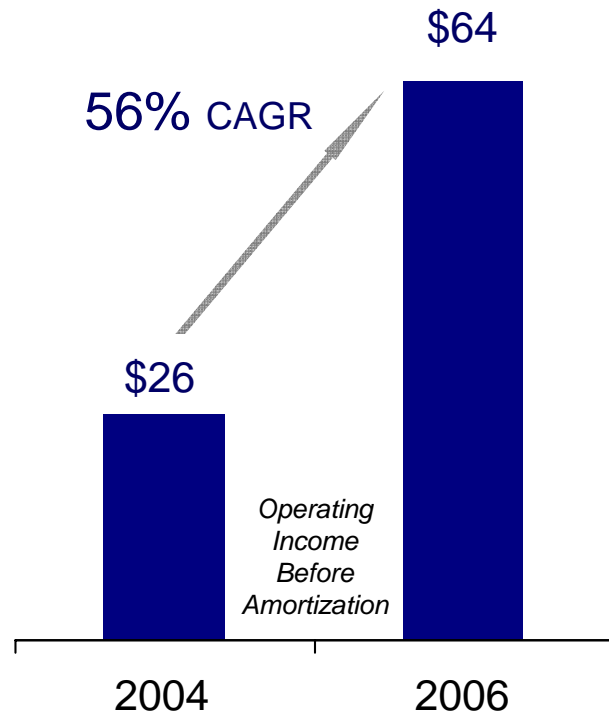


# Growth From Earlier-Stage Businesses – Lending

\$ in millions



## Driving Marketing Efficiencies In A Down Market



\* Please refer to the SEC section of [www.IAC.com](http://www.IAC.com) for reconciliations of non-GAAP numbers to GAAP.

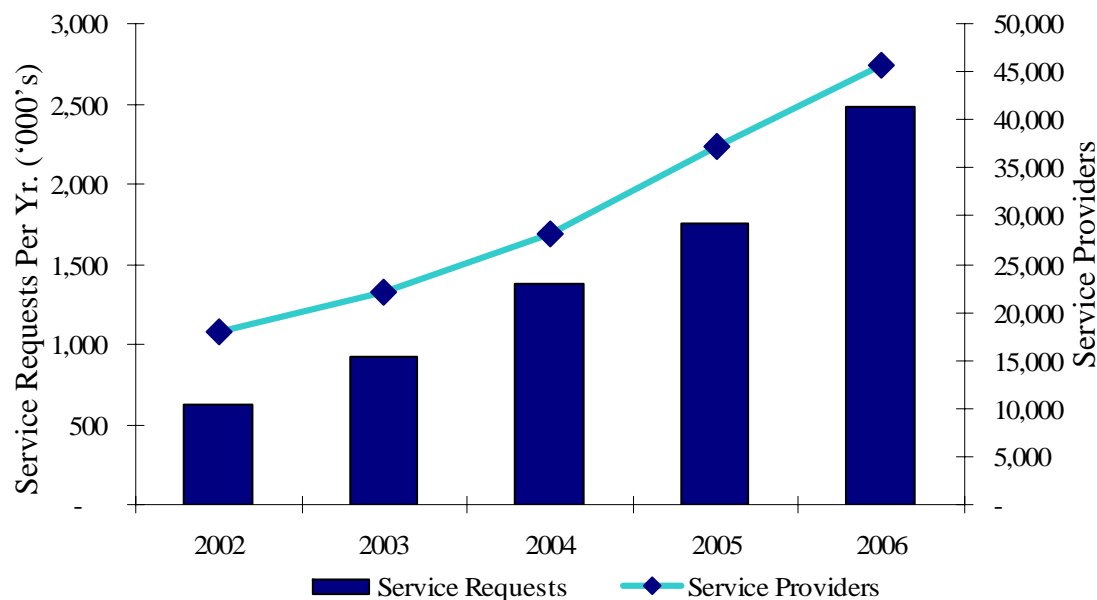
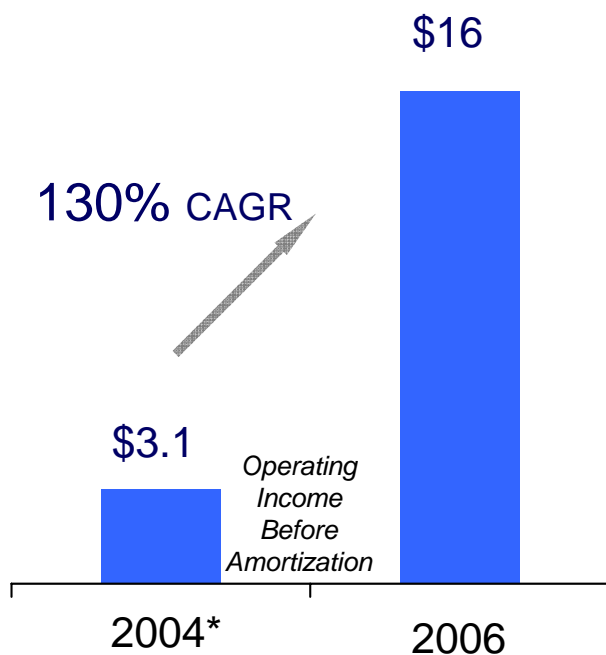


# Growth From Earlier-Stage Businesses - ServiceMagic

\$ in millions



## Growth in Service Requests and Providers



-Please refer to the SEC section of [www.IAC.com](http://www.IAC.com) for reconciliations of non-GAAP numbers to GAAP.

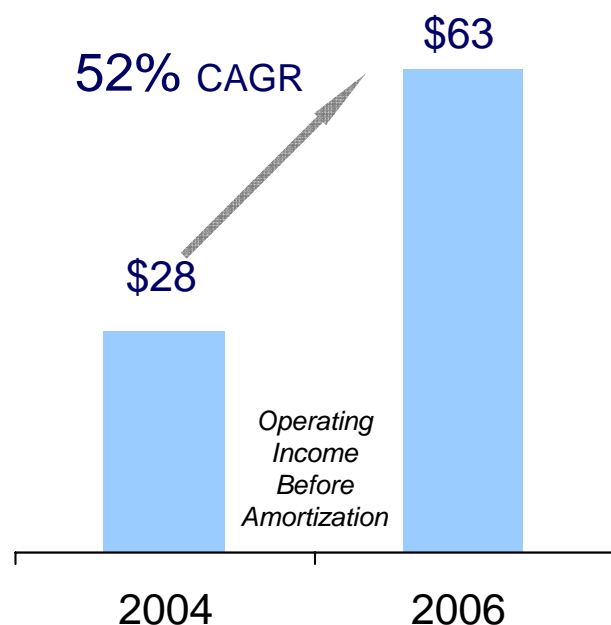
\* IAC acquired ServiceMagic in Sept. 2004. Number above is pro-forma as if IAC owned it for the entire year.



# Growth From Earlier-Stage Businesses – Match.com

\$ in millions

match.com

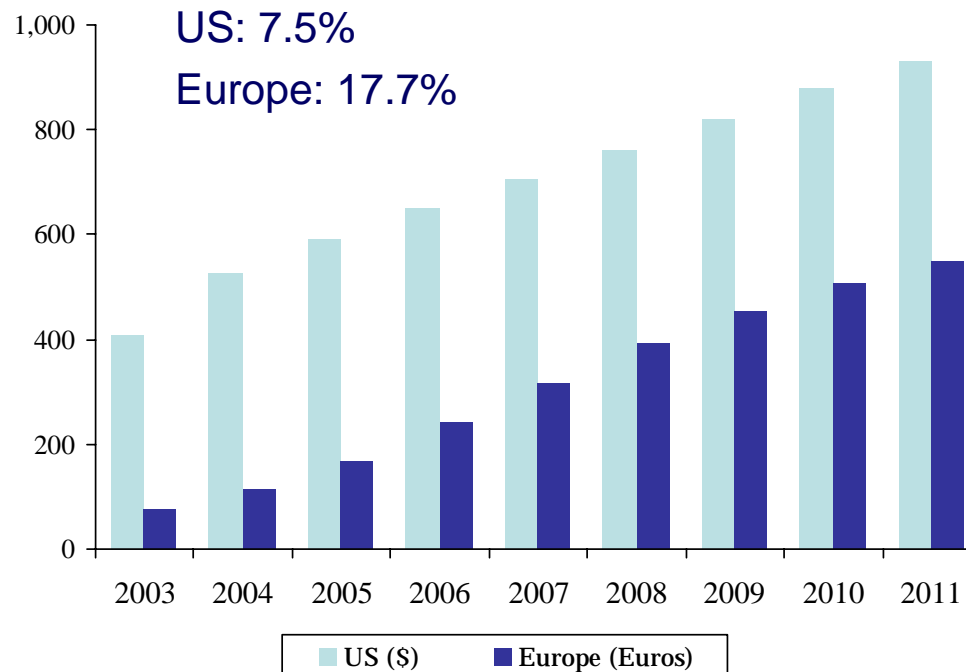


## Online Dating Spend; US and Europe

### 2006 – 2011 CAGR

US: 7.5%

Europe: 17.7%



Source: JupiterResearch, December 2006

\* Please refer to the SEC section of [www.IAC.com](http://www.IAC.com) for reconciliations of non-GAAP numbers to GAAP.



# Growth Through Innovation at Ask.com

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[U2](#) | [Save](#)  
 Bio by Stephen Thomas Erlewine, [All Music Guide](#)  
 Through a combination of zealous righteousness and post-punk experimentalism, U2 became one of the most popular rock & roll bands of the '80s. Equally known for their sweeping sound as for their grandiose statements about politics and religion, they were rock ... [More](#) »  
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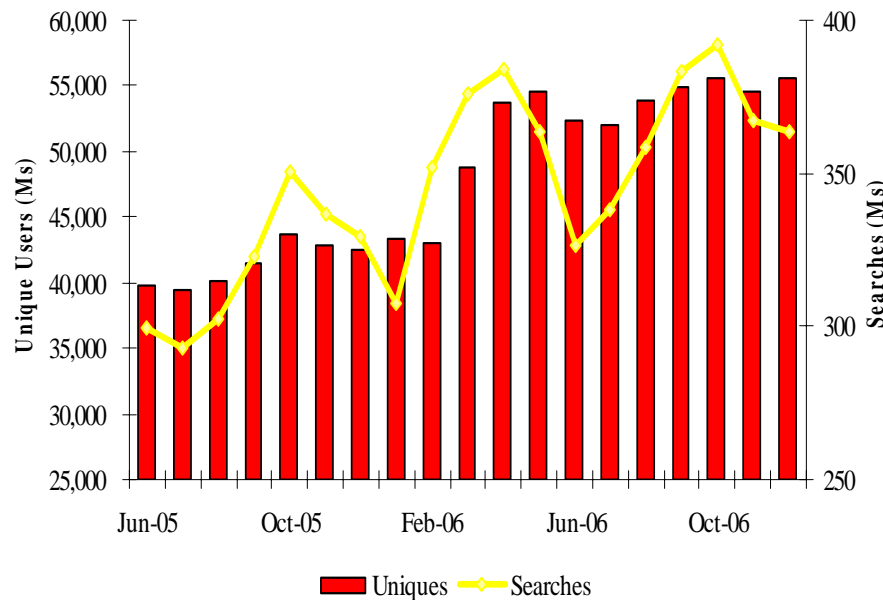
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[Beatles](#)

# Ask Focus: Share Growth and Product Innovation



- Ask.com Share Grew 11 out of 12 Months in 2006
- Ask Network Surpassed Time Warner/AOL For 4th Position in US Query Share
- Have 40% More Uniques Since Acquisition in 2005


Source: comScore Q Search, January 2007.





# Innovation Continues With AskX

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Bio by Stephen Thomas Erlewine, [All Music Guide](#)

Through a combination of zealous righteousness and post-punk experimentalism, U2 became one of the most popular rock & roll bands of the 80s. Equally known for their sweeping sound as for their grandiose statements about politics and religion, they were rock ... [More >](#)

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Official site of the rock group from Dublin, Ireland. Get the latest band news and events. Also offers: streaming audio and video clips, ...

[www.u2.com/](http://www.u2.com/)

**@U2**

Dedicated to preserving and celebrating the music of Irish rock band U2 in words and pictures, and to providing a source for U2 fans around ...

[www.atu2.com/](http://www.atu2.com/)

**U2 on tour at U2tours.com**

U2 FANS who have paid up to £600 for a ticket to see their heroes at Wembley later this year are in for a nasty shock.

[www.u2tours.com/](http://www.u2tours.com/) · Cached

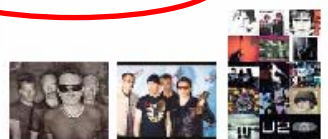
**U2 weblog, U2 news, U2 links, U2 live // Home // Established July ...**

The first U2 weblog. U2 news, daily updates, links and in depth coverage of U2 news, live appearance and red carpet events by a team of ...

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**Example Map Searches**



**"California" Area Map**



**"Chicago, IL" Area Map**




**"Manhattan, NY" Street Map**

# Contributes Toward Growth at Other IAC Businesses



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Property Types: (Show All)	Price Range: (Show All)	Beds: (Show All)	Baths: (Show All)	Square Footage: (Show All)	
Single Family Home (499)	under \$400,001 (3692)	1 (1)	1 (11)	under 1,500 (15)	New Search
Condo/Townhouse (281)	\$400,001 - \$500,000 (218)	2 (29)	2 (156)	1,500 - 1,999 (29)	Modify Search
Multi-Family Home (23)	\$500,001 - \$700,000 (281)	3 (184)	3 (236)	2,000 - 2,999 (182)	View New Construction (0)
Land (32)	\$700,001 - \$900,000 (172)	4 (224)	4 (82)	3,000 - 3,999 (204)	
	over \$900,000 (419)	5+ (60)	5+ (13)	over 4,000 (69)	

1 2 3 4 5 22 21

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	<b>\$699,900</b>	4	4	4,961	
9523 Moss Haven Dr Dallas, TX 75231 Single Family Home					
<a href="#">Request a Call</a>					
<a href="#">View Details</a> <a href="#">Prequalify</a> Ebbby Hallday, REALTORS					
	<b>\$699,900</b>	3	2	3,472	
7125 Araglin Ct Dallas, TX 75230 Single Family Home					
<a href="#">Request a Call</a>					
<a href="#">View Details</a> <a href="#">Prequalify</a> Prudential Texas Properties					
	<b>\$699,900</b>	4	3	3,100	
6907 Currin Dr Dallas, TX 75230 Single Family Home					
<a href="#">Request a Call</a>					
<a href="#">View Details</a> <a href="#">Prequalify</a> Keller Williams, North Dallas					
	<b>\$699,900</b>	3	2	3,426	
4918 Swiss Ave Dallas, TX 75214 Single Family Home					
<a href="#">Request a Call</a>					
<a href="#">View Details</a> <a href="#">Prequalify</a> <a href="#">Virtual Tour</a> Adelta Fine Properties					
	<b>\$699,900</b>	3	3	2,737	

**Street | Aerial**

zoom

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# Growth Through Innovation at Ask.com

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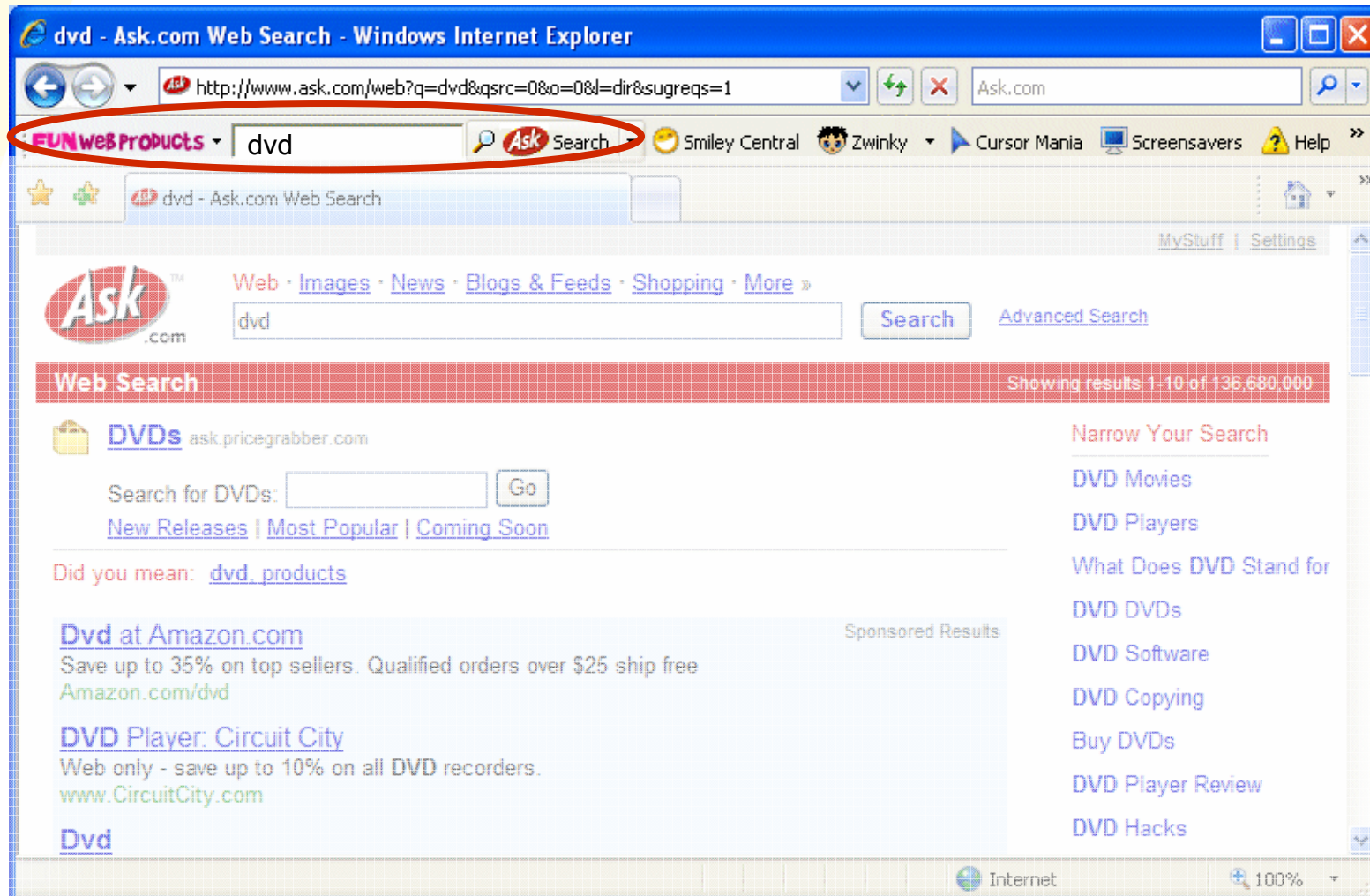
Event: radio city, New York, NY 10019, All dates
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Results Clear Search Results View By: Event Venue
Details Back to results

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Website
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28 Reviews
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New York, NY 10020
Directions Email Send to Phone
Events
Stage Door Tour
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Find tickets at Ticketmaster
Larry the Cable Guy
Fri 2/9/07, Sat 2/10/07
Find tickets at Ticketmaster
NTDTV's 2007 Chinese New Year Spectacular (NY)
Daily from Wed 2/14/07 to Sat 2/17/07
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Chinese New Year Spectacular
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Sat 2/17/07
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Sisters in the Spirit
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Map Street Aerial Clear the Map

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# Growth From Consumer Applications



# Fun Web Products: Smiley Central



**Over 2 Million Sent  
Daily**

**2 Billion Insertions  
Since 2004**

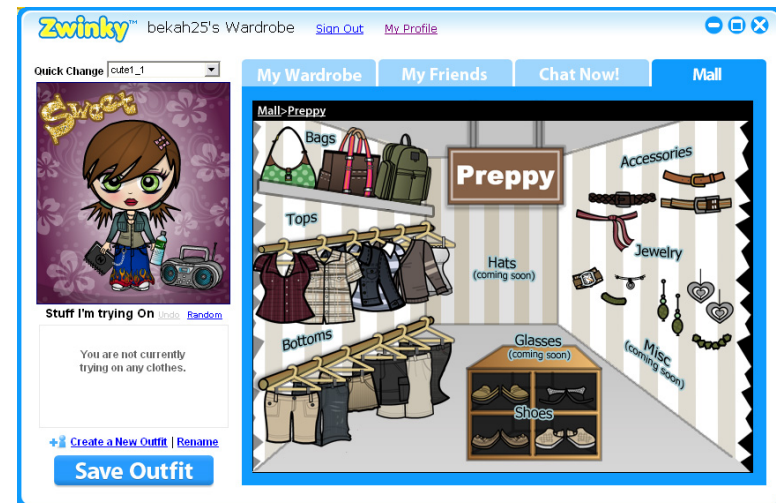


# Fun Web Products: Zwinky



**Over 4M  
Registered Users  
in 8 Months**

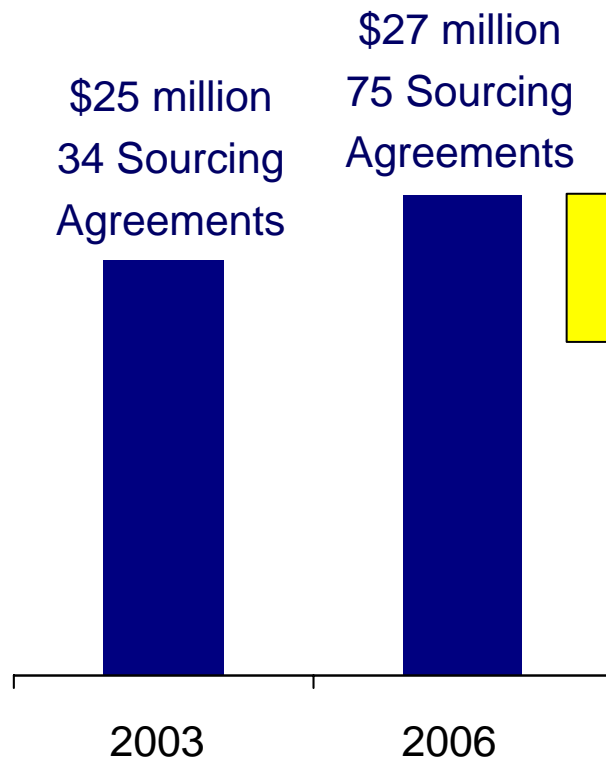
**Fastest-Growing  
Social Networking  
Site**





# Leverage Scale: Maximize Efficiency, Reduce Costs

## Estimated Costs Avoided/Saved



## Beyond The Low Hanging Fruit

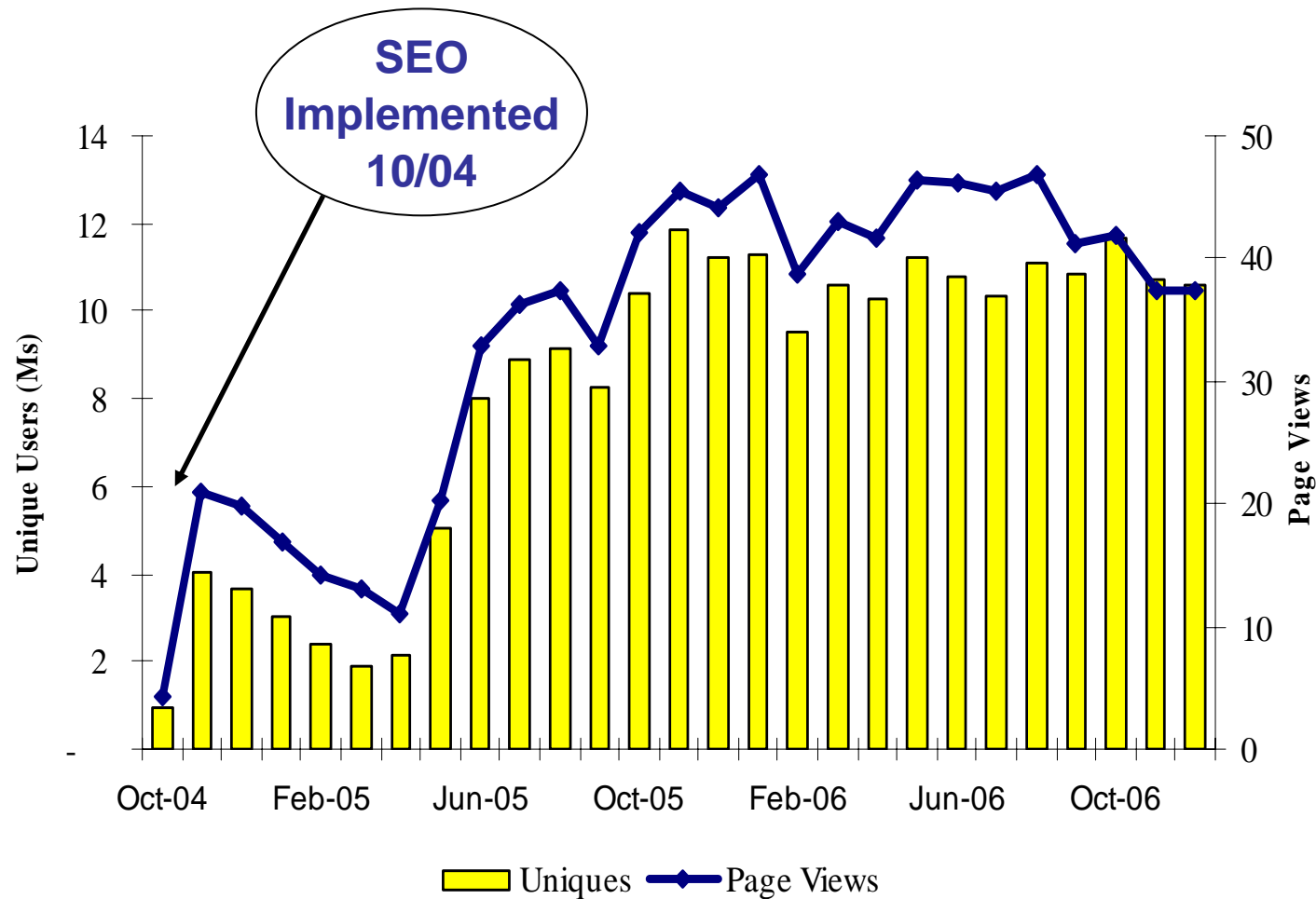
- 75 xCo Agreements in '06
- 10 best practices offsites held

### Shared Service Opportunities:

- Payroll
- Financial Systems
- HR Systems
- Data Centers

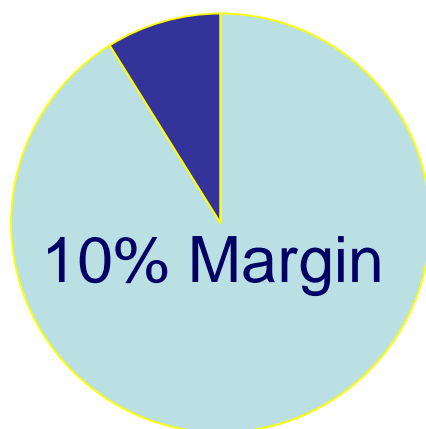


# Leverage Expertise: Citysearch Provides Case Study

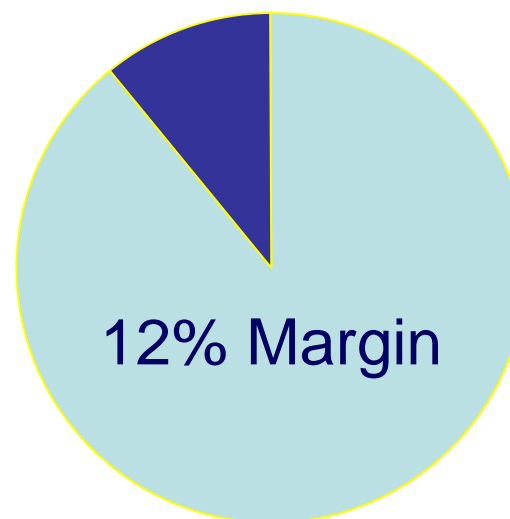


# Maximizing Efficiency – Contributing to Margin

**2003**



**2006**



Revenue

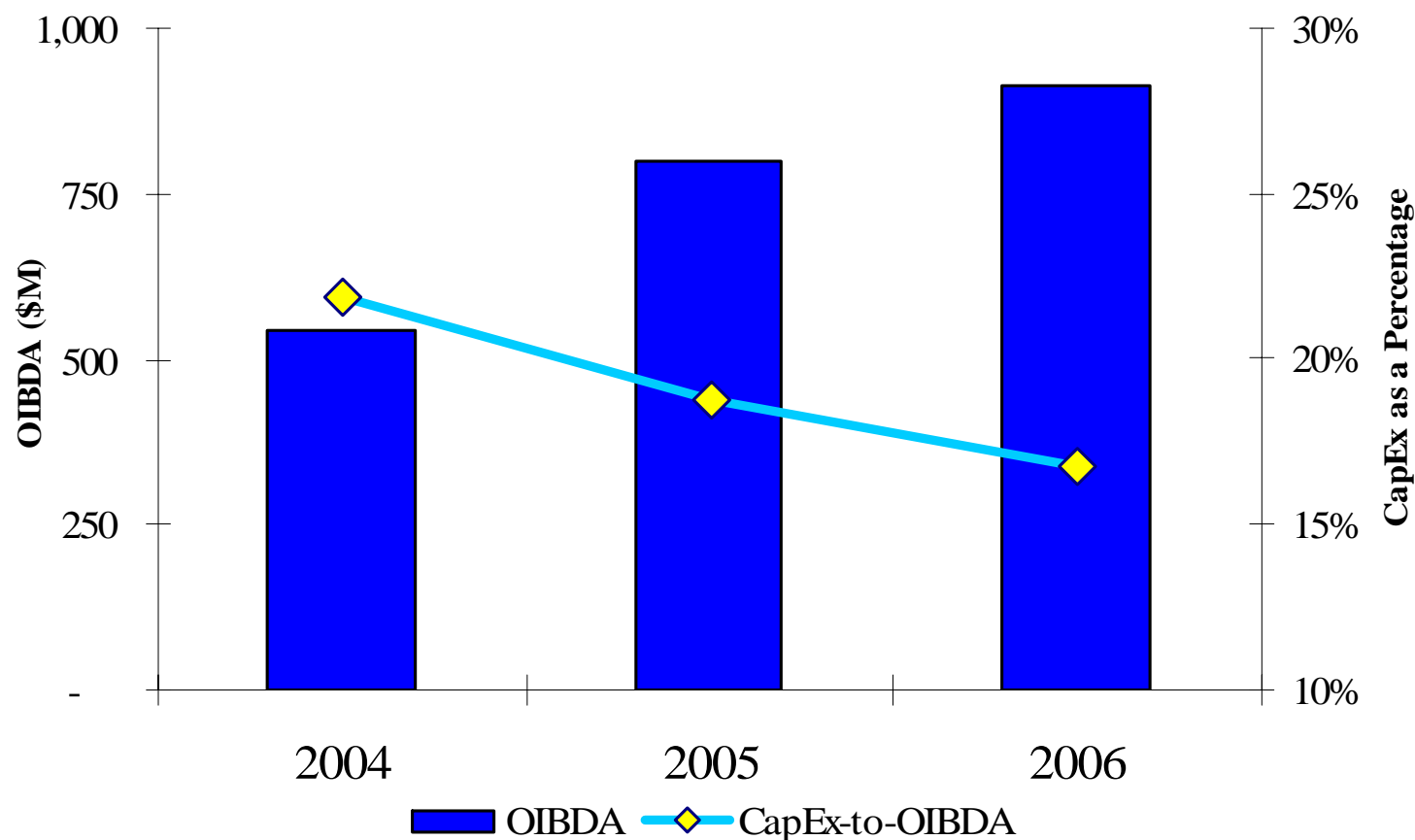


Operating Income Before  
Amortization

\* Please refer to the SEC section of [www.IAC.com](http://www.IAC.com) for reconciliations of non-GAAP numbers to GAAP.



# Managing Capital Expense and Cash Flow

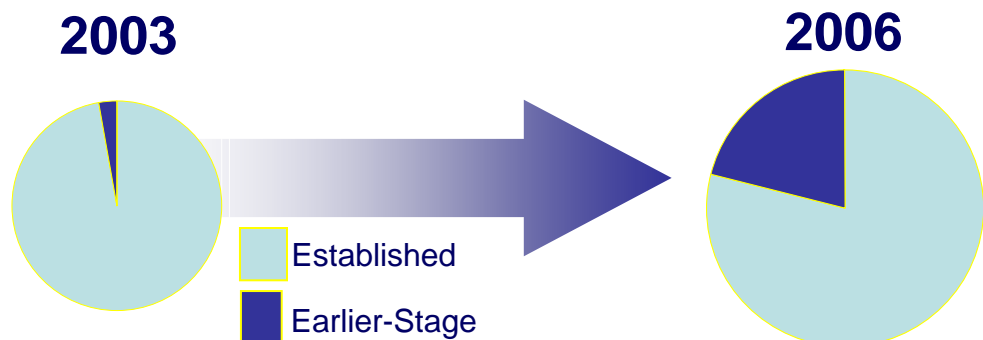


-Capital Expense excludes what was reported in "Corporate and Other"

\*OIBDA is a non-GAAP measure defined as Operating Income Before Amortization, a non-GAAP measure defined on page 60 of IAC's 2006 Form 10-K, excluding depreciation. For OIBDA figures, please refer to pages 2 and 6, in the Q4 2006 Supplemental Financial Information and Operating Metrics, found in the "Earnings Releases" section of [www.iac.com](http://www.iac.com), and for reconciliations of Operating Income Before Amortization to Operating Income, please refer to Note 8 to the financial statements included in IAC's 2006 Form 10-K, found in the "SEC Filings" section of [www.iac.com](http://www.iac.com).



# Managing Capital Structure



*Operating Income Before Amortization\*; Excludes Emerging Businesses and Corporate and Other*

**\$348 M\*\***

**\$542 M**

**Unwound  
VUE**

**Expedia  
Spin-Off**

**PRC Sale**

**Repurchased \$4.6B in common stock**

**Growing  
Contribution From  
Earlier Stage  
Businesses**

**Free Cash Flow  
Generation**

**Balance Sheet  
Management**

**Capital  
Management**

*\*Includes repurchases when Travel was still part of IAC.*

*•Please refer to the SEC section of [www.IAC.com](http://www.IAC.com) for reconciliations of non-GAAP numbers to GAAP.*

*\*\* 2004 Free Cash Flow*



# Important

Safe Harbor Statement Under The Private Securities Litigation Reform Act Of 1995

This presentation may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements relating to IAC’s anticipated financial performance, business prospects, new developments and similar matters, and/or statements that use words such as “anticipates,” “estimates,” “expects,” “intends,” “plans,” “believes” and similar expressions. These forward-looking statements are based on management’s current expectations and assumptions, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Actual results could differ materially from those contained in these forward-looking statements for a variety of reasons, including, among others: changes in economic conditions generally or in any of the markets or industries in which IAC’s various businesses operate, changes in senior management at IAC and/or its businesses, the rate of online migration in the various markets and industries in which IAC’s various businesses operate, technological changes, regulatory changes, changes in the interest rate environment or a slowdown in the domestic housing market, effectiveness of hedging activities, changes affecting distribution channels, consumer acceptance of new products and services, changes in the advertising market and the ability of IAC to expand successfully in international markets. Certain of these and other risks and uncertainties are discussed in IAC’s filings with the Securities and Exchange Commission, including in its Annual Report on Form 10-K for the fiscal year ended December 31, 2006 (“SEC”). Other unknown or unpredictable factors also could have a material adverse effect on IAC’s business, financial condition and results of operations. In light of these risks and uncertainties, these forward-looking statements may not occur. Accordingly, you should not place undue reliance on these forward-looking statements, which only reflect the views of IAC management as of the date of this presentation. IAC does not undertake to update these forward-looking statements.



# Reconciliations of GAAP to Non-GAAP Measures

For the year ended December 31, 2006						
	Operating Income Before Amortization	Non-cash compensation expense (A)	Amortization of non- cash marketing	Amortization of intangibles	Goodwill impairment	Operating income (loss)
Retailing:						
U.S.	\$ 268.9	\$ (4.8)	\$ -	\$ (36.2)	\$ -	\$ 228.0
International	4.4	-	-	(0.7)	-	3.7
Total Retailing	273.3	(4.8)	-	(36.9)	-	231.7
Services:						
Ticketing	264.4	-	-	(27.1)	-	237.3
Lending	63.6	0.9	-	(16.4)	-	48.1
Real Estate	(21.3)	0.4	-	(7.6)	-	(28.5)
Home Services	16.2	(0.6)	-	(3.1)	-	12.4
Total Services	322.9	0.7	-	(54.2)	-	269.4
Media & Advertising	58.3	-	(29.6)	(34.6)	-	(6.0)
Membership & Subscriptions:						
Vacations	124.8	-	-	(25.2)	-	99.6
Personals	63.4	-	(3.0)	(2.0)	-	58.4
Discounts	13.9	-	-	(29.9)	(189.1)	(205.2)
Total Membership & Subscriptions	202.0	-	(3.0)	(57.2)	(189.1)	(47.2)
Emerging Businesses	(15.9)	(0.2)	(4.5)	(0.5)	-	(21.0)
Corporate and other	(85.4)	(88.1)	-	-	-	(173.4)
Total	\$ 755.3	\$ (92.3)	\$ (37.1)	\$ (183.4)	\$ (189.1)	\$ 253.4
Other income, net						46.0
Earnings from continuing operations before income taxes and minority interest						299.4
Income tax provision						(125.1)
Minority interest in income of consolidated subsidiaries						0.5
Earnings from continuing operations						174.8
Gain on sale of discontinued operations, net of tax						9.6
Income from discontinued operations, net of tax						8.3
Earnings before preferred dividends						192.6
Preferred dividends						-
Net earnings available to common shareholders						\$ 192.6

(A) Non-cash compensation expense includes \$7.0 million, \$7.6 million, \$77.6 million and \$0.1 million which are included in cost of sales, selling and marketing expense, general and administrative expense and other operating expense, respectively, in the accompanying consolidated statement of operations.



# Reconciliations of GAAP to Non-GAAP Measures

For the year ended December 31, 2005					
	Operating Income Before Amortization	Non-cash compensation expense (A)	Amortization of non- cash marketing	Amortization of intangibles	Operating income (loss)
Retailing:					
U.S.	\$ 276.6	\$ (0.4)	\$ -	\$ (59.4)	\$ 216.7
International	5.8	-	-	(1.3)	4.5
Total Retailing	282.3	(0.4)	-	(60.8)	221.1
Services:					
Ticketing	218.7	-	-	(28.7)	189.9
Lending	80.6	(1.9)	-	(23.4)	55.3
Real Estate	(16.7)	(1.0)	-	(11.9)	(29.5)
Home Services	11.2	0.7	-	(3.0)	8.9
Total Services	293.9	(2.2)	-	(67.1)	224.6
Media & Advertising	30.5	-	-	(22.8)	7.7
Membership & Subscriptions:					
Vacations	110.7	-	-	(25.2)	85.5
Personals	47.9	-	-	(3.8)	44.1
Discounts	17.5	-	-	(6.4)	11.2
Total Membership & Subscriptions	176.2	-	-	(35.4)	140.8
Emerging Businesses	(12.1)	(0.1)	-	(0.4)	(12.7)
Corporate and other	(105.7)	(134.8)	-	-	(240.6)
Total	\$ 665.0	\$ (137.5)	\$ -	\$ (186.5)	\$ 341.0
Other income, net					647.3
Earnings from continuing operations before income taxes and minority interest					988.3
Income tax provision					(389.7)
Minority interest in income of consolidated subsidiaries					(2.2)
Earnings from continuing operations					596.4
Gain on sale of discontinued operations, net of tax					70.2
Income from discontinued operations, net of tax					209.6
Earnings before preferred dividends					876.2
Preferred dividends					(7.9)
Net earnings available to common shareholders					\$ 868.2

(A) Non-cash compensation expense includes \$7.4 million, \$5.8 million, \$124.2 million and \$0.1 million which are included in cost of sales, selling and marketing expense, general and administrative expense and other operating expense, respectively, in the accompanying consolidated statement of operations.





# Reconciliations of GAAP to Non-GAAP Measures

## Reconciliation of Operating Income to Operating Income Before Amortization and Depreciation

(\$ in millions)

	Year Ended		
	2004	2005	2006
<b>Operating Income</b>	<b>\$ 160.6</b>	<b>\$ 341.0</b>	<b>\$ 253.4</b>
Adjustments to Operating Income Before Amortization			
Amortization of Intangibles	185.4	186.5	183.4
Non-cash compensation expense	70.3	137.5	92.3
Amortization of non-cash marketing	1.3	0.0	37.1
Goodwill Impairment	0.0	0.0	189.1
<b>Operating Income Before Amortization (OIBA)</b>	<b>\$ 417.6</b>	<b>\$ 665.0</b>	<b>\$ 755.3</b>
Depreciation	126.9	133.8	155.8
<b>Operating Income Before Amortization and Depreciation (OIBDA)</b>	<b>\$ 544.5</b>	<b>\$ 798.8</b>	<b>\$ 911.1</b>



# Reconciliations of GAAP to Non-GAAP Measures

IAC

## Financial Results and Reconciliations

(\$ in millions, except per share amounts, rounding differences may exist)

### Revenue

	2003 FYE 12/31	2004 FYE 12/31	2005 FYE 12/31	2006 FYE 12/31
Retailing:				
U.S.	\$ 1,763.7	\$ 1,905.9	\$ 2,671.0	\$ 2,933.4
International	348.4	342.0	379.9	358.2
Total Retailing	2,112.1	2,247.9	3,050.9	3,291.6
Services:				
Ticketing	743.2	768.2	950.2	1,085.4
Lending	48.6	159.3	367.8	428.8
Real Estate	7.2	30.4	57.6	56.8
Home Services	-	6.9	41.0	63.7
Total Services	799.0	964.9	1,416.5	1,634.7
Media & Advertising	28.7	30.5	213.5	544.2
Membership & Subscriptions:				
Vacations	222.8	256.8	272.8	299.1
Personals	185.3	198.0	249.5	311.2
Discounts	201.5	217.9	219.0	196.8
Intra-sector eliminations	(1.4)	(1.3)	(1.5)	(1.6)
Total Membership & Subscriptions	608.1	671.5	739.8	805.5
Emerging Businesses	-	-	0.9	7.5
Inter-segment eliminations	(1.0)	(3.7)	(5.1)	(6.0)
Total Revenue	\$ 3,547.0	\$ 3,911.0	\$ 5,416.5	\$ 6,277.6

### Operating Income Before Amortization

Retailing:				
U.S.	\$ 168.3	\$ 194.7	\$ 276.6	\$ 268.9
International	4.7	4.3	5.8	4.4
Total Retailing	173.0	199.0	282.3	273.3
Services:				
Ticketing	144.5	164.3	218.7	264.4
Lending	3.1	26.1	80.6	63.6
Real Estate	(2.0)	(4.6)	(16.7)	(21.3)
Home Services	-	0.3	11.2	16.2
Total Services	145.7	186.0	293.9	322.9
Media & Advertising	(19.9)	(13.3)	30.5	58.3
Membership & Subscriptions:				
Vacations	66.2	90.2	110.7	124.8
Personals	31.0	27.6	47.9	63.4
Discounts	46.1	22.0	17.5	13.9
Total Membership & Subscriptions	143.3	139.8	176.2	202.0
Emerging Businesses	(3.8)	(4.5)	(12.1)	(15.9)
Corporate expense and other	(73.0)	(89.4)	(105.7)	(85.4)
Total Operating Income Before Amortization	\$ 365.3	\$ 417.6	\$ 665.0	\$ 755.3



# Reconciliations of GAAP to Non-GAAP Measures

IAC

## Financial Results and Reconciliations

(\$ in millions, except per share amounts, rounding differences may exist)

	2003 FYE 12/31	2004 FYE 12/31	2005 FYE 12/31	2006 FYE 12/31
<b>Non-cash compensation expense</b>				
Retailing:				
U.S.	\$ -	\$ -	\$ (0.4)	\$ (4.8)
International	-	-	-	-
Total Retailing	-	-	(0.4)	(4.8)
Services:				
Ticketing	(0.0)	-	-	-
Lending	(0.8)	(2.7)	(1.9)	0.9
Real Estate	(0.6)	(0.9)	(1.0)	0.4
Home Services	-	(1.5)	0.7	(0.6)
Total Services	(1.5)	(5.1)	(2.2)	0.7
Media & Advertising	-	-	-	-
Membership & Subscriptions:				
Vacations	-	-	-	-
Personals	-	-	-	-
Discounts	-	-	-	-
Total Membership & Subscriptions	-	-	-	-
Emerging Businesses	-	-	(0.1)	(0.2)
Corporate expense and other (a)	(30.9)	(65.2)	(134.8)	(88.1)
Total non-cash compensation expense	<u>\$ (32.4)</u>	<u>\$ (70.3)</u>	<u>\$ (137.5)</u>	<u>\$ (92.3)</u>
<b>Amortization of non-cash marketing</b>				
Retailing:				
U.S.	\$ -	\$ -	\$ -	\$ -
International	-	-	-	-
Total Retailing	-	-	-	-
Services:				
Ticketing	(1.0)	(0.2)	-	-
Lending	-	-	-	-
Real Estate	-	-	-	-
Home Services	-	-	-	-
Total Services	(1.0)	(0.2)	-	-
Media & Advertising	(2.4)	(0.4)	-	(29.6)
Membership & Subscriptions:				
Vacations	-	-	-	-
Personals	(4.0)	(0.7)	-	(3.0)
Discounts	-	-	-	-
Total Membership & Subscriptions	(4.0)	(0.7)	-	(3.0)
Emerging Businesses	(2.1)	-	-	(4.5)
Corporate expense and other	-	-	-	-
Total amortization of non-cash marketing	<u>\$ (9.5)</u>	<u>\$ (1.3)</u>	<u>\$ -</u>	<u>\$ (37.1)</u>



# Reconciliations of GAAP to Non-GAAP Measures

## IAC

### Financial Results and Reconciliations

(\$ in millions, except per share amounts, rounding differences may exist)

#### Amortization of intangibles and goodwill impairment

	2003 FYE 12/31	2004 FYE 12/31	2005 FYE 12/31	2006 FYE 12/31
Retailing:				
U.S.	\$ (50.8)	\$ (52.9)	\$ (59.4)	\$ (36.2)
International	(1.3)	(1.3)	(1.3)	(0.7)
Total Retailing	(52.1)	(54.2)	(60.8)	(36.9)
Services:				
Ticketing	(26.9)	(26.2)	(28.7)	(27.1)
Lending	(14.0)	(19.0)	(23.4)	(16.4)
Real Estate	(2.3)	(6.5)	(11.9)	(7.6)
Home Services	-	(1.0)	(3.0)	(3.1)
Total Services	(43.2)	(52.6)	(67.1)	(54.2)
Media & Advertising	(47.6)	(33.4)	(22.8)	(34.6)
Membership & Subscriptions:				
Vacations	(25.2)	(25.2)	(25.2)	(25.2)
Personals	(12.9)	(8.1)	(3.8)	(2.0)
Discounts (b)	(5.7)	(8.0)	(6.4)	(219.0)
Total Membership & Subscriptions	(43.8)	(41.3)	(35.4)	(246.3)
Emerging Businesses	-	(3.9)	(0.4)	(0.5)
Corporate expense and other	-	-	-	-
Total amortization of intangibles and goodwill impairment	\$ (186.7)	\$ (185.4)	\$ (186.5)	\$ (372.5)

#### Operating Income (Loss)

Retailing:				
U.S.	\$ 117.5	\$ 141.7	\$ 216.7	\$ 228.0
International	3.4	3.0	4.5	3.7
Total Retailing	120.9	144.7	221.1	231.7
Services:				
Ticketing	116.5	137.9	189.9	237.3
Lending	(11.6)	4.4	55.3	48.1
Real Estate	(4.8)	(12.0)	(29.5)	(28.5)
Home Services	-	(2.2)	8.9	12.4
Total Services	100.0	128.1	224.6	269.4
Media & Advertising	(69.8)	(47.1)	7.7	(6.0)
Membership & Subscriptions:				
Vacations	41.0	65.0	85.5	99.6
Personals	14.1	18.8	44.1	58.4
Discounts (b)	40.4	14.0	11.2	(205.2)
Total Membership & Subscriptions	95.5	97.9	140.8	(47.2)
Emerging Businesses	(5.9)	(8.4)	(12.7)	(21.0)
Corporate expense and other (a)	(103.9)	(154.6)	(240.6)	(173.4)
Total operating income (loss)	\$ 136.7	\$ 160.6	\$ 341.0	\$ 253.4

- (a) Corporate expense and other operating loss in Q3 2005 includes a \$67 million non-cash compensation charge related to the treatment of vested stock options in connector partially offset by a \$5.5 million reduction in non-cash compensation expense due to the cumulative effect of a change in the Company's estimate related to the number of
- (b) Discounts Q4 2006 operating income includes a \$214 million impairment charge related to intangible assets and goodwill.



# Reconciliations of GAAP to Non-GAAP Measures

## **IAC RECONCILIATION OF OPERATING CASH FLOW FROM CONTINUING OPERATIONS TO FREE CASH FLOW** (unaudited; \$ in millions)

	<b>Twelve Months Ended December 31,</b>	
	<b>2006</b>	<b>2005</b>
Net cash provided by (used in) operating activities attributable to continuing operations	\$ 814.3	\$ (82.5)
(Decrease) increase in warehouse loans payable	(23.8)	162.8
Capital expenditures	(251.4)	(222.9)
Tax payments related to the sale of VUE interests	3.1	862.6
Preferred dividends paid	-	(9.6)
Free Cash Flow (a)	<u>\$ 542.2</u>	<u>\$ 710.4</u>



The background is a solid yellow color. A large, white, curved swoosh or 'C' shape starts from the bottom left and curves upwards and to the right, ending near the top center. This swoosh creates a sense of movement and divides the yellow space.

IAC ✓