

IAC
Q4 2010 Earnings
Supplemental Financial Information and Operating Metrics

Table of Contents

	<u>Page(s)</u>
Financial Information:	
Financial Results and Reconciliations	2 - 4
Operating Metrics:	
Search	5
Match	6
ServiceMagic	7

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Financial Results and Reconciliations

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

	2008	2009					2010				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Revenue											
Search	\$ 753.1	\$ 165.0	\$ 165.2	\$ 168.8	\$ 182.8	\$ 681.8	\$ 199.0	\$ 197.2	\$ 205.1	\$ 235.9	\$ 837.1
Match	365.5	90.1	88.3	81.0	83.3	342.6	89.3	97.0	106.2	108.3	400.7
ServiceMagic	123.9	31.4	42.4	43.9	38.2	155.8	42.2	49.5	48.4	41.3	181.4
Media & Other	182.1	40.4	38.5	37.8	52.0	168.8	48.1	51.0	54.0	66.7	219.9
Intercompany Elimination	(14.5)	(0.8)	(0.4)	(0.6)	(0.5)	(2.3)	(0.4)	(0.4)	(0.7)	(0.8)	(2.4)
Total revenue	\$ 1,410.1	\$ 326.0	\$ 334.1	\$ 330.9	\$ 355.7	\$ 1,346.7	\$ 378.2	\$ 394.2	\$ 413.0	\$ 451.4	\$ 1,636.8
Operating Income Before Amortization											
Search	\$ 144.9	\$ 13.1	\$ 18.0	\$ 29.7	\$ 30.8	\$ 91.6	\$ 31.5	\$ 32.0	\$ 29.3	\$ 32.7	\$ 125.5
Match	91.3	9.9	28.5	26.8	28.8	94.1	14.8	29.1	39.4	38.8	122.1
ServiceMagic	26.2	2.8	6.7	9.9	1.8	21.3	2.9	6.1	6.7	2.5	18.2
Media & Other	(25.3)	(6.4)	(8.1)	(3.6)	(1.6)	(19.7)	(2.4)	(2.6)	(2.2)	(4.8)	(12.0)
Corporate	(120.9)	(15.0)	(16.1)	(16.6)	(17.8)	(65.5)	(13.2)	(14.2)	(16.1)	(20.7)	(64.2)
Total Operating Income Before Amortization	\$ 116.2	\$ 4.5	\$ 29.1	\$ 46.2	\$ 42.0	\$ 121.9	\$ 33.6	\$ 50.4	\$ 57.0	\$ 48.5	\$ 189.6
Non-cash compensation expense											
Search	\$ -	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.6)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ -	\$ (0.3)
Match	-	(0.1)	-	-	-	(0.2)	-	0.2	-	-	0.2
ServiceMagic	(0.7)	(0.1)	-	-	-	(0.1)	-	-	-	-	-
Media & Other	(0.4)	(0.2)	(0.5)	(0.1)	(0.2)	(0.9)	(0.1)	(0.2)	(0.4)	(0.2)	(0.9)
Corporate	(84.7)	(18.3)	(12.9)	(16.2)	(20.8)	(68.3)	(21.3)	(21.0)	(16.6)	(24.3)	(83.2)
Total non-cash compensation expense	\$ (85.8)	\$ (18.8)	\$ (13.6)	\$ (16.5)	\$ (21.2)	\$ (70.1)	\$ (21.5)	\$ (21.0)	\$ (17.1)	\$ (24.6)	\$ (84.3)
Amortization of non-cash marketing											
Search	\$ (4.9)	\$ (2.3)	\$ (0.2)	\$ -	\$ (4.0)	\$ (6.5)	\$ -	\$ -	\$ -	\$ -	\$ -
Match	(15.1)	-	-	-	(4.4)	(4.4)	-	-	-	-	-
ServiceMagic	-	-	-	(5.0)	-	(5.0)	-	-	-	-	-
Media & Other	-	-	-	-	-	-	-	-	-	-	-
Corporate	-	-	-	-	-	-	-	-	-	-	-
Total amortization of non-cash marketing	\$ (20.0)	\$ (2.3)	\$ (0.2)	\$ (5.0)	\$ (8.4)	\$ (15.9)	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of intangibles and goodwill impairment											
Search (a) (b)	\$ (34.0)	\$ (6.6)	\$ (6.4)	\$ (6.3)	\$ (1,045.5)	\$ (1,064.8)	\$ (0.3)	\$ (0.3)	\$ (0.3)	\$ (11.3)	\$ (12.3)
Match	(0.7)	(0.1)	(0.1)	(2.9)	(1.8)	(4.9)	(1.1)	(3.8)	(1.2)	(0.7)	(6.8)
ServiceMagic	(1.5)	(0.6)	(1.0)	(0.6)	(0.5)	(2.8)	(0.5)	(0.4)	(0.5)	(0.4)	(1.7)
Media & Other (a) (c)	(18.5)	(0.5)	(0.3)	(0.3)	(0.3)	(1.4)	(1.3)	(0.2)	(0.2)	(32.8)	(34.6)
Corporate	-	-	-	-	-	-	-	-	-	-	-
Total amortization of intangibles and goodwill impairment	\$ (54.7)	\$ (7.9)	\$ (7.9)	\$ (10.1)	\$ (1,048.1)	\$ (1,073.9)	\$ (3.2)	\$ (4.8)	\$ (2.3)	\$ (45.3)	\$ (55.5)

See Footnotes on Page 4

IAC

Financial Results and Reconciliations

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

	2008	2009					2010				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Operating (loss) income											
Search (a) (b)	\$ 106.1	\$ 4.1	\$ 11.2	\$ 23.3	\$ (1,018.9)	\$ (980.2)	\$ 31.1	\$ 31.6	\$ 28.9	\$ 21.3	\$ 112.9
Match	75.5	9.7	28.4	23.9	22.6	84.7	13.7	25.5	38.1	38.0	115.4
ServiceMagic	24.0	2.0	5.7	4.3	1.4	13.4	2.4	5.7	6.2	2.1	16.4
Media & Other (a) (c)	(44.2)	(7.1)	(8.9)	(4.0)	(2.1)	(22.1)	(3.8)	(3.0)	(2.8)	(37.9)	(47.5)
Corporate	(205.6)	(33.2)	(29.0)	(32.9)	(38.6)	(133.7)	(34.4)	(35.2)	(32.7)	(45.0)	(147.3)
Total operating (loss) income	\$ (44.3)	\$ (24.5)	\$ 7.4	\$ 14.6	\$ (1,035.6)	\$ (1,038.0)	\$ 8.9	\$ 24.6	\$ 37.7	\$ (21.4)	\$ 49.8
Total other income (expense), net (d)	155.5	0.6	60.8	51.0	(21.4)	91.0	(17.4)	(3.9)	0.3	(6.1)	(27.1)
Earnings (loss) from continuing operations before income taxes	111.2	(23.9)	68.3	65.6	(1,056.9)	(947.0)	(8.5)	20.7	38.0	(27.6)	22.7
Income tax benefit (provision)	30.7	(0.6)	(23.5)	(37.2)	51.9	(9.5)	(6.1)	(5.3)	(15.5)	(5.1)	(32.1)
Earnings (loss) from continuing operations	141.9	(24.5)	44.7	28.4	(1,005.1)	(956.5)	(14.6)	15.4	22.4	(32.7)	(9.4)
Gain on Liberty Exchange (e)	-	-	-	-	-	-	-	-	-	140.8	140.8
Gain on sale of discontinued operations, net of tax	23.3	-	-	-	-	-	-	-	-	-	-
Discontinued operations, net of tax (f)	(329.4)	(4.1)	(4.3)	(7.1)	(7.9)	(23.4)	(4.7)	(2.6)	(4.8)	(24.9)	(37.0)
Net (loss) earnings	(164.2)	(28.6)	40.4	21.3	(1,013.0)	(979.9)	(19.3)	12.8	17.6	83.2	94.4
Net loss (earnings) attributable to noncontrolling interest	8.0	0.3	0.4	0.4	-	1.1	0.6	0.8	(0.1)	3.8	5.0
Net (loss) earnings attributable to IAC shareholders	\$ (156.2)	\$ (28.4)	\$ 40.8	\$ 21.7	\$ (1,012.9)	\$ (978.8)	\$ (18.7)	\$ 13.6	\$ 17.5	\$ 87.0	\$ 99.4
GAAP Diluted weighted average shares outstanding	144.0	147.8	148.1	134.9	127.7	138.6	116.4	112.6	106.2	96.5	106.3
Diluted (loss) earnings per share	\$ (1.08)	\$ (0.19)	\$ 0.28	\$ 0.16	\$ (7.94)	\$ (7.06)	\$ (0.16)	\$ 0.12	\$ 0.16	\$ 0.90	\$ 0.93
Reconciliation of GAAP EPS to Adjusted EPS											
Net (loss) earnings attributable to IAC shareholders	\$ (156.2)	\$ (28.4)	\$ 40.8	\$ 21.7	\$ (1,012.9)	\$ (978.8)	\$ (18.7)	\$ 13.6	\$ 17.5	\$ 87.0	\$ 99.4
Non-cash compensation expense	85.8	18.8	13.6	16.5	21.2	70.1	21.5	21.0	17.1	24.6	84.3
Amortization of intangibles (a) (b)	43.1	7.9	7.9	10.1	131.2	157.0	3.2	4.8	2.3	17.2	27.5
Amortization of non-cash marketing	20.0	2.3	0.2	5.0	8.4	15.9	-	-	-	-	-
Goodwill impairment (a) (b) (c)	11.6	-	-	-	916.9	916.9	-	-	-	28.0	28.0
Arcandor impairment (d)	166.7	-	3.9	0.6	0.2	4.6	-	-	-	-	-
Gain on sale of Match Europe (d)	-	-	(116.8)	(15.4)	-	(132.2)	-	-	-	-	-
Other (income) expense related to fair value adjustment of derivatives related to Arcandor AG stock and the Expedia spin-off (d)	(6.3)	-	38.2	-	20.6	58.8	-	-	-	-	-
Gain on sale of VUE and related effects	6.8	1.5	1.6	1.8	2.1	7.0	1.7	1.8	1.8	1.8	7.0
Gain on Liberty Exchange (e)	-	-	-	-	-	-	-	-	-	(140.8)	(140.8)
Gain on sale of discontinued operations, net of tax	(23.3)	-	-	-	-	-	-	-	-	-	-
Discontinued operations, net of tax (f)	329.4	4.1	4.3	7.1	7.9	23.4	4.7	2.6	4.8	24.9	37.0
Impact of income taxes and noncontrolling interest	(202.8)	(3.9)	10.7	3.3	(68.4)	(58.3)	(10.0)	(15.8)	(7.9)	(15.8)	(49.4)
Adjusted Net Income	\$ 274.6	\$ 2.3	\$ 4.5	\$ 50.6	\$ 26.9	\$ 84.3	\$ 2.5	\$ 28.0	\$ 35.5	\$ 27.0	\$ 93.0
Adjusted EPS weighted average shares outstanding (g)	147.3	152.6	150.2	136.5	132.7	143.0	121.8	114.9	108.3	104.7	112.4
Adjusted EPS	\$ 1.87	\$ 0.02	\$ 0.03	\$ 0.37	\$ 0.20	\$ 0.59	\$ 0.02	\$ 0.24	\$ 0.33	\$ 0.26	\$ 0.83
GAAP Basic weighted average shares outstanding	139.9	147.8	146.5	132.8	127.7	138.6	116.4	109.3	103.2	96.5	106.3
Options, warrants and RSUs, treasury method	4.1	-	1.6	2.1	-	-	-	3.3	3.1	-	-
GAAP Diluted weighted average shares outstanding	144.0	147.8	148.1	134.9	127.7	138.6	116.4	112.6	106.2	96.5	106.3
Options, warrants and RSUs, treasury method not included in diluted shares above	-	2.2	-	-	3.5	2.4	3.5	-	-	5.0	3.7
Impact of RSUs	3.3	2.6	2.2	1.7	1.5	2.0	1.9	2.3	2.1	3.3	2.4
Adjusted EPS shares outstanding (g)	147.3	152.6	150.2	136.5	132.7	143.0	121.8	114.9	108.3	104.7	112.4

See Footnotes on Page 4

IAC

Financial Results and Reconciliations

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

	2008	2009					2010				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Supplemental: Depreciation by segment											
Search	\$ 35.8	\$ 8.3	\$ 8.4	\$ 7.8	\$ 8.6	\$ 33.1	\$ 9.1	\$ 10.0	\$ 8.2	\$ 11.1	\$ 38.3
Match	8.8	2.4	2.4	2.5	2.5	9.8	3.0	2.9	2.6	2.5	11.0
ServiceMagic	3.2	0.8	0.8	0.9	0.9	3.3	0.9	1.1	1.0	1.0	4.0
Media & Other	7.0	1.2	1.7	0.5	0.5	3.9	0.5	0.6	0.6	0.6	2.3
Corporate	12.8	2.8	2.8	2.8	2.8	11.2	2.2	2.2	2.2	1.7	8.2
Total depreciation	\$ 67.7	\$ 15.4	\$ 16.1	\$ 14.5	\$ 15.3	\$ 61.4	\$ 15.8	\$ 16.6	\$ 14.6	\$ 16.9	\$ 63.9

- (a) 2008 includes a pre-tax \$9.2 million impairment charge at Search related to the intangible assets of the Excite, iWon and MyWay portal businesses and a pre-tax \$15.0 million impairment charge at Media & Other related to the goodwill and intangible assets of Connected Ventures (combined \$10.3 million after-tax).
- (b) Q4 2009 includes an impairment charge related to the goodwill and intangible assets at IAC Search & Media, which comprises our Search properties excluding CityGrid Media (formerly Citysearch), of \$1.0 billion pre-tax (\$991.9 million after-tax). Q4 2010 includes a pre-tax impairment charge of \$11.0 million (\$11.0 million after-tax) related to the intangible assets of IAC Search & Media.
- (c) Q4 2010 includes a pre-tax \$32.6 million impairment charge related to the goodwill and intangible assets of Shoebuy (\$30.8 million after-tax).
- (d) Total other income (expense), net reflects the following:
- In 2008, a pre-tax gain on the sale of Jupiter Shop Channel of \$352.0 million (\$242.5 million after-tax), a \$166.7 million pre-tax (\$100.2 million after-tax) impairment charge to write down the value of the Company's investment in the stock of Arcandor AG, a pre-tax loss of \$63.2 million arising from the extinguishment of a portion of the 7% Senior Notes due in 2013 (\$38.3 million after-tax) and a pre-tax write-down of \$18.8 million (\$18.8 million after-tax) relating to other investments.
 - In Q2 2009, a pre-tax gain related to the sale of Match Europe of \$116.8 million (\$64.3 million after-tax), a pre-tax loss of \$12.3 million (\$7.7 million after-tax) related to the sale of 4.3 million shares of Arcandor AG, a \$3.9 million pre-tax (\$2.6 million after-tax) impairment charge to write down the value of 1.1 million shares of Arcandor AG that were still owned as of June 30, 2009 and a \$38.2 million pre-tax (\$25.5 million after-tax) impairment charge to write down the value of the derivative asset related to Arcandor AG stock.
 - In Q3 2009, a pre-tax gain related to the sale of 1.8 million shares of OpenTable, Inc. stock of \$36.2 million (\$21.6 million after-tax), a pre-tax gain of \$15.4 million (\$13.4 million after-tax) related to the sale of Match Europe and a \$0.6 million pre-tax (\$0.3 million after-tax) impairment charge to write down the value of 1.1 million shares of Arcandor AG that were still owned as of September 30, 2009.
 - In Q4 2009, a pre-tax gain of \$3.4 million (\$2.1 million after-tax) related to the sale of OpenTable, Inc. stock and \$19.9 million pre-tax (\$12.2 million after-tax) impairment charge to write down the value of the derivative asset related to Arcandor AG stock.
 - In Q1 2010, a pre-tax write-down of \$18.3 million (\$18.3 million after-tax) related to our investment in The HealthCentral Network, Inc. and a pre-tax gain of \$4.0 million (\$2.4 million after-tax) related to the sale of our remaining OpenTable, Inc. stock.
 - In Q4 2010, a pre-tax write-down of \$7.8 million related to our cost method investment in Zip Express Installation (\$4.6 million after-tax).
- Changes in the fair value of the derivatives created in the Expedia spin-off which are recorded as gains or losses in other income (expense) for the appropriate period. These derivatives arose due to IAC's obligation to deliver both IAC and Expedia shares upon the conversion of the Ask Convertible Notes (through June 1, 2008) and the exercise of certain IAC warrants (through May 19, 2010).
- Changes in the fair value of the derivative asset related to Arcandor AG stock which are recorded as gains or losses in other income (expense) for the appropriate period.
- (e) On December 1, 2010 IAC completed the tax-free exchange of Evite, Gifts.com and IAC Advertising Solutions with Liberty Media Corporation. Q4 2010 includes a \$140.8 million gain related to the Liberty Exchange.
- (f) Discontinued operations consists of the results of InstantAction (which ceased operations in Q4 2010), ECS/Styleclick, TVTS, Quiz TV Limited and iBuy for all periods presented, EPI through May 30, 2008, HSNi, Ticketmaster, Interval Leisure Group and Tree.com through August 20, 2008 and Evite, Gifts.com and IAC Advertising Solutions through December 1, 2010. Discontinued operations in Q4 2010 includes a pre-tax loss of \$39.8 million related to the shutdown of InstantAction (\$21.5 million after-tax).
- (g) For Adjusted EPS purposes, the impact of RSUs on shares outstanding is based on the weighted average number of RSUs outstanding, as compared with shares outstanding for GAAP purposes, which includes RSUs on a treasury method basis.

**IAC
Search**

(rounding differences may exist)

	2008	2009					2010				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Search - Revenue by Traffic Source (a)											
Proprietary	69%	69%	72%	74%	73%	72%	74%	72%	70%	72%	72%
Network	31%	31%	28%	26%	27%	28%	26%	28%	30%	28%	28%

(a) Proprietary includes proprietary toolbars, Ask.com and Dictionary.com. Network includes distributed toolbars, search and sponsored listings.

The financial, statistical and other information contained herein is unaudited.

**IAC
Match**

(rounding differences may exist)

	2008	2009					2010				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Match											
Paid Subscribers (000s)	1,347	1,438	1,156	1,403	1,377	1,377	1,585	1,716	1,818	1,789	1,789

The financial, statistical and other information contained herein is unaudited.

IAC
ServiceMagic

(rounding differences may exist)

	2008	2009					2010				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
ServiceMagic											
Service Requests (000s) (a)	4,250	996	1,380	1,469	1,251	5,096	1,391	1,673	1,506	1,226	5,797
Accepts (000s) (b)	5,206	1,319	1,736	1,851	1,620	6,527	1,783	2,173	2,043	1,757	7,756

(a) Fully completed and submitted domestic customer requests for service on ServiceMagic.

(b) The number of times "Service Requests" are transmitted to domestic Service Providers. A "Service Request" can be transmitted to and accepted by more than one Service Provider and is deemed accepted upon transmission.

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