

IAC
Q4 2012 Earnings
Supplemental Financial Information and Operating Metrics

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Financial Results and Reconciliations

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

	2010	2011					2012				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Revenue											
Search & Applications	\$ 805.3	\$ 233.9	\$ 238.3	\$ 258.9	\$ 309.5	\$ 1,040.5	\$ 343.2	\$ 348.8	\$ 370.2	\$ 403.6	\$ 1,465.8
Match	400.7	111.6	116.4	132.3	157.7	518.0	174.3	178.4	178.2	182.6	713.4
Local	263.7	70.9	80.4	80.1	72.0	303.4	77.1	84.5	84.3	76.7	322.6
Media	49.7	13.6	19.5	18.7	18.4	70.2	15.9	38.4	52.7	57.8	164.8
Other	118.7	30.5	30.9	27.0	39.6	128.1	30.2	30.6	29.1	44.7	134.6
Intercompany Elimination	(1.4)	(0.3)	(0.2)	(0.2)	(0.1)	(0.7)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)
Total revenue	\$ 1,636.8	\$ 460.2	\$ 485.4	\$ 516.9	\$ 596.9	\$ 2,059.4	\$ 640.6	\$ 680.6	\$ 714.5	\$ 765.3	\$ 2,800.9
Operating Income Before Amortization											
Search & Applications	\$ 140.8	\$ 48.9	\$ 50.6	\$ 46.3	\$ 59.2	\$ 205.0	\$ 73.5	\$ 74.1	\$ 69.2	\$ 96.4	\$ 313.1
Match	122.1	25.0	42.3	40.2	48.7	156.3	37.3	62.6	60.0	65.8	225.8
Local	10.7	6.3	9.8	7.8	4.4	28.3	4.0	11.8	7.8	1.3	24.9
Media	(21.8)	(4.3)	(3.3)	(2.7)	(5.5)	(15.8)	(6.4)	(6.8)	(12.2)	(19.4)	(44.8)
Other	2.1	(0.7)	(1.0)	(1.3)	0.5	(2.5)	(1.4)	(1.8)	(2.3)	(0.7)	(6.1)
Corporate	(64.2)	(15.2)	(14.9)	(16.1)	(16.5)	(62.8)	(15.7)	(16.3)	(15.9)	(20.1)	(68.0)
Total Operating Income Before Amortization	\$ 189.6	\$ 60.0	\$ 83.4	\$ 74.2	\$ 90.9	\$ 308.4	\$ 91.3	\$ 123.7	\$ 106.6	\$ 123.4	\$ 445.0
Non-cash compensation expense											
Search & Applications	\$ (0.6)	\$ (0.1)	\$ 0.3	\$ -	\$ -	\$ 0.2	\$ -	\$ -	\$ -	\$ -	\$ -
Match	0.2	-	-	(0.4)	(1.2)	(1.6)	(0.9)	(0.6)	(0.6)	(0.8)	(2.8)
Local	-	-	-	-	-	-	-	-	-	-	-
Media	(0.5)	-	(0.1)	(0.2)	(0.2)	(0.4)	(0.3)	(0.2)	(0.1)	(0.2)	(0.8)
Other	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)	-	(0.1)	(0.1)	(0.1)	(0.1)
Corporate	(83.2)	(20.0)	(23.1)	(22.2)	(21.0)	(86.4)	(20.3)	(19.6)	(22.7)	(19.3)	(81.9)
Total non-cash compensation expense	\$ (84.3)	\$ (20.2)	\$ (23.0)	\$ (22.9)	\$ (22.5)	\$ (88.6)	\$ (21.5)	\$ (20.4)	\$ (23.4)	\$ (20.4)	\$ (85.6)
Amortization of intangibles and goodwill impairment											
Search & Applications (a)	\$ (11.8)	\$ (0.2)	\$ (0.2)	\$ (0.8)	\$ -	\$ (1.2)	\$ -	\$ -	\$ (0.1)	\$ (7.3)	\$ (7.5)
Match	(6.8)	(1.6)	(1.3)	(3.1)	(11.1)	(17.1)	(6.5)	(5.0)	(3.3)	(2.6)	(17.5)
Local	(2.3)	(0.5)	(0.4)	(0.4)	(1.4)	(2.8)	(0.2)	(0.2)	(0.5)	(2.4)	(3.2)
Media	(1.1)	-	-	-	-	-	-	(0.3)	(0.9)	(5.0)	(6.2)
Other (b)	(33.5)	(0.2)	(0.2)	(0.2)	(0.4)	(1.1)	(0.4)	(0.4)	(0.4)	(0.4)	(1.5)
Corporate	-	-	-	-	-	-	-	-	-	-	-
Total amortization of intangibles and goodwill impairment	\$ (55.5)	\$ (2.5)	\$ (2.2)	\$ (4.5)	\$ (12.9)	\$ (22.1)	\$ (7.0)	\$ (5.8)	\$ (5.2)	\$ (17.7)	\$ (35.8)

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Financial Results and Reconciliations

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

	2010	2011					2012				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Operating income (loss)											
Search & Applications (a)	\$ 128.4	\$ 48.6	\$ 50.7	\$ 45.5	\$ 59.2	\$ 204.0	\$ 73.5	\$ 74.1	\$ 69.0	\$ 89.1	\$ 305.6
Match	115.4	23.4	41.0	36.7	36.4	137.6	29.9	57.1	56.1	62.4	205.5
Local	8.4	5.8	9.3	7.3	3.0	25.5	3.8	11.7	7.3	(1.1)	21.7
Media	(23.4)	(4.3)	(3.4)	(2.8)	(5.7)	(16.3)	(6.7)	(7.3)	(13.2)	(24.6)	(51.8)
Other (b)	(31.6)	(1.0)	(1.3)	(1.6)	-	(3.9)	(1.7)	(2.2)	(2.7)	(1.1)	(7.7)
Corporate	(147.3)	(35.3)	(38.1)	(38.3)	(37.5)	(149.2)	(36.0)	(35.9)	(38.6)	(39.4)	(149.8)
Total operating income	<u>\$ 49.8</u>	<u>\$ 37.3</u>	<u>\$ 58.2</u>	<u>\$ 46.7</u>	<u>\$ 55.5</u>	<u>\$ 197.8</u>	<u>\$ 62.8</u>	<u>\$ 97.5</u>	<u>\$ 78.0</u>	<u>\$ 85.3</u>	<u>\$ 323.6</u>
Equity in (losses) earnings of unconsolidated affiliates	(25.7)	(1.9)	(8.7)	(15.1)	(10.6)	(36.3)	(5.9)	(19.0)	(3.3)	2.9	(25.3)
Other (expense) income, net	(1.4)	0.8	5.6	4.3	(0.6)	10.1	1.4	(1.7)	(0.9)	(7.9)	(9.2)
Earnings from continuing operations before income taxes	22.7	36.2	55.1	36.0	44.2	171.5	58.3	76.7	73.8	80.3	289.1
Income tax (provision) benefit (c)	(32.1)	(16.0)	(9.5)	32.0	(2.4)	4.0	(27.1)	(28.6)	(27.6)	(35.9)	(119.2)
(Loss) earnings from continuing operations	(9.4)	20.2	45.6	68.0	41.8	175.6	31.2	48.1	46.2	44.4	169.8
Gain on Liberty Exchange	140.8	-	-	-	-	-	-	-	-	-	-
(Loss) earnings from discontinued operations, net of tax	(37.0)	(1.9)	(2.5)	(3.9)	4.4	(4.0)	3.7	(4.6)	(5.6)	(2.5)	(9.1)
Net earnings	94.4	18.2	43.1	64.1	46.2	171.6	34.8	43.5	40.6	41.9	160.8
Net loss (earnings) attributable to noncontrolling interests	5.0	(0.2)	(0.7)	0.9	2.6	2.7	(0.4)	(0.1)	0.2	(1.2)	(1.5)
Net earnings attributable to IAC shareholders	<u>\$ 99.4</u>	<u>\$ 18.1</u>	<u>\$ 42.4</u>	<u>\$ 65.0</u>	<u>\$ 48.8</u>	<u>\$ 174.2</u>	<u>\$ 34.5</u>	<u>\$ 43.3</u>	<u>\$ 40.7</u>	<u>\$ 40.7</u>	<u>\$ 159.3</u>
GAAP diluted weighted average shares outstanding	106.3	93.7	97.3	93.7	92.7	94.3	91.7	91.9	94.7	94.0	93.1
GAAP diluted earnings per share	<u>\$ 0.93</u>	<u>\$ 0.19</u>	<u>\$ 0.44</u>	<u>\$ 0.69</u>	<u>\$ 0.53</u>	<u>\$ 1.85</u>	<u>\$ 0.38</u>	<u>\$ 0.47</u>	<u>\$ 0.43</u>	<u>\$ 0.43</u>	<u>\$ 1.71</u>
Reconciliation of GAAP EPS to Adjusted EPS											
Net earnings attributable to IAC shareholders	\$ 99.4	\$ 18.1	\$ 42.4	\$ 65.0	\$ 48.8	\$ 174.2	\$ 34.5	\$ 43.3	\$ 40.7	\$ 40.7	\$ 159.3
Non-cash compensation expense	84.3	20.2	23.0	22.9	22.5	88.6	21.5	20.4	23.4	20.4	85.6
Amortization of intangibles (a) (b)	27.5	2.5	2.2	4.5	12.9	22.1	7.0	5.8	5.2	17.7	35.8
Goodwill impairment (b)	28.0	-	-	-	-	-	-	-	-	-	-
Meetic re-measurement loss	-	-	-	11.7	-	11.7	-	-	-	-	-
News_Beast re-measurement loss	-	-	-	-	-	-	-	18.6	3.0	(3.0)	18.6
Gain on Liberty Exchange	(140.8)	-	-	-	-	-	-	-	-	-	-
Gain on sale of VUE interests and related effects	7.0	1.5	1.7	1.8	1.6	6.6	0.5	1.0	1.0	1.0	3.6
Discontinued operations, net of tax	37.0	1.9	2.5	3.9	(4.4)	4.0	(3.7)	4.6	5.6	2.5	9.1
Impact of income taxes and noncontrolling interests	(49.4)	(8.7)	(8.9)	(55.1)	(14.0)	(86.6)	(11.7)	(12.5)	(11.5)	(13.1)	(48.8)
Adjusted Net Income	<u>\$ 93.0</u>	<u>\$ 35.5</u>	<u>\$ 62.9</u>	<u>\$ 54.7</u>	<u>\$ 67.4</u>	<u>\$ 220.5</u>	<u>\$ 48.1</u>	<u>\$ 81.3</u>	<u>\$ 67.4</u>	<u>\$ 66.2</u>	<u>\$ 263.1</u>
Adjusted EPS weighted average shares outstanding (d)	112.4	96.9	100.8	97.4	96.0	97.8	95.0	95.1	95.6	94.3	95.0
Adjusted EPS	<u>\$ 0.83</u>	<u>\$ 0.37</u>	<u>\$ 0.62</u>	<u>\$ 0.56</u>	<u>\$ 0.70</u>	<u>\$ 2.26</u>	<u>\$ 0.51</u>	<u>\$ 0.86</u>	<u>\$ 0.71</u>	<u>\$ 0.70</u>	<u>\$ 2.77</u>
GAAP Basic weighted average shares outstanding	106.3	89.1	90.1	84.6	83.4	86.8	82.8	86.2	88.3	87.7	86.2
Options, warrants and RSUs, treasury method	-	4.6	7.3	9.1	9.3	7.6	8.9	5.8	6.4	6.3	6.8
GAAP Diluted weighted average shares outstanding	106.3	93.7	97.3	93.7	92.7	94.3	91.7	91.9	94.7	94.0	93.1
Options, warrants and RSUs, treasury method not included in diluted shares above	3.7	-	-	-	-	-	-	-	-	-	-
Impact of RSUs	2.4	3.3	3.5	3.6	3.4	3.4	3.3	3.1	0.9	0.3	1.9
Adjusted EPS shares outstanding (d)	<u>112.4</u>	<u>96.9</u>	<u>100.8</u>	<u>97.4</u>	<u>96.0</u>	<u>97.8</u>	<u>95.0</u>	<u>95.1</u>	<u>95.6</u>	<u>94.3</u>	<u>95.0</u>

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Financial Results and Reconciliations

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

	2010	2011					2012				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Supplemental: Depreciation											
Search & Applications	\$ 35.8	\$ 6.2	\$ 5.4	\$ 9.8	\$ 4.1	\$ 25.5	\$ 3.3	\$ 3.4	\$ 3.3	\$ 5.0	\$ 15.0
Match	11.0	2.3	2.3	2.5	3.7	10.8	3.5	3.7	4.5	4.6	16.3
Local	7.8	2.2	2.4	2.7	3.1	10.4	2.8	2.5	2.5	2.4	10.1
Media	0.2	0.3	0.1	0.2	0.2	0.7	0.2	0.3	0.4	0.5	1.4
Other	0.8	0.2	0.2	0.2	0.2	0.9	0.2	0.3	0.3	0.3	1.1
Corporate	8.2	2.3	2.1	2.1	2.1	8.5	2.1	2.1	2.1	2.3	8.5
Total depreciation	\$ 63.9	\$ 13.4	\$ 12.5	\$ 17.5	\$ 13.3	\$ 56.7	\$ 12.1	\$ 12.2	\$ 13.1	\$ 15.0	\$ 52.5

- (a) 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, which comprises our Search & Applications properties excluding Pronto.
- (b) 2010 includes a pre-tax impairment charge of \$32.6 million (\$30.8 million after-tax) related to the goodwill and intangible assets of Shoebuy.
- (c) In Q3 2011, the income tax benefit was \$32.0 million for continuing operations (despite pre-tax income of \$36.0 million) reflecting the reversal of a previously established deferred tax liability of \$43.6 million associated with our previous equity method investment in Meetic, partially offset by the non-deductible re-measurement loss of our previous equity method investment in Meetic of \$11.7 million.
- (d) For Adjusted EPS purposes, the impact of RSUs on shares outstanding is based on the weighted average number of RSUs outstanding, including performance-based RSUs outstanding that the Company believes are probable of vesting. For GAAP diluted EPS purposes, RSUs including performance-based RSUs (for which the performance criteria have been met) are included on a treasury method basis.

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Search & Applications

(rounding differences may exist)

	2010	2011					2012				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Search & Applications											
<i>Revenue (\$ in millions)</i>											
Websites (a)	\$ 428.6	\$ 117.4	\$ 118.8	\$ 123.0	\$ 140.9	\$ 500.1	\$ 159.3	\$ 171.1	\$ 183.0	\$ 197.0	\$ 710.4
Applications (b)	376.7	116.5	119.5	135.8	168.6	540.4	183.9	177.7	187.2	206.6	755.4
Total Search & Applications	\$ 805.3	\$ 233.9	\$ 238.3	\$ 258.9	\$ 309.5	\$ 1,040.5	\$ 343.2	\$ 348.8	\$ 370.2	\$ 403.6	\$ 1,465.8
<i>Queries (in millions)</i>											
Websites (c)	5,113	1,555	1,572	1,841	2,175	7,142	2,565	2,617	2,801	2,635	10,617
Applications (d)	11,961	3,548	3,675	4,103	4,698	16,025	4,989	4,646	4,926	5,475	20,036
Total Search & Applications	17,074	5,103	5,247	5,944	6,872	23,167	7,553	7,263	7,726	8,110	30,653

(a) Websites revenue includes Ask.com, The About Group, Pronto and Dictionary.com, excluding downloadable applications related revenue.

(b) Applications revenue includes B2C and B2B, as well as downloadable applications related revenue from Ask.com and Dictionary.com.

(c) Websites queries include Ask.com, but exclude Ask.com's downloadable applications, The About Group, Pronto and Dictionary.com.

(d) Applications queries include B2C and B2B, as well as downloadable application queries from Ask.com.

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Match

(rounding differences may exist)

	2010	2011					2012				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Match											
Paid Subscribers (in thousands)											
Core (a)	1,470	1,600	1,616	1,660	1,664	1,664	1,797	1,777	1,792	1,803	1,803
Developing (b)	318	324	305	291	270	270	267	260	259	240	240
Meetic (c)	-	-	-	797	762	762	757	750	768	769	769
Total Paid Subscribers	1,789	1,924	1,921	2,748	2,696	2,696	2,821	2,787	2,818	2,811	2,811

(a) Core consists of Match.com in the United States, Chemistry and People Media.

(b) Developing includes OkCupid, DateHookup and Match's international operations, excluding Meetic S.A.

(c) Meetic consists of the publicly traded personals company Meetic S.A., which operates principally in Europe.

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HomeAdvisor

(rounding differences may exist)

	2010	2011					2012				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
HomeAdvisor (in thousands)											
Domestic Service Requests (a)	5,797	1,377	1,800	1,727	1,437	6,341	1,618	1,839	1,710	1,274	6,442
Domestic Accepts (b)	7,756	1,937	2,353	2,232	1,836	8,359	2,031	2,219	2,141	1,687	8,078
International Service Requests (a)	519	185	192	178	194	748	186	233	208	243	870
International Accepts (b)	585	217	227	201	234	880	247	284	247	311	1,089

(a) Fully completed and submitted customer service requests on HomeAdvisor.

(b) The number of times service requests are accepted by service professionals. A service request can be transmitted to and accepted by more than one service professional.