

IAC
Q4 2014 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)

	2012	2013					2014				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Revenue											
Search & Applications	\$ 1,465.8	\$ 397.2	\$ 427.4	\$ 407.3	\$ 373.0	\$ 1,604.9	\$ 398.0	\$ 395.7	\$ 394.7	\$ 407.8	\$ 1,596.3
The Match Group	714.2	192.9	198.0	205.2	209.3	805.4	211.2	214.3	230.2	241.5	897.2
Media	164.1	45.0	57.5	50.3	38.6	191.4	36.4	36.7	49.9	58.9	181.8
eCommerce	457.2	107.3	116.6	94.4	103.7	422.1	94.8	109.9	107.8	122.7	435.4
Intercompany Elimination	(0.3)	(0.1)	(0.1)	(0.4)	(0.3)	(0.9)	(0.2)	(0.3)	(0.3)	(0.3)	(1.1)
Total revenue	<u>\$ 2,800.9</u>	<u>\$ 742.2</u>	<u>\$ 799.4</u>	<u>\$ 756.9</u>	<u>\$ 724.5</u>	<u>\$ 3,023.0</u>	<u>\$ 740.2</u>	<u>\$ 756.3</u>	<u>\$ 782.2</u>	<u>\$ 830.8</u>	<u>\$ 3,109.5</u>
Adjusted EBITDA											
Search & Applications	\$ 328.1	\$ 97.5	\$ 102.4	\$ 98.5	\$ 87.4	\$ 385.9	\$ 82.1	\$ 91.3	\$ 93.1	\$ 95.6	\$ 362.0
The Match Group	236.8	47.9	67.7	69.3	82.0	266.9	47.4	69.4	61.4	86.6	264.7
Media	(38.6)	(6.2)	(1.0)	(4.5)	(5.3)	(17.0)	(7.9)	(8.9)	(7.7)	(12.2)	(36.7)
eCommerce	31.2	0.7	4.5	13.6	4.1	22.9	2.8	4.5	3.9	6.1	17.3
Corporate	(60.1)	(13.2)	(15.6)	(13.4)	(18.2)	(60.4)	(16.3)	(14.8)	(16.1)	(16.0)	(63.3)
Total Adjusted EBITDA	<u>\$ 497.4</u>	<u>\$ 126.8</u>	<u>\$ 157.9</u>	<u>\$ 163.5</u>	<u>\$ 150.1</u>	<u>\$ 598.3</u>	<u>\$ 108.1</u>	<u>\$ 141.4</u>	<u>\$ 134.6</u>	<u>\$ 160.0</u>	<u>\$ 544.1</u>
Non-cash compensation expense											
Search & Applications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
The Match Group	(2.8)	0.2	(0.4)	(0.3)	(0.6)	(1.1)	-	(0.2)	(0.1)	0.6	0.3
Media	(0.8)	(0.2)	(0.2)	(0.2)	-	(0.6)	(0.2)	(0.2)	(0.2)	(0.2)	(0.6)
eCommerce	-	-	-	-	-	-	-	-	(0.1)	(0.4)	(0.6)
Corporate	(82.0)	(12.6)	(11.2)	(13.8)	(13.6)	(51.3)	(9.4)	(16.2)	(16.9)	(16.2)	(58.7)
Total non-cash compensation expense	<u>\$ (85.6)</u>	<u>\$ (12.7)</u>	<u>\$ (11.8)</u>	<u>\$ (14.4)</u>	<u>\$ (14.2)</u>	<u>\$ (53.0)</u>	<u>\$ (9.6)</u>	<u>\$ (16.6)</u>	<u>\$ (17.3)</u>	<u>\$ (16.1)</u>	<u>\$ (59.6)</u>
Depreciation											
Search & Applications	\$ (15.0)	\$ (3.9)	\$ (6.4)	\$ (3.9)	\$ (4.0)	\$ (18.2)	\$ (4.5)	\$ (5.1)	\$ (3.6)	\$ (3.3)	\$ (16.5)
The Match Group	(16.3)	(4.7)	(4.8)	(5.0)	(5.6)	(20.2)	(5.8)	(5.6)	(5.8)	(8.4)	(25.6)
Media	(1.4)	(0.5)	(0.5)	(0.5)	(0.6)	(2.1)	(0.3)	(0.2)	(0.2)	(0.2)	(0.9)
eCommerce	(11.2)	(2.6)	(3.0)	(1.6)	(1.6)	(8.9)	(1.7)	(1.9)	(2.0)	(2.4)	(8.0)
Corporate	(8.5)	(2.3)	(2.3)	(2.4)	(2.5)	(9.5)	(2.5)	(2.5)	(2.6)	(2.6)	(10.1)
Total depreciation	<u>\$ (52.5)</u>	<u>\$ (14.0)</u>	<u>\$ (17.0)</u>	<u>\$ (13.5)</u>	<u>\$ (14.4)</u>	<u>\$ (58.9)</u>	<u>\$ (14.8)</u>	<u>\$ (15.3)</u>	<u>\$ (14.1)</u>	<u>\$ (16.9)</u>	<u>\$ (61.2)</u>
Amortization of intangibles											
Search & Applications	\$ (7.5)	\$ (6.7)	\$ (6.7)	\$ (6.9)	\$ (7.3)	\$ (27.6)	\$ (7.3)	\$ (8.4)	\$ (9.1)	\$ (9.1)	\$ (33.9)
The Match Group	(17.5)	(4.5)	(5.1)	(3.2)	(4.3)	(17.1)	(1.8)	(1.7)	(3.3)	(4.6)	(11.4)
Media	(6.2)	(0.2)	(0.3)	(0.3)	(0.3)	(1.1)	(0.3)	(0.7)	(0.6)	(0.5)	(2.1)
eCommerce	(4.7)	(2.6)	(6.1)	(2.7)	(2.7)	(14.1)	(2.6)	(2.6)	(3.3)	(1.9)	(10.5)
Corporate	-	-	-	-	-	-	-	-	-	-	-
Total amortization of intangibles	<u>\$ (35.8)</u>	<u>\$ (14.1)</u>	<u>\$ (18.1)</u>	<u>\$ (13.0)</u>	<u>\$ (14.6)</u>	<u>\$ (59.8)</u>	<u>\$ (12.0)</u>	<u>\$ (13.4)</u>	<u>\$ (16.5)</u>	<u>\$ (16.1)</u>	<u>\$ (57.9)</u>
Acquisition-related contingent consideration fair value adjustments											
Search & Applications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.3)	\$ (0.3)
The Match Group	-	(1.5)	(4.2)	(0.6)	6.0	(0.3)	-	(0.7)	14.3	(0.7)	12.9
Media	-	-	-	-	-	-	-	0.2	-	-	0.2
eCommerce	-	-	-	-	-	-	-	-	-	0.6	0.6
Corporate	-	-	-	-	-	-	-	-	-	-	-
Total acquisition-related contingent consideration fair value adjustments	<u>\$ -</u>	<u>\$ (1.5)</u>	<u>\$ (4.2)</u>	<u>\$ (0.6)</u>	<u>\$ 6.0</u>	<u>\$ (0.3)</u>	<u>\$ -</u>	<u>\$ (0.5)</u>	<u>\$ 14.3</u>	<u>\$ (0.4)</u>	<u>\$ 13.4</u>

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Financial Results and Reconciliations

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

	2012	2013					2014				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Operating income (loss)											
Search & Applications	\$ 305.6	\$ 87.0	\$ 89.3	\$ 87.8	\$ 76.0	\$ 340.1	\$ 70.3	\$ 77.8	\$ 80.4	\$ 82.8	\$ 311.3
The Match Group	200.2	37.4	53.1	60.2	77.5	228.2	39.8	61.2	66.4	73.5	240.9
Media	(46.9)	(7.2)	(2.0)	(5.6)	(6.1)	(20.8)	(8.6)	(9.8)	(8.7)	(13.1)	(40.2)
eCommerce	15.3	(4.5)	(4.6)	9.3	(0.3)	(0.1)	(1.6)	0.0	(1.6)	1.9	(1.3)
Corporate	(150.7)	(28.1)	(29.1)	(29.6)	(34.3)	(121.2)	(28.3)	(33.5)	(35.5)	(34.8)	(132.1)
Total operating income	<u>\$ 323.6</u>	<u>\$ 84.6</u>	<u>\$ 106.7</u>	<u>\$ 122.0</u>	<u>\$ 113.0</u>	<u>\$ 426.2</u>	<u>\$ 71.7</u>	<u>\$ 95.7</u>	<u>\$ 101.0</u>	<u>\$ 110.4</u>	<u>\$ 378.7</u>
Equity in losses of unconsolidated affiliates	(25.3)	(0.1)	(1.1)	(3.3)	(2.2)	(6.6)	(1.9)	(6.9)	(0.6)	(0.3)	(9.7)
Interest expense	(6.1)	(7.7)	(7.7)	(7.6)	(10.7)	(33.6)	(14.1)	(14.0)	(14.0)	(14.2)	(56.3)
Other (expense) income, net	(3.0)	1.7	-	16.7	11.9	30.3	-	(62.9)	4.1	16.0	(42.8)
Earnings from continuing operations before income taxes	289.1	78.5	98.0	127.8	112.0	416.3	55.7	11.9	90.4	111.9	269.9
Income tax (provision) benefit	(119.2)	(25.7)	(39.4)	(36.1)	(33.2)	(134.5)	(21.4)	(29.9)	59.8	(43.9)	(35.4)
Earnings (loss) from continuing operations	169.8	52.7	58.5	91.7	78.8	281.8	34.3	(18.0)	150.3	68.0	234.6
(Loss) earnings from discontinued operations, net of tax	(9.1)	(0.9)	(1.1)	3.9	-	1.9	(0.8)	(0.9)	175.7	0.6	174.7
Net earnings (loss)	160.8	51.8	57.5	95.6	78.9	283.7	33.5	(18.9)	326.0	68.6	409.2
Net (earnings) loss attributable to noncontrolling interests	(1.5)	1.9	0.8	1.3	(1.9)	2.1	2.4	0.9	0.8	1.6	5.6
Net earnings (loss) attributable to IAC shareholders	<u>\$ 159.3</u>	<u>\$ 53.6</u>	<u>\$ 58.3</u>	<u>\$ 96.9</u>	<u>\$ 76.9</u>	<u>\$ 285.8</u>	<u>\$ 35.9</u>	<u>\$ (18.0)</u>	<u>\$ 326.8</u>	<u>\$ 70.2</u>	<u>\$ 414.9</u>
GAAP diluted weighted average shares outstanding	93.1	87.4	86.6	86.1	87.0	86.7	87.2	83.2	88.8	89.5	88.6
GAAP diluted earnings (loss) per share	<u>\$ 1.71</u>	<u>\$ 0.61</u>	<u>\$ 0.67</u>	<u>\$ 1.13</u>	<u>\$ 0.88</u>	<u>\$ 3.29</u>	<u>\$ 0.41</u>	<u>\$ (0.22)</u>	<u>\$ 3.68</u>	<u>\$ 0.78</u>	<u>\$ 4.68</u>
Reconciliation of GAAP EPS to Adjusted EPS											
Net earnings (loss) attributable to IAC shareholders	\$ 159.3	\$ 53.6	\$ 58.3	\$ 96.9	\$ 76.9	\$ 285.8	\$ 35.9	\$ (18.0)	\$ 326.8	\$ 70.2	\$ 414.9
Non-cash compensation expense	85.6	12.7	11.8	14.4	14.2	53.0	9.6	16.6	17.3	16.1	59.6
Amortization of intangibles	35.8	14.1	18.1	13.0	14.6	59.8	12.0	13.4	16.5	16.1	57.9
Acquisition-related contingent consideration fair value adjustments	-	1.5	4.2	0.6	(6.0)	0.3	-	0.5	(14.3)	0.4	(13.4)
The Daily Beast (formerly News_Beast) re-measurement loss	18.6	-	-	-	-	-	-	-	-	-	-
Gain on sale of VUE interests and related effects	3.6	1.0	1.0	1.0	1.0	4.0	1.0	1.0	(50.5)	-	(48.6)
Discontinued operations, net of tax	9.1	0.9	1.1	(3.9)	-	(1.9)	0.8	0.9	(175.7)	(0.6)	(174.7)
Impact of income taxes and noncontrolling interests	(48.8)	(11.0)	(11.7)	(10.6)	(9.6)	(43.0)	(7.6)	(11.2)	(38.1)	(12.5)	(69.3)
Adjusted Net Income	<u>\$ 263.1</u>	<u>\$ 72.7</u>	<u>\$ 82.9</u>	<u>\$ 111.4</u>	<u>\$ 91.1</u>	<u>\$ 358.1</u>	<u>\$ 51.6</u>	<u>\$ 3.2</u>	<u>\$ 82.0</u>	<u>\$ 89.7</u>	<u>\$ 226.5</u>
Adjusted EPS weighted average shares outstanding (a)	95.0	87.7	87.1	86.6	87.3	87.2	87.5	89.1	89.2	89.9	88.9
Adjusted EPS	<u>\$ 2.77</u>	<u>\$ 0.83</u>	<u>\$ 0.95</u>	<u>\$ 1.29</u>	<u>\$ 1.04</u>	<u>\$ 4.11</u>	<u>\$ 0.59</u>	<u>\$ 0.04</u>	<u>\$ 0.92</u>	<u>\$ 1.00</u>	<u>\$ 2.55</u>
GAAP Basic weighted average shares outstanding	86.2	84.2	83.6	83.1	83.0	83.5	82.5	83.2	83.6	83.9	83.3
Options, warrants and RSUs, treasury method	6.8	3.2	3.0	3.0	4.0	3.3	4.7	-	5.2	5.6	5.3
GAAP Diluted weighted average shares outstanding	93.1	87.4	86.6	86.1	87.0	86.7	87.2	83.2	88.8	89.5	88.6
Options, warrants and RSUs, treasury method not included in diluted shares above	-	-	-	-	-	-	-	5.6	-	-	-
Impact of RSUs	1.9	0.3	0.5	0.5	0.4	0.4	0.3	0.3	0.4	0.4	0.4
Adjusted EPS weighted average shares outstanding (a)	<u>95.0</u>	<u>87.7</u>	<u>87.1</u>	<u>86.6</u>	<u>87.3</u>	<u>87.2</u>	<u>87.5</u>	<u>89.1</u>	<u>89.2</u>	<u>89.9</u>	<u>88.9</u>

(a) 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)

	2012	2013					2014				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Search & Applications (in millions)											
<i>Revenue</i>											
Websites (a)	\$ 706.1	\$ 189.0	\$ 203.6	\$ 215.8	\$ 178.5	\$ 786.9	\$ 203.7	\$ 205.2	\$ 209.1	\$ 217.8	\$ 835.8
Applications (b)	759.7	208.2	223.8	191.5	194.5	818.0	194.3	190.5	185.6	190.1	760.5
Total Search & Applications	\$ 1,465.8	\$ 397.2	\$ 427.4	\$ 407.3	\$ 373.0	\$ 1,604.9	\$ 398.0	\$ 395.7	\$ 394.7	\$ 407.8	\$ 1,596.3
Websites Page Views (c)	22,920	8,063	7,916	8,843	8,554	33,376	8,975	8,535	7,906	7,520	32,936
Applications Queries (d)	20,017	5,900	6,161	5,341	5,581	22,983	5,183	5,076	4,456	4,631	19,346

(a) Websites revenue is principally composed of Ask.com, About.com, CityGrid Media, Dictionary.com, Investopedia.com, PriceRunner.com and Ask.fm.

(b) Applications revenue includes B2C, B2B, SlimWare and Apalon.

(c) Websites page views include Ask.com, About.com, CityGrid Media, Dictionary.com, Investopedia.com and PriceRunner.com.

(d) Applications queries include B2C and B2B.

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The Match Group

(rounding differences may exist)

	2012	2013					2014				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
The Match Group											
Dating Revenue (in millions)											
North America (a)	\$ 473.9	\$ 125.6	\$ 130.0	\$ 134.4	\$ 133.7	\$ 523.7	\$ 134.5	\$ 138.1	\$ 142.5	\$ 142.1	\$ 557.2
International (b)	239.5	63.2	64.4	66.7	70.2	264.5	70.5	69.5	68.9	70.4	279.3
Total Dating Revenue	<u>\$ 713.4</u>	<u>\$ 188.9</u>	<u>\$ 194.3</u>	<u>\$ 201.1</u>	<u>\$ 203.9</u>	<u>\$ 788.2</u>	<u>\$ 205.0</u>	<u>\$ 207.6</u>	<u>\$ 211.4</u>	<u>\$ 212.5</u>	<u>\$ 836.5</u>
Dating Paid Subscribers (in thousands)											
North America (a)	1,940	2,155	2,188	2,230	2,286	2,286	2,389	2,430	2,462	2,398	2,398
International (b)	872	985	1,008	1,078	1,071	1,071	1,079	1,070	1,149	1,108	1,108
Total Dating Paid Subscribers	<u>2,811</u>	<u>3,140</u>	<u>3,196</u>	<u>3,308</u>	<u>3,357</u>	<u>3,357</u>	<u>3,468</u>	<u>3,500</u>	<u>3,611</u>	<u>3,507</u>	<u>3,507</u>

(a) North America includes Match.com, Chemistry, People Media, OkCupid and other dating businesses operating within the United States and Canada.

(b) International includes all dating businesses operating outside of the United States and Canada.

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HomeAdvisor

(rounding differences may exist)

	2012	2013					2014				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
HomeAdvisor (in thousands)											
Domestic Service Requests (a)	6,442	1,209	1,785	1,630	1,200	5,824	1,310	1,887	1,903	1,491	6,591
Domestic Accepts (b)	8,078	1,631	2,088	1,895	1,538	7,151	1,635	2,118	2,164	1,871	7,788
International Service Requests (a)	870	232	274	257	295	1,058	259	281	264	285	1,090
International Accepts (b)	1,089	314	345	308	365	1,331	333	362	317	365	1,377

(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.