

**IAC**  
Q1 2012 Earnings  
Supplemental Financial Information and Operating Metrics

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# IAC

## 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
<b>Revenue</b>											
Search	\$ 805.3	\$ 233.9	\$ 238.3	\$ 258.9	\$ 309.5	\$ 1,040.5	\$ 343.2				
Match	400.7	111.6	116.4	132.3	157.7	518.0	174.3				
Local	263.7	70.9	80.4	80.1	72.0	303.4	77.1				
Media & Other	168.4	44.1	50.4	45.7	58.0	198.2	46.1				
Intercompany Elimination	(1.4)	(0.3)	(0.2)	(0.2)	(0.1)	(0.7)	(0.1)				
<b>Total revenue</b>	<b>\$ 1,636.8</b>	<b>\$ 460.2</b>	<b>\$ 485.4</b>	<b>\$ 516.9</b>	<b>\$ 596.9</b>	<b>\$ 2,059.4</b>	<b>\$ 640.6</b>				
<b>Operating Income Before Amortization</b>											
Search	\$ 140.8	\$ 48.9	\$ 50.6	\$ 46.3	\$ 59.2	\$ 205.0	\$ 73.5				
Match	122.1	25.0	42.3	40.2	48.7	156.3	37.3				
Local	10.7	6.3	9.8	7.8	4.4	28.3	4.0				
Media & Other	(19.8)	(5.0)	(4.3)	(4.0)	(5.1)	(18.3)	(7.8)				
Corporate	(64.2)	(15.2)	(14.9)	(16.1)	(16.5)	(62.8)	(15.7)				
<b>Total Operating Income Before Amortization</b>	<b>\$ 189.6</b>	<b>\$ 60.0</b>	<b>\$ 83.4</b>	<b>\$ 74.2</b>	<b>\$ 90.9</b>	<b>\$ 308.4</b>	<b>\$ 91.3</b>				
<b>Non-cash compensation expense</b>											
Search	\$ (0.6)	\$ (0.1)	\$ 0.3	\$ -	\$ -	\$ 0.2	\$ -				
Match	0.2	-	-	(0.4)	(1.2)	(1.6)	(0.9)				
Local	-	-	-	-	-	-	-				
Media & Other	(0.6)	-	(0.2)	(0.3)	(0.3)	(0.8)	(0.2)				
Corporate	(83.2)	(20.0)	(23.1)	(22.2)	(21.0)	(86.4)	(20.3)				
<b>Total non-cash compensation expense</b>	<b>\$ (84.3)</b>	<b>\$ (20.2)</b>	<b>\$ (23.0)</b>	<b>\$ (22.9)</b>	<b>\$ (22.5)</b>	<b>\$ (88.6)</b>	<b>\$ (21.5)</b>				
<b>Amortization of intangibles and goodwill impairment</b>											
Search (a)	\$ (11.8)	\$ (0.2)	\$ (0.2)	\$ (0.8)	\$ -	\$ (1.2)	\$ -				
Match	(6.8)	(1.6)	(1.3)	(3.1)	(11.1)	(17.1)	(6.5)				
Local	(2.3)	(0.5)	(0.4)	(0.4)	(1.4)	(2.8)	(0.2)				
Media & Other (b)	(34.6)	(0.2)	(0.2)	(0.2)	(0.4)	(1.1)	(0.4)				
Corporate	-	-	-	-	-	-	-				
<b>Total amortization of intangibles and goodwill impairment</b>	<b>\$ (55.5)</b>	<b>\$ (2.5)</b>	<b>\$ (2.2)</b>	<b>\$ (4.5)</b>	<b>\$ (12.9)</b>	<b>\$ (22.1)</b>	<b>\$ (7.0)</b>				

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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
<b>Operating income (loss)</b>											
Search (a)	\$ 128.4	\$ 48.6	\$ 50.7	\$ 45.5	\$ 59.2	\$ 204.0	\$ 73.5				
Match	115.4	23.4	41.0	36.7	36.4	137.6	29.9				
Local	8.4	5.8	9.3	7.3	3.0	25.5	3.8				
Media & Other (b)	(55.0)	(5.3)	(4.7)	(4.5)	(5.7)	(20.2)	(8.4)				
Corporate	(147.3)	(35.3)	(38.1)	(38.3)	(37.5)	(149.2)	(36.0)				
<b>Total operating income</b>	<b>\$ 49.8</b>	<b>\$ 37.3</b>	<b>\$ 58.2</b>	<b>\$ 46.7</b>	<b>\$ 55.5</b>	<b>\$ 197.8</b>	<b>\$ 62.8</b>				
Total other expense, net (c)	(27.1)	(1.1)	(3.1)	(10.8)	(11.3)	(26.2)	(4.5)				
Earnings from continuing operations before income taxes	22.7	36.2	55.1	36.0	44.2	171.5	58.3				
Income tax (provision) benefit (d)	(32.1)	(16.0)	(9.5)	32.0	(2.4)	4.0	(27.1)				
(Loss) earnings from continuing operations	(9.4)	20.2	45.6	68.0	41.8	175.6	31.2				
Gain on Liberty Exchange (e)	140.8	-	-	-	-	-	-				
(Loss) earnings from discontinued operations, net of tax (f)	(37.0)	(1.9)	(2.5)	(3.9)	4.4	(4.0)	3.7				
Net earnings	94.4	18.2	43.1	64.1	46.2	171.6	34.8				
Net loss (earnings) attributable to noncontrolling interests	5.0	(0.2)	(0.7)	0.9	2.6	2.7	(0.4)				
<b>Net earnings attributable to IAC shareholders</b>	<b>\$ 99.4</b>	<b>\$ 18.1</b>	<b>\$ 42.4</b>	<b>\$ 65.0</b>	<b>\$ 48.8</b>	<b>\$ 174.2</b>	<b>\$ 34.5</b>				
GAAP diluted weighted average shares outstanding	106.3	93.7	97.3	93.7	92.7	94.3	91.7				
<b>GAAP diluted earnings per share</b>	<b>\$ 0.93</b>	<b>\$ 0.19</b>	<b>\$ 0.44</b>	<b>\$ 0.69</b>	<b>\$ 0.53</b>	<b>\$ 1.85</b>	<b>\$ 0.38</b>				
<b>Reconciliation of GAAP EPS to Adjusted EPS</b>											
<b>Net earnings attributable to IAC shareholders</b>	<b>\$ 99.4</b>	<b>\$ 18.1</b>	<b>\$ 42.4</b>	<b>\$ 65.0</b>	<b>\$ 48.8</b>	<b>\$ 174.2</b>	<b>\$ 34.5</b>				
Non-cash compensation expense	84.3	20.2	23.0	22.9	22.5	88.6	21.5				
Amortization of intangibles (a) (b)	27.5	2.5	2.2	4.5	12.9	22.1	7.0				
Goodwill impairment (a) (b)	28.0	-	-	-	-	-	-				
Meetic mark-to-market loss (c)	-	-	-	11.7	-	11.7	-				
Gain on Liberty Exchange (e)	(140.8)	-	-	-	-	-	-				
Gain on sale of VUE and the related effects	7.0	1.5	1.7	1.8	1.6	6.6	0.5				
Discontinued operations, net of tax (f)	37.0	1.9	2.5	3.9	(4.4)	4.0	(3.7)				
Impact of income taxes and noncontrolling interests	(49.4)	(8.7)	(8.9)	(55.1)	(14.0)	(86.6)	(11.7)				
<b>Adjusted Net Income</b>	<b>\$ 93.0</b>	<b>\$ 35.5</b>	<b>\$ 62.9</b>	<b>\$ 54.7</b>	<b>\$ 67.4</b>	<b>\$ 220.5</b>	<b>\$ 48.1</b>				
<b>Adjusted EPS weighted average shares outstanding (g)</b>	<b>112.4</b>	<b>96.9</b>	<b>100.8</b>	<b>97.4</b>	<b>96.0</b>	<b>97.8</b>	<b>95.0</b>				
<b>Adjusted EPS</b>	<b>\$ 0.83</b>	<b>\$ 0.37</b>	<b>\$ 0.62</b>	<b>\$ 0.56</b>	<b>\$ 0.70</b>	<b>\$ 2.26</b>	<b>\$ 0.51</b>				
<b>GAAP Basic weighted average shares outstanding</b>	<b>106.3</b>	<b>89.1</b>	<b>90.1</b>	<b>84.6</b>	<b>83.4</b>	<b>86.8</b>	<b>82.8</b>				
Options, warrants and RSUs, treasury method	-	4.6	7.3	9.1	9.3	7.6	8.9				
<b>GAAP Diluted weighted average shares outstanding</b>	<b>106.3</b>	<b>93.7</b>	<b>97.3</b>	<b>93.7</b>	<b>92.7</b>	<b>94.3</b>	<b>91.7</b>				
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				
<b>Adjusted EPS shares outstanding (g)</b>	<b>112.4</b>	<b>96.9</b>	<b>100.8</b>	<b>97.4</b>	<b>96.0</b>	<b>97.8</b>	<b>95.0</b>				

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## IAC

### 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
<b>Supplemental: Depreciation by segment</b>											
Search	\$ 35.8	\$ 6.2	\$ 5.4	\$ 9.8	\$ 4.1	\$ 25.5	\$ 3.3				
Match	11.0	2.3	2.3	2.5	3.7	10.8	3.5				
Local	7.8	2.2	2.4	2.7	3.1	10.4	2.8				
Media & Other	1.1	0.5	0.3	0.4	0.4	1.6	0.4				
Corporate	8.2	2.3	2.1	2.1	2.1	8.5	2.1				
Total depreciation	\$ 63.9	\$ 13.4	\$ 12.5	\$ 17.5	\$ 13.3	\$ 56.7	\$ 12.1				

- (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 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) Total other expense, net reflects the following:
- In 2010, a pre-tax impairment charge of \$18.3 million (\$18.3 million after-tax) to writedown one of the Company's equity method investments to fair value, a pre-tax impairment charge of \$7.8 million (\$4.6 million after-tax) to writedown one of the Company's cost method investments and a pre-tax gain of \$4.0 million (\$2.4 million after-tax) related to the sale of certain securities.
  - In Q2 2011, a pre-tax gain of \$4.6 million (\$3.0 million after-tax) associated with certain non-income tax refunds related to Match Europe, which was sold in 2009.
  - In Q3 2011, a pre-tax loss of \$11.7 million (\$11.7 million after-tax) related to marking down the carrying value of our previous 27% investment in Meetic to fair value (i.e., the tender offer price of €15.00 per share) upon achieving control.
  - In Q4 2011, a pre-tax loss of \$5.7 million (\$5.7 million after-tax) related to an impairment charge for goodwill and intangible assets related to our investment in The Newsweek/Daily Beast Company.
- (d) 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 investment in Meetic, partially offset by the nondeductible mark-to-market loss of our investment in Meetic of \$11.7 million.
- (e) 2010 includes a \$140.8 million gain related to tax-free exchange of Evite, Gifts.com and IAC Advertising Solutions with Liberty Media Corporation.
- (f) Discontinued operations consists of the results of Evite, Gifts.com and IAC Advertising Solutions through December 1, 2010, InstantAction which includes a pre-tax loss of \$39.8 million (\$21.5 million after-tax) related to its shutdown in Q4 2010 and TVTS, Quiz TV Limited and iBuy through Q4 2011.
- (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)*

	2010	2011					2012				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
<b>Search - Revenue by Traffic Source (a)</b>											
Proprietary	75%	74%	75%	75%	78%	76%	82%				
Network	25%	26%	25%	25%	22%	24%	18%				

(a) Proprietary includes B2C operations and destination websites. Network includes B2B operations, distributed search and sponsored listings.

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

**IAC**  
**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
<b>Match</b>											
<b>Paid Subscribers (000s)</b>											
Core (a)	1,470	1,600	1,616	1,660	1,664	1,664	1,797				
Developing (b)	318	324	305	291	270	270	267				
Meetic (c)	-	-	-	797	762	762	757				
Total Paid Subscribers	1,789	1,924	1,921	2,748	2,696	2,696	2,821	-	-	-	-

- (a) Match Core consists of Match.com in the United States, Chemistry and People Media.
- (b) Match Developing consists of OkCupid, Singlesnet, mobile-only products and non-Meetic international operations.
- (c) Meetic consists of the publicly traded personals company Meetic S.A., which operates principally in Europe.

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

**IAC**  
**ServiceMagic**

(rounding differences may exist)

	2010	2011					2012				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
<b>ServiceMagic</b>											
Domestic Service Requests (000s) (a)	5,797	1,377	1,800	1,727	1,437	6,341	1,618				
Domestic Accepts (000s) (b)	7,756	1,937	2,353	2,232	1,836	8,359	2,031				
International Service Requests (000s) (a)	519	185	192	178	194	748	186				
International Accepts (000s) (b)	585	217	227	201	234	880	247				

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

(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.

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