

IAC
Q2 2009 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)

	2007	2008					2009				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Revenue											
Media & Advertising	\$ 758.5	\$ 215.5	\$ 186.3	\$ 193.3	\$ 183.7	\$ 778.8	\$ 167.6	\$ 168.6			
Match	348.7	90.5	93.3	93.5	88.1	365.5	90.1	88.3			
ServiceMagic	93.4	28.9	35.9	33.8	25.3	123.9	31.4	42.4			
Emerging Businesses	145.3	43.8	48.5	49.6	54.6	196.6	44.0	41.5			
Intercompany Elimination	(13.4)	(8.1)	(9.9)	(1.0)	(0.8)	(19.7)	(1.0)	(0.7)			
Total Revenue	<u>\$ 1,332.6</u>	<u>\$ 370.7</u>	<u>\$ 354.2</u>	<u>\$ 369.3</u>	<u>\$ 351.0</u>	<u>\$ 1,445.1</u>	<u>\$ 332.0</u>	<u>\$ 340.0</u>			
Operating Income Before Amortization											
Media & Advertising	\$ 88.2	\$ 37.5	\$ 35.8	\$ 38.8	\$ 27.4	\$ 139.6	\$ 10.1	\$ 15.9			
Match	78.4	10.1	22.9	30.3	28.0	91.3	9.9	28.5			
ServiceMagic	20.8	6.1	9.4	8.7	2.0	26.2	2.8	6.7			
Emerging Businesses	(7.9)	(7.8)	(7.8)	(6.1)	(13.8)	(35.5)	(11.1)	(9.3)			
Corporate	(98.9)	(27.4)	(37.4)	(41.2)	(15.5)	(121.5)	(15.0)	(16.2)			
Total Operating Income Before Amortization	<u>\$ 80.5</u>	<u>\$ 18.6</u>	<u>\$ 22.9</u>	<u>\$ 30.5</u>	<u>\$ 28.1</u>	<u>\$ 100.1</u>	<u>\$ (3.2)</u>	<u>\$ 25.7</u>			
Non-cash compensation expense											
Media & Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.1)	\$ (0.1)			
Match	-	-	-	-	-	-	(0.1)	-			
ServiceMagic	(0.6)	(0.2)	(0.2)	(0.2)	(0.3)	(0.7)	(0.1)	-			
Emerging Businesses	(1.5)	(0.2)	(0.3)	(0.3)	(0.3)	(1.1)	0.1	(0.5)			
Corporate	(71.5)	(18.5)	(18.2)	(38.2)	(9.8)	(84.7)	(18.3)	(12.9)			
Total non-cash compensation expense	<u>\$ (73.6)</u>	<u>\$ (18.9)</u>	<u>\$ (18.6)</u>	<u>\$ (38.7)</u>	<u>\$ (10.4)</u>	<u>\$ (86.5)</u>	<u>\$ (18.6)</u>	<u>\$ (13.6)</u>			
Amortization of non-cash marketing											
Media & Advertising	\$ (33.6)	\$ -	\$ -	\$ -	\$ (4.9)	\$ (4.9)	\$ (2.3)	\$ (0.2)			
Match	(11.1)	(2.8)	(3.1)	(6.1)	(3.1)	(15.1)	-	-			
ServiceMagic	-	-	-	-	-	-	-	-			
Emerging Businesses	(4.9)	-	-	-	-	-	-	-			
Corporate	-	-	-	-	-	-	-	-			
Total amortization of non-cash marketing	<u>\$ (49.7)</u>	<u>\$ (2.8)</u>	<u>\$ (3.1)</u>	<u>\$ (6.1)</u>	<u>\$ (8.0)</u>	<u>\$ (20.0)</u>	<u>\$ (2.3)</u>	<u>\$ (0.2)</u>			
Amortization of intangibles and goodwill impairment											
Media & Advertising (a)	\$ (24.7)	\$ (6.2)	\$ (6.1)	\$ (6.7)	\$ (14.9)	\$ (34.0)	\$ (6.6)	\$ (6.4)			
Match	(1.4)	(0.2)	(0.2)	(0.2)	(0.1)	(0.7)	(0.1)	(0.1)			
ServiceMagic	(2.6)	(0.4)	(0.4)	(0.4)	(0.4)	(1.5)	(0.6)	(1.0)			
Emerging Businesses (a) (b)	(7.1)	(1.2)	(1.0)	(1.0)	(16.0)	(19.4)	(1.7)	(0.5)			
Corporate	-	-	-	-	-	-	-	-			
Total amortization of intangibles and goodwill impairment	<u>\$ (35.7)</u>	<u>\$ (8.1)</u>	<u>\$ (7.7)</u>	<u>\$ (8.3)</u>	<u>\$ (31.5)</u>	<u>\$ (55.5)</u>	<u>\$ (9.1)</u>	<u>\$ (8.0)</u>			

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Financial Results and Reconciliations

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

	2007	2008					2009				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Operating (loss) income											
Media & Advertising (a)	\$ 29.9	\$ 31.3	\$ 29.8	\$ 32.1	\$ 7.6	\$ 100.7	\$ 1.1	\$ 9.1			
Match	65.8	7.1	19.6	24.0	24.8	75.5	9.7	28.4			
ServiceMagic	17.6	5.6	8.9	8.1	1.4	24.0	2.0	5.7			
Emerging Businesses (a) (b)	(21.3)	(9.3)	(9.1)	(7.4)	(30.1)	(56.0)	(12.7)	(10.2)			
Corporate	(170.4)	(45.8)	(55.6)	(79.4)	(25.3)	(206.2)	(33.3)	(29.1)			
Total operating (loss) income	<u>\$ (78.5)</u>	<u>\$ (11.1)</u>	<u>\$ (6.4)</u>	<u>\$ (22.6)</u>	<u>\$ (21.8)</u>	<u>\$ (62.0)</u>	<u>\$ (33.1)</u>	<u>\$ 3.9</u>			
Total other income (expense), net (c)	74.4	11.7	(100.5)	(64.0)	308.2	155.4	0.6	60.8			
(Loss) earnings from continuing operations before income taxes	(4.1)	0.6	(106.9)	(86.6)	286.4	93.5	(32.6)	64.7			
Income tax (provision) benefit	(2.3)	(4.0)	22.3	85.3	(65.9)	37.7	2.7	(22.1)			
(Loss) earnings from continuing operations	(6.4)	(3.5)	(84.6)	(1.3)	220.5	131.2	(29.9)	42.6			
Gain on sale of discontinued operations, net of tax	33.5	-	22.5	0.8	-	23.3	-	-			
Discontinued operations, net of tax (d)	(173.2)	55.9	(360.0)	(14.7)	2.2	(316.5)	1.2	(2.2)			
Net (loss) earnings	(146.1)	52.5	(422.1)	(15.2)	222.8	(162.0)	(28.6)	40.4			
Net loss attributable to noncontrolling interest	2.0	0.3	0.5	0.4	4.7	5.8	0.3	0.4			
Net (loss) earnings attributable to IAC shareholders	<u>\$ (144.1)</u>	<u>\$ 52.8</u>	<u>\$ (421.6)</u>	<u>\$ (14.8)</u>	<u>\$ 227.4</u>	<u>\$ (156.2)</u>	<u>\$ (28.4)</u>	<u>\$ 40.8</u>			
GAAP Diluted weighted average shares outstanding	142.8	139.4	139.4	140.1	144.8	144.0	147.8	148.1			
Diluted (loss) earnings per share	<u>\$ (1.01)</u>	<u>\$ 0.38</u>	<u>\$ (3.02)</u>	<u>\$ (0.11)</u>	<u>\$ 1.57</u>	<u>\$ (1.08)</u>	<u>\$ (0.19)</u>	<u>\$ 0.28</u>			
Reconciliation of GAAP EPS to Adjusted EPS											
Net (loss) earnings attributable to IAC shareholders	\$ (144.1)	\$ 52.8	\$ (421.6)	\$ (14.8)	\$ 227.4	\$ (156.2)	\$ (28.4)	\$ 40.8			
Non-cash compensation expense	73.6	18.9	18.6	38.7	10.4	86.5	18.6	13.6			
Amortization of non-cash marketing	49.7	2.8	3.1	6.1	8.0	20.0	2.3	0.2			
Amortization of intangibles (a)	35.7	8.1	7.7	8.3	19.9	43.9	8.0	8.0			
Goodwill impairment (a) (b)	-	-	-	-	11.6	11.6	1.1	-			
Arcandor impairment (c)	-	-	132.6	-	34.1	166.7	-	3.9			
Gain of sale of Match Europe (c)	-	-	-	-	-	-	-	(116.8)			
Net other (income) expense related to fair value adjustment on derivatives (c)	(5.8)	(2.3)	1.8	-	-	(0.5)	-	-			
Other (income) expense related to fair value adjustment of the derivative created in the HSE sale (c)	(24.1)	(4.3)	(6.6)	5.1	-	(5.8)	-	38.2			
Gain on sale of VUE and related effects (c)	(8.4)	1.6	1.8	1.8	1.5	6.8	1.5	1.6			
(Gain) on sale of discontinued operations, net of tax	(33.5)	-	(22.5)	(0.8)	-	(23.3)	-	-			
Discontinued operations, net of tax (d)	173.2	(55.9)	360.0	14.7	(2.2)	316.5	(1.2)	2.2			
Impact of income taxes and noncontrolling interest	(46.3)	(11.1)	(49.3)	(79.4)	(61.1)	(200.8)	(4.9)	11.5			
Adjusted Net Income	<u>\$ 69.9</u>	<u>\$ 10.6</u>	<u>\$ 25.5</u>	<u>\$ (20.2)</u>	<u>\$ 249.6</u>	<u>\$ 265.5</u>	<u>\$ (3.0)</u>	<u>\$ 3.3</u>			
Adjusted EPS weighted average shares outstanding (e)	<u>152.9</u>	<u>146.5</u>	<u>146.2</u>	<u>140.1</u>	<u>147.9</u>	<u>147.2</u>	<u>147.8</u>	<u>150.2</u>			
Adjusted EPS	<u>\$ 0.46</u>	<u>\$ 0.07</u>	<u>\$ 0.17</u>	<u>\$ (0.14)</u>	<u>\$ 1.69</u>	<u>\$ 1.80</u>	<u>\$ (0.02)</u>	<u>\$ 0.02</u>			
GAAP Basic weighted average shares outstanding	142.8	139.4	139.4	140.1	140.5	139.9	147.8	146.5			
Options, warrants and RSUs, treasury method	-	-	-	-	4.3	4.1	-	1.6			
Conversion of convertible preferred and convertible notes (if applicable)	-	-	-	-	-	-	-	-			
GAAP Diluted weighted average shares outstanding	<u>142.8</u>	<u>139.4</u>	<u>139.4</u>	<u>140.1</u>	<u>144.8</u>	<u>144.0</u>	<u>147.8</u>	<u>148.1</u>			
Options, warrants, RSUs, treasury method not included in diluted shares above	6.8	3.7	3.6	-	-	-	-	-			
Impact of RSUs and convertible preferred and notes (if applicable), net	3.2	3.4	3.2	-	3.1	3.3	-	2.2			
Adjusted EPS shares outstanding (e)	<u>152.9</u>	<u>146.5</u>	<u>146.2</u>	<u>140.1</u>	<u>147.9</u>	<u>147.2</u>	<u>147.8</u>	<u>150.2</u>			

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Financial Results and Reconciliations

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

	2007	2008					2009				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Supplemental: Depreciation by segment											
Media & Advertising	\$ 30.8	\$ 9.5	\$ 9.2	\$ 9.2	\$ 10.3	\$ 38.1	\$ 8.5	\$ 8.6			
Match	7.6	2.1	2.2	2.2	2.3	8.8	2.4	2.4			
ServiceMagic	2.6	0.8	0.8	0.8	0.8	3.2	0.8	0.8			
Emerging Businesses	5.4	1.6	1.9	2.0	2.5	8.0	1.7	2.2			
Corporate	13.5	3.3	3.4	3.2	3.0	12.8	2.8	2.8			
Total Depreciation	\$ 59.9	\$ 17.3	\$ 17.5	\$ 17.3	\$ 19.0	\$ 71.1	\$ 16.2	\$ 16.9			

- (a) Q4 2008 includes a pre-tax \$9.2 million impairment charge at Media & Advertising related to the intangible assets of the Excite, iWon and MyWay portal businesses and a pre-tax \$15 million impairment charge at Emerging Businesses related to the goodwill and intangible assets of Connected Ventures (combined \$10.3 million after-tax impact).
- (b) Q1 2009 includes a pre-tax \$1.1 million impairment charge related to the goodwill of our gift card business (\$0.6 million after-tax impact).
- (c) Total other income (expense), net includes/reflects the following:
- In Q4 2007, a pre-tax gain of \$16.7 million related to the Company's 2005 sale of its interest in VUE resulting from the resolution of certain contingencies related to the sale.
 - In Q2 2008 and Q4 2008 pre-tax losses of \$132.6 million and \$34.1 million respectively (\$92.7 million and \$7.6 million after-tax, respectively), related to other-than-temporary impairments of the Company's investment in the common stock of Arcandor AG.
 - In Q3 2008, 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).
 - 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 arise 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.
- Changes in the fair value of the derivative asset created in connection with the HSE sale which are recorded as gains or losses in other income for the appropriate period.
 - In Q4 2008, a pre-tax gain on the sale of Jupiter Shop Channel of \$352.0 million (\$242.5 million after-tax) and a pre-tax loss 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 related to the write down in the value of the remaining 1.1 million shares of Arcandor AG and a \$38.2 million pre-tax (\$25.5 million after-tax) impairment charge related to the write down of the value of the derivative asset related to Arcandor AG stock.
- (d) Discontinued operations consists of the results of ECS/Styleclick, TVTS, Quiz TV Limited and iBuy for all periods presented, HSE through June 19, 2007, EPI through May 30, 2008 and HSNi, Ticketmaster, Interval Leisure Group and Tree.com through August 20, 2008.
- (e) 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. In Q3 2008 and Q1 2009, the calculation of AEPS excludes the impact of all dilutive securities as the effect would be anti-dilutive.

IAC**International Revenue***(\$ in millions, rounding differences may exist)*

	2007	2008					2009				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
International Revenue	\$ 204	\$ 72	\$ 70	\$ 71	\$ 62	\$ 276	\$ 60	\$ 56			
% of Total	15%	19%	20%	19%	18%	19%	18%	16%			

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

IAC
MEDIA & ADVERTISING

(rounding differences may exist)

	2007	2008					2009				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Media & Advertising - Revenue by Traffic Source (a)											
Proprietary	55%	62%	75%	71%	71%	69%	70%	72%			
Network	45%	38%	25%	29%	29%	31%	30%	28%			

(a) Proprietary includes (but is not limited to) Ask.com, Fun Web Products, Dictionary.com, and Evite. Network includes (but is not limited to) distributed search, sponsored listings and toolbars.

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

**IAC
MATCH**

(rounding differences may exist)

	2007	2008					2009				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Match											
Paid Subscribers (000s)	1,287	1,352	1,327	1,342	1,347	1,347	1,438	1,156			
Paid Subscribers Excluding Match Europe (000s)	1,025	1,072	1,060	1,068	1,081	1,081	1,158	1,156			

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

**IAC
SERVICEMAGIC**

(rounding differences may exist)

	2007	2008					2009				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
ServiceMagic											
Service Requests (000s) (a)	3,338	881	1,315	1,201	854	4,250	996	1,380			
Accepts (000s) (b)	4,023	1,176	1,505	1,411	1,114	5,206	1,319	1,736			

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