

IAC
Q4 2013 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)

	2011	2012					2013				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Revenue											
Search & Applications	\$ 1,040.5	\$ 343.2	\$ 348.8	\$ 370.2	\$ 403.6	\$ 1,465.8	\$ 397.2	\$ 427.4	\$ 407.3	\$ 373.0	\$ 1,604.9
Match	518.0	174.3	178.4	178.2	182.6	713.4	188.9	194.3	201.1	203.9	788.2
Local	303.4	77.1	84.5	84.3	76.7	322.6	74.9	84.7	62.8	55.0	277.5
Media	70.2	15.9	38.4	52.7	57.8	164.8	45.3	58.0	51.0	39.4	193.7
Other	128.1	30.2	30.6	29.1	44.7	134.6	36.0	35.0	35.1	53.4	159.5
Intercompany Elimination	(0.7)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)	(0.1)	(0.1)	(0.4)	(0.3)	(0.9)
Total revenue	<u>\$ 2,059.4</u>	<u>\$ 640.6</u>	<u>\$ 680.6</u>	<u>\$ 714.5</u>	<u>\$ 765.3</u>	<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>
Operating Income Before Amortization											
Search & Applications	\$ 205.0	\$ 73.5	\$ 74.1	\$ 69.2	\$ 96.4	\$ 313.1	\$ 93.6	\$ 96.0	\$ 94.6	\$ 83.4	\$ 367.7
Match	156.3	37.3	62.6	60.0	65.8	225.8	46.3	67.6	68.4	79.8	262.2
Local	28.3	4.0	11.8	7.8	1.3	24.9	(1.0)	2.0	12.4	(0.4)	13.0
Media	(15.8)	(6.4)	(6.8)	(12.2)	(19.4)	(44.8)	(8.4)	(3.5)	(8.0)	(8.3)	(28.2)
Other	(2.5)	(1.4)	(1.8)	(2.3)	(0.7)	(6.1)	(2.5)	(3.4)	(1.9)	1.7	(6.1)
Corporate	(62.8)	(15.7)	(16.3)	(15.9)	(20.1)	(68.0)	(15.3)	(17.7)	(15.6)	(20.5)	(69.2)
Total Operating Income Before Amortization	<u>\$ 308.4</u>	<u>\$ 91.3</u>	<u>\$ 123.7</u>	<u>\$ 106.6</u>	<u>\$ 123.4</u>	<u>\$ 445.0</u>	<u>\$ 112.8</u>	<u>\$ 140.9</u>	<u>\$ 150.0</u>	<u>\$ 135.7</u>	<u>\$ 539.4</u>
Non-cash compensation expense											
Search & Applications	\$ 0.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Match	(1.6)	(0.9)	(0.6)	(0.6)	(0.8)	(2.8)	0.2	(0.4)	(0.3)	(0.6)	(1.1)
Local	-	-	-	-	-	-	-	-	-	-	-
Media	(0.4)	(0.3)	(0.2)	(0.1)	(0.2)	(0.8)	(0.2)	(0.2)	(0.2)	-	(0.6)
Other	(0.3)	-	(0.1)	(0.1)	(0.1)	(0.1)	-	-	-	-	-
Corporate	(86.4)	(20.3)	(19.6)	(22.7)	(19.3)	(81.9)	(12.6)	(11.2)	(13.8)	(13.6)	(51.2)
Total non-cash compensation expense	<u>\$ (88.6)</u>	<u>\$ (21.5)</u>	<u>\$ (20.4)</u>	<u>\$ (23.4)</u>	<u>\$ (20.4)</u>	<u>\$ (85.6)</u>	<u>\$ (12.7)</u>	<u>\$ (11.8)</u>	<u>\$ (14.4)</u>	<u>\$ (14.2)</u>	<u>\$ (53.0)</u>
Amortization of intangibles											
Search & Applications	\$ (1.2)	\$ -	\$ -	\$ (0.1)	\$ (7.3)	\$ (7.5)	\$ (6.7)	\$ (6.7)	\$ (6.9)	\$ (7.3)	\$ (27.6)
Match	(17.1)	(6.5)	(5.0)	(3.3)	(2.6)	(17.5)	(4.0)	(4.6)	(2.7)	(3.8)	(15.1)
Local	(2.8)	(0.2)	(0.2)	(0.5)	(2.4)	(3.2)	(2.4)	(5.9)	(2.6)	(2.5)	(13.4)
Media	-	-	(0.3)	(0.9)	(5.0)	(6.2)	(0.2)	(0.3)	(0.3)	(0.3)	(1.1)
Other	(1.1)	(0.4)	(0.4)	(0.4)	(0.4)	(1.5)	(0.7)	(0.6)	(0.6)	(0.6)	(2.7)
Corporate	-	-	-	-	-	-	-	-	-	-	-
Total amortization of intangibles	<u>\$ (22.1)</u>	<u>\$ (7.0)</u>	<u>\$ (5.8)</u>	<u>\$ (5.2)</u>	<u>\$ (17.7)</u>	<u>\$ (35.8)</u>	<u>\$ (14.1)</u>	<u>\$ (18.1)</u>	<u>\$ (13.0)</u>	<u>\$ (14.6)</u>	<u>\$ (59.8)</u>
Acquisition-related contingent consideration fair value adjustments											
Search & Applications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Match	-	-	-	-	-	-	(1.5)	(4.2)	(0.6)	6.0	(0.3)
Local	-	-	-	-	-	-	-	-	-	-	-
Media	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Corporate	-	-	-	-	-	-	-	-	-	-	-
Total acquisition-related contingent consideration fair value adjustments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1.5)</u>	<u>\$ (4.2)</u>	<u>\$ (0.6)</u>	<u>\$ 6.0</u>	<u>\$ (0.3)</u>

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Financial Results and Reconciliations

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

	2011	2012					2013				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Operating income (loss)											
Search & Applications	\$ 204.0	\$ 73.5	\$ 74.1	\$ 69.0	\$ 89.1	\$ 305.6	\$ 87.0	\$ 89.3	\$ 87.8	\$ 76.0	\$ 340.1
Match	137.6	29.9	57.1	56.1	62.4	205.5	41.0	58.4	64.8	81.4	245.6
Local	25.5	3.8	11.7	7.3	(1.1)	21.7	(3.4)	(4.0)	9.9	(2.9)	(0.4)
Media	(16.3)	(6.7)	(7.3)	(13.2)	(24.6)	(51.8)	(8.8)	(4.0)	(8.5)	(8.5)	(29.9)
Other	(3.9)	(1.7)	(2.2)	(2.7)	(1.1)	(7.7)	(3.2)	(4.1)	(2.5)	1.0	(8.8)
Corporate	(149.2)	(36.0)	(35.9)	(38.6)	(39.4)	(149.8)	(27.9)	(29.0)	(29.4)	(34.1)	(120.4)
Total operating income	\$ 197.8	\$ 62.8	\$ 97.5	\$ 78.0	\$ 85.3	\$ 323.6	\$ 84.6	\$ 106.7	\$ 122.0	\$ 113.0	\$ 426.2
Equity in (losses) earnings of unconsolidated affiliates	(36.3)	(5.9)	(19.0)	(3.3)	2.9	(25.3)	(0.1)	(1.1)	(3.3)	(2.2)	(6.6)
Interest expense	(5.4)	(1.3)	(1.4)	(1.4)	(2.0)	(6.1)	(7.7)	(7.7)	(7.6)	(10.7)	(33.6)
Other income (expense), net	15.5	2.8	(0.4)	0.4	(5.8)	(3.0)	1.7	-	16.7	11.9	30.3
Earnings from continuing operations before income taxes	171.5	58.3	76.7	73.8	80.3	289.1	78.5	98.0	127.8	112.0	416.3
Income tax benefit (provision)	4.0	(27.1)	(28.6)	(27.6)	(35.9)	(119.2)	(25.7)	(39.4)	(36.1)	(33.2)	(134.5)
Earnings from continuing operations	175.6	31.2	48.1	46.2	44.4	169.8	52.7	58.5	91.7	78.8	281.8
(Loss) earnings from discontinued operations, net of tax	(4.0)	3.7	(4.6)	(5.6)	(2.5)	(9.1)	(0.9)	(1.1)	3.9	-	1.9
Net earnings	171.6	34.8	43.5	40.6	41.9	160.8	51.8	57.5	95.6	78.9	283.7
Net loss (earnings) attributable to noncontrolling interests	2.7	(0.4)	(0.1)	0.2	(1.2)	(1.5)	1.9	0.8	1.3	(1.9)	2.1
Net earnings attributable to IAC shareholders	\$ 174.2	\$ 34.5	\$ 43.3	\$ 40.7	\$ 40.7	\$ 159.3	\$ 53.6	\$ 58.3	\$ 96.9	\$ 76.9	\$ 285.8
GAAP diluted weighted average shares outstanding	94.3	91.7	91.9	94.7	94.0	93.1	87.4	86.6	86.1	87.0	86.7
GAAP diluted earnings per share	\$ 1.85	\$ 0.38	\$ 0.47	\$ 0.43	\$ 0.43	\$ 1.71	\$ 0.61	\$ 0.67	\$ 1.13	\$ 0.88	\$ 3.29
Reconciliation of GAAP EPS to Adjusted EPS											
Net earnings attributable to IAC shareholders	\$ 174.2	\$ 34.5	\$ 43.3	\$ 40.7	\$ 40.7	\$ 159.3	\$ 53.6	\$ 58.3	\$ 96.9	\$ 76.9	\$ 285.8
Non-cash compensation expense	88.6	21.5	20.4	23.4	20.4	85.6	12.7	11.8	14.4	14.2	53.0
Amortization of intangibles	22.1	7.0	5.8	5.2	17.7	35.8	14.1	18.1	13.0	14.6	59.8
Acquisition-related contingent consideration fair value adjustments	-	-	-	-	-	-	1.5	4.2	0.6	(6.0)	0.3
Meetic re-measurement loss	11.7	-	-	-	-	-	-	-	-	-	-
News_Beast re-measurement loss	-	-	18.6	3.0	(3.0)	18.6	-	-	-	-	-
Gain on sale of VUE interests and related effects	6.6	0.5	1.0	1.0	1.0	3.6	1.0	1.0	1.0	1.0	4.0
Discontinued operations, net of tax	4.0	(3.7)	4.6	5.6	2.5	9.1	0.9	1.1	(3.9)	-	(1.9)
Impact of income taxes and noncontrolling interests	(86.6)	(11.7)	(12.5)	(11.5)	(13.1)	(48.8)	(11.0)	(11.7)	(10.6)	(9.6)	(43.0)
Adjusted Net Income	\$ 220.5	\$ 48.1	\$ 81.3	\$ 67.4	\$ 66.2	\$ 263.1	\$ 72.7	\$ 82.9	111.4	91.1	358.1
Adjusted EPS weighted average shares outstanding (a)	97.8	95.0	95.1	95.6	94.3	95.0	87.7	87.1	86.6	87.3	87.2
Adjusted EPS	\$ 2.26	\$ 0.51	\$ 0.86	\$ 0.71	\$ 0.70	\$ 2.77	\$ 0.83	\$ 0.95	\$ 1.29	\$ 1.04	\$ 4.11
GAAP Basic weighted average shares outstanding	86.8	82.8	86.2	88.3	87.7	86.2	84.2	83.6	83.1	83.0	83.5
Options, warrants and RSUs, treasury method	7.6	8.9	5.8	6.4	6.3	6.8	3.2	3.0	3.0	4.0	3.3
GAAP Diluted weighted average shares outstanding	94.3	91.7	91.9	94.7	94.0	93.1	87.4	86.6	86.1	87.0	86.7
Impact of RSUs	3.4	3.3	3.1	0.9	0.3	1.9	0.3	0.5	0.5	0.4	0.4
Adjusted EPS shares outstanding (a)	97.8	95.0	95.1	95.6	94.3	95.0	87.7	87.1	86.6	87.3	87.2

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Financial Results and Reconciliations

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

Supplemental: Depreciation

	2011	2012					2013				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Search & Applications	\$ 25.5	\$ 3.3	\$ 3.4	\$ 3.3	\$ 5.0	\$ 15.0	\$ 3.9	\$ 6.4	\$ 3.9	\$ 4.0	\$ 18.2
Match	10.8	3.5	3.7	4.5	4.6	16.3	4.7	4.8	5.0	5.6	20.0
Local	10.4	2.8	2.5	2.5	2.4	10.1	2.3	2.7	1.3	1.3	7.7
Media	0.7	0.2	0.3	0.4	0.5	1.4	0.5	0.5	0.5	0.6	2.1
Other	0.9	0.2	0.3	0.3	0.3	1.1	0.3	0.3	0.4	0.4	1.4
Corporate	8.5	2.1	2.1	2.1	2.3	8.5	2.3	2.3	2.4	2.5	9.5
Total depreciation	<u>\$ 56.7</u>	<u>\$ 12.1</u>	<u>\$ 12.2</u>	<u>\$ 13.1</u>	<u>\$ 15.0</u>	<u>\$ 52.5</u>	<u>\$ 14.0</u>	<u>\$ 17.0</u>	<u>\$ 13.5</u>	<u>\$ 14.4</u>	<u>\$ 58.9</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)

	2011	2012					2013				
	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)	\$ 492.6	\$ 157.8	\$ 170.1	\$ 182.0	\$ 196.1	\$ 706.1	\$ 189.0	\$ 203.6	\$ 215.8	\$ 178.5	\$ 786.9
Applications (b)	547.9	185.4	178.6	188.2	207.6	759.7	208.2	223.8	191.5	194.5	818.0
Total Search & Applications	\$ 1,040.5	\$ 343.2	\$ 348.8	\$ 370.2	\$ 403.6	\$ 1,465.8	\$ 397.2	\$ 427.4	\$ 407.3	\$ 373.0	\$ 1,604.9
<i>Queries (in millions)</i>											
Websites (c)	7,142	2,567	2,622	2,806	2,641	10,637	2,961	3,332	3,714	3,311	13,319
Applications (d)	16,025	4,986	4,641	4,920	5,469	20,017	5,900	6,161	5,341	5,581	22,983
Total Search & Applications	23,167	7,553	7,263	7,726	8,110	30,653	8,861	9,493	9,055	8,892	36,301

(a) Websites revenue includes Ask.com, About.com, CityGrid Media and Dictionary.com.

(b) Applications revenue includes B2C and B2B.

(c) Websites queries include Ask.com, but exclude About.com, CityGrid Media and Dictionary.com.

(d) Applications queries include B2C and B2B.

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Match**

(rounding differences may exist)

	2011	2012					2013				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Match											
Paid Subscribers (in thousands)											
Core (a)	1,664	1,797	1,777	1,792	1,803	1,803	1,940	1,945	1,953	1,964	1,964
Meetic (b)	762	757	750	768	769	769	812	811	841	815	815
Developing (c)	270	267	260	259	240	240	388	440	514	578	578
Total Paid Subscribers	<u>2,696</u>	<u>2,821</u>	<u>2,787</u>	<u>2,818</u>	<u>2,811</u>	<u>2,811</u>	<u>3,140</u>	<u>3,196</u>	<u>3,308</u>	<u>3,357</u>	<u>3,357</u>

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

(b) Meetic consists of the publicly traded personals company Meetic S.A., excluding Twoo.

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

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HomeAdvisor

(rounding differences may exist)

	2011	2012					2013				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
HomeAdvisor (in thousands)											
Domestic Service Requests (a)	6,341	1,618	1,839	1,710	1,274	6,442	1,209	1,785	1,630	1,200	5,824
Domestic Accepts (b)	8,359	2,031	2,219	2,141	1,687	8,078	1,631	2,088	1,895	1,538	7,151
International Service Requests (a)	748	186	233	208	243	870	232	274	257	295	1,058
International Accepts (b)	880	247	284	247	311	1,089	314	345	308	365	1,331

(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.