

**IAC**  
Q1 2010 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)

	2008	2009					2010				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
<b>Revenue</b>											
Search	\$ 765.5	\$ 166.0	\$ 166.6	\$ 170.2	\$ 185.4	\$ 688.2	\$ 199.0				
Match	365.5	90.1	88.3	81.0	83.3	342.6	89.3				
ServiceMagic	123.9	31.4	42.4	43.9	38.2	155.8	42.2				
Media & Other	216.4	46.4	44.5	43.5	63.5	197.9	55.9				
Intercompany Elimination	(26.3)	(1.8)	(1.7)	(2.0)	(3.1)	(8.6)	(0.4)				
<b>Total Revenue</b>	<b>\$ 1,445.1</b>	<b>\$ 332.0</b>	<b>\$ 340.0</b>	<b>\$ 336.6</b>	<b>\$ 367.2</b>	<b>\$ 1,375.8</b>	<b>\$ 385.9</b>				
<b>Operating Income Before Amortization</b>											
Search	\$ 136.3	\$ 10.3	\$ 15.9	\$ 26.6	\$ 29.0	\$ 81.7	\$ 31.5				
Match	91.3	9.9	28.5	26.8	28.8	94.1	14.8				
ServiceMagic	26.2	2.8	6.7	9.9	1.8	21.3	2.9				
Media & Other	(32.2)	(11.2)	(9.2)	(7.7)	(0.5)	(28.7)	(6.8)				
Corporate	(121.5)	(15.0)	(16.2)	(16.7)	(17.8)	(65.6)	(13.2)				
<b>Total Operating Income Before Amortization</b>	<b>\$ 100.1</b>	<b>\$ (3.2)</b>	<b>\$ 25.7</b>	<b>\$ 38.9</b>	<b>\$ 41.4</b>	<b>\$ 102.8</b>	<b>\$ 29.2</b>				
<b>Non-cash compensation expense</b>											
Search	\$ -	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.6)	\$ (0.1)				
Match	-	(0.1)	-	-	-	(0.2)	-				
ServiceMagic	(0.7)	(0.1)	-	-	-	(0.1)	-				
Media & Other	(1.1)	0.1	(0.5)	(0.1)	(0.2)	(0.7)	(0.9)				
Corporate	(84.7)	(18.3)	(12.9)	(16.2)	(20.8)	(68.3)	(21.3)				
<b>Total non-cash compensation expense</b>	<b>\$ (86.5)</b>	<b>\$ (18.6)</b>	<b>\$ (13.6)</b>	<b>\$ (16.5)</b>	<b>\$ (21.2)</b>	<b>\$ (69.9)</b>	<b>\$ (22.3)</b>				
<b>Amortization of non-cash marketing</b>											
Search	\$ (4.9)	\$ (2.3)	\$ (0.2)	\$ -	\$ (4.0)	\$ (6.5)	\$ -				
Match	(15.1)	-	-	-	(4.4)	(4.4)	-				
ServiceMagic	-	-	-	(5.0)	-	(5.0)	-				
Media & Other	-	-	-	-	-	-	-				
Corporate	-	-	-	-	-	-	-				
<b>Total amortization of non-cash marketing</b>	<b>\$ (20.0)</b>	<b>\$ (2.3)</b>	<b>\$ (0.2)</b>	<b>\$ (5.0)</b>	<b>\$ (8.4)</b>	<b>\$ (15.9)</b>	<b>\$ -</b>				
<b>Amortization of intangibles and goodwill impairment</b>											
Search (a) (b)	\$ (34.0)	\$ (6.6)	\$ (6.4)	\$ (6.3)	\$ (1,045.5)	\$ (1,064.8)	\$ (0.3)				
Match	(0.7)	(0.1)	(0.1)	(2.9)	(1.8)	(4.9)	(1.1)				
ServiceMagic	(1.5)	(0.6)	(1.0)	(0.6)	(0.5)	(2.8)	(0.5)				
Media & Other (a) (c)	(19.4)	(1.7)	(0.5)	(0.5)	(0.5)	(3.1)	(1.5)				
Corporate	-	-	-	-	-	-	-				
<b>Total amortization of intangibles and goodwill impairment</b>	<b>\$ (55.5)</b>	<b>\$ (9.1)</b>	<b>\$ (8.0)</b>	<b>\$ (10.2)</b>	<b>\$ (1,048.2)</b>	<b>\$ (1,075.6)</b>	<b>\$ (3.3)</b>				

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### Financial Results and Reconciliations

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

	2008	2009					2010				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
<b>Operating (loss) income</b>											
Search (a) (b)	\$ 97.5	\$ 1.2	\$ 9.1	\$ 20.2	\$ (1,020.6)	\$ (990.1)	\$ 31.1				
Match	75.5	9.7	28.4	23.9	22.6	84.7	13.7				
ServiceMagic	24.0	2.0	5.7	4.3	1.4	13.4	2.4				
Media & Other (a) (c)	(52.7)	(12.8)	(10.2)	(8.3)	(1.2)	(32.5)	(9.2)				
Corporate	(206.2)	(33.3)	(29.1)	(32.9)	(38.6)	(133.9)	(34.4)				
Total operating (loss) income	<u>\$ (62.0)</u>	<u>\$ (33.1)</u>	<u>\$ 3.9</u>	<u>\$ 7.1</u>	<u>\$ (1,036.4)</u>	<u>\$ (1,058.5)</u>	<u>\$ 3.5</u>				
Total other income (expense), net (d)	155.4	0.6	60.8	51.0	(21.4)	91.0	(17.4)				
Earnings (loss) from continuing operations before income taxes	93.5	(32.6)	64.7	58.1	(1,057.8)	(967.5)	(13.9)				
Income tax benefit (provision)	37.7	2.7	(22.1)	(34.3)	52.2	(1.5)	(4.0)				
Earnings (loss) from continuing operations	131.2	(29.9)	42.6	23.8	(1,005.5)	(969.0)	(17.9)				
Gain on sale of discontinued operations, net of tax	23.3	-	-	-	-	-	-				
Discontinued operations, net of tax (e)	(316.5)	1.2	(2.2)	(2.5)	(7.4)	(10.9)	(1.5)				
Net (loss) earnings	(162.0)	(28.6)	40.4	21.3	(1,013.0)	(979.9)	(19.3)				
Net loss attributable to noncontrolling interest	5.8	0.3	0.4	0.4	-	1.1	0.6				
Net (loss) earnings attributable to IAC shareholders	<u>\$ (156.2)</u>	<u>\$ (28.4)</u>	<u>\$ 40.8</u>	<u>\$ 21.7</u>	<u>\$ (1,012.9)</u>	<u>\$ (978.8)</u>	<u>\$ (18.7)</u>				
GAAP Diluted weighted average shares outstanding	144.0	147.8	148.1	134.9	127.7	138.6	116.4				
Diluted (loss) earnings per share	<u>\$ (1.08)</u>	<u>\$ (0.19)</u>	<u>\$ 0.28</u>	<u>\$ 0.16</u>	<u>\$ (7.94)</u>	<u>\$ (7.06)</u>	<u>\$ (0.16)</u>				
<b>Reconciliation of GAAP EPS to Adjusted EPS</b>											
<b>Net (loss) earnings attributable to IAC shareholders</b>	\$ (156.2)	\$ (28.4)	\$ 40.8	\$ 21.7	\$ (1,012.9)	\$ (978.8)	\$ (18.7)				
Non-cash compensation expense	86.5	18.6	13.6	16.5	21.2	69.9	22.3				
Amortization of non-cash marketing	20.0	2.3	0.2	5.0	8.4	15.9	-				
Amortization of intangibles (a) (b)	43.9	8.0	8.0	10.2	131.4	157.7	3.3				
Goodwill impairment (a) (b) (c)	11.6	1.1	-	-	916.9	917.9	-				
Arcandor impairment (d)	166.7	-	3.9	0.6	0.2	4.6	-				
Gain on sale of Match Europe (d)	-	-	(116.8)	(15.4)	-	(132.2)	-				
Net other (income) expense related to fair value adjustment on derivatives (d)	(0.5)	-	-	-	0.7	0.7	-				
Other (income) expense related to fair value adjustment of the derivative created in the HSE sale (d)	(5.8)	-	38.2	-	19.9	58.1	-				
Gain on sale of VUE and related effects	6.8	1.5	1.6	1.8	2.1	7.0	1.7				
Gain on sale of discontinued operations, net of tax	(23.3)	-	-	-	-	-	-				
Discontinued operations, net of tax (e)	316.5	(1.2)	2.2	2.5	7.4	10.9	1.5				
Impact of income taxes and noncontrolling interest	(200.8)	(4.9)	11.5	3.4	(68.5)	(58.5)	(10.4)				
<b>Adjusted Net Income</b>	<u>\$ 265.5</u>	<u>\$ (3.0)</u>	<u>\$ 3.3</u>	<u>\$ 46.3</u>	<u>\$ 26.6</u>	<u>\$ 73.1</u>	<u>\$ (0.3)</u>				
<b>Adjusted EPS weighted average shares outstanding (f)</b>	147.2	147.8	150.2	136.5	132.7	143.0	116.4				
<b>Adjusted EPS</b>	<u>\$ 1.80</u>	<u>\$ (0.02)</u>	<u>\$ 0.02</u>	<u>\$ 0.34</u>	<u>\$ 0.20</u>	<u>\$ 0.51</u>	<u>\$ (0.00)</u>				
<b>GAAP Basic weighted average shares outstanding</b>	139.9	147.8	146.5	132.8	127.7	138.6	116.4				
Options, warrants and RSUs, treasury method	4.1	-	1.6	2.1	-	-	-				
<b>GAAP Diluted weighted average shares outstanding</b>	144.0	147.8	148.1	134.9	127.7	138.6	116.4				
Options, warrants and RSUs, treasury method not included in diluted shares above	-	-	-	-	3.5	2.4	-				
Impact of RSUs	3.3	-	2.2	1.7	1.5	2.0	-				
<b>Adjusted EPS shares outstanding (f)</b>	<u>147.2</u>	<u>147.8</u>	<u>150.2</u>	<u>136.5</u>	<u>132.7</u>	<u>143.0</u>	<u>116.4</u>				

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## IAC

### Financial Results and Reconciliations

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

	2008	2009					2010				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
<b>Supplemental: Depreciation by segment</b>											
Search	\$ 35.9	\$ 8.3	\$ 8.4	\$ 7.8	\$ 8.6	\$ 33.2	\$ 9.1				
Match	8.8	2.4	2.4	2.5	2.5	9.8	3.0				
ServiceMagic	3.2	0.8	0.8	0.9	0.9	3.3	0.9				
Media & Other	10.3	1.9	2.4	1.3	1.4	7.1	2.6				
Corporate	12.8	2.8	2.8	2.8	2.8	11.2	2.2				
Total Depreciation	\$ 71.1	\$ 16.2	\$ 16.9	\$ 15.3	\$ 16.3	\$ 64.6	\$ 17.9				

- (a) 2008 includes a pre-tax \$9.2 million impairment charge at Search related to the intangible assets of the Excite, iWon and MyWay portal businesses and a pre-tax \$15 million impairment charge at Media & Other related to the goodwill and intangible assets of Connected Ventures (combined \$10.3 million after-tax impact).
- (b) Q4 2009 includes an impairment of goodwill and intangible assets at IAC Search & Media, which comprises our Search properties excluding Citysearch, of \$1.0 billion pre-tax (\$991.9 million after-tax).
- (c) 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).
- (d) Total other income (expense), net includes/reflects the following:
- In 2008, a pre-tax loss of \$166.7 million (\$100.2 million after-tax) related to other-than-temporary impairments of the Company's investment in the common stock of Arcandor AG.
  - In 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 arose 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 (expense) for the appropriate period.
  - In 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 then 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 created in connection with the HSE sale.
  - In Q3 2009, a pre-tax gain related to the sale of 1.8 million shares of OpenTable Inc. common stock of \$36.2 million (\$21.6 million after-tax), a pre-tax gain of \$15.4 million (\$13.4 million after-tax) related to the sale of Match Europe and a \$0.6 million pre-tax (\$0.3 million after-tax) impairment charge related to the write down in the value of the then remaining 1.1 million shares of Arcandor AG.
  - In Q4 2009, a pre-tax gain of \$3.4 million (\$2.1 million after-tax) related to the sale of OpenTable Inc. common stock and a pre-tax write-down of \$19.9 million (\$12.2 million after-tax) related to the derivative asset created in connection with the HSE sale.
  - In Q1 2010, a pre-tax write-down of \$18.3 million related our investment in HealthCentral Network, Inc. and a pre-tax gain of \$4.0 million (\$2.4 million after-tax) related to the sale of our remaining OpenTable, Inc. common stock.
- (e) Discontinued operations consists of the results of ECS/Styleclick, TVTS, Quiz TV Limited and iBuy for all periods presented, EPI through May 30, 2008 and HSNi, Ticketmaster, Interval Leisure Group and Tree.com through August 20, 2008.
- (f) 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 Q1 2009 and Q1 2010, 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)*

		2009					2010				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
International Revenue	\$ 276	\$ 60	\$ 56	\$ 44	\$ 48	\$ 208	\$ 50				
% of Total	19%	18%	16%	13%	13%	15%	13%				

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

**IAC  
Search**

*(rounding differences may exist)*

	2008	2009					2010				
	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	69%	69%	72%	74%	73%	72%	74%				
Network	31%	31%	28%	26%	27%	28%	26%				

(a) Proprietary includes Ask.com, Fun Web Products, and Dictionary.com. Network includes distributed search, sponsored listings and toolbars.

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

**IAC  
Match**

*(rounding differences may exist)*

	2008	2009					2010				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Match											
Paid Subscribers (000s)	1,347	1,438	1,156	1,403	1,377	1,377	1,585				

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

**IAC**  
**ServiceMagic**

(rounding differences may exist)

	2008	2009					2010				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
<b>ServiceMagic</b>											
Service Requests (000s) (a)	4,250	996	1,380	1,469	1,251	5,096	1,391				
Accepts (000s) (b)	5,206	1,319	1,736	1,851	1,620	6,527	1,783				

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

(b) The number of times domestic customer requests for service are accepted by domestic 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.*