

IAC
Q2 2012 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)

	2010	2011					2012				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Revenue											
Search & Applications	\$ 805.3	\$ 233.9	\$ 238.3	\$ 258.9	\$ 309.5	\$ 1,040.5	\$ 343.2	\$ 348.8			
Match	400.7	111.6	116.4	132.3	157.7	518.0	174.3	178.4			
Local	263.7	70.9	80.4	80.1	72.0	303.4	77.1	84.5			
Media	49.7	13.6	19.5	18.7	18.4	70.2	15.9	38.4			
Other	118.7	30.5	30.9	27.0	39.6	128.1	30.2	30.6			
Intercompany Elimination	(1.4)	(0.3)	(0.2)	(0.2)	(0.1)	(0.7)	(0.1)	(0.1)			
Total revenue	\$ 1,636.8	\$ 460.2	\$ 485.4	\$ 516.9	\$ 596.9	\$ 2,059.4	\$ 640.6	\$ 680.6			
Operating Income Before Amortization											
Search & Applications	\$ 140.8	\$ 48.9	\$ 50.6	\$ 46.3	\$ 59.2	\$ 205.0	\$ 73.5	\$ 74.1			
Match	122.1	25.0	42.3	40.2	48.7	156.3	37.3	62.6			
Local	10.7	6.3	9.8	7.8	4.4	28.3	4.0	11.8			
Media	(21.8)	(4.3)	(3.3)	(2.7)	(5.5)	(15.8)	(6.4)	(6.8)			
Other	2.1	(0.7)	(1.0)	(1.3)	0.5	(2.5)	(1.4)	(1.8)			
Corporate	(64.2)	(15.2)	(14.9)	(16.1)	(16.5)	(62.8)	(15.7)	(16.3)			
Total Operating Income Before Amortization	\$ 189.6	\$ 60.0	\$ 83.4	\$ 74.2	\$ 90.9	\$ 308.4	\$ 91.3	\$ 123.7			
Non-cash compensation expense											
Search & Applications	\$ (0.6)	\$ (0.1)	\$ 0.3	\$ -	\$ -	\$ 0.2	\$ -	\$ -			
Match	0.2	-	-	(0.4)	(1.2)	(1.6)	(0.9)	(0.6)			
Local	-	-	-	-	-	-	-	-			
Media	(0.5)	-	(0.1)	(0.2)	(0.2)	(0.4)	(0.3)	(0.2)			
Other	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)	-	(0.1)			
Corporate	(83.2)	(20.0)	(23.1)	(22.2)	(21.0)	(86.4)	(20.3)	(19.6)			
Total non-cash compensation expense	\$ (84.3)	\$ (20.2)	\$ (23.0)	\$ (22.9)	\$ (22.5)	\$ (88.6)	\$ (21.5)	\$ (20.4)			
Amortization of intangibles and goodwill impairment											
Search & Applications (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)	(5.0)			
Local	(2.3)	(0.5)	(0.4)	(0.4)	(1.4)	(2.8)	(0.2)	(0.2)			
Media	(1.1)	-	-	-	-	-	-	(0.3)			
Other (b)	(33.5)	(0.2)	(0.2)	(0.2)	(0.4)	(1.1)	(0.4)	(0.4)			
Corporate	-	-	-	-	-	-	-	-			
Total amortization of intangibles and goodwill impairment	\$ (55.5)	\$ (2.5)	\$ (2.2)	\$ (4.5)	\$ (12.9)	\$ (22.1)	\$ (7.0)	\$ (5.8)			

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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
Operating income (loss)											
Search & Applications (a)	\$ 128.4	\$ 48.6	\$ 50.7	\$ 45.5	\$ 59.2	\$ 204.0	\$ 73.5	\$ 74.1			
Match	115.4	23.4	41.0	36.7	36.4	137.6	29.9	57.1			
Local	8.4	5.8	9.3	7.3	3.0	25.5	3.8	11.7			
Media	(23.4)	(4.3)	(3.4)	(2.8)	(5.7)	(16.3)	(6.7)	(7.3)			
Other (b)	(31.6)	(1.0)	(1.3)	(1.6)	-	(3.9)	(1.7)	(2.2)			
Corporate	(147.3)	(35.3)	(38.1)	(38.3)	(37.5)	(149.2)	(36.0)	(35.9)			
Total operating income	\$ 49.8	\$ 37.3	\$ 58.2	\$ 46.7	\$ 55.5	\$ 197.8	\$ 62.8	\$ 97.5			
Total other expense, net (c)	(27.1)	(1.1)	(3.1)	(10.8)	(11.3)	(26.2)	(4.5)	(20.7)			
Earnings from continuing operations before income taxes	22.7	36.2	55.1	36.0	44.2	171.5	58.3	76.7			
Income tax (provision) benefit (d)	(32.1)	(16.0)	(9.5)	32.0	(2.4)	4.0	(27.1)	(28.6)			
(Loss) earnings from continuing operations	(9.4)	20.2	45.6	68.0	41.8	175.6	31.2	48.1			
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	(4.6)			
Net earnings	94.4	18.2	43.1	64.1	46.2	171.6	34.8	43.5			
Net loss (earnings) attributable to noncontrolling interests	5.0	(0.2)	(0.7)	0.9	2.6	2.7	(0.4)	(0.1)			
Net earnings attributable to IAC shareholders	\$ 99.4	\$ 18.1	\$ 42.4	\$ 65.0	\$ 48.8	\$ 174.2	\$ 34.5	\$ 43.3			
GAAP diluted weighted average shares outstanding	106.3	93.7	97.3	93.7	92.7	94.3	91.7	91.9			
GAAP diluted earnings per share	\$ 0.93	\$ 0.19	\$ 0.44	\$ 0.69	\$ 0.53	\$ 1.85	\$ 0.38	\$ 0.47			
Reconciliation of GAAP EPS to Adjusted EPS											
Net earnings attributable to IAC shareholders	\$ 99.4	\$ 18.1	\$ 42.4	\$ 65.0	\$ 48.8	\$ 174.2	\$ 34.5	\$ 43.3			
Non-cash compensation expense	84.3	20.2	23.0	22.9	22.5	88.6	21.5	20.4			
Amortization of intangibles (a) (b)	27.5	2.5	2.2	4.5	12.9	22.1	7.0	5.8			
Goodwill impairment (a) (b)	28.0	-	-	-	-	-	-	-			
Meetic re-measurement loss (c)	-	-	-	11.7	-	11.7	-	-			
Newsweek Daily Beast re-measurement loss (c)	-	-	-	-	-	-	-	18.6			
Gain on Liberty Exchange (e)	(140.8)	-	-	-	-	-	-	-			
Gain on sale of VUE and related effects	7.0	1.5	1.7	1.8	1.6	6.6	0.5	1.0			
Discontinued operations, net of tax (f)	37.0	1.9	2.5	3.9	(4.4)	4.0	(3.7)	4.6			
Impact of income taxes and noncontrolling interests	(49.4)	(8.7)	(8.9)	(55.1)	(14.0)	(86.6)	(11.7)	(12.5)			
Adjusted Net Income	\$ 93.0	\$ 35.5	\$ 62.9	\$ 54.7	\$ 67.4	\$ 220.5	\$ 48.1	\$ 81.3			
Adjusted EPS weighted average shares outstanding (g)	112.4	96.9	100.8	97.4	96.0	97.8	95.0	95.1			
Adjusted EPS	\$ 0.83	\$ 0.37	\$ 0.62	\$ 0.56	\$ 0.70	\$ 2.26	\$ 0.51	\$ 0.86			
GAAP Basic weighted average shares outstanding	106.3	89.1	90.1	84.6	83.4	86.8	82.8	86.2			
Options, warrants and RSUs, treasury method	-	4.6	7.3	9.1	9.3	7.6	8.9	5.8			
GAAP Diluted weighted average shares outstanding	106.3	93.7	97.3	93.7	92.7	94.3	91.7	91.9			
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	3.1			
Adjusted EPS shares outstanding (g)	112.4	96.9	100.8	97.4	96.0	97.8	95.0	95.1			

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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
Supplemental: Depreciation by segment											
Search & Applications	\$ 35.8	\$ 6.2	\$ 5.4	\$ 9.8	\$ 4.1	\$ 25.5	\$ 3.3	\$ 3.4			
Match	11.0	2.3	2.3	2.5	3.7	10.8	3.5	3.7			
Local	7.8	2.2	2.4	2.7	3.1	10.4	2.8	2.5			
Media	0.2	0.3	0.1	0.2	0.2	0.7	0.2	0.3			
Other	0.8	0.2	0.2	0.2	0.2	0.9	0.2	0.3			
Corporate	8.2	2.3	2.1	2.1	2.1	8.5	2.1	2.1			
Total depreciation	\$ 63.9	\$ 13.4	\$ 12.5	\$ 17.5	\$ 13.3	\$ 56.7	\$ 12.1	\$ 12.2			

- (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 & Applications 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 write-down 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 write-down 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 re-measuring the carrying value of our previous equity method investment in Meetic to fair value upon acquiring 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 equity method investment in Newsweek Daily Beast.
 - In Q2 2012, a pre-tax loss of \$18.6 million (\$16.2 million after-tax) related to re-measuring the carrying value of our previous equity method investment in Newsweek Daily Beast to fair value upon acquiring control.
- (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 previous equity method investment in Meetic, partially offset by the non-deductible re-measurement loss of our previous equity method 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. The weighted average number of RSUs outstanding for Adjusted EPS purposes includes the weighted average number of performance-based RSUs that the Company believes are probable of vesting. There are no performance-based RSUs included for GAAP purposes.

IAC
Search & Applications

(rounding differences may exist)

	2010	2011					2012				
	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)	\$ 428.6	\$ 117.4	\$ 118.8	\$ 123.0	\$ 140.9	\$ 500.1	\$ 159.3	\$ 171.1			
Applications (b)	376.7	116.5	119.5	135.8	168.6	540.4	183.9	177.7			
Total Search & Applications	\$ 805.3	\$ 233.9	\$ 238.3	\$ 258.9	\$ 309.5	\$ 1,040.5	\$ 343.2	\$ 348.8	\$ -	\$ -	\$ -
<i>Queries (in millions)</i>											
Websites (c)	5,113	1,555	1,572	1,841	2,175	7,142	2,565	2,617	-	-	-
Applications (d)	11,961	3,548	3,675	4,103	4,698	16,025	4,989	4,646	-	-	-
Total Search & Applications	17,074	5,103	5,247	5,944	6,872	23,167	7,553	7,263	-	-	-

(a) Websites revenue includes Ask.com, Pronto and Dictionary.com, excluding downloadable applications-related revenue.

(b) Applications revenue includes our direct to consumer applications business (B2C) and partnership operations (B2B), as well as downloadable applications-related revenue from Ask.com and Dictionary.com.

(c) Websites queries include Ask.com but exclude Ask.com's downloadable applications, Pronto and Dictionary.com.

(d) Applications queries include our direct to consumer applications business (B2C) and partnership operations (B2B), as well as downloadable application queries from Ask.com.

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
Match											
Paid Subscribers (in thousands)											
Core (a)	1,470	1,600	1,616	1,660	1,664	1,664	1,797	1,777			
Developing (b)	318	324	305	291	270	270	267	260			
Meetic (c)	-	-	-	797	762	762	757	750			
Total Paid Subscribers	1,789	1,924	1,921	2,748	2,696	2,696	2,821	2,787	-	-	-

- (a) Core consists of Match.com in the United States, Chemistry and People Media.
- (b) 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
ServiceMagic (in thousands)											
Domestic Service Requests (a)	5,797	1,377	1,800	1,727	1,437	6,341	1,618	1,839			
Domestic Accepts (b)	7,756	1,937	2,353	2,232	1,836	8,359	2,031	2,219			
International Service Requests (a)	519	185	192	178	194	748	186	233			
International Accepts (b)	585	217	227	201	234	880	247	284			

(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.

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