

IAC
Q3 2011 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)

	2009	2010					2011				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Revenue											
Search	\$ 681.8	\$ 199.0	\$ 197.2	\$ 205.1	\$ 235.9	\$ 837.1	\$ 248.6	\$ 252.4	\$ 273.3		
Match	342.6	89.3	97.0	106.2	108.3	400.7	111.6	116.4	132.3		
ServiceMagic	155.8	42.2	49.5	48.4	41.3	181.4	46.3	56.1	55.1		
Media & Other	168.8	48.1	51.0	54.0	66.7	219.9	54.3	60.8	56.4		
Intercompany Elimination	(2.3)	(0.4)	(0.4)	(0.7)	(0.8)	(2.4)	(0.6)	(0.3)	(0.2)		
Total revenue	\$ 1,346.7	\$ 378.2	\$ 394.2	\$ 413.0	\$ 451.4	\$ 1,636.8	\$ 460.2	\$ 485.4	\$ 516.9		
Operating Income Before Amortization											
Search	\$ 91.6	\$ 31.5	\$ 32.0	\$ 29.3	\$ 32.7	\$ 125.5	\$ 49.4	\$ 50.6	\$ 45.8		
Match	94.1	14.8	29.1	39.4	38.8	122.1	25.0	42.3	40.2		
ServiceMagic	21.3	2.9	6.1	6.7	2.5	18.2	4.2	8.6	7.4		
Media & Other	(19.7)	(2.4)	(2.6)	(2.2)	(4.8)	(12.0)	(3.4)	(3.1)	(3.2)		
Corporate	(65.5)	(13.2)	(14.2)	(16.1)	(20.7)	(64.2)	(15.2)	(14.9)	(16.1)		
Total Operating Income Before Amortization	\$ 121.9	\$ 33.6	\$ 50.4	\$ 57.0	\$ 48.5	\$ 189.6	\$ 60.0	\$ 83.4	\$ 74.2		
Non-cash compensation expense											
Search	\$ (0.6)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ -	\$ (0.3)	\$ -	\$ -	\$ -		
Match	(0.2)	-	0.2	-	-	0.2	-	-	(0.4)		
ServiceMagic	(0.1)	-	-	-	-	-	-	-	-		
Media & Other	(0.9)	(0.1)	(0.2)	(0.4)	(0.2)	(0.9)	(0.1)	0.1	(0.3)		
Corporate	(68.3)	(21.3)	(21.0)	(16.6)	(24.3)	(83.2)	(20.0)	(23.1)	(22.2)		
Total non-cash compensation expense	\$ (70.1)	\$ (21.5)	\$ (21.0)	\$ (17.1)	\$ (24.6)	\$ (84.3)	\$ (20.2)	\$ (23.0)	\$ (22.9)		
Amortization of non-cash marketing											
Search	\$ (6.5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Match	(4.4)	-	-	-	-	-	-	-	-		
ServiceMagic	(5.0)	-	-	-	-	-	-	-	-		
Media & Other	-	-	-	-	-	-	-	-	-		
Corporate	-	-	-	-	-	-	-	-	-		
Total amortization of non-cash marketing	\$ (15.9)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Amortization of intangibles and goodwill impairment											
Search (a)	\$ (1,064.8)	\$ (0.3)	\$ (0.3)	\$ (0.3)	\$ (11.3)	\$ (12.3)	\$ (0.3)	\$ (0.3)	\$ (0.8)		
Match	(4.9)	(1.1)	(3.8)	(1.2)	(0.7)	(6.8)	(1.6)	(1.3)	(3.1)		
ServiceMagic	(2.8)	(0.5)	(0.4)	(0.5)	(0.4)	(1.7)	(0.4)	(0.4)	(0.4)		
Media & Other (b)	(1.4)	(1.3)	(0.2)	(0.2)	(32.8)	(34.6)	(0.2)	(0.2)	(0.2)		
Corporate	-	-	-	-	-	-	-	-	-		
Total amortization of intangibles and goodwill impairment	\$ (1,073.9)	\$ (3.2)	\$ (4.8)	\$ (2.3)	\$ (45.3)	\$ (55.5)	\$ (2.5)	\$ (2.2)	\$ (4.5)		

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Financial Results and Reconciliations

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

	2009	2010					2011				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Operating (loss) income											
Search (a)	\$ (980.2)	\$ 31.1	\$ 31.6	\$ 28.9	\$ 21.3	\$ 112.9	\$ 49.1	\$ 50.3	\$ 45.0		
Match	84.7	13.7	25.5	38.1	38.0	115.4	23.4	41.0	36.7		
ServiceMagic	13.4	2.4	5.7	6.2	2.1	16.4	3.8	8.2	7.0		
Media & Other (b)	(22.1)	(3.8)	(3.0)	(2.8)	(37.9)	(47.5)	(3.7)	(3.2)	(3.7)		
Corporate	(133.7)	(34.4)	(35.2)	(32.7)	(45.0)	(147.3)	(35.3)	(38.1)	(38.3)		
Total operating (loss) income	\$ (1,038.0)	\$ 8.9	\$ 24.6	\$ 37.7	\$ (21.4)	\$ 49.8	\$ 37.3	\$ 58.2	\$ 46.7		
Total other income (expense), net (c)	91.0	(17.4)	(3.9)	0.3	(6.1)	(27.1)	(1.1)	(3.1)	(10.8)		
(Loss) earnings from continuing operations before income taxes	(947.0)	(8.5)	20.7	38.0	(27.6)	22.7	36.2	55.1	36.0		
Income tax (provision) benefit (d)	(9.5)	(6.1)	(5.3)	(15.5)	(5.1)	(32.1)	(16.0)	(9.5)	32.0		
(Loss) earnings from continuing operations	(956.5)	(14.6)	15.4	22.4	(32.7)	(9.4)	20.2	45.6	68.0		
Gain on Liberty Exchange (e)	-	-	-	-	140.8	140.8	-	-	-		
Loss from discontinued operations, net of tax (f)	(23.4)	(4.7)	(2.6)	(4.8)	(24.9)	(37.0)	(1.9)	(2.5)	(3.9)		
Net (loss) earnings	(979.9)	(19.3)	12.8	17.6	83.2	94.4	18.2	43.1	64.1		
Net loss (earnings) attributable to noncontrolling interests	1.1	0.6	0.8	(0.1)	3.8	5.0	(0.2)	(0.7)	0.9		
Net (loss) earnings attributable to IAC shareholders	\$ (978.8)	\$ (18.7)	\$ 13.6	\$ 17.5	\$ 87.0	\$ 99.4	\$ 18.1	\$ 42.4	\$ 65.0		
GAAP diluted weighted average shares outstanding	138.6	116.4	112.6	106.2	96.5	106.3	93.7	97.3	93.7		
GAAP diluted (loss) earnings per share	\$ (7.06)	\$ (0.16)	\$ 0.12	\$ 0.16	\$ 0.90	\$ 0.93	\$ 0.19	\$ 0.44	\$ 0.69		
Reconciliation of GAAP EPS to Adjusted EPS											
Net (loss) earnings attributable to IAC shareholders	\$ (978.8)	\$ (18.7)	\$ 13.6	\$ 17.5	\$ 87.0	\$ 99.4	\$ 18.1	\$ 42.4	\$ 65.0		
Non-cash compensation expense	70.1	21.5	21.0	17.1	24.6	84.3	20.2	23.0	22.9		
Amortization of intangibles (a) (b)	157.0	3.2	4.8	2.3	17.2	27.5	2.5	2.2	4.5		
Amortization of non-cash marketing	15.9	-	-	-	-	-	-	-	-		
Goodwill impairment (a) (b)	916.9	-	-	-	28.0	28.0	-	-	-		
Arcandor impairment (c)	4.6	-	-	-	-	-	-	-	-		
Gain on sale of Match Europe (c)	(132.2)	-	-	-	-	-	-	-	-		
Meetic mark-to-market loss (c)	-	-	-	-	-	-	-	-	11.7		
Other expense related to the decrease in the fair value of the derivative asset related to Arcandor AG stock (c)	58.8	-	-	-	-	-	-	-	-		
Gain on Liberty Exchange (e)	-	-	-	-	(140.8)	(140.8)	-	-	-		
Gain on sale of VUE and the related effects	7.0	1.7	1.8	1.8	1.8	7.0	1.5	1.7	1.8		
Loss from discontinued operations, net of tax (f)	23.4	4.7	2.6	4.8	24.9	37.0	1.9	2.5	3.9		
Impact of income taxes and noncontrolling interests	(58.3)	(10.0)	(15.8)	(7.9)	(15.8)	(49.4)	(8.7)	(8.9)	(55.1)		
Adjusted Net Income	\$ 84.3	\$ 2.5	\$ 28.0	\$ 35.5	\$ 27.0	\$ 93.0	\$ 35.5	\$ 62.9	\$ 54.7		
Adjusted EPS weighted average shares outstanding (g)	143.0	121.8	114.9	108.3	104.7	112.4	96.9	100.8	97.4		
Adjusted EPS	\$ 0.59	\$ 0.02	\$ 0.24	\$ 0.33	\$ 0.26	\$ 0.83	\$ 0.37	\$ 0.62	\$ 0.56		
GAAP Basic weighted average shares outstanding	138.6	116.4	109.3	103.2	96.5	106.3	89.1	90.1	84.6		
Options, warrants and RSUs, treasury method	-	-	3.3	3.1	-	-	4.6	7.3	9.1		
GAAP Diluted weighted average shares outstanding	138.6	116.4	112.6	106.2	96.5	106.3	93.7	97.3	93.7		
Options, warrants and RSUs, treasury method not included in diluted shares above	2.4	3.5	-	-	5.0	3.7	-	-	-		
Impact of RSUs	2.0	1.9	2.3	2.1	3.3	2.4	3.3	3.5	3.6		
Adjusted EPS shares outstanding (g)	143.0	121.8	114.9	108.3	104.7	112.4	96.9	100.8	97.4		

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Financial Results and Reconciliations

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

Supplemental: Depreciation by segment

	2009	2010					2011				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Search	\$ 33.1	\$ 9.1	\$ 10.0	\$ 8.2	\$ 11.1	\$ 38.3	\$ 7.0	\$ 6.4	\$ 11.2		
Match	9.8	3.0	2.9	2.6	2.5	11.0	2.3	2.3	2.5		
ServiceMagic	3.3	0.9	1.1	1.0	1.0	4.0	1.1	1.1	1.1		
Media & Other	3.9	0.5	0.6	0.6	0.6	2.3	0.8	0.6	0.7		
Corporate	11.2	2.2	2.2	2.2	1.7	8.2	2.3	2.1	2.1		
Total depreciation	\$ 61.4	\$ 15.8	\$ 16.6	\$ 14.6	\$ 16.9	\$ 63.9	\$ 13.4	\$ 12.5	\$ 17.5		

- (a) 2009 includes a pre-tax impairment charge of \$1.0 billion (\$991.9 million after-tax) related to the goodwill and intangible assets of IAC Search & Media, which comprises our Search properties excluding CityGrid Media (formerly Citysearch). Q4 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.
- (b) Q4 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 income (expense), net reflects the following:
- In 2009, a pre-tax gain of \$132.2 million (\$77.7 million after-tax) related to the sale of Match Europe, a pre-tax impairment charge of \$58.1 million (\$37.7 million after-tax) to write down the value of the derivative asset related to Arcandor AG stock, a pre-tax gain of \$39.6 million (\$23.7 million after-tax) related to the sale of Open Table, Inc. stock, a pre-tax loss of \$12.3 million (\$7.7 million after-tax) related to the sale of 5.5 million shares of Arcandor AG stock, a pre-tax impairment charge of \$4.6 million (\$3.0 million after-tax) to write down the value of shares of Arcandor AG stock.
 - In Q1 2010, a pre-tax write-down of \$18.3 million (\$18.3 million after-tax) related to our investment in The 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. stock.
 - In Q4 2010, a pre-tax write-down of \$7.8 million (\$4.6 million after-tax) related to our cost method investment in Zip Express Installation.
 - 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.
 - Changes in the fair value of the derivative asset related to Arcandor AG stock which are recorded as gains or losses in other income (expense) for the appropriate period.
- (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) In Q4 2010, IAC completed the tax-free exchange of Evite, Gifts.com and IAC Advertising Solutions with Liberty Media Corporation. Q4 2010 includes a \$140.8 million gain related to the Liberty Exchange.
- (f) Discontinued operations consists of the results of InstantAction (which ceased operations in Q4 2010), ECS/Styleclick, TVTS, Quiz TV Limited and iBuy for all periods presented, and Evite, Gifts.com and IAC Advertising Solutions through December 1, 2010. Discontinued operations in Q4 2010 includes a pre-tax loss of \$39.8 million (\$21.5 million after-tax) related to the shutdown of InstantAction.
- (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)

	2009	2010					2011				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Search - Revenue by Traffic Source (a)											
Proprietary	72%	74%	72%	69%	71%	72%	72%	72%	72%		
Network	28%	26%	28%	31%	29%	28%	28%	28%	28%		

(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)

	2009	2010					2011				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Match											
Paid Subscribers (000s)											
Core (a)	1,213	1,315	1,388	1,484	1,470	1,470	1,600	1,616	1,660		
Developing (b)	164	270	329	334	318	318	324	305	291		
Meetic (c)	-	-	-	-	-	-	-	-	797		
Total Paid Subscribers	1,377	1,585	1,716	1,818	1,789	1,789	1,924	1,921	2,748		

- (a) Core consists of Match.com in the United States, Chemistry.com 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.

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IAC
ServiceMagic

(rounding differences may exist)

	2009	2010					2011				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
ServiceMagic											
Domestic Service Requests (000s) (a)	5,096	1,391	1,673	1,506	1,226	5,797	1,377	1,800	1,727		
Domestic Accepts (000s) (b)	6,527	1,783	2,173	2,043	1,757	7,756	1,937	2,353	2,232		
International Service Requests (000s) (a)	354	99	116	124	180	519	185	192	178		
International Accepts (000s) (b)	355	118	133	140	194	585	217	227	201		

- (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.