

**SECURITIES EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 13D/A**

**Under the Securities Exchange Act of 1934**

**IAC/INTERACTIVECORP**

**(Name of Issuer)**

**COMMON STOCK, PAR VALUE \$.001 PER SHARE**

**(Title of Class of Securities)**

**44919P508**

**(CUSIP Number)**

**Pamela S. Seymon, Esq.  
Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019  
(212) 403-1000**

**(Name, Address and Telephone Number of Persons Authorized to receive Notices and Communications)**

**December 1, 2010**

**(Date of Event which Requires Filing of this Statement)**

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1.	Names of Reporting Persons <b>BARRY DILLER</b>	
2.	Check the Appropriate Box if a Member of a Group (See Instructions)	
	(a)	<input type="radio"/>
	(b)	<input type="radio"/>
3.	SEC Use Only	
4.	Source of Funds (See Instructions) <b>OO</b>	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) <input type="radio"/>	
6.	Citizenship or Place of Organization <b>United States</b>	
Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power <b>6,189,354 shares</b>
	8.	Shared Voting Power <b>1,711; see Item 5</b>
	9.	Sole Dispositive Power <b>6,189,354 shares</b>
	10.	Shared Dispositive Power <b>1,711; see Item 5</b>
11.	Aggregate Amount Beneficially Owned by Each Reporting Person <b>6,191,065 shares</b>	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) <input checked="" type="checkbox"/> <b>Excludes shares beneficially owned by Diane Von Furstenberg, Mr. Diller's spouse.</b>	
13.	Percent of Class Represented by Amount in Row (11) <b>6.9%</b> <b>Assumes conversion of all shares of Class B Common Stock beneficially owned by Mr. Diller into shares of Common Stock on a one-for-one basis and the exercise of options to purchase 1,899,855 shares of Common Stock which are currently exercisable by Mr. Diller. Because each share of Class B Common Stock</b>	

		<b>generally is entitled to ten votes per share, and each share of Common Stock is entitled to one vote per share, Mr. Diller may be deemed to beneficially own equity securities of the Company representing approximately 34.9% of the total number of votes of all classes of common stock of the Company. See Item 5.</b>
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14.	Type of Reporting Person (See Instructions)	<b>IN</b>

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**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 13D/A**

**Statement of**  
**BARRY DILLER**

Pursuant to Section 13(d) of the Securities Exchange Act of 1934 in respect of

**IAC/INTERACTIVECORP**

This Report on Schedule 13D relates to the common stock, par value \$.001 per share (the "Common Stock"), of IAC/InterActiveCorp, a Delaware corporation ("IAC" or the "Company"). The Report on Schedule 13D, as amended and supplemented, originally filed with the Commission by Mr. Diller on August 29, 1995 (the "Diller Schedule 13D") is hereby amended and supplemented to include the information set forth herein. This amended statement on Schedule 13D/A (this "Amendment") constitutes Amendment No. 35 to the Diller Schedule 13D. Capitalized terms not defined herein have the meanings given to such terms in the Diller Schedule 13D.

**ITEM 3. Source and Amount of Funds or Other Consideration.**

The information contained in Item 3 of the Diller Schedule 13D is hereby amended and supplemented by adding the following information:

The information contained in Item 5 below is incorporated by reference in this Item 3.

**ITEM 4. Purpose of the Transaction.**

The information contained in Item 4 of the Diller Schedule 13D is hereby amended and supplemented by adding the following information:

The information contained in Item 5 below is incorporated by reference in this Item 4.

Depending on market conditions and other factors, and subject to the agreements attached as Exhibits to this Amendment or previously filed as exhibits to the Diller Schedule 13D, Mr. Diller may purchase or acquire shares of Common Stock in the open market or otherwise. Pursuant and subject to the agreement attached as Exhibit 61 to this Amendment and as further described in Item 5 below, Mr. Diller may also exchange with the Company on a one-for-one basis from time to time until September 1, 2011 up to 1.5 million shares of Common Stock that he purchases or otherwise acquires for shares of IAC Class B common stock, par value \$.001 per share ("Class B Common Stock"). Additionally, depending on market conditions and other factors, and subject to the agreements attached as Exhibits to this Amendment or previously filed as exhibits to the Diller Schedule 13D, Mr. Diller may sell all or some of his shares of Common Stock (including shares underlying stock options he may exercise) and/or shares of Class B Common Stock.

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Other than as provided herein or contained in the agreements attached as Exhibits to this Amendment or previously filed as exhibits to the Diller Schedule 13D or as has been publicly announced by the Company or Mr. Diller, Mr. Diller does not have any plans or proposals that relate to or would result in any of the actions set forth in clauses (a) through (j) of Item 4, except that Mr. Diller may dispose of shares of Common Stock to satisfy the exercise price and tax withholding obligations in connection with the exercise of employee stock options.

#### **ITEM 5. Interest in Securities of the Issuer.**

The information contained in Item 5 of the Diller Schedule 13D is hereby amended and supplemented by adding the following information:

On December 1, 2010, Mr. Diller entered into a letter agreement (the “Diller-Liberty Agreement”) with Liberty Media Corporation (“Liberty”) and Liberty USA Holdings, LLC, an indirect wholly-owned subsidiary of Liberty (“Holdings” and, together with Liberty, the “Liberty Parties”), pursuant to which the Liberty Parties agreed to exchange with Mr. Diller (the “Diller-Liberty Exchange”) an aggregate of 4,289,499 shares of Class B Common Stock held by the Liberty Parties for the same number of shares of Common Stock held by Mr. Diller. The closing of the Diller-Liberty Exchange occurred on December 1, 2010.

Also on December 1, 2010, the Company consummated a transaction with the Liberty Parties pursuant to which Holdings exchanged the 4,289,499 shares of Common Stock received from Mr. Diller in the Diller-Liberty Exchange and an aggregate of 8,510,500 shares of Class B Common Stock for all of the outstanding shares of Celebrate Interactive, Inc., a direct wholly owned subsidiary of IAC which owned as of the closing, directly or indirectly, all of the equity interests of Evite, Inc., Giftco, Inc. and IAC Advertising, LLC and approximately \$218 million in cash (the “IAC-Liberty Exchange” and, together with the Diller-Liberty Exchange, the “Transactions & #148;”). The shares of Common Stock and Class B Common Stock exchanged by the Liberty Parties represented all of the shares of Common Stock and Class B Common Stock owned beneficially and/or of record by Liberty and its subsidiaries after giving effect to the Diller-Liberty Exchange, of which up to 120,000 shares of Common Stock are to be subsequently transferred to IAC by the Liberty Parties in fulfillment of post-closing working capital adjustments. Other than those 120,000 shares of Common Stock, the shares of Common Stock and Class B Common Stock acquired by the Company pursuant to the IAC-Liberty Exchange are no longer outstanding.

In connection with and effective upon the consummation of the Transactions, Mr. Diller and Liberty terminated the Stockholders Agreement, and Mr. Diller, the Company and Liberty terminated the Governance Agreement as to Liberty, including with respect to any and all rights and obligations of Liberty contained therein, pursuant to a letter agreement (the “Termination Letter”). Accordingly, Mr. Diller and Liberty are no longer a Group within the meaning of the Exchange Act.

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In addition, in consideration of Mr. Diller waiving certain of his pre-existing rights under the Stockholders Agreement with respect to the Liberty Parties' transfer to IAC of shares of Common Stock and Class B Common Stock pursuant to the IAC-Liberty Exchange and in partial preservation of Mr. Diller's existing exchange right under the Stockholders Agreement with respect to such shares of Class B Common Stock, the Company agreed to permit Mr. Diller to exchange with IAC on a one-for-one basis from time to time until September 1, 2011 up to 1.5 million shares of Common Stock for shares of Class B Common Stock held in treasury by IAC following the IAC-Liberty Exchange (as set forth in such letter agreement between the Company and Mr. Diller, dated December 1, 2010, the "IAC-Diller Agreement"). The IAC-Diller Agreement also contains certain transfer restrictions with respect to the shares of Class B Common Stock that may be received pursuant to the aforementioned exchange right, including a requirement that, until the fifth year anniversary of the agreement and except for transfers to certain permitted transferees, those shares of Class B Common Stock must first be converted into Common Stock in order to be transferred.

The Board of Directors (the "Board") of the Company also appointed Mr. Diller to the position of Senior Executive of the Company upon the consummation of the IAC-Liberty Exchange and appointed Mr. Gregory R. Blatt appointed Chief Executive Officer of the Company and a member of the Board; Mr. Diller will continue to serve as Chairman of the Board. The IAC-Diller Agreement also amended the Governance Agreement to provide that certain pre-existing rights of Mr. Diller would terminate upon his ceasing to serve as Chairman of the Board and Senior Executive of the Company.

The following beneficial ownership amounts reflect the consummation of the Transactions, as applied to 87,794,651 shares of Common Stock and 12,799,999 shares of Class B Common Stock outstanding, in each case, as of the close of business on November 29, 2010; giving effect to the Transactions, there would have been 83,625,142 shares of Common Stock and 4,289,499 shares of Class B Common Stock outstanding on such date. Following the consummation of the Transactions, Mr. Diller beneficially owns (i) 1,899,855 shares of Common Stock underlying options and 1,711 shares of Common Stock through a private foundation as to which Mr. Diller disclaims beneficial ownership and (ii) 4,289,499 shares of Class B Common Stock. Such shares of Class B Common Stock constitute 100% of the outstanding shares of Class B Common Stock. Assuming the conversion of all of the shares of Class B Common Stock beneficially owned by Mr. Diller into Common Stock, Mr. Diller would beneficially own approximately 6.9% of the outstanding Common Stock (calculated in accordance with Rule 13d-3). Because each share of Class B Common Stock generally is entitled to ten votes per share and each share of Common Stock is entitled to one vote per share, Mr. Diller may be deemed to beneficially own equity securities of the Company (including shares underlying vested options, even if out-of-the-money) representing approximately 34.9% of the total number of votes of all classes of common stock of the Company. The foregoing beneficial ownership amounts exclude shares of Common Stock beneficially owned by Diane Von Furstenberg, Mr. Diller's spouse, as to which Mr. Diller disclaims beneficial ownership.

The foregoing descriptions of the Diller-Liberty Agreement, the IAC-Diller Agreement, the Termination Letter and the transactions contemplated thereby are qualified in their entirety by reference to the Diller-Liberty Agreement, the IAC-Diller Agreement and the Termination Letter, respectively, copies of which are filed as Exhibits 60, 61 and 62.

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**ITEM 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.**

The information contained in Item 6 of the Diller Schedule 13D is hereby amended and supplemented by adding the following information:

The information contained in Item 5 above is incorporated by reference in this Item 6.

**ITEM 7. Material to be Filed as Exhibits.**

The information contained in Item 7 of the Diller Schedule 13D is hereby amended and supplemented by adding the following information:

60. Letter Agreement by and among Liberty Media Corporation, a Delaware corporation, Liberty USA Holdings, LLC, a Delaware limited liability company, and Mr. Barry Diller, dated as of December 1, 2010.
  61. Letter Agreement by and between IAC/InterActiveCorp, a Delaware corporation, and Mr. Barry Diller, dated as of December 1, 2010.
  62. Letter Agreement by and among IAC/InterActiveCorp, a Delaware corporation, Liberty Media Corporation, a Delaware corporation, Liberty USA Holdings, LLC, a Delaware limited liability company, and Mr. Barry Diller, dated as of December 1, 2010.
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**SIGNATURE**

After reasonable inquiry and to the best of his knowledge and belief, the undersigned certifies that the information in this statement is true, complete and correct.

Dated: December 1, 2010

**BARRY DILLER**

/s/ Barry Diller

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## INDEX TO EXHIBITS

1. Written Agreement between TCI and Mr. Diller regarding Joint Filing of Schedule 13D.\*
  2. Definitive Term Sheet regarding Stockholders Agreement, dated as of August 24, 1995, by and between Liberty Media Corporation and Mr. Diller.\*
  3. Definitive Term Sheet regarding Equity Compensation Agreement, dated as of August 24, 1995, by and between the Company and Mr. Diller.\*
  4. Press Release issued by the Company and Mr. Diller, dated August 25, 1995.\*
  5. Letter Agreement, dated November 13, 1995, by and between Liberty Media Corporation and Mr. Diller.\*
  6. Letter Agreement, dated November 16, 1995, by and between Liberty Media Corporation and Mr. Diller.\*
  7. First Amendment to Stockholders Agreement, dated as of November 27, 1995, by and between Liberty Media Corporation and Mr. Diller.\*
  8. Agreement and Plan of Merger, dated as of November 27, 1995, by and among Silver Management Company, Liberty Program Investments, Inc., and Liberty HSN, Inc.\*
  9. Exchange Agreement, dated as of November 27, 1995, by and between Silver Management Company and Silver King Communications, Inc.\*
  10. Agreement and Plan of Merger, dated as of November 27, 1995, by and among Silver King Communications, Inc., Thames Acquisition Corp. and Savoy Pictures Entertainment, Inc.\*
  11. Voting Agreement, dated as of November 27, 1995, by and among Certain Stockholders of the Company and Savoy Pictures Entertainment, Inc.\*
  12. Letter Agreement, dated March 22, 1996, by and between Liberty Media Corporation and Barry Diller.\*
  13. In re Applications of Roy M. Speer and Silver Management Company, Federal Communications Commission Memorandum and Order, adopted March 6, 1996 and released March 11, 1996.\*
  14. In re Applications of Roy M. Speer and Silver Management Company, Request for Clarification of Silver Management Company, dated April 10, 1996.\*
  15. In re Applications of Roy M. Speer and Silver Management Company, Federal Communications Commission Memorandum Opinion and Order and Notice of Apparent Liability, adopted June 6, 1996 and released June 14, 1996.\*
  16. Amended and Restated Joint Filing Agreement of TCI, Mr. Diller and BDTV.\*
  17. Amended and Restated Certificate of Incorporation of BDTV INC.\*
  18. Press Release issued by the Company and Home Shopping Network, Inc., dated August 26, 1996.\*
  19. Agreement and Plan of Exchange and Merger, dated as of August 25, 1996, by and among the Company, Home Shopping Network, Inc., House Acquisition Corp., and Liberty HSN, Inc.\*
  20. Termination Agreement, dated as of August 25, 1996, among the Company, BDTV Inc., Liberty Program Investments, Inc., and Liberty HSN, Inc.\*
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21. Voting Agreement, dated as of August 25, 1996, by and among Certain Stockholders of Home Shopping Network, Inc. and the Company.\*
  22. Voting Agreement, dated as of August 25, 1996, by and among Barry Diller, Liberty Media Corporation, Arrow Holdings, LLC, BDTV Inc., and Home Shopping Network, Inc.\*
  23. Letter Agreement, dated as of August 25, 1996, by and between Liberty Media Corporation and Barry Diller.\*
  24. Second Amended and Restated Joint Filing Agreement by and between TCI, Mr. Diller, BDTV Inc. and BDTV II Inc.\*
  25. Stock Exchange Agreement, dated as of December 20, 1996, by and between the Company and Liberty HSN, Inc.\*
  26. Letter Agreement, dated as of February 3, 1997, by and between BDTV INC. and David Geffen.\*
  27. Stock Exchange Agreement, dated as of May 20, 1997, by and between HSN, Inc. and Mr. Allen.\*
  28. Stockholders Agreement, dated as of May 20, 1997, by and among, Mr. Diller, Mr. Allen and Liberty Media Corporation.\*
  29. Letter Agreement, dated as of May 20, 1997, by and between Mr. Diller and Liberty Media Corporation.\*
  30. Third Amended and Restated Joint Filing Agreement by and between TCI, Mr. Diller, BDTV Inc., BDTV II Inc. and BDTV III Inc.\*
  31. Certificate of Incorporation of BDTV III Inc.\*
  32. Investment Agreement among Universal Studios, Inc., HSN, Inc., Home Shopping Network, Inc. and Liberty Media Corporation, dated as of October 19, 1997 as amended and restated as of December 18, 1997.\*
  33. Governance Agreement among HSN, Inc., Universal Studios, Inc., Liberty Media Corporation and Barry Diller, dated as of October 19, 1997.\*
  34. Stockholders Agreement among Universal Studios, Inc., Liberty Media Corporation, Barry Diller, HSN, Inc. and The Seagram Company Ltd. dated as of October 19, 1997.\*
  35. Spinoff Agreement among Liberty Media Corporation, Universal Studios, Inc. and HSN, Inc. dated as of October 19, 1997.\*
  36. Exchange Agreement among HSN, Inc., Universal Studios, Inc. and Liberty Media Corporation, dated as of October 19, 1997.\*
  37. Amended and Restated LLC Operating Agreement of USANi LLC, by and among USA Networks, Inc., Home Shopping Network, Inc., Universal Studios, Inc., Liberty Media Corporation and Barry Diller, dated as of February 12, 1998.\*
  38. Letter Agreement between Liberty HSN, Inc. and HSN, Inc., dated as of October 19, 1997.\*
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39. Fourth Amended and Restated Joint Filing Agreement between Tele- Communications, Inc., Universal Studios, Inc., The Seagram Company Ltd. and Barry Diller, dated as of February 23, 1998.\*
  40. Certificate of Incorporation of BDTV IV INC.\*
  41. Fifth Amended and Restated Joint Filing Agreement by and among Tele- Communications, Inc., Liberty Media Corporation, Barry Diller, Universal Studios, Inc., The Seagram Company Ltd., BDTV INC., BDTV II INC., BDTV III INC. and BDTV IV INC, dated as of July 19, 1999.\*
  42. Sixth Amended and Restated Joint Filing Agreement by and among Liberty Media Corporation, Barry Diller, Universal Studios, Inc., The Seagram Company Ltd., Vivendi Universal, BDTV INC., BDTV II INC., BDTV III INC. and BDTV IV INC. dated as of June 22, 2001.\*
  43. Letter Agreement, dated July 15, 2001, by and among USA Networks, Inc., Barry Diller, Universal Studios, Inc. and Liberty Media Corporation.\*
  44. Amended and Restated Transaction Agreement, dated as of December 16, 2001, by and among Vivendi Universal, S.A., Universal Studios, Inc., USA Networks, Inc., USANi LLC, Liberty Media Corporation and Barry Diller.\*
  45. Agreement and Plan of Merger and Exchange, dated as of December 16, 2001, by and among Vivendi Universal, S.A., Universal Studios, Inc., Light France Acquisition 1, S.A.S., the Merger Subsidiaries listed on the signature page thereto, Liberty Media Corporation, Liberty Programming Company LLC, Liberty Programming France, Inc., LMC USA VI, Inc., LMC USA VII, Inc., LMC USA VIII, Inc., LMC USA X, Inc., Liberty HSN LLC Holdings, Inc., and the Liberty Holding entities listed on t he signature page thereto.\*
  46. Amended and Restated Governance Agreement, dated as of December 16, 2001, by and among USA Networks, Inc., Universal Studios, Inc., Liberty Media Corporation, Barry Diller, and Vivendi Universal, S.A.\*
  47. Amended and Restated Stockholders Agreement, dated as of December 16, 2001, by and among Universal Studios, Inc., Liberty Media Corporation and Barry Diller.\*
  48. Amended and Restated Limited Liability Limited Partnership Agreement of Vivendi Universal Entertainment LLLP, dated as of May 7, 2002, by and among USI Entertainment Inc., USANI Holdings XX, Inc., Universal Pictures International Holdings BV, Universal Pictures International Holdings 2 BV, NYCSpirit Corp. II, USA Networks, Inc., USANI Sub LLC, New-U Studios Holdings, Inc. and Mr. Diller (including Amendment No. 1 thereto dated as of November 25, 2002).\*
  49. Equity Warrant Agreement, dated as of May 7, 2003, between USA Networks, Inc. and The Bank of New York, as equity warrant agent.\*
  50. Exchange Agreement by and among the Company, Liberty Media Corporation, Liberty HSN II, Inc. and Liberty HSN, Inc., dated as of June 27, 2002.\*
  51. Purchase Agreement, dated as of February 12, 2003, between Deutsche Bank AG and Vivendi Universal, S.A.\*
  52. Lock-Up Agreement, dated as of February 12, 2003, between Vivendi Universal, S.A. and Deutsche Bank Securities, Inc.\*
  53. Letter Agreement, dated March 31, 2003, from Vivendi Universal, S.A. and Universal Studios, Inc. to Barry Diller.\*
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54. Amended and Restated Governance Agreement, by and among IAC/InterActiveCorp, a Delaware corporation, Liberty Media Corporation, a Delaware corporation and Mr. Barry Diller, dated as of August 9, 2005.\*
55. Amended and Restated Stockholders Agreement, by and between Liberty Media Corporation, a Delaware corporation and Mr. Barry Diller, dated as of August 9, 2005.\*
56. Joint Filing Agreement, by and among Liberty Media Corporation, a Delaware corporation, Mr. Barry Diller, BDTV INC., a Delaware corporation, BDTV II INC., a Delaware corporation, BDTV III INC., a Delaware corporation, and BDTV IV INC., a Delaware corporation, dated as of August 19, 2005.\*
57. Standstill Agreement, by and between Liberty Media Corporation, a Delaware corporation, and IAC/InterActiveCorp, a Delaware corporation, dated January 10, 2008.\*
58. Notice, dated January 29, 2008, of termination of Joint Filing Agreement.\*
59. Letter, dated February 17, 2009, from Barry Diller to IAC/InterActiveCorp\*.
60. Letter Agreement by and among Liberty Media Corporation, a Delaware corporation, Liberty USA Holdings, LLC, a Delaware limited liability company, and Mr. Barry Diller, dated as of December 1, 2010.
61. Letter Agreement by and between IAC/InterActiveCorp, a Delaware corporation, and Mr. Barry Diller, dated as of December 1, 2010.
62. Letter Agreement by and among IAC/InterActiveCorp, a Delaware corporation, Liberty Media Corporation, a Delaware corporation, Liberty USA Holdings, LLC, a Delaware limited liability company, and Mr. Barry Diller, dated as of December 1, 2010.

\* Previously filed.

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**LIBERTY MEDIA CORPORATION**  
**LIBERTY USA HOLDINGS, LLC**  
12300 Liberty Boulevard  
Englewood, CO 80112

December 1, 2010

Mr. Barry Diller  
c/o IAC/InterActiveCorp  
555 West 18th Street  
New York, NY 10011

Dear Sir:

Reference is made to the Amended and Restated Stockholders Agreement, dated as of August 9, 2005 (the "Stockholders Agreement"), between Liberty Media Corporation ("Liberty") and Mr. Barry Diller ("Diller"). Capitalized terms used and not defined herein have the meanings provided such terms in the Stockholders Agreement.

Simultaneously with the execution of this letter agreement, (i) Liberty and Liberty USA Holdings, LLC (the "Stockholder" and, together with Liberty, the "Liberty Parties") are entering into a Stock Exchange Agreement (the "Exchange Agreement") with the Company and Celebrate Interactive, Inc., a copy of which Exchange Agreement is attached hereto as Exhibit A, pursuant to which, upon the terms and subject to the conditions set forth therein, the Stockholder will exchange with the Company (the "IAC Exchange") up to 12,799,999 Common Shares (the "IAC Exchange Shares"), which, assuming completion of the transactions contemplated by this letter agreement, are expected to consist of 4,289,499 shares of Common Stock (all of which would be the Common Exchange Shares (as defined below)) and 8,510,500 shares of Class B Common Stock ("IAC Class B Exchange Shares"), for the Company Shares (as defined in the Exchange Agreement) and (ii) the Liberty Parties, Diller and the Company are entering into a letter agreement (the "Termination Letter") pursuant to which the parties thereto are agreeing that effective upon the closing of the IAC Exchange under the Exchange Agreement, the Governance Agreement will automatically terminate as to Liberty and its Stockholder Group and will cease to be of any further force and effect as to Liberty and its Stockholder Group. The entering into of the Exchange Agreement and consummation of the IAC Exchange constitute a Transfer of the IAC Exchange Shares, and, accordingly, would be restricted under the Stockholders Agreement and would entitle Diller to exercise certain rights under the Stockholders Agreement, subject to the procedures set forth therein, which he intends to exercise pursuant to this letter agreement. Each of Liberty and Diller acknowledge and agree that the execution, delivery and performance of its obligations pursuant to and in accordance with the terms of this letter agreement by Liberty constitute satisfaction in full of the obligations of Liberty and the Liberty Stockholder Group under the Stockholders Agreement with respect to the Transfer of the IAC Exchange Shares pursuant to the Exchange Agreement.

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In consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Liberty and Diller agree that effective upon the closing of the IAC Exchange under the Exchange Agreement, the Stockholders Agreement is terminated and thereafter will cease to be of any further force and effect and no party thereto will thereafter have any rights or obligations thereunder.
2. (a) Exchange. Pursuant to and in full satisfaction of his rights under Article IV of the Stockholders Agreement, at the Closing, Diller will exchange (the "Liberty/Diller Exchange") 4,289,499 shares of Common Stock owned by Diller (the "Common Exchange Shares") for 4,289,499 shares of Class B Common Stock owned by the Stockholder (the "Liberty/Diller Class B Exchange Shares"), in a transaction intended to qualify, for United States federal income tax purposes, as a tax-free exchange pursuant to Section 1036(a) of the Internal Revenue Code of 1986, as amended (the "Code"), such Liberty/Diller Exchange to occur immediately prior to the closing of the transactions contemplated by the Exchange Agreement.
  - (b) Except to the extent otherwise required pursuant to a final determination (within the meaning of Section 1313(a) of the Code, the Liberty Parties and Diller agree not to take any position on any tax return, or take any position for tax purposes, that is inconsistent with the Liberty/Diller Exchange qualifying as a tax-free exchange under Section 1036(a) of the Code.
  - (c) The closing of the Liberty/Diller Exchange (the "Closing") will take place at the time and location of the closing under the Exchange Agreement and will be deemed effective on the date of, and immediately prior to, the completion of the transactions contemplated by the Exchange Agreement.
3. (a) At the Closing, the Stockholder will deliver to Diller stock certificates representing the Liberty/Diller Class B Exchange Shares, accompanied by duly executed instruments of transfer, including, without limitation, any required transfer stamps affixed there to, and Diller will deliver to the Stockholder stock certificates representing the Common Exchange Shares, accompanied by duly executed instruments of transfer (or a confirmation from the Company's transfer agent of a book-entry transfer of the Common Exchange Shares) including, without limitation, any required transfer stamps affixed thereto.
  - (b) At the Closing, the Stockholder (or, if the Stockholder is a disregarded entity for United States federal income tax purposes, the

person that is treated as the owner of the Stockholder for United States federal income tax purposes) shall deliver to Diller a duly executed certificate of non-foreign status, substantially in the form of the sample certification set forth in Treasury Regulation Section 1.1445-2(b)(2)(iv)(B).

(c) At the Closing, the Stockholder and Diller will duly execute and deliver a cross receipt acknowledging the receipt by Diller of the Liberty/Diller Class B Exchange Shares and the receipt by the Stockholder of the Common Exchange Shares.

4. Diller and the Liberty Parties agree that, pursuant to the Exchange Agreement, the Liberty Parties will deliver to the Company all shares of Class B Common Stock owned by the Stockholder that are not exchanged for shares of Common Stock in connection with the Liberty /Diller Exchange and will not convert such shares of Class B Common Stock into shares of Common Stock prior to the Transfer of such shares in connection with the IAC Exchange. Diller (i) consents to the delivery of the shares of Class B Common Stock to IAC in connection with the IAC Exchange (and to IAC's request that such shares of Class B Common Stock not be converted into shares of Class A Common Stock as specified in the Stockholders Agreement) and (ii) acknowledges that, as a result of the agreements contained in paragraph 1, he has no rights under the Stockholders Agreement with respect to (x) the Transfer by the Stockholder of shares of Common Stock pursuant to the IAC Exchange and (y) the Transfer by the Stockholder of the IAC Class B Exchange Shares pursuant to the IAC Exchange.
5. (a) Representations of the Liberty Parties. The Liberty Parties, jointly and severally, represent and warrant to Diller as of the date hereof that: (i) the Stockholder owns of record and beneficially all of the Liberty/Diller Class B Exchange Shares free and clear of all Liens (as defined below), other than any Liens arising (x) under this letter agreement, the Exchange Agreement, the Stockholders Agreement or the Governance Agreement, or created by Diller, the Company or any of their respective Affiliates (as defined below), or (y) under securities laws of general applicability; (ii) immediately after the Closing, Diller will have good and valid title to the Liberty/Diller Class B Exchange Shares free and clear of all Liens, other than (x) Liens created by Diller, the Company or any of their respective Affiliates, or (y) arising under securities laws of general applicability; (iii) each of the Liberty Parties is a Delaware corporation or limited liability company duly organized, as the case may be, validly existing and in good standing under the laws of the State of Delaware, and has full power and authority to execute and deliver this letter agreement and the Termination Letter and to consummate the transactions contemplated hereby and thereby; (iv) the execution, delivery and performance by each Liberty Party of this letter agreement and the Termination Letter and the consummation by each Liberty Party of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate or other legal action; (v) this letter agreement and the Termination Letter have each been duly and validly executed and delivered by each of the Liberty Parties and, assuming the due execution and delivery hereof and thereof by Diller and the Company, as applicable, each is a valid, binding and enforceable agreement of each of the Liberty Parties, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, in solvency, reorganization, moratorium or similar laws affecting creditors' rights generally, or by principles governing the availability of equitable remedies; (vi) the execution, delivery and performance by each Liberty Party of this letter agreement and the Termination Letter does not and will not require any Liberty Party to obtain any consent, approval, order, permit, license or authorization (collectively, "Consents") under any law or any contract to which any Liberty Party is a party or by which any of the assets or properties of any Liberty Party is bound or make or file any requisite registration, qualification, declaration or other statement (collectively, "Filings") with any federal, state, local or foreign government or any court of competent jurisdiction, regulatory or administrative agency or commission or other governmental authority or instrumentality, domestic or foreign or supranational (each, a "Governmental Authority") except for (x) any such Consents required from the Company or Diller, and any such Filings required under applicable securities laws, and (y) such other Consents the failure of which to have been obtained, and such other Filings the failure of which to have been made, individually or in the aggregate, would not reasonably be expected to impair the ability of the Stockholder to deliver to Diller good and valid title to the Liberty/Diller Class B Exchange Shares, free and clear of all Liens; (vii) the execution, delivery and performance by each Liberty Party of this letter agreement and the Termination Letter will not (x) contravene, conflict with, or result in any violation or breach of any provision of the certificate of incorporation, certificate of formation, bylaws or operating agreement of such Person, or (y) contravene, conflict with, or result in a violation or breach of any provision of any applicable law or any contract to which any Liberty Party is a party or by which any of the assets or properties of any Liberty Party is bound, except, in the case of this clause (y), any such contraventions, conflicts, violations or breaches, that, individually or in the aggregate, would not reasonably be expected to impair the ability of the Stockholder to deliver to Diller good and valid title to the Liberty/Diller Class B Exchange Shares, free and clear of all Liens; and (viii) each Liberty Party



has had the opportunity to ask the Company (and receive answers from the Company to) any questions it had regarding the Company's operations and prospects.

(b) Representations of Diller. Diller represents and warrants to the Liberty Parties as of the date hereof that: (i) Diller owns of record and beneficially all of the Common Exchange Shares, free and clear of all Liens, other than any Liens arising (x) under this letter agreement, the Stockholders Agreement or the Governance Agreement, or created by the Liberty Parties or any of their respective Affiliates, or (y) under securities laws of general applicability; (ii) immediately after the Closing, the Stockholder will have good and valid title to the Common Exchange Shares, free and clear of all Liens, other than (x) any Liens created by the Liberty Parties or any of their respective Affiliates, or (y) arising under securities laws of general applicability; (iii) Diller has all requisite legal capacity to execute, deliver and perform this letter agreement and the Termination Letter and to consummate the transactions contemplated hereby and thereby; (iv) this letter agreement and the Termination Letter have each been duly and validly executed and delivered by Diller and, assuming the due execution and delivery hereof and thereof by the Liberty Parties and the Company, as applicable, each is a valid, binding and enforceable agreement of Diller, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, or by principles governing the availability of equitable remedies; (v) Diller is a sophisticated investor and an accredited investor (as defined in Rule 501(a) of Regulation D of the Securities Act), with sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of the transactions contemplated hereby and Diller acknowledges that the Liberty/Diller Class B Exchange Shares may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of without registration under the Securities Act, except pursuant to an exemption from such registration available under the Securities Act; (vi) the execution, delivery and performance by Diller of this letter agreement and the Termination Agreement does not and will not require Diller to obtain any Consent under any law or any contract to which Diller is a party or by which any of his assets or properties is bound or make or file any Filings with any Governmental Authority except for (x) any such Consents required from the Company or a Liberty Party, and any such Filings required under applicable securities laws, and (y) such other Consents the failure of which to have been obtained, and such other Filings the failure of which to have been made, individually or in the aggregate, would not reasonably be expected to impair the ability of Diller to deliver to the Stockholder good and valid title to the Common Exchange Shares free and clear of all Liens; (vii) the execution, delivery and performance by Diller of this letter agreement and the Termination Letter will not contravene, conflict with, or result in a violation or breach of any provision of any applicable law or any contract to which Diller is a party or by which any of his assets or properties is bound, except as would not reasonably be expected to, individually or in the aggregate, or impair the ability of Diller to deliver to the Stockholder good and valid title to the Common Exchange Shares, free and clear of all Liens.

6. As used in this letter agreement, the following terms have the respective meanings set forth below.
- (a) “Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of this definition, the term “control” (including its correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. For the purposes of this definition, none of the Company, Diller, Liberty or the Stockholder will be treated as an Affiliate of the others, other than Liberty and the Stockholder which will be treated as Affiliates of each other so long as they remain so associated.
- (b) “Lien” means any lien, mortgage, pledge, security interest, encumbrance or other similar security arrangement which grants to any Person any security interest, including any restriction on the transfer of any asset, any right of first offer, right of first refusal, right of first negotiation or any similar right in favor of any Person, any restriction on the receipt of any income derived from any asset and any limitation or restriction on the right to own, vote, sell or otherwise dispose of any security.
7. This letter agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.
8. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this letter agreement will be brought exclusively in the Delaware Chancery Courts, or, if the Delaware Chancery Courts do not have subject matter jurisdiction, in the state courts of the State of Delaware located in Wilmington, Delaware, or in any other venue required by Delaware law, or in the federal courts located in the State of Delaware. Each of the parties hereby consents to personal jurisdiction in any such action, suit or proceeding brought in any such court (and of the appropriate appellate courts therefrom) and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 10 shall be deemed effective service of process on such party.

9. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS LETTER AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.
10. The parties acknowledge and agree that irreparable damage would occur in the event that any provision of this letter agreement were not to be performed in accordance with its specific terms or were otherwise breached, and that monetary damages, even if available, would not be an adequate remedy therefor. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this letter agreement and to enforce specifically the performance of terms and provisions of this letter agreement in any court referred to in Section 8 hereof without proof of actual damages (and each party hereby waives any requirement for the securing or posting of any bond in connection with such remedy), this being in addition to any other remedy to which they are entitled at law or in equity. The parties further agree not to assert that a remedy of specific enforcement is unenforceable, invalid, contrary to law or inequitable for any reason, nor to assert that a remedy of monetary damages would provide an adequate remedy for any such breach.
11. Except as otherwise provided herein, any notice, request, claim, demand, waiver or other communication under this letter agreement will be in writing and will be deemed to have been duly given if delivered personally or mailed, certified or registered mail with postage prepaid, or sent by overnight courier or confirmed facsimile, as follows:

if to either Liberty Party, to:

Liberty Media Corporation  
12300 Liberty Boulevard  
Englewood, Colorado 80112  
Attn: Charles Y. Tanabe, Esq.  
Facsimile: (720) 875-5858

with a copy to:

Baker Botts LLP  
30 Rockefeller Plaza  
44<sup>th</sup> Floor  
New York, New York 10112  
Attn: Frederick H. McGrath, Esq.  
Facsimile: (212) 259-2530

if to Diller, to:

c/o IAC/InterActiveCorp  
555 West 18<sup>th</sup> Street  
New York, New York 10011  
Attn: General Counsel  
Facsimile: (212) 632-9551

with a copy to:

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019  
Attn: Pamela S. Seymon, Esq.  
Facsimile: (212) 403-2000

12. (a) Neither this letter agreement nor any of the rights or obligations under this letter agreement shall be assigned, in whole or in part (except by operation of law pursuant to a merger whose purpose is not to avoid the provisions of this letter agreement), by any party without the prior written consent of the other parties hereto; provided that Liberty will have the right to assign its rights under this letter agreement to the Company (any such assignment not to relieve Liberty of any of its obligations hereunder). Subject to the foregoing, the provisions of this letter agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns including, without limitation, with respect to Diller, his heirs, estate and personal representatives.
- (b) This letter agreement may be executed in separate counterparts each of which will be an original and all of which taken together will constitute one and the same agreement.

(c) If, subsequent to the date hereof, further documents are reasonably requested in order to carry out the provisions and purposes of this letter agreement, the parties hereto will execute and deliver such further documents.

(d) This letter agreement, together with the Termination Letter, constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings of the parties in connection herewith, and no covenant or representation not expressed in this letter agreement will affect, or be effective to interpret, change or restrict, the express provisions of this letter agreement. The parties hereto acknowledge and agree that the Exchange Agreement is being executed and delivered simultaneously with the execution and delivery of this letter agreement and that the transactions contemplated hereby will be completed immediately prior to the completion of the transactions contemplated by the Exchange Agreement. For the avoidance of doubt, none of this letter agreement, the Termination Letter nor any other documentation entered into in connection with the transactions contemplated hereby or by the Exchange Agreement shall have any effect on, or otherwise affect the fully continuing validity and enforceability of, arrangements with respect to Expedia, Inc., including without limitation the governance agreement and stockholders agreement with respect thereto.

If the foregoing is consistent with your understanding, please so indicate by your signature below, which will constitute the agreement of the parties hereto.

LIBERTY MEDIA CORPORATION

By: /s/ Michael Zeisser

Name: Michael Zeisser

Title: Senior Vice President

LIBERTY USA HOLDINGS, LLC

By: Liberty Programming Company  
LLC, its sole member and manager

By: LMC Capital LLC, its sole  
member and manager

By: /s/ Michael Zeisser

Name: Michael Zeisser

Title: Senior Vice President

Accepted and Agreed:

/s/ Barry Diller

Barry Diller

# EXCHANGE AGREEMENT

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**IAC-Diller Letter Agreement**

IAC/InterActiveCorp  
555 West 18th Street  
New York, NY 10011

December 1, 2010

Reference is made to (i) the Amended and Restated Stockholders Agreement, dated as of August 9, 2005 (the “Stockholders Agreement”), by and between Liberty Media Corporation (“Liberty”) and Mr. Barry Diller (“Diller”), (ii) the letter agreement, dated as of the date hereof (the “Liberty Diller Agreement”), by and among Liberty, Liberty USA Holdings, LLC (together with Liberty, the “Liberty Parties”) and Diller, (iii) the Stock Exchange Agreement, dated as of the date hereof (the “Exchange Agreement”), by and among IAC/InterActiveCorp (the “Company”), Celebrate Interactive, Inc. and the Liberty Parties, (iv) the Amended and Restated Governance Agreement, dated as of August 9, 2005 (as amended, the “Governance Agreement”), among the Company, Liberty, and Diller, and (v) the Termination Letter, dated as of the date hereof (the “Termination Letter”), by and among the Liberty Parties, the Company and Diller. Capitalized terms used and not defined herein have the meanings provided such terms in the Liberty Diller Agreement.

WHEREAS, Liberty is not willing to enter into the Exchange Agreement unless Diller waives certain pre-existing rights under the Stockholders Agreement which would otherwise be triggered by the IAC Exchange (which rights include, among others, a right of first refusal with respect to certain transfers by Liberty of Common Stock and Class B Common Stock and a right to exchange with Liberty on a one-for-one basis shares of Common Stock for shares of Class B Common Stock held by Liberty in connection with certain transfers by Liberty);

WHEREAS, Diller is not willing to waive such pre-existing rights unless the Company enters into this letter agreement;

WHEREAS, in order to induce Diller to waive such pre-existing rights and thereby permit the IAC Exchange to be consummated as contemplated by the Exchange Agreement in a “simultaneous” sign-and-close transaction, IAC is willing to enter into this letter agreement to, among other things, preserve for a limited period of time and for a limited number of shares Diller’s existing right to exchange shares of Common Stock on a one-for-one basis for shares of Class B Common Stock to be transferred by Liberty to the Company in the IAC Exchange; and

WHEREAS, the Board of Directors of the Company (the “Board”) and a Special Committee of the Board (the “Special Committee”) which was established in connection with the Company’s consideration of the IAC Exchange and which is comprised wholly of non-employee directors (as such term is defined for purposes of Rule 16b-3 under the Exchange Act) have approved the transactions contemplated hereby for purposes of exempting dispositions or deemed dispositions by Diller to the Company of shares of Common Stock and acquisitions or deemed acquisitions by Diller from the Company of shares of Class B Common Stock, in each case pursuant to the Diller Exchange Right (as defined herein) from Section 16(b) of the Exchange Act.

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In connection with the Liberty Diller Agreement and the Exchange Agreement, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, IAC and Diller hereby agree as follows:

1. Liberty Diller Agreement. Diller hereby represents and warrants to the Company that the representations made by Diller in the Liberty Diller Agreement are true and correct in all respects and that the Liberty Diller Agreement is binding in all respects (other than as a result of the failure of the Liberty Diller Agreement to be binding and enforceable against the Liberty Parties).

2. Diller Waiver of Certain Rights. Diller hereby waives, subject to the execution of the Liberty Diller Agreement and consummation of the Liberty/Diller Exchange, any rights he may have under the Stockholders Agreement with respect to the transfer by the Stockholder of shares of Common Stock and Class B Common Stock to IAC pursuant to the IAC Exchange (other than, for the avoidance of doubt, Diller's rights with respect to exchanging the Common Exchange Shares for the Liberty/Diller Class B Exchange Shares in the Liberty/Diller Exchange).

3. Diller Exchange Right. Upon the terms and subject to the conditions set forth in this letter agreement, Diller's right to exchange shares of Common Stock for shares of Class B Common Stock to be transferred by Liberty to the Company in the IAC Exchange shall be partially preserved in the manner set forth herein. In furtherance of this objective, the Company hereby irrevocably agrees that Diller shall have the right to exchange with the Company, at his option and from time to time (as set forth in paragraph 4 below), beginning with the date hereof and in whole or in part, up to 1.5 million shares of Common Stock (the "Share Cap") that he may acquire for shares of Class B Common Stock on a one-for-one basis (the "Diller Exchange Right"). The Diller Exchange Right shall expire on the nine-month anniversary of the date of this letter agreement (such date, the "Expiration Date") and such number of shares of Class B Common Stock actually exchanged pursuant to this letter agreement, the "Restricted Class B Shares"); provided, however, that such Expiration Date shall be extended to enable any exercises of the Diller Exchange Right (as shown by the delivery to the Company of Diller Exchange Notices, as defined below, on or prior to such Expiration Date) effected by the Expiration Date which have not yet been consummated as of such Expiration Date to be so consummated; provided, however, for the avoidance of doubt that once Diller has exchanged (and such exchanges have been consummated in full) an aggregate of 1.5 million shares of Common Stock pursuant to the Diller Exchange Right, the Diller Exchange Right shall expire.

4. Method of Exercise. Diller shall have the right to exercise the Diller Exchange Right from time to time (but no more frequently than once every 30 days) by giving the Company written notice of his intention to exercise such right (the "Diller Exchange Notice"), which notice shall include a statement by Diller of the number of shares of Common Stock he wishes to exchange with the Company (the "Exchanged Common Stock Shares") for shares of Class B Common Stock on a one-for-one basis, and within three (3) business days of receipt of such notice (or such other date as specified in the Diller Exchange Notice), the Parties shall consummate the transactions contemplated by the Diller Exchange Right. At each closing of an exercise of the Diller Exchange Right, in whole or in part and from time to time, (i) Diller shall deliver to the Company one or more stock certificates representing the Exchanged Common Stock Shares under the applicable Diller Exchange Notice, free and clear of all liens, accompanied by duly executed and effective instruments of transfer or confirmation from IAC's transfer agent of a book-entry transfer to IAC of such Exchanged Common Stock Shares and (ii) the Company shall deliver or cause to be delivered to Diller one or more stock certificates representing the number of shares of Class B Common Stock to be exchanged with Diller for the number of shares of Common Stock to be exchanged by Diller as set forth in the Diller Exchange Notice on a one-for-one basis.

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5. Restrictions on Transfer. Other than as permitted by this Section 5, Diller may not Transfer (as defined below) any Restricted Class B Shares prior to the five year anniversary of the date of this letter agreement (the date hereof to the date of such five year anniversary, the “Restricted Period”), and the Company will not register during the Restricted Period any Transfer of Restricted Class B Shares that does not comply with this letter agreement. In the event that Diller proposes to Transfer any of the Restricted Class B Shares during the Restricted Period, Diller shall notify the Company prior to such proposed Transfer and convert such Restricted Class B Shares proposed to be Transferred into shares of Common Stock (or any such other securities into which such shares are then convertible) prior to such Transfer; provided, however, that no such conversion shall be required with respect to any such Transfer of Restricted Class B Shares to any Permitted Transferee if such Permitted Transferee agrees in a writing reasonably satisfactory to the Company to be bound for the remainder of the Restricted Period by this Section 5 (such Permitted Transferee who subsequently proposes to Transfer Restricted Class B Shares during the Restricted Period, a “Permitted Transferor”). In the event that during the Restricted Period Diller or a Permitted Transferor fails to so convert the Restricted Class B Shares to be Transferred into shares of Common Stock (or any such other securities into which such shares are then convertible) prior to such proposed Transfer (other than to a Permitted Transferee), Diller or the Permitted Transferor, as applicable, shall be deemed to have elected to convert such Restricted Class B Shares that are Transferred (and such Restricted Class B Shares that are to be Transferred shall be deemed to automatically convert) into an equivalent number of shares of Common Stock immediately upon such Transfer. Any purported Transfer of Restricted Class B Shares during the Restricted Period not permitted hereunder shall be void and of no effect. The Company shall reference on the certificates for the Restricted Class B Shares the restrictions on transfer imposed by this Section 5, with such references and restrictions to be removed at the expiration of the Restricted Period. For purposes of this letter agreement:

“*Family Member*” means, with respect to Diller, his spouse or any of his or his spouse’s lineal descendants.

“*Permitted Transferee*” means (i) Diller, any of his Family Members or the estate of any of the aforementioned individuals, (ii) any trust for the benefit of solely one or more of the individuals described in clause (i), or (iii) any Affiliate (other than a trust) of Diller or any of his Family Members which Diller or such Family Member controls (as defined in the Liberty Diller Agreement).

“*Transfer*” means, directly or indirectly, to sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of, either voluntarily or involuntarily, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, hypothecation or similar disposition, of any Restricted Class B Shares.

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6. Available Shares. The Company shall at all times prior to the expiration of the Diller Exchange Right reserve and keep available in its treasury the full number of shares of Class B Common Stock potentially subject from time to time to the Diller Exchange Right.

7. Section 16 Matters. The Board of Directors of the Company, or a committee thereof consisting of non-employee directors (as such term is defined for purposes of Rule 16b-3 under the Exchange Act), shall with respect to each exercise of the Diller Exchange Right or as may be otherwise requested by Diller, adopt resolutions and otherwise take all actions necessary to cause any acquisitions or deemed acquisitions from the Company of Class B Common Stock transferred to Diller pursuant to this letter agreement and the Diller Exchange Right and any dispositions or deemed dispositions to the Company of Common Stock pursuant to this letter agreement and the Diller Exchange Right to be exempt under Rule 16b-3 under the Exchange Act.

8. Adjustment. The one-to-one conversion/exchange ratio with respect to the Diller Exchange Right shall in all events be equitably preserved in the event of any recapitalization of the Company, subdivision, reclassification, stock dividend on, or a stock split or combination of, outstanding Common Stock or Class B Common Stock, in the event of any merger, consolidation or other reorganization of the Company with another corporation, or in the event of any other similar event on or with respect to any shares of Common Stock or Class B Common Stock (collectively, an "Adjustment Event"). Without duplication of the foregoing, the Share Cap shall also be equitably adjusted in the event of any such Adjustment Event.

9. Amendment to Governance Agreement. Immediately following the consummation of the IAC Exchange and the effectiveness of the Termination Letter, the Governance Agreement shall be amended as follows:

a. Section 5.07 of the Governance Agreement shall be restated and amended in full to read as follows: "Section 5.07. 'CHAIRMAN TERMINATION DATE' shall mean the date that Mr. Diller no longer serves as Chairman of the Board of Directors of IAC and Senior Executive of IAC."

b. The phrase "and the CEO Termination Date (as defined in the Amended and Restated Stockholders Agreement and not as defined in this Agreement) has not occurred" in Section 2.03 of the Governance Agreement shall be restated and amended in full to read as follows "and the Chairman Termination Date has not occurred."

c. The term "CEO Termination Date" in Section 6.08 of the Governance Agreement shall be replaced with the term "Chairman Termination Date."

10. Governing Law and Forum. This letter agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this letter agreement will be brought exclusively in the Delaware Chancery Courts, or, if the Delaware Chancery Courts do not have subject matter jurisdiction, in the state courts of the State of Delaware located in Wilmington, Delaware, or in any other venue required by Delaware law, or in the federal courts located in the State of Delaware. Each of the parties hereby consents to personal jurisdiction in any such action, suit or proceeding brought in any such court (and of the appropriate appellate courts therefrom) and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided below shall be deemed effective service of process on such party.

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11. Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS LETTER AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

12. Specific Performance. The parties acknowledge and agree that irreparable damage would occur in the event that any provision of this letter agreement were not to be performed in accordance with its specific terms or were otherwise breached, and that monetary damages, even if available, would not be an adequate remedy therefor. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this letter agreement and to enforce specifically the performance of terms and provisions of this letter agreement in any court referred to above without proof of actual damages (and each party hereby waives any requirement for the securing or posting of any bond in connection with such remedy), this being in addition to any other remedy to which they are entitled at law or in equity. The parties further agree not to assert that a remedy of specific enforcement is unenforceable, invalid, contrary to law or inequitable for any reason, nor to assert that a remedy of monetary damages would provide an adequate remedy for any such breach.

13. Notices. Except as otherwise provided herein, any notice, request, claim, demand, waiver or other communication under this letter agreement will be in writing and will be deemed to have been duly given if delivered personally or mailed, certified or registered mail with postage prepaid, or sent by overnight courier or confirmed facsimile, as follows:

if to IAC, to:

IAC/InterActiveCorp  
555 West 18<sup>th</sup> Street  
New York, New York 10011  
Attn: General Counsel  
Facsimile: (212) 632-9551

if to Diller, to:

c/o IAC/InterActiveCorp  
555 West 18<sup>th</sup> Street  
New York, New York 10011  
Attn: General Counsel  
Facsimile: (212) 632-9551

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14. Assignment. Neither this letter agreement nor any of the rights or obligations under this letter agreement shall be assigned, in whole or in part (except by operation of law pursuant to a merger whose purpose is not to avoid the provisions of this letter agreement), by any party without the prior written consent of the other parties hereto. Subject to the foregoing, the provisions of this letter agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns including, without limitation, with respect to Diller, his heirs, estate and personal representatives.

15. Execution and Further Assurances. This letter agreement may be executed in separate counterparts each of which will be an original and all of which taken together will constitute one and the same agreement. If, subsequent to the date hereof, further documents or actions are reasonably requested in order to carry out the provisions and purposes of this letter agreement, the parties hereto will execute and deliver such further documents and take such further actions and agree to cooperate with each other with respect thereto.

16. Amendment; Waiver. No amendment, modification or termination of this letter agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by the party against whom enforcement of the amendment, modification, termination or waiver is sought (and in the case of the Company, only as authorized by the Special Committee or a majority of the "independent directors" (as determined under the Marketplace Rules of The Nasdaq Stock Market) of the Board). No delay or failure at any time on the part of either party in exercising any right, power or privilege under this letter agreement or in enforcing any provision of this letter agreement, shall impair any such right, power or privilege, or be construed as a waiver of such provision, or be construed as a waiver of any default or as any acquiescence therein.

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If the foregoing is consistent with your understanding, please so indicate by your signature below, which will constitute the agreement of the parties hereto.

IAC/INTERACTIVECORP

By: /s/ Gregg Winiarski

Name: Gregg Winiarski

Title: Senior Vice President and  
General Counsel

Accepted and Agreed:

/s/ Barry Diller

Barry Diller

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**LIBERTY MEDIA CORPORATION**  
**LIBERTY USA HOLDINGS, LLC**  
12300 Liberty Boulevard  
Englewood, CO 80112

December 1, 2010

Mr. Barry Diller  
c/o IAC/InterActiveCorp  
555 West 18th Street  
New York, NY 10011

IAC/InterActiveCorp  
555 West 18th Street  
New York, NY 10011  
Attention: General Counsel

Dear Ladies and Gentlemen:

Reference is made to (i) the Amended and Restated Governance Agreement, dated as of August 9, 2005 (as amended, the “Governance Agreement”), among IAC/InterActiveCorp (the “Company”), Liberty Media Corporation (“Liberty”) and Mr. Barry Diller (“Diller”) and (ii) the Stock Exchange Agreement, dated as of the date hereof (the “Exchange Agreement”), by and among Liberty, Liberty USA Holdings, LLC, the Company and Celebrate Interactive, Inc. Capitalized terms used and not defined herein have the meanings provided such terms in the Governance Agreement.

The Company, Liberty, for itself and on behalf of the members of its Stockholder Group, and Diller each agree, and Liberty USA Holdings, LLC acknowledges and agrees, that effective upon the consummation of the Liberty/IAC Stock Exchange (as defined in the Exchange Agreement) contemplated by the Exchange Agreement, the Governance Agreement is hereby terminated as to Liberty and its Stockholder Group and will thereafter cease to be of any further force and effect as to Liberty and the members of its Stockholder Group, and Liberty and such members will thereafter have no rights or obligations thereunder.

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If the foregoing is consistent with your understanding, please so indicate by your signature below, which will constitute the agreement of the parties hereto.

LIBERTY MEDIA CORPORATION

By: /s/ Michael Zeisser  
Name: Michael Zeisser  
Title: Senior Vice President

LIBERTY USA HOLDINGS, LLC

By: Liberty Programming Company  
LLC, its sole member and manager

By: LMC Capital LLC, its sole  
member and manager

By: /s/ Michael Zeisser  
Name: Michael Zeisser  
Title: Senior Vice President

Accepted and Agreed:

/s/ Barry Diller  
Barry Diller

IAC/INTERACTIVECORP

By: /s/ Gregg Winiarski  
Name: Gregg Winiarski  
Title: Senior Vice President and  
General Counsel

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