

IAC
Q1 2015 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)

	2013	2014					2015				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Revenue											
Search & Applications	\$ 1,604.9	\$ 398.0	\$ 395.7	\$ 394.7	\$ 407.8	\$ 1,596.3	\$ 382.9				
The Match Group	805.4	211.2	214.3	230.2	241.5	897.2	239.2				
Media	191.4	36.4	36.7	49.9	58.9	181.8	43.6				
eCommerce	422.1	94.8	109.9	107.8	122.7	435.4	107.0				
Intercompany Elimination	(0.9)	(0.2)	(0.3)	(0.3)	(0.3)	(1.1)	(0.2)				
Total revenue	\$ 3,023.0	\$ 740.2	\$ 756.3	\$ 782.2	\$ 830.8	\$ 3,109.5	\$ 772.5				
Adjusted EBITDA											
Search & Applications	\$ 385.9	\$ 82.1	\$ 91.3	\$ 93.1	\$ 95.6	\$ 362.0	\$ 78.9				
The Match Group	266.9	47.4	69.4	61.4	86.6	264.7	25.9				
Media	(17.0)	(7.9)	(8.9)	(7.7)	(12.2)	(36.7)	(14.6)				
eCommerce	22.9	2.8	4.5	3.9	6.1	17.3	(3.1)				
Corporate	(60.4)	(16.3)	(14.8)	(16.1)	(16.0)	(63.3)	(11.9)				
Total Adjusted EBITDA	\$ 598.3	\$ 108.1	\$ 141.4	\$ 134.6	\$ 160.0	\$ 544.1	\$ 75.2				
Stock-based compensation expense											
Search & Applications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
The Match Group	(1.1)	-	(0.2)	(0.1)	0.6	0.3	(0.6)				
Media	(0.6)	(0.2)	(0.2)	(0.2)	(0.2)	(0.6)	(0.1)				
eCommerce	-	-	-	(0.1)	(0.4)	(0.6)	(0.4)				
Corporate	(51.3)	(9.4)	(16.2)	(16.9)	(16.2)	(58.7)	(17.7)				
Total stock-based compensation expense	\$ (53.0)	\$ (9.6)	\$ (16.6)	\$ (17.3)	\$ (16.1)	\$ (59.6)	\$ (18.9)				
Depreciation											
Search & Applications	\$ (18.2)	\$ (4.5)	\$ (5.1)	\$ (3.6)	\$ (3.3)	\$ (16.5)	\$ (3.6)				
The Match Group	(20.2)	(5.8)	(5.6)	(5.8)	(8.4)	(25.6)	(7.1)				
Media	(2.1)	(0.3)	(0.2)	(0.2)	(0.2)	(0.9)	(0.2)				
eCommerce	(8.9)	(1.7)	(1.9)	(2.0)	(2.4)	(8.0)	(2.0)				
Corporate	(9.5)	(2.5)	(2.5)	(2.6)	(2.6)	(10.1)	(2.7)				
Total depreciation	\$ (58.9)	\$ (14.8)	\$ (15.3)	\$ (14.1)	\$ (16.9)	\$ (61.2)	\$ (15.6)				
Amortization of intangibles											
Search & Applications	\$ (27.6)	\$ (7.3)	\$ (8.4)	\$ (9.1)	\$ (9.1)	\$ (33.9)	\$ (7.0)				
The Match Group	(17.1)	(1.8)	(1.7)	(3.3)	(4.6)	(11.4)	(3.9)				
Media	(1.1)	(0.3)	(0.7)	(0.6)	(0.5)	(2.1)	(0.4)				
eCommerce	(14.1)	(2.6)	(2.6)	(3.3)	(1.9)	(10.5)	(1.3)				
Corporate	-	-	-	-	-	-	-				
Total amortization of intangibles	\$ (59.8)	\$ (12.0)	\$ (13.4)	\$ (16.5)	\$ (16.1)	\$ (57.9)	\$ (12.6)				
Acquisition-related contingent consideration fair value adjustments											
Search & Applications	\$ -	\$ -	\$ -	\$ -	\$ (0.3)	\$ (0.3)	\$ (4.0)				
The Match Group	(0.3)	-	(0.7)	14.3	(0.7)	12.9	11.0				
Media	-	-	0.2	-	-	0.2	-				
eCommerce	-	-	-	-	0.6	0.6	-				
Corporate	-	-	-	-	-	-	-				
Total acquisition-related contingent consideration fair value adjustments	\$ (0.3)	\$ -	\$ (0.5)	\$ 14.3	\$ (0.4)	\$ 13.4	\$ 7.0				

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Financial Results and Reconciliations

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

	2013	2014					2015				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Operating income (loss)											
Search & Applications	\$ 340.1	\$ 70.3	\$ 77.8	\$ 80.4	\$ 82.8	\$ 311.3	\$ 64.3				
The Match Group	228.2	39.8	61.2	66.4	73.5	240.9	25.3				
Media	(20.8)	(8.6)	(9.8)	(8.7)	(13.1)	(40.2)	(15.4)				
eCommerce	(0.1)	(1.6)	0.0	(1.6)	1.9	(1.3)	(6.9)				
Corporate	(121.2)	(28.3)	(33.5)	(35.5)	(34.8)	(132.1)	(32.3)				
Total operating income	<u>\$ 426.2</u>	<u>\$ 71.7</u>	<u>\$ 95.7</u>	<u>\$ 101.0</u>	<u>\$ 110.4</u>	<u>\$ 378.7</u>	<u>\$ 35.1</u>				
Interest expense	(33.6)	(14.1)	(14.0)	(14.0)	(14.2)	(56.3)	(14.1)				
Other income (expense), net	23.7	(2.0)	(69.8)	3.5	15.7	(52.5)	7.0				
Earnings from continuing operations before income taxes	416.3	55.7	11.9	90.4	111.9	269.9	28.0				
Income tax (provision) benefit	(134.5)	(21.4)	(29.9)	59.8	(43.9)	(35.4)	(6.2)				
Earnings (loss) from continuing operations	281.8	34.3	(18.0)	150.3	68.0	234.6	21.9				
Earnings (loss) from discontinued operations, net of tax	1.9	(0.8)	(0.9)	175.7	0.6	174.7	0.1				
Net earnings (loss)	283.7	33.5	(18.9)	326.0	68.6	409.2	22.0				
Net loss attributable to noncontrolling interests	2.1	2.4	0.9	0.8	1.6	5.6	4.4				
Net earnings (loss) attributable to IAC shareholders	<u>\$ 285.8</u>	<u>\$ 35.9</u>	<u>\$ (18.0)</u>	<u>\$ 326.8</u>	<u>\$ 70.2</u>	<u>\$ 414.9</u>	<u>\$ 26.4</u>				
GAAP diluted weighted average shares outstanding	86.7	87.2	83.2	88.8	89.5	88.6	88.8				
GAAP diluted earnings (loss) per share	<u>\$ 3.29</u>	<u>\$ 0.41</u>	<u>\$ (0.22)</u>	<u>\$ 3.68</u>	<u>\$ 0.78</u>	<u>\$ 4.68</u>	<u>\$ 0.30</u>				
Reconciliation of GAAP EPS to Adjusted EPS											
Net earnings (loss) attributable to IAC shareholders	\$ 285.8	\$ 35.9	\$ (18.0)	\$ 326.8	\$ 70.2	\$ 414.9	\$ 26.4				
Stock-based compensation expense	53.0	9.6	16.6	17.3	16.1	59.6	18.9				
Amortization of intangibles	59.8	12.0	13.4	16.5	16.1	57.9	12.6				
Acquisition-related contingent consideration fair value adjustments	0.3	-	0.5	(14.3)	0.4	(13.4)	(7.0)				
Gain on sale of VUE interests and related effects	4.0	1.0	1.0	(50.5)	-	(48.6)	-				
Discontinued operations, net of tax	(1.9)	0.8	0.9	(175.7)	(0.6)	(174.7)	(0.1)				
Impact of income taxes and noncontrolling interests	(43.0)	(7.6)	(11.2)	(38.1)	(12.5)	(69.3)	(12.4)				
Adjusted Net Income	\$ 358.1	\$ 51.6	\$ 3.2	\$ 82.0	\$ 89.7	\$ 226.5	\$ 38.4				
Adjusted EPS weighted average shares outstanding (a)	87.2	87.5	89.1	89.2	89.9	88.9	89.1				
Adjusted EPS	<u>\$ 4.11</u>	<u>\$ 0.59</u>	<u>\$ 0.04</u>	<u>\$ 0.92</u>	<u>\$ 1.00</u>	<u>\$ 2.55</u>	<u>\$ 0.43</u>				
GAAP Basic weighted average shares outstanding	83.5	82.5	83.2	83.6	83.9	83.3	83.5				
Options, warrants and RSUs, treasury method	3.3	4.7	-	5.2	5.6	5.3	5.3				
GAAP Diluted weighted average shares outstanding	86.7	87.2	83.2	88.8	89.5	88.6	88.8				
Options, warrants and RSUs, treasury method not included in diluted shares above	-	-	5.6	-	-	-	-				
Impact of RSUs	0.4	0.3	0.3	0.4	0.4	0.4	0.3				
Adjusted EPS weighted average shares outstanding (a)	<u>87.2</u>	<u>87.5</u>	<u>89.1</u>	<u>89.2</u>	<u>89.9</u>	<u>88.9</u>	<u>89.1</u>				

(a) For Adjusted EPS purposes, the impact of RSUs on shares outstanding is based on the weighted average number of RSUs outstanding, including performance-based RSUs outstanding that the Company believes are probable of vesting. For GAAP diluted EPS purposes, RSUs, including performance-based RSUs for which the performance criteria have been met, are included on a treasury method basis.

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Search & Applications

(rounding differences may exist)

	2013	2014					2015				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Search & Applications (in millions)											
<i>Revenue</i>											
Websites (a)	\$ 786.9	\$ 203.7	\$ 205.2	\$ 209.1	\$ 217.8	\$ 835.8	\$ 189.7				
Applications (b)	818.0	194.3	190.5	185.6	190.1	760.5	193.2				
Total Search & Applications	<u>\$ 1,604.9</u>	<u>\$ 398.0</u>	<u>\$ 395.7</u>	<u>\$ 394.7</u>	<u>\$ 407.8</u>	<u>\$ 1,596.3</u>	<u>\$ 382.9</u>				
Websites Page Views (c)	32,077	8,276	7,731	7,103	6,917	30,027	6,385				
Applications Queries (d)	22,983	5,183	5,076	4,456	4,631	19,346	5,081				

(a) Websites revenue is principally composed of Ask.com, About.com, CityGrid, Dictionary.com, Investopedia, PriceRunner and Ask.fm.

(b) Applications revenue includes B2C, B2B, SlimWare and Apalon.

(c) Websites page views include Ask.com, About.com, CityGrid, Dictionary.com, Investopedia.com and PriceRunner.com. Historical figures have been adjusted to exclude Urbanspoon which was sold in Q4 2014.

(d) Applications queries include B2C and B2B.

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The Match Group

(rounding differences may exist)

	2013	2014					2015				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
The Match Group											
Dating Revenue (in millions)											
North America (a)	\$ 523.7	\$ 134.5	\$ 138.1	\$ 142.5	\$ 142.1	\$ 557.2	\$ 145.2				
International (b)	264.5	70.5	69.5	68.9	70.4	279.3	64.9				
Total Dating Revenue	<u>\$ 788.2</u>	<u>\$ 205.0</u>	<u>\$ 207.6</u>	<u>\$ 211.4</u>	<u>\$ 212.5</u>	<u>\$ 836.5</u>	<u>\$ 210.1</u>				
Dating Paid Subscribers (in thousands)											
North America (a)	2,286	2,389	2,430	2,462	2,398	2,398	2,702				
International (b)	1,071	1,079	1,070	1,149	1,108	1,108	1,310				
Total Dating Paid Subscribers	<u>3,357</u>	<u>3,468</u>	<u>3,500</u>	<u>3,611</u>	<u>3,507</u>	<u>3,507</u>	<u>4,012</u>				

(a) North America includes Match, Chemistry, People Media, OkCupid, Tinder and other dating businesses operating within the United States and Canada.

(b) International includes Meetic, Tinder and all dating businesses operating outside of the United States and Canada.

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HomeAdvisor

(rounding differences may exist)

	2013	2014					2015				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
HomeAdvisor (in thousands)											
Domestic Service Requests (a)	5,824	1,310	1,887	1,903	1,491	6,591	1,811				
Domestic Accepts (b)	7,151	1,635	2,118	2,164	1,871	7,788	2,233				
International Service Requests (a) (c)	896	234	266	237	261	998	284				
International Accepts (b) (c)	1,633	518	538	423	491	1,970	548				

(a) Fully completed and submitted customer service requests on HomeAdvisor.

(b) The number of times service requests are accepted by service professionals. A service request can be transmitted to and accepted by more than one service professional.

(c) HomeAdvisor International historical figures have been adjusted to include the Netherlands business and exclude certain operations that ceased in Q4 2014.