

**IAC**  
Q1 2011 Earnings  
Supplemental Financial Information and Operating Metrics

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# IAC

## Financial Results and Reconciliations

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

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

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# IAC

## 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
<b>Operating (loss) income</b>											
Search (a)	\$ (980.2)	\$ 31.1	\$ 31.6	\$ 28.9	\$ 21.3	\$ 112.9	\$ 49.1				
Match	84.7	13.7	25.5	38.1	38.0	115.4	23.4				
ServiceMagic	13.4	2.4	5.7	6.2	2.1	16.4	3.8				
Media & Other (b)	(22.1)	(3.8)	(3.0)	(2.8)	(37.9)	(47.5)	(3.7)				
Corporate	(133.7)	(34.4)	(35.2)	(32.7)	(45.0)	(147.3)	(35.3)				
<b>Total operating (loss) income</b>	<b>\$ (1,038.0)</b>	<b>\$ 8.9</b>	<b>\$ 24.6</b>	<b>\$ 37.7</b>	<b>\$ (21.4)</b>	<b>\$ 49.8</b>	<b>\$ 37.3</b>				
Total other income (expense), net (c)	91.0	(17.4)	(3.9)	0.3	(6.1)	(27.1)	(1.1)				
(Loss) earnings from continuing operations before income taxes	(947.0)	(8.5)	20.7	38.0	(27.6)	22.7	36.2				
Income tax provision	(9.5)	(6.1)	(5.3)	(15.5)	(5.1)	(32.1)	(16.0)				
(Loss) earnings from continuing operations	(956.5)	(14.6)	15.4	22.4	(32.7)	(9.4)	20.2				
Gain on Liberty Exchange (d)	-	-	-	-	140.8	140.8	-				
Discontinued operations, net of tax (e)	(23.4)	(4.7)	(2.6)	(4.8)	(24.9)	(37.0)	(1.9)				
Net (loss) earnings	(979.9)	(19.3)	12.8	17.6	83.2	94.4	18.2				
Net loss (earnings) attributable to noncontrolling interest	1.1	0.6	0.8	(0.1)	3.8	5.0	(0.2)				
<b>Net (loss) earnings attributable to IAC shareholders</b>	<b>\$ (978.8)</b>	<b>\$ (18.7)</b>	<b>\$ 13.6</b>	<b>\$ 17.5</b>	<b>\$ 87.0</b>	<b>\$ 99.4</b>	<b>\$ 18.1</b>				
GAAP Diluted weighted average shares outstanding	138.6	116.4	112.6	106.2	96.5	106.3	93.7				
Diluted (loss) earnings per share	\$ (7.06)	\$ (0.16)	\$ 0.12	\$ 0.16	\$ 0.90	\$ 0.93	\$ 0.19				
<b>Reconciliation of GAAP EPS to Adjusted EPS</b>											
<b>Net (loss) earnings attributable to IAC shareholders</b>	<b>\$ (978.8)</b>	<b>\$ (18.7)</b>	<b>\$ 13.6</b>	<b>\$ 17.5</b>	<b>\$ 87.0</b>	<b>\$ 99.4</b>	<b>\$ 18.1</b>				
Non-cash compensation expense	70.1	21.5	21.0	17.1	24.6	84.3	20.2				
Amortization of intangibles (a) (b)	157.0	3.2	4.8	2.3	17.2	27.5	2.5				
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)	-	-	-	-	-	-				
Other expense related to the decrease in the fair value of the derivative asset related to Arcandor AG stock (c)	58.8	-	-	-	-	-	-				
Gain on sale of VUE and the related effects	7.0	1.7	1.8	1.8	1.8	7.0	1.5				
Gain on Liberty Exchange (d)	-	-	-	-	(140.8)	(140.8)	-				
Discontinued operations, net of tax (e)	23.4	4.7	2.6	4.8	24.9	37.0	1.9				
Impact of income taxes and noncontrolling interest	(58.3)	(10.0)	(15.8)	(7.9)	(15.8)	(49.4)	(8.7)				
<b>Adjusted Net Income</b>	<b>\$ 84.3</b>	<b>\$ 2.5</b>	<b>\$ 28.0</b>	<b>\$ 35.5</b>	<b>\$ 27.0</b>	<b>\$ 93.0</b>	<b>\$ 35.5</b>				
<b>Adjusted EPS weighted average shares outstanding (f)</b>	<b>143.0</b>	<b>121.8</b>	<b>114.9</b>	<b>108.3</b>	<b>104.7</b>	<b>112.4</b>	<b>96.9</b>				
<b>Adjusted EPS</b>	<b>\$ 0.59</b>	<b>\$ 0.02</b>	<b>\$ 0.24</b>	<b>\$ 0.33</b>	<b>\$ 0.26</b>	<b>\$ 0.83</b>	<b>\$ 0.37</b>				
<b>GAAP Basic weighted average shares outstanding</b>	<b>138.6</b>	<b>116.4</b>	<b>109.3</b>	<b>103.2</b>	<b>96.5</b>	<b>106.3</b>	<b>89.1</b>				
Options, warrants and RSUs, treasury method	-	-	3.3	3.1	-	-	4.6				
<b>GAAP Diluted weighted average shares outstanding</b>	<b>138.6</b>	<b>116.4</b>	<b>112.6</b>	<b>106.2</b>	<b>96.5</b>	<b>106.3</b>	<b>93.7</b>				
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				
<b>Adjusted EPS shares outstanding (f)</b>	<b>143.0</b>	<b>121.8</b>	<b>114.9</b>	<b>108.3</b>	<b>104.7</b>	<b>112.4</b>	<b>96.9</b>				

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## IAC

### 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				
Match	9.8	3.0	2.9	2.6	2.5	11.0	2.3				
ServiceMagic	3.3	0.9	1.1	1.0	1.0	4.0	1.1				
Media & Other	3.9	0.5	0.6	0.6	0.6	2.3	0.8				
Corporate	11.2	2.2	2.2	2.2	1.7	8.2	2.3				
Total depreciation	\$ 61.4	\$ 15.8	\$ 16.6	\$ 14.6	\$ 16.9	\$ 63.9	\$ 13.4				

- (a) 2009 includes a pre-tax impairment charge of \$1.0 billion (\$991.9 million after-tax) related to the goodwill and intangible assets at 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.
  - 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 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.
- (e) 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.
- (f) For Adjusted EPS purposes, the impact of RSUs on shares outstanding is based on the weighted average number of RSUs outstanding, as compared with shares outstanding for GAAP purposes, which includes RSUs on a treasury method basis.

**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
<b>Search - Revenue by Traffic Source (a)</b>											
Proprietary	72%	74%	72%	69%	71%	72%	72%				
Network	28%	26%	28%	31%	29%	28%	28%				

(a) Proprietary includes proprietary consumer product operations, Ask.com and Dictionary.com. Network includes B2B operations, and 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
<b>Match</b>											
Core - Paid Subscribers (000s) (a)	1,213	1,315	1,388	1,484	1,470	1,470	1,600				
Developing - Paid Subscribers (000s) (b)	164	270	329	334	318	318	324				
Total Paid Subscribers (000s)	1,377	1,585	1,716	1,818	1,789	1,789	1,924				

(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 our international operations.

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

**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
<b>ServiceMagic</b>											
Domestic Service Requests (000s) (a)	5,096	1,391	1,673	1,506	1,226	5,797	1,377				
Domestic Accepts (000s) (b)	6,527	1,783	2,173	2,043	1,757	7,756	1,937				
International Service Requests (000s) (a)	354	99	116	124	180	519	185				
International Accepts (000s) (b)	355	118	133	140	194	585	217				

- (a) Fully completed and submitted customer requests for service 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.*