**Non-GAAP Financial Measures.** This presentation contains references to certain non-GAAP measures. These measures should be considered in conjunction with, but not as a substitute for, financial information presented in accordance with GAAP. The location of reconciliations to GAAP measures of non-GAAP measures are referenced on the page on which such non-GAAP measure appears, or are included in the Appendix to this presentation.

**Forward-Looking Statements.** This presentation, dated December 8, 2016, may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The use of words such as "estimates," "expects" and "believes," among others, generally identify forward-looking statements. These forward-looking statements include, among others, statements relating to: IAC’s future financial performance, IAC’s business prospects, strategy and anticipated trends in the industries in which IAC’s businesses operate and other similar matters. These forward-looking statements are based on management’s current expectations and assumptions about future events, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Actual results could differ materially from those contained in these forward-looking statements for a variety of reasons, including, among others: changes in senior management, changes in our relationship with, or policies implemented by, Google, adverse changes in economic conditions, adverse trends in any of the industries in which IAC’s businesses operate, our dependence on third parties to drive traffic to our websites and distribute our services in a cost-effective manner, our ability to convert visitors to our various websites into users and customers, our ability to offer new or alternative services that resonate with consumers in a cost-effective manner, our ability to build, maintain and/or enhance our various brands, our ability to develop and monetize mobile versions of our various services, changes in industry standards, the integrity and scalability or our systems and infrastructure, our ability to protect our systems from cyberattacks, risks relating to acquisitions and our ability to expand successfully into international markets. Certain of these and other risks and uncertainties are discussed in IAC’s filings with the Securities and Exchange Commission. Other unknown or unpredictable factors that could also adversely affect IAC’s business, financial condition and results of operations may arise from time to time. In light of these risks and uncertainties, these forward-looking statements may not prove to be accurate. Accordingly, you should not place undue reliance on these forward-looking statements, which only reflect the views of IAC management as of the date of this presentation. IAC does not undertake to update these forward-looking statements.
The Leading Marketplace for Home Services

8M+ HOMEOWNERS LTM

142K+ SERVICE PROVIDERS (“SPs”)

NATIONWIDE MARKETPLACE
400+ MSAs COVERED

$12B+ SP PROJECT VALUE LTM

12M+ SERVICE REQUESTS (“SRs”) LTM
Number One
HOME SERVICES MARKETPLACE
and Pulling Away

#1 in REVENUE
#1 in SERVICE PRO NETWORK
#1 in SERVICE PRO NETWORK GROWTH
#1 in SALES FORCE SIZE
#1 in SERVICE REQUESTS
#1 in ON-DEMAND CONNECTIONS
(Only national platform)
Straight Forward Business Model Driven by Customer Success

Service professional connection fees tied to project value and geographic locale

HOMEOWNER SUBMITS SERVICE REQUEST
~$3K Avg Project Value

SERVICE PRO COMPLETES PROJECT
~$30 Avg Connect Fee

~3-4% Effective HomeAdvisor Take Rate
THE BEST WAY TO GET HOME PROJECTS DONE

Unparalleled in convenience, safety and ease for doing home projects.

HOMEOWNER BENEFITS

➢ LARGEST PRO NETWORK
  142K+ paying & engaged service pros

➢ SAFETY AND SECURITY
  Criminal & financial background checks on pros

➢ ADVANCED MATCHING
  Connect with pros available to take on new work in your zip code

➢ ON-DEMAND SERVICE (IB/IC)
  Only national scale solution providing on-demand services

➢ BEST RESEARCH TOOLS
  Most comprehensive reviews and project cost guide
THE BEST WAY TO CONNECT WITH NEW CUSTOMERS

Largest & most effective marketing platform for home service providers

SERVICE PRO BENEFITS

▶ LARGEST CONSUMER AUDIENCE
Leading online destination for homeowners seeking service pros

▶ TRACKABLE ROI
Measure win rate and specific return of marketing spend

▶ TOTAL CONTROL
Turn on and off homeowner project requests as needed

▶ ON-DEMAND
Synchronized calendar & instant phone connections

▶ TAILORED FOR HOME SERVICE PROS
Customer management tools go beyond generic keyword bidding & directory listings
**Similar Characteristics Compared with Other Leading Marketplaces**

Significant upside on take rate and brand awareness

<table>
<thead>
<tr>
<th>Vertical</th>
<th>Home Services</th>
<th>Crafts &amp; Handmade</th>
<th>Restaurant Reservations</th>
<th>Food Delivery</th>
<th>Vacation Rentals</th>
<th>Real Estate</th>
<th>Travel</th>
<th>eCommerce</th>
</tr>
</thead>
<tbody>
<tr>
<td>TAM</td>
<td>$400B</td>
<td>$34B</td>
<td>$3T</td>
<td>$54B</td>
<td>$100B</td>
<td>$77B</td>
<td>$1.4T</td>
<td>$1.7T</td>
</tr>
<tr>
<td>GMV (Transaction Value)</td>
<td>$12B</td>
<td>$2.7B</td>
<td>$12B</td>
<td>$2.4B</td>
<td>$4.7B</td>
<td>$3.2B</td>
<td>$61B</td>
<td>$82B</td>
</tr>
<tr>
<td>Market Share</td>
<td>3.0%</td>
<td>8.1%</td>
<td>0.4%</td>
<td>4.4%</td>
<td>4.7%</td>
<td>4.2%</td>
<td>4.4%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Take Rate</td>
<td>3-4%</td>
<td>12%</td>
<td>2-3%</td>
<td>15%</td>
<td>10%</td>
<td>15%</td>
<td>11%</td>
<td>8%</td>
</tr>
<tr>
<td>Adjusted EBITDA (LTM)</td>
<td>$42M</td>
<td>$56M</td>
<td>$81M</td>
<td>$118M</td>
<td>$118M</td>
<td>$148M</td>
<td>$1.3B</td>
<td>$3.5B</td>
</tr>
</tbody>
</table>

(1) Domestic for all metrics excl. EBITDA
(2) Company reports; TAM: Fung Global Retail & Technology report; Crafts, Fine Arts & Jewelry & beads spend; Techcrunch: Unpacking Etsy’s S1
(3) TAM: Global restaurant industry; equity analyst research reports mid-2013; EBITDA LTM as of Q2 2014
(4) Company reports; TAM: Euromonitor & MS 2013: Independent & Chain Delivery & Takeaway Market (Excl. Amazon Inventory Sales)
(5) TAM: Skift (Global) (All metrics 2014 pre-Expedia acquisition); Techcrunch: Unpacking Etsy’s S1
(6) TAM represents total real estate agent commissions; Equity Research Reports (BofA Merrill Lynch; Needham); EBITDA Capital IQ $5.5M + $142.5M legal settlement Q2 '16 per company reports
(7) Company reports; eMarketer: 2015 Digital Travel Sales Worldwide; Phocuswright: 2015 Global Online Travel Spending
(8) Company reports; eMarketer: Total Retail Sales Worldwide (Includes StubHub)
MARKET SIZE & OPPORTUNITY
A Very Large Market Size in Terms of Total Spend on Projects

$400B
HOME SERVICES MARKET

WE HAVE ~3% of Projects

2-3MM
SERVICE PROVIDERS

WE HAVE ~5% of all SPs

(1) NYTimes
(2) $12B GMV / $400B Market
(3) Our network of 142K service providers / 2-3M service providers
Two Major Market Opportunities: Online Migration & Millennials Buying Homes

~90% of homeowners use WORD OF MOUTH & OFFLINE when hiring a home pro

~2X homeowners ages 18-34 willingness to HIRE A PRO ONLINE vs. homeowners aged 50+

(1) 11% of homeowners surveyed found their pro online (HomeAdvisor quarterly survey of homeowners)
(2) Farnsworth Online Home Study
FORMULA FOR GROWTH
3 Key Drivers of Growth in the Business

Strong Product Innovation supported by investment in Brand Marketing and Sales

- **PRODUCT INNOVATION**
  - OPERATING LEVERAGE through increased repeat use & retention

- **SALES FORCE**
  - Grow the HIGHEST QUALITY SP network

- **BRAND MARKETING**
  - Drive PROFITABLE, BRAND-FOCUSED marketing
HomeAdvisor is Emerging as the Go-To Provider for Home Services Anywhere, Anytime
INSTANT BOOKING, The Only Nationwide On-Demand Platform

Book an appointment directly

→ Schedule service or in-person estimate

→ See average project costs in advance

→ Nearly 1M appointments in 2016
Proprietary Matching Algorithm Superior to Static Directories

Delivers screened pros who are available to do work now

LNL PAINT & FINISHING CO.
SERVING DENVER | (303) 555-4567

RATINGS & REVIEWS
OVERALL RATING 4.5

BOOK NOW

STANTON PAINTING, INC.
SERVING DENVER | (303) 555-1233

RATINGS & REVIEWS
OVERALL RATING 4.9

BOOK NOW

ALL COVERED PAINT SERVICES
SERVING DENVER | (303) 555-9876

RATINGS & REVIEWS
OVERALL RATING 4.1

BOOK NOW
Higher connection and success rates driving significant economic growth

**Product Innovation Driving Homeowner and Service Pro Success**

My HomeAdvisor
Homeowner Portal to manage and optimize projects

Service Pro Tools
Manage and optimize homeowner requests
Marketing and Sales Investment Drives Marketplace Growth

Investment in growing both sides of marketplace

MARKETING
Grow branded Service Requests

SALES FORCE
Grow quality Service Provider Network

$160M+ Spend Q3 2016 LTM

~1000 Sales Reps
Accelerating Growth Through Profitable Marketing Investment

Profitable marketing growth in line with revenue growth

Domestic Marketing Investment ($M)

Domestic Revenue ($M)

TV Marketing  Other Marketing
Investment in Sales Driving Network Growth

Growth in paying SPs outpacing growth in sales force due to strong productivity & higher quality SPs

Sales Force

Pre-Rebrand: ~500
2016E: ~1,000
2.0x increase

SPs (K)

Pre-Rebrand: 54
2016E: 142
2.6x increase
Sales Reps More Efficient
Sales reps take 1/3 of the time to positive contribution

New Sales Rep Months to Positive Contribution
Pre-Rebrand: 24 → 1/3x → 2016E: 9

3-Year Revenue Per New Sales Rep
Pre-Rebrand: 2x+ → 2016E: 2x+

Sales reps take a 1/3 the time to positive contribution
And drive 2X the revenue
SPs are Making More Money and Staying Longer

Service Provider ROI is better than ever

**Value of Projects Won Over 3 Years by Average SP**

- Pre-Rebrand
- 2016E

- 2.1x increase

**SP Retention**

- Q4 '13
- 2016E

- 1.7x increase

2.1X increase in Value of Projects Won

1.7X increase in Retention
FINANCIAL IMPACT
HomeAdvisor Revenue & Adjusted EBITDA Trends

LTM Revenue by Quarter ($M)

LTM Adjusted EBITDA by Quarter ($M)

30% 3 Year Revenue CAGR

Adj EBITDA run-rate 3x over last 6 qtrs
Growing Both Sides of the Marketplace Creates Network Effects

Virtuous cycle accelerates growth

Service Requests (M)
- 2014: 7
- 2015: 10
- Q3 ‘16 LTM: 12

Domestic Revenue ($M)
- 2014: $207
- 2015: $297
- Q3 ‘16 LTM: $399

Service Providers (K)
- 2014: 70
- 2015: 102
- Nov ‘16: 142

SP Project Value ($B)
- 2014: $6
- 2015: $8
- Q3 ‘16 LTM: $12

More Project Requests
More SPs
Happier Homeowners
More Projects Completed
APPENDIX
## HomeAdvisor LTM Adjusted EBITDA Reconciliation

<table>
<thead>
<tr>
<th>LTM (in thousands)</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q 1</td>
<td>Q 2</td>
<td>Q 3</td>
<td>Q 4</td>
<td>Q 1</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>18,377</td>
<td>10,759</td>
<td>3,400</td>
<td>284</td>
</tr>
<tr>
<td>add back:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Stock-based compensation</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>4,764</td>
<td>4,911</td>
<td>5,071</td>
<td>5,174</td>
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<tr>
<td><strong>Amortization of intangibles</strong></td>
<td>5,202</td>
<td>7,585</td>
<td>9,733</td>
<td>9,916</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>28,343</td>
<td>23,256</td>
<td>18,204</td>
<td>15,373</td>
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