

IAC
Q4 2008 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)

	2006	2007					2008				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Revenue											
Media & Advertising	\$ 544.2	\$ 168.1	\$ 174.0	\$ 189.8	\$ 226.6	\$ 758.5	\$ 215.5	\$ 186.3	\$ 193.3	\$ 183.7	\$ 778.8
Match	311.2	82.4	86.6	89.1	90.6	348.7	90.5	93.3	93.5	88.1	365.5
ServiceMagic	63.7	21.6	25.3	24.6	21.9	93.4	28.9	35.9	33.8	25.3	123.9
Emerging Businesses	85.6	28.4	34.6	36.3	46.0	145.3	43.8	48.5	49.6	54.6	196.6
Intercompany Elimination	(4.2)	(0.7)	(1.9)	(4.5)	(6.3)	(13.4)	(8.1)	(9.9)	(1.0)	(0.8)	(19.7)
Total Revenue	\$ 1,000.6	\$ 299.8	\$ 318.6	\$ 335.4	\$ 378.9	\$ 1,332.6	\$ 370.7	\$ 354.2	\$ 369.3	\$ 351.0	\$ 1,445.1
Operating Income Before Amortization											
Media & Advertising	\$ 58.3	\$ 17.2	\$ 11.7	\$ 27.9	\$ 31.4	\$ 88.2	\$ 37.5	\$ 35.8	\$ 38.8	\$ 27.4	\$ 139.6
Match	63.4	8.4	19.6	29.5	20.9	78.4	10.1	22.9	30.3	28.0	91.3
ServiceMagic	16.2	6.2	7.1	5.4	2.0	20.8	6.1	9.4	8.7	2.0	26.2
Emerging Businesses	(14.1)	(2.2)	5.7	(3.5)	(7.9)	(7.9)	(7.8)	(7.8)	(6.1)	(13.8)	(35.5)
Corporate and other	(88.4)	(22.4)	(21.6)	(21.7)	(33.2)	(98.9)	(27.4)	(37.4)	(41.2)	(15.5)	(121.5)
Total Operating Income Before Amortization	\$ 35.4	\$ 7.2	\$ 22.5	\$ 37.7	\$ 13.1	\$ 80.5	\$ 18.6	\$ 22.9	\$ 30.5	\$ 28.1	\$ 100.1
Non-cash compensation expense											
Media & Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Match	-	-	-	-	-	-	-	-	-	-	-
ServiceMagic	(0.6)	(0.2)	(0.2)	(0.2)	(0.2)	(0.6)	(0.2)	(0.2)	(0.2)	(0.3)	(0.7)
Emerging Businesses	(4.5)	(0.6)	(0.2)	(0.2)	(0.4)	(1.5)	(0.2)	(0.3)	(0.3)	(0.3)	(1.1)
Corporate and other	(62.3)	(17.0)	(17.6)	(16.2)	(20.7)	(71.5)	(18.5)	(18.2)	(38.2)	(9.8)	(84.7)
Total non-cash compensation expense	\$ (67.4)	\$ (17.7)	\$ (18.0)	\$ (16.6)	\$ (21.2)	\$ (73.6)	\$ (18.9)	\$ (18.6)	\$ (38.7)	\$ (10.4)	\$ (86.5)
Amortization of non-cash marketing											
Media & Advertising	\$ (29.6)	\$ (0.5)	\$ (16.3)	\$ (6.1)	\$ (10.8)	\$ (33.6)	\$ -	\$ -	\$ -	\$ (4.9)	\$ (4.9)
Match	(3.0)	-	(7.2)	-	(3.9)	(11.1)	(2.8)	(3.1)	(6.1)	(3.1)	(15.1)
ServiceMagic	-	-	-	-	-	-	-	-	-	-	-
Emerging Businesses	(4.5)	-	-	(3.0)	(1.9)	(4.9)	-	-	-	-	-
Corporate and other	-	-	-	-	-	-	-	-	-	-	-
Total amortization of non-cash marketing	\$ (37.1)	\$ (0.5)	\$ (23.5)	\$ (9.1)	\$ (16.6)	\$ (49.7)	\$ (2.8)	\$ (3.1)	\$ (6.1)	\$ (8.0)	\$ (20.0)
Amortization of intangibles and goodwill impairmen											
Media & Advertising (a)	\$ (34.6)	\$ (6.2)	\$ (6.2)	\$ (6.2)	\$ (6.2)	\$ (24.7)	\$ (6.2)	\$ (6.1)	\$ (6.7)	\$ (14.9)	\$ (34.0)
Match	(2.0)	(0.2)	(0.2)	(0.2)	(0.8)	(1.4)	(0.2)	(0.2)	(0.2)	(0.1)	(0.7)
ServiceMagic	(3.1)	(0.8)	(0.8)	(0.6)	(0.4)	(2.6)	(0.4)	(0.4)	(0.4)	(0.4)	(1.5)
Emerging Businesses (a)	(2.4)	(0.9)	(0.9)	(3.2)	(2.1)	(7.1)	(1.2)	(1.0)	(1.0)	(16.0)	(19.4)
Corporate and other	-	-	-	-	-	-	-	-	-	-	-
Total amortization of intangibles and goodwill impairment	\$ (42.2)	\$ (8.0)	\$ (8.0)	\$ (10.3)	\$ (9.4)	\$ (35.7)	\$ (8.1)	\$ (7.7)	\$ (8.3)	\$ (31.5)	\$ (55.5)

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Financial Results and Reconciliations

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

	2006	2007					2008				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Operating (Loss) Income											
Media & Advertising (a)	\$ (6.0)	\$ 10.5	\$ (10.7)	\$ 15.7	\$ 14.4	\$ 29.9	\$ 31.3	\$ 29.8	\$ 32.1	\$ 7.6	\$ 100.7
Match	58.4	8.2	12.1	29.3	16.2	65.8	7.1	19.6	24.0	24.8	75.5
ServiceMagic	12.4	5.3	6.2	4.6	1.5	17.6	5.6	8.9	8.1	1.4	24.0
Emerging Businesses (a)	(25.5)	(3.6)	4.6	(9.9)	(12.4)	(21.3)	(9.3)	(9.1)	(7.4)	(30.1)	(56.0)
Corporate and other	(150.6)	(39.4)	(39.2)	(38.0)	(53.9)	(170.4)	(45.8)	(55.6)	(79.4)	(25.3)	(206.2)
Total operating (loss) income	\$ (111.3)	\$ (19.0)	\$ (27.0)	\$ 1.7	\$ (34.2)	\$ (78.5)	\$ (11.1)	\$ (6.4)	\$ (22.6)	\$ (21.8)	\$ (62.0)
Total other income (expense), net (b) (c) (d) (e) (f) (g)	35.4	10.5	15.6	12.9	35.4	74.4	11.7	(100.5)	(64.0)	308.2	155.4
(Loss) earnings from continuing operations before income taxes and minority interest	(75.9)	(8.5)	(11.4)	14.6	1.2	(4.1)	0.6	(106.9)	(86.6)	286.4	93.5
Income tax (provision) benefit	48.5	2.7	5.1	(11.1)	1.0	(2.3)	(4.1)	22.3	85.3	(65.9)	37.7
Minority interest	0.8	(0.1)	0.2	1.5	0.5	2.0	0.3	0.5	0.4	4.7	5.8
(Loss) earnings from continuing operations	(26.6)	(6.0)	(6.1)	4.9	2.8	(4.4)	(3.1)	(84.2)	(0.9)	225.2	137.0
Gain (loss) on sale of discontinued operations, net of tax	9.6	-	35.1	(1.6)	-	33.5	-	22.5	0.8	-	23.3
Discontinued operations, net of tax (h)	204.1	66.7	65.7	67.1	(372.7)	(173.2)	55.9	(360.0)	(14.7)	2.2	(316.5)
Net earnings (loss) available to common shareholders	\$ 187.1	\$ 60.7	\$ 94.6	\$ 70.5	\$ (369.9)	\$ (144.1)	\$ 52.8	\$ (421.6)	\$ (14.8)	\$ 227.4	\$ (156.2)
GAAP Diluted weighted average shares outstanding	152.6	143.6	143.7	149.0	146.4	142.8	139.4	139.4	140.1	144.8	144.0
Diluted earnings (loss) per share	\$ 1.23	\$ 0.42	\$ 0.66	\$ 0.47	\$ (2.53)	\$ (1.01)	\$ 0.38	\$ (3.02)	\$ (0.11)	\$ 1.57	\$ (1.08)
Reconciliation of GAAP EPS to Adjusted EPS											
Net earnings (loss) available to common shareholder:	\$ 187.1	\$ 60.7	\$ 94.6	\$ 70.5	\$ (369.9)	\$ (144.1)	\$ 52.8	\$ (421.6)	\$ (14.8)	\$ 227.4	\$ (156.2)
Non-cash compensation expense	67.4	17.7	18.0	16.6	21.2	73.6	18.9	18.6	38.7	10.4	86.5
Amortization of non-cash marketing	37.1	0.5	23.5	9.1	16.6	49.7	2.8	3.1	6.1	8.0	20.0
Amortization of intangibles (a)	42.2	8.0	8.0	10.3	9.4	35.7	8.1	7.7	8.3	19.9	43.9
Goodwill impairment (a)	-	-	-	-	-	-	-	-	-	11.6	11.6
Arcandor Impairment (c)	-	-	-	-	-	-	-	132.6	-	34.1	166.7
Net other expense (income) related to fair value adjustment on derivatives (e)	9.3	0.3	(2.0)	(2.7)	(1.4)	(5.8)	(2.3)	1.8	-	-	(0.5)
Other expense (income) related to fair value adjustment of the derivative created in the sale of HSE24 (e)	-	-	(1.9)	(5.9)	(16.4)	(24.1)	(4.3)	(6.6)	5.1	-	(5.8)
Gain on sale of VUE and related effects (b)	14.9	2.1	2.0	2.1	(14.6)	(8.4)	1.6	1.8	1.8	1.5	6.8
(Gain) loss on sale of discontinued operations, net of tax	(9.6)	-	(35.1)	1.6	-	(33.5)	-	(22.5)	(0.8)	-	(23.3)
Discontinued operations, net of tax (h)	(204.1)	(66.7)	(65.7)	(67.1)	372.7	173.2	(55.9)	360.0	14.7	(2.2)	316.5
Impact of income taxes and minority interest	(69.0)	(6.7)	(18.0)	(9.2)	(12.5)	(46.3)	(11.0)	(49.3)	(79.4)	(61.1)	(200.8)
Adjusted Net Income	\$ 75.3	\$ 16.1	\$ 23.4	\$ 25.2	\$ 5.2	\$ 69.9	\$ 10.6	\$ 25.5	\$ (20.2)	\$ 249.6	\$ 265.5
Adjusted EPS weighted average shares outstanding (i)	162.9	155.1	154.4	152.3	149.7	152.9	146.5	146.2	140.1	147.9	147.2
Adjusted EPS	\$ 0.46	\$ 0.10	\$ 0.15	\$ 0.17	\$ 0.03	\$ 0.46	\$ 0.07	\$ 0.17	\$ (0.14)	\$ 1.69	\$ 1.80
GAAP Basic weighted average shares outstanding	152.6	143.6	143.7	142.5	141.6	142.8	139.4	139.4	140.1	140.5	139.9
Options, warrants and RSU's, treasury method	-	-	-	6.5	4.8	-	-	-	-	4.3	4.1
Conversion of convertible preferred and convertible notes (if applicable)	-	-	-	-	-	-	-	-	-	-	-
GAAP Diluted weighted average shares outstanding	152.6	143.6	143.7	149.0	146.4	142.8	139.4	139.4	140.1	144.8	144.0
Options, warrants, RSU's, treasury method not included in diluted shares above	6.7	7.5	6.7	-	-	6.8	3.1	2.8	-	-	-
Impact of RSU's and convertible preferred and notes (if applicable), net	3.6	4.0	4.0	3.4	3.3	3.2	4.1	4.0	-	3.1	3.3
Adjusted EPS shares outstanding (i)	162.9	155.1	154.4	152.3	149.7	152.9	146.5	146.2	140.1	147.9	147.2

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Financial Results and Reconciliations

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

	2006	2007					2008				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Supplemental: Depreciation by segment											
Media & Advertising	\$ 27.7	\$ 7.6	\$ 7.7	\$ 7.6	\$ 7.9	\$ 30.8	\$ 9.5	\$ 9.2	\$ 9.2	\$ 10.3	\$ 38.1
Match	7.5	1.8	1.8	2.0	2.1	7.6	2.1	2.2	2.2	2.3	8.8
ServiceMagic	1.7	0.5	0.6	0.7	0.8	2.6	0.8	0.8	0.8	0.8	3.2
Emerging Businesses	5.2	1.2	1.3	1.5	1.6	5.4	1.6	1.9	2.0	2.5	8.0
Corporate and other	10.7	3.1	3.3	3.4	3.6	13.5	3.3	3.4	3.2	3.0	12.8
Total Depreciation	\$ 52.9	\$ 14.2	\$ 14.7	\$ 15.1	\$ 15.9	\$ 59.9	\$ 17.3	\$ 17.5	\$ 17.3	\$ 19.0	\$ 71.1

- (a) Q4 2008 includes a pre-tax \$9.2 million impairment charge at Media & Advertising related to the intangible assets of the Excite, iWon and MyWay portal businesses and a pre-tax \$15 million impairment charge at Emerging Businesses related to the goodwill and intangible assets of Connected Ventures (combined \$10.3 million after-tax impact)
- (b) In Q4 2007, IAC recorded a pre-tax gain of \$16.7 million related to the Company's 2005 sale of its interest in VUE resulting from the resolution of certain contingencies related to the sale
- (c) In Q2 2008 and Q4 2008, IAC recorded a pre-tax loss of \$132.6 million and \$34.1 million respectively related to a write-down of the Company's investment in Arcandor AC
- (d) In Q4 2008 IAC recorded a pre-tax gain on the sale of Jupiter Shop Channel of \$352.0 million (\$242.5 million after-tax) and a pre-tax loss of \$18.8 million (\$18.8 million after-tax) relating to other investment
- (e) Changes in the fair value of the derivatives that were created in the Expedia spin-off completed in August 2005 are recorded as gains or losses in other income for the appropriate period. These derivatives arise due to IAC's obligation to deliver both IAC and Expedia shares upon the conversion of the Ask Convertible Notes (through June 1, 2008) and the exercise of certain IAC warrant
- (f) Changes in the fair value of the derivative asset received by the Company in connection with the sale of HSE24 are recorded as gains or losses in other income for the appropriate period
- (g) In Q3 2008, IAC recorded a pre-tax loss of \$63.2 million arising from the extinguishment of a portion of the 7% Senior Notes due in 2013 (\$38.3 million after-tax)
- (h) Discontinued operations consists of the results of ECS/Styleclick, TVTS, Quiz TV Limited and iBuy for all periods presented, PRC through November 28, 2006, HSE24 through June 19, 2007, EPI through May 30, 2008 and HSNi, Ticketmaster, Interval Leisure Group and Tree.com through August 20, 2008.
- (i) 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. In Q3 2008, the calculation of AEPS excludes the impact of all dilutive securities as the effect would be anti-dilutive

IAC**International Revenue**

(\$ in millions, rounding differences may exist)

	2006	2007					2008				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
International Revenue (a)	\$ 149	\$ 42	\$ 44	\$ 51	\$ 66	\$ 204	\$ 72	\$ 70	\$ 71	\$ 62	\$ 276
% of Total	15%	14%	14%	15%	17%	15%	19%	20%	19%	18%	19%

(a) Historical international revenue has been restated to reflect the impact of discontinued operations

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

IAC
MEDIA & ADVERTISING

(rounding differences may exist)

	2006	2007					2008				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Media & Advertising - Revenue by Traffic Source (a)											
Proprietary	63.8%	57.7%	57.9%	54.1%	52.1%	55.2%	61.6%	74.5%	71.5%	70.8%	69.2%
Network	36.2%	42.3%	42.1%	45.9%	47.9%	44.8%	38.4%	25.5%	28.5%	29.2%	30.8%

(a) Revenue by Traffic Source represents total Media and Advertising, which consists of proprietary properties such as Ask.com, Fun Web Products, Citysearch and Evite and network properties, which include distributed search, sponsored listings and toolbars.

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

**IAC
MATCH**

(rounding differences may exist)

	2006	2007					2008				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Match											
Paid Subscribers (000s)	1,275.9	1,338.9	1,312.8	1,308.8	1,286.5	1,286.5	1,352.2	1,326.5	1,342.1	1,347.3	1,347.3

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

IAC
SERVICEMAGIC

(rounding differences may exist)

	2006	2007					2008				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
ServiceMagic											
Service Requests (000s) (a)	2,476.2	784.8	978.5	854.1	720.7	3,338.1	880.8	1,315.1	1,201.3	852.7	4,249.9
Accepts (000s) (b)	2,960.6	913.7	1,098.0	1,051.7	959.6	4,022.9	1,175.6	1,505.2	1,411.1	1,114.4	5,206.3

(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.