

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 or 15(d) of the  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **November 11, 2003**

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**INTERACTIVECORP**

(Exact name of Registrant as specified in charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**0-20570**  
(Commission File Number)

**59-2712887**  
(IRS Employer  
Identification No.)

**152 West 57th Street, New York, NY**  
(Address of principal executive offices)

**10019**  
(Zip Code)

Registrant's telephone number, including area code:  
**(212) 314-7300**

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**ITEM 9. REGULATION FD DISCLOSURE**

On November 11, 2003, the Registrant held its IAC Investor Day 2003. A copy of the Registrant's financial presentations and reconciliations, appearing in Exhibits 99.1, 99.2 and 99.3 hereto, are being furnished pursuant to Regulation FD.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

INTERACTIVECORP

By:           /s/ DARA KHOSROWSHAHI          

Name: Dara Khosrowshahi  
Title: Executive Vice President and Chief Financial  
Officer

Date: November 11, 2003

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**EXHIBIT INDEX**

Exhibit No.	Description
99.1	Financial Presentation dated November 11, 2003.
99.2	Financial Presentation dated November 11, 2003.
99.3	Appendix: Reconciliation.

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QuickLinks

[ITEM 9. REGULATION FD DISCLOSURE](#)

[SIGNATURES](#)

[EXHIBIT INDEX](#)

# Recent Financial Results

**Dara Khosrowshahi**  
*Executive Vice President & CFO*

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[Link to searchable text of slide shown above](#)

# Revenue



IAC/InterActiveCorp

Includes results from continuing operations. 2002 is pro forma for Sprints.

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# OIBA



IAC/InterActiveCorp

Includes results from continuing operations. 2002 is pro forma for Sprints.

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## Q 3 P&L Summary

	Q3 03	Q3 02	GROWTH %
<small>\$ in millions, except per share data</small>			
<b>Revenue</b>	\$1,610	\$1,185	36%
<b>OIBA</b>	192	96	100%
<b>Net Income</b>	19	(37)	nm
<b>Diluted EPS</b>	\$0.02	\$(0.07)	nm
<b>Adjusted Net Income</b>	\$130	\$47	173%
<b>Adjusted Shares Outstanding</b>	786	688	14%
<b>Adjusted EPS</b>	\$0.17	\$0.07	153%

IAC/InterActiveCorp

Includes results from continuing operations.

[Link to searchable text of slide shown above](#)

## Q 3 Charges

	Q3 03	Q3 02	GROWTH %
<small>\$ in millions, except per share data</small>			
<b>OIBA after Charges</b>	192	96	100%
<b>CHARGES:</b>			
<b>Hotels.com</b>	4	-	
<b>TVTS Satellite Contract</b>	5	-	
<b>PRC Real Estate &amp; Software</b>	2	-	
<b>HSN Italy Write-Off</b>	-	31	
<b>Total Charges/OIBA Impact</b>	\$11	\$31	
<b>OIBA before Charges</b>	\$203	\$127	60%
<b>Adjusted Net Income before Charges</b>	\$141	\$79	79%

IAC/InterActiveCorp

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# Q3 Segment Financials

\$ in millions	REVENUE			OIBA		
	2002	2003	GROWTH %	2002	2003	GROWTH%
IAC Travel	\$459	\$734	60%	\$84	\$138	64%
Electronic Retailing	450	526	17%	8	48	515%
Ticketing	162	178	10%	26	32	25%
Personals	34	48	44%	5	10	107%
Local Services	8	29	283%	(7)	(18)	159%
Financial Services & Real Estate	-	24	nm	-	3	nm
Teleservices	75	76	1%	1	2	99%
Corporate & Other	(2)	(5)	nm	(21)	(23)	nm
<b>Total</b>	<b>\$1,185</b>	<b>\$1,610</b>	<b>36%</b>	<b>\$96</b>	<b>\$192</b>	<b>100%</b>

IAC/InterActiveCorp

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# Leverage



IAC/InterActiveCorp

Source: KQ public filing. YTD 2003 OIBA margin is below "normal" range in Q3 2003 as discussed on Q3 earnings release.

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# Free Cash Flow



IAC/InterActiveCorp

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# Travel Working Capital

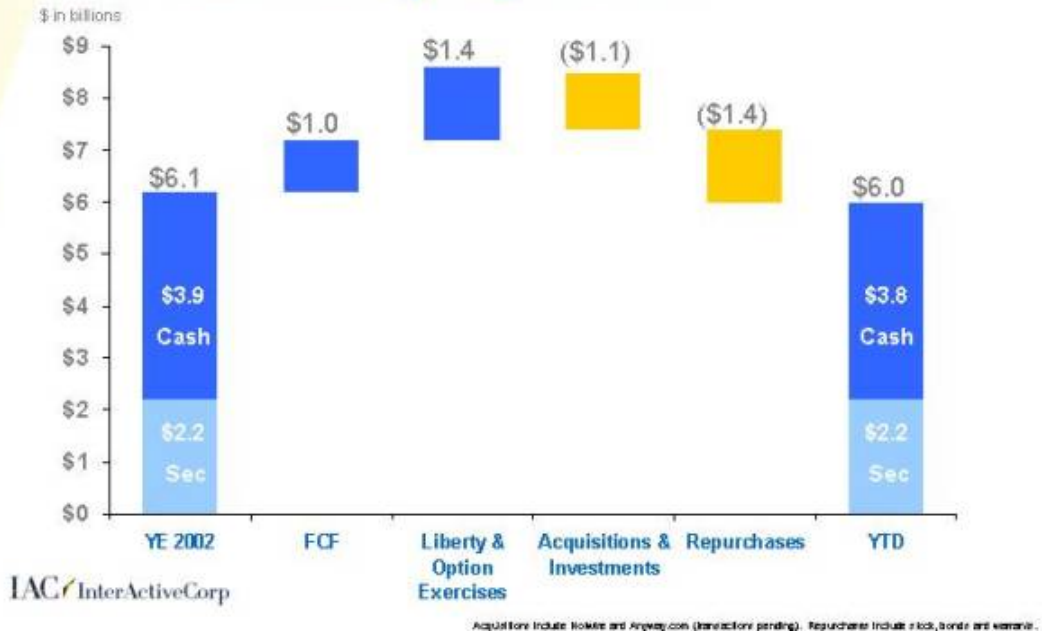
(Expedia & Hotels.com)

\$ in millions	2002	2003E
Increase in Gross Bookings	\$2,834	\$3,000+
Increase in Working Capital	\$220	\$310 - \$360
Increase in Working Capital as % of Gross Bookings Increase	~8%	~10%

IAC/InterActiveCorp

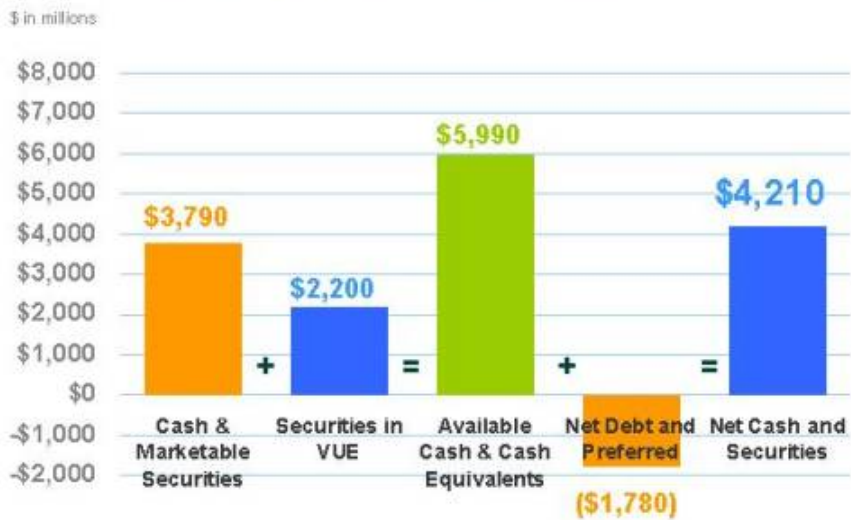
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# YTD Cash Deployment



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# Current Capitalization



IAC/InterActiveCorp

Proforma for acquisition of Hukkie and Arway.com (transaction pending).

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# Cash Cushion

\$ in millions

<b>Pro Forma 9/30/03 Cash Balance</b>	<b>\$3,790</b>
<b>Stock Repurchases (50m Shares @ \$35)</b>	<b>\$(1,750)</b>
<b>Available Cash</b>	<b>\$2,040</b>
<b>Cash Cushion (working capital, growth, acquisitions)</b>	<b>\$(1,500) - \$(2,000)</b>
<b>Excess Cash</b>	<b>\$40 - \$540</b>
<b>VUE Securities</b>	<b>\$2,200</b>
<b>Cash &amp; Securities Available</b>	<b>\$2,240 - \$2,740</b>

IAC/InterActiveCorp

\$2000 cash balance pro forma for acquisition of iStockphoto and Anway.com (transaction pending)

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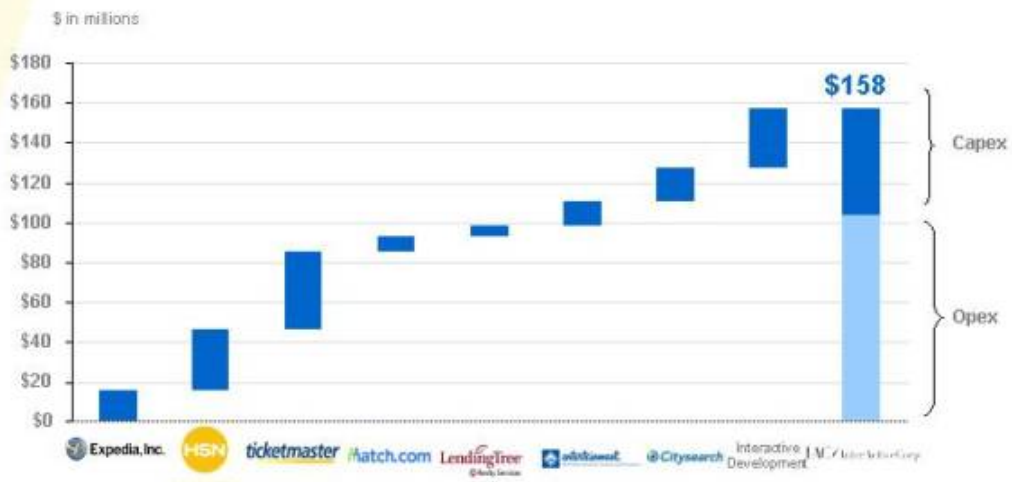
# 2004 Growth Initiatives



IAC/InterActiveCorp

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# 2004 Growth Initiatives



IAC/InterActiveCorp

[Link to searchable text of slide shown above](#)

# OIBA Growth Estimate



IAC/InterActiveCorp

[Link to searchable text of slide shown above](#)

# Perspective

- Focus on near term and long term financial performance
- Significant free cash flow generation
- Strong balance sheet
- Use business leverage to invest in growth initiatives

IAC/InterActiveCorp

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### Recent Financial Results

**Dara Khosrowshahi**  
*Executive Vice President & CFO*

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### Gross Transaction Value

[CHART]

IAC/InterActiveCorp

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### Revenue

[CHART]

Includes results from continuing operations. 2002 is pro forma for Expedia.

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### OIBA

[CHART]

Includes results from continuing operations. 2002 is pro forma for Expedia.

### Q3 P&L Summary

\$ in millions, except per share data	Q3 03		Q3 02		GROWTH %
Revenue	\$	1,610	\$	1,185	36 %
OIBA		192		96	100 %
Net Income		19		(37)	nm
Diluted EPS	\$	0.02	\$	(0.07)	nm
Adjusted Net Income	\$	130	\$	47	173 %
Adjusted Shares Outstanding		786		688	14 %
Adjusted EPS	\$	0.17	\$	0.07	153 %

Includes results from continuing operations.

### Q3 Charges

\$ in millions, except per share data	Q3 03		Q3 02		GROWTH %
OIBA after Charges		192		96	100 %
CHARGES:					
Hotels.com		4		—	
TVTS Satellite Contract		5		—	
PRC Real Estate & Software		2		—	
HSN Italy Write-Off		—		31	
Total Charges/OIBA Impact	\$	11	\$	31	
OIBA before Charges	\$	203	\$	127	60 %
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### Q3 Segment Financials

\$ in millions	REVENUE			OIBA		
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Financial Services & Real Estate	—	24	nm	—	3	nm
Teleservices	75	76	1 %	1	2	99 %
Corporate & Other	(2)	(5)	nm	(21)	(23)	nm
Total	\$ 1,185	\$ 1,610	36 %	\$ 96	\$ 192	100 %

### Leverage

#### SELLING & MARKETING as % OF REVENUE

[CHART]

Sources: IAC public filings. YTD 2003 OIBA margin is before "unusual" charges in Q3 03 as discussed on Q3 earnings release.

### Free Cash Flow

[CHART]

## Travel Working Capital (Expedia & Hotels. com)

\$ in millions	2002		2003E	
Increase in Gross Bookings	\$	2,834	\$	3,000+
Increase in Working Capital	\$	220	\$	310 - \$360
Increase in Working Capital as % of Gross Bookings Increase		~8%		~10%

## YTD Cash Deployment

[CHART]

Acquisitions include Hotwire and Anyway. com (transactions pending). Repurchases include stock, bonds and warrants.

## Current Capitalization

[CHART]

Proforma for acquisitions of Hotwire and Anyway. com (transaction pending).

## Cash Cushion

\$ in millions	
Pro Forma 9/30/03 Cash Balance	\$3,790
Stock Repurchases (50m Shares @ \$35)	\$(1,750)
Available Cash	\$2,040
Cash Cushion (working capital, growth, acquisitions)	\$(1,500) - \$(2,000)
Excess Cash	\$40 - \$540
VUE Securities	\$2,200
Cash & Securities Available	\$2,240 - \$2,740

9/30/03 cash balance pro forma for acquisitions of Hotwire and Anyway.com (transaction pending).

## 2004 Growth Initiatives

IAC/Travel	IAC/Electronic Retailing	IAC/Ticketing	IAC/Personals
• International	• Customer Service	• Upgrade of Core Technology	New products
• Corporate Travel	• Fulfillment capabilities	• International Rebuild	• Advanced Search
• New Products		• New products	• Community
			• Quizlets
			• Events
IAC/Local Services	IAC/Financial Services & Real Estate	Interactive Development	
• Online product	• Real Estate	• New ideas	
• Registered card	• New technology		
• Pay for Performance			

## 2004 Growth Initiatives

[CHART]

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## OIBA Growth Estimate

[CHART]

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## Perspective

- Focus on near term and long term financial performance
  - Significant free cash flow generation
  - Strong balance sheet
  - Use business leverage to invest in growth initiatives
-

# Long Term Goals

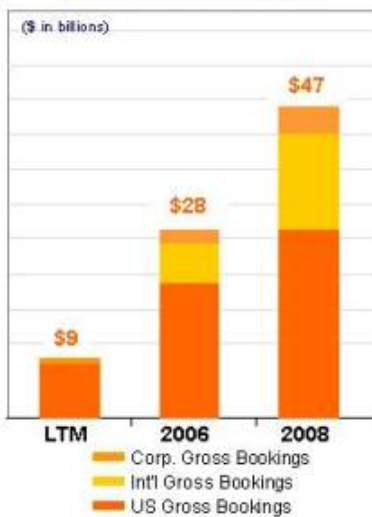
**Victor Kaufman**  
*Vice Chairman*

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## IAC/Travel

	LTM	2006	2008
Revenue	\$2,412	\$6,200	\$9,600
OIBA	445	1,200	2,000

IAC/Travel Gross Bookings Mix



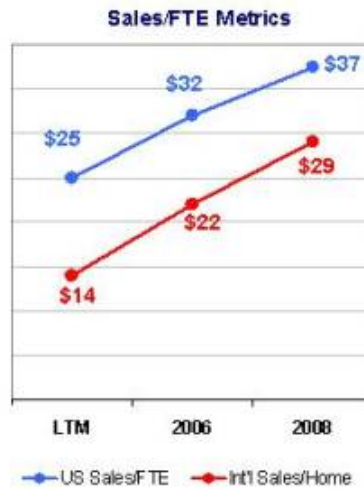
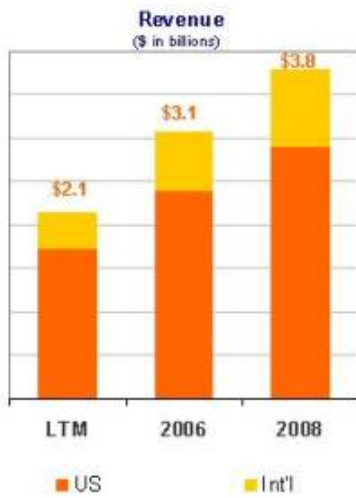
World Wide Travel Category & IACT Share



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# IAC Electronic Retailing

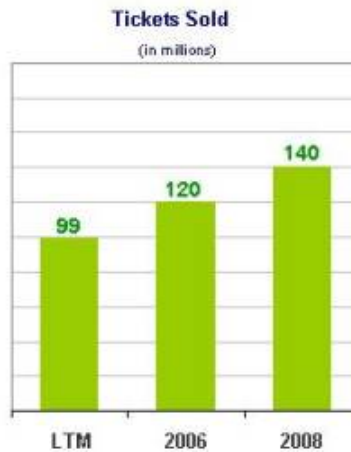
	LTM	2006	2008
Revenue	\$2,149	\$3,100	\$3,800
OIBA	204	380	550



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# IAC Ticketing

	LTM	2006	2008
Revenue	\$725	\$900	\$1,100
OIBA	133	200	280



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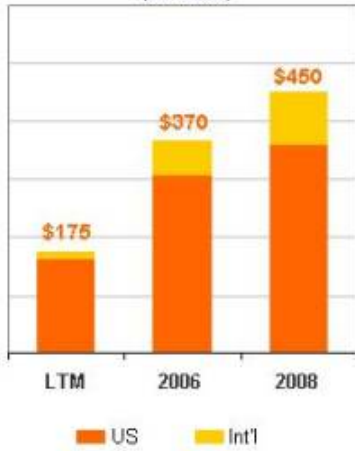


# IAC Personal

	LTM	2006	2008
Revenue	\$175	\$370	\$450
OIBA	33	80	100

Revenue

(\$ in millions)



Subscribers & Revenue/Sub



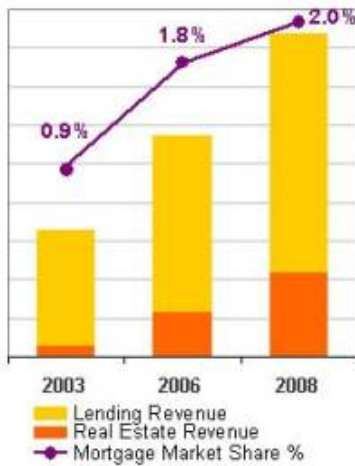
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# IAC Financial Services & Real Estate

	2003	2006	2008
Revenue	\$164	\$290	\$420
OIBA	29	90	130

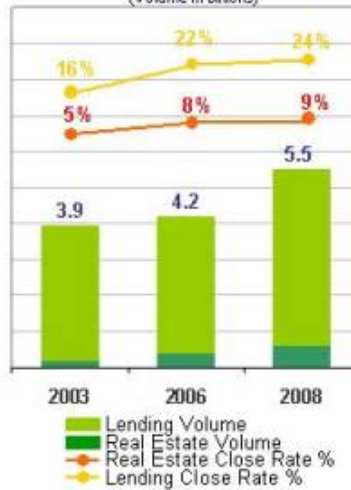
Revenue & Market Share

(\$ in millions)



Volume & Close Rates

(Volume in billions)



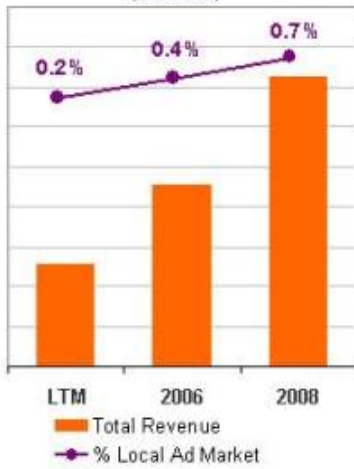
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# IAC Local Services

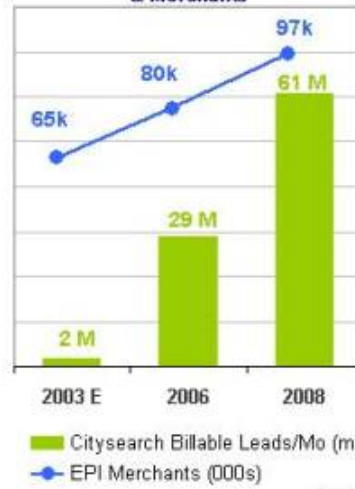
	LTM	2006	2008
Revenue	\$256	\$450	\$730
OIBA	24	90	150

## Revenue & Market Share

(\$ in millions)



## Billable Leads Per Month & Merchants

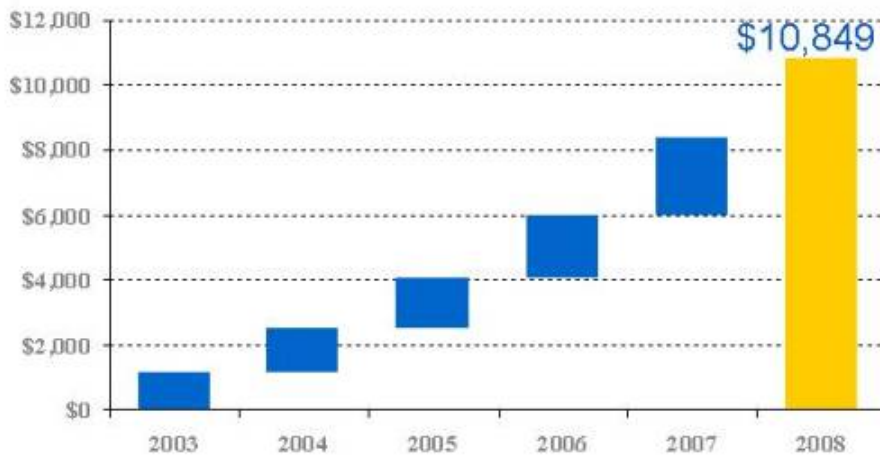


LTM pro forma for EPI acquisition.

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# Strong Cash Flow Generation

\$ in millions



IAC InterActiveCorp

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## Long Term Goal - Revenue

<i>\$ in millions</i>	LTM	2006	2008	'03 - '08 CAGR %
IAC Travel	\$2,412	\$6,200	\$9,600	30%
Electronic Retailing	2,149	3,100	3,800	11%
Ticketing	725	900	1,100	9%
Personals	175	370	450	19%
Local Services	256	450	730	26%
Financial Services & Real Estate	24	290	420	47%
Teleservices	294	360	440	9%
Inter-segment Eliminations	(16)	(40)	(50)	<i>nm</i>
<b>Total Revenue</b>	<b>\$6,018</b>	<b>\$11,600</b>	<b>\$16,500</b>	<b>21%</b>

IAC/InterActiveCorp

Local services in pro forma for SPL

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## Long Term Goal - OIBA

<i>\$ in millions</i>	LTM	2006	2008	'03 - '08 CAGR %
IAC Travel	\$445	\$1,200	\$2,000	32%
Electronic Retailing	204	380	550	20%
Ticketing	133	200	280	16%
Personals	33	80	100	28%
Local Services	24	90	150	49%
Financial Services & Real Estate	3	90	130	82%
Teleservices	10	25	35	35%
Corporate & Other	(97)	(160)	(210)	<i>nm</i>
<b>Total OIBA</b>	<b>\$755</b>	<b>\$1,900</b>	<b>\$3,000</b>	<b>30%</b>

IAC/InterActiveCorp

Local services in pro forma for SPL

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# P&L Impact

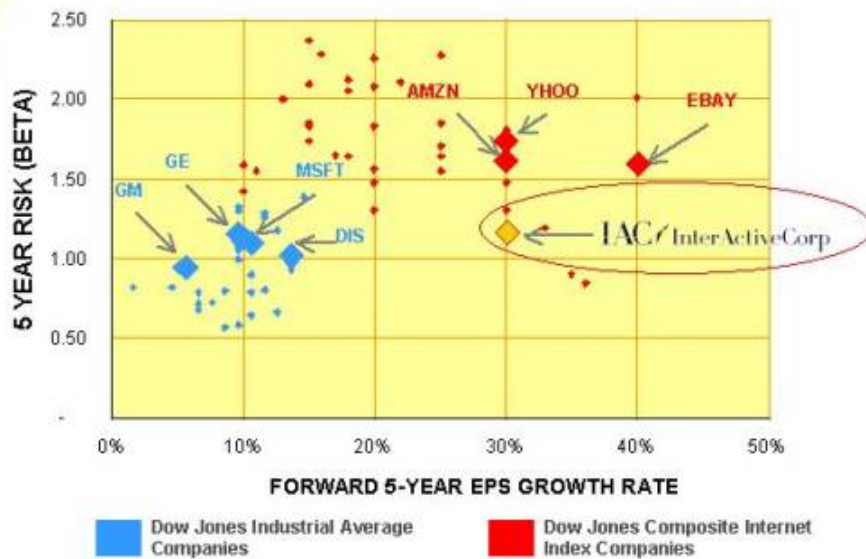
\$ in billions , except per share data

	2006	2008	'03 to '08 CAGR%
Revenue	\$11.6	\$16.5	~20%
Operating Income	1.6	2.8	~85%
OIBA	1.9	3.0	~30%
GAAP Diluted EPS	\$1.40	\$2.55	nm
Adjusted EPS	\$1.70	\$2.65	~30%

IAC/InterActiveCorp

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# The 'Value' of Growth Companies



IAC/InterActiveCorp

Beta represents 5-Year Beta. Source of EPS Growth rates: FirstCall consensus estimates, except IAC.

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# Q&A

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## Safe Harbor Statement Under The Private Securities Litigation Reform Act of 1995

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements relating to IAC's anticipated financial performance, business prospects, new developments, and similar matters, and/or statements preceded by, followed by or that include the words "believes," "could," "expects," "anticipates," "estimates," "intends," "plans," "projects," "seeks," or similar expressions. These forward-looking statements are necessarily estimates reflecting the best judgment of IAC's senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions that could have a material adverse effect on IAC's business, financial condition or results of operations. You should understand that the following important factors could affect IAC's future results and could cause those results to differ materially from those expressed in the forward-looking statements: (1) the risk that IAC's businesses will not be integrated successfully; (2) material adverse changes in economic conditions generally or in such conditions affecting IAC's markets or industries; (3) future regulatory and legislative actions and conditions affecting IAC's operating areas; (4) competition from others; (5) successful integration of our businesses' management structures; (6) product demand and market acceptance; (7) the ability to protect proprietary information and technology or to obtain necessary licenses on commercially reasonable terms; (8) the ability to maintain the integrity of IAC's systems and infrastructure; (9) the ability to expand into and successfully operate in foreign markets; (10) obtaining and retaining skilled workers and key executives; (11) acts of terrorism; and (12) war or political instability. In addition, investors should consider the other information contained in or incorporated by reference into IAC's filings with the U.S. Securities and Exchange Commission (the "SEC"), including its Annual Report on Form 10-K for the fiscal year ended 2002, especially in the Risk Factors and the Management's Discussion and Analysis sections, its Quarterly Reports on Form 10-Q and its Current Reports on Form 8-K. Other unknown or unpredictable factors also could have material adverse effects on IAC's future results, performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this presentation may not occur. These forward-looking statements should not be regarded as an indication that IAC considers them to be a reliable prediction of future events. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this presentation.

IAC does not make any representations to any person regarding the ultimate performance of IAC compared to the information contained in this presentation and IAC is not under any obligation and does not intend, except as specifically stated, to make publicly available any update or other revisions to any of the forward-looking statements contained in this presentation to reflect circumstances existing after the date hereof or to reflect the occurrence of future events even if experience or future events make it clear that any or all of the assumptions underlying the information contained herein are shown to be in error or any expected results expressed or implied by those forward-looking statements will not be realized.

IAC / InterActiveCorp

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## Searchable text section of graphics shown above

**IAC/Travel**

	LTM	2006	2008
Revenue	\$ 2,412	\$ 6,200	\$ 9,600
OIBA	445	1,200	2,000

[CHART]

[CHART]

**IAC/Electronic Retailing**

	LTM	2006	2008
Revenue	\$ 2,149	\$ 3,100	\$ 3,800
OIBA	204	380	550

[CHART]

[CHART]

**IAC/Ticketing**

	LTM	2006	2008
Revenue	\$ 725	\$ 900	\$ 1,100
OIBA	133	200	280

[CHART]

[CHART]

**IAC/Personals**

	LTM	2006	2008
Revenue	\$ 175	\$ 370	\$ 450
OIBA	33	80	100

[CHART]

[CHART]

**IAC/Financial Services & Real Estate**

	2003	2006	2008
Revenue	\$ 164	\$ 290	\$ 420
OIBA	29	90	130

[CHART]

[CHART]

**IAC/Local Services**

	LTM	2006	2008
Revenue	\$ 256	\$ 450	\$ 730
OIBA	24	90	150

[CHART]

[CHART]

LTM pro forma for EPI acquisition.

**Strong Cash Flow Generation**

[CHART]

## Long Term Goal - Revenue

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## Long Term Goal - OIBA

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Total OIBA	\$ 755	\$ 1,900	\$ 3,000	30 %

Local services is pro forma for EPI.

## P&amp;L Impact

\$ in billions, except per share data	2006	2008	'03 to '08 CAGR %
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OIBA	1.9	3.0	~30 %
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## The 'Value' of Growth Companies

[CHART]

Beta represents 5-Year Beta. Source of EPS Growth rates: FirstCall consensus estimates, except IAC.

## **Safe Harbor Statement Under The Private Securities Litigation Reform Act of 1995**

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements relating to IAC’s anticipated financial performance, business prospects, new developments, and similar matters, and/ or statements preceded by, followed by or that include the words “believes,” “could,” “expects,” “anticipates,” “estimates,” “intends,” “plans,” “projects,” “seeks,” or similar expressions. These forward-looking statements are necessarily estimates reflecting the best judgment of IAC’s senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions that could have a material adverse effect on IAC’s business, financial condition or results of operations. You should understand that the following important factors could affect IAC’s future results and could cause those results to differ materially from those expressed in the forward-looking statements: (1) the risk that IAC’s businesses will not be integrated successfully; (2) material adverse changes in economic conditions generally or in such conditions affecting IAC’s markets or industries; (3) future regulatory and legislative actions and conditions affecting IAC’s operating areas; (4) competition from others; (5) successful integration of our businesses’ management structures; (6) product demand and market acceptance; (7) the ability to protect proprietary information and technology or to obtain necessary licenses on commercially reasonable terms; (8) the ability to maintain the integrity of IAC’s systems and infrastructure; (9) the ability to expand into and successfully operate in foreign markets; (10) obtaining and retaining skilled workers and key executives, (11) acts of terrorism; and (12) war or political instability. In addition, investors should consider the other information contained in or incorporated by reference into IAC’s filings with the U. S. Securities and Exchange Commission (the “SEC”), including its Annual Report on Form 10-K for the fiscal year ended 2002, especially in the Risk Factors and the Management’s Discussion and Analysis sections, its Quarterly Reports on Form 10-Q and its Current Reports on Form 8-K. Other unknown or unpredictable factors also could have material adverse effects on IAC’s future results, performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this presentation may not occur. These forward-looking statements should not be regarded as an indication that IAC considers them to be a reliable prediction of future events. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this presentation.

IAC does not make any representations to any person regarding the ultimate performance of IAC compared to the information contained in this presentation and IAC is not under any obligation and does not intend, except as specifically stated, to make publicly available any update or other revisions to any of the forward-looking statements contained in this presentation to reflect circumstances existing after the date hereof or to reflect the occurrence of future events even if experience or future events make it clear that any or all of the assumptions underlying the information contained herein are shown to be in error or any expected results expressed or implied by those forward-looking statements will not be realized.

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# Appendix: Reconciliation

## Definitions

Operating Income Before Amortization ("OIBA") is defined as operating income plus: (1) amortization of non-cash distribution, marketing and compensation expense, (2) amortization of intangibles and goodwill impairment, if applicable, (3) pro forma adjustments for significant acquisitions and (4) one-time items. See below for explanations of these adjustments.

Adjusted Net Income generally captures all income statement items that have been, or ultimately will be, settled in cash and is defined as net income available to common shareholders plus: (1) amortization of non-cash distribution, marketing and compensation expense, (2) amortization of intangibles and goodwill impairment, if applicable, (3) pro forma adjustments for significant acquisitions, (4) equity income or loss from IAC's 5.44% interest in VUE, and (5) one-time items, net of related tax and minority interest.

Adjusted EPS is defined as Adjusted Net Income divided by weighted fully diluted shares outstanding for Adjusted EPS purposes. We include dilution from options and warrants per the treasury stock method and include all shares relating to restricted stock/share units ("RSU") in shares outstanding for Adjusted EPS. This differs from the GAAP method for including RSUs, which treats them on a treasury method basis. Shares outstanding for Adjusted EPS purposes are therefore higher than shares outstanding for GAAP EPS purposes.

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Section/Slide Title	Metric	Location of Existing Reconciliation
<b>Section: Electronic Retailing</b>		
Electronic Retailing Today	OIBA for HSN US 2003	Schedule 1
	OIBA for HSN Int'l 2003	Schedule 2
HSN U.S. Financial Summary	HSN US OIBA – 1999 to 2003E	Schedule 1
HSN U.S. Significant Competitive Opportunity	HSN EBITDA for Last Twelve Months	Schedule 3
International Consolidated Summary	HSN Int'l OIBA – 1999 to 2003E	Schedule 2
<b>Section: Ticketing</b>		
Results have been strong	OIBA – 2001, 2002 and LTM	Schedule 4, Schedule 10
5 year Growth build-up	OIBA – LTM and 2008E	Schedule 10

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# Index to Reconciliations

Section/Slide Title	Metric	Location of Existing Reconciliation
<b>Section: LendingTree</b>		
Historical Performance	OIBA for 2000 to 2003 YTD	Schedule 5
Long Range Plans	OIBA for 2004E to 2008E	Schedule 6

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# Index to Reconciliations

Section/Slide Title	Metric	Location of Existing Reconciliation
<b>Section: Recent Financial Results</b>		
OIBA	OIBA - FY 2002	Filed as part of exhibit 99.2 to IAC's Form 8-K filed on November 5, 2003.
	OIBA - YTD 2003	Filed as part of exhibit 99.1 to IAC's Form 8-K filed on November 5, 2003.
Q3 P&L Summary	OIBA – Q3 2003 and Q3 2002	Filed as part of exhibit 99.1 to IAC's Form 8-K filed on November 5, 2003.
	Adjusted net income – Q3 2003 and Q3 2002	
	Adjusted EPS – Q3 2003 and Q3 2002	
Q3 Segment Financials	OIBA by Segment – Q3 2003 and Q3 2002	Filed as part of exhibit 99.1 to IAC's Form 8-K filed on November 5, 2003.
Free Cash Flow	Free Cash Flow – FY 2002 and YTD 2003	Schedule 7
OIBA Growth Estimate	OIBA – 2003 E	Schedule 8
	OIBA – 2004 E	Filed as part of exhibit 99.3 to IAC's Form 8-K filed on November 5, 2003.

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# Index to Reconciliations

Section/Slide Title	Metric	Location of Existing Reconciliation
<b>Section: Long Term Goals</b>		
IAC Financial Services & Real Estate	OIBA – 2003 E	Schedule 5
Strong Cash Flow Generation	Cumulative Free Cash Flow – 2003E to 2008E	Schedule 9
Long Term Goal – OIBA	OIBA by Segment – LTM, 2006E and 2008E	Schedule 10, Schedule 11
P&L Impact	OIBA – 2006E and 2008E	Schedule 11
	Adjusted EPS – 2006E and 2008E	Schedule 11
	Adjusted EPS Shares Outstanding – 2006E and 2008E	Schedule 12

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# Reconciliations

(\$ in millions)

## Schedule 1 - HSN US OIBIA to Operating Income

			Pro Forma		
	1999	2000	2001	2002	2003E
OIBIA	\$ 161	\$ 158	\$ 121	\$ 163	\$ 189
Amortization	(30)	(32)	(34)	(33)	(51)
Operating income	<u>\$ 131</u>	<u>\$ 125</u>	<u>\$ 87</u>	<u>\$ 130</u>	<u>\$ 139</u>

## Schedule 2 - HSN Int'l OIBIA to Operating Income

			Pro Forma		
	1999	2000	2001	2002	2003E
OIBIA	\$ 8	\$ 10	\$ (26)	\$ (62)	\$ 31
Amortization	-	(1)	(1)	(1)	(1)
Operating income	<u>\$ 8</u>	<u>\$ 9</u>	<u>\$ (26)</u>	<u>\$ (62)</u>	<u>\$ 30</u>

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# Reconciliations

(\$ in millions)

## Schedule 3 - HSN EBITDA to Operating Income

	LTM
EBITDA	\$ 288
Depreciation	(48)
Amortization of Cable Fees	(60)
Amortization of Intangibles	(45)
Operating income	<u>\$ 135</u>

## Schedule 4 - Ticketing Reconciliations from OIBIA to Operating Income

	2001	2002
OIBIA	\$ 74	\$ 108
Amortization	(58)	(11)
Operating income	<u>\$ 16</u>	<u>\$ 97</u>

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# Reconciliations

(\$ in millions)

## Schedule 5 - LendingTree Reconciliations from OIBA to Operating Income

	2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Operating Income Before Amortization	\$ (19)	\$ (10)	\$ (13)	\$ (11)	\$ (7)	\$ (6)	\$ (3)	\$ (2)
Total Amortization	(1)	(1)	(2)	(2)	(3)	(5)	0	(2)
Operating Income	\$ (20)	\$ (11)	\$ (15)	\$ (13)	\$ (10)	\$ (11)	\$ (3)	\$ (4)

	2002				2003 E				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 E	FY
Operating Income Before Amortization	\$ 1	\$ 1	\$ 5	\$ 8	\$ 6	\$ 9	\$ 9	\$ 5	\$ 29
Total Amortization	(1)	(2)	(1)	(1)	(1)	(1)	(8)	(11)	(20)
Operating Income	\$ (1)	\$ (1)	\$ 4	\$ 6	\$ 6	\$ 8	\$ 1	\$ (6)	\$ 9

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# Reconciliations

(\$ in millions)

## Schedule 6 - LendingTree Reconciliations from OIBA to Operating Income

	FY 2004E	FY 2005E	FY 2006E	FY 2007E	FY 2008E
Operating Income Before Amortization	\$ 29	\$ 60	\$ 90	\$ 115	\$ 130
Total Amortization	(27)	(21)	(20)	(16)	(8)
Operating Income	\$ 2	\$ 39	\$ 70	\$ 99	\$ 122

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# Reconciliations

(\$ in millions)

## Schedule 7 – IAC Reconciliations from Free Cash Flow to Cash from Operations

	Q1 2002	Q2 2002	Q3 2002	Q4 2002	FY 2002	Q1 2003	Q2 2003	Q3 2003	2003 YTD
Net cash provided by Operating activities	\$107	\$251	\$106	\$154	\$778	\$476	\$463	\$206	\$1,145
Capital expenditures:	(27)	(46)	(34)	(55)	(162)	(34)	(53)	(43)	(130)
Investments to fund unconsolidated	(1)	(26)	(5)	(0)	(32)	-	-	-	-
Tax distributions from VUE	-	-	-	-	-	-	1	-	1
Preferred dividend paid	-	(4)	(3)	(3)	(10)	(3)	(3)	(3)	(10)
<b>FCF</b>	<b>\$100</b>	<b>\$175</b>	<b>\$143</b>	<b>\$96</b>	<b>\$575</b>	<b>\$439</b>	<b>\$400</b>	<b>\$160</b>	<b>\$1,007</b>

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# Reconciliations

(\$ in millions)

## Schedule 8 – IAC 2003 E OIBA High End Reconciliation to Operating Income

	2003 High Range Forecast
OIBA	\$ 825
Amortization	(529)
Merger costs	(11)
Operating income	<u>\$ 284</u>

## Schedule 9 – IAC Cumulative FCF to Cumulative Net Cash from Operations

	Cumulative FCF
Net Cash From Operations	\$ 12,706
Capital Expenditures	(1,778)
Preferred Dividend	(79)
<b>Free Cash Flow</b>	<b><u>\$ 10,849</u></b>

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# Reconciliations

## Schedule 10 - IAC Reconciliations from OIBA to Operating Income

(\$ in millions)

	IAC Travel			Electronic Retailing			Holding		
	LTM	2006E	2008E	LTM	2006E	2008E	LTM	2006E	2008E
OIBA	\$ 445	\$ 1,200	\$ 2,000	\$ 204	\$ 380	\$ 550	\$ 133	\$ 200	\$ 280
Amortization	(144)	(118)	(38)	(44)	(26)	(1)	(25)	(23)	(12)
Merger costs	(12)	-	-	-	-	-	(0)	-	-
Operating Income	\$ 289	\$ 1,082	\$ 1,962	\$ 160	\$ 354	\$ 549	\$ 108	\$ 177	\$ 268

	Personals			Local Services			Financial Services & Real Estate		
	LTM	2006E	2008E	LTM	2006E	2008E	LTM	2006E	2008E
OIBA	\$ 33	\$ 80	\$ 100	\$ 24	\$ 90	\$ 150	\$ 3	\$ 90	\$ 130
Amortization	(11)	(2)	-	(54)	(6)	(5)	(8)	(20)	(8)
Merger costs	-	-	-	(4)	-	-	-	-	-
Operating Income	\$ 22	\$ 78	\$ 100	\$ (34)	\$ 84	\$ 145	\$ (5)	\$ 70	\$ 122

	Teleservices			Corporate and Other			Total IAC		
	LTM	2006E	2008E	LTM	2006E	2008E	LTM	2006E	2008E
OIBA	\$ 10	\$ 25	\$ 35	\$ (97)	\$ (160)	\$ (210)	\$ 755	\$ 1,900	\$ 3,000
Amortization	-	-	-	(97)	(134)	(111)	(383)	(329)	(176)
Merger costs	-	-	-	-	-	-	(16)	-	-
Operating Income	\$ 10	\$ 25	\$ 35	\$ (194)	\$ (294)	\$ (321)	\$ 355	\$ 1,571	\$ 2,824

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# Reconciliations

## Schedule 11 - IAC Reconciliations from GAAP EPS to Adjusted EPS

\$ in billions except per share data

	2006E	2008E
<b>OIBA</b>	\$ 1.9	\$ 3.0
Amortization	(0.3)	(0.2)
<b>Operating Income</b>	1.6	2.8
Interest and Other Income	0.2	0.3
Income before Taxes and Minority Interest	1.8	3.1
Income Taxes	(0.7)	(1.2)
Minority Interest	(0.0)	(0.0)
Net Income before Preferred	1.1	1.9
Preferred Dividend	-	(0.0)
<b>Net Income Available to Common Shareholders</b>	1.1	1.9
GAAP Diluted Shares (in millions)	755	730
<b>GAAP EPS</b>	\$ 1.46	\$ 2.55

### Adjusted Net Income Calculation

	2006E	2008E
Net Income	1.1	1.9
Amortization of non-cash items and intangibles	0.3	0.2
Impact of income taxes and minority interest	(0.1)	(0.1)
<b>Adjusted Net Income</b>	\$ 1.3	\$ 2.0
Adjusted Outstanding Shares (in millions)	766	741
<b>Adjusted EPS</b>	\$1.70	\$2.65

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# Reconciliations

## Schedule 12 - IAC Reconciliations from GAAP Diluted Shares to Adjusted EPS Shares

(in millions)

	2006 E	2008 E
Basic Shares Outstanding	668	642
Treasury method options, warrants and restricted stock	65	65
Epicdis Preferred	22	23
GAAP Diluted Shares Outstanding	755	730
Additional restricted shares for calculating Adjusted EPS	11	10
Adjusted EPS shares outstanding	766	741



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### Appendix: Reconciliation

#### Definitions

Operating Income Before Amortization (“OIBA”) is defined as operating income plus: (1) amortization of non-cash distribution, marketing and compensation expense, (2) amortization of intangibles and goodwill impairment, if applicable, (3) pro forma adjustments for significant acquisitions and (4) one-time items. See below for explanations of these adjustments.

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#### Index to Reconciliations

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	Adjusted EPS—2006E and 2008E	Schedule 11
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Amortization	(30)	(32)	(34)	(33)	(51)

Operating income	\$	131	\$	125	\$	87	\$	130	\$	139
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### Schedule 2 - HSN Int'l OIBA to Operating Income

	1999		2000		Pro Forma 2001		2002		2003E	
OIBA	\$	8	\$	10	\$	(26)	\$	(62)	\$	31
Amortization		—		(1)		(1)		(1)		(1)
Operating income	\$	8	\$	9	\$	(26)	\$	(62)	\$	30

### Reconciliations

(\$ in millions)

### Schedule 3 - HSN EBITDA to Operating Income

	LTM	
EBITDA	\$	288
Depreciation		(48)
Amortization of Cable Fees		(60)
Amortization of intangibles		(45)
Operating income	\$	135

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OIBA	\$	74	\$	108
Amortization		(58)		(11)
Operating income	\$	16	\$	97

### Reconciliations

### Schedule 5 - LendingTree Reconciliations from OIBA to Operating Income (\$ in millions)

	2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Operating Income Before Amortization	\$ (19)	\$ (18)	\$ (13)	\$ (11)	\$ (7)	\$ (6)	\$ (3)	\$ (2)
Total Amortization	(1)	(1)	(2)	(2)	(3)	(5)	0	(2)
Operating Income	\$ (20)	\$ (19)	\$ (15)	\$ (13)	\$ (10)	\$ (11)	\$ (3)	\$ (4)

	2002				2003 E				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 E	FY
Operating Income Before Amortization	\$ 1	\$ 1	\$ 5	\$ 8	\$ 6	\$ 9	\$ 9	\$ 5	\$ 29
Total Amortization	(1)	(2)	(1)	(1)	(1)	(1)	(8)	(11)	(20)
Operating Income	\$ (1)	\$ (1)	\$ 4	\$ 6	\$ 6	\$ 8	\$ 1	\$ (6)	\$ 9

### Reconciliations

Schedule 6 - LendingTree Reconciliations from OIBA to Operating Income

	FY 2004E	FY 2005E	FY 2006E	FY 2007E	FY 2008E
<b>Operating Income Before Amortization</b>	\$ 29	\$ 60	\$ 90	\$ 115	\$ 130
Total Amortization	(27)	(21)	(20)	(16)	(8)
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Reconciliations

(\$ in millions)

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Net cash provided by Operating activities	\$187	\$251	\$186	\$154	\$778	\$476	\$463	\$206	\$1,145
Capital expenditures	(27)	(46)	(34)	(55)	(162)	(34)	(53)	(43)	(130)
Investments to fund unconsol subs	(1)	(26)	(5)	(0)	(32)	—	—	—	—
Tax distributions from VUE	—	—	—	—	—	—	1	—	1
Preferred dividend paid	—	(4)	(3)	(3)	(10)	(3)	(3)	(3)	(10)
<b>FCF</b>	<u>\$160</u>	<u>\$175</u>	<u>\$143</u>	<u>\$96</u>	<u>\$575</u>	<u>\$439</u>	<u>\$408</u>	<u>\$160</u>	<u>\$1,007</u>

Reconciliations

(\$ in millions)

Schedule 8 - IAC 2003 E OIBA High End Reconciliation to Operating Income

	2003 High Range Forecast
OIBA	\$ 825
Amortization	(529)
Merger costs	(11)
<b>Operating income</b>	<u>\$ 284</u>

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Net Cash From Operations	\$ 12,706
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Preferred Dividend	(79)
<b>Free Cash Flow</b>	<u>\$ 10,849</u>

Reconciliations

(\$ in millions)

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Merger costs	—	—	—	—	—	—	(16)	—	—
Operating Income	\$ 10	\$ 25	\$ 35	\$ (194)	\$ (294)	\$ (321)	\$ 355	\$ 1,571	\$ 2,824

### Reconciliations

#### Schedule 11 - IAC Reconciliations from GAAP EPS to Adjusted EPS

\$ in billions except per share data

	2006E	2008E
<b>OIBA</b>	<b>\$ 1.9</b>	<b>\$ 3.0</b>
Amortization	(0.3)	(0.2)
<b>Operating Income</b>	<b>1.6</b>	<b>2.8</b>
Interest and Other Income	0.2	0.3
Income before Taxes and Minority Interest	1.8	3.1
Income Taxes	(0.7)	(1.2)
Minority Interest	(0.0)	(0.0)
Net Income before Preferred	1.1	1.9
Preferred Dividend	—	(0.0)
<b>Net Income Available to Common Shareholders</b>	<b>1.1</b>	<b>1.9</b>
GAAP Diluted Shares (in millions)	755	730
<b>GAAP EPS</b>	<b>\$ 1.40</b>	<b>\$ 2.55</b>
<b>Adjusted Net Income Calculation</b>		
Net Income	1.1	1.9
Amortization of non-cash items and intangibles	0.3	0.2
Impact of income taxes and minority interest	(0.1)	(0.1)
<b>Adjusted Net Income</b>	<b>\$ 1.3</b>	<b>\$ 2.0</b>
Adjusted Outstanding Shares (in millions)	766	741
<b>Adjusted EPS</b>	<b>\$ 1.70</b>	<b>\$ 2.65</b>

### Reconciliations

#### Schedule 12 - IAC Reconciliations from GAAP Diluted Shares to Adjusted EPS Shares

	2006E	2008E
Basic Shares Outstanding	668	642
Treasury method options, warrants and restricted stock	65	65
Expedia Preferred	22	23
GAAP Diluted Shares Outstanding	755	730
Additional restricted shares for calculating Adjusted EPS	11	10
Adjusted EPS shares outstanding	766	741

