

IAC
Q2 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 | \$ 351.4 | | | |
| The Match Group | 805.4 | 211.2 | 214.3 | 230.2 | 241.5 | 897.2 | 239.2 | 254.7 | | | |
| Media | 191.4 | 36.4 | 36.7 | 49.9 | 58.9 | 181.8 | 43.6 | 36.2 | | | |
| eCommerce | 422.1 | 94.8 | 109.9 | 107.8 | 122.7 | 435.4 | 107.0 | 129.0 | | | |
| Intercompany Elimination | (0.9) | (0.2) | (0.3) | (0.3) | (0.3) | (1.1) | (0.2) | (0.1) | | | |
| Total revenue | <u>\$ 3,023.0</u> | <u>\$ 740.2</u> | <u>\$ 756.3</u> | <u>\$ 782.2</u> | <u>\$ 830.8</u> | <u>\$ 3,109.5</u> | <u>\$ 772.5</u> | <u>\$ 771.1</u> | | | |
| Adjusted EBITDA | | | | | | | | | | | |
| Search & Applications | \$ 385.9 | \$ 82.1 | \$ 91.3 | \$ 93.1 | \$ 95.6 | \$ 362.0 | \$ 78.9 | \$ 72.9 | | | |
| The Match Group | 266.9 | 47.4 | 69.4 | 61.4 | 86.6 | 264.7 | 25.9 | 64.8 | | | |
| Media | (17.0) | (7.9) | (8.9) | (7.7) | (12.2) | (36.7) | (14.6) | (15.5) | | | |
| eCommerce | 22.9 | 2.8 | 4.5 | 3.9 | 6.1 | 17.3 | (3.1) | 2.7 | | | |
| Corporate | (60.4) | (16.3) | (14.8) | (16.1) | (16.0) | (63.3) | (11.9) | (16.3) | | | |
| Total Adjusted EBITDA | <u>\$ 598.3</u> | <u>\$ 108.1</u> | <u>\$ 141.4</u> | <u>\$ 134.6</u> | <u>\$ 160.0</u> | <u>\$ 544.1</u> | <u>\$ 75.2</u> | <u>\$ 108.7</u> | | | |
| Stock-based compensation expense | | | | | | | | | | | |
| Search & Applications | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | |
| The Match Group | (1.1) | - | (0.2) | (0.1) | 0.6 | 0.3 | (0.6) | (2.1) | | | |
| Media | (0.6) | (0.2) | (0.2) | (0.2) | (0.2) | (0.6) | (0.1) | (0.1) | | | |
| eCommerce | - | - | - | (0.1) | (0.4) | (0.6) | (0.4) | (0.4) | | | |
| Corporate | (51.3) | (9.4) | (16.2) | (16.9) | (16.2) | (58.7) | (17.7) | (23.3) | | | |
| Total stock-based compensation expense | <u>\$ (53.0)</u> | <u>\$ (9.6)</u> | <u>\$ (16.6)</u> | <u>\$ (17.3)</u> | <u>\$ (16.1)</u> | <u>\$ (59.6)</u> | <u>\$ (18.9)</u> | <u>\$ (25.9)</u> | | | |
| Depreciation | | | | | | | | | | | |
| Search & Applications | \$ (18.2) | \$ (4.5) | \$ (5.1) | \$ (3.6) | \$ (3.3) | \$ (16.5) | \$ (3.6) | \$ (3.7) | | | |
| The Match Group | (20.2) | (5.8) | (5.6) | (5.8) | (8.4) | (25.6) | (7.1) | (6.6) | | | |
| Media | (2.1) | (0.3) | (0.2) | (0.2) | (0.2) | (0.9) | (0.2) | (0.2) | | | |
| eCommerce | (8.9) | (1.7) | (1.9) | (2.0) | (2.4) | (8.0) | (2.0) | (2.1) | | | |
| Corporate | (9.5) | (2.5) | (2.5) | (2.6) | (2.6) | (10.1) | (2.7) | (2.9) | | | |
| Total depreciation | <u>\$ (58.9)</u> | <u>\$ (14.8)</u> | <u>\$ (15.3)</u> | <u>\$ (14.1)</u> | <u>\$ (16.9)</u> | <u>\$ (61.2)</u> | <u>\$ (15.6)</u> | <u>\$ (15.5)</u> | | | |
| Amortization of intangibles | | | | | | | | | | | |
| Search & Applications | \$ (27.6) | \$ (7.3) | \$ (8.4) | \$ (9.1) | \$ (9.1) | \$ (33.9) | \$ (7.0) | \$ (6.9) | | | |
| The Match Group | (17.1) | (1.8) | (1.7) | (3.3) | (4.6) | (11.4) | (3.9) | (5.9) | | | |
| Media | (1.1) | (0.3) | (0.7) | (0.6) | (0.5) | (2.1) | (0.4) | (0.4) | | | |
| eCommerce | (14.1) | (2.6) | (2.6) | (3.3) | (1.9) | (10.5) | (1.3) | (1.2) | | | |
| Corporate | - | - | - | - | - | - | - | - | | | |
| Total amortization of intangibles | <u>\$ (59.8)</u> | <u>\$ (12.0)</u> | <u>\$ (13.4)</u> | <u>\$ (16.5)</u> | <u>\$ (16.1)</u> | <u>\$ (57.9)</u> | <u>\$ (12.6)</u> | <u>\$ (14.4)</u> | | | |
| Acquisition-related contingent consideration fair value adjustments | | | | | | | | | | | |
| Search & Applications | \$ - | \$ - | \$ - | \$ - | \$ (0.3) | \$ (0.3) | \$ (4.0) | \$ 6.3 | | | |
| The Match Group | (0.3) | - | (0.7) | 14.3 | (0.7) | 12.9 | 11.0 | 1.2 | | | |
| Media | - | - | 0.2 | - | - | 0.2 | - | 2.4 | | | |
| eCommerce | - | - | - | - | 0.6 | 0.6 | - | - | | | |
| Corporate | - | - | - | - | - | - | - | - | | | |
| Total acquisition-related contingent consideration fair value adjustments | <u>\$ (0.3)</u> | <u>\$ -</u> | <u>\$ (0.5)</u> | <u>\$ 14.3</u> | <u>\$ (0.4)</u> | <u>\$ 13.4</u> | <u>\$ 7.0</u> | <u>\$ 10.0</u> | | | |

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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 | \$ 68.6 | | | |
| The Match Group | 228.2 | 39.8 | 61.2 | 66.4 | 73.5 | 240.9 | 25.3 | 51.4 | | | |
| Media | (20.8) | (8.6) | (9.8) | (8.7) | (13.1) | (40.2) | (15.4) | (13.8) | | | |
| eCommerce | (0.1) | (1.6) | 0.0 | (1.6) | 1.9 | (1.3) | (6.9) | (1.0) | | | |
| Corporate | (121.2) | (28.3) | (33.5) | (35.5) | (34.8) | (132.1) | (32.3) | (42.5) | | | |
| 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> | <u>\$ 62.8</u> | | | |
| Interest expense | (33.6) | (14.1) | (14.0) | (14.0) | (14.2) | (56.3) | (14.1) | (15.2) | | | |
| Other income (expense), net | 23.7 | (2.0) | (69.8) | 3.5 | 15.7 | (52.5) | 7.0 | (1.6) | | | |
| Earnings from continuing operations before income taxes | 416.3 | 55.7 | 11.9 | 90.4 | 111.9 | 269.9 | 28.0 | 45.9 | | | |
| Income tax (provision) benefit | (134.5) | (21.4) | (29.9) | 59.8 | (43.9) | (35.4) | (6.2) | 12.0 | | | |
| Earnings (loss) from continuing operations | 281.8 | 34.3 | (18.0) | 150.3 | 68.0 | 234.6 | 21.9 | 57.9 | | | |
| Earnings (loss) from discontinued operations, net of tax | 1.9 | (0.8) | (0.9) | 175.7 | 0.6 | 174.7 | 0.1 | (0.2) | | | |
| Net earnings (loss) | 283.7 | 33.5 | (18.9) | 326.0 | 68.6 | 409.2 | 22.0 | 57.7 | | | |
| Net loss attributable to noncontrolling interests | 2.1 | 2.4 | 0.9 | 0.8 | 1.6 | 5.6 | 4.4 | 1.6 | | | |
| 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> | <u>\$ 59.3</u> | | | |
| GAAP diluted weighted average shares outstanding | 86.7 | 87.2 | 83.2 | 88.8 | 89.5 | 88.6 | 88.8 | 87.1 | | | |
| 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> | <u>\$ 0.68</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 | \$ 59.3 | | | |
| Stock-based compensation expense | 53.0 | 9.6 | 16.6 | 17.3 | 16.1 | 59.6 | 18.9 | 25.9 | | | |
| Amortization of intangibles | 59.8 | 12.0 | 13.4 | 16.5 | 16.1 | 57.9 | 12.6 | 14.4 | | | |
| Acquisition-related contingent consideration fair value adjustments | 0.3 | - | 0.5 | (14.3) | 0.4 | (13.4) | (7.0) | (10.0) | | | |
| 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) | 0.2 | | | |
| Impact of income taxes and noncontrolling interests | (43.0) | (7.6) | (11.2) | (38.1) | (12.5) | (69.3) | (12.4) | (15.2) | | | |
| Adjusted Net Income | \$ 358.1 | \$ 51.6 | \$ 3.2 | \$ 82.0 | \$ 89.7 | \$ 226.5 | \$ 38.4 | \$ 74.6 | | | |
| Adjusted EPS weighted average shares outstanding (a) | 87.2 | 87.5 | 89.1 | 89.2 | 89.9 | 88.9 | 89.1 | 87.5 | | | |
| 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> | <u>\$ 0.85</u> | | | |
| GAAP Basic weighted average shares outstanding | 83.5 | 82.5 | 83.2 | 83.6 | 83.9 | 83.3 | 83.5 | 82.4 | | | |
| Options, warrants and RSUs, treasury method | 3.3 | 4.7 | - | 5.2 | 5.6 | 5.3 | 5.3 | 4.7 | | | |
| GAAP Diluted weighted average shares outstanding | 86.7 | 87.2 | 83.2 | 88.8 | 89.5 | 88.6 | 88.8 | 87.1 | | | |
| 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 | 0.4 | | | |
| 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> | <u>87.5</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.

IAC
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 | \$ 164.8 | | | |
| Applications (b) | 818.0 | 194.3 | 190.5 | 185.6 | 190.1 | 760.5 | 193.2 | 186.5 | | | |
| Total Search & Applications | \$ 1,604.9 | \$ 398.0 | \$ 395.7 | \$ 394.7 | \$ 407.8 | \$ 1,596.3 | \$ 382.9 | \$ 351.4 | | | |
| | | | | | | | | | | | |
| Websites Page Views (c) | 32,077 | 8,276 | 7,731 | 7,103 | 6,917 | 30,027 | 6,385 | 5,448 | | | |
| Applications Queries (b) | 22,983 | 5,183 | 5,076 | 4,456 | 4,631 | 19,346 | 5,081 | 5,501 | | | |

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

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

(c) Websites page views include Ask.com, About.com, CityGrid, Dictionary.com, Investopedia.com and PriceRunner.com.

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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 | \$ 155.0 | | | |
| International (b) | 264.5 | 70.5 | 69.5 | 68.9 | 70.4 | 279.3 | 64.9 | 67.9 | | | |
| 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> | <u>\$ 222.9</u> | | | |
| Dating Paid Subscribers (in thousands) | | | | | | | | | | | |
| North America (a) | 2,286 | 2,389 | 2,430 | 2,462 | 2,398 | 2,398 | 2,702 | 2,691 | | | |
| International (b) | 1,071 | 1,079 | 1,070 | 1,149 | 1,108 | 1,108 | 1,310 | 1,439 | | | |
| 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> | <u>4,130</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 | 2,804 | | | |
| Domestic Accepts (b) | 7,151 | 1,635 | 2,118 | 2,164 | 1,871 | 7,788 | 2,233 | 2,978 | | | |
| International Service Requests (a) | 896 | 234 | 266 | 237 | 261 | 998 | 284 | 298 | | | |
| International Accepts (b) | 1,633 | 518 | 538 | 423 | 491 | 1,970 | 548 | 454 | | | |

(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.