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IAC/INTERACTIVECORP

FORM 10-Q
(Quarterly Report)

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As filed with the Securities and Exchange Commission on May 9, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended March 31, 2012

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 0-20570

IAC/INTERACTIVECORP

(Exact name of registrant as specified in its charter)

Delaware	**59-2712887**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

555 West 18th Street, New York, New York 10011
(Address of registrant's principal executive offices)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 27, 2012, the following shares of the registrant's common stock were outstanding:

Common Stock	75,916,475
Class B Common Stock	5,789,499
Total outstanding Common Stock	81,705,974

The aggregate market value of the voting common stock held by non-affiliates of the registrant as of April 27, 2012 was $3,697,700,632. For the purpose of the foregoing calculation only, all directors and executive officers of the registrant are assumed to be affiliates of the registrant.

PART I
FINANCIAL INFORMATION

Item 1. ***Consolidated Financial Statements***

IAC/INTERACTIVECORP

CONSOLIDATED BALANCE SHEET

	March 31, 2012 (unaudited)	December 31, 2011 (audited)
	(In thousands, except share data)	
ASSETS		
Cash and cash equivalents	$ 624,096	$ 704,153
Marketable securities	151,549	165,695
Accounts receivable, net of allowance of $7,643 and $7,309, respectively	181,804	177,030
Other current assets	120,200	112,255
Total current assets	1,077,649	1,159,133
Property and equipment, net	255,701	259,588
Goodwill	1,356,183	1,358,524
Intangible assets, net	372,960	378,107
Long-term investments	206,953	173,752
Other non-current assets	83,032	80,761
TOTAL ASSETS	$ 3,352,478	$ 3,409,865
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Current maturities of long-term debt	$ 15,844	$ —
Accounts payable, trade	58,400	64,398
Deferred revenue	145,916	126,297
Accrued expenses and other current liabilities	304,627	343,490
Total current liabilities	524,787	534,185
Long-term debt, net of current maturities	80,000	95,844
Income taxes payable	455,312	450,533
Deferred income taxes	312,209	302,213
Other long-term liabilities	16,023	16,601
Redeemable noncontrolling interests	57,927	50,349
Commitments and contingencies		
SHAREHOLDERS' EQUITY:		
Common stock $.001 par value; authorized 1,600,000,000 shares; issued 238,356,709 and 234,100,950 shares, respectively, and outstanding 76,436,159 and 77,126,881 shares, respectively	238	234
Class B convertible common stock $.001 par value; authorized 400,000,000 shares; issued 16,157,499 shares and outstanding 5,789,499 shares	16	16
Additional paid-in capital	11,390,661	11,280,173
Accumulated deficit	(443,307)	(477,785)
Accumulated other comprehensive income (loss)	18,453	(12,443)
Treasury stock 172,288,550 and 167,342,069 shares, respectively	(9,110,193)	(8,885,146)
Total IAC shareholders' equity	1,855,868	1,905,049
Noncontrolling interests	50,352	55,091
Total shareholders' equity	1,906,220	1,960,140
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 3,352,478	$ 3,409,865

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

IAC/INTERACTIVECORP

CONSOLIDATED STATEMENT OF OPERATIONS

(Unaudited)

	Three Months Ended March 31,	
	2012	2011
	(In thousands, except per share data)	
Revenue	$ 640,600	$ 460,213
Costs and expenses:		
Cost of revenue (exclusive of depreciation shown separately below)	223,571	172,718
Selling and marketing expense	219,838	140,250
General and administrative expense	91,788	76,291
Product development expense	23,482	17,722
Depreciation	12,115	13,439
Amortization of intangibles	7,041	2,457
Total costs and expenses	577,835	422,877
Operating income	62,765	37,336
Equity in losses of unconsolidated affiliates	(5,901)	(1,879)
Other income, net	1,409	752
Earnings from continuing operations before income taxes	58,273	36,209
Income tax provision	(27,120)	(16,041)
Earnings from continuing operations	31,153	20,168
Earnings (loss) from discontinued operations, net of tax	3,684	(1,948)
Net earnings	34,837	18,220
Net earnings attributable to noncontrolling interests	(359)	(150)
Net earnings attributable to IAC shareholders	$ 34,478	$ 18,070
Per share information attributable to IAC shareholders:		
Basic earnings per share from continuing operations	$ 0.37	$ 0.22
Diluted earnings per share from continuing operations	$ 0.34	$ 0.21
Basic earnings per share	$ 0.42	$ 0.20
Diluted earnings per share	$ 0.38	$ 0.19
Dividends declared per share	$ 0.12	$ —
Non-cash compensation expense by function:		
Cost of revenue	$ 1,724	$ 1,082
Selling and marketing expense	1,122	1,035
General and administrative expense	17,117	16,400
Product development expense	1,503	1,644
Total non-cash compensation expense	$ 21,466	$ 20,161

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

IAC/INTERACTIVECORP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited)

	Three Months Ended March 31,	
	2012	2011
	(In thousands)	
Net earnings	$ 34,837	$ 18,220
Other comprehensive income, net of tax:		
Change in foreign currency translation adjustment	7,085	1,006
Change in net unrealized gains on available-for-sale securities	24,724	2,369
Total other comprehensive income	31,809	3,375
Comprehensive income	66,646	21,595
Comprehensive income attributable to noncontrolling interests	(1,272)	(228)
Comprehensive income attributable to IAC shareholders	$ 65,374	$ 21,367

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

IAC/INTERACTIVECORP

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

(Unaudited)

		IAC Shareholders' Equity										
		Common Stock $.001 Par Value		Class B Convertible Common Stock $.001 Par Value								
	Redeemable Noncontrolling Interests	$	Shares	$	Shares	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total IAC Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
		(In thousands)										
Balance as of December 3 2011	$ 50,349	$234	234,101	$ 16	16,157	$11,280,173	$ (477,785)	$ (12,443)	$(8,885,146)	$ 1,905,049	$ 55,091	$ 1,960,140
Net (loss) earnings for the three months ended March 31, 2012	(304)	—	—	—	—	—	34,478	—	—	34,478	663	35,141
Other comprehensi income, net of tax	426	—	—	—	—	—	—	30,896	—	30,896	487	31,383
Non-cash compensatio expense	—	—	—	—	—	20,560	—	—	—	20,560	906	21,466
Issuance of common stock upon exercise of stock options, vesting of restricted stock units and other, net of withholding taxes	—	1	1,355	—	—	16,348	—	—	—	16,349	—	16,349
Income tax benefit related to the exercise of stock options, vesting of restricted stock units and other	—	—	—	—	—	1,834	—	—	—	1,834	—	1,834
Issuance of common stock upon the exercise of warrants	—	3	2,901	—	—	82,912	—	—	—	82,915	—	82,915
Dividends	—	—	—	—	—	(11,166)	—	—	—	(11,166)	—	(11,166)
Purchase of treasury stock	—	—	—	—	—	—	—	—	(225,047)	(225,047)	—	(225,047)
Transfer from noncontrollir interests to redeemable noncontrollir interests	6,795	—	—	—	—	—	—	—	—	—	(6,795)	(6,795)
Other	661	—	—	—	—	—	—	—	—	—	—	—
Balance as of March 31, 2012	$ 57,927	$238	238,357	$ 16	16,157	$11,390,661	$ (443,307)	$ 18,453	$(9,110,193)	$ 1,855,868	$ 50,352	$ 1,906,220

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

IAC/INTERACTIVECORP

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

	Three Months Ended March 31,	
	2012	2011
	(In thousands)	
Cash flows from operating activities attributable to continuing operations:		
Net earnings	$ 34,837	$ 18,220
Less: Discontinued operations, net of tax	3,684	(1,948)
Earnings from continuing operations	31,153	20,168
Adjustments to reconcile earnings from continuing operations to net cash provided by operating activities attributable to continuing operations:		
Non-cash compensation expense	21,466	20,161
Depreciation	12,115	13,439
Amortization of intangibles	7,041	2,457
Deferred income taxes	3,129	6,374
Equity in losses of unconsolidated affiliates	5,901	1,879
Gain on sales of investments	(1,764)	(846)
Changes in assets and liabilities, net of effects of acquisitions:		
Accounts receivable	(10,537)	(13,711)
Other current assets	(8,950)	(1,008)
Accounts payable and other current liabilities	(34,991)	(13,714)
Income taxes payable	10,843	(195)
Deferred revenue	19,622	14,263
Other, net	4,022	4,625
Net cash provided by operating activities attributable to continuing operations	59,050	53,892
Cash flows from investing activities attributable to continuing operations:		
Acquisitions, net of cash acquired	(10,267)	(48,269)
Capital expenditures	(9,633)	(8,294)
Proceeds from maturities and sales of marketable debt securities	18,343	190,936
Purchases of marketable debt securities	(10,012)	(98,484)
Proceeds from sales of investments	8,058	7,829
Purchases of long-term investments	(470)	(604)
Other, net	(8,253)	40
Net cash (used in) provided by investing activities attributable to continuing operations	(12,234)	43,154
Cash flows from financing activities attributable to continuing operations:		
Purchase of treasury stock	(222,863)	—
Issuance of common stock, net of withholding taxes	99,212	(1,081)
Dividends	(10,573)	—
Excess tax benefits from stock-based awards	6,477	9,680
Other, net	22	20
Net cash (used in) provided by financing activities attributable to continuing operations	(127,725)	8,619
Total cash (used in) provided by continuing operations	(80,909)	105,665
Total cash used in discontinued operations	(368)	(1,047)
Effect of exchange rate changes on cash and cash equivalents	1,220	1,878
Net (decrease) increase in cash and cash equivalents	(80,057)	106,496
Cash and cash equivalents at beginning of period	704,153	742,099
Cash and cash equivalents at end of period	$ 624,096	$ 848,595

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements

NOTE 1—THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

IAC operates more than 50 leading and diversified internet businesses across 30 countries... our mission is to harness the power of interactivity to make daily life easier and more productive for people all over the world. IAC includes the businesses comprising its Search, Match, Local and Media & Other segments; as well as investments in unconsolidated affiliates.

Beginning with the first quarter of 2012, IAC realigned its reportable segments. The Company has created a new segment called "Local" that includes ServiceMagic, which was previously reported as its own separate segment, and CityGrid Media, which has been moved from the Search segment. In addition, DailyBurn has been moved from the Search segment to the Media & Other segment and Pronto has been moved from the Media & Other segment to the Search segment. There have been no changes to the Match segment.

All references to "IAC," the "Company," "we," "our" or "us" in this report are to IAC/InterActiveCorp.

Basis of Presentation

The consolidated financial statements include the accounts of the Company, all entities that are wholly-owned by the Company and all entities in which the Company has a controlling financial interest. Intercompany transactions and accounts have been eliminated. Investments in entities in which the Company has the ability to exercise significant influence over the operating and financial matters of the investee, but does not have a controlling financial interest, are accounted for using the equity method and are included in "Long-term investments" in the accompanying consolidated balance sheet.

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information and with the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, the accompanying unaudited consolidated financial statements include all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation. Interim results are not necessarily indicative of the results that may be expected for a full year. The accompanying unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2011.

Accounting Estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make certain estimates, judgments and assumptions that impact the reported amounts of assets, liabilities, revenue and expenses and the related disclosure of contingent assets and liabilities. Actual results could differ from those estimates. On an ongoing basis, the Company evaluates its estimates and judgments including those related to the fair values of marketable securities and other investments, goodwill and indefinite-lived intangible assets, the useful lives and recovery of definite-lived intangible assets and property and equipment, the carrying value of accounts receivable, including the determination of the allowance for doubtful accounts and other revenue related reserves, the reserves for income tax contingencies, the valuation allowance for deferred income tax assets and

NOTE 1—THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the fair value of and forfeiture rates for stock-based awards, among others. The Company bases its estimates and judgments on historical experience, its forecasts and budgets and other factors that the Company considers relevant.

Certain Risks and Concentrations

A substantial portion of the Company's revenue is attributable to online advertising, the market for which is highly competitive and rapidly changing. Significant changes in this industry or changes in advertising spending behavior or in customer buying behavior could adversely affect our operating results. Most of the Company's online advertising revenue is attributable to a paid listing supply agreement with Google Inc. ("Google"), which expires on March 31, 2016. For the three months ended March 31, 2012 and 2011, revenue earned from Google was $328.9 million and $214.9 million, respectively. This revenue was earned by the businesses comprising the Search segment. Accounts receivable related to revenue earned from Google totaled $114.6 million at March 31, 2012 and $105.7 million at December 31, 2011.

NOTE 2—INCOME TAXES

At the end of each interim period, the Company makes its best estimate of the annual expected effective income tax rate and applies that rate to its ordinary year-to-date earnings or loss. The income tax provision or benefit related to significant, unusual, or extraordinary items, if applicable, that will be separately reported or reported net of their related tax effects are individually computed and recognized in the interim period in which those items occur. In addition, the effect of changes in enacted tax laws or rates, tax status, judgment on the realizability of a beginning-of-the-year deferred tax asset in future years or income tax contingencies is recognized in the interim period in which the change occurs.

The computation of the annual expected effective income tax rate at each interim period requires certain estimates and assumptions including, but not limited to, the expected pre-tax income (or loss) for the year, projections of the proportion of income (and/or loss) earned and taxed in foreign jurisdictions, permanent and temporary differences, and the likelihood of the realizability of deferred tax assets generated in the current year. The accounting estimates used to compute the provision or benefit for income taxes may change as new events occur, more experience is acquired, additional information is obtained or our tax environment changes. To the extent that the expected annual effective income tax rate changes during a quarter, the effect of the change on prior quarters is included in income tax provision in the quarter in which the change occurs.

For the three months ended March 31, 2012, the Company recorded an income tax provision for continuing operations of $27.1 million, which represents an effective income tax rate of 47%. The effective rate for the three months ended March 31, 2012 is higher than the statutory rate of 35% due principally to an increase in reserves for and interest on reserves for income tax contingencies and state taxes, partially offset by foreign income taxed at lower rates. For the three months ended March 31, 2011, the Company recorded an income tax provision for continuing operations of $16.0 million, which represents an effective income tax rate of 44%. The effective rate for the three months ended March 31, 2011 is higher than the statutory rate of 35% due principally to interest on reserves for income tax contingencies and state taxes, partially offset by foreign income taxed at lower rates.

NOTE 2—INCOME TAXES (Continued)

At March 31, 2012 and December 31, 2011, unrecognized tax benefits, including interest, were $468.5 million and $462.8 million, respectively. Of the total unrecognized tax benefits at March 31, 2012, $455.3 million is included in "Income taxes payable," $12.3 million relates to deferred tax assets included in "Deferred income taxes" and $0.9 million is included in "Accrued expenses and other current liabilities" in the accompanying consolidated balance sheet. Included in unrecognized tax benefits at March 31, 2012 is $90.8 million relating to tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. If unrecognized tax benefits at March 31, 2012 are subsequently recognized, $96.2 million and $208.2 million, net of related deferred tax assets and interest, would reduce income tax expense for continuing operations and discontinued operations, respectively. In addition, a continuing operations income tax provision of $5.1 million would be required upon the subsequent recognition of unrecognized tax benefits for an increase in the Company's valuation allowance against certain deferred tax assets.

The Company recognizes interest and, if applicable, penalties related to unrecognized tax benefits in income tax provision. Included in income tax provision for continuing operations and discontinued operations for the three months ended March 31, 2012 is a $1.9 million expense and a $5.1 million benefit, respectively, net of a related deferred tax benefit of $1.2 million and a deferred tax expense of $3.1 million, respectively, for interest on unrecognized tax benefits. At March 31, 2012 and December 31, 2011, the Company has accrued $107.8 million and $111.2 million, respectively, for the payment of interest. At March 31, 2012 and December 31, 2011, the Company has accrued $2.8 million and $2.5 million, respectively, for penalties.

The Company is routinely under audit by federal, state, local and foreign authorities in the area of income tax. These audits include questioning the timing and the amount of income and deductions and the allocation of income and deductions among various tax jurisdictions. The Internal Revenue Service ("IRS") has substantially completed its review of the Company's tax returns for the years ended December 31, 2001 through 2006. The settlement has not yet been submitted to the Joint Committee of Taxation for approval. The IRS began its review of the Company's tax returns for the years ended December 31, 2007 through 2009 in July 2011. The statute of limitations for the years 2001 through 2008 has currently been extended to December 31, 2012, and we expect it to be extended further. Various state and local jurisdictions are currently under examination, the most significant of which are California, New York and New York City for various tax years beginning with 2005. Income taxes payable include reserves considered sufficient to pay assessments that may result from examination of prior year tax returns. Changes to reserves from period to period and differences between amounts paid, if any, upon resolution of issues raised in audits and amounts previously provided may be material. Differences between the reserves for income tax contingencies and the amounts owed by the Company are recorded in the period they become known. The Company believes that it is reasonably possible that its unrecognized tax benefits could decrease by $59.8 million within twelve months of the current reporting date, of which approximately $12.6 million could decrease income tax provision, primarily due to settlements, expirations of statutes of limitations, and the reversal of deductible temporary differences that will primarily result in a corresponding decrease in net deferred tax assets. An estimate of other changes in unrecognized tax benefits, while potentially significant, cannot be made.

NOTE 3—BUSINESS COMBINATION

In 2009, Match acquired a 27% ownership interest in Meetic S.A. ("Meetic"). Match accounted for this interest under the equity method of accounting through August 31, 2011. During the third quarter of 2011, Match acquired an additional 12.5 million shares of Meetic for $272.0 million in cash pursuant to a tender offer. These additional shares increased Match's voting interest and ownership interest in Meetic to 79% and 81%, respectively, resulting in Match obtaining a controlling financial interest in Meetic. Accordingly, this purchase was accounted for under the acquisition method of accounting and the financial results of Meetic are included within IAC's consolidated financial statements and the Match operating segment beginning September 1, 2011.

The unaudited pro forma financial information in the table below summarizes the combined results of IAC and Meetic as if the acquisition of Meetic had occurred as of January 1, 2011. The pro forma financial information includes adjustments required under the acquisition method of accounting and is presented for informational purposes only and is not necessarily indicative of what the results would have been had the acquisition occurred as of January 1, 2011. For the three months ended March 31, 2011, pro forma adjustments reflected below include a $27.9 million reduction in revenue relating to a write-off of Meetic's deferred revenue upon acquisition, and $7.3 million in amortization of Meetic's intangible assets.

	Three Months Ended March 31, 2011
	(In thousands, except per share data)
Revenue	$ 495,657
Net loss attributable to IAC shareholders	$ (9,847)
Basic loss per share attributable to IAC shareholders	$ (0.11)
Diluted loss per share attributable to IAC shareholders	$ (0.11)

NOTE 4—MARKETABLE SECURITIES

At March 31, 2012, current available-for-sale marketable securities are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(In thousands)			
Corporate debt securities	$ 38,939	$ 106	$ (1)	$ 39,044
States of the U.S. and state political subdivisions	112,003	587	(85)	112,505
Total debt securities	150,942	693	(86)	151,549
Total marketable securities	$ 150,942	$ 693	$ (86)	$ 151,549

NOTE 4—MARKETABLE SECURITIES (Continued)

At December 31, 2011, current available-for-sale marketable securities are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(In thousands)			
Corporate debt securities	$ 48,621	$ 99	$ (15)	$ 48,705
States of the U.S. and state political subdivisions	111,758	587	(22)	112,323
Total debt securities	160,379	686	(37)	161,028
Equity security	4,656	11	—	4,667
Total marketable securities	$ 165,035	$ 697	$ (37)	$ 165,695

The net unrealized gains in the tables above are included in "Accumulated other comprehensive income (loss)" in the accompanying consolidated balance sheet.

The contractual maturities of debt securities classified as available-for-sale at March 31, 2012 are as follows:

	Amortized Cost	Estimated Fair Value
	(In thousands)	
Due in one year or less	$ 75,375	$ 75,566
Due after one year through five years	75,567	75,983
Total	$ 150,942	$ 151,549

The following table summarizes investments in marketable debt securities (6 in total at March 31, 2012) that have been in a continuous unrealized loss position for less than twelve months:

	March 31, 2012		December 31, 2011	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In thousands)			
Corporate debt securities	$ 2,000	$ (1)	$ 12,920	$ (15)
States of the U.S. and state political subdivisions	13,678	(85)	11,711	(22)
Total	$ 15,678	$ (86)	$ 24,631	$ (37)

At March 31, 2012 and December 31, 2011, there are no investments in marketable securities that have been in a continuous unrealized loss position for twelve months or longer.

Substantially all of the Company's marketable debt securities are rated investment grade. The gross unrealized losses on the marketable debt securities relate to changes in interest rates. Because the Company does not intend to sell any marketable debt securities, and it is not more likely than not that the Company will be required to sell any marketable debt securities, before recovery of their amortized cost bases, which may be maturity, the Company does not consider any of its marketable debt securities to be other-than-temporarily impaired at March 31, 2012.

NOTE 4—MARKETABLE SECURITIES (Continued)

The following table presents the proceeds from maturities and sales of current and non-current available-for-sale marketable securities and the related gross realized gains and losses:

	Three Months Ended March 31,	
	2012	2011
	(In thousands)	
Proceeds from maturities and sales of available-for-sale marketable securities	$ 26,401	$ 198,765
Gross realized gains	1,783	894
Gross realized losses	—	(18)

Gross realized gains and losses from the maturities and sales of available-for-sale marketable securities are included in "Other income, net" in the accompanying consolidated statement of operations.

The specific-identification method is used to determine the cost of securities sold and the amount of unrealized gains and losses reclassified out of accumulated other comprehensive income into earnings. Unrealized gains, net of tax, reclassified out of accumulated other comprehensive income (loss) into other income, net related to the maturities and sales of available-for-sale securities for the three months ended March 31, 2012 and 2011, were less than $0.1 million and $0.1 million, respectively.

NOTE 5—FAIR VALUE MEASUREMENTS

The Company categorizes its assets and liabilities measured at fair value into a fair value hierarchy that prioritizes the inputs used in pricing the asset or liability. The three levels of the fair value hierarchy are:

- Level 1: Observable inputs obtained from independent sources, such as quoted prices for identical assets and liabilities in active markets.
- Level 2: Other inputs that are observable directly or indirectly, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs that are derived principally from or corroborated by observable market data. The fair values of the Company's Level 2 financial assets are primarily obtained from observable market prices for identical underlying securities that may not be actively traded. Certain of these securities may have different market prices from multiple market data sources, in which case an average market price is used.
- Level 3: Unobservable inputs for which there is little or no market data and require the Company to develop its own assumptions, based on the best information available in the circumstances, about the assumptions market participants would use in pricing the assets or liabilities. See below for a discussion of fair value measurements made using Level 3 inputs.

NOTE 5—FAIR VALUE MEASUREMENTS (Continued)

The following tables present the Company's assets and liabilities that are measured at fair value on a recurring basis:

	March 31, 2012			
	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements
	(In thousands)			
Assets:				
Cash equivalents:				
Treasury and government agency money market funds	$ 284,629	$ —	$ —	$ 284,629
Commercial paper	—	176,963	—	176,963
Time deposits	—	4,650	—	4,650
Marketable securities:				
Corporate debt securities	—	39,044	—	39,044
States of the U.S. and state political subdivisions	—	112,505	—	112,505
Long-term investments:				
Auction rate security	—	—	7,720	7,720
Marketable equity securities	107,842	—	—	107,842
Total	$ 392,471	$ 333,162	$ 7,720	$ 733,353

	December 31, 2011			
	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements
	(In thousands)			
Assets:				
Cash equivalents:				
Treasury and government agency money market funds	$ 321,314	$ —	$ —	$ 321,314
Commercial paper	—	237,942	—	237,942
Time deposits	—	4,750	—	4,750
Marketable securities:				
Corporate debt securities	—	48,705	—	48,705
States of the U.S. and state political subdivisions	—	112,323	—	112,323
Equity security	4,667	—	—	4,667
Long-term investments:				
Auction rate security	—	—	5,870	5,870
Marketable equity securities	74,691	—	—	74,691
Total	$ 400,672	$ 403,720	$ 5,870	$ 810,262
Liabilities:				
Contingent consideration arrangement	$ —	$ —	$ (10,000)	$ (10,000)

NOTE 5—FAIR VALUE MEASUREMENTS (Continued)

The following table presents the changes in the Company's assets and liabilities that are measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Three Months Ended March 31,			
	2012		2011	
	Auction Rate Security	Contingent Consideration Arrangement	Auction Rate Securities	Contingent Consideration Arrangement
	(In thousands)			
Balance at January 1	$ 5,870	$ (10,000)	$ 13,100	$ —
Total net gains (realized and unrealized):				
Included in other comprehensive income	1,850	—	950	—
Fair value at date of acquisition	—	—	—	(40,000)
Settlements	—	10,000	(5,000)	—
Balance at March 31	$ 7,720	$ —	$ 9,050	$ (40,000)

There are no gains or losses included in earnings for the three months ended March 31, 2012 and 2011, relating to the Company's assets and liabilities that are measured at fair value on a recurring basis using significant unobservable inputs.

Auction rate security

The Company's auction rate security is valued by discounting the estimated future cash flow stream of the security over the life of the security. Credit spreads and other risk factors are also considered in establishing fair value. The cost basis of the auction rate security is $10.0 million, with gross unrealized losses of $2.3 million and $4.1 million at March 31, 2012 and December 31, 2011, respectively. The unrealized losses are included in "Accumulated other comprehensive income (loss)" in the accompanying consolidated balance sheet. At March 31, 2012, the auction rate security is rated A/WR and matures in 2035. The Company does not consider the auction rate security to be other-than-temporarily impaired at March 31, 2012, due to its high credit rating and because the Company does not intend to sell this security, and it is not more likely than not that the Company will be required to sell this security, before the recovery of its amortized cost basis, which may be maturity.

Contingent consideration arrangement

The fair value of the OkCupid contingent consideration arrangement at December 31, 2011 was based upon the achievement of the performance goals which required a $10.0 million payment.

Assets measured at fair value on a nonrecurring basis

The Company's non-financial assets, such as goodwill, intangible assets and property and equipment, as well as equity and cost method investments, are adjusted to fair value only when an impairment charge is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

NOTE 6—FINANCIAL INSTRUMENTS

The fair values of the financial instruments listed below have been determined by the Company using available market information and appropriate valuation methodologies.

	March 31, 2012		December 31, 2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Assets:				
Cash and cash equivalents	$ 624,096	$ 624,096	$ 704,153	$ 704,153
Marketable securities	151,549	151,549	165,695	165,695
Auction rate security	7,720	7,720	5,870	5,870
Long-term marketable equity securities	107,842	107,842	74,691	74,691
Notes receivable	4,434	4,158	3,424	3,058
Liabilities:				
Contingent consideration arrangement	—	—	(10,000)	(10,000)
Current maturities of long-term debt	(15,844)	(16,336)	—	—
Long-term debt, net of current maturities	(80,000)	(80,019)	(95,844)	(93,339)
Guarantee of an equity method investee's debt	(5,000)	(5,000)	(5,000)	(5,000)
Letters of credit	N/A	(316)	N/A	(312)

The carrying value of cash equivalents approximates fair value due to their short-term maturity. The fair value of notes receivable is based on discounting the expected future cash flow streams using yields of the underlying credit. The fair value of long-term debt, including current maturities is estimated using quoted market prices or indices for similar liabilities and taking into consideration other factors such as credit quality and maturity. The carrying value and fair value of the guarantee of the equity method investee's debt represents the amount the Company expects to pay to settle this obligation. The fair value of the letters of credit are based on the present value of the costs associated with maintaining these instruments over their expected term. See Note 5 for descriptions of the methods used to determine the fair values of marketable securities, the auction rate security and the contingent consideration arrangement related to the OkCupid acquisition. The fair value of notes receivable, long-term debt, including current maturities and letters of credit are determined only for disclosure purposes and are based on Level 3 inputs.

The cost basis of the Company's long-term marketable equity securities at March 31, 2012 was $50.8 million, with gross unrealized gains of $66.3 million and a gross unrealized loss of $9.2 million, included in "Accumulated other comprehensive income (loss)" in the accompanying consolidated balance sheet. The cost basis of the Company's long-term marketable equity securities at December 31, 2011 was $53.1 million, with gross unrealized gains of $29.8 million and a gross unrealized loss of $8.2 million. The Company evaluated the near-term prospects of the issuer of the equity security with the unrealized loss in relation to the severity and short duration of the unrealized loss and based on that evaluation and the Company's ability and intent to hold this investment for a reasonable period of time sufficient for an expected recovery of fair value, the Company does not consider this investment to be other-than-temporarily impaired at March 31, 2012.

At March 31, 2012 and December 31, 2011, the carrying values of the Company's investments accounted for under the cost method totaled $82.5 million and $82.3 million, respectively, and are included in "Long-term investments" in the accompanying consolidated balance sheet. The Company

NOTE 6—FINANCIAL INSTRUMENTS (Continued)

evaluates each cost method investment for possible impairment on a quarterly basis and determines the fair value if indicators of impairment are deemed to be present; the Company recognizes an impairment loss if a decline in value is determined to be other-than-temporary. If the Company has not identified events or changes in circumstances that may have a significant adverse effect on the fair value of a cost method investment, then the fair value of such cost method investment is not estimated, as it is impracticable to do so.

NOTE 7—EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share attributable to IAC shareholders.

	Three Months Ended March 31,			
	2012		2011	
	Basic	Diluted	Basic	Diluted
	(In thousands, except per share data)			
Numerator:				
Earnings from continuing operations	$ 31,153	$ 31,153	$ 20,168	$ 20,168
Net earnings attributable to noncontrolling interests	(359)	(359)	(150)	(150)
Earnings from continuing operations attributable to IAC shareholders	30,794	30,794	20,018	20,018
Earnings (loss) from discontinued operations, net of tax attributable to IAC shareholders	3,684	3,684	(1,948)	(1,948)
Net earnings attributable to IAC shareholders	$ 34,478	$ 34,478	$ 18,070	$ 18,070
Denominator:				
Weighted average basic shares outstanding	82,801	82,801	89,081	89,081
Dilutive securities including stock options, warrants, RSUs(a)(b)	—	8,917	—	4,595
Denominator for earnings per share—weighted average shares(a)(b)	82,801	91,718	89,081	93,676
Earnings (loss) per share attributable to IAC shareholders:				
Earnings per share from continuing operations	$ 0.37	$ 0.34	$ 0.22	$ 0.21
Discontinued operations, net of tax	0.05	0.04	(0.02)	(0.02)
Earnings per share	$ 0.42	$ 0.38	$ 0.20	$ 0.19

(a) If the effect is dilutive, weighted average common shares outstanding include the incremental shares that would be issued upon the assumed exercise of stock options and warrants and vesting of restricted stock units ("RSUs"). For the three months ended March 31, 2012 and 2011, approximately 2.7 million and 9.0 million shares, respectively, related to potentially dilutive securities are excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive.

(b) There are no performance-based stock units ("PSUs") included in the denominator for earnings per share as the performance conditions have not been met for the respective reporting periods.

NOTE 7—EARNINGS PER SHARE (Continued)

For the three months ended March 31, 2012 and 2011, approximately 3.1 million and 3.4 million PSUs, respectively, are excluded from the calculation of diluted earnings per share.

NOTE 8—SEGMENT INFORMATION

The overall concept that IAC employs in determining its operating segments is to present the financial information in a manner consistent with how the chief operating decision maker and executive management view the businesses, how the businesses are organized as to segment management, and the focus of the businesses with regards to the types of services or products offered or the target market. Operating segments are combined for reporting purposes if they meet certain aggregation criteria, which principally relate to the similarity of their economic characteristics or, in the case of Media & Other, do not meet the quantitative thresholds that require presentation as separate operating segments.

	Three Months Ended March 31,	
	2012	2011
	(In thousands)	
Revenue:		
Search	$ 343,198	$ 233,851
Match	174,275	111,597
Local	77,119	70,931
Media & Other	46,117	44,133
Inter-segment elimination	(109)	(299)
Total	$ 640,600	$ 460,213

	Three Months Ended March 31,	
	2012	2011
	(In thousands)	
Operating Income (Loss):		
Search	$ 73,490	$ 48,621
Match	29,906	23,429
Local	3,789	5,834
Media & Other	(8,383)	(5,283)
Corporate	(36,037)	(35,265)
Total	$ 62,765	$ 37,336

NOTE 8—SEGMENT INFORMATION (Continued)

	Three Months Ended March 31,	
	2012	2011
	(In thousands)	
Operating Income Before Amortization:		
Search	$ 73,500	$ 48,900
Match	37,328	24,988
Local	3,950	6,301
Media & Other	(7,799)	(5,004)
Corporate	(15,707)	(15,231)
Total	$ 91,272	$ 59,954

	Three Months Ended March 31,	
	2012	2011
	(In thousands)	
Depreciation:		
Search	$ 3,291	$ 6,166
Match	3,537	2,300
Local	2,801	2,195
Media & Other	423	499
Corporate	2,063	2,279
Total	$ 12,115	$ 13,439

Revenue by geography is based on where the customer is located. Geographic information about revenue and long-lived assets is presented below:

	Three Months Ended March 31,	
	2012	2011
	(In thousands)	
Revenue:		
United States	$ 445,676	$ 372,662
All other countries	194,924	87,551
Total	$ 640,600	$ 460,213

	March 31, 2012	December 31, 2011
	(In thousands)	
Long-lived assets (excluding goodwill and intangible assets):		
United States	$ 242,082	$ 246,550
All other countries	13,619	13,038
Total	$ 255,701	$ 259,588

NOTE 8—SEGMENT INFORMATION (Continued)

The Company's primary metric is Operating Income Before Amortization, which is defined as operating income excluding, if applicable: (1) non-cash compensation expense, (2) amortization and impairment of intangibles, (3) goodwill impairment, and (4) one-time items. The Company believes this measure is useful to investors because it represents the operating results from IAC's segments, taking into account depreciation, which it believes is an ongoing cost of doing business, but excluding the effects of any other non-cash expenses. Operating Income Before Amortization has certain limitations in that it does not take into account the impact to IAC's statement of operations of certain expenses, including non-cash compensation and acquisition related accounting. IAC endeavors to compensate for the limitations of the non-U.S. GAAP measure presented by providing the comparable U.S. GAAP measure with equal or greater prominence, financial statements prepared in accordance with U.S. GAAP, and descriptions of the reconciling items, including quantifying such items, to derive the non-U.S. GAAP measure.

The following tables reconcile Operating Income Before Amortization to operating income (loss) for the Company's reportable segments:

	Three Months Ended March 31, 2012			
	Operating Income Before Amortization	Non-Cash Compensation Expense	Amortization of Intangibles	Operating Income (Loss)
	(In thousands)			
Search	$ 73,500	$ (8)	$ (2)	$ 73,490
Match	37,328	(907)	(6,515)	29,906
Local	3,950	—	(161)	3,789
Media & Other	(7,799)	(221)	(363)	(8,383)
Corporate	(15,707)	(20,330)	—	(36,037)
Total	$ 91,272	$ (21,466)	$ (7,041)	$ 62,765

	Three Months Ended March 31, 2011			
	Operating Income Before Amortization	Non-Cash Compensation Expense	Amortization of Intangibles	Operating Income (Loss)
	(In thousands)			
Search	$ 48,900	$ (77)	$ (202)	$ 48,621
Match	24,988	—	(1,559)	23,429
Local	6,301	—	(467)	5,834
Media & Other	(5,004)	(50)	(229)	(5,283)
Corporate	(15,231)	(20,034)	—	(35,265)
Total	$ 59,954	$ (20,161)	$ (2,457)	$ 37,336

NOTE 9—CONSOLIDATED FINANCIAL STATEMENT DETAILS

Property and equipment, net

	March 31, 2012	December 31, 2011
	(In thousands)	
Buildings and leasehold improvements	$ 235,939	$ 235,737
Computer equipment and capitalized software	186,002	186,016
Furniture and other equipment	43,541	43,156
Projects in progress	10,394	7,643
Land	5,117	5,117
	480,993	477,669
Less: accumulated depreciation and amortization	(225,292)	(218,081)
Property and equipment, net	$ 255,701	$ 259,588

Accumulated other comprehensive income (loss)

	March 31, 2012	December 31, 2011
	(In thousands)	
Foreign currency translation adjustment, net of tax	$ (19,002)	$ (25,174)
Unrealized gains on available-for-sale securities, net of tax	37,455	12,731
Accumulated other comprehensive income (loss)	$ 18,453	$ (12,443)

Other income, net

	Three Months Ended March 31,	
	2012	2011
	(In thousands)	
Interest income	$ 886	$ 1,302
Interest expense	(1,347)	(1,355)
Gain on sales of investments	1,764	846
Other	106	(41)
Other income, net	$ 1,409	$ 752

NOTE 10—CONTINGENCIES

In the ordinary course of business, the Company is a party to various lawsuits. The Company establishes reserves for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. Management has also identified certain other legal matters where we believe an unfavorable outcome is not probable and, therefore, no reserve is established. Although management currently believes that resolving claims against us, including claims where an unfavorable outcome is reasonably possible, will not have a material impact on the liquidity, results of operations, or financial condition of the Company, these matters are subject to inherent

NOTE 10—CONTINGENCIES (Continued)

uncertainties and management's view of these matters may change in the future. The Company also evaluates other contingent matters, including tax contingencies, to assess the probability and estimated extent of potential loss. It is possible that an unfavorable outcome of one or more of these lawsuits or other contingencies could have a material impact on the liquidity, results of operations, or financial condition of the Company. See Note 2 for additional information related to income tax contingencies.

NOTE 11—SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental Disclosure of Non-Cash Transactions for the Three Months Ended March 31, 2011

On January 31, 2011, IAC contributed The Daily Beast, previously reported in IAC's Media & Other segment, to a newly formed venture with Harman Newsweek called The Newsweek/Daily Beast Company. IAC and Harman Newsweek operate The Newsweek/Daily Beast Company jointly.

The consideration for the acquisition of OkCupid on January 20, 2011 included a $40.0 million contingent payment, $30.0 million of which was paid in the second quarter of 2011 and $10.0 million of which was paid in the first quarter of 2012.

NOTE 12—SUBSEQUENT EVENTS

Between April 1, 2012 and April 27, 2012, IAC repurchased 1.9 million shares of common stock for aggregate consideration of $91.4 million.

Between April 1, 2012 and May 7, 2012, IAC issued 8.8 million shares of common stock and received cash proceeds of $201.2 million in connection with the exercise of warrants, some of which were exercised on a cashless or net basis. There are no remaining outstanding warrants.

On May 1, 2012, IAC's Board of Directors authorized the repurchase of up to 10 million shares of its outstanding common stock and declared a quarterly cash dividend of $0.12 per share of common and Class B common stock outstanding payable on June 1, 2012 to holders of record on May 15, 2012.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

GENERAL

Management Overview

IAC operates more than 50 leading and diversified internet businesses across 30 countries... our mission is to harness the power of interactivity to make daily life easier and more productive for people all over the world. IAC includes the businesses comprising its Search, Match, Local and Media & Other segments; as well as investments in unconsolidated affiliates.

For a more detailed description of the Company's operating businesses, see the Company's annual report on Form 10-K for the year ended December 31, 2011.

Results of Operations for the three months ended March 31, 2012 compared to the three months ended March 31, 2011

Set forth below are the contributions made by our various segments and corporate operations to consolidated revenue, operating income (loss) and Operating Income Before Amortization (as defined in IAC's Principles of Financial Reporting) for the three months ended March 31, 2012 and 2011.

	Three Months Ended March 31,		
	2012	Growth	2011*
	(Dollars in thousands)		
Revenue:			
Search	$ 343,198	47%	$ 233,851
Match	174,275	56%	111,597
Local	77,119	9%	70,931
Media & Other	46,117	4%	44,133
Inter-segment elimination	(109)	64%	(299)
Total	$ 640,600	39%	$ 460,213

	Three Months Ended March 31,		
	2012	Growth	2011*
	(Dollars in thousands)		
Operating Income (Loss):			
Search	$ 73,490	51%	$ 48,621
Match	29,906	28%	23,429
Local	3,789	(35)%	5,834
Media & Other	(8,383)	(59)%	(5,283)
Corporate	(36,037)	(2)%	(35,265)
Total	$ 62,765	68%	$ 37,336

	Three Months Ended March 31,		
	2012	Growth	2011*
	(Dollars in thousands)		
Operating Income Before Amortization:			
Search	$ 73,500	50%	$ 48,900
Match	37,328	49%	24,988
Local	3,950	(37)%	6,301
Media & Other	(7,799)	(56)%	(5,004)
Corporate	(15,707)	(3)%	(15,231)
Total	$ 91,272	52%	$ 59,954

* Beginning with the first quarter of 2012, the Company realigned its reportable segments. The Company has created a new segment called "Local" that includes ServiceMagic, which was previously reported as its own separate segment, and CityGrid Media, which has been moved from the Search segment. In addition, DailyBurn has been moved from the Search segment to the Media & Other segment and Pronto has been moved from the Media & Other segment to the Search segment. Certain prior year amounts were reclassified to conform to the current year presentation. There have been no changes to the Match segment.

Refer to Note 8 to the consolidated financial statements for reconciliations of Operating Income Before Amortization to operating income (loss) by reportable segment.

Consolidated Results

Revenue

	Three Months Ended March 31,			
	2012	$ Change	% Change	2011
	(Dollars in thousands)			
Revenue	$ 640,600	$ 180,387	39%	$ 460,213

Revenue in 2012 increased from 2011 primarily as a result of increases of $109.3 million from Search and $62.7 million from Match. The increase from Search reflects strong growth from destination websites and Mindspark's B2B and B2C operations. The increase from Match reflects growth from its Core operations (consisting of Match.com in the U.S., Chemistry and People Media) as well as from the impact of Meetic, which has been consolidated since September 1, 2011 following Match's acquisition of a controlling interest and is, therefore, not in the prior year period.

A substantial portion of the Company's revenue is attributable to online advertising. Most of the Company's online advertising revenue is attributable to a paid listing supply agreement with Google Inc. ("Google"), which expires on March 31, 2016. For the three months ended March 31, 2012 and 2011, revenue earned from Google was $328.9 million and $214.9 million, respectively. This revenue was earned by the businesses comprising the Search segment.

Cost of revenue

	Three Months Ended March 31,			
	2012	$ Change	% Change	2011
	(Dollars in thousands)			
Cost of revenue	$223,571	$50,853	29%	$172,718
As a percentage of revenue	35%		(263) bp	38%

bp = basis points

Cost of revenue consists primarily of traffic acquisition costs. Traffic acquisition costs consist of payments made to partners who distribute Mindspark's customized browser-based applications, integrate our paid listings into their websites or direct traffic to our websites. These payments include amounts based on revenue share and other arrangements. Cost of revenue also includes Shoebuy's cost of products sold and shipping and handling costs, expenses associated with the operation of the Company's data centers, including compensation and other employee-related costs (including stock-based compensation) for personnel engaged in data center functions, rent, energy and bandwidth costs, and content acquisition costs.

Cost of revenue in 2012 increased from 2011 primarily due to increases of $43.0 million from Search and $5.0 million from Match. The increase from Search was primarily due to an increase of $42.2 million in traffic acquisition costs primarily related to an increase in Mindspark's B2B operations. As a percentage of revenue, traffic acquisition costs at Search decreased slightly compared to the prior year period due to an increase in the proportion of revenue from destination websites that resulted from increased online marketing. The increase from Match is due to the acquisition of Meetic, which was not in the prior year period.

Selling and marketing expense

	Three Months Ended March 31,			
	2012	$ Change	% Change	2011
	(Dollars in thousands)			
Selling and marketing expense	$219,838	$79,588	57%	$140,250
As a percentage of revenue	34%		384 bp	30%

Selling and marketing expense consists primarily of advertising and promotional expenditures and compensation and other employee-related costs (including stock-based compensation) for personnel engaged in sales, sales support and customer service functions. Advertising and promotional expenditures include online marketing, including fees paid to search engines and third parties that distribute Mindspark's downloadable applications, and offline marketing, principally television advertising.

Selling and marketing expense in 2012 increased from 2011 primarily due to increases of $44.5 million from Search and $32.1 million from Match. The increase from Search is primarily due to an increase in online marketing related to its destination websites and from existing products at Mindspark. Selling and marketing expense at Match increased due to the acquisition of Meetic, which was not in the prior year period.

General and administrative expense

	Three Months Ended March 31,			
	2012	$ Change	% Change	2011
	(Dollars in thousands)			
General and administrative expense	$91,788	$15,497	20%	$76,291
As a percentage of revenue	14%		(225) bp	17%

General and administrative expense consists primarily of compensation and other employee-related costs (including stock-based compensation) for personnel engaged in executive management, finance, legal, tax and human resources, facilities costs and fees for professional services.

General and administrative expense in 2012 increased from 2011 primarily due to increases of $8.5 million from Match, $3.8 million from Local and $2.8 million from Media & Other. The increase from Match resulted primarily from the acquisition of Meetic, which was not in the prior year period, and an increase in compensation and employee-related expenses. General and administrative expense

from Local increased primarily due to higher compensation and employee-related expenses at both ServiceMagic and CityGrid Media. The increase from Media & Other is primarily due to increases from Electus and Vimeo. As a percentage of revenue, general and administrative expense decreased from 2011 primarily due to operating expense leverage at Search.

Product development expense

	Three Months Ended March 31,			
	2012	$ Change	% Change	2011
	(Dollars in thousands)			
Product development expense	$23,482	$5,760	33%	$17,722
As a percentage of revenue	4%		(19) bp	4%

Product development expense consists primarily of compensation and other employee-related costs (including stock-based compensation) that are not capitalized for personnel engaged in the design, development, testing and enhancement of product offerings and related technology.

Product development expense in 2012 increased from 2011 primarily due to an increase of $4.3 million from Match, which is primarily due to an increase in headcount and the acquisition of Meetic, which was not in the prior year period.

Depreciation

	Three Months Ended March 31,			
	2012	$ Change	% Change	2011
	(Dollars in thousands)			
Depreciation expense	$12,115	$(1,324)	(10)%	$13,439
As a percentage of revenue	2%		(103) bp	3%

Depreciation in 2012 decreased from 2011 resulting primarily due to the write-off of certain capitalized software costs at Search in 2011.

Operating Income Before Amortization

	Three Months Ended March 31,			
	2012	$ Change	% Change	2011
	(Dollars in thousands)			
Operating Income Before Amortization	$91,272	$31,318	52%	$59,954
As a percentage of total revenue	14%		122 bp	13%

Operating Income Before Amortization in 2012 increased from 2011 primarily due to increases of $24.6 million from Search and $12.3 million from Match, partially offset by increased losses of $2.8 million at Media & Other. The increase from Search is primarily due to higher revenue and operating expense leverage. The increase from Match is primarily due to higher Core revenue and the acquisition of Meetic, which was not in the prior year period. Increased losses from Media & Other is primarily due to increased expenses at CollegeHumor and Vimeo.

Operating income

	Three Months Ended March 31,			
	2012	$ Change	% Change	2011
	(Dollars in thousands)			
Operating income	$62,765	$25,429	68%	$37,336
As a percentage of revenue	10%		169 bp	8%

Operating income in 2012 increased from 2011 primarily due to an increase of $31.3 million in Operating Income Before Amortization described above, partially offset by increases of $4.6 million in amortization of intangibles and $1.3 million in non-cash compensation expense. The increase in amortization of intangibles is due to the acquisition of Meetic. The increase in non-cash compensation expense is primarily related to equity grants issued subsequent to the first quarter of 2011, including those assumed in the Meetic acquisition, partially offset by awards becoming fully vested.

At March 31, 2012, there was $135.2 million of unrecognized compensation cost, net of estimated forfeitures, related to all equity-based awards, which is expected to be recognized over a weighted average period of approximately 2.4 years.

Other income (expense)

	Three Months Ended March 31,			
	2012	$ Change	% Change	2011
	(Dollars in thousands)			
Equity in losses of unconsolidated affiliates	$ (5,901)	$ (4,022)	(214)%	$ (1,879)

Equity in losses of unconsolidated affiliates in 2012 increased from 2011 primarily due to the inclusion in 2011 of earnings related to our investment in Meetic, which was accounted for as an equity method investment prior to September 1, 2011, the date we achieved control.

	Three Months Ended March 31,			
	2012	$ Change	% Change	2011
	(Dollars in thousands)			
Other income, net	$ 1,409	$ 657	87%	$ 752

Other income, net in 2012 increased from 2011 primarily due to gains related to the sale of certain securities.

Income tax provision

	Three Months Ended March 31,			
	2012	$ Change	% Change	2011
	(Dollars in thousands)			
Income tax provision	$ (27,120)	$ (11,079)	NM	$ (16,041)

In 2012, the Company recorded an income tax provision for continuing operations of $27.1 million, which represents an effective income tax rate of 47%. The 2012 effective rate is higher than the statutory rate of 35% due principally to an increase in reserves for and interest on reserves for income tax contingencies and state taxes, partially offset by foreign income taxed at lower rates. In 2011, the Company recorded an income tax provision for continuing operations of $16.0 million, which represents an effective income tax rate of 44%. The 2011 effective rate is higher than the statutory rate of 35% due principally to interest on reserves for income tax contingencies and state taxes, partially offset by foreign income taxed at lower rates.

At March 31, 2012 and December 31, 2011, the Company has unrecognized tax benefits of $360.7 million and $351.6 million, respectively. The Company recognizes interest and, if applicable, penalties related to unrecognized tax benefits in income tax provision. Included in income tax provision for continuing operations and discontinued operations for the three months ended March 31, 2012 is a $1.9 million expense and a $5.1 million benefit, respectively, net of related deferred taxes of $1.2 million and $3.1 million, respectively, for interest on unrecognized tax benefits. At March 31, 2012 and December 31, 2011, the Company has accrued $107.8 million and $111.2 million, respectively, for the payment of interest. At March 31, 2012 and December 31, 2011, the Company has accrued $2.8 million and $2.5 million, respectively, for penalties.

The Company is routinely under audit by federal, state, local and foreign authorities in the area of income tax. These audits include questioning the timing and the amount of income and deductions and the allocation of income and deductions among various tax jurisdictions. The Internal Revenue Service ("IRS") has substantially completed its review of the Company's tax returns for the years ended December 31, 2001 through 2006. The settlement has not yet been submitted to the Joint Committee of Taxation for approval. The IRS began its review of the Company's tax returns for the years ended December 31, 2007 through 2009 in July 2011. The statute of limitations for the years 2001 through 2008 has been extended to December 31, 2012, and we expect it to be extended further. Various state and local jurisdictions are currently under examination, the most significant of which are California, New York and New York City for various tax years beginning with 2005. Income taxes payable include reserves considered sufficient to pay assessments that may result from examination of prior year tax returns. Changes to reserves from period to period and differences between amounts paid, if any, upon resolution of issues raised in audits and amounts previously provided may be material. Differences between the reserves for income tax contingencies and the amounts owed by the Company are recorded in the period they become known. The Company believes that it is reasonably possible that its unrecognized tax benefits could decrease by $59.8 million within twelve months of the current reporting date, of which approximately $12.6 million could decrease income tax provision, primarily due to settlements, expirations of statutes of limitations, and the reversal of deductible temporary differences that will primarily result in a corresponding decrease in net deferred tax assets. An estimate of other changes in unrecognized tax benefits, while potentially significant, cannot be made.

Segment Results

In addition to the discussion of consolidated results above, the following is a discussion of the results of each segment.

Search

Our Search segment includes Mindspark, a digital consumer products business consisting of our B2C operations, through which we develop, market and distribute downloadable applications, and our B2B operations, through which we provide customized browser-based applications for software and media companies; destination websites, including Ask.com and Dictionary.com, through which we provide search and additional services; and Pronto, a comparison shopping engine.

Revenue increased 47% to $343.2 million, reflecting strong growth from destination websites and Mindspark's B2B and B2C operations. The revenue growth in destination websites reflects strong query gains driven primarily by increased marketing and content optimization. The revenue growth in Mindspark's B2B operations was driven by increased contribution from both existing and new partners. The increase in Mindspark's B2C revenue was driven primarily by growth from existing and new products.

Operating Income Before Amortization increased 50% to $73.5 million, benefiting from the higher revenue noted above and a decrease of $2.9 million in depreciation, partially offset by increases of $44.5 million in selling and marketing expense and $42.2 million in traffic acquisition costs. The decrease in depreciation is due to the write-off of certain capitalized software costs in 2011. The increase in selling and marketing expense is primarily due to an increase in advertising and promotional expenditures, driven primarily by increased online marketing related to our destination websites and existing products at Mindspark. The increase in traffic acquisition costs is primarily due to an increase in Mindspark's B2B operations.

Operating income increased 51% to $73.5 million, principally due to the increase in Operating Income Before Amortization described above.

Match

Revenue increased 56% to $174.3 million benefiting from growth within its Core operations and the contribution of Meetic, which has been consolidated since September 1, 2011 following Match's acquisition of a controlling interest and is, therefore, not in the prior year period, partially offset by a decrease in Developing revenue. Core revenue increased 17% to $108.9 million driven by an increase in subscribers. Revenue from Developing, which consists of OkCupid, Singlesnet, mobile-only products and Match's non-Meetic international operations, decreased 8% to $16.8 million, despite strong growth from OkCupid, due to lower subscription revenue from Singlesnet, due to reduced marketing. Meetic revenue of $48.6 million was negatively impacted by the write-off of $5.2 million of deferred revenue in connection with its acquisition. Excluding the results of Meetic, revenue grew 13% to $125.6 million.

Operating Income Before Amortization increased 49% to $37.3 million, primarily due to the higher Core revenue noted above and the acquisition of Meetic, which was negatively impacted by the write-off of $5.2 million of deferred revenue described above. Operating Income Before Amortization, excluding Meetic, was impacted by increases in product development expense and general and administrative expense. Product development expense and general and administrative expense both increased from 2011, primarily due to increases in compensation and other employee-related costs.

Operating income increased 28% to $29.9 million, primarily due to the increase in Operating Income Before Amortization described above, partially offset by increases of $5.0 million in amortization of intangibles and $0.9 million in non-cash compensation expense related to the Meetic acquisition.

Local

Our Local segment includes ServiceMagic and CityGrid Media.

Revenue increased 9% to $77.1 million, reflecting strong growth from ServiceMagic's domestic and international operations. ServiceMagic domestic revenue grew due to higher average lead acceptance fees and a 5% increase in service request accepts. Service request accepts benefited from an 18% increase in service requests, partially offset by lower accepts per service request. ServiceMagic International revenue grew due to higher average lead acceptance fees and a 14% increase in service request accepts. A service request can be transmitted to more than one service professional and is deemed accepted upon transmission. CityGrid Media revenue increased slightly as the growth from resellers was offset by a decline from direct sales.

Operating Income Before Amortization decreased 37% to $4.0 million, despite the higher revenue noted above, primarily due to increases in general and administrative expense, selling and marketing expense and cost of revenue.

Operating income decreased 35% to $3.8 million, principally due to the decrease in Operating Income Before Amortization described above.

Media & Other

Revenue increased 4% to $46.1 million primarily reflecting strong growth at Vimeo and Electus.

Operating Income Before Amortization loss increased by $2.8 million to a loss of $7.8 million. Losses increased primarily due to increased expenses at CollegeHumor and Vimeo.

Operating loss increased by $3.1 million to $8.4 million, principally due to the increase in Operating Income Before Amortization loss described above.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2012, the Company had $624.1 million of cash and cash equivalents, $151.5 million of marketable securities and $95.8 million of long-term debt, including current maturities of $15.8 million. Domestically, cash equivalents primarily consist of AAA rated treasury and government agency money market funds and commercial paper rated A2/P2 or better. Internationally, cash equivalents primarily consist of AAA prime and government money market funds and time deposits. Marketable securities primarily consist of short-to-intermediate-term debt securities issued by states of the U.S. and subdivisions thereof and investment grade corporate issuers. The Company only invests in marketable securities with active secondary or resale markets to ensure portfolio liquidity and the ability to readily convert investments into cash to fund current operations or satisfy other cash requirements as needed. From time to time, the Company may invest in marketable equity securities as part of its investment strategy. Long-term debt, including current maturities is comprised of $15.8 million in Senior Notes due January 15, 2013 and $80.0 million in Liberty Bonds due September 1, 2035.

At March 31, 2012, $176.2 million of the $624.1 million of cash and cash equivalents and none of the $151.5 million of marketable securities were held by the Company's foreign subsidiaries. No U.S. federal or state income taxes have been provided on the permanently reinvested earnings of any of the Company's foreign subsidiaries that hold this cash and cash equivalents. If needed for our operations in the U.S., most of the cash and cash equivalents held by the Company's foreign subsidiaries could be repatriated to the U.S., but under current law, would be subject to U.S. federal and state income taxes. However, the Company's intent is to permanently reinvest these funds outside of the U.S. and, currently, the Company does not anticipate a need to repatriate them to fund our U.S. operations.

In summary, the Company's cash flows attributable to continuing operations are as follows:

	Three Months Ended March 31,	
	2012	2011
	(In thousands)	
Net cash provided by operating activities	$ 59,050	$ 53,892
Net cash (used in) provided by investing activities	(12,234)	43,154
Net cash (used in) provided by financing activities	(127,725)	8,619

Net cash provided by operating activities attributable to continuing operations consists of earnings or loss from continuing operations adjusted for non-cash items, including non-cash compensation expense, depreciation, amortization of intangibles, deferred income taxes, asset impairment charges, equity in income or losses of unconsolidated affiliates and gains or losses on the sales of investments, and the effect of changes in working capital. Net cash provided by operating activities attributable to continuing operations in 2012 was $59.1 million and consists of earnings from continuing operations of $31.2 million, adjustments for non-cash items of $51.9 million and cash used in working capital activities of $24.0 million. Adjustments for non-cash items primarily consisted of $21.5 million of non-cash compensation expense, $12.1 million of depreciation, $7.0 million of amortization of intangibles and $5.9 million of equity in losses of unconsolidated affiliates. The decrease in cash from changes in working capital activities primarily consists of a decrease of $35.0 million in accounts payable and other current liabilities and increase of $10.5 million in accounts receivable, partially offset by an increase of $19.6 million in deferred revenue and an increase of $10.8 million in income taxes payable. The decrease in accounts payable and other current liabilities is primarily due to a decrease in accrued employee compensation and benefits, partially offset by an increase in accrued advertising expense and an increase in accrued revenue share expense. The decrease in accrued employee compensation and benefits is due to the payment of the 2011 discretionary cash bonuses in 2012. The increase in accrued advertising expense is primarily due to an increase in advertising and promotional

expenditures at Match and ServiceMagic. The increase in accrued revenue share expense is primarily due to an increase in traffic acquisition costs at Search. The increase in accounts receivable is primarily due to the growth in revenue at Search earned from our paid listing supply agreement with Google; the related receivable from Google was $114.6 million and $105.7 million at March 31, 2012 and December 31, 2011, respectively. While our Match and ServiceMagic businesses experienced strong growth, the accounts receivable at these businesses are principally credit card receivables and, accordingly, are not significant in relation to the revenue of these businesses. The increase in deferred revenue is primarily due to the growth in subscription revenue at Match, which includes an increase of $5.5 million in deferred revenue at Meetic, as well as growth at Electus, Vimeo and Notional. The increase in income taxes payable is due to current year income tax accruals in excess of current year income tax payments.

Net cash used in investing activities attributable to continuing operations in 2012 of $12.2 million includes cash consideration used in acquisitions and investments of $10.7 million primarily related to the payment of contingent consideration associated with the 2011 acquisition of OkCupid and capital expenditures of $9.6 million primarily related to the internal development of software to support our products and services, partially offset by net maturities and sales of marketable debt securities of $8.3 million.

Net cash used in financing activities attributable to continuing operations in 2012 of $127.7 million includes $222.9 million for the repurchase of 4.9 million shares of common stock at an average price of $45.50 per share and $10.6 million related to the payment of cash dividends to IAC shareholders, partially offset by proceeds related to the issuance of common stock, net of withholding taxes of $99.2 million and excess tax benefits from stock-based awards of $6.5 million. Included in the proceeds related to the issuance of common stock are proceeds of $82.9 million from the exercise of warrants to acquire 2.9 million shares of IAC common stock. The weighted average strike price of the warrants was $29.70 per share. IAC declared a quarterly cash dividend of $0.12 per share of common and Class B common stock outstanding payable on June 1, 2012 to holders of record on May 15, 2012. Future declarations of dividends are subject to the determination of IAC's Board of Directors.

Net cash provided by operating activities attributable to continuing operations in 2011 was $53.9 million and consists of earnings from continuing operations of $20.2 million, adjustments for non-cash items of $48.1 million and cash used in working capital activities of $14.4 million. Adjustments for non-cash items primarily consisted of $20.2 million of non-cash compensation expense, $13.4 million of depreciation and $6.4 million of deferred income taxes. The deferred income tax provision primarily relates to the vesting of restricted stock units and the exercise of stock options. The decrease in cash from changes in working capital activities primarily consists of a decrease of $13.7 million in accounts payable and other current liabilities and an increase of $13.7 million in accounts receivable, partially offset by an increase of $14.3 million in deferred revenue. The decrease in accounts payable and other current liabilities is primarily due to a decrease in accrued employee compensation and benefits, partially offset by an increase in accrued revenue share expense. The decrease in accrued employee compensation and benefits is due to the payment of a portion of the 2010 discretionary cash bonuses in 2011. The increase in accrued revenue share expense is primarily due to an increase in traffic acquisition costs at Search. The increase in accounts receivable is primarily due to the growth in revenue at Search earned from our paid listing supply agreement with Google; the related receivable from Google was $77.3 million at March 31, 2011 and $70.5 million at December 31, 2010. The increase in deferred revenue is primarily due to the growth in subscription revenue at Match, as well as growth at Notional and Electus.

Net cash provided by investing activities attributable to continuing operations in 2011 of $43.2 million includes net maturities and sales of marketable debt securities of $92.5 million, partially offset by cash consideration used in acquisitions and investments of $48.9 million primarily related to

the acquisition of OkCupid and capital expenditures of $8.3 million primarily related to the internal development of software to support our products and services.

Net cash provided by financing activities attributable to continuing operations in 2011 of $8.6 million includes excess tax benefits from stock-based awards of $9.7 million.

The Company's principal sources of liquidity are its cash and cash equivalents and marketable securities as well as its cash flows generated from operations. The Company currently does not have in place any formal arrangements that would provide it with external sources of financing such as a revolving credit or other similar facility. The Company had two tranches of warrants outstanding with expiration dates of May 7, 2012. At March 31, 2012, the first tranche consisted of warrants to acquire 8.5 million shares of IAC common stock at a strike price of $26.86 per share and the second tranche consisted of warrants to acquire 2.7 million shares of IAC common stock at a strike price of $31.75 per share. Between April 1, 2012 and May 7, 2012, the Company issued 8.8 million shares of common stock and received cash proceeds of $201.2 million in connection with the exercise of these warrants, some of which were exercised on a cashless or net basis.

The Company anticipates that it will need to make capital and other expenditures in connection with the development and expansion of its operations. The Company expects that 2012 capital expenditures will be higher than 2011. At March 31, 2012, IAC had 3.7 million shares remaining in its share repurchase authorization. On May 1, 2012, IAC's Board of Directors authorized the Company to repurchase an additional 10 million shares of common stock. IAC may purchase shares over an indefinite period of time on the open market and in privately negotiated transactions, depending on those factors IAC management deems relevant at any particular time, including, without limitation, market conditions, share price and future outlook. The Company believes its existing cash, cash equivalents and marketable securities, together with its expected positive cash flows generated from operations in 2012 will be sufficient to fund its normal operating requirements, including capital expenditures, share repurchases, quarterly cash dividends, and investing and other commitments for the foreseeable future. Our liquidity could be negatively affected by a decrease in demand for our products and services. The Company may make acquisitions and investments that could reduce its cash, cash equivalents and marketable securities balances and as a result, the Company may need to raise additional capital through future debt or equity financing to provide for greater financial flexibility. Additional financing may not be available at all or on terms favorable to us.

CONTRACTUAL OBLIGATIONS

Contractual Obligations(a)	Payments Due by Period				
	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
	(In thousands)				
Long-term debt, including current maturities(b)	$ 190,953	$ 20,953	$ 8,000	$ 8,000	$ 154,000
Purchase obligations(c)	52,528	18,671	31,357	2,500	—
Operating leases	275,715	22,636	33,314	26,443	193,322
Total contractual cash obligations	$ 519,196	$ 62,260	$ 72,671	$ 36,943	$ 347,322

(a) The Company has excluded $304.4 million in unrecognized tax benefits and related interest from the table above as we are unable to make a reasonably reliable estimate of the period in which these liabilities might be paid. For additional information on income taxes, see Note 2 to the consolidated financial statements.

(b) Represents contractual amounts due, including interest.

(c) The purchase obligations primarily include advertising commitments, which commitments are reducible or terminable such that these commitments can never exceed associated revenue by a meaningful amount. Purchase obligations also include minimum payments due under telecommunication contracts related to data transmission lines.

IAC'S PRINCIPLES OF FINANCIAL REPORTING

IAC reports Operating Income Before Amortization as a supplemental measure to generally accepted accounting principles ("GAAP"). This measure is one of the primary metrics by which we evaluate the performance of our businesses, on which our internal budgets are based and by which management is compensated. We believe that investors should have access to, and we are obligated to provide, the same set of tools that we use in analyzing our results. This non-GAAP measure should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. IAC endeavors to compensate for the limitations of the non-GAAP measure presented by providing the comparable GAAP measure with equal or greater prominence, financial statements prepared in accordance with GAAP, and descriptions of the reconciling items, including quantifying such items, to derive the non-GAAP measure. We encourage investors to examine the reconciling adjustments between the GAAP and non-GAAP measure, which we discuss below.

Definition of IAC's Non-GAAP Measure

Operating Income Before Amortization is defined as operating income excluding, if applicable: (1) non-cash compensation expense, (2) amortization and impairment of intangibles, (3) goodwill impairment, and (4) one-time items. We believe this measure is useful to investors because it represents the consolidated operating results from IAC's segments, taking into account depreciation, which we believe is an ongoing cost of doing business, but excluding the effects of any other non-cash expenses. Operating Income Before Amortization has certain limitations in that it does not take into account the impact to IAC's statement of operations of certain expenses, including non-cash compensation and acquisition-related accounting.

One-Time Items

Operating Income Before Amortization is presented before one-time items, if applicable. These items are truly one-time in nature and non-recurring, infrequent or unusual, and have not occurred in the past two years or are not expected to recur in the next two years, in accordance with the Securities and Exchange Commission rules. GAAP results include one-time items. For the periods presented in this report, there are no one-time items.

Non-Cash Expenses That Are Excluded From IAC's Non-GAAP Measure

Non-cash compensation expense consists principally of expense associated with the grants, including unvested grants assumed in acquisitions, of stock options, restricted stock units ("RSUs") and performance-based RSUs. These expenses are not paid in cash, and we include the related shares in our fully diluted shares outstanding which, for stock options and RSUs, are included on a treasury method basis, and for performance-based RSUs are included on a treasury method basis once the performance conditions are met. Upon the exercise of certain stock options and vesting of RSUs and performance-based RSUs, the awards are settled, at the Company's discretion, on a net basis, with the Company remitting the required tax withholding amount from its current funds.

Amortization of intangibles (including impairment of intangibles, if applicable) and goodwill impairment (if applicable) are non-cash expenses relating primarily to acquisitions. At the time of an acquisition, the identifiable definite-lived intangible assets of the acquired company, such as customer lists, technology and supplier agreements, are valued and amortized over their estimated lives. Value is also assigned to acquired indefinite-lived intangible assets, which comprise trade names and trademarks, and goodwill that are not subject to amortization. An impairment is recorded when the carrying value of an intangible asset or goodwill exceeds its fair value. While it is likely that we will have significant intangible amortization expense as we continue to acquire companies, we believe that intangible assets

represent costs incurred by the acquired company to build value prior to acquisition and the related amortization and impairment charges of intangible assets or goodwill, if applicable, are not ongoing costs of doing business.

RECONCILIATION OF OPERATING INCOME BEFORE AMORTIZATION

For a reconciliation of Operating Income Before Amortization to operating income (loss) by reportable segment for the three months ended March 31, 2012 and 2011, see Note 8 to the consolidated financial statements.

Item 3. ***Quantitative and Qualitative Disclosures about Market Risk***

At March 31, 2012, there have been no material changes to the Company's instruments or positions that are sensitive to market risk since the disclosure in our Annual Report on Form 10-K for the year ended December 31, 2011.

Item 4. ***Controls and Procedures***

The Company monitors and evaluates on an ongoing basis its disclosure controls and internal control over financial reporting in order to improve its overall effectiveness. In the course of these evaluations, the Company modifies and refines its internal processes as conditions warrant.

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), IAC management, including the Chairman and Senior Executive, the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as defined by Rule 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, the Chairman and Senior Executive, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report in providing reasonable assurance that information we are required to disclose in our filings with the Securities and Exchange Commission under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and Forms, and include controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

As required by Rule 13a-15(d) of the Exchange Act, the Company, under the supervision and with the participation of IAC management, including the Chairman and Senior Executive, the Chief Executive Officer and the Chief Financial Officer, also evaluated whether any changes occurred to the Company's internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, such control. Based on that evaluation, the Company concluded that there has been no such change during the period covered by this report.

PART II
OTHER INFORMATION

Item 1A. *Risk Factors*

Cautionary Statement Regarding Forward-Looking Information

This quarterly report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The use of words such as "anticipates," "estimates," "expects," "intends," "plans" 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 and strategy, anticipated trends and prospects in the industries in which IAC's businesses operate and other similar matters. These forward-looking statements are based on IAC 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 at IAC and/or its businesses, changes in our relationship with, or policies implemented by, Google, adverse changes in economic conditions, either generally or in any of the markets or industries in which IAC's businesses operate, adverse trends in the online advertising industry or the advertising industry generally, our ability to convert visitors to our various websites into users and customers, our ability to offer new or alternative products and services in a cost-effective manner and consumer acceptance of these products and services, changes in industry standards and technology, actual tax liabilities that differ materially from our estimates, operational and financial risks relating to acquisitions, our ability to expand successfully into international markets and regulatory changes. Certain of these and other risks and uncertainties are discussed in IAC's filings with the SEC, including in Part I "Item 1A. Risk Factors" of our annual report on Form 10-K for the fiscal year ended December 31, 2011. Other unknown or unpredictable factors that could also adversely affect IAC's business, financial condition and operating results may arise from time to time. In light of these risks and uncertainties, the forward-looking statements discussed in this report 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 report. IAC does not undertake to update these forward-looking statements.

Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Part I "Item 1A. Risk Factors" of our annual report on Form 10-K for the fiscal year ended December 31, 2011, which could materially affect our business, financial condition or future operating results. The risks described in this report are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

Issuer Purchases of Equity Securities

The following table sets forth purchases by the Company of its common stock during the quarter ended March 31, 2012:

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid Per Share(1)	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(2)	(d) Maximum Number of Shares that May Yet Be Purchased Under Publicly Announced Plans or Programs(3)
January 2012	1,941,837	$ 42.01	1,941,837	6,681,995
February 2012	958,594	$ 45.67	958,594	5,723,401
March 2012	2,046,050	$ 48.67	2,046,050	3,677,351
Total	4,946,481	$ 45.50	4,946,481	3,677,351

(1) Reflects the average price paid per share of IAC common stock.

(2) Reflects repurchases made pursuant to a repurchase authorization previously announced in July 2011. Between April 1, 2012 and April 27, 2012, IAC repurchased an additional 1.9 million shares of common stock.

(3) Represents the total number of shares of IAC common stock that remained available for repurchase as of March 31, 2012 pursuant to the July 2011 repurchase authorization. On May 1, 2012, IAC's Board of Directors authorized the Company to repurchase an additional 10 million shares of IAC common stock. IAC may purchase shares pursuant to these repurchase authorizations over an indefinite period of time on the open market and in privately negotiated transactions, depending on those factors IAC management deems relevant at any particular time, including, without limitation, market conditions, share price and future outlook.

Item 6. ***Exhibits***

Exhibit Number	Description	Location
3.1	Restated Certificate of Incorporation of IAC/InterActiveCorp.	Exhibit 3.1 to the Registrant's Registration Statement on Form 8-A/A, filed on August 12, 2005.
3.2	Certificate of Amendment of the Restated Certificate of Incorporation of IAC/InterActiveCorp.	Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed on August 22, 2008.
3.3	Amended and Restated By-Laws of IAC/InterActiveCorp.	Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed on December 6, 2010.
10.1	Amended and Restated Employment Agreement between Victor A. Kaufman and the Registrant, dated as of March 15, 2012.(1)	
10.2	Employment Agreement between Jeffrey W. Kip and the Registrant, dated as of March 20, 2012.(1)	
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14 (a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act.(1)	
31.2	Certification of the Chairman and Senior Executive pursuant to Rule 13a- 14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act. (1)	
31.3	Certification of the Executive Vice President and Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act.(1)	
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act.(2)	
32.2	Certification of the Chairman and Senior Executive pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act.(2)	
32.3	Certification of the Executive Vice President and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act.(2)	
101.INS	XBRL Instance(3)	

Exhibit Number	Description	Location
101.SCH	XBRL Taxonomy Extension Schema(3)	
101.CAL	XBRL Taxonomy Extension Calculation(3)	
101.DEF	XBRL Taxonomy Extension Definition(3)	
101.LAB	XBRL Taxonomy Extension Labels(3)	
101.PRE	XBRL Taxonomy Extension Presentation(3)	

(1) Filed herewith.

(2) Furnished herewith.

(3) Pursuant to applicable securities laws and regulations, the Company is deemed to have complied with the reporting obligation relating to the submission of interactive data files in such exhibits and is not subject to liability under any anti-fraud provisions or other liability provisions of the federal securities laws as long as the Company has made a good faith attempt to comply with the submission requirements and promptly amends the interactive data files after becoming aware that the interactive data files fail to comply with the submission requirements. In addition, users of this data are advised that, pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability under these sections.

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.

Dated: May 9, 2012

IAC/INTERACTIVECORP

By: /s/ JEFFREY W. KIP

Jeffrey W. Kip
Executive Vice President and
Chief Financial Officer

Signature	Title	Date
/s/ JEFFREY W. KIP Jeffrey W. Kip	Executive Vice President and Chief Financial Officer	May 9, 2012

QuickLinks

PART I FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

IAC/INTERACTIVECORP CONSOLIDATED BALANCE SHEET
IAC/INTERACTIVECORP CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)
IAC/INTERACTIVECORP CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
IAC/INTERACTIVECORP CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
IAC/INTERACTIVECORP NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

GENERAL
FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES
CONTRACTUAL OBLIGATIONS
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Exhibit 10.1

SECOND AMENDED AND RESTATED AGREEMENT

THIS SECOND AMENDED AND RESTATED AGREEMENT (this " Agreement "), dated as of March 15, 2012 (the " Effective Date "), is entered into by and between IAC/InterActiveCorp (" IAC ") and Victor Kaufman (the " Executive ").

WITNESSETH:

WHEREAS, the Executive has invaluable knowledge and expertise regarding the operations of IAC and its subsidiaries and affiliates (the " IAC Group ");

WHEREAS, due to the Executive's knowledge and expertise, IAC wishes to have the cooperation of, and access to, the Executive;

WHEREAS, IAC and the Executive have mutually agreed that the Executive shall serve IAC on the terms and subject to the conditions hereinafter specified; and

WHEREAS, IAC and the Executive are parties to that certain Amended and Restated Agreement, dated as of February 26, 2010 (the " Existing Agreement "), and it is the intention of the parties to further amend and restate the terms of the Existing Agreement as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, IAC and the Executive hereby agree as follows:

1. Term . This Agreement shall commence on the Effective Date and shall continue for a period of one (1) year. This Agreement shall automatically be renewed for successive one-year periods in perpetuity unless one party hereto provides written notice to the other, at least ninety (90) days prior to the end of the then current one-year employment period, that it elects not to extend this Agreement (any such notice, a " Non-Renewal Notice "). The period beginning on the date hereof and ending on the first anniversary hereof or, if the Agreement is renewed pursuant to the prior sentence, the last day of the last one-year renewal period, shall be referred to hereinafter as the " Term. "

2. Duties . During the Term, the Executive shall render the services described herein to IAC, on the terms and conditions set forth in this Agreement. The Executive's duties shall consist of high-level activities primarily consisting of participation in Office of the Chairman meetings (in person or otherwise) and providing advice to the Chairman and Senior Executive and to the Chief Executive Officer. Executive may also engage in such other projects and activities as Executive and the Chairman may agree from time to time. Executive shall continue to serve as Vice-Chairman of IAC during the Term. During the Term, Executive shall devote such time, attention and efforts as shall be necessary to fulfill his duties and responsibilities hereunder (as reasonably requested or determined by the Chairman of IAC). IAC acknowledges that Executive also serves (and currently intends to continue to serve) as Vice Chairman of Expedia, Inc. (" Expedia ") and as a director of TripAdvisor Inc. None of the activities undertaken by Executive of behalf of Expedia or TripAdvisor, as and if applicable, shall be deemed competitive with the IAC Group. In all cases, the remainder of the Executive's business time shall be devoted to other personal activities and interests that are not competitive with the

IAC Group. During the Term, the Executive's services shall be performed in person at IAC's offices only as necessary or preferable (it being understood that the Executive shall be permitted to spend at least 50% of his time during the Term in the Los Angeles metropolitan area).

3. [Intentionally Omitted.]

4. Base Salary and Annual Bonus . Executive's base salary commencing as of the Effective Date shall be $100,000 per annum. Promptly following the Effective Date, Executive shall be awarded IAC restricted stock units (" IAC RSUs ") with a value on the date of grant of $350,000, vesting in three equal annual installments commencing on the first anniversary of the Effective Date. Thereafter, during the Term, Executive shall be eligible to equity awards and such other employee benefits to be reasonably determined by the Compensation and Human Resources Committee of the IAC Board of Directors following consultation with the Chairman. For so long as Executive continues to provide services on a level consistent with those provided on the date of this Agreement and as described herein, it is anticipated that Executive shall be awarded each year IAC RSUs of a at least a comparable value as those awarded hereunder.

5. Equity Compensation . In consideration for agreeing to provide the services during the Term, each of the Executive's options to purchase shares of IAC common stock (" IAC Options "), IAC RSUs and any other equity awards based on IAC common stock that are unvested as of the Effective Date or that are granted following the Effective Date shall continue to vest during the Term. In the event that (i) Executive resigns prior to the expiration of the Term due to a material breach of this Agreement by IAC (or any successor to IAC) that is not cured by IAC (or its successor) promptly after notice from the Executive ("good reason"), (ii) Executive is terminated by IAC without cause prior to the expiration of the Term or (iii) IAC delivers a Non-Renewal Notice, then any IAC Options, IAC RSUs and any other compensation awards of Executive based on, or in the form of, IAC common stock equity that are outstanding and unvested at the time of such termination but which would, but for a termination of employment, have vested during the one year period following such termination of employment (the " Severance Period ") shall vest as of the date of such termination of employment; provided , however , that any outstanding award with a vesting schedule that would, but for a termination of employment, have resulted in a smaller percentage (or none) of the award being vested through the Severance Period than if it had vested annually pro rata over its vesting period shall, for purposes of this provision, be treated as though it vested annually pro rata over its vesting period (*e.g.* , if 100 RSUs were granted 2.7 years prior to the date of termination and vested pro rata on the first five anniversaries of the grant date and 100 RSUs were granted 1.7 years prior to the date of termination and vested on the fifth anniversary of the grant date, then on the date of termination, 20 RSUs from the first award and 40 RSUs from the second award would vest); and, provided further , that any amounts that would vest under this provision but for the fact that outstanding performance conditions have not been satisfied shall vest only if, and at such point as, such performance conditions are satisfied.

Notwithstanding the foregoing, and for avoidance of doubt, so long as Executive continues to serve on the Board of Directors of IAC, any IAC equity awards held by Executive shall continue to vest.

Following any termination of Executive's employment, any then-vested IAC Options of Executive (including IAC Options vesting as a result of this Section 5) shall remain exercisable through the date that is eighteen (18) months following the date of such termination or, if earlier, through the scheduled expiration date of such IAC Options.

All agreements evidencing IAC Options, IAC RSUs and any other equity awards based on IAC common stock granted to Executive and covered by this Section 5 are hereby amended to the extent necessary to effectuate the provisions of this Section 5. In all other respects, the IAC Options, IAC RSUs and any other equity awards based on IAC common stock granted to Executive covered in this Section 5 shall continue to be governed in accordance with their terms. For purposes of this Agreement, "cause" shall have the meaning set forth in the applicable IAC stock and incentive plan pursuant to which the IAC Options were granted.

In no event shall Executive's resignation be for "good reason" unless (x) Executive provides the Company with written notice of its material breach of this Agreement thereof within thirty (30) days after Executive has knowledge of the occurrence or existence of the events or circumstances constituting such material breach, which notice shall specifically identify the events or circumstances that Executive believes constitutes Good Reason, (y) the Company fails to correct the events or circumstances so identified within thirty (30) days after the receipt of such notice and (z) Executive resigns within ninety (90) days after the date of delivery of the notice referred to in clause (x) above.

6. Breach of Agreement by Executive and Notice of Non-Renewal . In the event that the Company determines that Executive is in breach of the Agreement, he shall be provided notice and a reasonable opportunity to cure. If the Company delivers a Non-Renewal Notice to Executive then, provided Executive's employment hereunder continues through the expiration date then in effect, effective as of such expiration date the Company and Executive shall have the same rights and obligations hereunder as they would if the Company had terminated Executive's employment hereunder prior to the end of the Term without cause.

7. Miscellaneous .

(a) Successors and Assigns . This Agreement will be binding upon, inure to the benefit of and be enforceable by, as applicable, IAC and the Executive and their respective personal or legal representatives, executors, administrators, successors, assigns, heirs, distributees and legatees. This Agreement is personal in nature and the Executive shall not, without the written consent of IAC, assign, transfer or delegate this Agreement or any rights or obligations hereunder.

(b) Governing Law . This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to such state's laws and principles regarding the conflict of laws.

(c) Amendment . No provision of this Agreement may be amended, modified, waived or discharged unless such amendment, waiver, modification or discharge is agreed to in writing and such writing is signed by the Executive and IAC.

(d) Notice . All notices and other communications under this Agreement shall be in writing and shall be given by first-class mail, certified or registered with return receipt requested or hand delivery acknowledged in writing by the recipient personally, and shall be deemed to have been duly given three days after mailing or immediately upon duly acknowledged hand delivery to the respective persons named below:

If to IAC:	IAC/InterActiveCorp 555 West 18th Street New York, NY 10011 Attention: General Counsel
With a copy to:	Wachtell, Lipton, Rosen & Katz 51 West 52nd Street New York, New York, 10019 Attention: Andrew Nussbaum, Esq.
If to Executive:	At the most recent address on record for Executive at the Company.

Either party may change such party's address for notices by notice duly given pursuant hereto.

(e) Headings . The headings of this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(f) Counterparts . This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

(g) Entire Agreement . This Agreement together with the IAC Option agreements dated December 18, 2000, April 25, 2001, December 16, 2001, January 31, 2008, December 17, 2008, February 16, 2010 and March 30, 2011 each as amended hereby, set forth the entire agreement of the parties hereto in respect to the subject matter contained herein and supersedes any prior agreements, promises, covenants, arrangements, and communications.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the date first above written.

IAC/InterActiveCorp

By: /s/ Gregg Winiarski
Name: Gregg Winiarski
Title: SVP & General Counsel

/s/ Victor Kaufman
Victor Kaufman

Exhibit 10.2

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into by and between Jeffrey W. Kip ("Executive") and IAC/InterActiveCorp, a Delaware corporation (the "Company"), and is effective as of March 20, 2012 (the "Effective Date").

WHEREAS, the Company desires to establish its right to the services of Executive, in the capacity described below, on the terms and conditions hereinafter set forth, and Executive is willing to accept such employment on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, Executive and the Company have agreed and do hereby agree as follows:

1A. EMPLOYMENT . During the Term (as defined below), the Company shall employ Executive, and Executive shall be employed, as the Company's Executive Vice President and Chief Financial Officer. During Executive's employment with the Company, Executive shall do and perform all services and acts necessary or advisable to fulfill the duties and responsibilities as are commensurate and consistent with Executive's position and shall render such services on the terms set forth herein. During Executive's employment with the Company, Executive shall report directly to the Chief Executive Officer of the Company or such person as may from time to time be designated by the Company (hereinafter referred to as the "Reporting Officer"). Executive shall have such powers and duties with respect to the Company as may reasonably be assigned to Executive by the Reporting Officer, to the extent consistent with Executive's position. Executive agrees to devote all of Executive's working time, attention and efforts to the Company and to perform the duties of Executive's position in accordance with the Company's policies as in effect from time to time. Executive's principal place of employment shall be at the Company's offices located in New York, New York.

2A. TERM . The term of this Agreement shall commence on the Effective Date and shall continue for a period of one (1) year. This Agreement shall automatically be renewed for successive one-year periods in perpetuity unless one party hereto provides written notice to the other, at least ninety (90) days prior to the end of the then current one-year employment period, that it elects not to extend this Agreement, which notice shall be irrevocable (any such notice, a "Non-Renewal Notice"). The period beginning on the date hereof and ending on the first anniversary hereof or, if the Agreement is renewed pursuant to the prior sentence, the last day of the last one-year renewal period, shall be referred to hereinafter as the "Term."

Notwithstanding anything to the contrary in this Section 2A, Executive's employment hereunder may be terminated in accordance with the provisions of Section 1 of the Standard Terms and Conditions attached hereto.

3A. COMPENSATION .

(a) BASE SALARY . During the period that Executive is employed with the Company hereunder, the Company shall pay Executive an annual base salary of $575,000 (the "Base Salary"), payable in equal biweekly installments (or, if different, in accordance with the Company's payroll practice as in effect from time to time). The Base Salary may be increased from time to time in the discretion of the Compensation and Human Resources Committee of the

Company (the "Compensation Committee"). For all purposes under this Agreement, the term "Base Salary" shall refer to the Base Salary as in effect from time to time.

(b) DISCRETIONARY BONUS . During the period that Executive is employed with the Company hereunder, Executive shall be eligible to receive discretionary annual bonuses.

(c) GRANT OF IAC EQUITY AWARDS. On the Effective Date, Executive shall be granted, under and subject to the provisions of IAC's 2008 Stock & Annual Incentive Plan (the "2008 Plan"), (i) an award of 20,000 IAC Restricted Stock Units (the "RSU Award"), (ii) an award of 150,000 options to purchase shares of common stock of IAC with an exercise price equal to the fair market value on the grant date (the "FMV Stock Option Award") and (iii) an award of 50,000 options to purchase shares of common stock of IAC with an exercise price equal to the greater of (x) the fair market value on the grant date and (y) $60.00 (the "Premium Stock Option Award"). The actual vesting and other terms and conditions of the RSU Award, the FMV Stock Option Award and the Premium Option Award will be governed by the award notices and related terms and conditions attached as Exhibit A and the 2008 Plan. Executive shall remain eligible for future equity grants during the Term of his employment with the Company.

(d) BENEFITS . From the Effective Date through the date of termination of Executive's employment with the Company for any reason, Executive shall be entitled to participate in any welfare, health and life insurance, pension benefit and incentive programs as may be adopted from time to time by the Company on the same basis as that provided to similarly situated employees of the Company. Without limiting the generality of the foregoing, Executive shall be entitled to the following benefits:

(i) Reimbursement for Business Expenses . During the period that Executive is employed with the Company hereunder, the Company shall reimburse Executive for all reasonable, necessary and documented expenses incurred by Executive in performing Executive's duties for the Company, on the same basis as similarly situated employees generally and in accordance with the Company's policies as in effect from time to time; and

(ii) Vacation . During the period that Executive is employed with the Company hereunder, Executive shall be entitled to paid vacation each year, in accordance with the plans, policies, programs and practices of the Company applicable to similarly situated employees of the Company generally.

4A. NOTICES . All notices and other communications under this Agreement shall be in writing and shall be given by first-class mail, certified or registered with return receipt requested, or by hand delivery, or by overnight delivery by a nationally recognized carrier, in each case to the applicable address set forth below, and any such notice is deemed effectively given when received by the recipient (or if receipt is refused by the recipient, when so refused):

If to the Company: c/o IAC/InterActiveCorp
555 West 18th Street, 6th Floor
New York, NY 10011
Attention: General Counsel

If to Executive: At the most recent address for Executive on file at the Company.

Either party may change such party's address for notices by notice duly given pursuant hereto.

5A. GOVERNING LAW; JURISDICTION . This Agreement and the legal relations thus created between the parties hereto (including, without limitation, any dispute arising out of or related to this Agreement) shall be governed by and construed under and in accordance with the internal laws of the State of New York without reference to its principles of conflicts of laws. Any such dispute will be heard exclusively and determined before an appropriate federal court located in the State of New York in New York County, or, if not maintainable therein, then in an appropriate New York state court located in New York County, and each party hereto submits itself and its property to the exclusive jurisdiction of the foregoing courts with respect to such disputes. The parties hereto acknowledge and agree that this Agreement was executed and delivered in the State of New York, that the Company is headquartered in New York City and that, in the course of performing duties hereunder for the Company, Executive shall have multiple contacts with the business and operations of the Company, as well as other businesses and operations in the State of New York, and that for those and other reasons this Agreement and the undertakings of the parties hereunder bear a reasonable relation to the State of New York. Each party hereto (i) agrees that service of process may be made by mailing a copy of any relevant document to the address of the party set forth above, (ii) waives to the fullest extent permitted by law any objection which it may now or hereafter have to the courts referred to above on the grounds of inconvenient forum or otherwise as regards any dispute between the parties hereto arising out of or related to this Agreement, (iii) waives to the fullest extent permitted by law any objection which it may now or hereafter have to the laying of venue in the courts referred to above as regards any dispute between the parties hereto arising out of or related to this Agreement and (iv) agrees that a judgment or order of any court referred to above in connection with any dispute between the parties hereto arising out of or related to this Agreement is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

6A. COUNTERPARTS . This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

7A. STANDARD TERMS AND CONDITIONS . Executive expressly understands and acknowledges that the Standard Terms and Conditions attached hereto are incorporated herein by reference, deemed a part of this Agreement and are binding and enforceable provisions of this Agreement. References to "this Agreement" or the use of the term "hereof" shall refer to this Agreement and the Standard Terms and Conditions attached hereto, taken as a whole.

[The Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and delivered by its duly authorized officer and Executive has executed and delivered this Agreement on February 7, 2012.

IAC/INTERACTIVECORP

/s/ Gregg Winiarski

By: Gregg Winiarski
Title: Senior Vice President, General Counsel and Secretary

/s/ Jeffrey W. Kip

JEFFREY W. KIP

STANDARD TERMS AND CONDITIONS

1. TERMINATION OF EXECUTIVE'S EMPLOYMENT.

(a) DEATH . In the event Executive's employment hereunder is terminated by reason of Executive's death, the Company shall pay Executive's designated beneficiary or beneficiaries, within thirty (30) days of Executive's death in a lump sum in cash, (i) Executive's Base Salary through the end of the month in which death occurs and (ii) any other Accrued Obligations (as defined in paragraph 1(f) below).

(b) DISABILITY . If, as a result of Executive's incapacity due to physical or mental illness ("Disability"), Executive shall have been absent from the full-time performance of Executive's duties with the Company for a period of four (4) consecutive months and, within thirty (30) days after written notice is provided to Executive by the Company (in accordance with Section 4A hereof), Executive shall not have returned to the full-time performance of Executive's duties, Executive's employment under this Agreement may be terminated by the Company for Disability. During any period prior to such termination during which Executive is absent from the full-time performance of Executive's duties with the Company due to Disability, the Company shall continue to pay Executive's Base Salary at the rate in effect at the commencement of such period of Disability, offset by any amounts payable to Executive under any disability insurance plan or policy provided by the Company. Upon termination of Executive's employment due to Disability, the Company shall pay Executive within thirty (30) days of such termination (i) Executive's Base Salary through the end of the month in which termination occurs in a lump sum in cash, offset by any amounts payable to Executive under any disability insurance plan or policy provided by the Company; and (ii) any other Accrued Obligations (as defined in paragraph 1(f) below).

(c) TERMINATION FOR CAUSE . Upon the termination of Executive's employment by the Company for Cause (as defined below), the Company shall have no further obligation hereunder, except for the payment of any Accrued Obligations (as defined in paragraph 1 (f) below). As used herein, "Cause" shall mean: (i) the plea of guilty or nolo contendere to, or conviction for, the commission of a felony offense by Executive; *provided* , *however* , that after indictment, the Company may suspend Executive from the rendition of services, but without limiting or modifying in any other way the Company's obligations under this Agreement; *provided* , *further* , that Executive's employment shall be immediately reinstated if the indictment is dismissed or otherwise dropped and there is not otherwise grounds to terminate Executive's employment for Cause; (ii) a material breach by Executive of a fiduciary duty owed to the Company; *provided* that the Reporting Officer determines, in his/her good faith discretion, that such material breach undermines his/her confidence in Executive's fitness to continue in his position, as evidenced in writing from the Reporting Officer (it being understood that the determination as to whether such material breach occurred is not in the good faith discretion of the Reporting Officer); (iii) a material breach by Executive of any of the covenants made by Executive in Section 2 hereof; (iv) Executive's continued willful or gross neglect of the material duties required by this Agreement; or (v) a knowing and material violation by Executive of any material Company policy pertaining to ethics, wrongdoing or conflicts of interest;

provided , that in the case of conduct described in clauses (iii), (iv) or (v) above which is capable of being cured, Executive shall have a period of ten (10) days after Executive is provided with written notice thereof in which to cure.

(d) TERMINATION BY THE COMPANY OTHER THAN FOR DEATH, DISABILITY OR CAUSE OR RESIGNATION BY EXECUTIVE FOR GOOD REASON . If Executive's employment hereunder is terminated prior to the expiration of the Term by the Company for any reason other than Executive's death or Disability or for Cause or if Executive resigns for Good Reason (as defined below) prior to the expiration of the Term, then

(i) the Company shall continue to pay to Executive the Base Salary for twelve (12) months from the date of such termination or resignation (the "Severance Period"), payable in equal biweekly installments (or otherwise based on the Company's payroll practice as in effect from time to time) over the course of such twelve (12) months;

(ii) the Company shall pay Executive within thirty (30) days of the date of such termination in a lump sum in cash any Accrued Obligations (as defined in paragraph 1(f) below); and

(iii) if such termination of employment occurs before the first anniversary of the Effective Date, then the RSU Award shall accelerate and vest as of the date of termination of employment.

The payment to Executive of the severance benefits described in this Section 1(d) (including any accelerated vesting) shall be subject to Executive's execution and non-revocation within thirty (30) days following the date of termination of Executive's employment with the Company of a general release of the Company and its affiliates, in a form substantially similar to that used for similarly situated executives of the Company and its affiliates (the "Release") and Executive's compliance with the restrictive covenants set forth in Section 2 hereof. Executive acknowledges and agrees that the severance benefits described in this Section 1(d) constitute good and valuable consideration for such release. In the event that Executive does not execute and deliver the Release within thirty days following the date of termination of employment, or in the event that Executive revokes the Release, the Company may require Executive to repay any amounts or benefits previously paid or provided to him pursuant to Section 1(d) (other than the Accrued Obligations) and the Company shall cease making additional payments or providing additional benefits pursuant to Section 1(d).

For purposes of this Agreement, "Good Reason" shall mean actions taken by the Company resulting in a material negative change in the employment relationship. For these purposes, a "material negative change in the employment relationship" shall include the occurrence of any of the following without Executive's prior written consent: (A) a material diminution in the authorities, duties or responsibilities of the person to whom the Executive is required to report, (B) the material reduction in Executive's title, duties or level of responsibilities as of the Effective Date, excluding for this purpose any such reduction that is an isolated and inadvertent action not taken in bad faith or that is authorized pursuant to this Agreement, but including any circumstances under which the Company is no longer publicly traded and is controlled by another company, (C) any material reduction in Executive's Base

Salary, (D) the relocation of Executive's principal place of employment outside of the metropolitan area of Executive's principal place of employment as of the Effective Date or (E) any other action or inaction that constitutes a material breach bythe Company of the Agreement, provided that in no event shall Executive's resignation be for "Good Reason" unless (x) an event or circumstance constituting "Good Reason" shall have occurred and Executive provides the Company with written notice thereof within thirty (30) days after Executive has knowledge of the occurrence or existence of such event or circumstance, which notice specifically identifies the event or circumstance that Executive believes constitutes Good Reason, (y) the Company fails to correct the circumstance or event so identified within thirty (30) days after the receipt of such notice, and (z) Executive resigns within ninety (90) days after the date of delivery of the notice referred to in clause (x) above.

(e) OFFSET . If Executive obtains other employment during the Severance Period, the amount of any such remaining payments or benefits to be provided to Executive shall be reduced by the amount of compensation and benefits earned by Executive from such other employment through the end of such period. For purposes of this Section 1(e), Executive shall have an obligation to inform the Company regarding Executive's employment status during the Severance Period.

(f) ACCRUED OBLIGATIONS . As used in this Agreement, "Accrued Obligations" shall mean the sum of (i) any portion of Executive's accrued but unpaid Base Salary through the date of death or termination of employment for any reason, as the case may be; (ii) any compensation previously earned but deferred by Executive (together with any interest or earnings thereon) that has not yet been paid and that is not otherwise to be paid at a later date pursuant to the executive deferred compensation plan of the Company, if any, and (iii) any reimbursements that Executive is entitled to receive under Section 3A(d)(i) of the Agreement.

(g) NOTICE OF NON-RENEWAL . If the Company delivers a Non-Renewal Notice to Executive then, provided Executive's employment hereunder continues through the expiration date then in effect, effective as of such expiration date the Company and Executive shall have the same rights and obligations hereunder as they would if the Company had terminated Executive's employment hereunder prior to the end of the Term for any reason other than Executive's death, Disability or Cause. Notwithstanding the foregoing, in no event shall the delivery of a Non-Renewal Notice by Executive to the Company in and of itself be deemed to be a resignation by Executive for Good Reason.

2. CONFIDENTIAL INFORMATION; NON-COMPETITION; NON-SOLICITATION; AND PROPRIETARY RIGHTS .

(a) CONFIDENTIALITY . Executive acknowledges that, while employed by the Company, Executive will occupy a position of trust and confidence. The Company, its subsidiaries and affiliates shall provide Executive with "Confidential Information" as referred to below. Executive shall not, except as may be required to perform Executive's duties hereunder or as required by applicable law, without limitation in time, communicate, divulge, disseminate, disclose to others or otherwise use, whether directly or indirectly, any Confidential Information regarding the Company or any of its subsidiaries or affiliates.

"Confidential Information" shall mean information about the Company or any of its subsidiaries or affiliates, and their respective businesses, employees, consultants, contractors, clients and customers that is not disclosed by the Company or any of its subsidiaries or affiliates for financial reporting purposes or otherwise generally made available to the public (other than by Executive's breach of the terms hereof) and that was learned or developed by Executive in the course of employment by the Company or any of its subsidiaries or affiliates, including (without limitation) any proprietary knowledge, trade secrets, data, formulae, information and client and customer lists and all papers, resumes, and records (including computer records) of the documents containing such Confidential Information. Executive acknowledges that such Confidential Information is specialized, unique in nature and of great value to the Company and its subsidiaries or affiliates, and that such information gives the Company and its subsidiaries or affiliates a competitive advantage. Executive agrees to deliver or return to the Company, at the Company's request at any time or upon termination or expiration of Executive's employment or as soon thereafter as possible, all documents, computer tapes and disks, records, lists, data, drawings, prints, notes and written information (and all copies thereof) furnished by the Company and its subsidiaries or affiliates or prepared by Executive in the course of Executive's employment by the Company and its subsidiaries or affiliates. As used in this Agreement, "subsidiaries" and "affiliates" shall mean any company controlled by, controlling or under common control with the Company.

(b) NON-COMPETITION . In consideration of this Agreement, and for other good and valuable consideration provided hereunder, the receipt and sufficiency of which are hereby acknowledged by Executive, Executive hereby agrees and covenants that, during Executive's employment hereunder and for a period of twelve (12) months thereafter (the "Restricted Period"), Executive shall not, without the prior written consent of the Company, directly or indirectly, engage in or become associated with a Competitive Activity. For purposes of this Section 2(b), (i) a "Competitive Activity" means any business or other endeavor involving products or services that are the same or similar to products or services (the "Company Products or Services") that any business of the Company is engaged in providing as of the date hereof or at any time during the Term, provided such business or endeavor is in the United States, or in any foreign jurisdiction in which the Company provides, or has provided during the Term, the relevant Company Products or Services, and (ii) Executive shall be considered to have become "associated with a Competitive Activity" if Executive becomes directly or indirectly involved as an owner, principal, employee, officer, director, independent contractor, representative, stockholder, financial backer, agent, partner, member, advisor, lender, consultant or in any other individual or representative capacity with any individual, partnership, corporation or other organization that is engaged in a Competitive Activity.

Notwithstanding anything else in this Section 2(b), (i) Executive may become employed by a partnership, corporation or other organization that is engaged in a Competitive Activity so long as Executive has no direct or indirect responsibilities or involvement in the Competitive Activity, (ii) Executive may own, for investment purposes only, up to five percent (5%) of the outstanding capital stock of any publicly-traded corporation engaged in a Competitive Activity if the stock of such corporation is either listed on a national stock exchange or

on the NASDAQ National Market System and if Executive is not otherwise affiliated with such corporation, (iii) if Executive's employment hereunder is terminated by the Company for any reason other than Executive's death, Disability or Cause, or by Executive for Good Reason, then the restrictions

contained in this Section 2(b) shall lapse, and (iv) Executive shall only be subject to the restrictions contained in this Section 2(b) to the extent the activity that would otherwise be prohibited by this section poses a reasonable competitive threat to the Company, which determination shall be made by the Company in good faith.

(c) NON-SOLICITATION OF EMPLOYEES . Executive recognizes that he will possess Confidential Information about other employees, consultants and contractors of the Company and its subsidiaries or affiliates relating to their education, experience, skills, abilities, compensation and benefits, and inter-personal relationships with suppliers to and customers of the Company and its subsidiaries or affiliates. Executive recognizes that the information he will possess about these other employees, consultants and contractors is not generally known, is of substantial value to the Company and its subsidiaries or affiliates in developing their respective businesses and in securing and retaining customers, and will be acquired by Executive because of Executive's business position with the Company. Executive agrees that, during Executive's employment hereunder and for a period of eighteen (18) months thereafter, Executive will not, directly or indirectly, solicit or recruit any employee of the Company or any of its subsidiaries or affiliates (or any individual who was an employee of the Company or any of its subsidiaries or affiliates at any time during the six (6) months prior to such act of hiring, solicitation or recruitment) for the purpose of being employed by Executive or by any business, individual, partnership, firm, corporation or other entity on whose behalf Executive is acting as an agent, representative or employee and that Executive will not convey any such Confidential Information or trade secrets about employees of the Company or any of its subsidiaries or affiliates to any other person except within the scope of Executive's duties hereunder. Notwithstanding the foregoing, Executive is not precluded from soliciting any individual who (i) initiates discussions regarding employment on his or her own, (ii) responds to any public advertisement or general solicitation or (iii) has been terminated by the Company prior to the solicitation.

(d) NON-SOLICITATION OF BUSINESS PARTNERS . During Executive's employment hereunder, and for a period of twelve (12) months thereafter, Executive shall not, without the prior written consent of the Company, persuade or encourage any business partners or business affiliates of the Company or any of its subsidiaries or affiliates to cease doing business with the Company or any of its subsidiaries or affiliates or to engage in any business competitive with the Company or its subsidiaries or affiliates.

(e) PROPRIETARY RIGHTS; ASSIGNMENT . All Employee Developments (defined below) shall be considered works made for hire by Executive for the Company or, as applicable, its subsidiaries or affiliates, and Executive agrees that all rights of any kind in any Employee Developments belong exclusively to the Company. In order to permit the Company to exploit such Employee Developments, Executive shall promptly and fully report all such Employee Developments to the Company. Except in furtherance of his obligations as an employee of the Company, Executive shall not use or reproduce any portion of any record associated with any Employee Development without prior written consent of the Company or, as applicable, its subsidiaries or affiliates. Executive agrees that in the event actions of Executive are required to ensure that such rights belong to the Company under applicable law, Executive will cooperate and take whatever such actions are reasonably requested by the Company, whether during or after the Term, and without the need for separate or additional compensation.

"Employee Developments" means any idea, know-how, discovery, invention, design, method, technique, improvement, enhancement, development, computer program, machine, algorithm or other work of authorship, whether developed, conceived or reduced to practice during or following the period of employment, that: (i) concerns or relates to the actual or anticipated business, research or development activities, or operations of the Company or any of its subsidiaries or affiliates, (ii) results from or is suggested by any undertaking assigned to Executive or work performed by Executive for or on behalf of the Company or any of its subsidiaries or affiliates, whether created alone or with others, during or after working hours, or (iii) uses, incorporates or is based on Company equipment, supplies, facilities, trade secrets or inventions of any form or type. All Confidential Information and all Employee Developments are and shall remain the sole property of the Company or any of its subsidiaries or affiliates. Executive shall acquire no proprietary interest in any Confidential Information or Employee Developments developed or acquired during the Term. To the extent Executive may, by operation of law or otherwise, acquire any right, title or interest in or to any Confidential Information or Employee Development, Executive hereby assigns and covenants to assign to the Company all such proprietary rights without the need for a separate writing or additional compensation. Executive shall, both during and after the Term, upon the Company's request, promptly execute, acknowledge, and deliver to the Company all such assignments, confirmations of assignment, certificates, and instruments, and shall promptly perform such other acts, as the Company may from time to time in its discretion deem necessary or desirable to evidence, establish, maintain, perfect, enforce or defend the Company's rights in Confidential Information and Employee Developments.

(f) COMPLIANCE WITH POLICIES AND PROCEDURES . During the period that Executive is employed with the Company hereunder, Executive shall adhere to the policies and standards of professionalism set forth in the policies and procedures of the Company and IAC as they may exist from time to time.

(g) SURVIVAL OF PROVISIONS . The obligations contained in this Section 2 shall, to the extent provided in this Section 2, survive the termination or expiration of Executive's employment with the Company and, as applicable, shall be fully enforceable thereafter in accordance with the terms of this Agreement. If it is determined by a court of competent jurisdiction that any restriction in this Section 2 is excessive in duration or scope or is unreasonable or unenforceable under applicable law, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by applicable law.

3. TERMINATION OF PRIOR AGREEMENTS . This Agreement constitutes the entire agreement between the parties and, as of the Effective Date, terminates and supersedes any and all prior agreements and understandings (whether written or oral) between the parties with respect to the subject matter of this Agreement. Executive acknowledges and agrees that neither the Company nor anyone acting on its behalf has made, and is not making, and in executing this Agreement, Executive has not relied upon, any representations, promises or inducements except to the extent the same is expressly set forth in this Agreement. Executive hereby represents and warrants to the Company that Executive is not party to any contract, understanding, agreement or policy, whether or not written, with Executive's most-recent employer before the Company (the "Previous Employer") or otherwise, that would be breached by Executive's entering into, or

performing services under, this Agreement. Executive further represents that, prior to the Effective Date, (i) he has disclosed in writing to the Company all material existing, pending or threatened claims against him, if any, as a result of his employment with the Previous Employer or his membership on any boards of directors and (ii) no breach by Executive of any of his covenants in Section 2 of the Standard Terms and Conditions of the Previous Employment Agreement has occurred.

4. ASSIGNMENT; SUCCESSORS . This Agreement is personal in its nature and none of the parties hereto shall, without the consent of the others, assign or transfer this Agreement or any rights or obligations hereunder; provided, that the Company may assign this Agreement to, or allow any of its obligations to be fulfilled by, or take actions through, any affiliate of the Company and, in the event of the merger, consolidation, transfer, or sale of all or substantially all of the assets of the Company (a "Transaction") with or to any other individual or entity, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor shall discharge and perform all the promises, covenants, duties, and obligations of the Company hereunder, and in the event of any such assignment or Transaction, all references herein to the "Company" shall refer to the Company's assignee or successor hereunder.

5. WITHHOLDING . The Company shall make such deductions and withhold such amounts from each payment and benefit made or provided to Executive hereunder, as may be required from time to time by applicable law, governmental regulation or order.

6. SECTION 409A OF THE INTERNAL REVENUE CODE .

(a) This Agreement is not intended to constitute a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and the rules and regulations issued thereunder ("Section 409A"). It is intended that any amounts payable under this Agreement and the Company's and Executive's exercise of authority or discretion hereunder shall comply with and avoid the imputation of any tax, penalty or interest under Section 409A of the Code. This Agreement shall be construed and interpreted consistent with that intent.

(b) For purposes of this Agreement, a "Separation from Service" occurs when Executive dies, retires or otherwise has a termination of employment with the Company that constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h)(1), without regard to the optional alternative definitions available thereunder.

(c) If Executive is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of Executive's Separation from Service, Executive shall not be entitled to any payment or benefit pursuant to clause (i) of Section 1(d) until the earlier of (i) the date which is six (6) months after his or her Separation from Service for any reason other than death, or (ii) the date of Executive's death. The provisions of this paragraph shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Section 409A. Any amounts otherwise payable to Executive upon or in the six (6) month period following Executive's Separation from Service that are not so paid by reason of this Section 6(b) shall be paid (without interest) as soon as practicable after the date that is six (6) months after

Executive's Separation from Service (or, if earlier, as soon as practicable after the date of Executive's death).

(d) To the extent that any reimbursement pursuant to this Agreement is taxable to Executive, Executive shall provide the Company with documentation of the related expenses promptly so as to facilitate the timing of the reimbursement payment contemplated by this paragraph, and any reimbursement payment due to Executive pursuant to such provision shall be paid to Executive on or before the last day of Executive's taxable year following the taxable year in which the related expense was incurred. Such reimbursement obligations pursuant to this Agreement are not subject to liquidation or exchange for another benefit and the amount of such benefits that Executive receives in one taxable year shall not affect the amount of such benefits that Executive receives in any other taxable year.

(e) In no event shall the Company be required to pay Executive any "gross-up" or other payment with respect to any taxes or penalties imposed under Section 409A with respect to any benefit paid to Executive hereunder. The Company agrees to take any reasonable steps requested by Executive to avoid adverse tax consequences to Executive as a result of any benefit to Executive hereunder being subject to Section 409A, provided that Executive shall, if requested, reimburse the Company for any incremental costs (other than incidental costs) associated with taking such steps. All payments to be made upon a termination of employment under this Agreement may only be made upon a "separation from service" under Section 409A.

7. HEADING REFERENCES . Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. References to "this Agreement" or the use of the term "hereof" shall refer to these Standard Terms and Conditions and the Employment Agreement attached hereto, taken as a whole.

8. REMEDIES FOR BREACH . Executive expressly agrees and understands that Executive will notify the Company in writing of any alleged breach of this Agreement by the Company, and the Company will have thirty (30) days from receipt of Executive's notice to cure any such breach. Executive expressly agrees and understands that in the event of any termination of Executive's employment by the Company during the Term, the Company's contractual obligations to Executive shall be fulfilled through compliance with its obligations under Section 1 of the Standard Terms and Conditions.

Executive expressly agrees and understands that the remedy at law for any breach by Executive of Section 2 of the Standard Terms and Conditions will be inadequate and that damages flowing from such breach are not usually susceptible to being measured in monetary terms. Accordingly, it is acknowledged that, upon Executive's violation of any provision of such Section 2, the Company shall be entitled to obtain from any court of competent jurisdiction immediate injunctive relief and obtain a temporary order restraining any threatened or further breach as well as an equitable accounting of all profits or benefits arising out of such violation. Nothing in this Agreement shall be deemed to limit the Company's remedies at law or in equity for any breach by Executive of any of the provisions of this Agreement, including Section 2, which may be pursued by or available to the Company.

9. WAIVER; MODIFICATION . Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times. This Agreement shall not be modified in any respect except by a writing executed by each party hereto.

10. SEVERABILITY . In the event that a court of competent jurisdiction determines that any portion of this Agreement is in violation of any law or public policy, only the portions of this Agreement that violate such law or public policy shall be stricken. All portions of this Agreement that do not violate any statute or public policy shall continue in full force and effect. Further, any court order striking any portion of this Agreement shall modify the stricken terms as narrowly as possible to give as much effect as possible to the intentions of the parties under this Agreement.

[The Signature Page Follows]

ACKNOWLEDGED AND AGREED:

Date: February 7, 2012

IAC/INTERACTIVECORP

/s/ Gregg Winiarski

By: Gregg Winiarski
Title: Senior Vice President, General Counsel and Secretary

/s/ Jeffrey W. Kip

JEFFREY W. KIP

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Exhibit 31.1

Certification

I, Gregory R. Blatt, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2012 of IAC/InterActiveCorp;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 9, 2012

/s/ GREGORY R. BLATT

Gregory R. Blatt
Chief Executive Officer

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Exhibit 31.2

Certification

I, Barry Diller, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2012 of IAC/InterActiveCorp;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 9, 2012

/s/ BARRY DILLER

Barry Diller
Chairman and Senior Executive

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Exhibit 31.3

Certification

I, Jeffrey W. Kip, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2012 of IAC/InterActiveCorp;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 9, 2012

/s/ JEFFREY W. KIP

Jeffrey W. Kip
Executive Vice President & Chief Financial Officer

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Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Gregory R. Blatt, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

(1) the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2012 of IAC/InterActiveCorp (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of IAC/InterActiveCorp.

Dated: May 9, 2012

/s/ GREGORY R. BLATT

Gregory R. Blatt
Chief Executive Officer

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Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Barry Diller, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

(1) the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2012 of IAC/InterActiveCorp (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of IAC/InterActiveCorp.

Dated: May 9, 2012

/s/ BARRY DILLER

Barry Diller
Chairman and Senior Executive

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Exhibit 32.3

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey W. Kip, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

(1) the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2012 of IAC/InterActiveCorp (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of IAC/InterActiveCorp.

Dated: May 9, 2012

/s/ JEFFREY W. KIP

Jeffrey W. Kip
Executive Vice President & Chief Financial Officer

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Exhibit 32.3