

IAC reports 3Q profit but ad revenue still slips

October 27 2009, By RACHEL METZ , AP Technology Writer

(AP) -- IAC/InterActiveCorp, which runs Match.com, Ask.com and other Web sites, said Tuesday that asset sales helped it profit in the third quarter while advertising revenue continued to slump.

The results for IAC, which is led by media mogul Barry Diller, come after other Internet companies indicated in their third-quarter reports that the online advertising market remains uneven. [Google](#) Inc. reported a 7 percent increase in [revenue](#) in the period, but Yahoo Inc. said its revenue dropped 12 percent.

The period was tough for IAC, whose revenue fell 9 percent.

Counting one-time events such as a large gain on a stock sale and the sale of Match's European operations, IAC earned \$21.7 million, or 16 cents per share, on \$337 million in revenue. In the same period a year ago it lost \$14.8 million, or 11 cents per share.

Revenue in IAC's media and advertising unit, which includes search engine Ask.com and online city guide Citysearch, dropped 11 percent to \$172.3 million. For the third straight quarter, the company said the difficult ad climate - which is hurting media on and off the Web - lowered revenue at Citysearch.

IAC also said for the second quarter in a row that Citysearch was hindered by the relaunch of its site and the use of a new ad-delivery system.

Revenue from IAC's Match unit, which includes Match.com, Chemistry.com and other dating sites, fell 13 percent to \$81 million. IAC attributed the drop to the absence of Match Europe, which was sold to a French company in June.

Match's number of paid subscribers rose nearly 5 percent to 1.4 million.

The only IAC unit that reported revenue growth during the quarter was ServiceMagic, which operates Web sites that connect homeowners with home-improvement contractors. ServiceMagic's revenue rose 30 percent to \$43.9 million. IAC said the number of service requests rose 22 percent.

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Citation: IAC reports 3Q profit but ad revenue still slips (2009, October 27) retrieved 10 April 2024 from <https://phys.org/news/2009-10-iac-3q-profit-ad-revenue.html>

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