

Online ad improvement seen in IAC's 4Q loss

February 9 2010, By RACHEL METZ , AP Technology Writer

(AP) -- Internet company IAC/InterActiveCorp lost \$1 billion in the fourth quarter because it wrote down the value of its search business, but the results beat expectations and offered the latest indication that the online advertising market is improving.

IAC, which is run by media billionaire Barry Diller, said Tuesday its net loss amounted to \$7.94 per share in the last three months of the year. This compares with a [net profit](#) of \$227.4 million, or \$1.57 per share, in the year-ago quarter.

In the most recent quarter IAC took a \$991.9 million impairment charge to account for decreased projections for revenue and profit growth at IAC's search properties, which include such Web sites as Ask.com and Dictionary.com.

Excluding one-time items, the company earned 20 cents per share - 2 cents more than analysts polled by Thomson Reuters expected.

Revenue climbed 5 percent to \$367.2 million, beating analyst expectations for \$339.6 million.

Even as IAC wrote down the value of its search business, overall the company appeared to be reversing some downward trends.

Revenue from IAC's core search business, which includes the Ask search engine and online city guide Citysearch and makes money from ads, rose 3 percent to \$185.4 million. Revenue had dropped in the first

nine months of the year.

The turnaround is consistent with recent results from IAC's peers that signal that the online advertising market is improving. Online ad leader [Google](#) Inc. reported fourth-quarter ad revenue grew 17 percent. Yahoo Inc. reported a 4 percent drop and AOL Inc. an 8 percent drop, but those declines were less than those logged during the first three quarters of the year.

Revenue from IAC's media and other business, which includes entertainment site CollegeHumor and online retailer ShoeBuy.com, climbed 6 percent to \$63.5 million. IAC said the unit benefited from healthy holiday sales.

In IAC's Match business, which consists of dating sites like Match.com and Chemistry.com, revenue dropped 6 percent to \$83.3 million. IAC said the decline was due to absence of Match Europe, which was sold last June. Match's number of paid subscribers rose 3 percent from a year earlier to 1.4 million.

For the full year, IAC reported a loss of \$978.8 million, or \$7.06 per share, compared with a loss of \$156.2 million, or \$1.08 per share, in 2008.

Revenue declined 5 percent to \$1.38 billion in 2009, from \$1.45 billion a year earlier.

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