IAC/INTERACTIVECORP
Form 10-Q
October 29, 2009

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**As filed with the Securities and Exchange Commission on October 29, 2009**

# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
# Washington, D.C. 20549

# FORM 10-Q

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

**For the Quarterly Period Ended September 30, 2009**

**or**

o **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 ý No o

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 o No o

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 definition of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

| Large accelerated filer ý | Accelerated filer o | Non-accelerated filer o<br>(Do not check if a smaller reporting company) | Smaller reporting company o |
|---|---|---|---|

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

As of October 23, 2009, the following shares of the registrant's common stock were outstanding:

| | |
|---|---|
| Common Stock | 119,170,241 |
| Class B Common Stock | 12,799,999 |
| Total outstanding Common Stock | 131,970,240 |

The aggregate market value of the voting common stock held by non-affiliates of the registrant as of October 23, 2009 was $1,806,427,239. 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 STATEMENTS

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

### IAC/INTERACTIVECORP AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEET

| | September 30, 2009 | December 31, 2008 |
|---|---|---|
| | (unaudited) | (audited) |
| | (In thousands, except share data) | |
| **ASSETS** | | |
| Cash and cash equivalents | $ 1,405,770 | $ 1,744,994 |
| Marketable securities | 361,274 | 125,592 |
| Accounts receivable, net of allowance of $11,089 and $11,396, respectively | 91,578 | 98,402 |
| Other current assets | 224,994 | 215,630 |
| Total current assets | 2,083,616 | 2,184,618 |
| Property and equipment, net | 304,402 | 330,261 |
| Goodwill | 1,916,919 | 1,910,295 |
| Intangible assets, net | 392,468 | 386,756 |
| Long-term investments | 268,666 | 120,582 |
| Other non-current assets | 217,933 | 318,808 |
| **TOTAL ASSETS** | $ 5,184,004 | $ 5,251,320 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| **LIABILITIES:** | | |
| Accounts payable, trade | $ 43,377 | $ 48,876 |
| Deferred revenue | 54,544 | 50,886 |
| Accrued expenses and other current liabilities | 168,730 | 179,928 |
| Total current liabilities | 266,651 | 279,690 |
| Long-term debt | 95,844 | 95,844 |
| Income taxes payable | 436,698 | 403,043 |
| Other long-term liabilities | 26,541 | 22,436 |
| Redeemable noncontrolling interest | 27,994 | 22,771 |
| Commitments and contingencies | | |
| **SHAREHOLDERS' EQUITY:** | | |
| Common stock $.001 par value; authorized 1,600,000,000 shares; issued 222,443,873 and 210,217,183 shares, respectively, and outstanding 119,146,285 and 127,809,801 shares, respectively | 222 | 210 |
| Class B convertible common stock $.001 par value; authorized 400,000,000 shares; issued 16,157,499 shares and outstanding 12,799,999 shares | 16 | 16 |
| Additional paid-in capital | 11,297,407 | 11,112,014 |

| | | | | |
|---|---|---|---|---|
| Retained earnings | | 261,554 | | 227,445 |
| Accumulated other comprehensive income | | 21,943 | | 2,180 |
| Treasury stock 103,297,588 and 82,407,382 shares, respectively | | (7,250,866) | | (6,914,329) |
| Total shareholders' equity | | 4,330,276 | | 4,427,536 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | $ | 5,184,004 | $ | 5,251,320 |

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

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**IAC/INTERACTIVECORP AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF OPERATIONS**

**(Unaudited)**

| | Three Months Ended September 30, 2009 | Three Months Ended September 30, 2008 | Nine Months Ended September 30, 2009 | Nine Months Ended September 30, 2008 |
|---|---|---|---|---|
| | (In thousands, except per share data) | | | |
| Revenue | $ 336,577 | $ 369,280 | $ 1,008,632 | $ 1,094,100 |
| Costs and expenses: | | | | |
| Cost of revenue (exclusive of depreciation shown separately below) | 107,298 | 119,764 | 326,941 | 357,199 |
| Selling and marketing expense | 106,735 | 109,407 | 358,537 | 347,520 |
| General and administrative expense | 70,134 | 112,606 | 212,738 | 284,588 |
| Product development expense | 14,751 | 18,379 | 49,261 | 56,885 |
| Depreciation | 15,289 | 17,337 | 48,380 | 52,055 |
| Amortization of non-cash marketing | 4,999 | 6,138 | 7,504 | 12,005 |
| Amortization of intangibles | 10,250 | 8,287 | 26,311 | 24,028 |
| Goodwill impairment | | | 1,056 | |
| Total costs and expenses | 329,456 | 391,918 | 1,030,728 | 1,134,280 |
| Operating income (loss) | 7,121 | (22,638) | (22,096) | (40,180) |
| Other income (expense): | | | | |
| Interest income | 2,374 | 6,549 | 8,546 | 20,325 |
| Interest expense | (1,345) | (5,002) | (4,070) | (30,866) |
| Equity in (losses) income of unconsolidated affiliates | (3,961) | 3,146 | (7,973) | 15,373 |
| Gain on sale of long-term investments | 37,875 | | 25,570 | 29,131 |
| Other income (expense) | 16,017 | (68,657) | 90,279 | (186,712) |
| Total other income (expense), net | 50,960 | (63,964) | 112,352 | (152,749) |
| Earnings (loss) from continuing operations before income taxes | 58,081 | (86,602) | 90,256 | (192,929) |
| Income tax (provision) benefit | (34,269) | 85,335 | (53,733) | 103,573 |
| **Earnings (loss) from continuing operations** | 23,812 | (1,267) | 36,523 | (89,356) |
| Gain on sale of a discontinued operation, net of tax | | 767 | | 23,314 |
| Loss from discontinued operations, net of tax | (2,514) | (14,718) | (3,472) | (318,771) |
| **Net earnings (loss)** | 21,298 | (15,218) | 33,051 | (384,813) |
| Net loss attributable to noncontrolling interest | 384 | 381 | 1,058 | 1,195 |
| **Net earnings (loss) attributable to IAC shareholders** | $ 21,682 | $ (14,837) | $ 34,109 | $ (383,618) |
| **Per share information attributable to IAC shareholders:** | | | | |
| Basic earnings (loss) per share from continuing operations | $ 0.18 | $ (0.01) | $ 0.26 | $ (0.63) |
| Diluted earnings (loss) per share from continuing operations | $ 0.18 | $ (0.01) | $ 0.26 | $ (0.63) |
| Basic earnings (loss) per share | $ 0.16 | $ (0.11) | $ 0.24 | $ (2.75) |
| Diluted earnings (loss) per share | $ 0.16 | $ (0.11) | $ 0.24 | $ (2.75) |
| **Non-cash compensation expense by function:** | | | | |
| Cost of revenue | $ 819 | $ 1,908 | $ 2,148 | $ 3,545 |
| Selling and marketing expense | 733 | 2,208 | 2,270 | 4,102 |
| General and administrative expense | 13,694 | 31,258 | 40,882 | 62,357 |
| Product development expense | 1,269 | 3,303 | 3,387 | 6,170 |
| Total non-cash compensation expense | $ 16,515 | $ 38,677 | $ 48,687 | $ 76,174 |

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

**IAC/INTERACTIVECORP AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY**

**(Unaudited)**

| | Total | Common Stock $.001 Par Value $ | Common Stock $.001 Par Value Shares | Class B Convertible Common Stock $.001 Par Value $ | Class B Convertible Common Stock $.001 Par Value Shares | Additional Paid-in Capital | Retained Earnings | Accum. Other Comp Income | Treasury Stock |
|---|---|---|---|---|---|---|---|---|---|
| | (In thousands) | | | | | | | | |
| **Balance as of December 31, 2008** | $ 4,427,536 | $ 210 | 210,217 | $ 16 | 16,157 | $ 11,112,014 | $ 227,445 | $ 2,180 | $ (6,914,329) |
| Comprehensive income: | | | | | | | | | |
| Net earnings attributable to IAC shareholders for the nine months ended September 30, 2009 | 34,109 | | | | | | 34,109 | | |
| Foreign currency translation, net of tax provision of $1 | 10,528 | | | | | | | 10,528 | |
| Change in net unrealized gains on available-for-sale securities, net of tax provision of $4,582 | 9,235 | | | | | | | 9,235 | |
| Comprehensive income | 53,872 | | | | | | | | |
| Non-cash compensation expense | 48,577 | | | | | 48,577 | | | |
| Issuance of common stock upon exercise of stock options, vesting of restricted stock units and other, net of withholding taxes | 6,196 | | 682 | | | 6,196 | | | |
| Income tax provision related to the exercise of stock options, vesting of restricted stock units and other | (9,651) | | | | | (9,651) | | | |
| Issuance of common stock upon the exercise of warrants | 151,264 | 12 | 11,545 | | | 151,252 | | | |
| Purchase of treasury stock | (336,537) | | | | | | | | (336,537) |
| Fair value of redeemable noncontrolling interest adjustment | (1,033) | | | | | (1,033) | | | |
| Settlement of vested stock-based awards denominated in a subsidiary's equity | (14,000) | | | | | (14,000) | | | |
| Spin-Off of HSNi, ILG, Ticketmaster and Tree.com to shareholders (a) | 4,052 | | | | | 4,052 | | | |
| **Balance as of September 30, 2009** | $ 4,330,276 | $ 222 | 222,444 | $ 16 | 16,157 | $ 11,297,407 | $ 261,554 | $ 21,943 | $ (7,250,866) |

(a) The Company recorded a $4.1 million reduction to the Spin-Off distribution. This reflects a reduction in the Company's income tax liability and a corresponding increase in the income tax liability of the Spincos as of the date of the Spin-Off. This reduced tax liability is primarily due to elections made by the Company pursuant to the tax sharing agreement executed in connection with the Spin-Off.

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

**IAC/INTERACTIVECORP AND SUBSIDIARIES**
**CONSOLIDATED STATEMENT OF CASH FLOWS**

**(Unaudited)**

| | Nine Months Ended September 30, 2009 | 2008 |
|---|---|---|
| | (In thousands) | |
| **Cash flows from operating activities attributable to continuing operations:** | | |
| Net earnings (loss) | $ 33,051 | $ (384,813) |
| Less: loss from discontinued operations, net of tax | 3,472 | 295,457 |
| **Earnings (loss) from continuing operations** | 36,523 | (89,356) |
| Adjustments to reconcile earnings (loss) from continuing operations to net cash provided by operating activities attributable to continuing operations: | | |
| Depreciation | 48,380 | 52,055 |
| Amortization of non-cash marketing | 7,504 | 12,005 |
| Amortization of intangibles | 26,311 | 24,028 |
| Goodwill impairment | 1,056 | |
| Impairment of long-term investments | 4,785 | 132,587 |
| Non-cash compensation expense | 48,687 | 76,174 |
| Deferred income taxes | 83,278 | (79,755) |
| Equity in losses (income) of unconsolidated affiliates | 7,973 | (15,373) |
| Gain on sale of Match Europe | (132,244) | |
| Loss on extinguishment of Senior Notes | | 63,218 |
| Gain on sale of long-term investments | (25,570) | (29,131) |
| Net decrease (increase) in the fair value of the derivatives created in the HSE sale and the Expedia spin-off | 38,204 | (6,185) |
| Changes in current assets and liabilities: | | |
| Accounts receivable | (2,045) | (6,517) |
| Other current assets | (2,614) | (6,167) |
| Accounts payable and other current liabilities | (1,077) | 33,662 |
| Income taxes payable | (13,820) | (23,355) |
| Deferred revenue | 9,677 | 3,516 |
| Other, net | 11,300 | 5,955 |
| **Net cash provided by operating activities attributable to continuing operations** | 146,308 | 147,361 |
| **Cash flows from investing activities attributable to continuing operations:** | | |
| Acquisitions, net of cash acquired | (85,534) | (130,704) |
| Capital expenditures | (28,854) | (51,348) |
| Proceeds from sales and maturities of marketable securities | 150,257 | 330,316 |
| Purchases of marketable securities | (367,573) | (140,878) |
| Proceeds from sales of long-term investments | 58,123 | 60,945 |
| Purchases of long-term investments | (2,982) | (59,700) |
| Proceeds from the sale of a discontinued operation | | 32,723 |
| Net cash distribution from spun-off businesses | | 427,834 |
| Receivable created in the sale of Match Europe | (6,829) | |
| Other, net | (7,873) | 189 |
| **Net cash (used in) provided by investing activities attributable to continuing operations** | (291,265) | 469,377 |
| **Cash flows from financing activities attributable to continuing operations:** | | |
| Repurchase of Senior Notes | | (514,943) |
| Purchase of treasury stock | (336,537) | (145,590) |
| Issuance of common stock, net of withholding taxes | 150,032 | (12,774) |
| Excess tax benefits from stock-based awards | 368 | 726 |
| Settlement of vested stock-based awards denominated in a subsidiary's equity | (14,000) | |
| Other, net | 1,111 | (1,446) |
| **Net cash used in financing activities attributable to continuing operations** | (199,026) | (674,027) |
| **Total cash used in continuing operations** | (343,983) | (57,289) |

| | | |
|---|---|---|
| Net cash (used in) provided by operating activities attributable to discontinued operations | (930) | 274,415 |
| Net cash used in investing activities attributable to discontinued operations | | (495,131) |
| Net cash provided by financing activities attributable to discontinued operations | | 50,484 |
| **Total cash used in discontinued operations** | (930) | (170,232) |
| Effect of exchange rate changes on cash and cash equivalents | 5,689 | (15,669) |
| **Net decrease in cash and cash equivalents** | (339,224) | (243,190) |
| Cash and cash equivalents at beginning of period | 1,744,994 | 1,585,302 |
| **Cash and cash equivalents at end of period** | $ 1,405,770 | $ 1,342,112 |

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

**IAC/INTERACTIVECORP AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

IAC is a leading internet company with more than 50 fast-growing, highly-related brands serving loyal consumer audiences across more than 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 Media & Advertising segment; its Match and ServiceMagic segments; the businesses comprising its Emerging Businesses segment; and certain investments in unconsolidated affiliates.

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 entities in which the Company has a controlling financial interest, whether through voting interests or variable interests. Intercompany transactions and accounts have been eliminated. Investments in entities in which the Company has the ability to exercise significant influence, but does not own a controlling voting 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 ("SEC"). 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, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. 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, as amended, for the year ended December 31, 2008.

**Use of Estimates**

Management is required to make certain estimates and assumptions during the preparation of the consolidated financial statements in accordance with U.S. GAAP. These estimates and assumptions impact the reported amount of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the consolidated financial statements. They also impact the reported amount of net earnings during any period. Actual results could differ from those estimates.

Significant estimates and assumptions used in the preparation of the accompanying consolidated financial statements include those related to: the determination of the fair value of marketable securities; the assessment of marketable securities and long-term investments for other-than-temporary impairment; the carrying value of accounts receivable, including the determination of allowances for doubtful accounts and other revenue related allowances; the assessment of long-lived assets, definite-lived intangible assets, indefinite-lived intangible assets and goodwill for impairment; income taxes payable and deferred income taxes, including related reserves and valuation allowances; and the determination of stock-based compensation.

**IAC/INTERACTIVECORP AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**Goodwill and Indefinite-Lived Intangible Assets**

Goodwill acquired in business combinations is assigned to the reporting unit(s) that are expected to benefit from the combination as of the acquisition date. The Company tests goodwill and indefinite-lived intangible assets for impairment annually as of October 1, or more frequently if events or changes in circumstances indicate that the assets might be impaired. If the carrying amount of a reporting unit's goodwill exceeds its implied fair value, an impairment loss equal to the excess is recorded. If the carrying amount of an indefinite-lived intangible asset exceeds its estimated fair value, an impairment loss equal to the excess is recorded.

The Company's reporting units are consistent with its determination of its operating segments. Goodwill is tested for impairment at the reporting unit level. The Company's operating segments, reporting units and reportable segments are as follows:

| Operating Segment and Reporting Unit | Reportable Segment |
| --- | --- |
| IAC Search & Media | Media & Advertising |
| Citysearch | Media & Advertising |
| Match | Match |
| ServiceMagic | ServiceMagic |
| Shoebuy | Emerging Businesses |
| InstantAction.com | Emerging Businesses |
| Connected Ventures | Emerging Businesses |

Emerging Businesses include other operating segments that do not have goodwill. See Note 7 for additional information regarding the Company's method of determining operating and reportable segments.

Certain reporting units are currently operating in dynamic industry segments. These include IAC Search & Media and InstantAction.com. If operating results of these businesses vary significantly from anticipated results, future, potentially material, impairments of goodwill and/or other intangible assets could occur. To illustrate the magnitude of potential impairment charges relative to future changes in estimated fair value, had the estimated fair values of each of these reporting units been hypothetically lower by 10% as of October 1, 2008, the carrying value of IAC Search & Media would have exceeded its fair value by approximately $140 million and the carrying value of InstantAction.com would have exceeded its fair value by approximately $4 million. Had the estimated fair values of each of these reporting units been hypothetically lower by 20% as of October 1, 2008, the carrying value of IAC Search & Media would have exceeded its fair value by approximately $330 million and the carrying value of InstantAction.com would have exceeded its fair value by approximately $8 million. The impairment charge that might result would be determined based upon the excess of the carrying value of goodwill over its implied fair value.

**Investment in Arcandor AG and Related Derivative Asset**

As part of the consideration for the sale of Home Shopping Europe GmbH & Co. KG, and its affiliated station HSE24 ("HSE") to Arcandor AG ("ARO") on June 19, 2007, IAC received from ARO approximately 5.5 million shares of ARO stock plus additional consideration in the form of a

**IAC/INTERACTIVECORP AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

contingent value right ("CVR"). ARO shares are listed on the German stock exchange (XETRA: ARO) and as a result, IAC is exposed to changes in ARO's stock price. The ARO stock is an available-for-sale marketable equity security. The CVR is accounted for as a derivative asset.

During the second quarter of 2009, the Company sold 4.3 million shares of ARO stock, resulting in a loss of $12.3 million and concluded that the decline in the price of the remaining 1.1 million shares of ARO stock was other-than-temporary and wrote the value of the remaining shares of ARO stock down to €0.61 per share, the ARO stock price on June 30, 2009, resulting in a $3.9 million impairment charge. During the third quarter of 2009, the Company concluded that a further decline in the value of the remaining shares of ARO stock was other-than-temporary and wrote the value of the remaining shares of ARO stock down to €0.26 per share, the ARO stock price on September 30, 2009, resulting in a $0.6 million impairment charge. At September 30, 2009, the carrying value of the Company's 1.1 million shares of ARO stock was $0.4 million. During the second and fourth quarters of 2008, the Company concluded that the decline in the ARO stock price was other-than-temporary and wrote the value of the 5.5 million shares of ARO stock down resulting in impairment charges of $132.6 million and $34.1 million, respectively. The impairment charges were determined to be other-than-temporary due to the significant decline in, and the Company's assessment of the near-to-medium term prospects for a recovery of, the ARO stock price. At December 31, 2008 the carrying value of the Company's 5.5 million shares of ARO stock was $23.8 million.

ARO filed for insolvency on June 9, 2009. This filing accelerated the maturity date of the CVR and fixed its redemption value, which was dependent on the value of the 5.5 million shares of ARO stock, at €54 million. During the second quarter of 2009, the Company recorded a $38.2 million impairment charge related to the CVR based upon the Company's assessment of the CVR's fair value. At September 30, 2009 the carrying value of the CVR was €13.4 million or $19.6 million. The Company monitors the progress of the insolvency proceedings of ARO and assesses the fair value of the CVR each reporting period.

**Recent Accounting Pronouncements**

In June 2009, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles a Replacement of FASB Statement No. 162" ("SFAS No. 168"). SFAS No. 168 establishes the FASB Accounting Standards Codification ("ASC") as the source of authoritative accounting principles recognized by the FASB to be applied in the preparation of financial statements in conformity with U.S. GAAP. Rules and interpretive releases of the SEC under the authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. All guidance contained in the ASC carries an equal level of authority. The ASC superseded all existing non-SEC accounting and reporting standards. The FASB will not issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. Instead, the FASB will issue Accounting Standards Updates ("ASUs") that will serve to update the ASC, provide background information about the guidance and provide the bases for conclusions on the change(s) in the ASC. The adoption of SFAS No. 168 did not have an impact on the Company's consolidated financial position, results of operations or cash flows.

In April 2009, the FASB issued FSP FAS No. 107-1 and Accounting Principles Board ("APB") Opinion No. 28-1 ("FSP FAS No. 107-1 and APB No. 28-1"), "Interim Disclosures about Fair Value of

**IAC/INTERACTIVECORP AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

Financial Instruments", which amends SFAS No. 107, "Disclosures about Fair Value of Financial Instruments" and requires disclosures about the fair value of financial instruments for interim reporting periods as well as in annual financial statements. FSP FAS No. 107-1 and APB No. 28-1 also amends APB Opinion No. 28, "Interim Financial Reporting", to require these disclosures in all interim financial statements. FSP FAS No. 107-1 and APB No. 28-1 are effective for interim reporting periods ending after June 15, 2009. The guidance of FSP FAS No. 107-1 and APB No. 28-1 is now included in ASC Topic 825, "Financial Statements." The adoption of FSP FAS No. 107-1 and APB No. 28-1 did not have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In April 2009, the FASB issued FSP FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments." FSP FAS 115-2 and FAS 124-2 revises the guidance for determining and when to recognize other-than-temporary impairments of debt securities for which changes in fair value are not regularly recognized in earnings and the financial statement presentation of such impairments. FSP FAS 115-2 and FAS 124-2 is effective for interim reporting periods ending after June 15, 2009. The guidance in FSP 115-2 and FAS 124-2 is now included in ASC Topic 320, "Investments, Debt and Equity Securities." The adoption of FSP FAS 115-2 and FAS 124-2 did not have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events" ("SFAS No. 165"). SFAS No. 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before the date that the financial statements are issued. SFAS No. 165 requires disclosure of the date through which an entity has evaluated subsequent events. SFAS No. 165 is effective for interim and annual periods ending after June 15, 2009. The guidance in SFAS No. 165 is now included in ASC Topic 855, "Subsequent Events." In accordance with ASC Topic 855, the Company has evaluated, for potential recognition and/or disclosure, events that have occurred prior to the filing of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009 on October 29, 2009, the date of issuance of the Company's consolidated financial statements.

Effective January 1, 2009, the Company adopted SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements an amendment of Accounting Research Bulletin No. 51" ("SFAS No. 160"). The guidance of this statement is now included in ASC Topic 810, "Consolidation." SFAS No. 160 changed the accounting for and reporting of minority interest (also referred to as noncontrolling interest) in the Company's consolidated financial statements. Upon adoption, such noncontrolling interests in the consolidated subsidiaries of the Company are reported on the consolidated balance sheet within shareholders' equity, separately from the Company's equity. However, in accordance with ASU 2009-04, "Accounting for Redeemable Equity Instruments Amendment to ASC 480-10-S99", securities that are redeemable at the option of the holder and not solely within the control of the issuer, must be classified outside of shareholders' equity. Since the redemption of the Company's noncontrolling interests is outside the control of IAC, these interests are included in the mezzanine section of the accompanying consolidated balance sheet, outside of shareholders' equity. Upon adoption of SFAS No. 160, certain prior period amounts were reclassified to conform to the current period financial statement presentation.

**IAC/INTERACTIVECORP AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

The following table presents the changes in redeemable noncontrolling interest (in thousands):

| | |
|---|---|
| Balance at January 1, 2009 | $ 22,771 |
| Noncontrolling interest on recent acquisitions | 3,246 |
| Contribution from owners of noncontrolling interest | 1,750 |
| Net loss attributable to noncontrolling interest | (1,058) |
| Fair value of redeemable noncontrolling interest adjustment | 1,033 |
| Foreign currency translation adjustment | 271 |
| Other | (19) |
| Balance at September 30, 2009 | $ 27,994 |

**Concentration of Credit Risk**

A significant portion of our revenue is derived from online advertising, the market for which is highly competitive and rapidly changing. Significant changes in this industry or changes in customer buying behavior or advertiser spending behavior, including those changes that may result from the current economic downturn, could adversely affect our operating results. A significant component of IAC's revenue is attributable to a paid listing supply agreement with Google, which expires on December 31, 2012. For the three and nine months ended September 30, 2009, such revenue was $140.6 million and $406.0 million, respectively. Principally all of this revenue is earned by IAC Search & Media. Accounts receivable, net of allowances related to this agreement was $46.3 million at September 30, 2009 and $43.0 million at December 31, 2008.

**Reclassifications**

Certain prior period amounts have been reclassified to conform to the current year presentation.

**NOTE 2 CONSOLIDATED FINANCIAL STATEMENT DETAILS**

**Property and equipment, net**

Property and equipment, net is comprised of (in thousands):

| | September 30, 2009 | December 31, 2008 |
|---|---|---|
| Buildings and leasehold improvements | $ 233,544 | $ 232,774 |
| Computer equipment and capitalized software | 180,918 | 222,131 |
| Furniture and other equipment | 41,152 | 41,767 |
| Projects in progress | 12,512 | 18,482 |
| Land | 5,117 | 5,117 |
| | 473,243 | 520,271 |
| Less: accumulated depreciation and amortization | (168,841) | (190,010) |
| Property and equipment, net | $ 304,402 | $ 330,261 |

**IAC/INTERACTIVECORP AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**NOTE 2 CONSOLIDATED FINANCIAL STATEMENT DETAILS (Continued)**

**Accumulated other comprehensive income**

Accumulated other comprehensive income, net of tax, is comprised of (in thousands):

| | September 30, 2009 | December 31, 2008 |
|---|---|---|
| Foreign currency translation, net of tax | $ 15,874 | $ 5,346 |
| Unrealized gains (losses) on available-for-sale securities, net of tax | 6,069 | (3,166) |
| Accumulated other comprehensive income, net of tax | $ 21,943 | $ 2,180 |

**Revenue**

Revenue is comprised of (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Service revenue | $ 311,563 | $ 343,812 | $ 931,567 | $ 1,018,174 |
| Product revenue | 25,014 | 25,468 | 77,065 | 75,926 |
| Revenue | $ 336,577 | $ 369,280 | $ 1,008,632 | $ 1,094,100 |

**Other income (expense)**

Other income (expense) is comprised of (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Gain on sale of Match Europe (a) | $ 15,437 | $ | $ 132,244 | $ |
| Impairment of shares of ARO stock | (558) | | (4,442) | (132,587) |
| Net (decrease) increase in the fair value of the derivative created in the HSE sale | | (5,137) | (38,204) | 5,785 |
| Net increase in the fair value of the derivatives created in the Expedia spin-off | | | | 400 |
| Loss on extinguishment of a portion of 7% Senior Notes due January 15, 2013 (the "Senior Notes") | | (63,218) | | (63,218) |
| Other income (expense) | 1,138 | (302) | 681 | 2,908 |
| Other income (expense) | $ 16,017 | $ (68,657) | $ 90,279 | $ (186,712) |

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(a)

The gain recorded on the sale of Match Europe to Meetic was increased by $15.4 million during the third quarter of 2009 due to a reduction in the goodwill allocated to Match Europe upon its sale reflecting a more time proximate estimate of the fair value of the Match reporting unit as of the date of sale.

**IAC/INTERACTIVECORP AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**NOTE 2 CONSOLIDATED FINANCIAL STATEMENT DETAILS (Continued)**

**Comprehensive income (loss)**

Comprehensive income (loss) is comprised of (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Net earnings (loss) attributable to IAC shareholders | $ 21,682 | $ (14,837) | $ 34,109 | $ (383,618) |
| Foreign currency translation, net of tax | 3,605 | (41,285) | 10,528 | (29,377) |
| Change in net unrealized (losses) gains on available-for-sale securities, net of tax | (22,536) | (47,015) | 9,235 | (1,762) |
| Other comprehensive (loss) income | (18,931) | (88,300) | 19,763 | (31,139) |
| Comprehensive income (loss) | $ 2,751 | $ (103,137) | $ 53,872 | $ (414,757) |

The specific-identification method is used to determine the cost of a security sold or the amount of unrealized gains and losses reclassified from other comprehensive income into earnings. The amount of unrealized (gains) or losses, net of tax, reclassified from other comprehensive income and recognized into earnings related to the sales and maturities of available-for-sale securities for the three months ended September 30, 2009 and 2008 was $(26.1) million and $(0.3) million, respectively. The amount of unrealized (gains) or losses, net of tax, reclassified from other comprehensive income and recognized into earnings related to the sales and maturities of available-for-sale securities for the nine months ended September 30, 2009 and 2008 was $(0.6) million and $0.3 million, respectively. The amount of unrealized losses, net of tax, reclassified from other comprehensive income and recognized into earnings related to the impairment of shares of ARO stock for the nine months ended September 30, 2008 was $46.1 million.

**NOTE 3 INCOME TAXES**

At the end of each interim period, the Company makes its best estimate of the annual expected effective 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 that will be separately reported or reported net of their related tax effect 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, or judgment on the realizability of a beginning-of-the-year deferred tax asset in future years is recognized in the interim period in which the change occurs.

The computation of the annual expected effective tax rate at each interim period requires certain estimates and assumptions including, but not limited to, the expected operating income (or loss) for the year, projections of the proportion of income (or loss) earned and taxed in foreign jurisdictions, permanent and temporary differences, and the likelihood of recovering 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 estimated annual effective tax rate changes during a quarter, the effect of the change on prior quarters is included in tax expense for the quarter in which the change occurs. Included in the income tax provision for the three months ended September 30, 2009 is a provision of $14.1 million due to a lower estimated annual effective tax rate from that applied

**IAC/INTERACTIVECORP AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**NOTE 3 INCOME TAXES (Continued)**

to ordinary loss from continuing operations through the six months ended June 30, 2009. The lower estimated annual effective tax rate was primarily due to the reduced impact that forecasted non-deductible and non-taxable items had on a change in forecasted ordinary pre-tax income.

For the three and nine months ended September 30, 2009, the Company recorded an income tax provision for continuing operations of $34.3 million and $53.7 million, respectively, which represent effective tax rates of 59% and 60%, respectively. The tax rate for the three months ended September 30, 2009 is higher than the federal statutory rate of 35% due principally to a change in the estimated annual effective tax rate, interest on tax contingencies and state taxes, partially offset by a non-taxable gain associated with the sale of Match Europe and net adjustments related to the reconciliation of tax returns to provision accruals. The tax rate for the nine months ended September 30, 2009 is higher than the federal statutory rate of 35% due principally to non-deductible goodwill associated with the sale of Match Europe, an increase in reserves and related interest for tax contingencies, and an increase in valuation allowances on deferred tax assets related to the impairments of the Company's shares of ARO stock and the related CVR, offset by foreign tax credits related to the sale of Match Europe.

For the three and nine months ended September 30, 2008, the Company recorded an income tax benefit for continuing operations of $85.3 million and $103.6 million, respectively, which represent effective tax rates of 99% and 54%, respectively. The tax rates for the three and nine months ended September 30, 2008 are higher than the federal statutory rate of 35% due principally to benefits from a net reduction in deferred tax liabilities caused by the spin-off of HSN, Inc. ("HSNi"), Interval Leisure Group, Inc. ("ILG"), Ticketmaster Entertainment, Inc. ("Ticketmaster") and Tree.com, Inc. ("Tree.com") (each, a "Spinco" or collectively, the "Spincos") into separate independent public companies (collectively referred to as the "Spin-Off"), foreign income taxed at lower rates and state income tax benefits, partially offset by an increase in the valuation allowance on deferred tax assets related to the ARO stock impairment, changes in tax reserves, and non-deductible costs related to the Spin-Off.

At September 30, 2009 and December 31, 2008, unrecognized tax benefits, including interest, were $452.6 million and $422.3 million, respectively. Total unrecognized tax benefits as of September 30, 2009 include $15.9 million that have been netted against the related deferred tax assets. The remaining balance is reflected in non-current income taxes payable. Unrecognized tax benefits for the nine months ended September 30, 2009 increased by $30.3 million due principally to interest and a net increase in state and local tax reserves, partially offset by the reversal of deductible temporary differences. Included in unrecognized tax benefits at September 30, 2009 is $118.1 million for tax positions which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. If unrecognized tax benefits as of September 30, 2009 are subsequently recognized, $86.0 million and $187.2 million, net of related deferred tax assets and interest, would reduce income tax expense from continuing operations and discontinued operations, respectively. In addition, a continuing operations tax provision of $4.4 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.

**IAC/INTERACTIVECORP AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**NOTE 3 INCOME TAXES (Continued)**

The Company recognizes interest and, if applicable, penalties related to unrecognized tax benefits in income tax expense. Included in the income tax expense for continuing operations for the three and nine months ended September 30, 2009 is a $1.9 million expense, net of related deferred taxes of $1.3 million, and a $6.9 million expense, net of related deferred taxes of $4.6 million, respectively, for interest on unrecognized tax benefits. At September 30, 2009 and December 31, 2008, the Company has accrued $64.2 million and $49.7 million, respectively, for the payment of interest. Included in the income tax expense for continuing operations for the nine months ended September 30, 2009 is a $3.1 million expense for penalties on unrecognized tax benefits. At September 30, 2009 and December 31, 2008, the Company has accrued $5.0 million and $0.6 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 deductions and the allocation of income among various tax jurisdictions. Income taxes payable include amounts considered sufficient to pay assessments that may result from examination of prior year tax returns; however, the amount paid upon resolution of issues raised may differ from the amount provided. Differences between the reserves for tax contingencies and the amounts owed by the Company are recorded in the period they become known.

The Internal Revenue Service is currently examining the Company's tax returns for the years ended December 31, 2001 through 2006. The statute of limitations for these years has been extended to December 31, 2010. Various state, local and foreign jurisdictions are currently under examination, the most significant of which are California, New York and New York City, for various tax years beginning with December 31, 2001. These examinations are expected to be completed by the end of 2010. The Company believes that it is reasonably possible that its unrecognized tax benefits could decrease by $12.8 million within twelve months of the current reporting date primarily due to the reversal of deductible temporary differences which will primarily result in a corresponding increase in net deferred tax liabilities. An estimate of other changes in unrecognized tax benefits, while potentially significant, cannot be made.

**NOTE 4 GOODWILL AND INTANGIBLE ASSETS**

The balance of goodwill and intangible assets, net is as follows (in thousands):

| | September 30, 2009 | December 31, 2008 |
|---|---|---|
| Goodwill | $ 1,916,919 | $ 1,910,295 |
| Intangible assets with indefinite lives | 349,819 | 337,313 |
| Intangible assets with definite lives, net | 42,649 | 49,443 |
| Total goodwill and intangible assets, net | $ 2,309,387 | $ 2,297,051 |

**IAC/INTERACTIVECORP AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**NOTE 4 GOODWILL AND INTANGIBLE ASSETS (Continued)**

The following table presents the balance of goodwill by segment, including the changes in the carrying amount of goodwill, for the nine months ended September 30, 2009 (in thousands):

| | Balance as of January 1, 2009 | Additions | (Deductions) | Impairment | Foreign Exchange Translation | Balance as of September 30, 2009 |
|---|---|---|---|---|---|---|
| Media & Advertising | $ 1,461,097 | $ 8,062 | $ (6,714) | $ | $ 3 | $ 1,462,448 |
| Match | 225,558 | 62,365 | (41,876) | | 7,184 | 253,231 |
| ServiceMagic | 107,369 | 5,053 | (1,760) | | 778 | 111,440 |
| Emerging Businesses | 116,271 | | (25,109) | (1,056) | (306) | 89,800 |
| Total | $ 1,910,295 | $ 75,480 | $ (75,459) | $ (1,056) | $ 7,659 | $ 1,916,919 |

Additions relate to acquisitions. Deductions principally relate to the sale of Match Europe on June 5, 2009 and the sale of ReserveAmerica on January 31, 2009.

Intangible assets with indefinite lives relate to trade names and trademarks acquired in various acquisitions. At September 30, 2009, intangible assets with definite lives relate to the following (in thousands):

| | Cost | Accumulated Amortization | Net | Weighted-Average Amortization Life (Years) |
|---|---|---|---|---|
| Technology | $ 116,411 | $ (95,922) | $ 20,489 | 4.9 |
| Supplier agreements | 23,614 | (13,200) | 10,414 | 6.0 |
| Customer lists | 8,016 | (4,913) | 3,103 | 1.2 |
| Other | 20,651 | (12,008) | 8,643 | 3.5 |
| Total | $ 168,692 | $ (126,043) | $ 42,649 | |

At December 31, 2008, intangible assets with definite lives relate to the following (in thousands):

| | Cost | Accumulated Amortization | Net | Weighted-Average Amortization Life (Years) |
|---|---|---|---|---|
| Technology | $ 113,599 | $ (78,617) | $ 34,982 | 4.9 |
| Supplier agreements | 22,370 | (10,302) | 12,068 | 6.0 |
| Distribution agreements | 4,600 | (3,969) | 631 | 4.0 |
| Customer lists | 2,639 | (2,472) | 167 | 1.8 |
| Other | 17,969 | (16,374) | 1,595 | 2.8 |
| Total | $ 161,177 | $ (111,734) | $ 49,443 | |

**IAC/INTERACTIVECORP AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**NOTE 4 GOODWILL AND INTANGIBLE ASSETS (Continued)**

Amortization of intangible assets with definite lives is computed on a straight-line basis and, based on December 31, 2008 balances, such amortization for the next five years and thereafter is estimated to be as follows (in thousands):

| Years Ending December 31, | |
|---|---|
| 2009 | $ 27,821 |
| 2010 | 14,942 |
| 2011 | 2,500 |
| 2012 | 2,267 |
| 2013 | 1,363 |
| 2014 | 550 |
| | $ 49,443 |

**NOTE 5 MARKETABLE SECURITIES**

At September 30, 2009, available-for-sale marketable securities were as follows (in thousands):

| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Estimated Fair Value |
|---|---|---|---|---|
| Corporate debt securities | $ 164,726 | $ 825 | $ (355) | $ 165,196 |
| States of the U.S. and state political subdivisions | 107,474 | 1,383 | (4) | 108,853 |
| U.S. treasuries | 74,955 | | (25) | 74,930 |
| Other fixed term obligations | 745 | | (19) | 726 |
| Total debt securities | 347,900 | 2,208 | (403) | 349,705 |
| Equity securities | 4,107 | 7,462 | | 11,569 |
| Total marketable securities | $ 352,007 | $ 9,670 | $ (403) | $ 361,274 |

The net unrealized gain is included in accumulated other comprehensive income at September 30, 2009. During the three months ended September 30, 2009, the proceeds from sales and maturities of available-for-sale marketable securities were $143.3 million, which resulted in gross realized gains of $38.4 million. During the nine months ended September 30, 2009, the proceeds from sales and maturities of available-for-sale marketable securities were $208.4 million, which resulted in gross realized gains of $38.8 million and gross realized losses of $12.3 million. The net realized gains and losses are included in "Other income (expense)" in the accompanying consolidated statement of operations. These proceeds and realized gains and losses include amounts related to the sale of marketable equity securities that were included in "Long-term investments" in the accompanying consolidated balance sheet at December 31, 2008. The remaining investment in these marketable equity securities is now considered short-term and included in the table above.

**IAC/INTERACTIVECORP AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**NOTE 5 MARKETABLE SECURITIES (Continued)**

The contractual maturities of debt securities classified as available-for-sale at September 30, 2009 are as follows (in thousands):

| | Amortized Cost | Estimated Fair Value |
|---|---|---|
| Due in one year or less | $ 227,174 | $ 227,902 |
| Due after one year through five years | 119,982 | 121,077 |
| Due after five years through ten years | | |
| Due over ten years | 744 | 726 |
| Total | $ 347,900 | $ 349,705 |

The following table summarizes those investments with unrealized losses at September 30, 2009 that have been in a continuous unrealized loss position for less than twelve months and those in a continuous unrealized loss position for twelve months or longer (in thousands):

| | Less than 12 months | | 12 months or longer | | Total | |
|---|---|---|---|---|---|---|
| | Fair Value | Gross Unrealized Losses | Fair Value | Gross Unrealized Losses | Fair Value | Gross Unrealized Losses |
| Corporate debt securities | $ 55,044 | $ (83) | $ 320 | $ (272) | $ 55,364 | $ (355) |
| States of the U.S. and state political subdivisions | 6,063 | (4) | | | 6,063 | (4) |
| U.S. treasuries | 74,930 | (25) | | | 74,930 | (25) |
| Other fixed term obligations | | | 726 | (19) | 726 | (19) |
| Total | $ 136,037 | $ (112) | $ 1,046 | $ (291) | $ 137,083 | $ (403) |

Substantially all of the Company's fixed income securities are rated investment grade or better. The gross unrealized losses related to fixed income securities were due primarily to changes in credit quality of the security or interest rates. Because the Company does not intend to sell any marketable securities and it is not more likely than not that the Company will be required to sell any marketable securities before recovery of their amortized cost bases, which may be maturity, the Company does not consider any of its marketable securities to be other-than-temporarily impaired at September 30, 2009.

**IAC/INTERACTIVECORP AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

## NOTE 6 EARNINGS PER SHARE

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

| | Three Months Ended September 30, | | | |
|---|---|---|---|---|
| | 2009 | | 2008 | |
| | Basic | Diluted | Basic | Diluted |
| | (In thousands, except per share data) | | | |
| ***Numerator:*** | | | | |
| Earnings (loss) from continuing operations | $ 23,812 | $ 23,812 | $ (1,267) | $ (1,267) |
| Net loss attributable to noncontrolling interest | 384 | 384 | 381 | 381 |