

contingent consideration arrangements. For a reconciliation of Adjusted EBITDA to operating income for our historical results, see "Selected historical combined financial and other information"

(2) The following table reconciles Adjusted EBITDA to operating income for the year ended December 31, 2014 and the trailing twelve months ended September 30, 2015, and also reconciles Adjusted EBITDA to Adjusted EBITDA as per the Credit Agreement for each such period, in each case pro forma for the acquisition of PlentyOfFish, the issuance of the Match Notes, borrowings under the Term Loan Facility, this offering and

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the related borrowings under the Revolving Credit Facility and application of proceeds of these transactions as if each had occurred on January 1, 2014. The Credit Agreement assesses covenant compliance on a pro forma trailing twelve-month basis and provides for adjustments to exclude certain charges not associated with the underlying operating performance of the business, including the exclusion of restructuring costs and the addback of the write-off of deferred revenue arising from purchase accounting.

	Pro forma year ended December 31, 2014	Pro forma trailing twelve months ended September 30, 2015
	(in thousands)	
Operating income	\$ 250,262	\$ 233,846
Stock-based compensation expense	20,851	35,223
Depreciation	27,557	30,631
Amortization of intangibles	20,268	19,757
Acquisition-related contingent consideration fair value adjustments	(12,912)	(10,810)
Adjusted EBITDA	\$ 306,026	\$ 308,647
Costs incurred related to the streamlining of systems and consolidation of European operations(3)	4,886	18,394
Acquisition-related deferred revenue write-downs(4)	11,776	5,575
Adjusted EBITDA as per the Credit Agreement(5)	\$ 322,688	\$ 332,616

(3) We are currently in the process of an ongoing streamlining and partial consolidation of the technology and network systems and infrastructures of a number of our businesses, including Match, OurTime and Meetic. The goal of this project is to modernize, optimize and improve the scalability and cost effectiveness of these systems and infrastructures and to increase our ability to deploy product changes more rapidly across devices and product lines.

(4) United States generally accepted accounting principles, or GAAP, require the historical deferred revenue balance of acquired businesses to be recorded at fair value following the acquisition. The adjustment to fair value reduces the balance of deferred revenue. Therefore, following an acquisition, GAAP reported revenue and operating income is reduced. This adjustment, which is non-cash in nature and primarily relates to the acquisition of The Princeton Review and FriendScout24, reflects the reduction in operating income arising from the acquisition related adjustment to deferred revenue.

(5) Adjusted EBITDA as per the Credit Agreement for the year ended December 31, 2013 was \$275.7 million calculated as Adjusted EBITDA of \$271.2 million plus \$4.5 million in acquisition-related deferred revenue write-downs. For the year ended December 31, 2013 there was no adjustment for costs incurred related to the streamlining of systems and consolidation of European operations. Adjusted EBITDA as per the Credit Agreement for the year ended December 31, 2012 equals Adjusted EBITDA as there were no adjustments for costs incurred related to the streamlining of systems and consolidation of European operations and acquisition-related deferred revenue write-downs.

	Pro forma year ended December 31, 2014	Pro forma trailing twelve months ended September 30, 2015
	(in thousands)	
Free Cash Flow(1)	\$ 178,741	\$ 184,697
Plus: Capital expenditures	24,964	28,703
Net cash provided by operating activities	\$ 203,705	\$ 213,400

(1) We define Free Cash Flow as net cash provided by operating activities, less capital expenditures. The table above reconciles Free Cash Flow to net cash provided by operating activities for the year ended December 31, 2014 and the trailing twelve months ended September 30, 2015, in each case pro forma for the acquisition of PlentyOfFish. We believe Free Cash Flow is useful to investors because it represents the cash that our operating businesses generate, before taking into account cash movements that are non-operational. Free Cash Flow has certain limitations in that it does not represent the total increase or decrease in the cash balance for the period, nor does it represent the residual cash flow for discretionary expenditures. Therefore, we think it is important to evaluate Free Cash Flow along with our combined statements of cash flows. Free Cash Flow should not be considered as a substitute for, nor superior to, GAAP measures.

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	As of December 31,		Pro forma as of September 30, 2015	
	2013	2014	As of September 30, 2015	September 30, 2015