

We are not obligated to pay dividends on our common stock, our Class B common stock or our Class C common stock.

As a Delaware corporation, we will be subject to certain restrictions on dividends under the Delaware General Corporation Law, or the DGCL. Generally, a Delaware corporation may only pay dividends either out of "surplus" or out of the current or the immediately preceding year's net profits. Surplus is defined as the excess, if any, at any given time, of the total assets of a corporation over its total liabilities and statutory capital. The value of a corporation's assets can be measured in a number of ways and may not necessarily equal their book value.

[Table of Contents](#)

Capitalization

The following table shows our cash and cash equivalents and capitalization as of September 30, 2015:

- on an actual basis; and
- on a pro forma basis after giving effect to the acquisition of PlentyOfFish, the issuance of the Match Notes, borrowings under the Term Loan Facility, this offering and the related borrowings under the Revolving Credit Facility and the application of proceeds of these transactions.

You should read the following table together with "Selected historical combined financial and other information," "Unaudited pro forma combined financial statements" and "Management's discussion and analysis of financial condition and results of operations" and our combined financial statements and related notes appearing elsewhere in this prospectus.

	As of September 30, 2015	
	Actual	Pro forma
	(dollars in thousands, except share data)	
Cash and cash equivalents	\$ 282,543	\$ 50,000
Long-term debt—related party(1)	\$ 185,429	\$ —
Term Loan Facility(2)(3)	—	788,000
Revolving Credit Facility(3)(4)	—	61,724
Match Notes(3)(5)	—	443,537
Total Long-term debt	185,429	1,293,261
Shareholder equity:		
Common stock, \$0.001 par value; actual: 15,000,000 shares authorized, 10,862,995 shares issued and outstanding; pro forma: 1,500,000,000 shares authorized, 33,333,333 shares issued and outstanding	—	33
Class B common stock, \$0.001 par value; pro forma: 1,500,000,000 shares authorized, 206,714,274 shares issued and outstanding	—	207
Class C common stock, \$0.001 par value; pro forma: 1,500,000,000 shares authorized, no shares issued and outstanding	—	—
Invested capital	1,091,346	348,506
Accumulated other comprehensive loss	(129,200)	(129,200)
Total shareholders equity	962,146	219,546
Total capitalization	\$ 1,147,575	\$ 1,512,807

(1) Long-term debt—related party consists of \$79.0 million in notes payable in three installments of \$26.3 million each due on September 1, 2021, 2023 and 2026, a \$53 million (\$59.4 million at September 30, 2015) note due December 15, 2021 and a \$47.0 million note due December 15, 2021, all of which will be repaid prior to the completion of this offering. We and certain of our domestic subsidiaries are also guarantors of IAC's senior notes and IAC's credit facility. Prior to the completion of this offering, we will no longer be a restricted subsidiary of IAC for purposes of its debt facilities, nor will we guarantee any debt of IAC. See "Management's discussion and analysis of financial condition and results of operations—Liquidity and capital resources."

(2) Reflects an original issue discount of 1.5%.

(3) See "Description of indebtedness."

(4) After the initial public offering price has been determined, but prior to the completion of this offering, we will issue to IAC related-party indebtedness with an aggregate principal amount equal to the total net proceeds to us from this offering, assuming the underwriters exercise in full their option to purchase additional shares. If the underwriters exercise in full their option to purchase additional shares, such related-party indebtedness will be repaid in full with the net proceeds from this offering. If the underwriters do not exercise in full their option to purchase additional shares, we intend to incur borrowings under the Revolving Credit Facility in order to repay the balance of the IAC related-party indebtedness. The IAC related-party indebtedness will bear interest at 2.25% per year and will mature within 30 days of the issuance of such indebtedness. For purposes of the pro forma column above, we have assumed that the underwriters' option to purchase additional shares is not exercised, and \$61.7 million is drawn under the Revolving Credit Facility.

(5) There is an additional \$56.5 million of IAC 2022 Notes that could be tendered and exchanged through November 13, 2015, the date the exchange offer expires (unless extended). The early tender window for the note exchange has expired. If any additional IAC 2022 Notes are tendered for exchange, the holders will receive \$950 of Match Notes for each \$1,000 of IAC 2022 Notes exchanged. If all \$56.5 million of remaining IAC 2022 Notes are exchanged, an additional \$53.6 million of Match Notes would be issued in the exchange.

[Table of Contents](#)