

	Years ended December 31,			September 30,	
	2012	2013	2014	2014	2015
<b>(in thousands)</b>					
<b>Combined statement of operations information:</b>					
Revenue	\$ 713,449	\$ 803,089	\$ 888,268	\$ 649,272	\$ 752,857
Operating costs and expenses:					
Cost of revenue (exclusive of depreciation)(1)	72,794	85,945	120,024	82,079	131,118
Selling and marketing expense(1)	304,597	321,870	335,107	271,236	289,844
General and administrative expense(1)	76,711	93,641	117,890	74,351	121,303
Product development expense(1)	38,921	42,973	49,738	36,614	50,740
Depreciation	16,341	20,202	25,547	17,122	19,804
Amortization of intangibles	17,455	17,125	11,395	6,841	14,130
Total operating costs and expenses	526,819	581,756	659,701	488,243	626,939
Operating income	186,630	221,333	228,567	161,029	125,918
Interest expense—related party	(29,489)	(34,307)	(25,541)	(23,214)	(6,879)
Other (expense) income, net	(7,428)	217	12,610	8,628	8,341
Earnings before income taxes	149,713	187,243	215,636	146,443	127,380
Income tax provision	(59,432)	(60,616)	(67,277)	(46,434)	(42,632)
Net earnings	90,281	126,627	148,359	100,009	84,748
Net (earnings) loss attributable to noncontrolling interests	(4,606)	(1,624)	(595)	(522)	42
Net earnings attributable to Match Group, Inc.'s shareholder	\$ 85,675	\$ 125,003	\$ 147,764	\$ 99,487	\$ 84,790
<b>Other combined financial information:</b>					
Adjusted EBITDA(2)	\$ 236,490	\$ 271,231	\$ 273,448	\$ 188,021	\$ 179,355

(1) Includes stock-based compensation expense as follows:

	Years ended December 31,			Nine months ended September 30,	
	2012	2013	2014	2014	2015
<b>(in thousands)</b>					
Cost of revenue	\$ 1,975	\$ 1,012	\$ 396	\$ 465	\$ 342
Selling and marketing expense	823	562	194	255	4,883
General and administrative expense	10,368	8,520	17,326	13,476	22,076
Product development expense	2,898	2,134	2,935	2,414	3,681
Total stock-based compensation expense	\$ 16,064	\$ 12,228	\$ 20,851	\$ 16,610	\$ 30,982

(2) In considering the financial performance of the business, management and our chief operating decision maker analyze the primary financial performance measure of Adjusted EBITDA. Adjusted EBITDA is defined as operating income excluding: (1) stock-based compensation expense; (2) depreciation; and (3) acquisition-related items consisting of (i) amortization of intangible assets and impairments of goodwill and intangible assets and (ii) gains and losses recognized on changes in the fair value of contingent consideration arrangements.

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We believe Adjusted EBITDA is useful for analysts and investors as this measure allows a more meaningful comparison between our performance and that of our competitors. Moreover, our management uses this measure internally to evaluate the performance of our business as a whole. We exclude the above items from Adjusted EBITDA because these items are non-cash in nature, and we believe that by excluding these items, Adjusted EBITDA corresponds more closely to the cash operating income generated from our business, from which capital investments are made and debt is serviced.

Adjusted EBITDA has limitations as an analytical tool. It is not a presentation made in accordance with GAAP. Adjusted EBITDA is not a measure of financial condition or liquidity and should not be considered as an alternative to operating income or net income determined in accordance with GAAP. Adjusted EBITDA is not necessarily comparable to similarly titled measures used by other companies. As a result, you should not consider Adjusted EBITDA in isolation from, or as a substitute analysis for, our results of operations as determined in accordance with GAAP. See "Management's discussion and analysis of financial condition and results of operations—Principles of financial reporting."

The following table reconciles Adjusted EBITDA to operating income for the periods presented:

	Years ended December 31,			Nine months ended September 30,	
	2012	2013	2014	2014	2015
<b>(in thousands)</b>					
Operating income	\$ 186,630	\$ 221,333	\$ 228,567	\$ 161,029	\$ 125,918
Stock-based compensation expense	16,064	12,228	20,851	16,610	30,982
Depreciation	16,341	20,202	25,547	17,122	19,804
Amortization of intangibles	17,455	17,125	11,395	6,841	14,130
Acquisition-related contingent consideration fair value adjustments	—	343	(12,912)	(13,581)	(11,479)
Adjusted EBITDA	\$ 236,490	\$ 271,231	\$ 273,448	\$ 188,021	\$ 179,355

	As of December 31,		September 30, 2015
	2013	2014	
<b>(in thousands)</b>			
<b>Combined balance sheet information:</b>			
Cash and cash equivalents	\$ 125,226	\$ 127,630	\$ 282,543
Total current assets	174,966	195,102	386,796
Total assets	1,292,122	1,308,034	1,515,047