

- (ii) the unaudited consolidated statement of operations of Plentyoffish Media Inc. and Subsidiaries for the trailing nine months ended June 30, 2015;
- (iii) the unaudited consolidated statement of operations of Plentyoffish Media Inc. and Subsidiaries for the nine months ended September 30, 2014; and
- (iv) the audited consolidated statement of operations of Plentyoffish Media Inc. and Subsidiaries for the year ended December 31, 2014.

As a result of this basis of presentation, the consolidated results of operations of Plentyoffish Media Inc. and Subsidiaries for the three months ended December 31, 2014 is included in both the pro forma combined statements of operations for the nine months ended September 30, 2015 and for the year ended December 31, 2014. Revenue, operating income and net earnings of Plentyoffish Media Inc. and Subsidiaries, in Canadian dollars, for the three months ended December 31, 2014 are \$17.6 million, \$9.6 million and \$7.0 million, respectively.

The statement of operations for the nine months ended September 30, 2015 for PlentyOfFish is calculated by taking the six months ended June 30, 2015 plus the three months ended December 31, 2014. The statement of operations for the nine months ended September 30, 2014 for PlentyOfFish is calculated by taking the twelve months ended December 31, 2014 less the three months ended December 31, 2014.

The historical financial information of PlentyOfFish was prepared in accordance with U.S. GAAP and in Canadian dollars. The historical financial information was translated from Canadian dollars to U.S. dollars using the following historical exchange rates:

	CAD/U.S.
Period end exchange rate as of June 30, 2015 (balance sheet)	0.8101
Average exchange rate for the trailing nine months ended June 30, 2015 (statement of operations)	0.8355
Average exchange rate for the nine months ended September 30, 2014 (statement of operations)	0.9151
Average exchange rate for the year ended December 31, 2014 (statement of operations)	0.9070

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Note 2—Adjustments related to the PlentyOfFish acquisition:

- (a) To reflect PlentyOfFish transactions that will occur immediately prior to the closing of the acquisition: (1) the redemption of redeemable preferred stock; (2) the settlement of related party receivables; and (3) the distribution of cash to owners.
- (b) To reflect the acquisition of PlentyOfFish by Match Group. On October 28, 2015, we completed the acquisition of PlentyOfFish, which is being reflected in the unaudited pro forma combined balance sheet as if it had occurred on September 30, 2015. The \$575.0 million purchase price was funded through a combination of \$75.0 million of cash on hand and a \$500.0 million cash contribution from IAC; \$155.0 million of which was contributed prior to September 30, 2015 and is reflected in the Match Group combined balance sheet as of September 30, 2015. IAC will ultimately receive Match Group shares for the \$500.0 million contribution. The number of shares that will be issued will be calculated using the initial public offering price. Match Group is in the process of preparing a preliminary allocation of the purchase price to the fair value of the assets acquired and liabilities assumed.

The funding of the acquisition and the purchase price allocation for the transaction is as follows:

	(In thousands)
Calculation of allocable purchase price	
Capital contribution from IAC prior to September 30, 2015	\$ 155,000
Cash on hand	75,000
Subtotal	230,000
Capital contribution from IAC after September 30, 2015	345,000
Total purchase price	575,000
Net liabilities assumed	5,595
Purchase price in excess of net liabilities assumed	\$ 580,595
Allocation of purchase price	
Adjust deferred revenue to fair value	\$ 13,005
Adjust income taxes payable to fair value	2,429
Record fair value of definite- and indefinite-lived intangible assets	78,500
Record deferred income taxes:	
Write-off existing net deferred tax asset	(149)
Establish deferred tax liability	(5,078)
Goodwill	491,888
Total	\$ 580,595

- (c) To reflect the amortization expense associated with the preliminary valuation of the definite-lived intangible assets acquired by Match Group in connection with its acquisition of PlentyOfFish. The assets are being amortized on a straight-line basis based on their estimated useful lives. The average useful lives range from 0.5 to 5 years. If the fair value assigned to the definite-lived intangible assets were 10% higher, amortization expense would be \$0.9 million and \$0.1 million higher in the year ended December 31, 2014 and the nine months ended September 30, 2015, respectively. The income tax effect is calculated at 26%.

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