

	2013	2014	% change
			(dollars in thousands)
Selling and marketing expense	\$ 321,870	\$ 335,107	4.1%
Percentage of revenue	40.1%	37.7%	

Selling and marketing expense increased \$13.2 million, or 4.1%, in 2014 versus 2013.

Dating selling and marketing expense increased \$8.3 million, or 2.6%, driven by an increase of \$5.4 million from the acquisition of FriendScout24 and an increase in advertising spend.

Non-dating selling and marketing expense increased \$5.0 million, or 91.7%, driven primarily by \$4.5 million from the acquisition of The Princeton Review.

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**General and administrative expense**

	Years ended December 31,		% change
	2013	2014	(dollars in thousands)
General and administrative expense	\$ 93,641	\$ 117,890	25.9%
Percentage of revenue	11.7%	13.3%	

General and administrative expense increased \$24.2 million, or 25.9%, in 2014 versus 2013.

Dating general and administrative expense increased \$1.7 million, or 2.0%, primarily driven by an increase in compensation of \$10.7 million at our existing businesses, primarily due to an increase of \$8.5 million in stock-based compensation expense due to new grants and increases in headcount. These increases were partially offset by a decrease of \$13.3 million for an acquisition-related contingent consideration fair value adjustment at Two driven by changes in the forecast of earnings and operating metrics, and a \$3.9 million benefit recorded in the first quarter of 2014 related to the expiration of the statute of limitations for a non-income tax matter.

Non-dating general and administrative expense increased \$22.5 million, or 327.2%, driven primarily by \$21.2 million from the acquisition of The Princeton Review.

**Product development expense**

	Years ended December 31,		% change
	2013	2014	(dollars in thousands)
Product development expense	\$ 42,973	\$ 49,738	15.7%
Percentage of revenue	5.4%	5.6%	

Product development expense increased \$6.8 million, or 15.7%, in 2014 versus 2013, primarily driven by an increase in compensation driven by increased headcount at Tinder and Tutor.com (now The Princeton Review).

**Depreciation**

	Years ended December 31,		% change
	2013	2014	(dollars in thousands)
Depreciation	\$ 20,202	\$ 25,547	26.5%
Percentage of revenue	2.5%	2.9%	

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Depreciation increased by \$5.3 million, or 26.5%, in 2014 versus 2013, primarily driven by \$3.8 million from the acquisition of The Princeton Review and the incremental depreciation associated with capital expenditures.

**Adjusted EBITDA**

Adjusted EBITDA is non-GAAP measure and is defined in "Principles of financial reporting." Refer to Note 9 to our combined audited financial statements for reconciliations of Adjusted EBITDA to operating income and net earnings attributable to Match Group, Inc.'s shareholder.

Years ended