

	Years ended December 31,		% change
	2012	2013	
Cost of revenue	\$ 72,794	\$ 85,945	18.1%
Percentage of revenue	10.2%	10.7%	

Cost of revenue increased \$13.2 million, or 18.1%, in 2013 versus 2012, driven primarily by an increase of \$6.1 million in content acquisition costs from Tutor.com (now The Princeton Review), which was not included in the full prior year period and \$5.1 million from acquisitions at Dating.

#### Selling and marketing expense

	Years ended December 31,		% change
	2012	2013	
Selling and marketing expense	\$ 304,597	\$ 321,870	5.7%
Percentage of revenue	42.7%	40.1%	

Selling and marketing expense increased \$17.3 million, or 5.7%, in 2013 versus 2012, driven primarily by an increase of \$10.5 million in advertising spend and an increase in compensation. The increase in compensation was primarily due to increased headcount at Meetic and acquisitions.

#### General and administrative expense

	Years ended December 31,		% change
	2012	2013	
General and administrative expense	\$ 76,711	\$ 93,641	22.1%
Percentage of revenue	10.8%	11.7%	

General and administrative expense increased \$16.9 million, or 22.1%, in 2013 versus 2012, driven primarily by \$10.9 million from acquisitions, an increase in compensation at Dating, resulting from an increase in headcount, and an increase in professional fees due, in part, to transaction fees related to the tender offer by the Company in the fourth quarter of 2013 for the remaining 12.5% of Meetic that it did not already own.

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#### Product development expense

	Years ended December 31,		% change
	2012	2013	
Product development expense	\$ 38,921	\$ 42,973	10.4%
Percentage of revenue	5.5%	5.4%	

Product development expense increased \$4.1 million, or 10.4%, in 2013 versus 2012, driven primarily by acquisitions.

#### Depreciation

	Years ended December 31,		% change
	2012	2013	
Depreciation	\$ 16,341	\$ 20,202	23.6%
Percentage of revenue	2.3%	2.5%	

Depreciation increased by \$3.9 million, or 23.6%, in 2013 versus 2012, driven primarily by capital expenditures and acquisitions, partially offset by certain fixed assets becoming fully depreciated.

#### Adjusted EBITDA

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

	Years ended December 31,		% change
	2012	2013	