

	Years ended December 31,			Nine months ended September 30,	
	2012	2013	2014	2014	2015
	(in thousands)				
Cash and cash equivalents (end of period)	\$ 107,164	\$ 125,226	\$ 127,630	\$ 134,797	\$ 282,543
Net cash provided by (used in):					
Operating activities	\$ 164,371	\$ 174,797	\$ 173,615	\$ 129,224	\$ 126,241
Investing activities	(79,355)	(53,986)	(140,200)	(132,810)	(69,030)
Financing activities	(47,968)	(105,262)	(20,058)	18,270	101,163
Effect of exchange rate on cash and cash equivalents	1,814	2,513	(10,953)	(5,113)	(3,461)
Net increase in cash and cash equivalents	\$ 38,862	\$ 18,062	\$ 2,404	\$ 9,571	\$ 154,913

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At September 30, 2015, we had \$282.5 million of cash and cash equivalents. Internationally, cash equivalents primarily consist of AAA rated money market funds. Domestically, we participate in IAC's centrally managed U.S. treasury management function in which IAC sweeps our domestic cash. 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 in connection with this offering.

We and certain of our domestic subsidiaries are also guarantors of IAC's 2013 Senior Notes (\$500 million aggregate principal amount of 4.875% Senior Notes due November 30, 2018) and 2012 Senior Notes (\$500 million aggregate principal amount of 4.75% Senior Notes due December 15, 2022). IAC's \$300 million revolving credit facility as amended and restated, which terminates on October 7, 2020, is also unconditionally guaranteed by us and the same domestic subsidiaries that guarantee the 2013 and 2012 Senior Notes and is also secured by our stock and the stock of certain of our domestic and foreign subsidiaries. At September 30, 2015, there are no outstanding borrowings under IAC's revolving credit facility. See "Certain relationships and related party transactions—Pre-offering relationship with IAC." We have not recorded a liability pursuant to this guarantor obligation because we have not agreed to pay a specific amount through an arrangement with our co-obligors and we do not expect to pay any amount as a result of our guarantee of IAC's Senior Notes and IAC's revolving credit facility. Prior to the closing 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 nor will the stock of any of our subsidiaries be pledged to secure IAC's debt.

At September 30, 2015, \$280.4 million of the \$282.5 million of cash and cash equivalents was held by our foreign subsidiaries. We currently do not anticipate a need to repatriate these funds to finance our U.S. operations and it is our intent to indefinitely reinvest these funds outside of the U.S., and therefore, we have not provided for any U.S. income taxes.

On October 7, 2015, we entered into the Credit Agreement, which provides for the Revolving Credit Facility, a five-year \$500 million revolving credit facility that includes a \$40 million sub-limit for letters of credit. The obligations under the Credit Agreement are secured by the stock of certain of our subsidiaries and guaranteed by certain of our subsidiaries. We currently expect to enter a seven-year, \$800 million term loan facility under the Credit Agreement. On October 16, 2015, we commenced a private exchange offer to eligible holders to exchange any and all of \$500 million aggregate principal amount of outstanding 4.75% Senior Notes due 2022 issued by IAC for up to \$500 million aggregate principal amount of new 6.75% Senior Notes due 2022 to be issued by Match Group, with registration rights. We will not receive any proceeds from the issuance of the Match Notes. See "Description of indebtedness."

Prior to this offering, our principal sources of liquidity have been cash flows generated from operations and the funding we receive from IAC, including loans from certain IAC foreign subsidiaries, as well as our cash and cash equivalents. These sources have been sufficient to enable us to fund our normal operating requirements, including capital expenditures, and our acquisitions. On October 28, 2015, we completed the acquisition of PlentyOfFish for \$575 million, which was funded by a combination of cash on hand and a \$500.0 million capital contribution from IAC; \$155.0 million of which was contributed prior to 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. We currently intend to use all of the net proceeds from this offering to repay related-party indebtedness owed to IAC. After the completion of this offering, IAC will own all of the shares of our outstanding Class B common stock, representing approximately 86.1% of our outstanding shares of capital stock and approximately 98.4% of the combined voting power of our outstanding capital stock (or approximately 84.4% of our outstanding shares of capital stock and approximately 98.2% of the combined voting power

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of our outstanding capital stock, if the underwriters exercise in full their option to purchase additional shares of our common stock in this offering). As a result, IAC will have the ability to control our financing activities, including the issuance of additional debt and equity securities, or the incurrence of other indebtedness generally. We believe our existing cash and cash equivalents together with our expected positive cash flows generated from operations and available borrowing capacity under the Revolving Credit Facility, will be sufficient to fund our normal operating requirements, including capital expenditures and other commitments, for at least the next twelve months. Our liquidity could be negatively affected by a decrease in demand for our products and services. While we believe we will have the ability to access debt and equity markets if needed, such transactions may require the approval of IAC due to its control of the majority of our voting power. Additional financing may not be available at all or on terms favorable to us.

We expect that 2015 capital expenditures will be approximately 50% higher than those made in 2014, driven by our ongoing consolidation and streamlining of technology systems at our dating business.

#### Cash flows provided by operating activities

Net cash provided by operating activities consists of earnings adjusted for non-cash items, including stock-based compensation expense, depreciation, amortization of intangibles, excess tax benefits from stock-based awards, deferred income taxes, acquisition-related contingent consideration fair value