

adjustments, and the effect of changes from working capital activities.

Net cash provided by operating activities in the nine months ended September 30, 2015 consists of net earnings of \$84.7 million, adjustments for non-cash items of \$2.2 million, and an increase from working capital activities of \$39.3 million. Adjustments for non-cash items consist of \$31.0 million of stock-based compensation expense, \$19.8 million of depreciation and \$14.1 million of amortization of intangibles, partially offset by \$31.3 million of excess tax benefits from stock-based awards, \$11.5 million of acquisition-related contingent consideration fair value adjustments, \$11.3 million of other adjustments, which mainly relate to non-cash foreign currency exchange gains on related party debt, and \$8.6 million of deferred income taxes. The increase in cash from changes from working capital is due primarily to an increase in income taxes payable of \$27.0 million, an increase of \$24.0 million in deferred revenue and an increase in accounts payable and accrued expenses and other current liabilities of \$20.8 million, partially offset by an increase in accounts receivable of \$25.1 million and an increase in other current assets of \$7.4 million. The increase in income taxes payable is due to current year income tax accruals in excess of current year income tax payments. The increase in deferred revenue is primarily due to growth in membership fees in the Dating business, a seasonal increase in class enrollment in the Non-dating business and acquisitions. The increase in accounts payable and accrued expenses and other current liabilities is primarily due to increased online spending, the timing of marketing payments and costs associated with the consolidation and streamlining of technology systems and European operations at the Dating business. The increase in accounts receivable is primarily due to growth from in-app purchases sold through Dating's mobile products. The increase in other current assets is primarily due to an increase in prepaid expenses and VAT refund receivables.

Net cash provided by operating activities in the nine months ended September 30, 2014 consists of net earnings of \$100.0 million, adjustments for non-cash items of \$18.7 million, and an increase from working capital activities of \$10.5 million. Adjustments for non-cash items primarily consist of \$17.1 million of depreciation, \$16.6 million of stock-based compensation expense, \$6.8 million of amortization of intangibles and \$2.5 million of deferred income taxes, partially offset by \$13.6 million in acquisition related contingent consideration fair value adjustments, \$5.4 million of other adjustments, which mainly relate to non-cash foreign currency exchange gains on related party debt, and \$5.3 million of excess tax benefits from stock-based awards. The increase in cash from changes in working capital is due primarily to an

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increase of \$21.5 million in deferred revenue, partially offset by a decrease in accounts payable and accrued expenses and other current liabilities of \$6.2 million and an increase in accounts receivable of \$5.6 million. The increase in deferred revenue is primarily due to growth in membership fees and the acquisition of The Princeton Review. The decrease in accounts payable and accrued expenses and other current liabilities is primarily from the payment of the 2013 cash bonuses in 2014. The increase in accounts receivable is partly due to growth from in-app purchases sold through Dating's mobile products.

Net cash provided by operating activities in 2014 consists of net earnings of \$148.4 million, adjustments for non-cash items of \$24.6 million and an increase from working capital activities of \$0.6 million. Adjustments for non-cash items primarily consist of \$25.5 million of depreciation, \$20.9 million of stock-based compensation expense and \$11.4 million of amortization of intangibles, partially offset by \$12.9 million in acquisition-related contingent consideration fair value adjustments, \$9.0 million in other, net, principally related to an \$8.3 million foreign currency gain on the €53 million note, \$5.9 million of deferred income taxes and \$5.3 million of excess tax benefits from stock based awards. The changes from working capital activities primarily consist of an increase in other current assets of \$10.6 million and a decrease of \$8.0 million in accounts payable and accrued expenses and other current liabilities, partially offset by an increase in deferred revenue of \$8.6 million and an increase in income taxes payable of \$8.1 million. The increase in other current assets is due to an increase in prepaid marketing at Dating and an increase in prepaid hosting fees in connection with the growth at Tinder. The decrease in accounts payable and accrued expenses and other current liabilities is due to the timing of payments. The increase in deferred revenue is primarily due to the acquisition of The Princeton Review and growth in subscription revenue. The increase in income taxes payable is due to current year income tax accruals in excess of current year income tax payments.

Net cash provided by operating activities in 2013 consists of net earnings of \$126.6 million, adjustments for non-cash items of \$35.7 million and an increase from working capital activities of \$12.4 million. Adjustments for non-cash items primarily consist of \$20.2 million of depreciation, \$17.1 million of amortization of intangibles and \$12.2 million of stock-based compensation expense, partially offset by \$10.8 million of excess tax benefits from stock-based awards. The changes from working capital activities primarily consist of an increase in deferred revenue of \$12.4 million and an increase in income taxes payable of \$4.8 million, partially offset by an increase in accounts receivable of \$3.7 million. The increase in deferred revenue is primarily due to the growth in membership revenue. The increase in income taxes payable is due to current year income tax accruals in excess of current year income tax payments. The increase in accounts receivable is primarily due to growth in advertising revenue.

Net cash provided by operating activities in 2012 consists of net earnings of \$90.3 million, adjustments for non-cash items of \$47.6 million and an increase from working capital activities of \$26.5 million. Adjustments for non-cash items primarily consist of \$17.5 million of amortization of intangibles, \$16.3 million of depreciation, \$16.1 million of stock-based compensation expense and an \$8.7 million asset impairment charge related to a long-term marketable security, partially offset by \$8.4 million of excess tax benefits from stock-based awards. The changes from working capital activities primarily consist of an increase in income taxes payable of \$15.1 million and an increase in deferred revenue of \$8.7 million. The increase in income taxes payable is due to current year income tax accruals in excess of current year income tax payments. The increase in deferred revenue is primarily due to the growth in membership revenue.

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Cash flows used in investing activities

Net cash used in investing activities in the nine months ended September 30, 2015 includes cash consideration used in acquisitions of \$40.7 million and capital expenditures of \$19.9 million, primarily related to the internal development of software to support our products and services.

Net cash used in investing activities in the nine months ended September 30, 2014 includes cash consideration used in acquisitions and investments of \$118.4 million and capital expenditures of \$14.6 million, primarily related to the internal development of software to support our products and services.

Net cash used in investing activities in 2014 includes acquisitions of \$114.1 million, which include The Princeton Review, and capital expenditures of