

Cost of revenue (exclusive of depreciation shown separately below)	82,079	131,118
Selling and marketing expense	271,236	289,844
General and administrative expense	74,351	121,303
Product development expense	36,614	50,740
Depreciation	17,122	19,804
Amortization of intangibles	6,841	14,130
Total operating costs and expenses	488,243	626,939
Operating income	161,029	125,918
Interest expense—related party	(23,214)	(6,879)
Other income, net	8,628	8,341
Earnings before income taxes	146,443	127,380
Income tax provision	(46,434)	(42,632)
Net earnings	100,009	84,748
Net (earnings) loss attributable to noncontrolling interests	(522)	42
Net earnings attributable to Match Group, Inc.'s shareholder	\$ 99,487	\$ 84,790
Pro forma net earnings per share attributable to Match Group, Inc.'s shareholder:		
Basic	\$ 9.91	\$ 8.29
Diluted	\$ 9.48	\$ 7.88
Basic, to give effect to dividend payment to IAC and anticipated 16-for-1 stock split		\$ 0.30
Diluted, to give effect to dividend payment to IAC and anticipated 16-for-1 stock split		\$ 0.29
Pro forma weighted average shares outstanding:		
Basic	10,040	10,233
Diluted	10,492	10,761
Basic, to give effect to dividend payment to IAC and anticipated 16-for-1 stock split		197,066
Diluted, to give effect to dividend payment to IAC and anticipated 16-for-1 stock split		205,515
Stock-based compensation expense by function:		
Cost of revenue	\$ 465	\$ 342
Selling and marketing expense	255	4,883
General and administrative expense	13,476	22,076
Product development expense	2,414	3,681
Total stock-based compensation expense	\$ 16,610	\$ 30,982

The accompanying Notes to Combined Financial Statements are an integral part of these statements.

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Match Group, Inc. and Subsidiaries

Combined statement of comprehensive income (Unaudited)

	Nine months ended	
	September 30,	
	2014	2015
	(In thousands)	
Net earnings	\$ 100,009	\$ 84,748
Other comprehensive (loss) income, net of tax:		
Change in foreign currency translation adjustment	(28,322)	(53,521)
Change in fair value of available-for-sale security	874	2,176
Total other comprehensive loss	(27,448)	(51,345)
Comprehensive income	72,561	33,403
Comprehensive (income) loss attributable to noncontrolling interests	(309)	235
Comprehensive income attributable to Match Group, Inc.'s shareholder	\$ 72,252	\$ 33,638

The accompanying Notes to Combined Financial Statements are an integral part of these statements.

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Match Group, Inc. and Subsidiaries

Combined statement of shareholder equity (Unaudited)