

Income tax provision	(46,434)
Net earnings	100,009
Net earnings attributable to noncontrolling interests	(522)
Net earnings attributable to Match Group, Inc.'s shareholder	\$ 99,487

Nine Months Ended September 30, 2015						
	Adjusted EBITDA	Stock-based compensation expense	Depreciation	Amortization of intangibles	Acquisition-related consideration of fair value arrangements	Operating income (loss)
(In thousands)						
Dating	\$ 185,063	\$ (30,233)	\$ (14,280)	\$ (9,132)	\$ 11,479	\$ 142,897
Non-dating	(5,708)	(749)	(5,524)	(4,998)	—	(16,979)
Total	\$ 179,355	\$ (30,982)	\$ (19,804)	\$ (14,130)	\$ 11,479	\$ 125,918
Interest expense—related party						(6,879)
Other income, net						8,341
Earnings before income taxes						127,380
Income tax provision						(42,632)
Net earnings						84,748
Net loss attributable to noncontrolling interests						42
Net earnings attributable to Match Group, Inc.'s shareholder						\$ 84,790

Note 6—Contingencies

In the ordinary course of business, the Company is a party to various lawsuits. The Company establishes reserves for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. Management has also identified certain other legal matters where we believe an unfavorable outcome is not probable and, therefore, no reserve is established.

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Although management currently believes that resolving claims against us, including claims where an unfavorable outcome is reasonably possible, will not have a material impact on the liquidity, results of operations, or financial condition of the Company, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. The Company also evaluates other contingent matters, including income and non-income tax contingencies, to assess the likelihood of an unfavorable outcome and estimated extent of potential loss. It is possible that an unfavorable outcome of one or more of these lawsuits or other contingencies could have a material impact on the liquidity, results of operations, or financial condition of the Company. See Note 2 for additional information related to income tax contingencies.

Note 7—Related party transactions

Relationship with IAC prior to the initial public offering

Match Group, Inc.'s combined statement of operations includes allocations of general and administrative costs, including stock-based compensation expense, related to IAC's accounting, treasury, legal, tax, corporate support and internal audit functions. These allocations were based on Match Group, Inc.'s revenue as a percentage of IAC's total revenue. Allocated costs, inclusive of stock-based compensation expense, were \$5.0 million and \$5.5 million, for the nine months ended September 30, 2014 and 2015, respectively, and are included in "General and administrative expense," in the accompanying combined statement of operations. It is not practicable to determine the actual expenses that would have been incurred for these services had Match Group, Inc. operated as a stand-alone entity. Management considers the allocation method to be reasonable. We have entered into certain arrangements with IAC in the ordinary course of business for: (i) the leasing of office space for certain of our businesses at properties owned by IAC, for which we paid approximately \$0.7 million and \$1.1 million for the nine months ended September 30, 2014 and 2015, respectively; and (ii) the subleasing of space in a data center from an IAC subsidiary, for which we paid such IAC subsidiary approximately \$0.9 million for both the nine months ended September 30, 2014 and 2015.

The following table summarizes the components of the net increase in IAC's investment in Match Group, Inc. for the nine months ended September 30, 2015:

	September 30, 2015
(In thousands)	
Capital contribution from IAC to partially fund the acquisition of PlentyOfFish	\$ (155,000)
Cash transfers to IAC related to its centrally managed U.S. treasury management function	99,086
Taxes	(44,521)
Allocation of general and administrative expense	(5,535)
Net increase in IAC's investment in Match Group, Inc.	\$ (105,970)

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