

| | | | | | | | |
|--|-----------------|---------------|------------------|--------------------|------------------|---------------|------------------|
| interests | (41,743) | | | | | | |
| Purchase of noncontrolling interests | | | | | | (50,662) | (50,662) |
| Adjustment of redeemable noncontrolling interests and noncontrolling interests to fair value | 21,072 | | (30,441) | | (30,441) | 9,369 | (21,072) |
| Net decrease in IAC/InterActiveCorp's investment in Match Group, Inc. | | 34 | (91,437) | | (91,437) | | (91,437) |
| Other | | | | | | (286) | (286) |
| Balance as of December 31, 2014 | \$ 3,678 | 10,071 | \$877,635 | \$ (78,048) | \$799,587 | \$ 189 | \$799,776 |

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 cash flows**

| | Years ended December 31, | | |
|---|---------------------------------|-------------------|-------------------|
| | 2012 | 2013 | 2014 |
| | (In thousands) | | |
| Cash flows from operating activities: | | | |
| Net earnings | \$ 90,281 | \$ 126,627 | \$ 148,359 |
| Adjustments to reconcile earnings to net cash provided by operating activities: | | | |
| Stock-based compensation expense | 16,064 | 12,228 | 20,851 |
| Depreciation | 16,341 | 20,202 | 25,547 |
| Amortization of intangibles | 17,455 | 17,125 | 11,395 |
| Impairment of long-term investments | 8,685 | — | — |
| Excess tax benefits from stock-based awards | (8,368) | (10,763) | (5,319) |
| Deferred income taxes | (3,290) | (3,651) | (5,904) |
| Acquisition-related contingent consideration fair value adjustments | — | 343 | (12,912) |
| Changes in assets and liabilities, net of effects of acquisitions: | | | |
| Accounts receivable | 2,848 | (3,651) | 2,399 |
| Other current assets | 4,552 | (155) | (10,551) |
| Accounts payable and accrued expenses and other current liabilities | (4,709) | (972) | (7,980) |
| Income taxes payable | 15,105 | 4,808 | 8,103 |
| Deferred revenue | 8,659 | 12,401 | 8,643 |
| Other, net | 748 | 255 | (9,016) |
| Net cash provided by operating activities | 164,371 | 174,797 | 173,615 |
| Cash flows from investing activities: | | | |
| Acquisitions, net of cash acquired | (59,484) | (32,145) | (114,051) |
| Capital expenditures | (19,853) | (19,807) | (21,793) |
| Purchases of long-term investments | (24) | — | (4,536) |
| Other, net | 6 | (2,034) | 180 |
| Net cash used in investing activities | (79,355) | (53,986) | (140,200) |
| Cash flows from financing activities: | | | |
| Funds (transferred to) returned from escrow for Meetic tender offer | — | (71,512) | 12,354 |
| Purchase of noncontrolling interests | (2,955) | (52,552) | (33,165) |
| Transfers (to) from IAC/InterActiveCorp | (53,381) | 9,653 | (108,723) |
| Proceeds from the issuance of related party debt | — | — | 111,586 |
| Acquisition-related contingent consideration payment | — | — | (7,373) |
| Excess tax benefits from stock-based awards | 8,368 | 10,763 | 5,319 |
| Other, net | — | (1,614) | (56) |
| Net cash used in financing activities | (47,968) | (105,262) | (20,058) |
| Effect of exchange rate changes on cash and cash equivalents | 1,814 | 2,513 | (10,953) |
| Net increase in cash and cash equivalents | 38,862 | 18,062 | 2,404 |
| Cash and cash equivalents at beginning of period | 68,302 | 107,164 | 125,226 |
| Cash and cash equivalents at end of period | \$ 107,164 | \$ 125,226 | \$ 127,630 |

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

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