

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. 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

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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 3 for additional information related to income tax contingencies.

Note 12—Supplemental cash flow information

Supplemental disclosure of non-cash transactions for 2013

The consideration for the acquisition of Twoo on January 4, 2013 includes a contingent consideration arrangement, which is described in Note 6.

Supplemental disclosure of cash flow information:

	Years ended December 31,		
	2012	2013	2014
	(In thousands)		
Cash paid (received) during the year for:			
Interest	\$ 2,609	\$ 2,928	\$ 7,017
Income tax payments, including amounts paid to IAC for Match Group, Inc.'s share of IAC's consolidated tax liability	48,989	60,107	68,905
Income tax refunds	(1,372)	(647)	(3,826)

Note 13—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 general and administrative costs, inclusive of stock-based compensation expense, were \$6.3 million, \$6.2 million and \$6.6 million, in 2012, 2013 and 2014, 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 IAC approximately \$0.3 million, \$0.5 million and \$1.0 million in the years ended December 31, 2012, 2013 and 2014, respectively; and (ii) the subleasing of space in a data center from an IAC subsidiary, for which we paid such IAC subsidiary approximately \$1.2 million in each of the three years ended December 31, 2012, 2013 and 2014.

The portion of interest income reflected in the combined statements of operations that is intercompany in nature, was \$1.3 million, \$1.2 million and \$2.1 million for the years ended December 31, 2012, 2013 and 2014, respectively, and is included in "Interest expense, net" in the table below.

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The following table summarizes the components of the net decrease (increase) in IAC/InterActiveCorp's investment in Match Group, Inc. for the year ended December 31, 2012, 2013 and 2014:

	December 31,		
	2012	2013	2014
	(In thousands)		
Cash transfers to IAC related to its centrally managed U.S. treasury management function, acquisitions and cash expenses paid by IAC on behalf of Match Group, Inc., net	\$ 104,904	\$ 59,216	\$ 165,782
Taxes	(48,413)	(54,228)	(54,761)
Interest expense, net(a)	(23,422)	(29,737)	(12,936)
Allocation of general and administrative expense	(6,338)	(6,210)	(6,648)
Net decrease (increase) in IAC/InterActiveCorp's investment in Match Group, Inc.	\$ 26,731	\$ (30,959)	\$ 91,437

(a) Interest expense on long-term debt—related party is not included.