

Long-term debt—related party

Long-term debt—related party consists of:

	December 31, 2013		December 31, 2014	
	Carrying value	Fair value	Carrying value	Fair value
				(In thousands)
3.57% Notes; interest payable September 1, which commenced September 1, 2012	\$ 79,000	\$ 66,078	\$ 79,000	\$ 67,848
5.00% Note; interest payable December 15, which commenced December 15, 2014	—	—	64,586	69,101
5.90% Note; interest payable December 15, which commenced December 15, 2014	—	—	47,000	48,476
Total long-term debt—related party	\$ 79,000	\$ 66,078	\$ 190,586	\$ 185,425

On September 28, 2011, the Company, through a foreign subsidiary, Match.com Europe Limited, issued \$94 million aggregate principal amount of 3.57% Notes. The notes were issued to three IAC foreign subsidiaries in connection with the financing of the acquisition of a controlling interest in Meetic in September 2011. In December 2011, the Company repaid \$15 million leaving an outstanding balance of \$79 million. The remaining notes are guaranteed by Match.com Pegasus Limited, a subsidiary of Match Group, Inc. The notes are payable in three installments of \$26.3 million that are each due on September 1, 2021, 2023 and 2026.

On April 8, 2014, Match.com Europe Limited and Match.com France Limited issued a €53 million (\$64.6 million at December 31, 2014) 5.00% Note and a \$47 million 5.90% Note, respectively. The 5.00% euro denominated note was issued to an IAC foreign subsidiary in connection with the financing of the purchase of the remaining publicly-traded shares of Meetic that took place in the first quarter of 2014. The note is due on December 15, 2021. The 5.90% Note was issued to an IAC foreign subsidiary with the proceeds being used to repay certain indebtedness that had been created in order to partially fund the acquisition of shares in Meetic. The note is due on December 15, 2021.

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The fair value of the Company's long-term debt is estimated by discounting the future cash flows based on current market conditions.

Interest expense related to the long-term debt is included in "Interest expense—related party" in the accompanying combined statement of operations.

Long-term debt maturities are as follows:

	(In thousands)	
2021	\$	137,920
2023		26,333
2026		26,333
	\$	190,586

*Guarantee of IAC Senior Notes and revolving credit facility*

On November 15, 2013 and December 21, 2012, IAC issued \$500 million aggregate principal amount of 4.875% Senior Notes due November 30, 2018 ("2013 Senior Notes") and \$500 million aggregate principal amount of 4.75% Senior Notes due December 15, 2022 ("2012 Senior Notes"), respectively. The 2013 and 2012 Senior Notes are unconditionally guaranteed by Match Group, Inc. and certain of its domestic subsidiaries.

The indentures governing the 2013 and 2012 Senior Notes contain covenants that limit the ability of IAC's restricted subsidiaries to, among other things, (i) incur indebtedness, make investments, or sell assets in the event IAC is not in compliance with the financial ratio set forth in the indenture, and (ii) incur liens, enter into agreements restricting our subsidiaries' ability to pay dividends, enter into transactions with affiliates and consolidate, merge or sell all or substantially all of IAC's assets. At December 31, 2014, IAC was in compliance with the financial ratio set forth in the indenture.

On December 21, 2012, IAC entered into a \$300 million revolving credit facility, which expires on December 21, 2017. At December 31, 2014 and 2013, there are no outstanding borrowings under IAC's revolving credit facility. The revolving credit facility is unconditionally guaranteed by the same domestic subsidiaries that guarantee the 2013 and 2012 Senior Notes and is also secured by the stock of Match Group, Inc. and certain of its domestic and foreign subsidiaries.

The Company has not recorded a liability pursuant to this guarantor obligation because we have not agreed to pay a specific amount through an arrangement with our co-obligors and we do not expect to pay any amount as a result of our guarantee of IAC's Senior Notes and IAC's revolving credit facility. Prior to the closing of this offering, we will no longer be a restricted subsidiary of IAC for the purposes of its debt facilities, nor will we guarantee any debt of IAC nor will the stock of any of our subsidiaries be pledged to secure IAC's debt.

**Relationship with IAC following the initial public offering**

We expect to enter into certain agreements with IAC relating to this offering and our relationship with IAC after this offering to govern the relationship between the Company and IAC. These agreements will include: a master transaction agreement; an investor rights agreement; a tax sharing agreement; a services agreement; an employee matters agreement; and a subordinated loan agreement.