TRANSLATION FROM THE FRENCH FOR INFORMATION PURPOSES ONLY

SIMPLIFIED CASH TENDER OFFER

(*Offre Publique d'Achat Simplifiée*)

FOR THE SHARES OF

INITIATED BY

MATCH.COM FRANCE LIMITED

PRESENTED BY

DRAFT OFFER DOCUMENT

(*Projet de Note d'Information*)

<u>TERMS OF THE OFFER</u>:

18.75 EUROS PER MEETIC SHARE

The timetable for the Offer will be set by the French stock market authority (*Autorité des marches financiers*) (the "**AMF**") in accordance with the provisions of its general regulation.

This draft offer document was prepared and filed with the AMF on November 6, 2013, in accordance with the provisions of Articles 231-13, 231-16 and 231-18 of the AMF general regulation.

IMPORTANT NOTICE

The Offeror intends to request from the AMF, within a 3-month period as from the Offer's closing date, the implementation of a squeeze-out (*retrait obligatoire*) for the Company Shares if the Company Shares that are not tendered in the Offer represent not more than 5 % of the shares or of the voting rights of the Company, in accordance with the provisions of Articles 237-14 *et seq.* of the AMF general regulation.

THIS OFFER AND DRAFT OFFER DOCUMENT REMAIN SUBJECT TO APPROVAL BY THE AMF

This draft offer document is available on the website of the AMF (www.amf-france.org) and may be obtained free of charge from:

BNP Paribas
4, rue d'Antin
75002 Paris

In accordance with Article 231-28 of the AMF general regulation, the other information concerning the Offeror (notably, legal, financial and accounting information) shall be filed with the AMF and made available to the public at the latest on the day preceding the opening of the tender offer.

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1 PRESENTATION OF THE OFFER

Pursuant to Section III of Book II and more specifically Article 232-1 1° of the AMF general regulation, Match.com France Limited, a company organized and existing under the laws of England and Wales, registered with the Companies Registry of England and Wales under number 8571376, having its registered office at 40 Bank Street, Canary Wharf, London E14 5DS England (the "**Offeror**") is making an offer to the holders of shares issued by Meetic, a French *société anonyme* with a share capital of 2,330,942.80 euros divided into 23,309,428 shares with a nominal value of 0.1 euro each, having its registered office at 6 rue Auber, 75009 Paris, registered with the Companies Registry of Paris under number 439 780 339 (hereafter referred to as "**Meetic**" or as the "**Company**"), to purchase pursuant to the terms and conditions set forth below (the "**Offer**") any and all of the shares of the Company that are traded on Compartment B of the regulated stock exchange of NYSE Euronext in Paris ("**NYSE Euronext**") under ISIN code FR0004063097, with the trading symbol "MEET" (the "**Company Shares**").

BNP Paribas, as the presenting bank for the Offer, filed the Offer and this draft offer document with the AMF on behalf of the Offeror on November 6, 2013. Pursuant to the provisions of Article 231-13 of the AMF general regulation, BNP Paribas guarantees the content and the irrevocable nature of the undertakings given by the Offeror in connection with the Offer. The Offer shall be conducted using the simplified procedure in accordance with the provisions of Articles 233-1 *et seq.* of the AMF general regulation. In the context of the reorganization described in section 1.1.1 below, the Offeror intends to transfer the Company Shares tendered in the Offer to its subsidiary, Match.com Europe Limited.

1.1 RATIONALE FOR THE OFFER

1.1.1 Presentation of the Offeror and its group

Match.com France Limited is a company newly formed for the purpose of the off-market block acquisition described in section 1.1.3 and the Offer. It is a subsidiary of the Match.com group and an indirect subsidiary of IAC/InterActiveCorp ("**IAC**").

Match.com

Match.com is a leading provider of subscription-based and ad-supported online personals services in North America, Latin America, Australia and Asia. It provides these services through websites and applications that it owns and operates, including *Match.com*, *Chemistry.com*, *OurTime.com*, *BlackPeopleMeet.com*, *OKCupid.com*, *Singlesnet.com* and *Twoo.com*. As of December 31, 2012, the entities of the Match.com group collectively provided online personals services to approximately 2.8 million subscribers across all of the sites owned or operated. In addition, the Match.com group owns a 20% interest in Zhenai Inc., a leading provider of online dating and matchmaking services in China.

Match.com group is headquartered at 8300 Douglas Avenue, Dallas, Texas 75225 (U.S.A.). As of September 30, 2013, the Match.com group (including Meetic) employed 967 employees worldwide. As of the date of this draft offer document, the Match.com group owns indirectly through Match.com Europe Limited and Match.com Pegasus Limited, an 87.50% interest in Meetic. It also holds a 50% interest in a joint-venture with Meetic providing online personals services in certain countries in Latin America.

The Offeror, Match.com Pegasus Limited, and Match.com Europe Limited are indirect wholly-owned subsidiaries of Match.com Inc., the parent company of the Match.com group and an indirect wholly-owned subsidiary of IAC.

IAC

IAC is a leading media and internet company comprised of more than 150 brands and products, including Ask.com, About.com, Match.com, HomeAdvisor.com and Vimeo.com. Focused in the areas of search, applications, online dating, local and media, IAC's family of websites is one of the largest in the world, with more than a billion monthly visits across more than 30 countries. The results of operations of IAC's various businesses are reported within the following five segments:

- *Match.com* (see section 1.1.1 above).

- *Search and Applications*: IAC's Search and Applications segment consists of: (i) websites, including Ask.com, About.com, Dictionary.com, Urbanspoon.com and Citysearch.com, through which IAC provides search services and content and (ii) applications, including the direct to consumer downloadable applications business (B2C) and the partnership operations (B2B), as well as the Ask.com, Dictionary.com and Urbanspoon downloadable applications.

- *Local*: IAC's Local segment consists of HomeAdvisor and Felix. HomeAdvisor is a leading online marketplace that matches consumers, by way of patented proprietary technologies, with home services professionals, all of which are pre-screened and the majority of which are customer-rated. Through a majority investment, HomeAdvisor also operates businesses in the online home services space in France and the United Kingdom under various brands. Felix powers local commerce by connecting consumers to local businesses at the moment they are ready to make a purchase decision. Felix's patented speech recognition technology allows local businesses to only pay for high quality phone calls from consumers interested in doing business with them.

- *Media*: IAC's Media segment consists primarily of Vimeo, Electus, Connected Ventures, The Daily Beast and DailyBurn. Vimeo is a leading video hosting platform for creative professionals and consumers, offering video creators tools to create, share, distribute and monetize their content online. Electus is an integrated multimedia entertainment studio that unites producers, creators, advertisers and distributors to produce video content for distribution across a variety of platforms in the United States and various jurisdictions abroad. Connected Ventures operates CollegeHumor Media, an online entertainment company targeting males ages eighteen to forty-nine through CollegeHumor.com and other websites, as well as Notional, a content production studio which creates long-form content for distribution through traditional media channels. The Daily Beast is an online media company that operates TheDailyBeast.com, a website dedicated to news, commentary, culture and entertainment that curates and publishes existing and original online content from its own roster of contributors. DailyBurn is a health and fitness property that provides streaming fitness and workout videos across a variety of platforms.

- *Other*: IAC's Other segment consists primarily of Shoebuy.com and Tutor. Shoebuy.com is a leading internet retailer of footwear and related apparel and accessories. Tutor is an online tutoring solution that was acquired in December 2012.

As of December 31, 2012, IAC and its subsidiaries (including Match.com and Meetic) employed approximately 4,200 full-time employees. It is headquartered at World Headquarters, 555 West 18th Street, New York, NY 10011 (U.S.A.) and its shares are traded on the Nasdaq Stock Market under the stock symbol IACI.

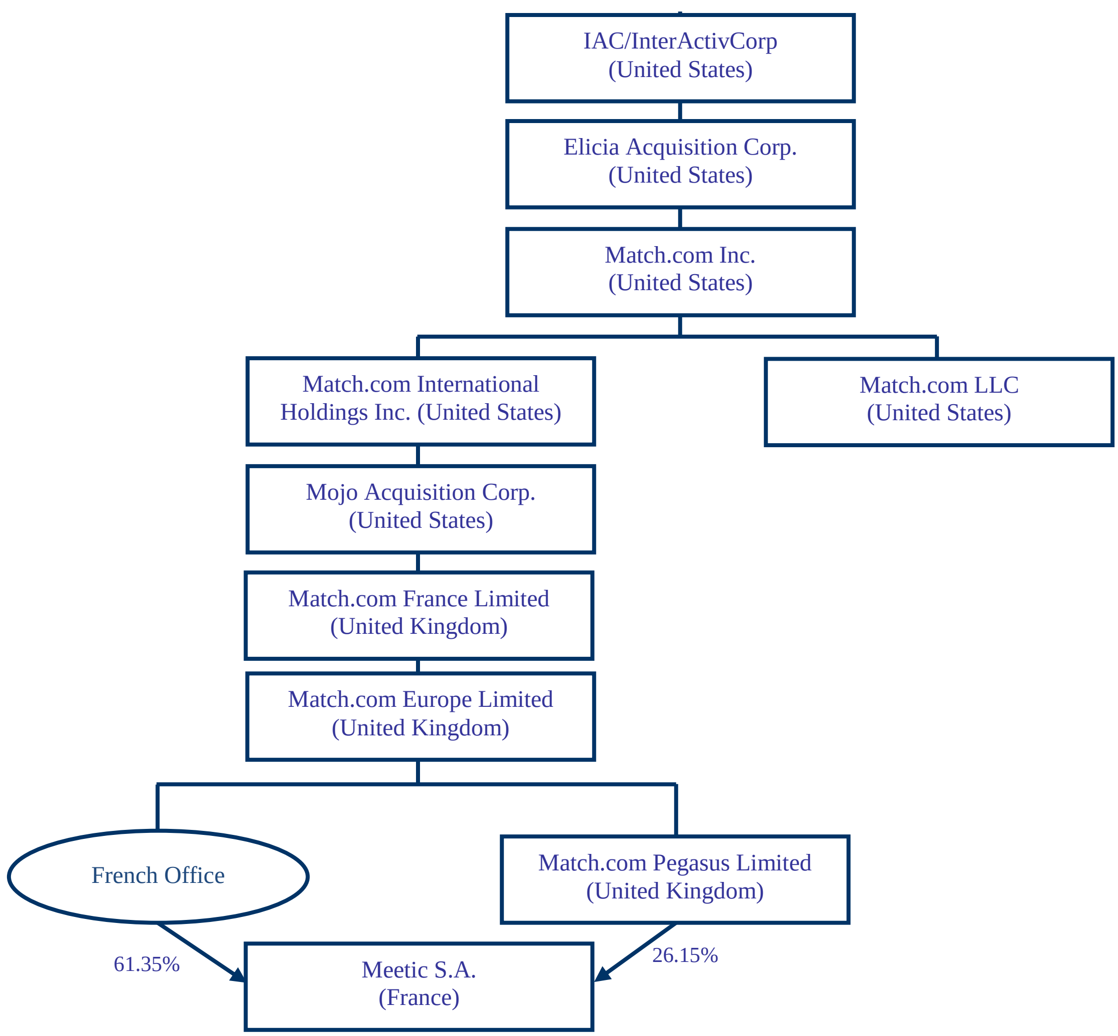
Evolution of the Match.com group's holding structure for Meetic

The Match.com group is currently implementing certain changes in the holding structure of its stake in Meetic intended to streamline the holding structure for Meetic and to further enhance the integration process of Meetic within the Match.com group.

In the context of this reorganization, Match.com Europe Limited shall be in charge of managing all indirect and direct participations of the Match.com group in Meetic and its subsidiaries. Considering the predominant role of French operations for Meetic, this participations management activity shall be carried out by Match.com Europe Limited from an office set-up in Paris with the means and resources to exercise this role, complete the intended reorganization, and going forward, control and manage the Meetic group operations.

The Offeror intends to transfer immediately all the Company Shares tendered in the Offer to Match.com Europe Limited which is in charge of managing and developing through its French office the participation of the Match.com group in the Meetic group. Match.com Europe Limited will continue to manage its existing non-Meetic group investments from its operations in the UK.

The simplified organization chart of the Match.com group as of November 6, 2013 is as follows:



1.1.2 **Rationale for the Offer**

Offering immediate liquidity to shareholders

The Offer provides Meetic shareholders with an immediate liquidity opportunity for their Company Shares at a very competitive price, considering notably the stock price pre-announcement of the Offer and the very limited liquidity in the Company Shares. The Offer price represents a premium of 51.5% on the closing price of the Meetic stock on September 24 2013 - the day before the announcement of the Offer - and premiums of respectively 50.5% and 54.2% on the 1- and 3-month pre-announcement average of daily closing prices weighted by transaction volume. Considering Match.com’s intention to delist the Company, the Offer provides the shareholders with a unique liquidity opportunity at an attractive price.

Delisting Meetic

The Offer reflects Match.com's intention to simplify the holding structure and to remove the regulatory and administrative constraints which result from Meetic's status as a listed company which is no longer justified considering the small size of the free float and the very limited liquidity in the Company Shares. In addition, given the current ownership structure, maintaining the listing no longer suits the economic and financial model of Meetic which does not intend to raise funds in the future through public offerings of shares.

The Offeror is seeking to acquire 100% of the Company Shares. Consequently, if the Offeror holds more than 95% of the share capital and of the voting rights of Meetic at the closing of this Offer, it intends, as set forth in section 1.2.4 below, to request from the AMF, in accordance with the provisions of Articles 237-14 *et seq.* of the AMF general regulation, that a squeeze-out procedure be implemented within three months of the close of this Offer, pursuant to which the Company Shares not tendered in the Offer would be transferred to the Offeror for a consideration equal to the Offer price, *i.e.* 18.75 euros per share.

In this respect, the Offeror has appointed BNP Paribas, which carried out a valuation of the Company Shares, a summary of which is available hereafter in section 3. Moreover, on October 24, 2013, in accordance with the provisions of Article 261-1 I and II of the AMF general regulation, the Board of Directors of the Company appointed "*Associés en Finance*", represented by Mr. Bertrand Jacquillat and Mr. Daniel Beaumont, as independent experts in charge of assessing the valuation of the Company Shares and whose report will be fully disclosed in the response prospectus to be filed by the Company.

As indicated in section 1.2.4.2, the Offeror also intends to request a delisting of the Company Shares from the competent authority, NYSE-Euronext Paris, in the event that no squeeze-out procedures can be implemented upon closing of the Offer, due to an insufficient number of Shares tendered in the Offer.

1.1.3 **Context of the Offer**

On June 5, 2009, the Match.com group acquired an approximate 27% stake in the Company through Match.com Pegasus Limited (*i.e.*, 6,094,334 Company Shares) in consideration for the contribution of its European operations to Meetic.

In connection with this contribution, the Match.com group and the contributed company, Match.com International Limited, which is a 100% subsidiary of Meetic, entered into a cooperation agreement as well as trademark and technology licenses pursuant to which Meetic is afforded for an unlimited period, through the contributed company, the rights necessary to operate the "match.com" websites in Europe.

Subsequently, Match.com announced on February 4, 2010 the formation of a joint venture between Match.com and Meetic in Latin America.

In July 2011, Match.com initiated, through Match.com Europe Limited, a cash tender offer for the purchase of all outstanding Company Shares at a price of 15 euros per share. Match.com Europe Limited acquired 12,543,560 Company Shares as a result of this tender offer, representing 54.56% of the capital of Meetic, increasing Match.com group's total participation in Meetic to 81.07% of the Meetic share capital, and 76.68% of the voting rights.

In 2012 and 2013, Match.com Europe Limited acquired a total of 186,059 Company Shares, pursuant to a liquidity agreement proposed by the Match.com group to holders of free shares to help compensate for the low liquidity in Meetic shares resulting from the tender offer mentioned above.

On September 25, 2013, the Match.com group acquired, through its subsidiary Match.com France Limited, 1,571,886 Company Shares representing 6.74% of the share capital and 5.78% of the voting rights of the Company at a price of 18.75 euros per share pursuant to an off-market block acquisition entered into with the companies Jaïna Capital and Jaïna Ventures, *i.e.* the entire participation still held by Meetic's founder, Mr. Marc Simoncini, in the Company. On November 4, 2013, Match.com France Limited contributed its entire stake in Meetic to Match.com Europe Limited in the context of the reorganization described in section 1.1.1 above.

As a consequence, the Match.com group owns as of the date of this draft offer document, through its subsidiaries, Match.com Europe Limited and Match.com Pegasus Limited, 20,395,839 Company Shares, representing 87.50% of the share capital and 88.66% of the voting rights of the Company.

1.1.4 Ownership of Meetic share capital and voting rights

To the Offeror's knowledge, and based on the information disclosed by the Company, the share capital and voting rights of Meetic are as follows as of October 31, 2013:

Shareholders	Number of shares	% of capital	Number of voting rights	% of voting rights
Match.com Group	**20,395,839**	**87.50%**	**24,096,093**	**88.66%**
- including Match.com Pegasus Limited	*6,094,334*	*26.15%*	*9,794,588*	*36.04%*
- including Match.com Europe Limited	*14,301,505*	*61.35%*	*14,301,505*	*52.62%*
FMR./Fidelity	1,665,000	7.14%	1,665,000	6.13%
Executives	73,374	0.31%	112,765	0.41%
Other registered shares	390,104	1.67%	519,355	1.91%
Treasury shares	0	0.00%	0	0.00%
Free float	785,111	3.37%	785,111	2.89%
Total	**23,309,428**	**100%**	**27,178,324**	**100%**

1.2 MATCH.COM'S INTENTIONS FOR THE NEXT 12 MONTHS

1.2.1 Strategy and industrial and commercial policy – Synergies

The Offeror intends to continue the integration of Meetic in the Match.com group, which has been successfully initiated since 2011. Although most potential cost synergies have been achieved through the integration implemented following the 2011 tender offer, Match.com believes that an increased ownership interest in Meetic and the elimination of the constraints and costs associated with the public listing of Meetic will allow a better development of its activities.

1.2.2 Employment-related intentions

Match.com does not currently plan to initiate any restructuring of the workforce within the Meetic group outside the ordinary course. In particular, Match.com intends to maintain Meetic's operational headquarters' location in France.

Match.com believes that a key element of the combined company's success is preserving and developing the talent and intellectual capital of Meetic's management team and employees, and complementing that talent and intellectual capital with support from, and collaboration with, Match.com, its employees, and their expertise. Such support may take the form of formal or informal consultancy arrangements. Match.com intends to thoroughly assess the resources associated with its existing businesses and ensure that the best teams are deployed in pursuit of increased growth and new business opportunities.

1.2.3 Composition of the Board of the Company

As a result of the resignation of Mr. Marc Simoncini as director of Meetic on September 25, 2013, the board of directors of the Company is currently comprised of five members, including two independent directors, Mrs Anne M. Busquet and Mr. Marc Louis Landeau. Two representatives of Match.com currently sit on the board of directors of Meetic: Gregory R. Blatt and Sam Yagan. Philippe Chainieux, former Chief Executive Officer of the Company, also serves as director of the Company.

Upon closing of the Offer, changes may be made to the Company's board of directors in order to increase Match.com's representation. If Meetic is delisted and transformed into a simplified joint stock company (*société par actions simplifiée*) (see section 1.2.5), the Company may no longer have a board of directors.

In a context of enhanced cooperation with the Match.com group, Match.com intends to retain the Company's current management team in order to make the most of the know-how and skills of the current team.

1.2.4 Delisting – squeeze out

1.2.4.1 Squeeze-out (retrait obligatoire)

The Offeror intends to request from the AMF, within three months of the close of this Offer, that a squeeze-out procedure *(retrait obligatoire)* be implemented for the Company Shares not held by the Match.com group if the Company Shares not tendered by minority shareholders do not represent more than 5% of the shares or voting rights of the Company, in accordance with the provisions of Articles 237-14 *et seq.* of the AMF general regulation.

The Offeror also intends, if the Match.com group comes to hold directly or indirectly 95% of the Company's voting rights and no mandatory squeeze-out is implemented through the conditions mentioned above, to file with the AMF a draft public buyout offer *(projet d'offre publique de retrait)*, followed, as the case may be, by a mandatory squeeze-out, for the Company Shares not held by the Match.com group.

1.2.4.2 Delisting (radiation de la cote)

The Offeror also intends to request a delisting of the Company Shares from the competent authority, NYSE-Euronext Paris, in the event that no squeeze-out procedures can be implemented upon closing of the Offer, due to an insufficient number of Company Shares tendered in the Offer.

Pursuant to Article n°6905/1 of the Euronext Rule Book, NYSE-Euronext Paris may delist shares listed on its markets upon a written request of the issuer or any other concerned applicant. NYSE-Euronext may only accept this request if the liquidity in the Company Shares is significantly reduced following the closing of the Offer, so that delisting is in the market's interest.

For the reasons outlined in section 1.1.2, the Offeror believes that it is no longer in the Company's best interest to maintain its status as an issuer of shares admitted to trading on a regulated market. As set forth in section 1.1.4, the free-float represents, as of October 31, 2013, only 3.37% of the share capital of the Company.

1.2.5 Merger – Legal Reorganization

On an operational level, Match.com does not currently plan to merge Meetic into the Offeror or with any company in the Match.com group.

In the coming months, Match.com group will continue to implement the contemplated changes in the holding structure of its stake in Meetic. As described in section 1.1.1, the Offeror intends to transfer immediately all the Company Shares tendered in the Offer to Match.com Europe Limited which is in charge of managing and developing through its French office the participation of the Match.com group in the Meetic group.

In case of delisting of the Company, Match.com intends to transform the Company into a simplified joint stock company (*société par actions simplifiée*).

1.2.6 Dividend distribution policy

The Offeror reserves the right to modify the policy for distributing dividends depending on its capacity for such distribution, and its working capital and financing needs.

1.3 AGREEMENTS THAT COULD HAVE A MATERIAL IMPACT ON THE VALUATION OR OUTCOME OF THE OFFER

As of the date of this draft offer document, the Offeror is not aware of any agreement that could have a material impact on the valuation or outcome of the Offer.

Concurrently with the sale by Mr. Marc Simoncini, on September 25, 2013, of the balance of his indirect stake in Meetic to Match.com France Limited, the tender commitment agreement, entered into on May 29, 2011 between Match.com Pegasus Limited and Mr. Marc Simoncini, pursuant to which Marc Simoncini had a put option to sell to Match.com the Company Shares which he had not tendered in the 2011 tender offer, was terminated with immediate effect (see Decision and Financial Information AMF n°213C1488 dated October 3, 2013).

2 TERMS AND CONDITIONS OF THE OFFER

Pursuant to the provisions of Article 231-13 of the AMF general regulation, on November 6, 2013, BNP Paribas acting on behalf of the Offeror, filed the draft offer document with the AMF in the form of a simplified cash tender offer (*offre publique d'achat simplifiée*).

In accordance with Article 231-13 of the AMF general regulation, BNP Paribas, acting as presenting bank, guarantees the content and the irrevocable nature of the undertakings given by the Offeror.

In accordance with the provisions of Article 231-16 of the AMF general regulation, this draft offer document is made available free of charge to the public at BNP Paribas and can be downloaded from the AMF's and the Offeror's respective websites.

This Offer and this draft offer document remain subject to approval by the AMF.

The AMF shall declare, after having assessed its conformity, that the Offer complies with applicable legal and regulatory provisions and shall publish a duly reasoned declaration of conformity on its website. This declaration of conformity shall be deemed to constitute a visa of the offer document.

The offer document having received the clearance from the AMF and the "other information" document relating to the characteristics, notably the legal, financial and accounting characteristics of the Offeror, will be made available to the public free of charge, no later than on the day preceding the opening of the Offer, at BNP Paribas. The same will also be available on the websites of the AMF and of IAC.

A press release indicating how to access the documentation will be published in a newspaper with a national circulation no later than on the day preceding the opening of the Offer.

Prior to the opening of the Offer, the AMF and NYSE Euronext will publish respectively an opening notice (*avis d'ouverture*) and a notice announcing the timetable and the terms and conditions of the Offer.

2.1 NUMBER AND NATURE OF COMPANY SHARES TARGETED BY THE OFFER

As of the date of this draft offer document, Match.com group holds, through its subsidiaries Match.com Europe Limited and Match.com Pegasus Limited, 20,395,839 Company Shares, representing 87.50% of the share capital and 88.66% of the voting rights of the Company.

Within the last twelve months preceding the filing of this draft offer document, affiliates of the Match.com group have carried out the following trading operations in the Company Shares:

- acquisition by Match.com Europe Limited, on June 28 and July 19, 2013, of respectively 26,655 and 2,667 Company Shares pursuant to the liquidity agreement entered into with the Company's free share holders (see section 2.3.1) at a price of 10.67 euros per share; and
- acquisition by Match.com France Limited, on September 25, 2013, of 1,571,886 Company Shares pursuant to an off-market block acquisition entered with Jaïna Capital and Jaïna Ventures (controlled by Mr. Marc Simoncini) at a price of 18.75 euros per share.

Subject to the terms and conditions of the Offer set out below, the Offer targets any and all outstanding Company Shares not held by the Match.com group, *i.e.* 3,068,089 Company Shares considering the vesting of 154,500 Company Shares which shall occur on November 18, 2013.

It should be noted that among these 3,068,089 Company Shares, 276,669 Company Shares cannot be tendered in the Offer because they are duly vested but remain subject to a lock-up requirement which expires after the closing of the Offer, in application of Articles L. 225-197-1 *et seq.* of the French Commercial Code (except in case of death or invalidity of the holder).

The Offer does not target the free shares allocated by the Company to certain employees and corporate officers which will not be vested prior to the closing of the Offer and thus are not capable of being tendered in the Offer (except in case of early vesting and transferability due to the death or invalidity of the holder).

To the Offeror's knowledge, the Company has not issued any securities giving access to the Company's share capital and/or voting rights other than the Company Shares. The Company free share plans are described in section 2.3 hereafter.

2.2 PROCEDURE FOR TENDERING COMPANY SHARES

Holders of Company Shares holding their Company Shares through financial intermediaries (credit institutions, investment companies, etc.) who wish to tender their Company Shares in the Offer must provide their financial intermediary, by no later than the closing date of the Offer, with instructions to tender their Company Shares in the Offer using the form made available to them by the intermediary.

The settlement and delivery (*règlement-livraison*) will be made on a continuous basis, as orders are executed, within no more than three trading days after each execution. The selling shareholders will be liable for the trading costs (*i.e.* brokerage fees and VAT thereon). Exane BNP Paribas, acting as market member purchaser will acquire, on behalf of the Offeror, all Company Shares tendered in the Offer.

The shareholders whose Company Shares are registered in direct nominative form in the Meetic shareholders register (*nominatif pur*) and who wish to tender their shares in the Offer must either register them in administrated nominative form (*nominatif administré*) or convert them directly to bearer form, with a licensed financial intermediary of their choice.

The Company Shares held in nominative form must be converted to bearer form to be tendered in the Offer. Consequently, the financial intermediaries will, prior to the transfer, convert the Company Shares tendered in the Offer to bearer form.

The Company Shares tendered in the Offer must be freely transferable and free of all liens, pledges or other security or encumbrance of whatever kind restricting the free transfer of their ownership. The Offeror reserves the right to reject any Company Shares tendered in the Offer which do not meet this condition.

2.3 SITUATION OF BENEFICIARIES OF EMPLOYEES INCENTIVE PLANS

The Match.com group has undertaken to the managers and employees of the Company to repurchase their free shares (*actions gratuities*) in order to provide them with a liquidity opportunity. This undertaking, as described in sections 2.3.2 and 2.3.3 below, will enable the beneficiaries of free shares that may not be tendered in the Offer – either because they are not yet vested, or because they remain subject to a lock-up pursuant to Article L. 225-197-1 of the French Commercial Code – to sell them to the Match.com group once they have vested and become unrestricted.

2.3.1 Free shares which become unrestricted during the Offer

According to the information provided by the Offeror, some free shares of Meetic which are currently subject to a lock-up period will become unrestricted during the Offer period: 27,335 free shares granted on January 2, 2010 shall become transferable as of January 2, 2014 and 110,818 free shares granted on January 15, 2010 will become transferable as of January 15, 2014.

These free shares may be tendered in the Offer from the date on which they become unrestricted as the Offer shall be opened until January 21, 2014. The relevant beneficiaries are however advised to contact the financial department of Meetic so that all necessary steps required in connection with the execution of the tender orders can be duly anticipated, especially with respect to the free shares which become transferable as of January 15, 2014, *i.e.* three trading days before the closing of the Offer.

2.3.2 March 2012 Liquidity Agreement

The Match.com group and the beneficiaries of free shares granted by the board of directors of Meetic prior to March 2012 have entered into a liquidity agreement (the "**2012 Liquidity Agreement**") pursuant to which the beneficiaries have a put option to sell their shares to Match.com after the applicable restricted period. This put option is exercisable by each relevant beneficiary at any time during a 60-day window commencing each year on the day following public disclosure of final audited consolidated financial statements for Meetic. This option only remains valid for the two liquidity windows following the end of the restricted period of the relevant free shares.

The sale price is determined by reference to a Meetic group valuation formula based on a multiple of the consolidated EBITDA of Meetic in the year preceding the repurchase of the shares. This multiple, which cannot be lower than 3.5 and cannot be higher than 10, is based on the year-on-year turnover and EBITDA growths achieved in the immediately preceding fiscal year.

Under the 2012 Liquidity Agreement, Match.com Europe Limited acquired 156,737 shares in June 2012 at a price of 15 euros per share and 29,322 shares in June 2013 at a price of 10.67 euros per share.

In the event that Match.com completes a squeeze-out transaction, the 2012 Liquidity Agreement provides that the free shares which were not capable of being disposed of in the squeeze-out transaction will be transferred to Match.com within seven business days following expiration of the applicable restricted period. For transfers of free shares occurring before the date of the auditors' report on Meetic's consolidated financial statements for the fiscal year during which the squeeze-out was completed, the price per share paid by Match.com to the holder of such shares shall be equal to the squeeze-out price. Accordingly, if the Offeror is in a position to initiate a squeeze-out at the closing of this Offer, the free shares that would become unrestricted between the date of the squeeze-out and the date of the auditor's report on Meetic's consolidated annual financial statements for the fiscal year ending on December 31, 2014 shall be transferred to Match.com at a price of 18.75 euros per share. With respect to the free shares that would only become unrestricted after such date, the sale price shall be equal to the price paid in the squeeze-out, *i.e.* 18.75 euros per share, adjusted by the variation in price calculated in accordance with the valuation formula mentioned above between the date of the squeeze-out and the date of the auditors' report on the consolidated financial statements of Meetic for the fiscal year preceding the share purchase, provided that the adjusted price shall not be higher than 125% or lower than 75% of the squeeze-out price (*i.e.* a repurchase price ranging from 14.06 to 23.43 euros).

2.3.3 July 2013 liquidity commitment

Pursuant to the implementation by the board of directors of the Company on July 25, 2013 of a new free share plan allowing for the vesting of up to 700,000 free shares subject to certain performance conditions being met, the Match.com group has undertaken to offer the beneficiaries of such free share plan the opportunity to exchange their free shares when they become unrestricted against common stock of its parent company, IAC. This put option is exercisable by the relevant beneficiaries of unrestricted free shares at any time during a 60-day window commencing each year on the first business day following delivery by Match.com of its written determination of the liquidity price for the free shares for that exercise window. Match.com shall deliver such written determination no later than ten business days following public disclosure of the final audited consolidated financial statements for Meetic for the previous fiscal year. The put option shall only remain valid for the two liquidity windows following the end of the restricted period of the relevant free shares.

The exchange ratio, *i.e.* the number of IAC shares granted for each Meetic share sold to Match.com, shall be equal to (i) the fair price of a Meetic share determined by reference to a multi-criteria valuation of Meetic prepared by Match.com as of the day preceding the opening of the exercise window divided by (ii) the closing price of IAC common stock on the NASDAQ National Market on the second trading day preceding the date of the settlement of the put – converted into euros at a U.S. dollar/euro exchange rate calculated by Match.com using data published not more than five business days before the date of the settlement of the put.

In the event that Match.com completes a squeeze-out transaction, Match.com shall offer each beneficiary of the July 25, 2013 free share plan the opportunity to enter into a put/call agreement with Match.com, whereby Match.com and the holder will have an option to exchange, and to cause the holder to exchange, respectively, its Meetic shares for shares of IAC within seven business days following expiration of the applicable restricted period. The Meetic share value used for conversion purposes shall be determined by a valuation formula set forth in the put/call agreement.

2.4 INDICATIVE TIMETABLE OF THE OFFER

Prior to the opening of the Offer, the AMF and NYSE Euronext will publish respectively an opening notice (*avis d'ouverture*) and a notice announcing the terms and the timetable of the Offer.

An indicative timetable is set forth below:

November 6, 2013	■ Filing of the proposed Offer with the AMF
November 26, 2013	■ Filing by the Company of the draft response document
December 10, 2013	■ Clearance decision (*Déclaration de conformité*)
December 11, 2013	■ Publication of the offer document and the response document approved by the AMF ■ Publication of the Offeror's and Company's "other information"

		documents
December 13, 2013	■	Opening of the Offer
January 21, 2014	■	Closing of the Offer
January 22, 2014	■	Publication of notice announcing the final results of the Offer
Between January 22 and March 21, 2014	■	If applicable, implementation of the squeeze-out

The closing date of the Offer is January 21, 2014 to enable to holders of free shares that have become transferable on January 15, 2014 to tender them in the Offer.

2.5 FINANCING OF THE OFFER

2.5.1 Cost of the Offer

The total fees incurred by the Offeror and its affiliates in connection with the Offer, including fees and other costs related to external financial and legal advisers and of any other experts and consultants, as well as communication costs, are estimated to be approximately 800,000 euros (excluding tax).

2.5.2 Financing of the Offer

In the event that 100% of the Company Shares targeted by the Offer, excluding the free shares subject to a lock-up requirement expiring after the closing of the offer, are tendered in the Offer, the total cash consideration to be paid by the Offeror (excluding fees and related expenses) would amount to approximately 52.3 million euros.

The Offer will be fully funded by IAC's own funds.

2.6 BROKERAGE COSTS AND REMUNERATION OF INTERMEDIARIES

No costs will be reimbursed and no fee will be paid by the Offeror to any intermediary whatsoever or to any person whomsoever soliciting Company shareholders to tender their Company Shares in the Offer.

2.7 RESTRICTIONS CONCERNING THE OFFER OUTSIDE FRANCE

The Offer is being made to holders of Company Shares located in France and outside of France, on condition that the applicable local regime permits their taking part in the Offer without requiring additional formalities from the Offeror.

The distribution of this draft offer document, the Offer, acceptance of the Offer, as well as the delivery of Company Shares, may, in certain countries, be the subject of specific regulations or restrictions. The Offer has not been registered or approved outside France and no action will be taken to register or approve it abroad. This draft offer document and the other documents relating to the Offer do not constitute an offer to sell or purchase transferable shares or a solicitation of such an offer in any other country in which such an offer or solicitation is illegal or would require the Offeror to file an offer document or take any other steps in accordance with local shares rules, or to any person to whom such an offer or solicitation could not be duly made. The Company's shareholders outside France can only participate in the Offer if permitted by the local laws to which they are subject.

Participation in the Offer and the distribution of this draft offer document may be subject to restrictions, applicable in accordance with laws in effect in relevant jurisdictions outside France (including any requirement to file a prospectus or take any steps in accordance with local securities rules). The Offer is not made to persons subject to such restrictions, whether directly or indirectly, and cannot be accepted in any way in a country in which the Offer would be subject to such restrictions.

Accordingly, the persons in possession of this draft offer document are required to obtain information on any applicable local restrictions and to comply therewith. Failure to comply with these restrictions could constitute a violation of applicable securities and/or stock market laws and regulations in one of these countries. The Offeror disclaims any and all liability in case of a violation by any person of the local rules and restrictions that are applicable to it.

If you are a resident of the United States, please also read the following paragraphs:

The Offer is being made in the United States in reliance on, and compliance with, Section 14(e) of the US Shares Exchange Act of 1934, as amended and Regulation 14E thereunder.

The Offer is being made for shares of a French company and is subject to French disclosure requirements which are different from United States disclosure requirements. In addition, US investors should be aware that this document has been prepared in accordance with a French format and style, which differs from the United States format and style for such documents. Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved this Offer or passed upon the adequacy or completeness of this document or any documentation relating to the Offer. Any representation to the contrary is a criminal offence.

Meetic is organized under the laws of France. Some of the officers and directors of Meetic are residents in France. In addition, most of the assets of Meetic are located outside the United States. As a result, it may be difficult for US shareholders of Meetic to effect service of process within the United States upon Meetic or its officers or directors or to enforce against them a judgment of a US court predicated upon the federal or state securities laws of the United States.

2.8 TAX REGIME APPLICABLE TO THE OFFER

The holders of Company Shares should note that the following discussion is a summary of the applicable tax regime based on French laws as currently in force. This tax regime may be modified as a result of subsequent amendments brought to the applicable French tax rules (potentially with retrospective effect) and their interpretation by the French tax authorities.

This description is only given as a general guideline and is not intended to constitute a comprehensive analysis of all the tax consequences which may apply to a holder of Company Shares. Holders of Company Shares are therefore advised to consult their usual tax adviser in order to examine their specific circumstances.

Persons who are not tax residents of France must comply with the tax legislation in force in their country of residence, subject to the application of a tax treaty between France and such country of residence for the avoidance of double taxation.

2.8.1 <u>Individuals who are French tax residents acting in connection with the management of their private assets and do not trade on a usual basis</u>

2.8.1.1 <u>General case</u>

<u>Income tax</u>

In accordance with the provisions of Articles 150-0 A *et seq.*, 158-6 bis and 200 A of the French general tax code (the "**French Tax Code**"), the net gains arising from the tender of the Company Shares to the Offer, reflecting the difference between, on the one hand, the selling price and, on the other, the tax cost price of the Company Shares tendered in the Offer, are subject, to the progressive income tax rate and social contributions. The income tax progressive rate is composed of tax brackets from 0% up to 45% applicable to the taxable income, depending on the taxpayer's personal and family situation.

Capital gains on share disposals are reduced by an allowance for holding period, computed (in general and, subject to certain specific situations) from the date of their subscription or acquisition. Based on current legislation, which is likely to change as a result of the 2014 draft budget bill, such allowance is equal to:

- 20% of their value if the shares are held for at least two years and less than four years as of the disposal date;
- 30% of their value if the shares are held for at least four years and less than six years as of the disposal date; and
- 40% of their value if the shares are held for at least six years, as of the disposal date.

Based on the 2014 draft budget bill which provisions would apply to sales completed since January 1, 2013, (i) the allowance would be equal to 50% for a holding period between two and eight years and to 65% from eight years onwards and (ii) the holding period would be computed starting the January 1 of the year during which such shares were acquired or subscribed.

In accordance with the provisions of Article 150-0 D 11 of the French Tax Code, losses potentially suffered from the tender of Company Shares in the Offer can only be set-off against gains of the same nature realized during the year during which the sale occurred or in the ten following years (no set-off against global income is admitted).

Individuals who may report a loss or which have incurred a loss when tendering in the Offer are advised to consult their usual tax adviser.

Tendering the Company Shares in the Offer will terminate any tax deferral which could have been invoked by shareholders in connection with the Company Shares tendered in the Offer.

<u>Social contributions</u>

Capital gains are also subject to the following social contributions of up to 15.5%, without deduction of the above-mentioned tax allowance:

- the supplementary Social Security tax (*contribution sociale généralisée*, the "**CSG**"), currently fixed at 8.2%, and deductible, up to 5.1% of the taxable global income in the year of payment;

- the Social Security retirement tax (*contribution pour le remboursement de la dette sociale* ("**CRDS**")), currently fixed at 0.5%;

- the 4.5% social security tax (*prélèvement social*);

- the 0.3% additional social security withholding (*la contribution additionnelle au prélévement social*); and

- the 2% social security and solidarity tax surcharge established by the Social Security Financing Act for 2013 (*le prélèvement de solidarité instauré par la loi de financement de la sécurité sociale pour 2013*).

Exceptional tax contribution on high revenues

Pursuant to Article 223 sexies of the French Tax Code, taxpayers liable to income tax are also liable to a tax exceptional tax contribution based on the household's reference tax income set forth in paragraph 1° of IV of Article 1417 of the French Tax Code, no application of the quotient rules set forth in Article 163-0 A of the French Tax Code being made. The reference tax income referred to includes capital gains realized by the concerned taxpayers, before deduction of tax allowances for holding period. This exceptional tax contribution on high revenues is determined by applying a rate of:

- 3% applicable to the portion of the reference tax income between 250,000 and 500,000 euros for single, widowed, separated or divorced taxpayers and to the portion of reference income tax between 500,000 and 1,000,000 euros for taxpayers subject to a joint taxation; and

- 4% applicable to the portion of reference income tax in excess of 500,000 euros for single, widowed, separated or divorced taxpayers and to the portion of reference income tax over 1,000,000 euros for taxpayers subject to joint taxation.

2.8.1.2 Company Shares tendered in the Offer held in a share savings plan (Plan d'Epargne en Actions ("PEA"))

Persons owning Company Shares in a PEA may tender their Company Shares in the Offer.

A PEA, under certain conditions, entitles its holder, (i) throughout the term of the PEA, to an exemption from income tax and social security contributions on the proceeds from and the capital gains on investments made in the context of the PEA, provided, in particular, that these proceeds and capital gains remain invested in the PEA and (ii) upon termination of the PEA (if terminated more than five years after its inception) or at the time of a partial withdrawal (if this withdrawal takes place more than eight years after its inception), to an exemption from income tax on the amount of net gain since inception of the PEA; this gain nonetheless remains subject to the social contributions described above under section 2.8.1.1.

In principle, capital losses incurred within the context of a PEA may only be set off against capital gains realized in the context of the PEA. However, if (i) the PEA is terminated early before expiry of the fifth year or, (ii) under certain conditions, if the PEA is terminated after expiry of the fifth year when the liquidation value of the plan or the redemption value of the capitalization contract is less than the amount of payments made into the plan since its inception, any capital losses reported upon such liquidation or redemption may be set off against gains of the same type realized in the same year or during the ten following years.

2.8.1.3 French tax residents holding Company Shares resulting from free shares awards

Where free shares allocated in accordance with Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code are tendered in the Offer, the capital gain (equal to the first share quotation on the definitive acquisition date of those Company Shares) will be liable to:

- with respect to the shares allocated since September 28, 2012: income tax and – taxed as salary and subject to social charges, as well as to the CSG and CRDS on earnings from activities;

- with respect of the shares allocated before September 28, 2012 and provided that such shares were held in the nominative form for at least two years from the vesting date of the free shares: income tax at the rate of 30%, unless the holder opts for the progressive income tax rate applicable to salaries, and social contributions, and, as the case may be, the specific social contribution set forth in Article L. 137-14 of the French Social Security Code payable upon transfer of free shares allocated since October 16, 2007.

In addition, any capital gains realized from tendering Company Shares in the Offer, equal to the difference between, on the one hand, the purchase price offered in the Offer and, on the other hand, the acquisition gain, shall be subject to the standard tax treatment for capital gains realized by individuals pursuant to the provisions of Article 150-0 A of the French Tax Code.

2.8.2 Legal entities which are tax residents of France subject to corporate income tax

2.8.2.1 Standard tax treatment

Capital gains realized or capital losses incurred on the sale of Company Shares, equal to the difference between, on the one hand, the purchase price offered and, on the other hand, the tax cost price for the Company Shares tendered in the Offer, are subject to corporate income tax at the standard rate of 33 1/3% plus the 3.3% social contribution (Article 235 *ter* ZC of the French Tax Code) applicable to the amount of corporate income tax less an allowance which may not exceed 763,000 euros per 12-month period, and potentially, for companies with a turnover in excess of 250,000,000 euros, an outstanding tax contribution of 5% (Article 235 ter ZAA of the French Tax Code), based on the corporation tax as determined before application of tax deductions and reductions, and tax credits of any kind.

However, legal entities may benefit from a corporate income tax rate reduced to 15% and from an exemption of the 3.3% social contribution pursuant to the provisions of Articles 219-I b and 235 *ter* ZC of the French Tax Code.

2.8.2.2 Special long-term capital gains regime

In accordance with the provisions of Article 219 I-a *quinquies* of the French Tax Code, net long-term capital gains realized on the sale of equity interests (*titres de participation*) which fall within the scope of the definition provided in that article and which have been held for at least two years are exempt from corporate income tax; however, a portion of costs and expenses equal to 12% of the gross results from capital gains will be included in the calculation of taxable income to be taxed at the standard rate.

For the purposes of Article 219-I a *quinquies* of the French Tax Code, equity interests (*titres de participation*) shall be, inter alia, shares that are considered as equity interests for accounting purposes, and, under certain conditions, shares acquired pursuant to a public tender or exchange offer by the company initiating such offer, as well as securities that are eligible for the parent-subsidiary tax regime provided for in Articles 145 and 216 of the French Tax Code, except for securities in predominantly real estate companies.

The conditions for the use and carry-over of long-term capital losses are subject to specific rules; the relevant taxpayers are urged to contact their usual tax advisor to analyze the tax regime applicable to their own situation.

2.8.3 Non-French tax residents

Capital gains realized upon the disposal for consideration of Company Shares by persons who are not domiciled in France within the meaning of Article 4 B of the French Tax Code or whose corporate seat is located outside France are generally exempt from income tax in France, provided that (i) these gains are not attributable to a permanent establishment or a fixed base subject to tax in France, (ii) the transferor has not held, together with its spouse, ascendants or descendants, directly or indirectly, more than 25% of the rights to the benefits of the company whose shares are disposed of at any time during the five year period preceding the disposition, and (iii) the transferor is not domiciled, established or incorporated in a non-cooperating State or territory within the meaning of Article 238-0 A of the French Tax Code.

Shareholders who are not resident in France must generally seek tax advice on the tax treatment that is applicable to their particular circumstances.

2.8.4 Other shareholders

Holders of Company Shares participating to the Offer and which are subject to another tax regime than that described above, in particular taxpayers whose transactions on securities exceed a mere patrimonial management of their securities portfolio or who hold their Company Shares as professional assets, are invited to consult their usual tax adviser in order to examine their specific circumstances.

2.8.5 Stamp duties

In principle, no stamp duty apply in France to the transfer of shares of a company whose shares are listed on a regulated financial instrument market or a multilateral trading system, unless the sale is evidenced in a deed entered into in France or abroad. In that case, the transfer deed must be registered within the month following its execution, giving rise to stamp duties at a proportional rate of 0.1% based on the highest between the sale price and the real value of the shares.

When the transfer is carried out through a deed executed abroad, the transfer is subject to the above mentioned stamp duties, netted off, as the case may be, against a tax credit equal to the amount of stamp fees effectively paid in the State of registration or in the State of residence of each concerned individual, in accordance with the legislation of such State and subject to the mandatory registration of the transfer. This tax credit can be offset against French stamp duties to each of the transfer, within the limit of aggregated French stamp duties.

The stamp duties which would be due in the event of a transfer carried out through a deed will be borne by the Offeror (unless agreed to the contrary). However, pursuant to Articles 1705 *et seq.*

of the French Tax Code, all parties to the deed shall be held jointly and severally liable for the payment of these duties *vis-à-vis* the French tax administration.

3 VALUATION CRITERIA FOR THE OFFER

The following valuation figures have been prepared by BNP Paribas, the presenting bank, on behalf of the Offeror, based on usual valuation methods, and on the basis of (i) public information available on Meetic, its business, (ii) the two Business Plans prepared by the Company – respectively for Meetic but excluding its subsidiary Twoo and for Twoo – in order to reflect its latest strategic developments as well as (iii) discussions with the Company.

It was not in the aim of BNP Paribas to check this information nor to check or evaluate the assets or liabilities of Meetic.

3.1 VALUATION SYNTHESIS

The Offer price is 18.75 euros per Meetic share.

On the basis of the valuation criteria below, the offered price shows the following premia and discounts:

Criteria	Equity value for share (€)		Offered price per share premium range (in %)		Entreprise value (€m)		Offered EV preimum range (in %)	
Discounted free cash flows	16.85	18.39	11.3%	2.0%	345	382	13.0%	2.2%
Share price								
Last share price before the announcement of the Offer (September 24, 2013)	12.38		51.5%		239		63.1%	
5-day volume weighted average	12.44		50.7%		241		62.2%	
1-month volume weighted average	12.46		50.5%		241		61.8%	
3-month volume weighted average	12.16		54.2%		234		66.8%	
6-month volume weighted average	12.28		52.7%		237		64.8%	
12-month volume weighted average	12.64		48.3%		245		59.0%	
Last 12 months Min / Max	10.00	13.77	87.5%	36.2%	183	272	113.5%	43.4%
Trading multiples	16.24	17.25	15.5%	8.7%	331	355	18.0%	10.0%
Transaction multiples	17.25	19.01	8.7%	(1.4)%	355	397	10.0%	(1.6)%

Source: Datastream, as of September 24, 2013

The Offer price is higher than:

– the maximum of the valuation range obtained using the discount cash flows approach (ranging from 16.85 to 18.39 euros with a central value of 17.58 per share);

– the maximum of the valuation range obtained using the trading multiples approach (ranging from 16.24 to 17.25 euros);

– the central value obtained using the transaction multiples approach (ranging from 17.25 to 19.01 euros with a central value of 18.13 euros);

– the Meetic share price on the day before the announcement of the Offer (*i.e.* 12.38 euros).

Furthermore, the Offer price is equal to the price paid on September 25, 2013 by Match.com for the acquisition of the Company Shares held by Mr. Marc Simoncini and higher than the price offered in connection with the tender offer initiated on May 30, 2011 (*i.e.* 15 euros).

The number of Company Shares used for valuation purposes is equal to the number of outstanding Meetic shares (23,309,428) plus the number of shares to issue under the existing free shares allocation plans (400,750)[1], *i.e.* 23,710,178 shares in total.

3.2 VALUATION METHODOLOGIES

3.2.1 Valuation methodologies used

The Offer price has been assessed following a multi-criteria approach considering the following methodologies:

- **Discounted cash flows (DCF)**
- **Share price performance analysis**
- **Trading multiples**
- **Transaction multiples**
- **Previous transaction**

In terms of methodology, it was decided to value Twoo exclusively with a DCF analysis, whereas Meetic excluding Twoo was also valued using the trading multiples and transaction multiples methodologies. The share price performance analysis and the previous transaction methodology were used for the consolidated Company.

Twoo is a start-up company whose growth model, described as "viral", is based on a very high increase in the number of subscribers. The business plan provided by the Company illustrates this assumption of exponential growth. Nevertheless, this start-up model of growth is by nature unproven at this stage, and must consequently be valued with a cost of capital that reflects the high uncertainty surrounding the materialization of the Company's business plan. The DCF methodology, which fully captures the execution risk of the business plan, appears as the only appropriate one to value Twoo, as neither the trading multiples nor the transaction multiples methodology corresponding to established business models can be sensibly applied.

On the other hand, Meetic excluding Twoo is a more mature company and has a financial track record of more than 10 years and the trading multiples methodology is more relevant, although it remains indicative due to the lack of listed company fully comparable to Meetic excluding Twoo. Valuations using trading and transaction multiples are therefore communicated for indication only and the DCF analysis and the price paid by IAC to acquire Marc Simoncini's stake in September 2013are consequently the central methodologies used in of our valuation of Meetic excluding Twoo.

3.2.2 Methodologies excluded

- **Net Book Value**: the book value of equity reflects the shareholders contribution (cash or kind) and the historical accumulation of the Company's previous incomes, without taking

[1] With respect to plans based on performance criteria, the number of shares to be issued results from the business plan.

into account its future projections. This methodology is thus not relevant. As an indication, net book value at June 30, 2013 is €9.9 per share;

- **Restated Net Worth**: the restated net worth methodology is mainly relevant for diversified holdings or companies with a large portfolio of assets – notably real estate or assets not useful for exploitation - whose historical value on the balance sheet can be far below or above their immediate economic value. This methodology is also relevant for a liquidation approach, after taking into account their liquidation costs. Therefore, this methodology is not appropriate for the Offer;

- **Discounted Dividends Model**: the discounted dividends model consists in carrying out a direct valuation of the company's equity based on future dividends projections in a business plan discounted at the cost of capital. This methodology is relevant only for companies able to distribute significant dividends and distribute dividends in a regular and predictable manner. Since its initial public offering, Meetic has not implemented any policy of regular dividend distribution. This methodology is thus irrelevant in this case;

- **Broker's consensus of target prices**: This is not a valuation methodology in itself as every broker makes his/her own valuation based on public information and different methodologies of valuation that the Offeror is not in position to check. Moreover, published objectives reflect a perception of the Company's strategy and forecasts that do not necessarily take into account the latest developments regarding the competitive environment and operational and financial performances of Meetic. Last, no broker covers Meetic since the last HSBC Global Research note released on August 25, 2011. Accordingly, this methodology is irrelevant.

3.3 DATA USED FOR VALUATION

3.3.1 Business Plan

Historical financial data relied on to assess the Offer are extracts from the Company's audited, consolidated financial statements for fiscal years ended December 31, 2011 and 2012.

On January 4, 2013, Meetic acquired Massive Media, the company behind social discovery platform Twoo. Launched in April 2011 in Gent, Belgium, Twoo offers its users the possibility to meet other people through simple, quick and fun functionalities.

The following projections were provided by the Company and used to assess the Offer,:

- A business plan for Meetic excluding Twoo for the 2013-15 period that relies on the following assumptions:
  - A compounded annual growth rate of revenue of 7% over the 2013-15 period, evolving from 170.3 million euros to 185.1 million euros from 2013 to 2014 and to 195.0 million euros in 2015, which is notably driven by:
    - An increase in conversion rate from members into paying subscribers;
    - An increase in smartphone-related activity;
    - A growth in the number of events organized by the Company (such as parties in bars);

  - An increase in operational expenses, at a compounded annual growth rate of 6.0% over the 2013-15 period, from 50.5 million euros in 2013 to 54.4 and 56.7 million euros in 2014 and 2015, respectively;

  - EBITDA margin of 25.0%, 26.2% and 25.6% in 2013, 2014 and 2015 respectively;

  - An increase in depreciations and amortisations from 6.2 million euros in 2013 to 8.2 and 8.6 million euros in 2014 and 2015 respectively;

  - Stable capital expenditures over the 2013-2015 period at 4% of revenue.

- A business plan for Twoo.com over the 2013-18 period based on the following assumptions:

  - A compounded annual growth rate of revenue of 24.7% over the 2013-18 period, with revenue growing from 9.8 million euros in 2013 to 29.5 million euros in 2018, mainly driven by an increase in the number of users and an improvement in the monetization of Twoo's services;

  - A compounded annual growth rate of 26.8% for direct costs (commercial costs, website, consumers services, personal costs…), with direct costs growing from 3.9 million euros in 2013 to 12.6 million euros in 2018;

  - EBITDA margin increasing from 54.7% in 2013 to 61.8% in 2014, due to the operational leverage and the increase in revenue. Modest and steady decrease in the following years to reach a 51.5% margin in 2018 mainly due to the progressive increase in direct costs;

  - An increase in depreciations and amortisations from 0.2 million euros in 2013 to 2.7 million euros in 2018;

  - A decrease in capital expenditures from 9.4% of revenue in 2014 to 8.3% in 2015 and slight increase in the following years to reach 9.2% in 2018.

BNP Paribas forecasted Meetic excluding Twoo financials over the 2016-18 period based on the following assumptions:

- An increase in sales converging towards 2%, the estimated level of terminal growth;

- EBITDA margin converging towards 22% of revenue, which anticipates an increase in commercial costs incurred to increase the number of subscribers in the mid-to-long term;

- Investments stabilizing at the 2015 level (4% of sales);

- Depreciations and amortisations in line with capital expenditures as from 2016.

BNP Paribas combined the business plans of Meetic excluding Twoo and the business plan of Twoo into a consolidated business plan for Meetic.

3.3.2 Net Debt components (Bridge from EV to EqV)

As stated in the non-audited 09/2013 Financial Statements, Meetic has a net positive Cash position of 66.265 million euros as of September 30, 2013 whose components are:

- 66.351 million euros of net cash and cash equivalents;
- -0.086 million euros of other liabilities.

In addition, the following adjustments were made to calculate Meetic's Equity Value:

- -0.159 million euros of provisions;
- 6.956 million euros of Meetic's stake in Match.com Global Investments (book value);
- -18.815 euros of earn-out from the Massive Media acquisition.

3.4 METHODOLOGIES USED

3.4.1 <u>Discounted Cash Flow</u>

This methodology consists of determining the value of employed capital of the Company (intrinsic value) by discounting the future free cash flows generated by the asset. The value attributable to the shareholders is obtained by deducting the amount of debt and debt-like liabilities of the Company (as described in section 3.2.2) from the value of employed capital.

The DCF valuation was conducted as of September 30, 2013.

The free cash flow retained for DCF drawn from two business plans, prepared by the Company for Meetic excluding Twoo and for Twoo respectively, as well as by the extrapolations made by BNP Paribas.

The values for Meetic excluding Twoo and for Twoo are calculated on a stand-alone basis and then aggregated to value Meetic on a consolidated baisis.

The cost of capital of Meetic excluding Twoo amounts to 10.34%. It relies on the following assumptions:

- Risk free rate of 1.77% (source: Associés en Finance (EUR), three-month average as of October 31, 2013);
- Market risk premium of 7.14% (source: Associés en Finance (EUR), three-month average as of October 31, 2013);
- Unlevered beta (asset beta) of 1.20 (source: MSCI Barra Global);
- No net debt.

The cost of capital of Twoo amounts to 16.98%, which relies on the following assumptions:

- Risk free rate of 1.77% (source: Associés en Finance (EUR), three-month average as of October 31, 2013);
- Market risk premium of 7.14% (source: Associés en Finance (EUR), three-month average as of October 31, 2013);

- Unlevered beta (asset beta) of 2.13 (source: MSCI Barra Global);

- No net debt.

The terminal value of Meetic excluding Twoo was calculated according to the Gordon-Shapiro formula using the normative cash flow based on the following assumptions:

- Terminal growth rate of revenue of 2.0% except for the *Matchmaking* activity, for which a growth rate of -20% was used in view of the projected downturn of this activity;

- Normative EBITDA margin equals to that of the last year (2018) of the business plan (22%);

- Normative capex as a percentage of sales equal to that of the last year (2018) of the business plan (4%);

- Level of depreciation equal to that of capex;

- Normative evolution of working capital requirement in percentage of sales equal to that of the last year (2018) of the business plan (20.7%).

Sensitivity analysis of the share value obtained by this methodology was conducted on weighted average cost of capital and on terminal growth rate.

- Weighted average cost of capital between 10.09% and 10.59%;

- Terminal growth rate between 1.75% and 2.25%.

		Cost of capital						
		9.59%	**9.84%**	**10.09%**	**10.34%**	**10.59%**	**10.84%**	**11.09%**
Terminal growth rate	**1.25%**	16.37	16.02	15.68	15.36	15.06	14.77	14.50
	1.50%	16.74	16.36	16.00	15.67	15.35	15.05	14.76
	1.75%	17.13	16.73	16.35	15.99	15.66	15.34	15.04
	2.00%	17.55	17.12	16.72	**16.34**	15.98	15.65	15.33
	2.25%	17.99	17.53	17.10	16.70	16.33	15.97	15.63
	2.50%	18.46	17.98	17.52	17.09	16.69	16.31	15.96
	2.75%	18.98	18.45	17.96	17.51	17.08	16.68	16.30

On the basis of this analysis, the valuation range of **Meetic excluding Twoo** is €15.66 to €17.10 per share with a central case valuation at €16.34 per share.

The terminal value of Twoo was calculated according to the Gordon-Shapiro formula using a normative cash flow based on the business plan built by the Company:

- Terminal growth rate of revenue of 2.0%;

- 35% normative EBITDA margin represents the median point of the margin of Internet companies such as Meetic excluding Twoo and the margin of Twoo during the first years of its business plan, and is in line with the margins of *social networking* companies such as LinkedIn. This assumption relies on the fact that, at the end of a viral development phase, significant communication efforts are required to maintain and develop the subscriber base, which would result in higher marketing expenses;

- Normative capex in percentage of sales equal to 4%;
- Level of depreciation equals to that of capex;
- Normative evolution of working capital requirement in percentage of sales equal to that of the last year (2018) of the business plan (13%).

Sensitivity analysis of the share value obtained by this methodologywas conducted on weighted average cost of capital and on terminal growth rate:

- Weighted average cost of capital between 16.73% and 17.23%;
- Terminal growth rate between 1.75% and 2.25%.

		Cost of capital						
		16.23%	**16.48%**	**16.73%**	**16.98%**	**17.23%**	**17.48%**	**17.73%**
Terminal growth rate	**1.25%**	1.27	1.24	1.22	1.19	1.16	1.14	1.11
	1.50%	1.29	1.26	1.23	1.21	1.18	1.15	1.13
	1.75%	1.31	1.28	1.25	1.22	1.19	1.17	1.14
	2.00%	1.33	1.30	1.27	**1.24**	1.21	1.18	1.16
	2.25%	1.35	1.32	1.29	1.26	1.23	1.20	1.17
	2.50%	1.37	1.34	1.30	1.27	1.24	1.22	1.19
	2.75%	1.39	1.36	1.32	1.29	1.26	1.23	1.20

On the basis of this analysis, the valuation range of **Twoo** is €1.19 to €1.29 per share with a central case valuation at €1.24 per share.

Based on the above analysis, the valuation range of **Meetic consolidated** is €16.85 to €18.39 per share, representing an enterprise value between 345 and 382 million euros, with a central case valuation at €17.58 per share, representing an enterprise value of 363 million euros.

The Offer price is higher than the upper end of the valuation range obtained by the DCF methodology.

3.4.2 <u>Share price performance analysis</u>

Meetic's ordinary shares (MEET.PA) are admitted for trading on NYSE Euronext Paris (Compartment B) under the code ISIN FR0004063097.

The reference share price relied on is the share price at the market close of September 24, 2013, last trading day prior to the announcement of the Offeror's intention to launch the Offer.

Daily trading volumes (including OTC transactions) reached approximately 1,072 shares on average over the last twelve months prior to the Offer announcement, which correspond to a rotation of 0.04% of free float over the same period.

The table below presents the level of premium induced by the Offer, which are determined based on Meetic's closing price as of September 24, 2013 (last trading day prior to the Offer announcement), as well as the average share price at this date (daily trading volume weighted average of the closing share price):

	Share price (€)	Premium offered per share (in %)	Daily volume (in % of free float) (1)
Reference share price (September 24, 2013)	12.38	51.5%	0.03%
Volume w eighted average - 5 days	12.44	50.7%	0.03%
Volume w eighted average - 1 month	12.46	50.5%	0.03%
Volume w eighted average - 3 months	12.16	54.2%	0.03%
Volume w eighted average - 6 months	12.28	52.7%	0.03%
Volume w eighted average - 12 months	12.64	48.3%	0.04%
Minimum over the last 12 months	10.00	87.5%	-
Maximum over the last 12 months	13.77	36.2%	-

Source: Datastream as of September 24, 2013

(1) Free float calculated from total number of shares outstanding (23,309,428) minus the shares owned by Match.com (20,395,839) as at November 4, 2013

Criteria	Share price (€)		Market Cap (€m) (1)		Enterprise value (€m)		Premium offered on EV (en %)	
Share price								
Last share price prior to the offer announcement (September 24, 2013)	12.38		294		239		63.1%	
Volume w eighted average - 5 days	12.44		295		241		62.2%	
Volume w eighted average - 1 month	12.46		295		241		61.8%	
Volume w eighted average - 3 months	12.16		288		234		66.8%	
Volume w eighted average - 6 months	12.28		291		237		64.8%	
Volume w eighted average - 12 months	12.64		300		245		59.0%	
Min / Max over the last 12 months	10.00	13.77	237	326	183	272	113.5%	43.4%

Source: Datastream as of September 24, 2013

(1) The Market Cap is calculated on the basis of fully diluted number of shares (23,710,178)

Note: The Offer price represents a Market Cap of 445 million euros, i.e. an entreprise value of 390 million euros after deducting Net Debt and other adjustments estimated at 54 million euros

3.4.3 Trading multiples

This methodology consists of determining the value of Meetic by applying to its financials the multiples observed from a sample of publicly-traded peers. However, due to lack of public companies directly comparable to Meetic, the trading multiples approach is only communicated for indicative purposes.

As indicated in section 3.2.1, only Meetic excluding Twoo was valued by the trading multiples approach. The induced value for Meetic excluding Twoo is then added to the value of Twoo calculated with the DCF methodology.

EV/EBITDA multiples were used, under the consideration that EV/EBITDA takes into account the operational performance of different companies in the sample and is not impacted by the capital structure of the companies. Moreover, EV/EBITDA is not influenced by the different accounting rules regarding depreciations and amortisations adopted by the peer companies.

Given that Meetic excluding Twoo was valued as of September 30, 2013, we used the multiples of the projected financial figures of the Company for the years ending on December 31, 2014 and on December 31, 2015.

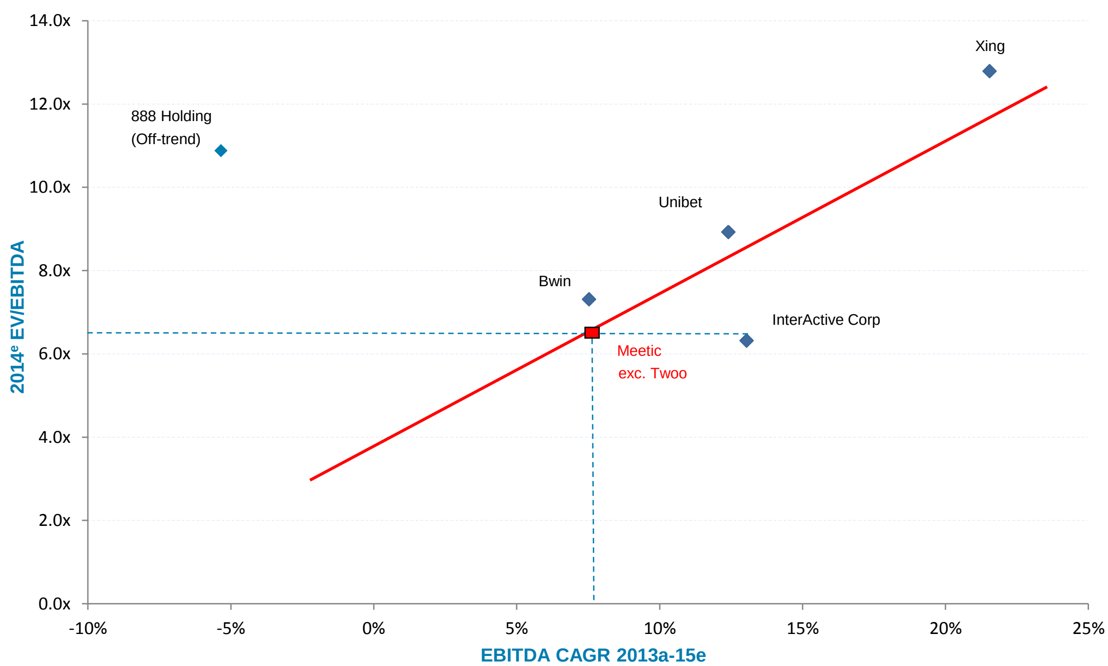
We retained InterActiveCorp as the main comparable company, as its revenue and, especially, its cash flow are mainly generated from online dating services.

Founded in 1995 and listed on NASDAQ, IAC is a US company that owns a portfolio of Internet websites and applications (150 brands in more than 25 countries in the world). The company is organised in 4 businesses: “Search” (mainly search engines Ask.com and Dictionary.com, as well as B2B and B2C applications), “Match” (online dating with 37 brand names, of which particularly Match.com and PeopleMedia), “Local” (HomeAdvisor, service provision matchmaking, and CityGrid Media, advertising network) and “Media” (including Vimeo, CollegeHumour qnd Daily Beast). In the first half of 2013, Match, whose activity is similar to that of Meetic, accounted for 25% of the total revenue of IAC and 52% of its EBIT. IAC owns a 87.5% stake in Meetic since September 25, 2013.

Other companies are similar to Meetic excluding Twoo in terms of business model, as they are operating exclusively in the Internet sector and directly address consumers (B2C). Some of these companies however differ from Meetic excluding Twoo as they either operate in highly regulated sectors.

These companies are part of the expanded sample as described below. Some of the companies in this sample present a much higher EBITDA growth than that projected by the business plan of Meetic excluding Twoo, thus resulting in a higher EV/EBITDA compared to standard market practice.

With a view to correcting this bias, we conducted a regression analysis of the companies in the sample between the EV/EBITDA multiple in 2014 and EBITDA CAGR from 2013 to 2015. There is a strong correlation between the two aggregates (correlation coefficient $R^2 > 0.7$). It should be noted that 888 Holdings introduces a large statistical bias against the regression and is therefore excluded from the linear regression calculation. When positioning Meetic excluding Twoo on this regression line, the induced EV/EBITDA for the year of 2014 is very close to that of InterActiveCorp (difference less than 5%). This result further confirms the choice of using InterActiveCorp when valuing Meetic excluding Twoo through trading multiples.



Companies in the enlarged sample:

- Xing, German social network for business professionals founded in 2003. The major part of its activity consists of providing individuals who pay subscription fees with access to premium contents. Xing has c. 13.5 million members, of which 0.8 million premium subscribers. However, Xing is a social network for professionals, which thus sets itself apart from Meetic due to the fact that, on the one hand, it does not provide dating or personal meeting activity, and on the other hand, services for professionals (e-recruiting) is a significant component of its activity.

- Three gaming websites deriving a majority of their revenue from individual players:

  - 888 Holding, a UK company located in Gibraltar founded in 1997, owning online gaming establishments (Casino, Poker, Bingo…) and hosting an online community;

  - Bwin.party, an Austrian company created through the merger of Bwin and PartyGaming in March 2011, offering poker, sports betting, casino and bingo;

  - Unibet, a sports betting company based in Malta, with over 7.6 million registered customers worldwide.

Like Meetic, these online gaming or sports betting companies adopt a B2C business model. But they also differ from Meetic by their activity, since they do not offer online dating service, by their higher growth prospects and by the regulated character of their business.

Furthermore, it is worth pointing out the sample does not include Cupid, a UK company founded in 2005, which offers online dating service to individuals paying subscription fees to gain access to premium service. The company had on average 533,000 premium subscribers during the year of 2012. Certainly, the services provided by Cupid and its business model are comparable to those of Meetic. Yet, the share price of Cupid has fallen substantially over the past twelve months, mainly because of fake profile allegations. In addition, the financial performance of Cupid was seriously impacted by increasing expenses, especially in marketing. Moreover, Cupid is no longer covered by brokers. Its multiples cannot, therefore, be used.

Regarding the application of the trading multiples, the enterprise value (EV) of peer companies is defined as follows: market cap + latest available net debt + minority interest (book value) + pension provisions after tax – associates (book value) – assets held-for-sale.

EBITDA projections are estimated according to the consensus of brokers who follow the stock regularly.

The table below presents the average multiple observed on the peers during one month prior to October 28, 2013:

Company **Average over 1 month - 28/10/13**	**Currency**	**EV/EBITDA** **2014e**	 **2015e**
Meetic peer			
InterActiveCorp	€m	6.3x	5.7x
Meetic excl. Twoo	€m	48.5	49.9
Enterprise Value Meetic excl. Twoo		**306**	**283**
Enterprise Value Twoo (DCF)		**48**	**48**
Enterprise Value Meetic Conso.		**355**	**331**
EV adjustments	€m	54	54
Equity value		**409**	**385**
Total number of shares (diluted)	m	23.71	23.71
Value per share	**€**	**17.25**	**16.24**

Source: Company, Datastream as at October 28, 2013, brokers' notes

By applying IAC's multiples to the financial aggregates of Meetic and adding up the value of Twoo obtained from DCF, we arrive at an underlying valuation of €16.24 and €17.25 per share, i.e. an enterprise value between 331 and 355 million euros. Therefore, the €18.75 Offer price represents a premium of 10.0% and 18.0% respectively over the enterprise value.

3.4.4 Transaction Multiples Methodology

This methodology consists in valuing the company by applying to its financial results, a multiple obtained on recent comparable transactions. The following transactions are recent references in the online dating sector and have been included in the sample of comparable transactions:

- Acquisition of Cupid Casual Dating Business, a company that specializes in online dating websites, in July 2013 by Grendall Investment Limited for an EV of 61 million euros, i.e. an EV/EBITDA multiple of 5.5x;

- Acquisition of 100% of Cupid.com, the American branch of Cupid, by EasyDate in September 2010 for an EV of c. 5 million euros, which implies a 8.8x EV/EBITDA multiple;

- Acquisition of 100% of People Media, an American based online networking company targeting specific demographic groups, by Match.com in July 2009 for an EV of c. 57 million euros, which implies a 6.9x EV/EBITDA multiple;

- Acquisition of 100% of Match.com International, which regroups the European activities of Match.com, the first American online dating company, by Meetic from its parent company IAC in May 2009 for an EV of c. 74 million euros, which implies a 16.0x EV/EBITDA multiple. It should be noted that this acquisition aimed at generating 10 to 15 million euros of synergies during the first year.

We applied the above EV/EBITDA multiples to the EBITDA of Meetic in 2013. Transaction multiples result in an average EV/EBITDA of 7.8x and an EV range, with a +/- 0.5x range around the central valuation of 7.8x, of 355 to 397 million euros, i.e. a share price range of €17.25 to €19.01 per share. In fact, the price offered represents a premium of -1.6% to 10.0% over the enterprise value.

It should be emphasize that these transactions were realized in a different context from Meetic's current operational environment. Consequently, the transaction multiples are not entirely applicable for Meetic's valuation and are only given for indicative purpose.

3.4.5 Previous transaction

On September 25, 2013, Match.com Group acquired through its subsidiary Match.com France Limited 1,571,886 shares of Meetic, representing 6.74% of the capital and 5.78% of voting rights at a price of 18.75 euros per share from Jaina Capital and Jaina Ventures through an off-market transaction. These shares were the entire remaining stake indirectly owned by the founder of Meetic, Marc Simoncini.

This transaction seems to be an essential reference for the assessment of the value of the Company, given that 18.75 euros per share was deemed attractive enough by the seller who has a thorough knowledge of the Company.

4 PERSONS RESPONSIBLE FOR THE OFFER DOCUMENT

4.1 FOR THE PRESENTATION OF THE OFFER

"In accordance with Article 231-18 of the AMF general regulation, BNP Paribas, the institution presenting the Offer, declares that to its knowledge, the presentation of the Offer it has examined on the basis of information provided by the Offeror, and the criteria for determining the proposed price, are in accordance with the facts and nothing has been omitted which could make it misleading."

BNP Paribas

4.2 FOR THE OFFEROR

"To my knowledge, the information contained in this offer document is in accordance with the facts and nothing has been omitted that could make it misleading."

Match.com France Limited Mrs Stuart Cawthorn and Mr. Ken McCallum Directors