

- fluctuations in the rate at which we attract new users, the level of engagement of such users and the propensity of such users to subscribe to our brands or to purchase à la carte features;
- increases or decreases in our revenues and expenses caused by fluctuations in foreign currency exchange rates;
- the timing, size and effectiveness of non-marketing operating expenses that we may incur to grow and expand our operations and to remain competitive;
- the performance, reliability and availability of our technology, network systems and infrastructure and data centers;
- operational and financial risks we may experience in connection with historical and potential future acquisitions; and
- general economic conditions in either domestic or international markets.

The occurrence of any one of these factors, as well as other factors, or the cumulative effect of the occurrence of one or more of such factors could cause our quarterly results and operating metrics to fluctuate significantly. As a result, quarterly comparisons of results and operating metrics may not be meaningful.

In addition, the variability and unpredictability of our quarterly results or operating metrics could result in our failure to meet our expectations, or those of any of our investors or of analysts that cover our company, with respect to revenues or other operating results for a particular period. If we fail to meet or exceed such expectations for these or any other reasons, the market price of our common stock could fall substantially.

Foreign currency exchange rate fluctuations could adversely affect our results of operations.

We operate in various international markets, primarily in various jurisdictions within the European Union. During fiscal year 2014 and the nine months ended September 30, 2015, 35% and 31% of our total revenues, respectively, were international revenues. Our primary exposure to foreign currency exchange risk relates to investments in foreign subsidiaries that transact business in a functional currency other than the U.S. dollar, primarily the Euro.

As foreign currency exchange rates fluctuate, the translation of our international results into U.S. dollars affects the period-over-period comparability of our U.S. dollar-denominated operating results. For example, the average Euro to U.S. dollar exchange rate was 18% lower in the first nine months of 2015 than it was in the first nine months of 2014, which significantly reduced our revenue. Our total revenue, dating revenue and international dating revenue for the nine months ended September 30, 2015, as compared to the nine months period ended September 30, 2014, would have increased approximately 22%, 13% and 18%, respectively, as compared to the reported increases of 16%, 7% and less than 1%, respectively, had foreign currency exchange rates remained constant during such period.

Table of Contents

Historically, we have not hedged any foreign currency exposures. Our international operations' continued growth and expansion into new countries increases our exposure to foreign exchange rate fluctuations. These fluctuations could have a significant impact on our future results of operations.

Distribution and use of our dating products depends, in significant part, on a variety of third party publishers, platforms and mobile app stores. If these third parties limit, prohibit or otherwise interfere with the distribution or use of our dating products in any material way, it could adversely affect our business, financial condition and results of operations.

We market and distribute our dating products (including related mobile applications) through a variety of third party publishers and distribution channels. Our ability to market our brands on any given property or channel is subject to the policies of the relevant third party. Certain publishers and channels have, from time to time, limited or prohibited advertisements for dating products for a variety of reasons, including as a result of poor behavior by other industry participants. There is no assurance that we will not be limited or prohibited from using certain current or prospective marketing channels in the future. If this were to happen in the case of a significant marketing channel and/or for a significant period of time, our business, financial condition and results of operations could be adversely affected.

Additionally, our mobile applications are increasingly accessed through the Apple App Store and the Google Play Store. Both Apple and Google have broad discretion to change their respective terms and conditions applicable to the distribution of our applications, and to interpret their respective terms and conditions in ways that may limit, eliminate or otherwise interfere with our ability to distribute our applications through their stores. There is no assurance that Apple or Google will not limit or eliminate or otherwise interfere with the distribution of our applications. If either or both of them did so, our business, financial condition and results of operations could be adversely affected.

Lastly, in the case of Tinder, users currently register for (and log in to) the application exclusively through their Facebook profiles. Facebook has broad discretion to change its terms and conditions applicable to the use of its platform in this manner and to interpret its terms and conditions in ways that could limit, eliminate or otherwise interfere with our ability to use Facebook in this manner and if Facebook did so, our business, financial condition and results of operations could be adversely affected.

As the distribution of our dating products through app stores increases, in order to maintain our profit margins, we may need to offset increasing app store fees by decreasing traditional marketing expenditures, increasing user volume or monetization per user or by engaging in other efforts to increase revenue or decrease costs generally, or our business, financial condition and results of operations could be adversely affected.

As our user base continues to shift to mobile solutions, we increasingly rely on the Apple App Store and the Google Play Store to distribute our mobile applications and related in-app products. While our mobile applications are generally free to download from these stores, we offer our users the opportunity to purchase paid memberships and certain à la carte features through these applications. We determine the prices at which these memberships and features are sold and, in exchange for facilitating the purchase of these memberships and features through these applications to users who download our applications from these stores, we pay Apple and Google, as applicable, a share (currently 30%) of the revenue we receive from these transactions. As the distribution of our