

We have made numerous acquisitions in the past and we continue to seek potential acquisition candidates. We may experience operational and financial risks in connection with historical and future acquisitions if we are unable to:

- properly value prospective acquisitions, especially those with limited operating histories;

24

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Table of Contents

- successfully integrate the operations, as well as the accounting, financial controls, management information, technology, human resources and other administrative systems, of acquired businesses with our existing operations and systems;
- successfully identify and realize potential synergies among acquired and existing businesses;
- retain or hire senior management and other key personnel at acquired businesses; and
- successfully manage acquisition-related strain on our management, operations and financial resources and those of the various brands in our portfolio.

Furthermore, we may not be successful in addressing other challenges encountered in connection with our acquisitions. The anticipated benefits of one or more of our acquisitions may not be realized or the value of goodwill and other intangible assets acquired could be impacted by one or more continuing unfavorable events or trends, which could result in significant impairment charges. The occurrence of any these events could have an adverse effect on our business, financial condition and results of operations.

***We will incur some increased costs and devote substantial management time as a result of operating as a public company.***

We expect that the obligations of being a public company, including public reporting and investor relations obligations, will require new expenditures, place new demands on our management and will require the hiring of additional personnel. While IAC will continue to provide us with certain corporate and shared services related to corporate functions for a period of time for negotiated fees, we also expect that we will need to implement additional systems and hire additional personnel to adequately function as a public company. We cannot precisely predict the amount and timing of these significant expenditures. See “—Risks related to our ongoing relationship with IAC—The services that IAC will provide to us following the initial public offering may not be sufficient to meet our needs, and we may have difficulty finding replacement services or be required to pay increased costs to replace these services if we no longer receive these services from IAC.”

***We may not realize the potential benefits from our initial public offering.***

We may not realize the benefits that we anticipate from our initial public offering. These benefits include the following:

- enabling us to allocate our capital more efficiently;
- providing us with direct access to the debt and equity capital markets;
- improving our ability to pursue acquisitions through the use of shares of our common stock as consideration; and
- enhancing our market recognition with investors.

We may not achieve the anticipated benefits from our initial public offering for a variety of reasons. For example, the process of operating as an independent public company may distract our management from focusing on our business and strategic priorities. In addition, although we will have direct access to the debt and equity capital markets following this offering, we may not be able to issue debt or equity on terms acceptable to us or at all. The availability of tradable shares of our common stock for use as consideration for acquisitions also will not ensure that we will be able to successfully pursue acquisitions or that the acquisitions will be successful. We also may not fully realize the anticipated benefits from our

25

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Table of Contents

initial public offering if any of the matters identified as risks in this “Risk factors” section were to occur. If we do not realize the anticipated benefits from our initial public offering for any reason, our business may be adversely affected.

***We are subject to litigation and adverse outcomes in such litigation could have an adverse effect on our financial condition.***

We are, and from time to time may become, subject to litigation and various legal proceedings, including litigation and proceedings related to intellectual property matters and privacy and consumer protection laws, that involve claims for substantial amounts of money or for other relief or that might necessitate changes to our business or operations. The defense of these actions may be both time consuming and expensive. We evaluate these litigation claims and legal proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we may establish reserves and/or disclose the relevant litigation claims or legal proceedings, as and when required or appropriate. These assessments and estimates are based on information available to management at the time of such assessment or estimation and involve a significant amount of judgment. As a result, actual outcomes or losses could differ materially from those envisioned by our current assessments and estimates. Our failure to successfully defend or settle any of these litigations or legal proceedings could result in liability that, to the extent not covered by our insurance, could have an adverse effect on our business, financial condition and results of operations.

**Risks related to our ongoing relationship with IAC**