

- corporate opportunities;
- the impact that operating decisions for our business may have on IAC's consolidated financial statements;
- the impact that operating or capital decisions (including the incurrence of indebtedness) for our business may have on IAC's current or future indebtedness or the covenants under that indebtedness;
- business combinations involving us;
- our dividend policy;
- management stock ownership; and
- the intercompany services and agreements between IAC and us.

Potential conflicts of interest could also arise if we decide to enter into any new commercial arrangements with IAC in the future or in connection with IAC's desire to enter into new commercial arrangements with third parties.

Furthermore, disputes may arise between IAC and us relating to our past and ongoing relationship, and these potential conflicts of interest may make it more difficult for us to favorably resolve such disputes, including those related to:

- tax, employee benefit, indemnification and other matters arising from this offering;
- the nature, quality and pricing of services IAC agrees to provide to us;
- sales or other disposal by IAC of all or a portion of its ownership interest in us; and
- business combinations involving us.

We may not be able to resolve any potential conflicts, and even if we do, the resolution may be less favorable to us than if we were dealing with an unaffiliated party. While we are controlled by IAC, we may not have the leverage to negotiate amendments to these agreements, if required, on terms as favorable to us as those we would negotiate with an unaffiliated third party.

Our historical and pro forma combined financial information may not be representative of the results we would have achieved as a public company and may not be a reliable indicator of our future results.

The historical and pro forma combined financial information that we have included in this prospectus may not necessarily reflect what our financial position, results of operations or cash flows would have been had we been a public company during the periods presented or those that we will achieve in the future. Our combined financial statements reflect the historical financial position, results of operations and cash flows of our various businesses since their respective dates of acquisition by IAC and the allocation to us by IAC of expenses for certain functions based on various methodologies. We have not adjusted our historical and

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pro forma combined financial information to reflect changes that will occur in our cost structure, financing and operations as a result of our transition to becoming a public company, including anticipated increased costs associated with public company reporting and other obligations. Accordingly, our historical and pro forma combined financial information may not necessarily be indicative of what our financial position, results of operations or cash flows will be in the future.

We will be a "controlled company" as defined in the NASDAQ rules, and will rely on exemptions from certain corporate governance requirements that provide protection to stockholders of other companies.

Upon completion of this offering, IAC will own more than 50% of the combined voting power of our share capital and we will be a "controlled company" under the Marketplace Rules of the NASDAQ Stock Market, or the Marketplace Rules. As a "controlled company," certain exemptions under the NASDAQ standards will free us from the obligation to comply with certain Marketplace Rules related to corporate governance, including the requirements:

- that a majority of our board of directors consists of "independent directors," as defined under the Marketplace Rules;
- that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- that we have a nominating/governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

Accordingly, for so long as we are a "controlled company," you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the Marketplace Rules.

In order to preserve the ability of IAC to distribute its shares of our capital stock on a tax-free basis, we may be prevented from pursuing opportunities to raise capital, to effectuate acquisitions or to provide equity incentives to our employees, which could hurt our ability to grow.

Under current laws, IAC must retain beneficial ownership of at least 80% of the combined voting power and 80% of each class of nonvoting capital stock, if any is outstanding, in order to effect a tax-free distribution of our shares held by IAC to its stockholders. IAC has advised us that it does not have any present intention or plans to undertake such a tax-free distribution. However, IAC currently intends to use its majority voting interest to retain its ability to engage in