

Furthermore, any proceeds that we could realize from any such dispositions may not be adequate to meet our debt service obligations then due.

Our debt agreements contain restrictions that will limit our flexibility in operating our business.

The Credit Agreement contains, the indenture related to the Match Notes will contain, and any instruments governing future indebtedness of ours would likely contain, a number of covenants that will impose significant operating and financial restrictions on us, including restrictions on our ability to, among other things:

- create liens on certain assets;
- incur additional debt;
- make certain investments and acquisitions;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- sell certain assets;
- pay dividends on or make distributions in respect of our capital stock or make restricted payments;
- enter into certain transactions with our affiliates; and
- place restrictions on distributions from subsidiaries.

Any of these restrictions could limit our ability to plan for or react to market conditions and could otherwise restrict corporate activities. Any failure to comply with these covenants could result in a default under the Credit Agreement and/or the indenture related to the Match Notes or any instruments governing future indebtedness of ours. Upon a default, unless waived, the lenders under the Credit Agreement could elect to terminate their commitments, cease making further loans, foreclose on our assets pledged to such lenders to secure our obligations under the Credit Agreement and force us into bankruptcy or liquidation. Holders of the Match Notes will also have the ability to force us into bankruptcy or liquidation in certain circumstances, subject to the terms of the related indenture. In addition, a default under the Credit Agreement or the indenture related to the Match Notes may trigger a cross default under our other agreements and could trigger a cross default under the agreements governing our future indebtedness. Our operating results may not be sufficient to service our indebtedness or to fund our other expenditures and we may not be able to obtain financing to meet these requirements.

Variable rate indebtedness that we expect to incur in connection with the Credit Agreement will subject us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under the Credit Agreement will be at variable rates of interest and will expose us to interest rate risk. We currently have a \$500 million Revolving Credit Facility and expect to enter into an \$800 million Term Loan Facility under the Credit Agreement. On a pro forma basis and assuming the (i) full \$500 million under the Revolving Credit Facility is drawn down and (ii) \$800 million in borrowings are outstanding under the Term Loan Facility, each quarter point change in interest rates would result in a \$3.25 million change in annual interest expense on indebtedness under the Credit Agreement. Our Credit Agreement is currently undrawn. If the underwriters do not exercise their option to acquire additional shares in full, we expect to incur borrowings under the Revolving Credit Facility to repay in full related party indebtedness owed to IAC.

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Risks related to this offering

The multi-class structure of our capital stock has the effect of concentrating voting control with holders of our Class B common stock and limiting your ability to influence corporate matters.

Our Class B common stock has ten votes per share, our common stock, which is being offered by us in this initial public offering, has one vote per share and our Class C common stock does not have any voting rights except as required by the laws of the State of Delaware, in which case, our Class C common stock will have one one-hundredth (1/100) of a vote per share. When this offering is completed, IAC will own all of the shares of our outstanding Class B common stock, representing approximately 86.1% of our outstanding shares of capital stock and approximately 98.4% of the combined voting power of our outstanding capital stock (or approximately 84.4% of our outstanding shares of capital stock and approximately 98.2% of the combined voting power of our outstanding capital stock, if the underwriters exercise in full their option to purchase additional shares of our common stock in this offering). There will be no shares of our Class C common stock outstanding immediately following this offering. Due to the ten-to-one voting ratio between our Class B common stock and common stock, the holders of our Class B common stock collectively will continue to control a majority of the combined voting power of our capital stock, even when the outstanding shares of Class B common stock represent a small minority of our equity, and such voting control will be concentrated with IAC. This concentrated control will significantly limit your ability to influence corporate matters.

The difference in the voting rights of our common stock and our Class B common stock may harm the value and liquidity of our common stock.

The holders of Class B common stock will be entitled to ten votes per share and the holders of our common stock will be entitled to one vote per share. The difference in the voting rights of our common stock and Class B common stock could harm the value of our common stock to the extent that any investor or potential future purchaser of our common stock ascribes value to the right of the holders of our Class B common stock to ten votes per share. The existence of two classes of common stock with voting rights could result in less liquidity for either class of stock than if there were only one class of our common stock. See "Description of capital stock" for descriptions of our common stock and our Class B common stock and the rights associated with each.

Purchasers in this offering will experience immediate and substantial dilution in the book value of their investment.