

	Years ended December 31,		% change
	2013	2014	
	(dollars in thousands, except ARPPU)		
Direct Revenue:			
North America	\$ 493,729	\$ 525,928	6.5%
International	260,340	273,599	5.1%
Total Direct Revenue	754,069	799,527	6.0%
Indirect Revenue	34,128	36,931	8.2%
Total Dating Revenue	788,197	836,458	6.1%
Non-dating Revenue	14,892	51,810	247.9%
Total Revenue	\$ 803,089	\$ 888,268	10.6%
Percentage of Total Revenue:			
Direct Revenue:			
North America	61.5%	59.2%	
International	32.4%	30.8%	
Total Direct Revenue	93.9%	90.0%	
Indirect Revenue	4.2%	4.2%	
Total Dating Revenue	98.1%	94.2%	
Non-dating Revenue	1.9%	5.8%	
Total Revenue	100.0%	100.0%	
Average PMC:			
North America	2,169	2,404	10.8%
International	1,020	1,097	7.5%
Total	3,189	3,501	9.8%
ARPPU:			
North America	\$ 0.62	\$ 0.60	(3.9%)
International	\$ 0.70	\$ 0.68	(2.3%)
Total	\$ 0.65	\$ 0.63	(3.4%)

Revenue increased \$85.2 million, or 10.6%, in 2014 versus 2013.

North America Direct Revenue grew by \$32.2 million, or 6.5%, in 2014 versus 2013, driven by 10.8% growth in Average PMC, partially offset by a 3.9% decline in ARPPU. Average PMC growth was driven by a strong increase in beginning PMC and strong new user growth, partially offset by mix shift to brands where a lower percentage of new users become paid members. ARPPU decreased due to mix shifts to lower rate brands as well as a decline in mix-adjusted rates.

International Direct Revenue grew by \$13.3 million, or 5.1%, in 2014 versus 2013, driven by 7.5% growth in Average PMC, partially offset by a 2.3% decline in ARPPU. Average PMC growth was driven by a strong

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increase in beginning PMC, the acquisition of FriendScout24 and growth in new users, partially offset by mix shift to brands where a lower percentage of new users become paid members. ARPPU decreased due to mix shift to lower rate brands, partially offset by mix-adjusted rate increases.

Non-dating revenue grew \$36.9 million, or 247.9%, as a result of our acquisition of The Princeton Review in August 2014.

Cost of revenue (exclusive of depreciation)

	Years ended December 31,		% change
	2013	2014	
	(dollars in thousands)		
Cost of revenue	\$ 85,945	\$ 120,024	39.7%
Percentage of revenue	10.7%	13.5%	

Cost of revenue increased \$34.1 million, or 39.7%, in 2014 versus 2013.

Dating cost of revenue increased \$16.0 million, or 20.4%, meaningfully more than the growth in revenue driven primarily by a significant increase in in-app purchases given that our native mobile apps were largely introduced in the second quarter of 2014, as well as higher hosting fees driven by growth in users and product features.

Non-dating cost of revenue increased \$18.0 million, or 250.6%, driven by the acquisition of The Princeton Review, for which cost of revenue represents a meaningfully larger percentage of revenue than in Dating.

Selling and marketing expense

**Years ended
December 31,**