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Zillow to Acquire HotPads To Accelerate Growth of Rental Marketplace

SEATTLE and SAN FRANCISCO, Nov. 26, 2012 /PRNewswire/ -- Zillow, Inc. (NASDAQ: Z), the leading real estate information marketplace, today announced it has entered into a definitive agreement to buy San Francisco-based HotPads, a map-based rental and real estate search site for $16 million in cash. This is Zillow's first acquisition of a primarily consumer-facing company. The transaction is subject to satisfaction of customary closing conditions and is expected to close in the fourth quarter of 2012.

HotPads™ is an established and significant player in rentals for both consumers and professionals, offering a robust website and five mobile apps across iPhone®, iPad® and Android™. Nearly 2.8 million unique users visited HotPads in October[i] primarily to shop for rentals. Nearly 70 percent[ii] of all listings viewed during the month were homes or apartments for rent. The addition of HotPads will allow Zillow® to expand the size of its growing rental audience and extend the reach of its marketing tools and productivity solutions for rental professionals.

"This acquisition represents a significant step-change for Zillow Rentals, allowing us to dramatically increase the number of leads we send to landlords. HotPads has a younger, complementary and rental-focused audience. Now Zillow will become even more relevant to consumers at the beginning of their real estate life cycle," said Spencer Rascoff, CEO of Zillow. "In addition, by acquiring an amazing engineering team, with a deep understanding of how people search for rentals and become tenants, we expect to accelerate our innovation and monetization of our rental marketplace."

Zillow is in the midst of growing its rental offering for consumers and professionals. In October 2012, the company launched a free marketplace and suite of tools for rental professionals, which includes listing distribution across the Zillow Rental Network, the largest rental network on the Web[iii] that also includes Yahoo!® Homes. Upon closing, Zillow expects HotPads to join the Zillow Rental Network.

"At HotPads, we're passionate about empowering people with tools and information to help them find the right place to live, and we have always admired Zillow's similar vision," said Matt Corgan, co-founder and CEO of HotPads. "Combining Zillow's toolkit for owners and managers with an unmatched community of new tenants—across Zillow, Yahoo! and HotPads— we believe will enable the first true marketplace at scale for rentals."

Founded in 2005, HotPads has 19 employees, and will continue to operate from San Francisco.

HotPads will be the sixth acquisition by Zillow in less than two years. The company recently announced its intent to acquire Mortech, Inc., a mortgage technology company that provides essential software tools to the mortgage industry. In October, Zillow acquired Buyfolio™, an online and mobile collaborative shopping platform where home shoppers can search, track, organize and discuss for-sale listings with their real estate agent and others in their personal network. In June 2012, Zillow acquired RentJuice®, the foundation of Zillow Rentals. In 2011, the company acquired Diverse Solutions®, which helps real estate agents market their businesses and improve their personal websites, and Postlets®, a leading online real estate listing creation and distribution platform. Each of these companies also provide valuable services that support Zillow's strategic expansion beyond a traditional media model to offer a suite of marketing and business services to local professionals.

About Zillow, Inc.
Zillow (NASDAQ: Z) is the leading real estate information marketplace, providing vital information about homes, real estate listings and mortgages through its website and mobile applications, enabling homeowners, buyers, sellers and renters to connect with real estate and mortgage professionals best suited to meet their needs. Nearly 36 million unique users visited Zillow's websites and mobile applications in October 2012. Zillow, Inc. operates Zillow.com®, Zillow Mortgage Marketplace, Zillow Mobile, Postlets, Diverse Solutions, Zillow Rentals, Buyfolio and Mortech. The company is headquartered in Seattle .

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iPhone and iPad are registered trademarks of Apple, Inc. Android is a trademark of Google, Inc.

Yahoo! is a registered trademark of Yahoo! Inc.

[i] Source: Google Analytics, October 2012

[ii] Source: Google Analytics, October 2012

[iii] Source: comScore Media Metrix Real Estate Category Ranking by Unique Visitors, June 2012, US Data.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that involve risks and uncertainties, including, without limitation, the statements regarding the expected benefits of our acquisition of HotPads and the expected transaction costs related to our acquisitions of HotPads, Buyfolio and Mortech. Statements containing words such as "may," "believe," "anticipate," "expect," "intend," "plan," "project," "will," "projections," "business outlook," "estimate," or similar expressions constitute forward-looking statements. Differences in Zillow's actual results from those anticipated in these forward-looking statements may result from actions taken by Zillow as well as from risks and uncertainties beyond Zillow's control. Factors that may contribute to such differences include, but are not limited to, Zillow's ability to successfully close, integrate and realize the benefits of its strategic acquisitions, including the planned acquisition of HotPads. The foregoing list of risks and uncertainties is illustrative, but is not exhaustive. For more information about potential factors that could affect Zillow's business and financial results, please review the "Risk Factors" described in Zillow's Quarterly Report on Form 10-Q for the three months ended June 30, 2012 and Zillow's Annual Report on Form 10-K for the year ended December 31, 2011 filed with the Securities and Exchange Commission, or SEC, and in Zillow's other filings with the SEC. Except as may be required by law, Zillow does not intend, and undertakes no duty, to update this information to reflect future events or circumstances.

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