

ZILLOW, INC. CLOSE OF THE ACQUISITION OF TRULIA – PREPARED REMARKS

Feb. 18th, 2015

Raymond Jones, VP of Investor Relations and Corporate Intelligence:

Thank you. Good morning and welcome to Zillow's discussion of the acquisition of Trulia. Joining me today to talk about the close of the transaction is Spencer Rascoff, chief executive officer, and Chad Cohen, chief financial officer.

Before we get started, as a reminder, during the course of this call we will make forward-looking statements regarding the future financial performance of the company and future events, including our expectations regarding Zillow's acquisition of Trulia. We caution you to consider the important risk factors that could cause the company's actual results to differ materially from those in the forward-looking statements made in the press releases and on this conference call. These risk factors are described in our press releases and are more fully detailed under the caption "Risk Factors" in Zillow's Annual Report on Form 10-K for the annual period that ended December 31, 2014, and in our other filings with the SEC.

In addition, please note that the date of this conference call is February 18th, 2015, and any forward-looking statements that we make today are based on the assumptions as of this date. We undertake no obligation to update these statements as a result of new information or future events.

This call is being broadcast on the Internet, and is available on the Investor Relations section of the Zillow Group website at investors.zillowgroup.com. A recording of this call will be available after 12:00pm Eastern time today. Please note that the press release announcing the close of the transaction is available on our website, and after the call, a copy of today's prepared remarks will also be available on our website.

Today we will open the call with prepared remarks to start, and then we will host a live question-and-answer session. I will now turn the call over to Spencer.

Spencer Rascoff, CEO:

Thank you for joining us today.

This is a pivotal day in our history, and we are extremely pleased that we have now closed the acquisition of Trulia. We're looking to our future as a combined company with tremendous anticipation and excitement. Taking a long-term view, this is an excellent outcome for consumers, customers, employees and stockholders of both companies.

I am pleased to announce the formation of Zillow Group, which is the media company that maintains our portfolio of consumer and B2B brands which includes, on the consumer side, Zillow, Trulia, HotPads, and StreetEasy. On the B2B side, we have Market Leader, Diverse Solutions, Mortech, Postlets, Retsly and Active Rain. We are extremely excited to begin the next phase in our evolution to become the largest, most-trusted and vibrant home-related marketplace.

In our continuous effort to achieve this vision, our main strategic priority for 2015 is the successful integration of Trulia. Over the coming quarters both Zillow and Trulia management will work closely to combine our complementary teams and cultures of innovation. Key to this integration effort is our intent to execute a brand portfolio strategy, which allows consumers a choice of diverse experiences in shopping for a home or rental on mobile and Web, while enabling our advertisers to increase their reach to more consumers.

While we are welcoming many members of Trulia to the new company, as with any integration effort, there are some roles that were eliminated. After careful consideration, we've made the difficult decision to eliminate approximately 280 positions yesterday, and approximately 70 positions three months from now, mainly in San Francisco and Bellevue, primarily due to redundancy in the combined company's sales and support organizations. There are now approximately 2,000 employees of Zillow Group.

For Zillow Group overall, once we are able to present combined pro forma financial information and new business metrics, we will lay out more of our operating plans and objectives, as well as discuss our other strategic priorities. On today's call, we won't be providing guidance and we won't be providing any commentary on the synergy numbers from last July's announcement. We anticipate being able to provide more information on our first quarter earnings call in May. In the meantime, you can get more information at Zillow Group's new site, ZillowGroup.com, or follow us on Twitter, with the handle [@ZillowGroup](https://twitter.com/ZillowGroup).

In conclusion, as we embark on our second decade as a company, the dawn of a new era in real estate marketing has arrived as Zillow and Trulia come under one roof, and we could not be more excited about the opportunity. Our addressable market is massive and growing. According to Borrell's latest assessment, \$13 billion in advertising is spent annually by agents, brokerages, homebuilders and property managers.¹ The trends for agent ad budgets show increasing migration online and into mobile, which is where, when and how home shoppers prefer to find a home. It is still very early days, as the FTC's assent of this transaction confirms. Taking the long view, we have just a fraction of the share of revenue available in the market, and we have much to do to grow our share of revenue. Our belief in the primacy of audience and giving power to the people remains unwavering as we begin the next phase of our evolution to become the consumer destination for all things home.

Chad and I will now open the call to questions about Zillow's Q4 results or the Trulia transaction, but won't be providing guidance or updating any synergy projections during Q&A.

¹ Borrell Associates' February 2015 publication of "2015 Outlook: Real Estate Advertising"