

ZILLOW, INC. OPERATING METRICS (UNAUDITED)



	2011				2012				2013				2014			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
B2C (in thousands)																
Average Monthly Unique Users	17,306	20,758	24,238	23,507	31,797	33,474	36,096	34,535	46,652	54,317	61,118	54,358	70,668	81,108	85,979	76,713*
YY % Change	86%	93%	101%	86%	84%	61%	49%	47%	47%	62%	69%	57%	51%	49%	41%	41%
Q/Q % Change	37%	20%	17%	-3%	35%	5%	8%	-4%	35%	16%	13%	-11%	30%	15%	6%	-11%
User-Generated Content ¹ additions (at end of period)	783	777	810	620	935	1,368	1,606	2,293	2,364	3,352	4,032	4,585	5,019	6,058	6,543	4,863
YY % Change	15%	12%	15%	6%	19%	76%	98%	270%	153%	145%	151%	100%	112%	81%	62%	6%
Q/Q % Change	34%	-1%	4%	-23%	51%	46%	17%	43%	3%	42%	20%	14%	9%	21%	8%	-26%
Cumulative User-Generated Content ¹ (at end of period)	15,529	16,307	17,117	17,737	18,672	20,040	21,647	23,940	26,304	29,656	33,688	38,273	43,292	49,350	55,893	60,756
YY % Change	22%	21%	21%	20%	20%	23%	26%	35%	41%	48%	56%	60%	65%	66%	65%	59%
Q/Q % Change	5%	5%	5%	4%	5%	7%	8%	11%	10%	13%	14%	14%	13%	14%	13%	9%
Consumer Loan Requests (during period)	984	1,218	1,673	1,667	2,609	2,876	3,155	3,197	4,523	5,330	5,921	4,447	5,874	5,467	7,009	7,378
YY % Change	573%	451%	116%	142%	165%	136%	89%	92%	73%	85%	88%	39%	30%	3%	18%	66%
Q/Q % Change	43%	24%	37%	0%	57%	10%	10%	1%	41%	18%	11%	-25%	32%	-7%	28%	5%
B2B																
Premier Agent Advertisers (at end of period)	10,710	13,385	14,876	15,799	18,616	22,696	26,703	29,473	34,030	38,807	44,749	48,314	52,968	56,818	60,877	62,305
YY % Change	212%	180%	131%	95%	74%	70%	80%	87%	83%	71%	68%	64%	56%	46%	36%	29%
YY net subscribers additions	7,272	8,608	8,428	7,697	7,906	9,311	11,827	13,674	15,414	16,111	18,046	18,841	18,938	18,011	16,128	13,991
Q/Q % Change	32%	25%	11%	6%	18%	22%	18%	10%	15%	14%	15%	8%	10%	7%	7%	2%
Q/Q net subscribers additions	2,608	2,675	1,491	923	2,817	4,080	4,007	2,770	4,557	4,777	5,942	3,565	4,654	3,850	4,059	1,428
Average Monthly Revenue per Advertiser (ARPA)	\$ 206	\$ 233	\$ 242	\$ 258	\$ 263	\$ 263	\$ 270	\$ 267	\$ 259	\$ 266	\$ 264	\$ 271	\$ 286	\$ 320	\$ 349	\$ 359
YY % Change	n/a	n/a	n/a	n/a	28%	13%	12%	3%	-2%	1%	-2%	1%	10%	20%	32%	33%
Q/Q % Change	n/a	13%	4%	7%	2%	0%	3%	-1%	-3%	3%	-1%	3%	6%	12%	9%	3%
Revenue (in thousands)																
Marketplace revenue	\$ 6,881	\$ 9,723	\$ 11,840	\$ 13,746	\$ 16,593	\$ 19,623	\$ 23,616	\$ 26,838	\$ 31,018	\$ 36,451	\$ 40,996	\$ 46,248	\$ 53,724	\$ 62,616	\$ 72,692	\$ 78,210
YY % change	271%	269%	226%	169%	141%	102%	99%	95%	87%	86%	74%	72%	73%	72%	77%	69%
Q/Q % change	35%	41%	22%	16%	21%	18%	20%	14%	16%	18%	12%	13%	16%	17%	16%	8%
% of total revenue	61%	61%	62%	69%	73%	71%	74%	78%	80%	78%	77%	79%	81%	80%	82%	85%
Display revenue	\$ 4,379	\$ 6,122	\$ 7,217	\$ 6,145	\$ 6,240	\$ 8,142	\$ 8,299	\$ 7,499	\$ 7,948	\$ 10,469	\$ 12,315	\$ 12,100	\$ 12,519	\$ 16,059	\$ 15,954	\$ 14,119
YY % Change	26%	30%	57%	38%	42%	33%	15%	22%	27%	29%	48%	61%	58%	53%	30%	17%
Q/Q % Change	-2%	40%	18%	-15%	2%	30%	2%	-10%	2%	32%	18%	-2%	3%	28%	-1%	-12%
% of total revenue	39%	39%	38%	31%	27%	29%	26%	22%	20%	22%	23%	21%	19%	20%	18%	15%
TOTAL REVENUE	\$ 11,260	\$ 15,845	\$ 19,057	\$ 19,891	\$ 22,833	\$ 27,765	\$ 31,915	\$ 34,337	\$ 38,966	\$ 46,920	\$ 53,311	\$ 58,348	\$ 66,243	\$ 78,675	\$ 88,646	\$ 92,329
YY % Change	111%	116%	132%	108%	103%	75%	67%	73%	71%	69%	67%	70%	70%	68%	66%	58%
Q/Q % Change	18%	41%	20%	4%	15%	22%	15%	8%	13%	20%	14%	9%	14%	19%	13%	4%

¹ User-generated content is defined as any content contributed by a user through Zillow, Inc.'s mobile apps or websites, including images, home edits, comments, reviews, ratings, past transactions data, and Digs boards, among other contributions.

Note: n/a - Average Monthly Revenue per Advertiser (ARPA) has not been disclosed for the periods prior to 2011 in our filings with the Securities and Exchange Commission, thus YY % and Q/Q % change could not be calculated.

* For December 2014, the reported monthly unique user metric was estimated by Zillow based on historical trends by calculating the percentage change in monthly unique users from November 2013 to December 2013 and multiplying that percentage change by the reported November 2014 monthly unique users. Zillow transitioned to an upgraded version of the Google Analytics measurement service, Universal Analytics, in the month of December 2014 on both its mobile application and website platforms. As a result, Zillow is not able to provide an accurate count of the monthly unique users as reported by the service for December 2014.

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	2011				2012				2013				2014			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Adjusted EBITDA¹ (in thousands)																
Net income (loss)	\$ (826)	\$ 1,576	\$ (570)	\$ 922	\$ 1,724	\$ 1,332	\$ 2,334	\$ 549	\$ (3,747)	\$ (10,232)	\$ (1,189)	\$ 2,715	\$ (6,259)	\$ (10,477)	\$ (15,977)	\$ (10,897)
% of revenue	-7%	10%	-3%	5%	8%	5%	7%	2%	-10%	-22%	-2%	5%	-9%	-13%	-18%	-12%
Other income	(39)	(5)	(36)	(25)	(31)	(34)	(39)	(38)	(55)	(115)	(70)	(145)	(219)	(284)	(265)	(317)
Depreciation and amortization expense	1,526	1,868	2,035	1,761	2,336	2,749	3,617	4,071	4,779	5,155	5,877	7,443	8,074	8,596	9,039	9,915
% of revenue	14%	12%	11%	9%	10%	10%	11%	12%	12%	11%	11%	13%	12%	11%	10%	11%
Share-based compensation expense	390	413	488	654	1,418	1,225	1,712	2,256	4,146	10,467	3,768	5,055	7,132	8,410	8,634	9,909
% of revenue	3%	3%	3%	3%	6%	4%	5%	7%	11%	22%	7%	9%	11%	11%	10%	11%
Acquisition-related costs ¹	57	-	-	288	-	716	-	551	-	-	201	175	-	184	13,200	8,109
Income tax (benefit) / expense	-	-	-	-	-	-	-	-	-	-	(4,265)	154	-	-	-	-
Facility exit charge	-	-	1,737	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of certain acquired intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,259
Adjusted EBITDA	\$ 1,108	\$ 3,852	\$ 3,654	\$ 3,600	\$ 5,447	\$ 5,988	\$ 7,624	\$ 7,389	\$ 5,123	\$ 5,275	\$ 4,322	\$ 15,397	\$ 8,728	\$ 6,429	\$ 14,631	\$ 19,978
% of revenue	10%	24%	19%	18%	24%	22%	24%	22%	13%	11%	8%	26%	13%	8%	17%	22%
Non-GAAP EPS² reconciliation (in thousands, except per share data)																
Net income (loss), as reported	\$ (826)	\$ 1,576	\$ (570)	\$ 922	\$ 1,724	\$ 1,332	\$ 2,334	\$ 549	\$ (3,747)	\$ (10,232)	\$ (1,189)	\$ 2,715	\$ (6,259)	\$ (10,477)	\$ (15,977)	\$ (10,897)
Share-based compensation expense	390	413	488	654	1,418	1,225	1,712	2,256	4,146	10,467	3,768	5,055	7,132	8,410	8,634	9,909
Acquisition-related costs	57	-	-	288	-	716	-	551	-	-	201	175	-	184	13,200	8,109
Income tax (benefit) expense	-	-	-	-	-	-	-	-	-	-	(4,265)	154	-	-	-	-
Facility exit charge	-	-	1,737	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of certain acquired intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,259
Net income (loss), adjusted	\$ (379)	\$ 1,989	\$ 1,655	\$ 1,864	\$ 3,142	\$ 3,273	\$ 4,046	\$ 3,356	\$ 399	\$ 235	\$ (1,485)	\$ 8,099	\$ 873	\$ (1,883)	\$ 5,857	\$ 10,380
Non-GAAP net income (loss) per share - basic	\$ (0.03)	\$ 0.14	\$ 0.07	\$ 0.07	\$ 0.11	\$ 0.11	\$ 0.13	\$ 0.10	\$ 0.01	\$ 0.01	\$ (0.04)	\$ 0.21	\$ 0.02	\$ (0.05)	\$ 0.15	\$ 0.26
Non-GAAP net income (loss) per share - diluted	\$ (0.03)	\$ 0.08	\$ 0.06	\$ 0.06	\$ 0.10	\$ 0.10	\$ 0.13	\$ 0.09	\$ 0.01	\$ 0.01	\$ (0.04)	\$ 0.19	\$ 0.02	\$ (0.05)	\$ 0.13	\$ 0.24
Basic shares for non-GAAP EPS	13,347	13,940	24,020	27,748	28,348	28,946	30,040	33,408	33,770	34,553	36,667	39,050	39,322	39,800	40,296	40,600
Diluted shares for non-GAAP EPS ³	13,347	24,106	28,388	30,592	30,994	31,320	32,230	36,292	36,756	37,633	36,667	42,116	42,378	39,800	43,539	43,161
Other (in thousands)																
Total cash and cash equivalents and investments	\$ 15,554	\$ 16,161	\$ 95,813	\$ 92,136	\$ 98,310	\$ 69,602	\$ 228,882	\$ 203,483	\$ 204,131	\$ 208,058	\$ 424,574	\$ 437,726	\$ 447,363	\$ 457,872	\$ 458,450	\$ 455,920
Cash, cash equivalents, and investments per basic share	\$1.17	\$1.16	\$3.99	\$3.32	\$3.47	\$2.40	\$7.62	\$6.09	\$6.04	\$6.02	\$11.58	\$11.21	\$11.38	\$11.50	\$11.38	\$11.23
Net cash provided by operating activities	\$ 3,484	\$ 4,852	\$ 5,683	\$ 807	\$ 6,498	\$ 10,566	\$ 5,436	\$ 13,112	\$ 2,289	\$ 6,257	\$ 3,990	\$ 18,762	\$ 14,205	\$ 14,670	\$ 4,482	\$ 12,162
% of revenue	31%	31%	30%	4%	28%	38%	17%	38%	6%	13%	7%	32%	21%	19%	5%	13%
Capital expenditures	\$ 1,236	\$ 1,999	\$ 4,225	\$ 226	\$ 2,525	\$ 3,373	\$ 3,754	\$ 6,339	\$ 5,944	\$ 5,052	\$ 5,438	\$ 5,613	\$ 7,872	\$ 7,501	\$ 8,906	\$ 8,316
% of revenue	11%	13%	22%	1%	11%	12%	12%	18%	15%	11%	10%	10%	12%	10%	10%	9%
Deferred revenue	\$ 4,762	\$ 5,647	\$ 5,734	\$ 5,769	\$ 6,533	\$ 8,699	\$ 8,720	\$ 8,349	\$ 7,779	\$ 9,308	\$ 10,893	\$ 12,298	\$ 12,140	\$ 14,037	\$ 14,721	\$ 15,356
% of revenue	42%	36%	30%	29%	29%	31%	27%	24%	20%	20%	20%	21%	18%	18%	17%	17%
Sales and marketing expense ⁴	\$ 5,484	\$ 5,630	\$ 7,035	\$ 7,576	\$ 8,315	\$ 12,153	\$ 14,118	\$ 14,519	\$ 19,794	\$ 32,924	\$ 31,195	\$ 24,978	\$ 34,898	\$ 48,075	\$ 46,934	\$ 37,818
YY % Change	76%	50%	73%	86%	52%	116%	101%	92%	138%	171%	121%	72%	76%	46%	50%	51%
% of revenue	49%	36%	37%	38%	36%	44%	44%	42%	51%	70%	59%	43%	53%	61%	53%	41%

¹ We have retroactively recast general and administrative expenses going back to 2011 to exclude the impact of acquisition-related costs, which are now presented on a separate line item in our statements of operations. This change impacts our statement of operations, as well as the calculations of Adjusted EBITDA and non-GAAP EPS.

² Non-GAAP net income (loss) per share excludes the impact of share-based compensation expense, acquisition-related costs, the 2011 facility exit charge, impairment of certain acquired intangible assets, and income taxes.

³ For periods in which Zillow reported a GAAP net loss and non-GAAP net income, weighted-average shares used for the computation of diluted non-GAAP income per share include the impact of potentially dilutive shares. Please refer to the "Net Income (Loss) Per Share" notes to Zillow's financial statements as filed with the Securities and Exchange Commission for additional discussion of the impact of potentially dilutive shares.

⁴ Sales and marketing expense in 2Q13 includes a one-time \$7.1 million acceleration of share-based compensation related to a prior acquisition. Excluding this item, sales and marketing expense in 2Q13 was \$25.8 million, representing growth of 113% year-over-year and 55% of revenue.