

trulia

2013 Annual Report

Dear Fellow Shareholders:

Trulia had a remarkable 2013 executing on our vision of transforming the real estate industry. We took significant strides forward in building the leading two-sided marketplace in our category. For consumers, our attention has remained on simplifying the process of finding the right home. For professionals, we have put tremendous focus on delivering a platform to agents and brokers that guides effective connections with serious home movers as well as helping them to grow successful businesses.

By the end of 2013, the results of our progress were clear. We attracted an audience of over 35 million monthly unique visitors by the end of 2013, up almost 50% compared with the end of 2012, with more than 40% of this audience using our industry leading mobile platform to access our rich consumer experience. We more than doubled our base of paying subscribers, ending 2013 with almost 60,000 subscribers, and more than doubling our total revenue, when compared with 2012.

This tremendous growth was achieved by a relentless dedication to three core pillars that underpin our business. I'll briefly touch on each.

First is our devotion to **delivering an amazing consumer experience**, particularly on mobile devices. We are going deep into the heart of the often lengthy and complicated process of finding a home, to address the pain points faced by consumers along the way. In 2013, we continued to leverage our product and engineering expertise to answer the questions at the core of consumers' search experience, empowering them with recommendations and information to identify the neighborhoods, homes, and agents that best suit them.

Second is **growing our agent base and building a leading platform for the industry**. In the same way we are going deep in the consumer experience, we are going deep into the agent experience. In 2013, we continued to evolve our solutions for agents to help better connect with serious home movers. A priority was advancing our mobile products for agents, so that they can grow their businesses while on the go. A significant development in 2013 was the addition of Market Leader to the Trulia family. With Market Leader now an integral part of our agent business, we are able to provide what we call our "real estate operating system". We can now not only connect agents with serious consumers, but also provide the end-to-end solution they need to help convert the leads they receive into closed transactions.

Third is **extending our marketplace into adjacent markets**. Since we began Trulia, we have accumulated significant knowledge while building our core business in helping consumers find homes that are for sale. We are continuing to extend that expertise into complementary areas of business. In rentals, we have a rapidly growing and highly engaged consumer audience. Our rentals mobile app is amongst the best in the industry, helping to drive our rentals audience, which doubled in size in 2013. We have built a good revenue base in our mortgage business and are seeing strong growth. We are continuing to build a great consumer experience in both areas and will continue to refine our approach to monetization in these areas in the coming year.

2013 was an outstanding year for Trulia and we have entered 2014 with significant momentum. Already, in 2014, we have announced a major initiative by commencing Trulia's first national marketing campaign. On the consumer side of our marketplace, we will be complementing our product and engineering DNA with a $45M advertising campaign, targeted at attracting more transaction-ready consumers to Trulia. Mobile is core to the campaign, with a clear call to action to consumers to download our apps.

On the agent side of our marketplace, early in 2014 we launched Trulia Seller Ads, a product aimed at helping agents connect with consumers who are looking to sell their home. With the addition of Trulia Seller Ads, we are strengthening our offerings for agents seeking to represent sellers, which helps us capture more of the agent marketing budget in a housing market that is shifting towards a sellers' market.

We have achieved so much on our journey to date but we believe the best is still to come. On the behalf of all of the Trulia team, I would like to thank you all for your continued support and encouragement in 2014.

Sincerely,



Peter Flint
Chairman and Chief Executive Officer
April 2014

TRULIA, INC.
116 NEW MONTGOMERY STREET
SAN FRANCISCO, CALIFORNIA 94105

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held at 8:30 a.m. Pacific Standard Time on Tuesday, June 3, 2014

Dear Stockholders of Trulia, Inc.:

The Annual Meeting of Stockholders of Trulia, Inc., a Delaware corporation, will be held on Tuesday, June 3, 2014, at 8:30 a.m. Pacific Daylight Time, at Trulia's headquarters, located at 116 New Montgomery Street, San Francisco, California 94105, for the following purposes as more fully described in the accompanying proxy statement:

1. To elect two Class II directors to serve until the 2017 annual meeting of stockholders or until their successors are duly elected and qualified;
2. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2014; and
3. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

The board of directors of Trulia, Inc. has fixed the close of business on April 9, 2014 as the record date for the meeting. Only stockholders of record of our common stock on April 9, 2014 are entitled to notice of and to vote at the meeting. Further information regarding voting rights and the matters to be voted upon is presented in our proxy statement.

This proxy statement and our 2013 annual report can be accessed directly at the following Internet address: http://www.proxyvote.com. All you have to do is enter the control number located on your proxy card.

YOUR VOTE IS IMPORTANT. Whether or not you plan to attend the Annual Meeting of Stockholders, we urge you to submit your vote via the Internet, telephone, or mail.

We appreciate your continued support of Trulia, Inc. and look forward to either greeting you personally at the meeting or receiving your proxy.

By order of the Board of Directors,



Peter Flint
Chief Executive Officer
San Francisco, California
April 22, 2014

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TRULIA, INC.

PROXY STATEMENT

FOR

2014 ANNUAL MEETING OF STOCKHOLDERS

PROCEDURAL MATTERS

This proxy statement and the enclosed form of proxy are furnished in connection with solicitation of proxies by our board of directors for use at the annual meeting of stockholders (the "Annual Meeting") to be held on June 3, 2014, and any postponements, adjournments, or continuations thereof. The Annual Meeting will be held at Trulia's headquarters, located at 116 New Montgomery Street, San Francisco, California 94105, on Tuesday, June 3, 2014 at 8:30 a.m. PDT. The Notice of Internet Availability of Proxy Materials (the "Notice") containing instructions on how to access this proxy statement and our annual report is first being mailed on or about April 22, 2014 to all stockholders entitled to vote at the Annual Meeting.

The information provided in the "question and answer" format below is for your convenience only and is merely a summary of the information contained in this proxy statement. You should read this entire proxy statement carefully.

What matters am I voting on?

You will be voting on:

- the election of two Class II directors to hold office until the 2017 annual meeting of stockholders or until their successors are duly elected and qualified;
- a proposal to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2014; and
- any other business that may properly come before the meeting.

How does the board of directors recommend I vote on these proposals?

The board of directors recommends a vote:

- "**FOR**" the nominees for election as Class II directors; and
- "**FOR**" the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2014.

Who is entitled to vote?

Holders of our common stock as of the close of business on April 9, 2014, the record date, may vote at the Annual Meeting. As of the record date, we had 36,928,111 shares of common stock outstanding. In deciding all matters at the Annual Meeting, each stockholder will be entitled to one vote for each share of common stock held on the record date. We do not have cumulative voting rights for the election of directors.

Registered Stockholders. If your shares are registered directly in your name with our transfer agent, you are considered the stockholder of record with respect to those shares, and the Notice was provided to you directly by us. As the stockholder of record, you have the right to grant your voting proxy directly to the individuals listed on the proxy card or to vote in person at the Annual Meeting.

Street Name Stockholders. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and the Notice was forwarded to you by your broker or nominee, who is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker or nominee how to vote your shares. Beneficial owners are also invited to attend the Annual Meeting. However, since a beneficial owner is not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you follow your broker's procedures for obtaining a legal proxy. If you request a printed copy of the proxy materials by mail, your broker or nominee will provide a voting instruction card for you to use.

How do I vote?

There are four ways to vote:

- by Internet at http://www.proxyvote.com, 24 hours a day, seven days a week, until 11:59 p.m. on June 2, 2014 (have your proxy card in hand when you visit the website);
- by toll-free telephone at 1-800-690-6903 (have your proxy card in hand when you call);
- by completing and mailing your proxy card (if you received printed proxy materials); or
- by written ballot at the Annual Meeting.

Can I change my vote?

Yes. You can change your vote or revoke your proxy any time before the Annual Meeting by:

- entering a new vote by Internet or by telephone;
- returning a later-dated proxy card;
- notifying the Corporate Secretary of Trulia, Inc., in writing, at the address listed on the front page; or
- completing a written ballot at the Annual Meeting.

What is the effect of giving a proxy?

Proxies are solicited by and on behalf of our board of directors. The persons named in the proxy have been designated as proxies by our board of directors. When proxies are properly dated, executed and returned, the shares represented by such proxies will be voted at the Annual Meeting in accordance with the instruction of the stockholder. If no specific instructions are given, however, the shares will be voted in accordance with the recommendations of our board of directors as described above. If any matters not described in the proxy statement are properly presented at the Annual Meeting, the proxy holders will use their own judgment to determine how to vote your shares. If the Annual Meeting is adjourned, the proxy holders can vote your shares on the new meeting date as well, unless you have properly revoked your proxy instructions, as described above.

Why did I receive a Notice of Internet Availability of Proxy Materials instead of a full set of proxy materials?

In accordance with the rules of the Securities and Exchange Commission ("SEC"), we have elected to furnish our proxy materials, including this proxy statement and our annual report, primarily via the Internet. The Notice containing instructions on how to access our proxy materials is first being mailed on or about April 22, 2014 to all stockholders entitled to vote at the Annual Meeting. Stockholders may request to receive all future

proxy materials in printed form by mail or electronically by e-mail by following the instructions contained in the Notice. We encourage stockholders to take advantage of the availability of our proxy materials on the Internet to help reduce the environmental impact of our annual meetings of stockholders.

What is a quorum?

A quorum is the minimum number of shares required to be present at the annual meeting for the meeting to be properly held under our bylaws and Delaware law. The presence, in person or by proxy, of a majority of all issued and outstanding shares of common stock entitled to vote at the meeting will constitute a quorum at the meeting. A proxy submitted by a stockholder may indicate that all or a portion of the shares represented by the proxy are not being voted ("stockholder withholding") with respect to a particular matter. Similarly, a broker may not be permitted to vote stock ("broker non-vote") held in street name on a particular matter in the absence of instructions from the beneficial owner of the stock. See "How may my brokerage firm or other intermediary vote my shares if I fail to provide timely directions?" The shares subject to a proxy that are not being voted on a particular matter because of either stockholder withholding or broker non-vote will count for purposes of determining the presence of a quorum. Abstentions are also counted in the determination of a quorum.

How many votes are needed for approval of each matter?

- *Proposal One*: The election of directors requires a plurality vote of the shares of common stock voted at the meeting. "Plurality" means that the individuals who receive the largest number of votes cast "for" are elected as directors. As a result, any shares not voted "for" a particular nominee (whether as a result of a stockholder abstention or a broker non-vote) will not be counted in such nominee's favor and will have no effect on the outcome of the election. You may vote "for" or "abstain" on each of the nominations for election as a director.
- *Proposal Two*: The ratification of the appointment of Deloitte & Touche LLP must receive the affirmative vote of a majority of the shares present in person or by proxy at the meeting and entitled to vote thereon to be approved. Abstentions are considered votes cast and, thus, will have the same effect as a vote "against" the proposal. Broker non-votes will have no effect on the outcome of this proposal.

How are proxies solicited for the Annual Meeting?

The board of directors is soliciting proxies for use at the Annual Meeting. All expenses associated with this solicitation will be borne by us. We will reimburse brokers or other nominees for reasonable expenses that they incur in sending these proxy materials to you if a broker or other nominee holds your shares.

How may my brokerage firm or other intermediary vote my shares if I fail to provide timely directions?

Brokerage firms and other intermediaries holding shares of common stock in street name for customers are generally required to vote such shares in the manner directed by their customers. In the absence of timely directions, your broker will have discretion to vote your shares on our sole "routine" matter—the proposal to ratify the appointment of Deloitte & Touche LLP. Your broker will not have discretion to vote on the following "non-routine" matters absent direction from you: the election of directors.

Is my vote confidential?

Proxy instructions, ballots, and voting tabulations that identify individual stockholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within Trulia or to third parties, except as necessary to meet applicable legal requirements, to allow for the tabulation of votes and certification of the vote, or to facilitate a successful proxy solicitation.

Where can I find the voting results of the Annual Meeting?

We will announce preliminary voting results at the Annual Meeting. We will also disclose voting results on a Current Report on Form 8-K that we will file with the SEC within four business days after the Annual Meeting. If final voting results are not available to us in time to file a Current Report on Form 8-K, we will file a Current Report on Form 8-K to publish preliminary results and will provide the final results in an amendment to the Form 8-K as soon as they become available.

I share an address with another stockholder, and we received only one paper copy of the proxy materials. How may I obtain an additional copy of the proxy materials?

We have adopted a procedure called "householding," which the SEC has approved. Under this procedure, we deliver a single copy of the proxy materials and 2013 annual report to multiple stockholders who share the same address unless we received contrary instructions from one or more of the stockholders. This procedure reduces our printing costs, mailing costs, and fees. Stockholders who participate in householding will continue to be able to access and receive separate proxy cards. Upon written or oral request, we will deliver promptly a separate copy of the proxy materials and 2013 annual report to any stockholder at a shared address to which we delivered a single copy of any of these documents. To receive a separate copy, or, if you are receiving multiple copies, to request that Trulia only send a single copy of the proxy materials and 2013 annual report, stockholders may contact us as follows:

Trulia, Inc.
Attention: Investor Relations
116 New Montgomery Street
San Francisco, California 94105
(415) 648-4358

Stockholders who hold shares in street name may contact their brokerage firm, bank, broker-dealer, or other similar organization to request information about householding.

What is the deadline to propose actions for consideration at next year's annual meeting of stockholders or to nominate individuals to serve as directors?

Stockholder Proposals

Stockholders may present proper proposals for inclusion in our proxy statement and for consideration at the next annual meeting of stockholders by submitting their proposals in writing to our Corporate Secretary in a timely manner. For a stockholder proposal to be considered for inclusion in our proxy statement for our 2015 annual meeting of stockholders, our Corporate Secretary must receive the written proposal at our principal executive offices not later than December 25, 2014. In addition, stockholder proposals must comply with the requirements of Rule 14a-8 regarding the inclusion of stockholder proposals in company-sponsored proxy materials. Proposals should be addressed to:

Trulia, Inc.
Attention: Corporate Secretary
116 New Montgomery Street
San Francisco, California 94105
Fax: (415) 462-5178

Our bylaws also establish an advance notice procedure for stockholders who wish to present a proposal before an annual meeting of stockholders but do not intend for the proposal to be included in our proxy statement. Our bylaws provide that the only business that may be conducted at an annual meeting is business that is (i) specified in our proxy materials with respect to such meeting, (ii) otherwise properly brought before the meeting by or at

the direction of our board of directors, or (iii) properly brought before the meeting by a stockholder of record entitled to vote at the annual meeting who has delivered timely written notice to our Corporate Secretary, which notice must contain the information specified in our bylaws. To be timely for our 2015 annual meeting of stockholders, our Corporate Secretary must receive the written notice at our principal executive offices:

- not earlier than February 6, 2015; and
- not later than the close of business on March 8, 2015.

In the event that we hold our 2015 annual meeting of stockholders more than 30 days before or more than 60 days after the one-year anniversary date of the 2014 annual meeting, then notice of a stockholder proposal that is not intended to be included in our proxy statement must be received no earlier than the close of business on the 120th day before such annual meeting and no later than the close of business on the later of the following two dates:

- the 90th day prior to such annual meeting; or
- the 10th day following the day on which public announcement of the date of such meeting is first made.

If a stockholder who has notified us of his or her intention to present a proposal at an annual meeting does not appear to present his or her proposal at such meeting, we are not required to present the proposal for a vote at such meeting.

Nomination of Director Candidates

You may propose director candidates for consideration by our nominating and corporate governance committee. Any such recommendations should include the nominee's name and qualifications for membership on our board of directors and should be directed to the Corporate Secretary of Trulia at the address set forth above. For additional information regarding stockholder recommendations for director candidates, see "Board of Directors and Corporate Governance—Stockholder Recommendations for Nominations to the Board of Directors."

In addition, our bylaws permit stockholders to nominate directors for election at an annual meeting of stockholders. To nominate a director, the stockholder must provide the information required by our bylaws. In addition, the stockholder must give timely notice to our Corporate Secretary in accordance with our bylaws, which, in general, require that the notice be received by our Corporate Secretary within the time period described above under "Stockholder Proposals" for stockholder proposals that are not intended to be included in our proxy statement.

Availability of Bylaws

A copy of our bylaws may be obtained by accessing Trulia's filings on the SEC's website at *www.sec.gov*. You may also contact our Corporate Secretary at our principal executive offices for a copy of the relevant bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates.

PROPOSAL ONE
ELECTION OF DIRECTORS

General

Our business affairs are managed under the direction of our board of directors, which is currently composed of seven members. Five of our directors are independent within the meaning of the listing rules of the New York Stock Exchange. Our board of directors is divided into three staggered classes of directors. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the same class whose term is then expiring.

Each director's term continues until the election and qualification of his or her successor, or his or her earlier death, resignation, or removal. Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of our board of directors may have the effect of delaying or preventing changes in control of our company.

The following table and accompanying disclosure sets forth the names and certain other information for each of the nominees for election as a director and for each of the continuing members of the board of directors as of March 31, 2014.

	Class	Age	Position	Director Since	Current Term Expires	Expiration of Term For Which Nominated
Nominees						
Theresia Gouw [1][2][3]	II	46	Director	2005	2014	2017
Sami Inkinen	II	38	Director and Co-Founder	2005	2014	2017
Continuing Directors						
Peter Flint	I	39	Co-Founder, Chairman, and Chief Executive Officer	2005	2016	—
Daniel Stephen Hafner [1]	I	44	Director	2013	2016	—
Gregory Waldorf [1][2][3][4][5]	I	45	Director	2005	2016	—
Erik Bardman [3][4][5]	III	47	Director	2012	2015	—
Robert Moles [4][5]	III	59	Director	2006	2015	—

(1) Member of the compensation committee
(2) Member of the integration oversight committee
(3) Member of the strategic transactions committee
(4) Member of the audit committee
(5) Member of the nominating and corporate governance committee

Nominees for Director

Theresia Gouw. Ms. Gouw has served as a director since December 2005. In 2014, Ms. Gouw co-founded Aspect Ventures, a venture capital firm that invests in companies leveraging data and interconnectivity to create breakthrough technologies, products and services for multi-platform, multi-device environments. From 1999 to 2014 Ms. Gouw was a general partner at Accel Partners, a venture capital firm, where she focused on software investments, with a specific interest in social commerce, vertical media, security, and consumer Internet/mobile applications. Ms. Gouw serves on the board of directors of Imperva, Inc., as well as on the boards of directors of several other software and technology companies. Ms. Gouw holds a Bachelor of Science degree from Brown University and a Master of Business Administration degree from Stanford University.

We believe that Ms. Gouw is qualified to serve as a member of our board of directors because of her experience in the software and technology industries as an investment professional and as an executive, and her experience as a director of other technology companies.

Sami Inkinen. Mr. Inkinen is our co-founder, served as our President from February 2010 to March 2012, and has served as a director since our inception in 2005. Mr. Inkinen served as our Chief Financial Officer and Chief Operating Officer from our inception until his promotion to President in February 2010. From June 2000 to November 2002, Mr. Inkinen served as Co-Founder and Vice President, Business Development of Matchem Ltd., a wireless software company, of which he was a co-founder. Mr. Inkinen also was an associate consultant with McKinsey & Company, Inc. from January 2003 to August 2003. Mr. Inkinen holds a Master of Engineering degree from the Helsinki University of Technology and a Master of Business Administration degree from Stanford University.

We believe that Mr. Inkinen is qualified to serve as a member of our board of directors because of the perspective and experience he brings as one of our former executives and a founder.

If you are a record holder and you sign your proxy card or vote by telephone or over the Internet but do not give instructions with respect to the voting of directors, your shares will be voted FOR the re-election of Ms. Gouw and Mr. Inkinen. Trulia expects that Ms. Gouw and Mr. Inkinen will accept such nomination; however, in the event that a nominee is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee who shall be designated by the board of directors to fill such vacancy. If you wish to give specific instructions with respect to the voting of directors, you may do so by indicating your instructions on your proxy card or when you vote by telephone or over the Internet. If you hold your shares in street name and you do not give voting instructions to your broker, your broker will leave your shares unvoted on this matter.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" EACH OF THE NOMINEES NAMED ABOVE.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Continuing Directors

Erik Bardman. Mr. Bardman has served as a director since June 2012. Since May 2013, Mr. Bardman has served as the Chief Financial Officer of Roku, Inc. He served as the Chief Financial Officer and Senior Vice President Finance of Logitech International S.A. from October 2009 to April 2013. Prior to joining Logitech, Mr. Bardman served as Acting Chief Financial Officer of ZillionTV Corporation, a personalized television service, from March 2009 to September 2009. Prior to ZillionTV, Mr. Bardman served in a number of positions at eBay, Inc., over five and one half years, including Vice President and Chief Financial Officer of eBay Marketplaces from May 2005 to September 2008. Prior to eBay, Mr. Bardman served in a number of positions at General Electric Company, over the course of 15 years, including Vice President of Strategic Pricing at GE Global Consumer Finance from October 1999 to June 2003. Mr. Bardman holds a Bachelor of Arts degree from Dickinson College and is also a graduate of General Electric's Financial Management Program.

We believe that Mr. Bardman is qualified to serve as a member of our board of directors because of his deep expertise in finance and his experience as an executive at several successful technology companies.

Peter Flint. Mr. Flint is our co-founder and has served as our Chief Executive Officer and as Chairman of our board of directors since our inception in June 2005. From July 1998 to June 2003, Mr. Flint served in a variety of executive roles at lastminute.com Ltd., a European online travel company that he helped launch, including Head of Interactive Marketing and Business Development. Mr. Flint holds a Master of Physics degree from the University of Oxford and a Master of Business Administration degree from Stanford University.

We believe that Mr. Flint is qualified to serve as a member of our board of directors because of the perspective and experience he brings as our Chief Executive Officer and one of our founders, his perspective as one of our significant stockholders, and his extensive background as an executive of companies in the Internet industry.

Daniel Stephen Hafner. Mr. Hafner has served as a director since October 2013. He has served as the co-founder and CEO of KAYAK since January 2004. Prior to KAYAK, Mr. Hafner helped found Orbitz Inc., the online travel agency site. Previously, Mr. Hafner worked as a strategy consultant at the Boston Consulting Group. He received a Bachelor of Arts degree in economics from Dartmouth College in 1991 and a Master of Business Administration from the Kellogg School at Northwestern University in 1997.

We believe that Mr. Hafner is qualified to serve as a member of our board of directors because of his leadership experience in building a world-class team for a fast growth Internet company and extensive knowledge in e-commerce advertising and marketing.

Robert Moles. Mr. Moles has served as a director since June 2006. Mr. Moles has served as the Chairman of Intero Real Estate Services, Inc., a real estate brokerage company, since April 2004. Prior to joining Intero, Mr. Moles served as President and Chief Executive Officer of the Real Estate Franchise Group of Cendant Corporation from October 2001 to June 2004. Prior to Cendant, from March 1997 to October 2001, Mr. Moles served as President and Chief Executive Officer of Century 21 Real Estate LLC, a real estate franchise company. Mr. Moles serves on the board of directors for Heritage Bank of Commerce, Heritage Commerce Corporation, and Western Bancorp, Inc. He has served as an advisor to Santa Clara University and the University of San Diego. Mr. Moles holds a Bachelor of Science degree from Santa Clara University.

We believe that Mr. Moles is qualified to serve as a member of our board of directors because of his experience and expertise as an executive at several companies in the real estate industry and his experience as a director of other public companies.

Gregory Waldorf. Mr. Waldorf has served as a director since September 2005. Mr. Waldorf served as Chief Executive Officer of eHarmony, Inc., an online dating company, from April 2006 to January 2011. Mr. Waldorf has also served on the boards of directors of several private companies. Mr. Waldorf holds a Bachelor of Arts degree from the University of California, Los Angeles and a Master of Business Administration degree from Stanford University.

We believe that Mr. Waldorf is qualified to serve as a member of our board of directors because he brings strategic insights and operational leadership and experience as a former chief executive officer of a technology company, as well as because of the experience and perspective he has obtained in his roles as an investor in, advisor to, and board member of, numerous companies.

Director Independence

Our common stock is listed on the New York Stock Exchange. Under the rules of the New York Stock Exchange, independent directors must comprise a majority of a listed company's board of directors. In addition, the rules of the New York Stock Exchange require that, subject to specified exceptions, each member of a listed company's audit, compensation, and nominating and corporate governance committees be independent. Under the rules of the New York Stock Exchange, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee: (1) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or (2) be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning his or her background, employment, and affiliations, our board of directors has determined that Ms. Gouw and Messrs. Bardman, Hafner, Moles, and Waldorf do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the applicable rules and regulations of the SEC and the listing standards of the New York Stock Exchange. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director, and the transactions involving them described in the section titled "Certain Relationships and Related Party Transactions."

Leadership Structure

Mr. Flint currently serves as both Chairman of our board of directors and Chief Executive Officer. Our board of directors believes that the current board leadership structure, coupled with a strong emphasis on board independence, provides effective independent oversight of management while allowing the board and management to benefit from Mr. Flint's leadership and years of experience as an executive in the technology industry. Serving on our board of directors and as Chief Executive Officer since June 2005, Mr. Flint is best positioned to identify strategic priorities, lead critical discussion and execute our strategy and business plans. Mr. Flint possesses detailed in-depth knowledge of the issues, opportunities, and challenges facing us. Independent directors and management sometimes have different perspectives and roles in strategy development. Our independent directors bring experience, oversight and expertise from outside of our company, while the

Chief Executive Officer brings company specific experience and expertise. The board of directors believes that Mr. Flint's combined role enables strong leadership, creates clear accountability, and enhances our ability to communicate our message and strategy clearly and consistently to stockholders.

Lead Independent Director

Our corporate governance guidelines provide that one of our independent directors should serve as a lead independent director at any time when the Chairman is not independent. Because our Chief Executive Officer, Mr. Flint, is our Chairman, our board of directors has appointed Mr. Waldorf to serve as our lead independent director. In addition, from time to time, our lead independent director, Mr. Waldorf, will preside over periodic meetings of our independent directors, serve as a liaison between our Chairman and the independent directors, and perform such additional duties as our board of directors may otherwise determine and delegate.

Board Meetings and Committees

During the year ended December 31, 2013, the board of directors held eleven meetings (including regularly scheduled and special meetings), and no director attended fewer than 75% of the total number of meetings of the board of directors and the committees of which he or she was a member, with the exception of Mr. Waldorf, who abstained from attending five nominating and corporate governance meetings at which matters pertaining to a potential conflict of interest were considered. All of our directors attended our 2013 Annual Meeting of Stockholders.

Although we do not have a formal policy regarding attendance by members of our board of directors at annual meetings of stockholders, we encourage, but do not require, our directors to attend.

Our board of directors has an audit committee, a compensation committee, a nominating and corporate governance committee, an integration oversight committee, and a strategic transactions committee, each of which will have the composition and responsibilities described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors. All of the directors on the board's standing committees are independent, and each of these committees is led by a committee chair.

Audit Committee

Our audit committee consists of Messrs. Bardman, Moles, and Waldorf, with Mr. Bardman serving as Chairman. The composition of our audit committee meets the requirements for independence under current New York Stock Exchange listing standards and SEC rules and regulations. Each member of our audit committee meets the financial literacy requirements of the New York Stock Exchange listing standards. In addition, our board of directors has determined that Mr. Bardman is an "audit committee financial expert" within the meaning of the rules and regulations of the SEC. The audit committee had ten meetings in 2013. Our audit committee, among other things:

- selects a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- helps to ensure the independence and performance of the independent registered public accounting firm;
- discusses the scope and results of the audit with the independent registered public accounting firm, and reviews, with management and the independent registered public accounting firm, our interim and year-end operating results;
- develops procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviews our policies on risk assessment and risk management;
- reviews related party transactions;
- reviews and monitors compliance with our code of business conduct and ethics;

- reviews actual and potential conflicts of interest of members of our board of directors and corporate officers, and approves or prohibits any involvement of such persons in matters that may involve a conflict of interest or the taking of a corporate opportunity;
- obtains and reviews a report by the independent registered public accounting firm at least annually, that describes our internal control procedures, any material issues with such procedures, and any steps taken to deal with such issues; and
- approves (or, as permitted, pre-approves) all audit and all permissible non-audit services, other than de minimis non-audit services, to be performed by the independent registered public accounting firm.

Our audit committee operates under a written charter that was adopted by our board of directors and satisfies the applicable rules of the SEC and the listing standards of the New York Stock Exchange. A copy of the Audit Committee Charter is available on our website at *ir.trulia.com*.

Compensation Committee

Our compensation committee consists of Ms. Gouw and Messrs. Hafner and Waldorf, with Mr. Waldorf serving as Chairman. The composition of our compensation committee meets the requirements for independence under New York Stock Exchange listing standards and SEC rules and regulations. Each member of the compensation committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act, and an outside director, as defined pursuant to Section 162(m) of the Internal Revenue Code. The compensation committee had six meetings in 2013. The purpose of our compensation committee is to discharge the responsibilities of our board of directors relating to compensation of our executive officers. Our compensation committee, among other things:

- reviews, approves, and determines, or makes recommendations to our board of directors regarding, the compensation of our executive officers;
- administers our stock and equity incentive plans; and
- reviews and approves and makes recommendations to our board of directors regarding incentive compensation and equity plans.

Our compensation committee operates under a written charter that satisfies the applicable rules of the SEC and the listing standards of the New York Stock Exchange. A copy of the Compensation Committee Charter is available on our website at *ir.trulia.com*.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Messrs. Bardman, Moles, and Waldorf, with Mr. Waldorf serving as Chairman. The composition of our nominating and corporate governance committee meets the requirements for independence under New York Stock Exchange listing standards and SEC rules and regulations. The nominating and corporate governance committee had eight meetings in 2013. Our nominating and corporate governance committee, among other things:

- identifies, evaluates and selects, or makes recommendations to our board of directors regarding, nominees for election to our board of directors and its committees;
- evaluates the performance of our board of directors and of individual directors;
- considers and makes recommendations to our board of directors regarding the composition of our board of directors and its committees;
- reviews developments in corporate governance practices;
- evaluates the adequacy of our corporate governance practices and reporting; and

- develops and makes recommendations to our board of directors regarding corporate governance guidelines and matters.

The nominating and corporate governance committee operates under a written charter that satisfies the applicable listing requirements and rules of the New York Stock Exchange. A copy of the Nominating and Corporate Governance Committee Charter is available on our website at *ir.trulia.com*.

Integration Oversight Committee

Our integration oversight committee consists of Ms. Gouw and Mr. Waldorf, with Mr. Waldorf serving as Chairman. The integration oversight committee had one meeting in 2013. Our integration oversight committee, among other things, provides guidance to our management in its integration of the business (including customers, suppliers, and other business partners), personnel, and infrastructure of Market Leader with us and assists our board of directors in its oversight of such integration. The integration oversight committee operates under a written charter.

Strategic Transactions Committee

Our strategic transactions committee consists of Messrs. Bardman and Waldorf and Ms. Gouw, with Mr. Waldorf serving as Chairman. The strategic transactions committee had one meeting in 2013. Our strategic transactions committee, among other things, evaluates, negotiates, and makes recommendations to our board of directors regarding strategic transactions involving us, including, without limitation, (i) business combination transactions, (ii) an acquisition or sale of us, (iii) recapitalizations, restructurings or other similar transactions, (iv) sales, divestitures and other dispositions of businesses or assets, (v) financing transactions by and involving us, including equity and debt securities offerings, debt financings, secured transactions, and other financing arrangements, and (vi) any other strategic transactions involving us. The strategic transactions committee operates under a written charter.

Compensation Committee Interlocks and Insider Participation

None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Considerations in Evaluating Director Nominees

The nominating and corporate governance committee uses a variety of methods for identifying and evaluating director nominees. In its evaluation of director candidates, the nominating and corporate governance committee will consider the current size and composition of the board of directors and the needs of the board of directors and the respective committees of the board of directors. Some of the qualifications that the nominating and corporate governance committee considers include, without limitation, issues of character, integrity, judgment, diversity of experience, independence, area of expertise, corporate experience, length of service, potential conflicts of interest, and other commitments. The nominating and corporate governance committee requires the following minimum qualifications to be satisfied by any nominee for a position on our board of directors, (1) the highest personal and professional ethics and integrity, (2) proven achievement and competence in the nominee's field and the ability to exercise sound business judgment, (3) skills that are complementary to those of the existing members of our board of directors, (4) the ability to assist and support management and make significant contributions to the company's success, and (5) an understanding of the fiduciary responsibilities that are required of a member of our board of directors, and the commitment of time and energy necessary to diligently carry out those responsibilities. Other than the foregoing, there are no stated minimum criteria for director nominees, although the nominating and corporate governance committee may also consider such other factors as it may deem, from time to time, are in our and our stockholders' best interests. The nominating and corporate governance committee may also take such measures that it considers appropriate in

connection with its evaluation of a director candidate, including candidate interviews, inquiry of the person or persons making the recommendation or nomination, engagement of an outside search firm to gather additional information, or reliance on the knowledge of the members of the nominating and corporate governance committee, the board of directors, or management.

Although the board of directors does not maintain a specific policy with respect to board diversity, the board of directors believes that the board should be a diverse body, and the nominating and corporate governance committee considers a broad range of backgrounds and experiences. In making determinations regarding nominations of directors, the nominating and corporate governance committee may take into account the benefits of diverse viewpoints. The nominating and corporate governance committee also considers these and other factors as it oversees the annual board of director and committee evaluations. After completing its review and evaluation of director candidates, the nominating and corporate governance committee recommends to the full board of directors the director nominees for selection.

Stockholder Recommendations for Nominations to the Board of Directors

The nominating and corporate governance committee will consider candidates for director recommended by stockholders holding at least one percent (1%) of the fully diluted capitalization of the company continuously for at least twelve (12) months prior to the date of the submission of the recommendation, so long as such recommendations comply with the certificate of incorporation and bylaws of our company and applicable laws, rules, and regulations, including those promulgated by the SEC. The committee will evaluate such recommendations in accordance with its charter, our bylaws, our policies and procedures for director candidates, as well as the regular nominee criteria described above. This process is designed to ensure that the board of directors includes members with diverse backgrounds, skills, and experience, including appropriate financial and other expertise relevant to our business. Eligible stockholders wishing to recommend a candidate for nomination should contact our General Counsel or our Legal Department in writing. Such recommendations must include the information about the candidate, relevant qualifications, a signed letter from the candidate confirming willingness to serve, a statement of support by the recommending stockholder, information regarding any relationships between the candidate and the company, and evidence of the recommending stockholder's ownership of company stock. The committee has discretion to decide which individuals to recommend for nomination as directors.

A stockholder of record can nominate a candidate directly for election to the board of directors by complying with the procedures in Section 2.4 of our bylaws. Any eligible stockholder who wishes to submit a nomination should review the requirements in the bylaws on nominations by stockholders. Any nomination should be sent in writing to the company, attention of the General Counsel or the Legal Department, at Trulia, Inc., 116 New Montgomery Street, Suite 300, San Francisco, California 94105. Notice must be received by us no earlier than February 6, 2015 and no later than March 8, 2015. The notice must state the information required by Section 2.4(ii)(b) of our bylaws and otherwise must comply with applicable federal and state law.

Communications with the Board of Directors

Any stockholders or any other interested party wishing to communicate with the entire board of directors, the non-management directors as a group, or with any individual member of the board of directors may do so by writing to the board of directors or to the particular member of the board of directors, and mailing the correspondence to our General Counsel at Trulia, Inc., 116 New Montgomery Street, Suite 300, San Francisco, California, 94105, Attn: Legal Department. Our General Counsel or Legal Department will review all incoming stockholder or other interested party communications and, if appropriate, such communications will be forwarded to the appropriate member or members of the board of directors, or if none is specified, to the Chairman of the board of directors.

Corporate Governance Guidelines and Code of Business Conduct and Ethics

Our board of directors has adopted Corporate Governance Guidelines. These guidelines address items such as the qualifications and responsibilities of our directors and director candidates and corporate governance policies and standards applicable to us in general. In addition, our board of directors has adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer, and other executive and senior financial officers. The full text of our Corporate Governance Guidelines and our Code of Business Conduct and Ethics is posted on the Investor Relations portion of our website at *ir.trulia.com*. We will post amendments to our Code of Business Conduct and Ethics or waivers of our Code of Business Conduct and Ethics for directors and executive officers on the same website.

Risk Management

Risk is inherent with every business, and we face a number of risks, including strategic, financial, business and operational, legal and compliance, and reputational. We have designed and implemented processes to manage risk in our operations. Management is responsible for the day-to-day management of risks the company faces, while our board of directors, as a whole and assisted by its committees, has responsibility for the oversight of risk management. In its risk oversight role, our board has the responsibility to satisfy itself that the risk management processes designed and implemented by management are appropriate and functioning as designed.

Our board of directors believes that open communication between management and the board of directors is essential for effective risk management and oversight. Our board meets with our Chief Executive Officer and other members of the senior management team at quarterly board meetings, where, among other topics, they discuss strategy and risks facing the company.

While our board of directors is ultimately responsible for risk oversight, our board committees assist the board of directors in fulfilling its oversight responsibilities in certain areas of risk. The audit committee assists our board of directors in fulfilling its oversight responsibilities with respect to risk management in the areas of internal control over financial reporting and disclosure controls and procedures, legal and regulatory compliance, and discusses with management and the independent auditor guidelines and policies with respect to risk assessment and risk management. The audit committee also reviews management's assessment of the key risks facing us, including the key controls it relies on to mitigate those risks. The audit committee also monitors certain key risks at each of its regularly scheduled meetings, such as risk associated with internal control over financial reporting and liquidity risk. The nominating and corporate governance committee assists our board in fulfilling its oversight responsibilities with respect to the management of risk associated with board organization, membership and structure, and corporate governance. The compensation committee assesses risks created by the incentives inherent in our compensation policies. Finally, the full board of directors reviews strategic and operational risk in the context of reports from the management team, receives reports on all significant committee activities at each regular meeting, and evaluates the risks inherent in significant transactions.

Non-Employee Director Compensation

The following table provides information concerning the compensation paid by us to each of our non-employee directors in the year ended December 31, 2013. Mr. Flint does not receive any additional compensation for his service as a director. For all of our non-employee directors, we offer to reimburse any travel expenses or other related expenses for attending meetings.

Name[1][2]	Fees Earned or Paid in Cash ($)	Stock Awards ($)[3]	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Current non-employee directors:							
Bardman, Erik	$19,500	$ 199,992	—	—	—	—	$ 219,492
Gouw, Theresia[4]	5,000	579,876	—	—	—	—	584,876
Hafner, Daniel Stephen[5]	—	199,985	—	—	—	—	199,985
Inkinen, Sami	—	99,996	—	—	—	—	99,996
Moles, Robert	13,500	99,996	—	—	—	—	113,496
Waldorf, Gregory[4]	27,000	2,099,992	—	—	—	—	2,126,992

(1) In fiscal 2013, each of our non-employee directors (other than Mr. Hafner, Mr. Bardman and Mr. Waldorf) received, on June 5, 2013, a restricted stock unit award of 3,421 shares, with a grant date fair value of $99,996. Mr. Bardman and Mr. Waldorf each received, on June 5, 2013, a restricted stock unit award of 6,842 shares, with a grant date fair value of $199,992. Upon joining the board of directors in October 2013, Mr. Hafner received, on October 18, 2013, a restricted stock unit award of 4,377 shares, with a grant date fair value of $199,985.

(2) As of December 31, 2013, the aggregate number of shares underlying stock awards and outstanding option awards for each of our non-employee directors was:

Name	Outstanding Stock Awards	Outstanding Option Awards
Bardman, Erik	6,842	18,375
Gouw, Theresia	8,565	10,500
Hafner, Steve	4,013	—
Inkinen, Sami	3,421	10,500
Moles, Robert	3,421	63,175
Waldorf, Gregory	28,272	24,500

(3) Reflects the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 718, Stock Compensation. The assumptions used in the valuation of these awards are set forth in the notes to our consolidated financial statements, which are included in our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on March 3, 2014. These amounts do not necessarily correspond to the actual value that may be recognized by the director.

(4) In connection with the acquisition of Market Leader, Inc., we established an integration oversight committee of the board of directors to assist the board of directors in its oversight of the integration of Market Leader. The integration oversight committee is chaired by Mr. Waldorf and includes Ms. Gouw as a member. For chairing and serving on the integration oversight committee, in August 2013, Mr. Waldorf and Ms. Gouw received 20,000 and 9,000 restricted stock units, respectively. In addition, for extraordinary work and special service on the integration oversight committee, our board of directors approved extraordinary effort grants of 25,000 restricted stock units to Mr. Waldorf and 2,250 restricted stock units to Ms. Gouw, as further discussed in "—Additional 2013 Restricted Stock Units Granted."

(5) Mr. Hafner joined the board of directors in October 2013 and joined the compensation committee in March 2014.

Stephen Hafner Letter Agreement

In connection with his appointment to our board of directors, we entered into letter agreement with Stephen Hafner, pursuant to which Mr. Hafner was granted restricted stock units having a fair market value equal to $200,000 based on the closing price of our common stock on October 18, 2013. The restricted stock units will vest in twelve equal quarterly installments over approximately a three-year period following Mr. Hafner's appointment to the board of directors, subject to Mr. Hafner's continued service on the board of directors on each applicable vesting date. Notwithstanding this vesting schedule, the vesting of all equity awards granted to Mr. Hafner will vest in full upon a "change in control" (as defined in our 2012 Equity Incentive Plan, or the 2012 Plan). The restricted stock unit award is subject to the terms and conditions of the 2012 Plan and the related restricted stock unit award agreement. Furthermore, in accordance with our Outside Director Compensation Policy, Mr. Hafner is also entitled to additional cash and equity compensation for his service on the board of directors and its committees.

Outside Director Compensation Policy

On October 30, 2012, our board of directors adopted the Outside Director Compensation Policy to formalize our practices regarding cash and equity compensation to non-employee directors.

Cash Compensation

Under the Outside Director Compensation Policy, non-employee directors will receive annual cash retainers for service in the following positions:

Position	Annual Cash Retainer
Audit committee chair	$16,000
Audit committee member other than chair	10,000
Compensation committee chair	10,000
Compensation committee member other than chair	5,000
Nominating and corporate governance committee chair	7,000
Nominating and corporate governance committee member other than chair	3,500

Equity Compensation

Non-employee directors are eligible to receive all types of equity awards (except incentive stock options) under the 2012 Plan, including discretionary awards not covered under the Outside Director Compensation Policy. All awards under the Outside Director Compensation Policy will be automatic and non-discretionary.

The Outside Director Compensation Policy provides that on the date of each annual meeting of stockholders following our IPO, each non-employee director will be granted an annual award of restricted stock units under the 2012 Plan having a value equal to $100,000. In addition, the lead independent director and the audit committee chair will each receive an additional annual award having a value equal to $100,000 at each annual meeting. Each annual award will fully vest on the earlier to occur of: (i) the next annual meeting following the date of grant or (ii) the anniversary of the grant date, in each case, subject to continued service as a director through the vesting date. For purposes of the Outside Director Compensation Policy, value means the per share fair market value of our common stock on a given date, multiplied by the shares subject to the annual award.

Notwithstanding the vesting schedule described above, the vesting of all equity awards granted to a non-employee director, including any award granted outside of the Outside Director Compensation Policy, will vest in full upon a "change in control" (as defined in the 2012 Plan).

Additional 2013 Restricted Stock Units Granted

In August 2013 we provided additional restricted stock awards to two of our Board members, Mr. Waldorf and Ms. Gouw, in recognition of their substantial additional time, effort, and contributions advising the Company in their capacity as board members in 2013 and in anticipation of substantial additional contributions as board members over the next year. The awards for Mr. Waldorf and Ms. Gouw are described in more detail below. In determining these additional awards, the independent members of our nominating and corporate governance committee consulted with our compensation consultant on the size and terms of these awards. For Mr. Waldorf in particular, our nominating and corporate governance committee considered the need to retain and provide incentives to Mr. Waldorf to continue serving as our Lead Independent Director, to expand his director role by serving on additional committees (total of five) and taking on additional committee chairmanships (total of four) and to continue devoting substantial time to advising the company and management in his director capacity. Our nominating and corporate governance committee then made a recommendation to our full board of directors, and our independent directors (other than Mr. Waldorf and Ms. Gouw) unanimously approved the awards for Mr. Waldorf and Ms. Gouw. In connection with the acquisition of Market Leader, we established an integration oversight committee of the board of directors to assist the board of directors in its oversight of the integration of Market Leader. The integration oversight committee was chaired by Mr. Waldorf and included Ms. Gouw as a member. For chairing and serving on the integration oversight committee Mr. Waldorf and Ms. Gouw received 20,000 and 9,000 restricted stock units, respectively. These grants for committee service vested as to 3/7 of the shares on our first quarterly vesting date after the grant date and 1/7 of the shares on each of our next four quarterly vesting dates thereafter, in each case, subject to continued service as a director through the vesting date. In addition, for extraordinary work in their capacities as directors, including, without limitation, extensive work advising the company on its financing strategies and its corporate development strategies, our board of directors approved extraordinary effort grants of 25,000 restricted stock units to Mr. Waldorf and 2,250 restricted stock units to Ms. Gouw. Mr. Waldorf's extraordinary efforts grant vested as to 12,500 shares on our first quarterly vesting date after the grant date, and as to 1/4 of the remaining shares on each of our next four quarterly vesting dates thereafter, in each case, subject to continued service as a director through each vesting date. Ms. Gouw's extraordinary efforts grant vested as to 100% of the shares on our first quarterly vesting date after the grant date, subject to continued service as a director through the vesting date.

PROPOSAL TWO
RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The audit committee of the board of directors has appointed Deloitte & Touche LLP ("Deloitte"), independent registered public accountants, to audit our financial statements for the year ending December 31, 2014. During the year ended December 31, 2013, Deloitte served as our independent registered public accounting firm.

Notwithstanding its selection and even if our stockholders ratify the selection, our audit committee, in its discretion, may appoint another independent registered public accounting firm at any time during the year if the audit committee believes that such a change would be in the best interests of Trulia and its stockholders. At the Annual Meeting, the stockholders are being asked to ratify the appointment of Deloitte as our independent registered public accounting firm for the year ending December 31, 2014. Our audit committee is submitting the selection of Deloitte to our stockholders because we value our stockholders views on our independent registered public accounting firm and as a matter of good corporate governance. Representatives of Deloitte will be present at the Annual Meeting, and they will have an opportunity to make statements and will be available to respond to appropriate questions from stockholders.

If the stockholders do not ratify the appointment of Deloitte, the board of directors may reconsider the appointment.

Fees Paid to the Independent Registered Public Accounting Firm

The following table presents fees for professional audit services and other services rendered to our company by Deloitte for the years ended December 31, 2012 and 2013.

	2012	2013
Audit Fees [1]	$1,991,785	$2,092,797
Tax Fees [2]	$ 30,156 [3]	$ —
	$2,021,941	$2,092,797

(1) "Audit Fees" consist of professional services rendered in connection with the audit of our annual financial statements, including audited financial statements presented in our annual report on Form 10-K, review of our quarterly financial statements presented in our quarterly report on Form 10-Q, and services that are normally provided by the independent registered public accountants in connection with statutory and regulatory filings or engagements for those fiscal years. Fees for 2012 also consisted of professional services rendered in connection with our Form S-1 and Form S-8 related to our initial public offering of common stock completed in September 2012. Fees for 2013 also consisted of professional services rendered in connection with our Form S-1 related to our follow-on public offering of common stock completed in March 2013, our Form S-4 filed in connection with our acquisition of Market Leader, Inc., and our Form S-8 related to the assumption of certain equity incentive plans, also in connection with our acquisition of Market Leader, Inc.

(2) "Tax Fees" consist of professional services for tax compliance, tax advice, and tax planning. These services include assistance regarding federal, state, and international tax compliance.

(3) Incorrectly reported in our 2013 proxy statement as $278,215.

Auditor Independence

In 2013, there were no other professional services provided by Deloitte that would have required the audit committee to consider their compatibility with maintaining the independence of Deloitte.

Audit Committee Policy on Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

Consistent with requirements of the SEC and the Public Company Accounting Oversight Board, or PCAOB, regarding auditor independence, our audit committee is responsible for the appointment, compensation, and oversight of the work of our independent registered public accounting firm. In recognition of this responsibility, our audit committee has established a policy for the pre-approval of all audit and permissible non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, and other services.

Before engagement of the independent registered public accounting firm for the next year's audit, the independent registered public accounting firm submits a detailed description of services expected to be rendered during that year for each of the following categories of services to the audit committee for approval:

- *Audit services*. Audit services include work performed for the audit of our financial statements and the review of financial statements included in our quarterly reports, as well as work that is normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings.
- *Audit related services*. Audit related services are for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not covered above under "audit services."
- *Other services*. Other services are those services not described in the other categories.

The audit committee pre-approves particular services or categories of services on a case-by-case basis. During the year, circumstances may arise when it may become necessary to engage the independent registered public accounting firm for additional services not contemplated in the original pre-approval. In those instances, the services must be pre-approved by the audit committee before the independent registered public accounting firm is engaged. Pre-approval fee levels or budgeted amounts for all services to be provided by the independent registered public accounting firm are established annually by the audit committee. Any proposed services exceeding these levels or amounts require specific pre-approval by the audit committee. All fees paid to Deloitte for the year ended December 31, 2013 were pre-approved by the audit committee.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP.

REPORT OF THE AUDIT COMMITTEE

The audit committee is a committee of the board of directors comprised solely of independent directors as required by the listing standards of the New York Stock Exchange and rules of the SEC. The audit committee operates under a written charter approved by the board of directors, which is available on the Investor Relations portion of our website at *www.trulia.com*. The composition of the audit committee, the attributes of its members, and the responsibilities of the audit committee, as reflected in its charter, are intended to be in accordance with applicable requirements for corporate audit committees. The audit committee reviews and assesses the adequacy of its charter and the audit committee's performance on an annual basis.

With respect to the company's financial reporting process, the management of the company is responsible for (1) establishing and maintaining internal controls and (2) preparing the company's consolidated financial statements. Our independent registered public accounting firm, Deloitte, is responsible for auditing these financial statements. It is the responsibility of the audit committee to oversee these activities. It is not the responsibility of the audit committee to prepare or certify our financial statements or guarantee the audits or reports of the independent auditors. These are the fundamental responsibilities of management and our independent registered public accounting firm. In the performance of its oversight function, the audit committee has:

- reviewed and discussed the audited financial statements with management and Deloitte;
- discussed with Deloitte the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICIPA, Professional Standards, Vol. 1. AU section 380), and as adopted by the Public Company Accounting Oversight Board in Rule 3200T; and
- received the written disclosures and the letter from Deloitte required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and has discussed with Deloitte its independence.

Based on the audit committee's review and discussions with management and Deloitte, the audit committee recommended to the board of directors that the audited financial statements be included in the annual report on Form 10-K for the year ended December 31, 2013 for filing with the Securities and Exchange Commission.

Respectfully submitted by the members of the audit committee of the board of directors:

Erik Bardman (Chair)
Robert Moles
Gregory Waldorf

EXECUTIVE OFFICERS

The following table and accompanying disclosure provides information regarding our executive officers and directors as of March 31, 2014:

Name	Age	Position
Peter Flint	39	Co-Founder, Chairman, and Chief Executive Officer
Prashant "Sean" Aggarwal	48	Chief Financial Officer
Paul Levine	43	Chief Operating Officer
Daniele Farnedi	46	Chief Technology Officer
Ian Morris	45	President, Market Leader, Inc.
Scott Darling	42	Vice President, General Counsel, and Corporate Secretary

Peter Flint. Mr. Flint is our co-founder and has served as our Chief Executive Officer and as Chairman of our board of directors since our inception in June 2005. From July 1998 to June 2003, Mr. Flint served in a variety of executive roles at lastminute.com Ltd., a European online travel company that he helped launch, including Head of Interactive Marketing and Business Development. Mr. Flint holds a Master of Physics degree from the University of Oxford and a Master of Business Administration degree from Stanford University.

We believe that Mr. Flint is qualified to serve as a member of our board of directors because of the perspective and experience he brings as our Chief Executive Officer and one of our founders, his perspective as one of our significant stockholders, and his extensive background as an executive of companies in the Internet industry.

Prashant "Sean" Aggarwal. Mr. Aggarwal has served as our Chief Financial Officer since November 2011. Prior to joining us, Mr. Aggarwal served as Vice President of Finance and Chief Accounting Officer at PayPal, Inc., an online payments company, from June 2008 to October 2011. From March 2003 to May 2008, Mr. Aggarwal worked at eBay Inc. in various finance roles including as Vice President of Finance and Vice President of Financial Planning & Analysis. Prior to eBay, Mr. Aggarwal served as Director of Finance at Amazon.com, Inc. Mr. Aggarwal started his career in investment banking with Merrill Lynch, Pierce, Fenner & Smith Incorporated. Mr. Aggarwal holds a Bachelor of Arts degree from the College of Wooster and a Master of Management degree from Northwestern University's Kellogg School of Management.

Paul Levine. Mr. Levine has served as our Chief Operating Officer since February 2011. Prior to joining us, Mr. Levine served as President of Digital at Current Media LLC, a broadcast media company, from February 2009 to February 2011. Prior to Current Media, Mr. Levine was Vice President of Marketing at AdBrite, Inc., an online advertising network, from August 2007 to October 2008. Prior to AdBrite, Mr. Levine served as Vice President and General Manager of Local at Yahoo! Inc., from April 2003 to July 2007. Mr. Levine has also held management positions at E*TRADE Financial Services Corporation. Mr. Levine earned his Bachelor of Arts degree from Amherst College and a Master of Business Administration degree from Stanford University.

Daniele Farnedi. Mr. Farnedi has served as our Chief Technology Officer since March 2013. Prior to serving as Chief Technology Officer, Mr. Farnedi served as our Vice President, Engineering since January 2007. Prior to joining us, Mr. Farnedi served as Director of Technology at Shopping.com, Inc., a price comparison company that was acquired by eBay, from October 2004 to January 2007. Prior to Shopping.com, Mr. Farnedi served as Director of Software Engineering at Looksmart, Ltd., from May 2000 to October 2004. Prior to Looksmart, Mr. Farnedi served as a Data Architect for Barclays Global Investors, a division of Barclays PLC, from April 1998 to May 2000, and as a Senior Software Engineer at Assyst GmbH, a leading computer-aided design software development company, from September 1995 to February 1998. Mr. Farnedi holds a Laurea degree in Electrical Engineering from the University of Bologna.

Ian Morris. Mr. Morris has served as President of Market Leader, Inc., a wholly owned subsidiary of Trulia, since August 2013. Prior to Trulia's acquisition of Market Leader, Mr. Morris served as Market Leader's Chief Executive Officer since June 2003 and a director since April 2004. Mr. Morris joined Market Leader in June 2002 as Executive Vice President of Marketing and Business Development and served as Market Leader's Chief Operating Officer from September 2002 to May 2003. From 1997 to 2002, Mr. Morris served in a variety of positions for MSN HomeAdvisor, the online real estate business of Microsoft Corporation, a software and technology company, including Director of Marketing, Group Manager, and General Manager. Mr. Morris holds a Master of Business Administration degree from Harvard Business School and a Bachelor of Science degree from Bryant College.

Scott Darling. Mr. Darling has served as our Vice President, General Counsel, and Corporate Secretary since October 2011. Prior to joining us, Mr. Darling served as Vice President, General Counsel, and Corporate Secretary at Imperva, Inc., from September 2010 until June 2011. Prior to Imperva, Mr. Darling served as Senior Attorney for Microsoft Corporation from May 2008 to September 2010 following the acquisition by Microsoft of Danger, Inc., a mobile software-as-a-service company. Mr. Darling served as Danger's Vice President, General Counsel, and Corporate Secretary from November 2004 to April 2008, and as Senior Corporate Counsel from September 2002 to October 2004. Mr. Darling started his career as an attorney at the law firm of Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP. Mr. Darling holds a Bachelor of Arts degree from Yale University and a Juris Doctor degree from the University of Michigan.

Each executive officer serves at the discretion of our board of directors and holds office until his successor is duly elected and qualified or until his earlier resignation or removal. There are no family relationships among any of our directors or executive officers.

EXECUTIVE COMPENSATION

Overview

The following discussion and analysis of the compensation arrangements of our named executive officers should be read together with the compensation tables and related disclosures below. This discussion contains forward-looking statements that are based on our current plans, considerations, expectations, and determinations regarding future compensation programs. The actual amount and form of compensation and the compensation policies and practices that we adopt in the future may differ materially from currently planned programs summarized in this discussion.

The compensation provided to our named executive officers for 2013 is detailed in the 2013 Summary Compensation Table and accompanying footnotes and narrative. This section explains our executive compensation philosophy and objectives, our compensation-setting process, and the elements of our compensation program.

Our named executive officers in 2013 were:

- Peter Flint, our Chief Executive Officer, or CEO, and co-founder;
- Prashant "Sean" Aggarwal, our Chief Financial Officer, or CFO;
- Paul Levine, our Chief Operating Officer, or COO;
- Daniele Farnedi, our Chief Technology Officer; and
- Ian Morris, our President of Market Leader.

Mr. Morris joined us in August 2013 following the closing of our acquisition of Market Leader.

Executive Compensation Philosophy and Objectives

Our executive compensation philosophy is to provide a compensation program that attracts and retains our executive officers, including our named executive officers, and motivates them to pursue our corporate objectives while encouraging the creation of long-term value for our stockholders. We strive to provide compensation packages to our executive officers that are competitive, reward achievement of our business objectives, and align executive and stockholder interests through equity ownership.

Our executive compensation program is designed to achieve the following principal objectives:

- attract, motivate and retain qualified executives to support growth expectations;
- provide total direct compensation, consisting of salary and short-term and long-term incentive awards, that are competitive with the market while remaining internally equitable and fair;
- ensure our executive compensation program and actual payouts are aligned with financial performance and strategic business goals;
- ensure a substantial portion of each executive's total compensation is at-risk and varies based on company and individual performance; and
- align the executive compensation program with both short-term and long-term stockholder interests.

Compensation-Setting Process

Role of the Board of Directors and Compensation Committee

The initial compensation arrangements with our executive officers, including the named executive officers, were determined in negotiations with each individual executive when he joined us. Historically, our board of directors or our CEO has been responsible for negotiating these arrangements.

In February 2012, we established a compensation committee of our board of directors that oversees our executive compensation program and approves the compensation of our CEO and our executive officers. Our compensation committee determined the base salary, incentive compensation opportunity, and the equity awards provided to our named executive officers for the 2013 performance period. Going forward, our compensation committee will continue to be responsible for annually reviewing and approving compensatory arrangements for our named executive officers and will act as administrator of our equity compensation plans. See the summary description of our compensation committee's composition and charter in the section titled "Board of Directors and Corporate Governance—Board Meetings and Committees—Compensation Committee."

Role of Senior Management

Our CEO makes recommendations to our compensation committee with respect to our other named executive officers. Our CEO reviewed the performance of the other named executive officers and consulted with our compensation committee on a formal and an informal basis on his conclusions and recommendations as to their compensation, including base salary adjustments and cash bonus payouts. Our CEO advised our compensation committee on recommended equity awards to the other named executive officers, and those recommendations were subject to formal approval by our compensation committee.

Role of Compensation Consultant

Our compensation committee is authorized to retain the services of one or more executive compensation advisors in connection with the establishment of our compensation programs and related policies.

In October 2012, our compensation committee retained Radford, a national compensation consulting firm, to provide it with information, recommendations and other advice relating to a peer group evaluation and executive compensation review. In November 2012, our compensation committee approved the following peer group for use in benchmarking and evaluating our executives' compensation: Bazaarvoice, Blue Nile, Brightcove, Dice Holdings, eHealth, Ellie Mae, Eloqua, Epocrates, Jive Software, Liveperson, LogMeIn, Market Leader, Move Inc., OpenTable, Spark Networks, Tangoe, TechTarget, Vocus, XO Group, Yelp, and Zillow. With respect to the 2013 compensatory decisions, our compensation committee used the peer group for a general understanding of market compensation practices and our positioning within the peer group with respect to each element of our compensation program, but our compensation committee did not specifically benchmark certain targets in the peer group for 2013 executive compensation decisions.

Also, in 2013, Radford advised our compensation committee on our pay-for-performance equity strategy described below.

In 2013, our compensation committee retained Compensia, a national compensation consulting firm. Compensia provided a competitive assessment of our 2013 executive compensation program and provided a framework and peer group for 2014 executive compensation decisions. The competitive assessment for 2013 and the peer group developed for 2014 by Compensia did not factor into 2013 executive compensation decisions.

With respect to our compensation consultants, in 2013, the compensation committee considered and assessed all relevant factors, that could give rise to a potential conflict of interest with respect to the work of Radford and Compensia. Based on this review, our compensation committee did not believe that there was any conflict of interest raised by work performed by each of Radford and Compensia.

As we continue to become established as a publicly traded company, we expect that the specific direction, emphasis and components of our executive compensation program will continue to evolve as will our process for establishing executive compensation. In the future, our compensation committee may continue to retain Compensia or another compensation consultant to advise us regarding our executive compensation program to ensure that it remains properly aligned with our ongoing business strategy and that the pay mix and levels are competitive with current market practices.

Say on Pay

At our Annual Meeting of Stockholders held on June 5, 2013, we held a stockholder advisory vote on the 2012 compensation of our named executive officers, commonly referred to as a say-on-pay vote. Our stockholders approved our 2012 named executive officer compensation with over 99% of the shares voted in favor of this proposal. We believe that the outcome of our say-on-pay vote signals our stockholders' support of our compensation approach, specifically our efforts to retain and motivate our named executive officers. However, even though stockholders demonstrated overwhelming support for our compensation approach in 2013, the compensation committee annually reevaluates our compensation practices to determine how they might be improved.

Elements of Executive Compensation

Our compensation program for our named executive officers in 2013 reflects our stage of development as a recent publicly traded company. As a private company, we had emphasized the use of equity in the form of stock options to incentivize our named executive officers to focus on our growth and create sustainable long-term stockholder value. Our founders were initially incentivized through restricted stock. After our IPO, we introduced restricted stock units as a form of equity compensation to our named executive officers. In 2013, we introduced performance-based restricted stock units to our named executive officers to emphasize a pay-for-performance approach. We believe that equity awards offer our named executive officers a valuable long-term incentive that aligns their interests with the interests of our stockholders.

We also offer cash compensation to our named executive officers in the form of a base salary and an annual cash incentive award opportunity at levels that we believe are competitive for our stage of development and industry. Our annual cash incentive award opportunities generally focus on the achievement of specific near-term financial and strategic objectives and individual key performance objectives that will further our longer-term growth objectives. In addition, in order to attract and induce potential executive officers to leave their existing employment, we occasionally provide for a sign-on bonus. In the case of the recruitment of our CFO, we also offered certain relocation benefits.

Base Salaries

Base salaries provide our named executive officers with a fixed amount of consistent compensation and are an important motivating factor in attracting and retaining these individuals. We do not apply specific formulas to determine adjustments to base salary. In 2013, our compensation committee was responsible for reviewing and approving base salaries for our named executive officers. For our CEO, our compensation committee considered the scope of our CEO's performance, individual contributions, responsibilities, experience, and prior base salary level. For Mr. Morris, who joined us upon our acquisition of Market Leader, his base salary was carried over from his existing arrangement with Market Leader as a result of an arm's-length negotiation to incentivize Mr. Morris to continue with us on and following the acquisition. For our other continuing named executive officers, our CEO reviewed and recommended adjustments of base salary to our compensation committee, taking into consideration the scope of the named executive officer's performance, individual contributions, responsibilities, experience, prior base salary level, and peer group market data.

In March 2013, our compensation committee approved base salary increases for our named executive officers (other than Mr. Morris who was not employed with us at that point) as set forth below. In making this adjustment, our compensation committee considered the subjective factors described above, the peer group analysis performed by Radford, as well as the contributions expected from, and responsibilities of, each named executive officer as we continue to grow as a publicly traded company.

Named Executive Officer	Base Salary at End of 2013	Base Salary Increase in 2013
Peter Flint	$350,000	$65,000
Prashant Aggarwal	300,000	40,000
Paul Levine	300,000	30,000
Daniele Farnedi	260,000	34,500

In connection with the acquisition of Market Leader, we assumed Mr. Morris's employment agreement with Market Leader and continued his base salary rate of $388,000 annually for the remainder of 2013.

Annual Incentive Compensation

In establishing our annual incentive compensation plan, our objective is to provide cash awards linked to company and individual performance, remain competitive in the marketplace and drive performance toward company goals. Corporate goals focus on overarching objectives for the organization, while individual objectives represent key performance expectations at the departmental or individual level. In setting these objectives, we identify the financial and operational results required to successfully grow the business, while also recognizing that internal and external factors may hinder this progress. As such, these objectives are intended to be challenging to achieve but within reach. Our annual incentive compensation plan for named executive officers is a component of the SMT Bonus Plan, which is summarized and described in the section titled "—Employee Benefit and Stock Plans" below.

2013 SMT Bonus Plan

Our named executive officers (other than Mr. Morris) participate in a 2013 component of the SMT Bonus Plan, or the 2013 SMT Bonus Plan. For 2013, our compensation committee determined that the appropriate performance period would be annual because our compensation committee believed a full annual period reflected the best means for evaluating and rewarding performance. Our compensation committee selected revenue and (adjusted) EBITDA as the corporate performance goals because these represented key objectives for us in 2013. Consistent with our incentive compensation philosophy, our compensation committee set targets for these key objectives to be challenging but reachable with exemplary corporate performance.

Our compensation committee determined the relative weighting between corporate and individual performance based on the role of the executive officer within the company. The percentage breakdown between corporate goals and individual goals was 90% corporate / 10% individual for each named executive officer that participated in the plan.

Our CEO reviews the individual objectives for, and achievements of, the named executive officers (other than himself) because he is best suited to evaluate his direct reports and then makes recommendations to our compensation committee for final approval. Our compensation committee reviews the individual objectives for, and achievements of, our CEO.

For 2013, corporate and individual achievement were each capped at 200% because our compensation committee wanted to continue incentivizing our named executive officers to exceed the performance goals, while maintaining cost certainty with respect to incentive compensation. In addition to the annual bonus plan, our compensation committee approved a discretionary overachievement pool of potentially $500,000 or $1,000,000 if we exceeded both of our 2013 corporate goals beyond a certain level. Individual allocations under this discretionary overachievement pool to any eligible employee in our 2013 bonus plan would be recommended by our CEO, subject to approval by our compensation committee.

Payments under our SMT Bonus Plan may be made in cash or cash equivalents at the discretion of our compensation committee.

Incentive Targets under the 2013 SMT Bonus Plan

For 2013, our annual cash incentive award opportunities were designed to reward our named executive officers based on our performance and the individual named executive officer's contribution to that performance. The target award opportunity for our CEO was established by our compensation committee. The 2013 target award opportunities were as follows:

Named Executive Officer	Target Award Opportunity
Peter Flint	$200,000
Prashant Aggarwal	100,000
Paul Levine	100,000
Daniele Farnedi	50,000

Incentive Payments under the 2013 SMT Bonus Plan

For 2013, we surpassed our target corporate goals based on $122 million revenue and 12% adjusted EBIDTA percentage (determined prior to payment of bonuses). Consequently, we paid our executives 150% of their target awards for the corporate performance portion of their award. The corporate performance excluded the effect of inorganic activity, such as the acquisition of Market Leader.

In accordance with applicable corporate and individual achievement levels, our compensation committee determined payouts as follows:

Named Executive Officer	Actual Award Payment
Peter Flint	$310,000
Prashant Aggarwal	155,000
Paul Levine	155,000
Daniele Farnedi	72,500

With respect to the form of payment, our compensation committee exercised its discretion to payout the 2013 SMT Bonus Plan amounts in the form of fully vested restricted stock units. The cash value of the actual award payment was divided by our closing price on February 14, 2014 (the day following the release of our earnings for the fourth quarter of 2013). The restricted stock units were settled and paid shortly thereafter.

Market Leader Bonus Plan

Ian Morris was a participant in Market Leader's annual bonus plan. Mr. Morris had an annual target incentive in the Market Leader bonus plan of $232,800. In connection with the acquisition of Market Leader, we assumed Market Leader's bonus plan, which provided for payments based solely on Market Leader's corporate performance. Our compensation committee determined that the Market Leader bonus plan achieved its corporate goals at a 37.5% level, and Mr. Morris received an annual bonus payment for 2013 equal to $87,300.

Equity-Based Incentive Compensation

We use stock options to attract, motivate, and incentivize the executive talent necessary to accomplish our business objectives while also providing a significant long-term interest in our success by rewarding the creation of stockholder value. Vesting for stock options is based on continued employment with us, generally over four years, thereby also encouraging the retention of our executive officers. Also following our IPO, we started granting restricted stock units to provide for certain equity incentives regardless of fluctuations in our stock price. In 2013, we introduced restricted stock units with performance-based vesting as part of our pay-for-performance equity strategy.

Historically, we have not applied a formula to determine the size of individual stock options granted to our named executive officers. Instead, our board of directors or our compensation committee has generally determined the size of individual grants using its collective business judgment and experience, taking into account, among other factors, the role and responsibility of the individual executive officer, the competitive market for the executive officer's position and the size, value, and vesting status of existing equity awards. Based upon these factors, our board of directors or our compensation committee sets the size of each equity award at a level it considers appropriate to create a meaningful incentive.

2013 Focal Awards

In March 2013, our compensation committee approved equity awards for our named executive officers (other than Mr. Morris) in an aggregate amount of 286,875 shares subject to stock options and 61,875 restricted stock units. The following table summarizes the individual equity awards granted to each named executive officer on March 5, 2013:

Named Executive Officer	Number of Shares of Common Stock Underlying Stock Options Granted in 2013	Number of Shares of Common Stock Underlying Restricted Stock Units Granted in 2013
Peter Flint	225,000	—
Prashant Aggarwal	33,750	33,750
Paul Levine	15,000	15,000
Daniele Farnedi	13,125	13,125

In determining the 2013 focal awards, our compensation committee considered the relative vesting of each named executive officer, the intrinsic value of unvested equity holdings, peer group data provided by Radford, performance for the previous year, and anticipated future contributions to the company.

2013 Pay-for-Performance Equity Strategy

The acquisition of Market Leader provided a unique opportunity for us to adopt a challenging new pay-for-performance equity compensation strategy. The concept of the strategy was to challenge, focus, and align the critical executives of the combined company to take advantage of the synergies and enhanced revenue opportunities of the combined business. The grants were targeted to those executives, including our named executive officers, that would play a critical role realizing these synergies and, therefore, driving the success of the combined business. Because the legacy Market Leader business will play a crucial role in the combined company, the only way to effectively implement this compensation strategy is to include the Market Leader executives who are critical to the combined company. Our compensation committee determined that an appropriate post-transaction milestone for this pay-for-performance strategy would be to increase stockholder value by 50% from our per share value prior to the announcement of the Market Leader acquisition. This milestone has to be achieved during a certain 18-month period following the anniversary of the transaction in order for executives to benefit from these grants. If, and only if, those executives are able to drive us to reach the high performance hurdle and achieve this significant stockholder value creation, then such executives would be significantly rewarded. This aligns with our compensation philosophy: superior performance is rewarded with superior pay. By providing all critical executives with the same timeline and incentive focus, the interests of executives and stockholders can be uniquely aligned.

The pay-for-performance grants were intended to replace any 2013 or 2014 discretionary focal grants for Mr. Morris and any 2014 discretionary focal grants for the other named executive officers. As a result, a pure pay-for-performance strategy could be incredibly risky for executives if the performance target is not achieved. Accordingly, for Mr. Farnedi, 1/4 of the total award vests solely time-based over 24 months. With respect to Messrs. Flint, Aggarwal, Levine and Morris, a portion of the performance-based restricted stock units will be eligible to vest if the performance target is not achieved following the expiration of the achievement window,

subject to continued service with us for approximately 24 months following the expiration of the achievement window. A limited baseline of time-based vesting provides some minimum downside protection in the future if the aggressive performance targets are not achieved.

We acknowledged that a focused targeting of a short-term performance goal can lead to risk in the financial reporting process. Accordingly, our compensation committee is required to certify that no fraud or intentional misconduct related to financial reporting may have contributed to the achievement of the performance milestone. Further, if our financial statements are subsequently restated as a result of fraud or intentional misconduct, our compensation committee reserves the right to claw-back and/or cancel the future settlement of the performance equity awards.

The following table summarizes the 2013 pay-for-performance awards:

Named Executive Officer	Time-Based RSUs	Performance-Based RSUs
Peter Flint	—	300,000
Prashant Aggarwal	—	250,000
Paul Levine	—	250,000
Daniele Farnedi	7,500	22,500
Ian Morris	—	300,000

Retention Equity Awards for Ian Morris

Upon the acquisition of Market Leader, Mr. Morris received 50% single-trigger acceleration of his equity awards under his existing arrangements with Market Leader. To incentivize Mr. Morris to continue employment with us following the acquisition, we provided Mr. Morris with a retention stock option to purchase 125,000 shares and retention restricted stock units covering 175,000 shares. This was based on an arm's-length negotiation of a post-acquisition employment agreement addendum, which is summarized and described in the section titled "—Executive Confirmatory Employment Letter and Offer Letter Agreements" below.

Retirement and Other Benefits

Our named executive officers receive health and welfare benefits under the same programs and subject to the same terms and conditions as our other salaried employees. These benefits include medical, dental, and vision benefits; health savings accounts; short-term and long-term disability insurance; accidental death and dismemberment insurance; and basic life insurance. In addition, to promote preventative health measures, we provide all of our employees with the ability to reimburse a portion of their gym membership fees.

Our named executive officers (other than Mr. Morris) are eligible to participate in our 401(k) retirement savings plan on the same basis as other employees. We may make discretionary contributions to the plan in any year, subject to certain limits. In 2013, we made matching contributions under our 401(k) retirement savings plan to all eligible participants. Mr. Morris is eligible to participate in Market Leader's 401(k) retirement savings plan which we assumed in the Market Leader acquisition. In 2013, there were no matching contributions made to Mr. Morris under the Market Leader 401(k) plan.

Generally, we have not provided perquisites or other personal benefits to our named executive officers, other than those offered to our other salaried employees. However, in 2013, we provided our CFO, on a tax-neutral basis, with an apartment in San Francisco for his use so long as Mr. Aggarwal is required to work in San Francisco. This is done because our CFO's residence is more than 50 miles from our offices in San Francisco. At the time of his hiring in 2011, we believed that without providing this benefit, we would not have been able to induce Mr. Aggarwal to join us and we continued this benefit in 2013. Currently, we do not view perquisites or other personal benefits as a component of our executive compensation program. All future practices with respect to perquisites or other personal benefits will be approved and subject to periodic review by our compensation committee.

Certain Arrangements with Executive Officers

In August 2012, we entered into confirmatory employment letter agreements with Messrs. Flint and Farnedi that confirmed the terms of their employment with us. In addition, the initial terms and conditions of employment for Messrs. Aggarwal and Levine are set forth in written offer letter agreements. Each of the agreements with our named executive officers was negotiated on our behalf by our CEO, who consulted with our board of directors, except for our confirmatory employment letter agreement with Mr. Flint, which was negotiated on our behalf by our compensation committee. We believe that the confirmatory employment letter and offer letter agreements were necessary to induce these individuals to forego other opportunities or, in the case of the offer letter agreements, to leave their current employment for the uncertainty of a demanding position in a new and unfamiliar organization.

In connection with the acquisition of Market Leader, we assumed Mr. Morris's employment agreement with Market Leader and negotiated an addendum to that agreement.

For a summary of the material terms and conditions of these executive offer letter agreements, see "—Executive Confirmatory Employment Letter and Offer Letter Agreements."

Severance and Change in Control Arrangements

The confirmatory employment letter and offer letter agreements and/or equity award agreements entered into with certain of our named executive officers provide certain protections in the event of their termination of employment under specified circumstances, including following a change in control of our company. We believe that these protections serve our executive retention objectives by helping our named executive officers maintain continued focus and dedication to their responsibilities to maximize stockholder value, including in the event of certain qualifying terminations of employment or a transaction that could result in a change in control of our company. The terms of these agreements were determined after review by our board of directors of our retention goals for each named executive officer. For a summary of the potential payments due upon severance or change in control, see the section titled "—Potential Payments Upon Termination or Change in Control."

Other Compensation Policies

Stock Ownership Guidelines

At this time, our compensation committee has not adopted stock ownership guidelines with respect to our named executive officers, although it may consider doing so in the future. In connection with our IPO, we established an insider trading policy that prohibits, among other things, short sales, hedging of stock ownership positions, and transactions involving derivative securities relating to our common stock.

Compensation Recovery Policy

At this time, we have not implemented a policy regarding retroactive adjustments to any cash or equity-based incentive compensation paid to our executive officers and other employees where the payments were predicated upon the achievement of financial results that were subsequently the subject of a financial restatement. Our compensation committee intends to adopt a general compensation recovery, or clawback, policy covering our annual and long-term incentive award plans and arrangements after the SEC adopts final rules implementing the requirement of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Our pay-for-performance equity awards granted in 2013 provide that if our financial statements are subsequently restated as a result of fraud or intentional misconduct, our compensation committee reserves the right to claw-back and/or cancel the future settlement of the performance equity awards.

Tax and Accounting Treatment of Compensation

Deductibility of Executive Compensation

Generally, Section 162(m) of the Internal Revenue Code disallows a tax deduction to any publicly-held corporation for any remuneration in excess of $1 million paid in any taxable year to its chief executive officer and to certain other highly compensated officers. Remuneration in excess of $1 million may be deducted if, among other things, it qualifies as "performance-based compensation" within the meaning of the Internal Revenue Code.

Under a certain Section 162(m) exception, certain compensation paid pursuant to a compensation plan in existence before the effective date of the IPO will not be subject to the $1 million limitation until the earliest of: (i) the expiration of the compensation plan, (ii) a material modification of the compensation plan (as determined under Section 162(m)), (iii) the issuance of all the employer stock and other compensation allocated under the compensation plan, or (iv) the first meeting of stockholders at which directors are elected after the close of the third calendar year following the year in which the offering occurs. Our 2012 Plan has been designed to permit (but not require) our compensation committee to grant awards that are intended to qualify as performance-based for purposes of satisfying the conditions of Section 162(m). We expect that, where reasonably practicable, we will seek to qualify the variable compensation paid to our executive officers under the "performance-based compensation" exemption from the deductibility limit. As such, in approving the amount and form of compensation for our executive officers in the future, we will consider all elements of the cost to us of providing such compensation, including the potential impact of Section 162(m). Our compensation committee may, in its judgment, authorize compensation payments that do not comply with an exemption from the deductibility limit under Section 162(m) when it believes that such payments are appropriate to attract and retain executive talent.

Taxation of "Parachute" Payments and Deferred Compensation

We did not provide any executive officer, including any named executive officer, with a "gross-up" or other reimbursement payment for any tax liability that he or she might owe as a result of the application of Sections 280G, 4999, or 409A of the Internal Revenue Code during 2013, and we have not agreed and are not otherwise obligated to provide any named executive officer with such a "gross-up" or other reimbursement. Sections 280G and 4999 of the Internal Revenue Code provide that executive officers and directors who hold significant equity interests and certain other service providers may be subject to an excise tax if they receive payments or benefits in connection with a change in control that exceeds certain prescribed limits and that we, or a successor, may forfeit a deduction on the amounts subject to this additional tax. Section 409A also imposes additional significant taxes on the individual in the event that an executive officer, director, or other service provider receives "deferred compensation" that does not meet the requirements of Section 409A of the Internal Revenue Code.

Accounting for Stock-Based Compensation

We follow Financial Accounting Standards Board Accounting Standards Codification Topic 718, or ASC Topic 718, formerly known as SFAS 123(R), for our equity-based awards. ASC Topic 718 requires companies to measure the compensation expense for all equity-based payment awards made to employees and directors, including stock options and restricted stock awards, based on the grant date "fair value" of these awards. This calculation is performed for accounting purposes and reported in the compensation tables below, even though our executive officers may never realize any value from their awards. ASC Topic 718 also requires companies to recognize the compensation cost of their equity-based compensation awards in their income statements over the period that an executive officer is required to render service in exchange for the option or other award.

Risk Assessment and Compensation Practices

Our management assesses and discusses with our compensation committee our compensation policies and practices for our employees as they relate to our overall risk management, and based upon this assessment, we

believe that any risks arising from such policies and practices are not reasonably likely to have a material adverse effect on us.

Compensation Committee Report

The compensation committee has reviewed and discussed the section captioned "Executive Compensation," included in this proxy statement, with management and, based on such review and discussion, the compensation committee has recommended to our board of directors that this "Executive Compensation" section be included in this proxy statement for our annual meeting of stockholders.

Submitted by the compensation committee of the board of directors:

Gregory Waldorf (Chair)
Theresia Gouw
Daniel Stephen Hafner

2013 Summary Compensation Table

The following table provides information regarding the total compensation for services rendered in all capacities that was earned by each individual who served as our principal executive officer or principal financial officer at any time during 2013, and our three other named executive officers who were serving as executive officers as of December 31, 2013. These individuals were our named executive officers for 2013.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)[1]	Option Awards ($)[1]	Non-Equity Incentive Plan Compensation($)	All Other Compensation ($)[2]	Total ($)
Flint, Peter	2013	$351,314	$ —	$ 6,270,600	$2,841,390	$ 310,000[3]	$ —	$ 9,773,304
Chief Executive Officer	2012	278,917	—	—	—	—	—	278,917
	2011	241,667	—	—	674,654	—	—	916,321
Aggarwal, Prashant	2013	302,436	—	5,899,188	426,209	155,000[3]	100,539[4]	6,883,372
Chief Financial Officer	2012	256,000	—	—	—	—	87,489	343,489
	2011	37,500	50,000	—	664,780	14,247	6,207	772,734
Levine, Paul	2013	303,269	—	5,394,250	189,426	155,000[3]	8,400	6,050,345
Chief Operating Officer	2012	264,180	—	—	—	—	6,933	271,113
	2011	220,673	—	—	1,171,840	48,219	5,833	1,446,565
Farnedi, Daniele	2013	262,118	—	998,156	165,748	72,500[3]	7,208	1,505,730
Chief Technology Officer	2012	220,323	—	—	131,328	—	6,106	357,757
	2011	200,833	—	—	116,626	23,000	6,662	347,121
Morris, Ian*								
President, Market Leader, Inc.	2013	124,857[5]	—	17,136,450	2,488,663	87,300[6]	—	19,837,270

* Mr. Morris joined the company in August 2013 following the closing of our acquisition of Market Leader.

(1) The amounts reported represent the aggregate grant-date fair value of equity awards to the named executive officer in 2013, calculated in accordance with ASC Topic 718. Such grant-date fair value does not take into account any estimated forfeitures related to service-vesting conditions. The assumptions used in calculating the grant-date fair value of the equity awards reported in this column are set forth in the stock-based compensation note to our audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013 filed with the SEC on March 3, 2014.

(2) Unless otherwise described in the footnotes below, the amounts reported for 2013 represent the amount of the matching contributions made by us to the named executive officer's account under our 401(k) plan.

(3) The amounts reported represent performance-based awards earned by each named executive officer based on the achievement of certain of our company and individual management goals and the individual's target incentive compensation amount. The material terms of the incentive compensation awards are described in the section titled "—Elements of Executive Compensation—Annual Incentive Compensation." The amounts reported were paid in cash equivalents in the form of fully-vested restricted stock units. The amounts were paid in February 2014.

(4) Of the amount reported, $99,672.09 represents costs incurred by and reimbursed to Mr. Aggarwal in 2013 for housing costs in San Francisco as further discussed in "—Executive Confirmatory Employment Letter and Offer Letter Agreements— Prashant "Sean" Aggarwal."

(5) The amounts reported represent salary earned for us after the acquisition of Market Leader. Inclusive of time at Market Leader, Mr. Morris received $386,417 in salary for 2013.

(6) The amounts reported represent amounts represent amounts under the Market Leader Bonus Plan as described in the section titled "—Elements of Executive Compensation—Annual Incentive Compensation."

Grants of Plan-Based Awards 2013

The following table presents information regarding grants of plan-based awards made to our named executive officers during fiscal 2013 under any plan.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)		Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Under-lying Options	Exercise or Base Price of Option Awards ($/sh) (3)	Grant Date Fair Value/ Incremental Fair Value (4)	Grant Date Fair Value of Stock and Option Awards
Name	Grant Date	Target	Maximum	Threshold	Target	Maximum					
Flint, Peter	—	$200,000	$400,000								
	3/5/13							225,000	$26.93	$12.6284	$2,841,390
	5/29/13			240,000	240,000	240,000			$ —	$18.5500	$4,452,000
	5/29/13						60,000 (2)		$ —	$30.3100	$1,818,600
Aggarwal, Prashant	—	$100,000	$200,000								
	3/5/13							33,750	$26.93	$12.6284	$ 426,209
	3/5/13						33,750		$ —	$26.9300	$ 908,888
	5/29/13			220,000	220,000	220,000			$ —	$18.5500	$4,081,000
	5/29/13						30,000 (2)		$ —	$30.3100	$ 909,300
Levine, Paul	—	$100,000	$200,000								
	3/5/13							15,000	$26.93	$12.6284	$ 189,426
	3/5/13						15,000		$ —	$26.9300	$ 403,950
	5/29/13			220,000	220,000	220,000			$ —	$18.5500	$4,081,000
	5/29/13						30,000 (2)		$ —	$30.3100	$ 909,300
Farnedi, Daniele	—	$ 50,000	$100,000								
	3/5/13						13,125		$ —	$26.9300	$ 353,456
	3/5/13							13,125	$26.93	$12.6284	$ 165,748
	5/29/13			22,500	22,500	22,500			$ —	$18.5500	$ 417,375
	5/29/13						7,500 (2)		$ —	$30.3100	$ 227,325
Morris, Ian	8/29/13						175,000		$ —	$41.6700	$7,292,250
	8/29/13							125,000	$41.67	$19.9093	$2,488,663
	8/29/13			270,000	270,000	270,000			$ —	$31.8300	$8,594,100
	8/29/13						30,000 (2)		$ —	$41.6700	$1,250,100

(1) The amounts to all named executive officers other than Mr. Morris represent performance-based amounts payable under our 2013 SMT Bonus Plan. Payments under this plan are not subject to a minimum payment requirement but are subject to a maximum payment at 200% of the target amount. The material terms of the awards are discussed in the section titled "Elements of Executive Compensation—Annual Incentive Compensation." The value of the amounts earned for fiscal 2013 are reflected in the "Non-Equity Incentive Plan Compensation" column of the "Summary Compensation Table." The amounts reported in the "Summary Compensation Table" were paid in February 2014 in cash equivalents in the form of fully-vested restricted stock units. Each named executive officer other than Mr. Morris received the following number of fully-vested restricted stock units: (i) Peter Flint, 10,012; (ii) Prashant Aggarwal, 5,171; (iii) Paul Levine, 5,171; and (iv) Daniele Farnedi, 2,419.

(2) Reflects future payouts under performance-based restricted stock unit grants under the 2012 Plan, as described in "— 2013 Pay-for-Performance Equity Strategy." For Mr. Farnedi, 1/4 of the total award vests solely time-based over 24 months. With respect to Messrs. Flint, Aggarwal, Levine, and Morris, a portion of the performance-based restricted stock units will be eligible to vest if the performance target was not achieved following the expiration of the achievement window, subject to continued service with us for approximately 24 months following the expiration of the achievement window.

(3) The exercise price is set at the fair market value per share of our common stock on the grant date. For a discussion of our methodology for determining the fair value of our common stock, see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Stock-Based Compensation" in our Annual Report on Form 10-K for the year ended December 31, 2013 filed with the SEC on March 3, 2014.

(4) The amounts reported represent the aggregate grant-date fair value of the equity awards to the named executive officer in 2013, calculated in accordance with ASC Topic 718. Such grant-date fair value does not take into account any estimated forfeitures related to service-vesting conditions. The assumptions used in calculating the grant date fair value of the equity awards reported in this column are set forth in the notes to our audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013 filed with the SEC on March 3, 2014.

Outstanding Equity Awards at 2013 Year-End

The following table sets forth information regarding outstanding equity awards held by our named executive officers at the end of 2013:

		Option Awards [1]				Stock Awards [2]			
Name	Grant Date	Number of Securities Underlying Unexercised Options: Exercisable	Number of Securities Underlying Unexercised Options: Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested ($) [3]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) [3]
Flint, Peter	02/08/2011	327,804 [4]	—	$ 4.29	2/7/21				
	03/05/2013	46,875 [5]	178,125	$26.93	3/4/23				
	05/29/2013					60,000 [6]	$2,116,200		
	05/29/2013							240,000 [7]	$8,464,800
Aggarwal, Prashant	11/09/2011	146,772 [8][9]	—	$ 5.55	11/8/21				
	03/05/2013	7,031 [5]	26,719	$26.93	3/4/23				
	03/05/2013					27,421	$ 967,139		
	05/29/2013					30,000 [6]	$1,058,100		
	05/29/2013							220,000 [7]	$7,759,400
Levine, Paul	05/11/2011	124,677	156,264	$ 4.29	5/10/21				
	03/05/2013	3,125 [5]	11,875	$26.93	3/4/23				
	03/05/2013					12,187	$ 429,835		
	05/29/2013					30,000 [6]	$1,058,100		
	05/29/2013							220,000 [7]	$7,759,400
Farnedi, Daniele	01/31/2007	112,254	—	$ 0.15	1/30/2017				
	02/08/2011	41,318 [4]	15,348	$ 4.29	2/7/2021				
	07/27/2012	5,554	11,112	$16.53	7/26/2022				
	03/05/2013	2,734 [5]	10,391	$26.93	3/4/2023				
	03/05/2013					10,663	$ 376,084		
	05/29/2013					7,500 [10]	$ 264,525		
	05/29/2013							22,500 [7]	$ 793,575
Morris, Ian	08/30/2005	43,450 [11]	—	$45.68	08/29/2015				
	09/23/2010	4,525 [11]	6,791	$ 6.94	9/22/2020				
	10/06/2011	2,036 [12]	14,258	$ 7.81	10/05/2016				
	06/14/2012	2,036 [12]	14,258	$16.09	6/13/2022				
	08/29/2013	10,416 [9]	114,584	$41.67	8/28/2023				
	08/29/2013					164,063	$5,786,502		
	08/29/2013					30,000 [6]	$1,058,100		
	08/29/2013							270,000 [7]	$9,522,900

(1) Each stock option granted prior to December 31, 2012 was granted pursuant to our 2005 Plan, and each stock option granted after December 31, 2012 was granted pursuant to our 2012 Plan. Unless otherwise described in the footnotes below, the stock options are not

immediately exercisable. Unless otherwise described in the footnotes below, the shares of common stock subject to such stock options will vest over a four-year period, with 25% of the shares to vest upon completion of one year of service measured from the vesting commencement date, and the balance will vest in 36 successive equal monthly installments upon the completion of each additional month of service thereafter.

(2) Each restricted stock unit was granted pursuant to our 2012 Plan. Unless otherwise described in the footnotes below, the restricted stock units vest over a four-year period, with 12.5% of the shares vesting upon the first quarterly vesting period to occur on or after six months of service measured from the vesting commencement date, and the balance will vest in 14 successive equal quarterly installments upon the completion of each additional quarter of service thereafter.

(3) Market value of shares or units of stock that have not vested is computed by multiplying (i) $35.27, the closing price on the New York Stock Exchange of our common stock on December 31, 2013, the last trading day of fiscal 2013, by (ii) the number of shares or units of stock.

(4) These stock options were granted to Messrs. Flint and Farnedi on February 8, 2011. The options are fully vested as to Mr. Flint. As to Mr. Farnedi, the shares of common stock subject to the stock option will vest in 48 successive equal monthly installments upon the completion of each month of service measured from January 18, 2011, the vesting commencement date.

(5) The shares of common stock subject to such stock options will vest over a four-year period, with 1/48 of the shares to vest upon completion of each month of service measured from the vesting commencement date of February 1, 2013.

(6) A portion of the performance-based restricted stock units granted in May 2013 will be eligible to vest if the performance target is not achieved following the expiration of the achievement window, as follows: (i) Peter Flint 60,000, (ii) Prashant Aggarwal 30,000, (iii) Paul Levine 30,000, and (iv) Ian Morris 30,000 (each, a "Remainder RSU"). The Remainder RSUs will vest over a 24-month period in eight equal quarterly installments following the end of the achievement window, subject to continued service through each such date.

(7) The performance-based restricted stock units granted in May 2013 are subject to the attainment of a company performance milestone as well as a continued service requirement after the milestone is achieved. After achievement of the performance milestone, the performance-based restricted stock units will vest as to 1/6th of the restricted stock units on the company's first quarterly vesting date that is after the date of the achievement of the performance milestone during the achievement window, subject to the holder's continued service through such date. On each of the next five company quarterly vesting dates thereafter, 1/6th of the number of RSUs granted will vest, subject to the holder's continued service through each such date.

(8) The stock option granted to Mr. Aggarwal was immediately exercisable at grant for any or all of the shares subject thereto. However, any unvested shares purchased under such option will be subject to repurchase by us, at the lower of the original price paid per share or the current fair market value per share, should he cease to provide services to us prior to vesting in those shares. As of December 31, 2013, 115,850 shares subject to Mr. Aggarwal's option remain unvested.

(9) The shares of common stock subject to this stock option will vest in 48 successive equal monthly installments upon the completion of each month of service measured from the vesting commencement date.

(10) The restricted stock units are subject to 24-months vesting and shall vest as to 50% of the number restricted stock units granted on the company's first quarterly vesting date that is after the one-year anniversary of August 20, 2013, subject to continued service through such date. On each of the next four company quarterly vesting dates, 1/8th of the number of restricted stock units granted shall vest, subject to continued service through each such date.

(11) The shares of common stock subject to this stock option will vest as to 6.25% at the end of each quarter following the grant date.

(12) The shares of common stock subject to this stock appreciation right will vest as to 6.25% at the end of each quarter following the grant date.

2013 Option Exercises and Stock Vested

The following table presents information concerning the exercise of options and vesting of stock awards during 2013 for each of our named executive officers.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise	Value Realized on Exercise ($)[1]	Number of Shares Acquired on Vesting[2]	Value Realized on Vesting ($)[2][3]
Flint, Peter	—	—	10,012	$309,972
Aggarwal, Prashant	95,000	$ 3,675,550	11,500	$433,828
Levine, Paul	206,619	$ 6,116,917	7,984	$278,913
Farnedi, Daniele	20,000	$ 666,388	4,881	$180,971
Morris, Ian	315,287	$10,403,815	10,937	$413,965

(1) Reflects the difference between the market price of our common stock at the time of exercise on the exercise date and the exercise price of the option.

(2) The amounts reported (except for Mr. Morris) include performance-based awards earned by each named executive officer under our 2013 SMT Bonus Plan based on the achievement of certain of our company and individual management goals and the individual's target incentive compensation amount. The material terms of the incentive compensation awards are described in the section titled "—Elements of Executive Compensation—Annual Incentive Compensation." Incentives earned under our 2013 SMT Bonus Plan were paid in cash equivalents, in the form of fully vested restricted stock units. Shares were determined based on the value of the cash incentive earned, divided by our market price on February 14, 2014.

(3) Reflects the market price of our common stock on the vesting date.

Pension Benefits and Nonqualified Deferred Compensation

We do not provide a pension plan for our employees, and none of our named executive officers participated in a nonqualified deferred compensation plan during 2013.

Executive Confirmatory Employment Letter and Offer Letter Agreements

Peter Flint

We entered into a confirmatory employment letter agreement with Mr. Flint, our CEO, in August 2012. The confirmatory employment letter agreement has no specific term and constitutes at-will employment.

Prashant "Sean" Aggarwal

We entered into an offer letter agreement with Mr. Aggarwal, our CFO, in October 2011. The offer letter agreement has no specific term and constitutes at-will employment. Mr. Aggarwal was provided with a $50,000 sign-on bonus payable within 30 days of his joining us. Mr. Aggarwal's offer letter agreement provides that, in the event his employment is either terminated by us without "cause" (as defined below) or he resigns for "good reason" (as defined below), within 12 months following a change in control, then, in each case, Mr. Aggarwal will be entitled to accelerated vesting in 50% of the then-unvested shares subject to his sign-on stock option award. Also, we reimburse Mr. Aggarwal for an apartment in San Francisco on a tax-neutral basis so long as Mr. Aggarwal is required to work in San Francisco.

Paul Levine

We entered into an offer letter agreement with Mr. Levine, our COO, in February 2011. The offer letter agreement has no specific term and constitutes at-will employment. Mr. Levine's offer letter agreement provides that, in the event his employment is either terminated by us without "cause" (as defined below) or he resigns for "good reason" (as defined below), within 12 months following a change in control, then, in each case, Mr. Levine will be entitled to accelerated vesting in 50% of the then-unvested shares subject to his sign-on stock option award.

Daniele Farnedi

We entered into a confirmatory employment letter agreement with Mr. Farnedi, our Chief Technology Officer, in August 2012. The confirmatory employment letter agreement has no specific term and constitutes at-will employment. Mr. Farnedi's confirmatory employment letter agreement provides that, in the event his employment is either terminated by us without "cause" (as defined below) or he resigns for "good reason" (as defined below), within 12 months following a change in control, then, in each case, Mr. Farnedi will be entitled to accelerated vesting in 50% of the then-unvested shares subject to the stock option granted to Mr. Farnedi in February 2011 and July 2012.

Definitions of Terms

For purposes of the offer letter agreements of Messrs. Aggarwal and Levine, and confirmatory employment letter agreement with Mr. Farnedi, "cause" means dishonesty, fraud, serious misconduct, unauthorized use or disclosure of confidential information or trade secrets, or conduct prohibited by criminal law (except minor violations), in each case as determined by our board of directors, whose determination shall be conclusive and binding.

For purposes of the offer letter agreements of Messrs. Aggarwal and Levine, and the confirmatory employment letter agreement with Mr. Farnedi, "good reason" means:

- A reduction in base compensation of greater than 25% due to a change in control;
- The executive is subjected to discrimination, harassment or abuse as a result of race, color, religion, creed, sex, age, national origin, sexual orientation, or disability; or
- Upon our or our successor's request, the executive refuses to relocate to a facility or location outside the San Francisco Bay Area.

Ian Morris

Mr. Morris entered into an employment agreement with Market Leader in May 2004 that we assumed in connection with the acquisition of Market Leader. We entered into an addendum to Mr. Morris's employment agreement in May 2013. Mr. Morris's employment agreement, which includes the addendum, has no specific term and constitutes at-will employment. Under his employment agreement, if Mr. Morris's employment is terminated without "cause," or if he resigns for "good reason," he will be entitled to receive the following benefits: (i) termination payments equal to twelve months' annual base salary, (ii) any unpaid base salary for services previously performed as of the date of termination, (iii) a severance bonus equal to 100% of the most recent annual bonus paid to him, and (iv) payment of COBRA premiums until termination or expiration of eligibility for COBRA coverage. If Mr. Morris resigns for good reason, all unvested outstanding options to purchase shares of our common stock granted on or prior to the date of the agreement will become 100% vested and immediately exercisable. In the event that we terminate Mr. Morris' employment without cause, all unvested options that would have been exercisable on the fourth quarterly vesting date following his termination will become vested and exercisable as of the date of termination.

In the addendum, Mr. Morris agreed that his post-acquisition position with us does not constitute "good reason" under his offer letter.

For purposes of Mr. Morris's employment agreement, "cause" means generally:

- Willful misconduct, insubordination, or dishonesty in the performance of the executive's duties or other knowing and material violation of company policies and procedures in effect from time to time which results in a material adverse effect on us;
- Continued failure of the executive to satisfactorily perform his duties for a period of 60 consecutive days after receipt of written notice that specifically identifies the areas in which the executive's performance is deficient and the executive fails to cure such acts or omissions within 30 days after receipt of the written notice;
- Commission by the executive of acts involving dishonesty, moral turpitude, deceit, or fraud that resulted or could reasonably be expected to result in a felony conviction;
- Current use by the executive of illegal substances that results in a criminal conviction and materially impairs our business, goodwill or reputation; or
- Any material violation by the executive of the executive's noncompetition agreement with us that results in a material adverse effect on us.

For purposes of Mr. Morris's employment agreement, "good reason" means generally:

- A material reduction in title, status, authority or responsibility;
- A material reduction in base salary;
- A material breach of his agreement by us which we do not cure within 20 days following written notice; or
- A material change in geographic location at which executive must provide services.

Potential Payments Upon Termination or Change in Control

The following table provides information concerning the estimated payments and benefits that would be provided in the circumstances described above for each of our named executive officers. For purposes of the table, a qualifying termination of employment is considered "in connection with a change in control" if such involuntary termination without cause or voluntary termination for good reason occurs within the period 12 months, unless otherwise described in the footnotes below, following the "change in control" (as defined in each agreement). Payments and benefits are estimated assuming that the triggering event took place on December 31, 2013. There can be no assurance that an actual triggering event would produce the same or similar results as those estimated below if such event occurs on any other date or at any other price, or if any other assumption used to estimate potential payments and benefits is not correct. Due to the number of factors that affect the nature and amount of any potential payments or benefits, any actual payments and benefits may be different.

Name	Accelerating Vesting of Equity ($) [1]
Flint, Peter [2]	$2,543,663
Aggarwal, Prashant [3]	3,440,556
Levine, Paul [4]	3,478,452
Farnedi, Daniele [5]	936,867
Morris, Ian [6]	5,316,615

[1] Reflects the aggregate market value of unvested option grants, unvested restricted stock unit awards, and unvested performance-based restricted stock unit awards. For unvested option grants, aggregate market value is computed by multiplying (i) the number of shares underlying unvested options at December 31, 2013 that would become vested by (ii) the difference between $35.27 and the exercise price of such option.

Outstanding options that have an exercise price in excess of $35.27 are not included in the calculation. For unvested restricted stock unit awards, aggregate market value is computed by multiplying (i) the number of unvested shares at December 31, 2013 that would become vested by (ii) $35.27. As of December 31, 2013, no unvested performance-based restricted stock units were eligible for acceleration, as the performance target for the performance-based restricted stock unit awards had not yet been achieved (and therefore none of the units were eligible to vest or eligible for acceleration). $35.27 reflects the closing price of our common stock on December 31, 2013.

(2) Mr. Flint's March 2013 stock option grant provides for 100% acceleration of unvested shares if, within 12 months following a change in control, Mr. Flint is involuntarily terminated without "cause" (as defined in the notice of grant) or voluntarily terminates for "good reason" (as defined in the notice of grant). Mr. Flint has the same protection for his performance-based restricted stock units and the remainder restricted stock units, except the acceleration would cover 50% of the unvested restricted stock units. As of December 31, 2013, 208,125 shares of common stock subject to Mr. Flint's options and restricted stock unit awards would have accelerated if his employment had been terminated in connection with a change in control.

(3) Mr. Aggarwal's November 2011 stock option grant provides for 50% acceleration of unvested shares if, within 12 months following a change in control, Mr. Aggarwal is involuntarily terminated without cause (as defined in the notice of grant) or voluntarily terminates for "good reason" (as defined in the notice of grant). Mr. Aggarwal's March 2013 stock option and restricted stock unit grants provide for 100% acceleration of unvested shares if, within 12 months following a change in control, Mr. Aggarwal is involuntarily terminated without "cause" (as defined in the notice of grant) or voluntarily terminates for "good reason" (as defined in the notice of grant). Mr. Aggarwal has the same protection for his performance-based restricted stock units and the remainder restricted stock units, except the acceleration would cover 50% of the unvested restricted stock units. As of December 31, 2013, 127,065 shares of common stock subject to Mr. Aggarwal's options and restricted stock unit awards would have accelerated if his employment had been terminated in connection with a change in control.

(4) Mr. Levine's May 2011 stock option grant provides for 50% acceleration of unvested shares if, within 12 months following a change in control, Mr. Levine is involuntarily terminated without "cause" (as defined in the notice of grant) or voluntarily terminates for "good reason" (as defined in the notice of grant). Mr. Levine's March 2013 stock option and restricted stock unit grants provide for 100% acceleration of unvested shares if, within 12 months following a change in control, Mr. Levine is involuntarily terminated without "cause" (as defined in the notice of grant) or voluntarily terminates for "good reason" (as defined in the notice of grant). Mr. Levine has the same protection for his performance-based restricted stock units and the remainder restricted stock units, except the acceleration would cover 50% of the unvested restricted stock units. As of December 31, 2013, 117,194 shares of common stock subject to Mr. Levine's options and restricted stock unit awards would have accelerated if his employment had been terminated in connection with a change in control.

(5) Mr. Farnedi's February 2011 and July 2012 stock option grants each provide for 50% acceleration of unvested shares if, within 12 months following a change in control, Mr. Farnedi is involuntarily terminated without "cause" (as defined in the notice of grant) or voluntarily terminates for "good reason" (as defined in the notice of grant). Mr. Farnedi's March 2013 stock option and restricted stock unit grants provide for 100% acceleration of unvested shares if, within 12 months following a change in control, Mr. Farnedi is involuntarily terminated without "cause" (as defined in the notice of grant) or voluntarily terminates for "good reason" (as defined in the notice of grant). Mr. Farnedi has the same protection for his performance-based restricted stock units and the time-based restricted stock units granted in May 2013, except the acceleration would cover 50% of the unvested restricted stock units. As of December 31, 2013, 38,034 shares of common stock subject to Mr. Farnedi's options and restricted stock unit awards would have accelerated if his employment had been terminated in connection with a change in control.

(6) Mr. Morris's assumed Market Leader stock option and stock appreciation right grants each provide for 100% acceleration upon a termination for good reason (as defined in the notice of grant). Mr. Morris's August 2013 retention stock option and restricted stock unit grants each provide for 50% acceleration of unvested shares if, within 12 months following a change in control, Mr. Morris is involuntarily terminated without "cause" (as defined in the notice of grant) or voluntarily terminates for "good reason" (as defined in the notice of grant). Mr. Morris has the same protection for his performance-based restricted stock units and the remainder restricted stock units. As of December 31, 2013, 182,840 shares of common stock subject to Mr. Morris's options and restricted stock unit awards would have accelerated if his employment had been terminated in connection with a change in control.

Employee Benefit and Stock Plans

2012 Equity Incentive Plan

Our board of directors initially adopted, and our stockholders approved, the 2012 Plan prior to our IPO. The 2012 Plan became effective on the business day immediately prior to the effective date of the registration statement in connection with our IPO. Our board of directors approved the amendment and restatement of our 2012 Plan in April 2013, which was approved by our stockholders on June 5, 2013. The 2012 Plan provides for the grant of incentive stock options, within the meaning of Section 422 of the Internal Revenue Code, to our employees and any parent and subsidiary corporations' employees, and for the grant of nonstatutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance units, and performance shares to our employees, directors, and consultants and our parent and subsidiary corporations' employees and consultants.

Authorized Shares. As of March 31, 2014, a total of 6,935,415 shares of our common stock have been reserved for issuance pursuant to the 2012 Plan. In addition, the shares reserved for issuance under the 2012 Plan include shares returned to the 2005 Plan as the result of expiration or termination of awards (provided that the maximum number of shares that may be added to the 2012 Plan pursuant to this provision is 1,000,000 shares). The number of shares available for issuance under the 2012 Plan will also include an annual increase on the first day of each year, equal to the least of:

- 2,100,000 shares;
- 4% of the outstanding shares of our common stock as of the last day of our immediately preceding year; or
- such other amount as our board of directors may determine.

Plan Administration. Our board of directors or the compensation committee will administer the 2012 Plan. Subject to the provisions of the 2012 Plan, the administrator has the power to determine the terms of the awards, including the exercise price, the number of shares subject to each such award, the exercisability of the awards, and the form of consideration, if any, payable upon exercise. The administrator also has the authority to amend existing awards to reduce their exercise price, to allow participants the opportunity to transfer outstanding awards to a financial institution or other person or entity selected by the administrator, and to institute an exchange program by which outstanding awards may be surrendered in exchange for awards with a higher or lower exercise price.

Stock Options. The exercise price of options granted under the 2012 Plan must at least be equal to the fair market value of our common stock on the date of grant. The term of an incentive stock option may not exceed 10 years, except that with respect to any employee who owns more than 10% of the voting power of all classes of our outstanding stock, the term must not exceed five years and the exercise price must equal at least 110% of the fair market value of our common stock on the grant date. Subject to the provisions of the 2012 Plan, the administrator determines the term of all other options. After the termination of service of an employee, director, or consultant, he or she may exercise his or her option for the period of time stated in his or her option agreement. Generally, if termination is due to death or disability, the option will remain exercisable for 12 months. In all other cases, the option will generally remain exercisable for three months following the termination of service. However, in no event may an option be exercised later than the expiration of its term.

Stock Appreciation Rights. Stock appreciation rights may be granted under the 2012 Plan. Stock appreciation rights allow the recipient to receive the appreciation in the fair market value of shares of our common stock between the exercise date and the date of grant. Subject to the provisions of the 2012 Plan, the administrator determines the terms of stock appreciation rights, including when such rights become exercisable and whether to pay any increased appreciation in cash or with shares of our common stock, or a combination thereof, except that the per share exercise price for the shares to be issued pursuant to the exercise of a stock appreciation right will be no less than 100% of the fair market value per share on the date of grant.

Restricted Stock. Restricted stock may be granted under the 2012 Plan. Restricted stock awards are grants of shares of our common stock that vest in accordance with terms and conditions established by the administrator. The administrator will determine the number of shares of restricted stock granted to any employee, director, or consultant. The administrator may impose whatever conditions to vesting it determines to be appropriate (for example, the administrator may set restrictions based on the achievement of specific performance goals or continued service to us); provided, however, that the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed. Shares of restricted stock that do not vest are subject to our right of repurchase or forfeiture.

Restricted Stock Units. Restricted stock units may be granted under the 2012 Plan. Restricted stock units are bookkeeping entries representing an amount equal to the fair market value of one share of our common stock.

The administrator determines the terms and conditions of restricted stock units, including the vesting criteria (which may include accomplishing specified performance criteria or continued service to us) and the form and timing of payment. Notwithstanding the foregoing, the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed.

Performance Units and Performance Shares. Performance units and performance shares may be granted under the 2012 Plan. Performance units and performance shares are awards that will result in a payment to a participant only if performance goals established by the administrator are achieved or the awards otherwise vest. The administrator will establish organizational or individual performance goals in its discretion, which, depending on the extent to which they are met, will determine the number and/or the value of performance units and performance shares to be paid out to participants. After the grant of a performance unit or performance share, the administrator, in its sole discretion, may reduce or waive any performance criteria or other vesting provisions for such performance units or performance shares. Performance units shall have an initial dollar value established by the administrator prior to the grant date. Performance shares shall have an initial value equal to the fair market value of our common stock on the grant date. The administrator, in its sole discretion, may pay earned performance units or performance shares in the form of cash, in shares, or in some combination thereof.

Performance Goals. Awards of restricted stock, restricted stock units, and other incentives under the 2012 Plan may be made subject to the attainment of performance goals relating to one or more business criteria within the meaning of Section 162(m) and may provide for a targeted level or levels of achievement including: attainment of research and development milestones; bookings; business divestitures and acquisitions; cash flow; cash position; contract awards or backlog; customer renewals; customer retention rates from an acquired company, business unit, or division; earnings (which may include earnings before interest, taxes, depreciation and amortization, earnings before taxes, and net earnings); earnings per share; expenses; gross margin; growth in stockholder value relative to the moving average of the S&P 500 Index or another index; internal rate of return; inventory turns; inventory levels; market share; net income; net profit; net sales; new product development; new product invention or innovation; number of customers; operating cash flow; operating expenses; operating income; operating margin; overhead or other expense reduction; product defect measures; product release timelines; productivity; profit; return on assets; return on capital; return on equity; return on investment; return on sales; revenue; revenue growth; sales results; sales growth; stock price; time to market; total stockholder return; and working capital. The performance goals may differ from participant to participant and from award to award. Any criteria used may be measured in absolute terms, in combination with another performance goal, in relative terms (i.e., including, but not limited to, results for other periods, passage of time and/or compared to other companies or an index or indices), on a per share basis, against the performance of the company as a whole or a segment of the company and/or on a pre-tax or after-tax basis. In establishing the performance goals and prior to the latest date possible that will not jeopardize compliance with Section 162(m) of the Internal Revenue Code, the administrator will determine whether any element(s) or item(s) will be included in or excluded from the calculation of any performance goal and whether to determine such goal in accordance with United States Generally Accepted Accounting Principles ("GAAP") or a basis other than GAAP.

Individual Award Limitations. The 2012 Plan contains annual grant limits intended to satisfy Section 162(m). Specifically, the maximum number of shares which could be issued to any one individual in any fiscal year pursuant to:

Award Type	Annual Number of Shares	Additional Shares in Connection with New Hire*	Maximum Number of Shares
Stock Option	1,000,000	1,000,000	2,000,000
Performance Share	500,000	500,000	1,000,000
Performance Unit	$2,000,000	$2,000,000	$4,000,000
Restricted Stock	500,000	500,000	1,000,000
Restricted Stock Units	500,000	500,000	1,000,000
Stock Appreciation Right	500,000	500,000	1,000,000

* May be granted in the fiscal year in which the individual's service to the company (or a parent or subsidiary corporation of the company) first commences.

The administrator will adjust the share limitations in the chart above (but not the cash amounts for performance units) in the event of any adjustment to our shares discussed below (under "Certain Adjustments").

Outside Directors. The 2012 Plan provides that all non-employee directors will be eligible to receive all types of awards (except for incentive stock options) under the 2012 Plan.

Non-Transferability of Awards. Unless the administrator provides otherwise, the 2012 Plan generally does not allow for the transfer of awards and only the recipient of an award may exercise an award during his or her lifetime.

Certain Adjustments. In the event of certain changes in our capitalization, to prevent diminution or enlargement of the benefits or potential benefits available under the 2012 Plan, the administrator will adjust the number and class of shares that may be delivered under the 2012 Plan and/or the number, class, and price of shares covered by each outstanding award, and the numerical share limits set forth in the 2012 Plan. In the event of our proposed liquidation or dissolution, the administrator will notify participants as soon as practicable and all awards will terminate immediately prior to the consummation of such proposed transaction.

Merger or Change in Control. The 2012 Plan provides that in the event of a merger or change in control, as defined under the 2012 Plan, each outstanding award will be treated as the administrator determines, except that if a successor corporation or its parent or subsidiary does not assume or substitute an equivalent award for any outstanding award, then such award will fully vest, all restrictions on such award will lapse, all performance goals or other vesting criteria applicable to such award will be deemed achieved at 100% of target levels and such award will become fully exercisable, if applicable, for a specified period prior to the transaction. The award will then terminate upon the expiration of the specified period of time. If the service of an outside director is terminated on or following a change in control, other than pursuant to a voluntary resignation, his or her options, restricted stock units, and stock appreciation rights, if any, will vest fully and become immediately exercisable, all restrictions on his or her restricted stock will lapse, all performance goals or other vesting requirements for his or her performance shares and units will be deemed achieved at 100% of target levels, and all other terms and conditions will be deemed met.

Amendment and Termination. Our board of directors has the authority to amend, suspend, or terminate the 2012 Plan provided such action does not impair the existing rights of any participant. The 2012 Plan automatically terminates in 2022, unless we terminate it sooner.

SMT Bonus Plan

Our SMT Bonus Plan, or the Bonus Plan, was adopted by the compensation committee in March 2012. The Bonus Plan allows the compensation committee to provide cash incentive awards to selected executives, officers, or key employees, including our named executive officers, based upon performance goals established by the compensation committee.

Under the Bonus Plan, the compensation committee determines the performance goals applicable to any award, which goals may include, without limitation: attainment of research and development milestones; bookings; business divestitures and acquisitions; cash flow; cash position; contract awards or backlog; customer renewals; customer retention rates from an acquired company, business unit, or division; earnings (which may include earnings before interest, taxes, depreciation and amortization, earnings before taxes, and net earnings); earnings per share; expenses; gross margin; growth in stockholder value relative to the moving average of the S&P 500 Index or another index; internal rate of return; inventory turns; inventory levels; market share; net income; net profit; net sales; new product development; new product invention or innovation; number of customers; operating cash flow; operating expenses; operating income; operating margin; overhead or other expense reduction; product defect measures; product release timelines; productivity; profit; return on assets; return on capital; return on equity; return on investment; return on sales; revenue; revenue growth; sales results;

sales growth; stock price; time to market; total stockholder return; working capital; and individual objectives such as peer reviews or other subjective or objective criteria. Performance goals that include our financial results may be determined in accordance with GAAP or such financial results may consist of non-GAAP financial measures and any actual results may be adjusted by the compensation committee for one-time items or unbudgeted or unexpected items when determining whether the performance goals have been met. The goals may be on the basis of any factors the compensation committee determines relevant, and may be adjusted on an individual, divisional, business unit, or company-wide basis. The performance goals may differ from participant to participant and from award to award.

The compensation committee may, in its sole discretion and at any time, increase, reduce or eliminate a participant's actual award and/or increase, reduce, or eliminate the amount allocated to the bonus pool for a particular performance period. The actual award may be below, at, or above a participant's target award, in the compensation committee's discretion. The compensation committee may determine the amount of any reduction on the basis of such factors as it deems relevant, and it is not required to establish any allocation or weighting with respect to the factors it considers.

Actual awards are paid in cash only after they are earned, which usually requires continued employment through the date a bonus is paid. Payment of bonuses occurs as soon as administratively practicable after they are earned, but no later than the dates set forth in the Bonus Plan.

The compensation committee has the authority to amend, alter, suspend, or terminate the Bonus Plan provided such action does not impair the existing rights of any participant with respect to any earned bonus.

401(k) Plan

We maintain a tax-qualified retirement plan that provides eligible employees with an opportunity to save for retirement on a tax-advantaged basis. All participants' interests in their deferrals are 100% vested when contributed. In 2013, we made matching contributions into the 401(k) plan. Our contributions to the 401(k) plan are discretionary and fully vested when contributed. Pre-tax contributions are allocated to each participant's individual account and are then invested in selected investment alternatives according to the participants' directions. The 401(k) plan is intended to qualify under Sections 401(a) and 501(a) of the Internal Revenue Code. As a tax-qualified retirement plan, contributions to the 401(k) plan and earnings on those contributions are not taxable to the employees until distributed from the 401(k) plan, and all contributions are deductible by us when made.

Equity Compensation Plan Information

The following table provides information as of December 31, 2013 with respect to the shares of our common stock that may be issued under our existing equity compensation plans.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by stockholders[1]	5,524,646[1][2]	$13.30[3]	1,976,815
Equity compensation plans not approved by stockholders	928,186[4][5]	16.17[6]	82,784
Total	6,452,832		2,059,599

(1) Includes the following plans: Trulia, Inc. 2005 Stock Incentive Plan (the "2005 Plan") and Trulia, Inc. 2012 Equity Incentive Plan, as amended (the "2012 Plan"). As of December 31, 2013, a total of 5,800,654 shares of our common stock have been reserved for issuance pursuant to the 2012 Plan, which number excludes the 1,463,303 shares that were added to the 2012 Plan as a result of the automatic annual increase on January 1, 2014. In addition, the shares reserved for issuance under the 2012 Plan also include shares returned to the 2005 Plan as the result of expiration or termination of awards (provided that the maximum number of shares that may be added to the 2012 Plan pursuant to this provision is 1,000,000 shares). Our 2012 Plan provides that on January 1st of each year commencing in 2013 and ending on (and including) January 1, 2022, the number of authorized shares for issuance under the 2012 Plan is automatically increased by a number equal to the lesser of (i) 2,100,000 shares, (ii) 4% of the outstanding shares of our common stock as of the last day of our immediately preceding year, or (iii) such other amount as our board of directors may determine.

(2) Includes 2,888,641 shares that may be issued under restricted stock unit awards as of December 31, 2013.

(3) Excludes 2,888,641 shares that may be issued under restricted stock unit awards as of December 31, 2013.

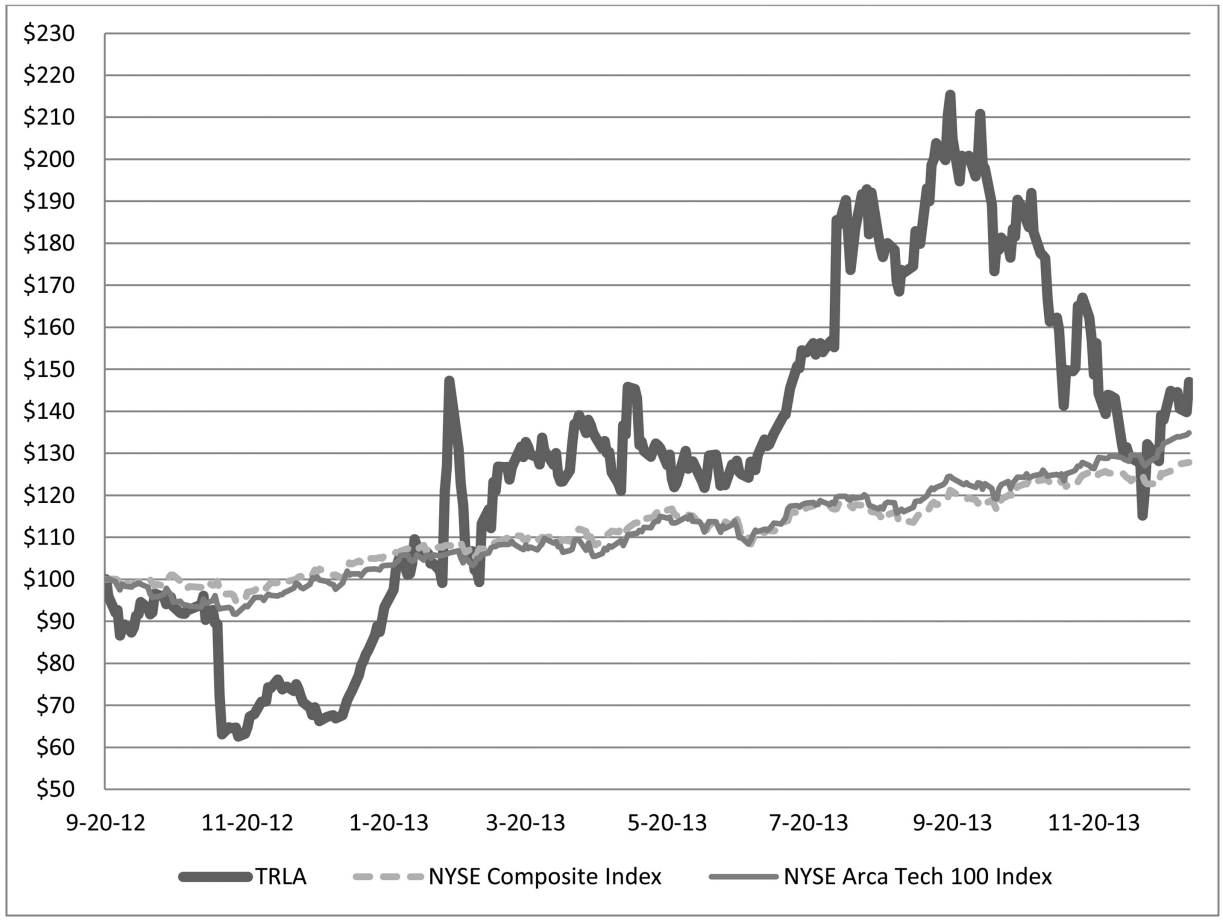
(4) Includes the following plans: Housevalues, Inc. 1999 Stock Incentive Plan, which shares under the plan were assumed by us and the Market Leader, Inc. Amended and Restated 2004 Equity Incentive Plan, which plan was assumed by us in connection with our acquisition of Market Leader, Inc. in August 2013. No future grants may be made under the Housevalues, Inc. 1999 Stock Incentive Plan. See Note 10 to our audited financial statements contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 for a description of the Market Leader, Inc. Amended and Restated 2004 Equity Incentive Plan.

(5) Includes 348,198 shares that may be issued under restricted stock unit awards as of December 31, 2013.

(6) Excludes 348,198 shares that may be issued under restricted stock unit awards as of December 31, 2013.

Stock Performance Graph

We have presented below the cumulative total return to our stockholders during the period from September 19, 2012 (the date our common stock commenced trading on the NYSE) through December 31, 2013 in comparison to the NYSE Composite Index and NYSE Arca Tech 100 Index. All values assume a $100 initial investment and data for the NYSE Composite Index and NYSE Arca Tech 100 Index assume reinvestment of dividends. The comparisons are based on historical data and are not indicative of, nor intended to forecast, the future performance of our common stock.



The information under "Stock Performance Graph" is not deemed to be "soliciting material" or "filed" with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Exchange Act, and is not to be incorporated by reference in any filing of Trulia under the Securities Act or the Exchange Act, whether made before or after the date of this proxy statement and irrespective of any general incorporation language in those filings.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of March 31, 2014, for:

- each of our executive officers named in the 2014 Summary Compensation Table;
- each of our directors;
- all of our directors and executive officers as a group; and
- each person known by us to be the beneficial owner of more than five percent of any class of our voting securities;

We have determined beneficial ownership in accordance with the rules of the SEC, and thus it represents sole or shared voting or investment power with respect to our securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable. We have deemed shares of our common stock subject to options that are currently exercisable or exercisable within 60 days of March 31, 2014 to be outstanding and to be beneficially owned by the person holding the option for the purpose of computing the percentage ownership of that person but have not treated them as outstanding for the purpose of computing the percentage ownership of any other person. We have based percentage ownership of our common stock on 36,917,277 shares of our common stock outstanding as of March 31, 2014. Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Trulia, Inc., 116 New Montgomery Street, Suite 300, San Francisco, California 94105.

	Common Stock Beneficially Owned	
Name of Beneficial Owner	Number	Percentage
Executive Officers and Directors:		
Peter Flint (1)	2,275,571	6.1%
Prashant Aggarwal (2)	165,890	*
Paul Levine (3)	180,506	*
Daniele Farnedi (4)	167,349	*
Ian Morris (5)	101,759	*
Erik Bardman (6)	18,375	*
Theresia Gouw (7)	84,671	*
Daniel Stephen Hafner (8)	1,094	*
Sami Inkinen (9)	794,053	2.2%
Robert Moles (10)	63,175	*
Gregory Waldorf (11)	9,393	*
All executive officers and directors as a group (12 persons) (12)	3,887,795	10.5%
5% Stockholders:		
Caledonia (Private) Investments Pty Limited (13)	7,404,507	20.1%
Citadel Advisors (14)	2,776,878	7.5%
FMR LLC (15)	2,116,639	5.7%
JP Morgan Chase & Co. (16)	2,620,299	7.1%
Morgan Stanley (17)	1,944,793	5.3%
Wellington Management Company, LLP (18)	3,072,392	8.3%

* Represents beneficial ownership of less than one percent (1%) of the outstanding shares of our common stock.

(1) Consists of (i) 1,455,437 shares held of record by Mr. Flint, (ii) 426,705 shares held of record by the Peter Flint 2 Year Grantor Retained Annuity Trust for which Mr. Flint serves as trustee, and (iii) 393,429 shares subject to outstanding options which are exercisable as of May 30, 2014. Mr. Flint has sole voting and investment power with respect to the shares held in the Peter Flint 2 Year Grantor Retained Annuity Trust.

(2) Consists of (i) 7,165 shares held of record by Mr. Aggarwal, (ii) 156,615 shares subject to outstanding options, all of which are exercisable as of May 30, 2014, 55,876 of which will be vested as of May 30, 2014, and (iii) 2,110 shares of common stock issuable upon the settlement of RSUs releaseable within 60 days of March 31, 2014.

(3) Consists of (i) 39,355 shares held of record by Mr. Levine, (ii) 140,213 shares subject to outstanding options which are exercisable as of May 30, 2014, all of which will be vested as of May 30, 2014, and (iii) 938 shares of common stock issuable upon the settlement of RSUs releaseable within 60 days of March 31, 2014.

(4) Consists of (i) 3,320 shares held of record by Mr. Farnedi, (ii) 163,209 shares subject to outstanding options which are exercisable as of May 30, 2014, all of which will be vested as of May 30, 2014, and (iii) 820 shares of common stock issuable upon the settlement of RSUs releaseable within 60 days of March 31, 2014.

(5) Consists of (i) 14,212 shares held of record by Mr. Morris, (ii) 76,610 shares subject to outstanding options or SARs which are exercisable as of May 30, 2014, all of which will be vested as of May 30, 2014, and (iii) 10,937 shares of common stock issuable upon the settlement of RSUs releaseable within 60 days of March 31, 2014.

(6) Consists of 18,375 shares subject to an outstanding option which is exercisable as of May 30, 2014, all of which will be vested as of May 30, 2014.

(7) Consists of (i) 7,391 shares of common stock owned by Ms. Gouw, (ii) 47,666 shares held of record by the SGLG 2013 T GRAT Trust UA 08/01/2013 (the "GRAT Trust") for which Ms. Gouw serves as trustee; (iii) 17,829 shares held of record by the Theresia Gouw Ranzetta Accel IX Grat Trust (the "Accel Grat Trust," and together with the GRAT Trust, the "Gouw Trusts"), (iv) 10,500 shares subject to outstanding options which are exercisable as of May 30, 2014, all of which will be vested as of May 30, 2014, and (v) 1,285 shares of common stock issuable upon the settlement of RSUs releaseable within 60 days of March 31, 2014. Ms. Gouw has sole voting and investment power over the Gouw Trusts' shares.

(8) Consists of (i) 729 shares held of record by Mr. Hafner and (ii) 365 shares of common stock issuable upon the settlement of RSUs releaseable within 60 days of March 31, 2014.

(9) Consists of (i) 783,553 shares held of record by Mr. Inkinen and (ii) 10,500 shares subject to outstanding options all of which will be vested as of May 30, 2014.

(10) Consists of 63,175 shares subject to outstanding options which are exercisable as of May 30, 2014, all of which will be vested as of May 30, 2014.

(11) Consists of (i) 4,037 shares held of record by GLW 2004 Revocable Trust dated 11/15/2004 for which Mr. Waldorf serves as trustee; and (ii) 5,356 shares of common stock issuable upon the settlement of RSUs releaseable within 60 days of March 31, 2014.

(12) Consists of (i) 2,816,477 shares held of record by our current directors and executive officers, (ii) 1,049,039 shares subject to outstanding options which are exercisable as of May 30, 2014, 948,300 of which will be vested as of May 30, 2014, and (iii) 22,279 shares of common stock issuable upon the settlement of RSUs releaseable within 60 days of March 31, 2014.

(13) According to a Schedule 13G/A filed on February 14, 2014, Caledonia (Private) Investments Pty Limited owns 7,404,507 shares of our common stock. The principal address of Caledonia (Private) Investments Pty Limited is Level 7, Gold Fields House, 1 Alfred Street, Sydney NSW 2000, Australia.

(14) According to a Schedule 13G/A jointly filed on February 14, 2014 by Citadel Advisors LLC, Citadel Advisors Holdings II LP ("CAH2"), Citadel GP LLC ("CGP), and Mr. Kenneth Griffin (collectively with Citadel Advisors LLC, CAH2 and CGP, the "Citadel Advisors") with respect to shares of common stock (and options to purchase and/or other securities convertible into common stock) of Trulia owned by Citadel Equity Fund Ltd., a Cayman Islands limited company, Citadel Global Equities Master Fund Ltd., a Cayman Islands limited company, Surveyor Capital Ltd., a Cayman Islands limited company, and Citadel Securities LLC, a Delaware limited liability company, Citadel Advisors LLC and CAH2 owns 2,726,595 shares of our common stock and CGP and Mr. Griffin own 2,776,878 shares of our common stock. The principal address of the Citadel Advisors is c/o Citadel LLC, 131 S. Dearborn Street, 32nd Floor, Chicago, Illinois 60603.

(15) According to a Schedule 13G filed on February 14, 2014, FMR LLC owns 2,116,639 shares of our common stock. The principal address of FMR LLC is 245 Summer Street, Boston, Massachusetts 02210.

(16) According to a Schedule 13G filed on February 4, 2014, JPMorgan Chase & Co. owns 2,620,299 shares of our common stock. The principal address of JPMorgan Chase & Co. is 270 Park Ave., New York, New York 10017.

(17) According to a Schedule 13G filed on March 27, 2014, Morgan Stanley owns 1,944,793 shares of our common stock. The principal address of Morgan Stanley is 1585 Broadway, New York, New York 10036.

(18) According to a Schedule 13G/A filed on February 14, 2014 Wellington Management Company, LLP owns 3,072,392 shares of our common stock. The principal address of Wellington Management Company, LLP is 280 Congress Street, Boston, Massachusetts 02210.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In addition to the compensation arrangements, including employment, termination of employment and change in control arrangements and indemnification arrangements, discussed, when required, in the section titled "Executive Compensation," the following is a description of each transaction since January 1, 2013 and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amount involved exceeded or exceeds $120,000; and
- any of our directors, executive officers, or holders of more than 5% of our capital stock, or any immediate family member of, or person sharing the household with, any of these individuals, had or will have a direct or indirect material interest.

Transition Agreement

We entered into a transition agreement and release with Sami Inkinen, our former President, dated March 28, 2012. The agreement provides that Mr. Inkinen's employment terminated on March 31, 2012 and in consideration for executing a release, Mr. Inkinen received: (1) continuing payments of his then-current base salary for six months; (2) continued eligibility to receive the rollover bonus described above on a pro-rated basis, subject to achievement of the 2012 performance measures; (3) reimbursement for mobile phone, voice, and data service expenses, up to $200 per month, for six months; and (4) COBRA reimbursements for a period of six months, or until Mr. Inkinen has secured other employment and has become eligible for health benefits from such new employer, whichever occurs first.

As a part of the transition agreement, Mr. Inkinen agreed to continue to serve as a member of our board of directors until at least December 31, 2013. We will reimburse Mr. Inkinen for reasonable travel and other incidental expenses approved by us related to director service, so long as Mr. Inkinen provides us with appropriate receipts or other relevant documentation.

Letter Agreements

In January 2012, we entered into a letter agreement with Gregory Waldorf confirming his agreement to serve as the lead independent director of our board of directors. Pursuant to the letter agreement, in February 2012, our board of directors granted to Mr. Waldorf a stock option to purchase 24,500 shares of common stock at a price per share of $6.81, which was the fair market value of our common stock on the date of grant. The stock option granted to Mr. Waldorf is fully vested. In addition, pursuant to the letter agreement, we also paid Mr. Waldorf a cash bonus of $25,000 in April 2012, and agreed to reimburse him for reasonable travel and incidental expenses that we approve. Additionally, in July 2012, our board of directors granted to Mr. Waldorf a stock option to purchase 24,500 shares of common stock at a price per share of $16.53, which was the fair market value of our common stock on the date of grant. The stock option granted to Mr. Waldorf is fully vested.

In May 2012, we entered into a letter agreement with Erik Bardman confirming his agreement to serve on our board of directors and as the chairman of our audit committee. Pursuant to the letter agreement, our board of directors granted to Mr. Bardman a stock option to purchase 24,500 shares of our common stock at a price per share of $13.32, which was the fair market value of our common stock on the date of grant. The stock option granted to Mr. Bardman is fully vested.

Investor Rights Agreement

On May 8, 2008, we entered into a Third Amended and Restated Investor Rights Agreement with the holders of our outstanding convertible preferred stock, including entities affiliated with Accel Partners, Fayez

Sarofim Investment Partnership, and Sequoia Capital, which each held more than 5% of our outstanding capital stock at the time of our initial public offering, and Peter Flint and Sami Inkinen, our co-founders. As of February 24, 2014, the holders of an aggregate of 2,795,920 shares of our common stock are entitled, under contracts providing for registration rights, to require us to register shares of our common stock owned by them under the Securities Act of 1933, as amended.

Executive Confirmatory Employment Letter and Offer Letter Agreements

We have entered into confirmatory employment letter and offer letter agreements with certain of our executive officers. See the section titled "Executive Compensation—Executive Confirmatory Employment Letter and Offer Letter Agreements" for more information regarding these agreements.

Other Transactions

We have granted stock options to our executive officers and certain of our directors. See the sections titled "Executive Compensation—2013 Grants of Plan-Based Awards" and "Board of Directors and Corporate Governance—Non-Employee Director Compensation" for a description of these options.

We have entered into change in control arrangements with certain of our executive officers that, among other things, provide for certain severance and change in control benefits. See the section titled "Executive Compensation—Potential Payments upon Termination or Change in Control" for more information regarding these agreements.

Other than as described above under this section titled "Certain Relationships and Related Party Transactions," since January 1, 2013, we have not entered into any transactions, nor are there any currently proposed transactions, between us and a related party where the amount involved exceeds, or would exceed, $120,000, and in which any related person had or will have a direct or indirect material interest. We believe the terms of the transactions described above were comparable to terms we could have obtained in arm's-length dealings with unrelated third parties.

Policies and Procedures for Related Party Transactions

The audit committee has the primary responsibility for reviewing and approving or disapproving "related party transactions," which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed $120,000 and in which a related person has or will have a direct or indirect material interest. We have adopted a policy regarding transactions between us and related persons. For purposes of this policy, a related person is defined as a director, executive officer, nominee for director, or greater than 5% beneficial owner of our common stock, in each case since the beginning of the most recently completed year, and their immediate family members. Our audit committee charter provides that the audit committee shall review and approve or disapprove any related party transactions.

OTHER MATTERS

Section 16(A) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires that our executive officers and directors, and persons who own more than 10% of our common stock, file reports of ownership and changes of ownership with the SEC. Such directors, executive officers, and 10% stockholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file.

SEC regulations require us to identify in this proxy statement anyone who filed a required report late during the most recent year. Based on our review of forms we received, or written representations from reporting persons stating that they were not required to file these forms, we believe that during 2013, all Section 16(a) filing requirements were satisfied on a timely basis, except that one form to report exercise of options for Mr. Levine and one form to report the exercise and same day sale of options for Mr. Farnedi were filed late because of an inadvertent administrative error. Such late filings did not result in any liability under Section 16(b) of the Securities Exchange Act of 1934, as amended.

2013 Annual Report and SEC Filings

Our financial statements for the year ended December 31, 2013 are included in our annual report on Form 10-K, which we will make available to stockholders at the same time as this proxy statement. Our annual report and this proxy statement are posted on our website at www.trulia.com and are available from the SEC at its website at www.sec.gov. You may also obtain a copy of our annual report without charge by sending a written request to Investor Relations, Trulia, Inc., 116 New Montgomery Street, San Francisco, California 94105.

* * *

The board of directors does not know of any other matters to be presented at the Annual Meeting. If any additional matters are properly presented at the Annual Meeting, the persons named in the enclosed proxy card will have discretion to vote shares they represent in accordance with their own judgment on such matters.

It is important that your shares be represented at the Annual Meeting, regardless of the number of shares that you hold. You are, therefore, urged to vote by telephone or by using the Internet as instructed on the enclosed proxy card or execute and return, at your earliest convenience, the enclosed proxy card in the envelope that has also been provided.

THE BOARD OF DIRECTORS

San Francisco, California
April 22, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT 1934**

For the fiscal year ended December 31, 2013

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 001-35650

Trulia, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**20-2958261**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

116 New Montgomery Street, Suite 300
San Francisco, California 94105
(Address of principal executive offices) (Zip Code)

415.648.4358
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value $0.00001 per share	**The New York Stock Exchange**
(Title of each class)	**(Name of each exchange on which registered)**

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act: Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of voting stock held by non-affiliates of the registrant was $650,347,273, as of the end of the registrant's second fiscal quarter (based on the closing sales price for the common stock on the New York Stock Exchange on June 28, 2013). Shares of common stock held by each executive officer, director, and holder of 5% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of February 20, 2014, 36,823,070 shares of the registrant's common stock, $0.00001 par value, were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for its 2014 Annual Meeting of stockholders are incorporated by reference in Part III of this Annual Report on Form 10-K where indicated. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended December 31, 2013.

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Trulia Inc.

Annual Report on Form 10-K

For the Fiscal Year Ended December 31, 2013

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As used in this Annual Report on Form 10-K, the terms "the Company," "we," "us" and "our" refer to Trulia, Inc., unless the context indicates otherwise.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this Annual Report on Form 10-K include, but are not limited to, statements about:

- our future financial performance, including our revenue, cost of revenue, gross profit or gross margin, operating expenses, ability to generate positive cash flow, and ability to achieve and maintain profitability;
- the sufficiency of our cash and cash equivalents to meet our liquidity needs;
- our ability to increase the number of consumers using our website and mobile applications;
- our ability to attract and retain real estate professionals that subscribe to our products;
- our ability to increase revenue from real estate professionals subscribing to our products;
- our ability to attract and retain advertisers that purchase display advertising on our website;
- the continued availability of home listing and other information relevant to the real estate industry;
- the growth in the usage of our mobile applications and our ability to successfully monetize this usage;
- our ability to develop and deploy new features and products and provide a superior user experience;
- our ability to foster the growth of user-generated content;
- our ability to capitalize on strategic and adjacent opportunities;
- our ability to achieve the anticipated benefits of the Market Leader acquisition;
- our ability to effectively integrate acquired businesses, such as Market Leader;
- the effects of the market for real estate and general economic conditions on our business; and
- the attraction and retention of qualified employees and key personnel.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Annual Report on Form 10-K.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Annual Report on Form 10-K primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors described in the section titled "Risk Factors" and elsewhere in this Annual Report on Form 10-K. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Annual Report on Form 10-K. We cannot assure you that the results, events, and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this Annual Report on Form 10-K relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Annual Report on Form 10-K to reflect events or circumstances after the date of this Annual Report on Form 10-K or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

PART I

Item 1. *Business*

Overview

Trulia is redefining the home search experience for consumers and changing the way that real estate professionals build their businesses. Our marketplace, delivered through the web and mobile applications, gives consumers powerful tools to research homes and neighborhoods and enables real estate professionals to efficiently market their listings and attract new clients. We believe we deliver the best home search experience by combining our superior user interface with our comprehensive database of real estate properties, local insights, and user-generated content. We also offer a comprehensive suite of free and subscription products that provide real estate professionals with access to transaction-ready consumers and help them to grow and manage their online presence. In the year ended December 31, 2013, we had 38.8 million monthly unique visitors. As of December 31, 2013, we had more than 437,000 active real estate professionals in our Trulia marketplace and 157,000 active real estate professionals using our Market Leader software and services. Approximately 59,700 of these real estate professionals were paying subscribers (assuming 20% overlap between Trulia subscribers and Marker Leader's premium subscribers).

We empower consumers to make more informed housing decisions by delivering unparalleled insights and information on homes, neighborhoods, and real estate professionals through an intuitive and engaging user experience. Our large, continually refreshed, and searchable database contains more than 113.2 million properties, including 4.0 million homes for sale and rent. We supplement listings data with local information on schools, crime, and neighborhood amenities to provide unique insights into each community. In addition, we harness rich, insightful user-generated content from our active community of contributors, which includes consumers, local enthusiasts, and real estate professionals. With more than 11.8 million unique user contributions, we believe we have the largest collection of user-generated content on homes, neighborhoods, and real estate professionals.

We enable real estate professionals to better promote themselves and their listings, connect with transaction-ready consumers and manage ongoing relationships with potential buyers through our online and mobile marketing products, including personalized, customer-branded websites with multiple listing service integration that are optimized to generate consumer response. Our free products allow real estate professionals to build their personal brand by creating an online profile, contributing content to our marketplace, leveraging social media for endorsements, and establishing their presence through mobile features such as "check-ins." Our subscription products provide a comprehensive end-to-end platform for real estate professionals, enabling them to increase their visibility, promote their listings in search results, target mobile users, generate more highly qualified leads from our large audience of transaction-ready consumers, and effectively manage these leads until a transaction has closed. We further enable real estate professionals to cultivate clients and leverage a library of sales and marketing materials in order to design, create, publish, and manage their own personalized marketing campaigns through our proprietary customer relationship management products. We believe that our consumer audience is highly motivated and ready to purchase homes, as supported by our surveys conducted between January 2013 and December 2013 in which 77% of over 485,000 respondents contacting real estate professionals through our marketplace indicated that they are planning to move in the next six months, and 44% of over 348,000 respondents stated that they are pre-approved for a mortgage. We believe that the combination of our compelling solution with our transaction-ready audience results in a high return on investment for real estate professionals who purchase our subscription products.

We are a leading mobile platform for the home search process and mobile devices are increasingly critical to consumers and real estate professionals. We have introduced iPhone, iPad, Android Phone, Android Tablet and Kindle Fire applications that provide tailored mobile experiences, which has led to rapid growth in the mobile use of our solution. In the year ended December 31, 2013, our aggregate mobile monthly unique visitors were 14.3 million across Trulia and our wholly owned subsidiary Market Leader, Inc., of which Trulia had over 13.0 million mobile monthly unique visitors, an increase of 92% over 2012. Our mobile users are more likely than our web users to contact real estate professionals through our marketplace.

Our online marketplace is experiencing rapid growth. Monthly unique visitors to our marketplace increased to 38.8 million in the year ended December 31, 2013 from 23.1 million in the year ended December 31, 2012, or a 68% increase, and our subscribers increased to approximately 59,700 (assuming a 20% overlap with Market Leader's premium subscribers) as of December 31, 2013 from 24,443 as of December 31, 2012, a 144% increase. We expect that our efforts to maintain or increase consumer traffic and subscribers are likely to include, among other things, significant increases to our marketing spending and significant expenditures to increase the number of our engineering and product development personnel. For example, we recently announced a national marketing campaign that is designed to attract serious home buyers and sellers to our marketplace and that we expect will enable us to connect even more transaction-ready consumers with real estate professionals.

We generate revenue primarily from sales of subscription products to real estate professionals. We also generate revenue from display advertising sold to leading real estate and consumer brand advertisers seeking to reach our attractive audience. For the years ended December 31, 2013, 2012 and 2011, we generated revenue of $143.7 million, $68.1 million and $38.5 million, respectively. During the same periods, we had net losses of $17.8 million, $10.9 million and $6.2 million, respectively.

Industry and Challenges

The residential real estate industry, which we estimate accounts for more than a trillion dollars in annual spending in the United States, is undergoing a profound transformation. Technology is changing the way that consumers search for homes and the way in which real estate professionals attract clients and build their businesses. In addition, as the U.S. housing market recovers from its recent unprecedented downturn, real estate professionals are seeking more effective ways to market themselves and achieve a greater return on their marketing investment. These trends present significant opportunities to capitalize on shifts in behavior.

Historically, consumers lacked readily available access to detailed and comprehensive information essential to making housing decisions, relying instead on disparate sources of information such as real estate professionals, local newspapers, and word of mouth. Over time, more information has become available online and, as a result, the Internet has become a primary source of research for housing decisions. According to a November 2012 survey by the National Association of Realtors, a trade organization for real estate professionals, 90% of home buyers used the Internet to research homes. Additionally, the use of mobile devices for home searches has become more prevalent. According to a 2012 survey by The Real Estate Book, a real estate website, 52% of respondents reported using a mobile device to look for homes, with 85% of non-users stating that they would consider using a mobile device for their next search.

As consumers increasingly research homes online, real estate professionals are shifting their marketing expenditures online to reach prospective clients. While initially these real estate professionals focused their spending on email, search, and creating websites with listings, now these professionals are increasingly using online real estate marketplaces to generate leads and using technology to manage their businesses.

With technology driving the home search process online, consumers, real estate professionals, and advertisers face distinct challenges. Consumers are challenged to effectively compile and use fragmented information, gain local insights, and obtain information on the go. Real estate professionals are challenged to reach today's online consumers, target the right leads, manage their businesses while on the go, and optimize their marketing spend. Advertisers are challenged to efficiently reach the right consumers while maximizing the effectiveness of their advertising.

Market Opportunity

We believe that there are significant opportunities to address the challenges faced by consumers, real estate professionals, and advertisers. Borrell Associates, Inc., an advertising research and consulting firm, estimated in a September 2013 industry paper that $27.3 billion would be spent in 2013 on real estate-related marketing in the United States. According to a November 2012 survey by the National Association of Realtors, 90% of home

buyers used the Internet to research homes. However, according to the Borrell Associates report, only 55.8% of the real estate marketing dollars in the United States were projected to be spent online in 2013. We believe that there is a disconnect between where marketing dollars are spent and where consumers research homes. Therefore, we expect that real estate-related marketing spend will continue to migrate online from traditional channels.

The Trulia Marketplace

Our marketplace provides the following key benefits for consumers, real estate professionals, and advertisers:

Key benefits for consumers

- *Large, continually refreshed, searchable database of homes for sale and rent.* We provide consumers with access to a large, continually refreshed, and searchable database of properties. We enable consumers to customize their searches with property-specific filters to obtain up-to-date listings that are rich with property facts, price, and sale data.
- *Trusted insights, social recommendations, and proprietary analytics that provide local context.* We provide consumers with local insights, critical to a successful home search, not available elsewhere on an easy-to-use and comprehensive basis. These insights include information about schools, crime, neighborhood amenities, and real estate professionals.
- *Anytime and anywhere access*. Our marketplace is accessible anytime and anywhere on the web and on major mobile platforms. Since the introduction of our first mobile application in 2008, mobile use of our marketplace has grown rapidly.

Key benefits for real estate professionals

- *Broad reach to transaction-ready consumers.* We provide real estate professionals the ability to connect with our large audience of transaction-ready consumers at scale on the web and through our mobile applications. We believe that a large portion of consumers using Trulia do not use our primary competitors' websites, and that this enables real estate professionals on Trulia to effectively identify and market themselves to consumers not easily found anywhere else.
- *Products that boost presence and deliver high-quality leads*. Our free products enable real estate professionals to create and manage an online profile, promote their personal brand with consumers by contributing content to our marketplace, and leverage social media for endorsements. Our subscription products enable real estate professionals to boost their visibility, promote their listings in search results, and generate more high-quality leads from potential home buyers.
- *Comprehensive end-to-end software-as-a-service-based marketing services*. We provide software-as-a-service customer relationship management (CRM) tools, personalized websites and marketing tools to help our real estate professional customers manage and cultivate prospects. By automating many of the repetitive tasks that are required in order to follow up and communicate with potential clients, these tools allow our customers to focus on transacting their current business while efficiently marketing their services to potential clients, maintaining a pipeline of future business opportunities.
- *Anytime and anywhere access to critical information and tools*. We offer mobile applications designed specifically for real estate professionals to take their business on the go. Using our mobile applications, real estate professionals can access critical information that they need to conduct their business, including listings details, contacts, driving directions, and local information about neighborhoods.
- *Significant return on investment*. We believe that our subscription products deliver a high return on investment to real estate professionals.

Key benefits for advertisers

- *Attractive audience*. We believe our audience is highly attractive to consumer brand advertisers. A substantial portion of our audience is either college educated, has a household income above $75,000, or is in the 25 to 54 age group. U.S. consumers with these characteristics tend to spend more of their annual income on home maintenance, insurance, household furnishings, apparel and services, and entertainment than the average consumer, according to the Bureau of Labor Statistics 2012 Consumer Expenditure Survey, which makes our audience attractive for consumer brand advertisers.
- *Display advertising products that efficiently reach target consumers*. We enable our advertisers to reach segments of our audience that are attractive to them. Advertisers benefit from improved reach, impact, relevancy, and measurement of their marketing campaigns in our marketplace.

Our Strengths

We believe that our competitive advantage reflects the following strengths:

- *Empower customers by delivering unparalleled insights and a superior user experience.* We are one of the leading online real estate marketplaces and provide consumers with powerful tools and unique content that together deliver valuable insights into homes, neighborhoods, and real estate professionals. For example, our crime heat maps provide consumers with a view into neighborhood safety and our Facebook integration gives consumers recommendations on real estate professionals from people in their social network. We invest significant resources into technology development and product design to create a superior user interface that provides compelling features and rich functionality for our users.
- *Most Comprehensive Platform for Real Estate Professionals*. We believe we have the most comprehensive, end-to-end platform for real estate professionals to grow and manage their businesses. We provide innovative lead generation products for real estate professionals to market themselves to consumers and generate new business. We also provide an integrated software platform with powerful analytics though which real estate professionals cultivate these leads and turn them into transactions. Moreover, we provide this comprehensive platform at scale, servicing five of the ten largest brokers and three of the largest real estate franchises in the United States.
- *Large, differentiated, transaction-ready audience*. Our website and mobile applications have attracted 38.8 million monthly unique visitors in the year ended December 31, 2013 and, based on data from comScore, Inc., a marketing research company, a significant portion of our visitors do not visit our primary competitors' websites. For instance, according to comScore, during each month in 2013 and 2012, more than 45% and 54%, respectively, of our audience did not visit Zillow.com. We believe that our audience is highly motivated and ready to purchase homes, as supported by our surveys conducted between January 2013 and December 2013 in which 77% of over 485,000 respondents contacting real estate professionals through our marketplace are planning to move in the next six months, and 44% of over 348,000 respondents stated that they are pre-approved for a mortgage.
- *Strong mobile monetization*. We believe that we are one of the few companies that is monetizing its mobile products at a higher rate than web products. Since we launched our subscription product for mobile devices in May 2012, we have sold this product at prices that yield a higher average monthly revenue per subscriber than our subscription products that are not focused on mobile devices. In addition, our users are more likely to contact real estate professionals through our mobile applications than our website.
- *High ROI for real estate professionals*. We believe our subscription products provide compelling value and a better return on investment than other marketing channels. On average, during the year ended December 31, 2013 paying subscribers received more than nine times the number of monthly leads compared to real estate professionals who only used our free products.
- *Powerful network effects driven by unique content*. We benefit from a self-reinforcing network effect that helps build our brand, drives user engagement in our marketplace, and attracts more users to our

website and mobile applications. Consumers post questions in our marketplace, attracting real estate professionals who add more content by answering these questions, which in turn attracts more consumers to our marketplace.

- *Big data and analytics platform*. We employ proprietary advanced analytics and heuristics capabilities to aggregate, filter, and analyze large amounts of data from disparate sources that we have cultivated over the years. Our expertise in handling large amounts of externally-sourced data and combining it with user activity data collected from our marketplace allows us to improve the user experience by developing innovative new tools and new functionality.

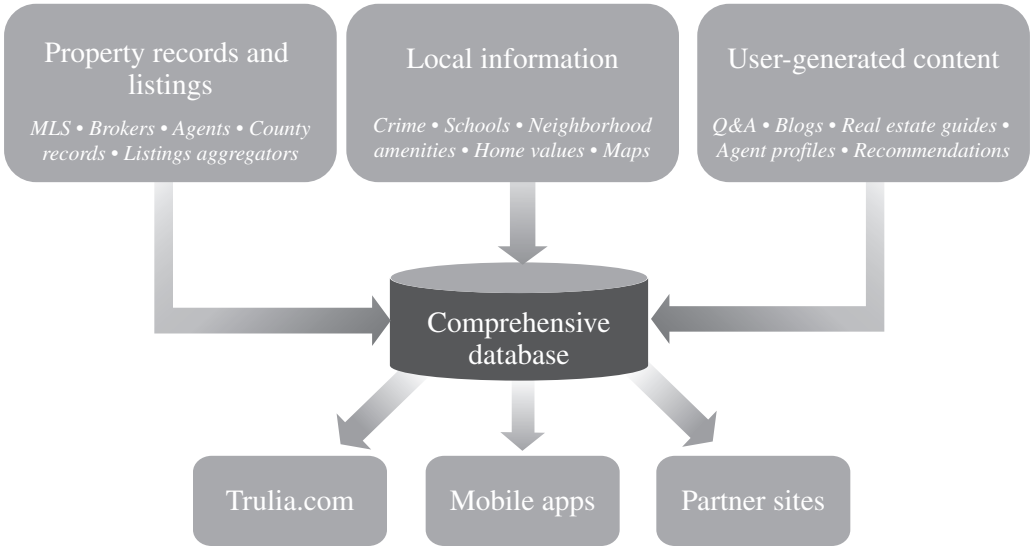
Our Strategy

Our goal is to build the leading online real estate marketplace. We intend to focus on the following key strategies in pursuit of our goal:

- *Expand our audience and increase user engagement*. We intend to grow our large, transaction-ready audience by expanding our marketing efforts to consumers who are in the market and ready to move and by continuing to offer superior products for consumers. We plan to launch a multi-channel marketing campaign in 2014 to drive increases in audience and user engagement. We plan to continuously enhance and refresh our database of homes, partner with third parties to add new and relevant local content, and encourage our users to contribute useful content. We also plan to develop new features and tools that deepen our users' engagement with our website and mobile applications, and to promote and foster interaction in our vibrant user community.
- *Grow the number of real estate professionals in our marketplace*. We intend to further penetrate the large base of more than 2.8 million real estate professionals in the United States by communicating the value proposition of our free and subscription products, growing our audience of transaction-ready consumers, and creating additional products.
- *Increase revenue*. We plan to increase our revenue by selling more subscription and advertising products and by optimizing our pricing.
- *Increase brand awareness*. We plan to launch a multi-channel marketing campaign in 2014 to drive awareness of our brand, especially among consumers in the market ready to move. We also plan to continue to grow our brand by providing our users with superior and innovative products.
- *Pursue strategic opportunities*. We plan to pursue acquisitions of complementary businesses and strategic partnerships to help us execute on and accelerate our growth plans.
- *Pursue adjacent opportunities*. We plan to pursue opportunities in a number of large adjacent markets, such as rentals, mortgages, home improvement, and agent tools, and to expand our business internationally.

Data

Management of data is a critical component of our solution. We manage over one terabyte of data on a daily basis. For Trulia.com, our Trulia mobile applications and our Trulia partner network, the graphic below illustrates how we organize data as listings data, local information, and user-generated content:



Listings data

We refresh and supplement the Trulia listings database of over 113.2 million properties and for sale and for rent listings with data we receive from thousands of feeds on a daily basis. We receive feeds covering millions of new and existing for sale and for rent listings every day from MLSs, real estate brokerages, real estate agents, real estate listings aggregators, and other third parties. We also obtain detailed ownership and property data from vendors who collect and digitize information from public county records.

We process this wealth of data through our proprietary algorithms and heuristic data validation engine to sort, augment, and select the most up-to-date and accurate data to display. As a next step, we apply our search logic to the data, and overlay additional local information on schools, crime, neighborhood amenities, home values, and other community information. The final product is a complete profile of a property or listing with property facts, price data, local information, and agent contact information, which we publish in our marketplace in an intuitive and engaging user experience.

In addition, for our Market Leader solutions, we process data feeds from approximately 500 multiple listing services to populate the more than 126,000 real estate professional websites we host.

Local information

We inform consumers on what it is like to live in a neighborhood by delivering insights on schools, crime, neighborhood amenities, commute times, home values, historical earthquake, flood and other natural disaster data, and other community information.

- *Schools.* We provide information on schools by district, type, parent reviews, and ratings, which is based on data that we receive from third parties. We overlay this information onto our maps and color code the data points with a sliding color scale to differentiate between schools with low, medium, or high ratings.

- *Crime.* We receive raw data from third parties about the occurrence, type, location, and description of non-violent and violent crime. We conduct proprietary analysis on the data and aggregate our findings into a tabular format or into our proprietary crime heat map. Our crime heat map provides an overview, visualized through a sliding color scale of the incidence of crime in the area and highlights in callout text boxes the number of violent crimes in the area.
- *Enhanced map visualizations of natural disasters*. We enable consumers to view historical earthquake and flood data, allowing them to assess the risk of these natural disasters on a block-by-block level. We also provide interactive natural hazard maps pinpointing areas across the United States that are prone to hurricanes, wildfires, and tornadoes. With these maps, users are able to visualize where their dream home is located relative to where natural hazards have hit. Our map visualizations are also fully integrated into our mobile offerings.
- *Neighborhood amenities*. We provide the location, names, and ratings of nearby restaurants, grocery stores, banks, and gas stations on our maps based on data that we receive from Yelp.
- *Home values.* Based on our analysis of the sales records and property information in our database, we have developed market- and local-level views of the trends in price, number of sales, and number of listings by property type and location, which we publish on our listings pages and on the *Local Info* section of our website in interactive chart formats and in our proprietary heat map format.
- *Other community information.* We analyze data from the U.S. Census Bureau to provide users with information on how the median household and family income, age of homes, and commute times of a neighborhood compare to those of the city.

Additionally, we have an agreement with Google to use its basic maps, over which we integrate our proprietary insights.

User-generated content

The user-generated data in our marketplace is organized under the *Advice* section of our website by type of content, questions and answers, blogs, real estate guides, and along topics relevant to our audience such as local information, tips on home buying and selling, and observed market trends. We also allow real estate professionals to publish their own profile and receive recommendations from their clients under the *Find an Agent* section of our website.

The content in our marketplace is generated by our vibrant community of users. Users can vote on the quality of content using our “thumbs up” or “thumbs down” icons and can follow the voting results. Additionally, users can “flag” inappropriate content on our site, which is escalated to our Trulia community team whose enforcement actions follow the terms and conditions for user-submitted content as published on our website.

Our Products for Consumers

Our products for consumers focus on helping them find the right home. Our consumer products are offered for free and provide a robust set of tools for evaluating where to live.

Searchable database

Search

We maintain one of the largest searchable databases of homes for sale and rent in the United States. Our database includes more than 113.2 million properties with 4.0 million listings of homes for sale and rent. We provide users with the ability to search our database along a variety of parameters as described below:

All Properties	Sale properties only	Rentals only	Sold properties only
City	Open houses	Pets	Time since sale date
Bedrooms	Year built	Amenities	
Bathrooms	Lot size		
Price range	Foreclosure type		
Square footage	MLS ID		
Property type Keyword search	Price per square foot		

Our users can customize their search along as few or many features as they prefer and by keyword search of specific property attributes. From our search results, users have access to the detailed data on each home in our database, photos of the home, and the for sale or for rent listing information.

Additionally, we enhance our users' experience by giving them the choice to display their search results in listings or map formats. The map format provides the added functionality of polygonal search, which enables users to delineate the precise area of their searches. We offer products that further enhance our users' experience with visually impactful maps, graphics, and photos of homes and neighborhood characteristics.

Trulia Estimates

Trulia Estimates is our estimate of an off-market property's value based on our proprietary analysis of relevant home data such as recent sales of similar homes and property facts. This search function allows users to conduct a precise search by street address to find our estimate of the value of that home. Additionally, home owners may claim their home in our database and edit their home's specific facts and details so that our proprietary system can revise its estimated value.

Rich insights and content

We provide users with rich insights and content that are critical to a successful home search and that cannot be discovered through home listings data alone. We deliver these insights through the following products:

- *Local Info*. We aggregate local data from a variety of sources and make it more useful to our consumers through Google Maps overlays using our proprietary data visualization tools. These types of local insights include crime heat maps, historical earthquake, flood and other natural disaster data maps, school boundary and performance statistics, local amenity location and reviews through our integration with Yelp, and commute information.
- *Advice*. We provide our users with insights on homes, neighborhoods, and real estate professionals based on the advice generated by our active community of contributors. Users of our marketplace can post questions and receive answers in the *Trulia Voices* portion of our website and also scour the collection of advice columns and blogs that other users post. With over 11.8 million unique user contributions and over 1.1 million topics discussed on *Trulia Voices*, we believe we have amassed the largest online collection of user-generated content in the U.S. residential real estate market. This gives our users access to the insights of consumers, local enthusiasts, and real estate professionals who are knowledgeable about the neighborhoods in which our users are searching.
- *Find an Agent*. We provide consumers with a directory that includes more than 1.0 million real estate professionals that is searchable by location, name, and type of professional. Our platform integrates

with Facebook to leverage the power of social networks for clients to recommend real estate professionals and for real estate professionals to take advantage of online "word of mouth" referrals. For example, a consumer searching for a real estate agent in our marketplace can quickly find whether someone in their social network has recommended an agent in a particular area in which they are looking.

- *Value information*. Each property detail page features information and analytics on the property value, including price comparisons of similar properties based on median home sale data by neighborhood, zip code and city, price history and trends, and property taxes based on assessed property values. We believe this information helps users better assess the value of the property beyond what can be gleaned from price data alone.
- *Mortgage*. Given the significant cost of a home purchase, we provide our users with guides on how to finance their purchase, information on mortgage rate trends, and calculators to determine their estimated mortgage payment based on the rates and terms quoted.

Mobile

Our products are accessible anytime and anywhere online and on mobile devices. We provide the following differentiated Trulia mobile applications for consumers on several major mobile platforms and devices:

- *m.trulia.com*: A mobile-optimized website accessible on mobile device browsers
- *Real Estate App*: Our full-featured Trulia real estate mobile application, available on iPhone, iPad, Android Phone, Android Tablet and Kindle Fire.
- *Rental App*: Our mobile application optimized for users looking to rent a home, which is available on iPhone, iPad, Android Phone, Android Tablet and Kindle Fire, and provides a mobile offering customized to the needs of our rapidly growing rentals audience.
- *Agents App*: Our mobile application optimized for real estate professionals, available on iPhone and Android Phone.
- *Mortgage App*: Our mobile application optimized for users looking for mortgage information, available on iPhone and iPad.

Our Products for Real Estate Professionals

We sell three sets of products to real estate professionals on a subscription basis. The first set of products enables real estate professionals to promote themselves to potential buyers or sellers by targeting a local market area. Real estate professionals purchase subscriptions to these products for their desired city or zip code, at a fixed monthly price, for periods ranging from one month to one year, with pricing depending on demand, location, and the percentage of market share purchased or estimated number of leads. These products include:

- *Trulia Local Ads*. Real estate professionals can purchase local advertising on Trulia's website by zip code or city and by share of a given market. This functionality enables them to enhance their presence in their chosen market and generate more leads.
- *Trulia Mobile Ads.* Real estate professionals can purchase local advertising on our mobile applications and mobile website by zip code and by share of a given market. This functionality enables them to feature their profile and contact information on search results and listings, thereby enhancing their visibility with transaction-ready consumers.
- *Trulia Seller Ads.* Real estate professionals can purchase differently priced *Trulia Seller Ads* packages to generate leads from consumers interested in selling their homes. This functionality enables them to market directly to sellers through a free home value report that features the real estate professional and includes useful valuation information, such as price history and comparable homes sold.

Our second set of products allows real estate professionals to receive prominent placement of their listings in our search results. Real estate professionals sign up for new subscriptions to this product at a fixed monthly price for periods that generally range from 1 month to 24 months. This set of products includes:

- *Trulia Pro*. Real estate agents can purchase one of three differently priced *Trulia Pro* packages to enhance their online presence, feature their listings in search results, and interact with potential clients more effectively. Benefits include enhanced lead generation, greater local lead rotation, featured listings, robust property pages, detailed contact information in search results, instant leads via mobile, and integrated recommendations with Facebook. We provide similar products to real estate brokers under the name *Premium Listings*.

Our third set of products is our comprehensive software-as-a-service that allows real estate professionals to manage and cultivate clients and potential clients by automating daily tasks and efficiently marketing their services. We charge real estate professionals subscription fees for our software-as-a-service products. We also generate revenue through enterprise marketing agreements with real estate franchise networks. We provide a base level software-as-a-service product to all agents and/or brokerages in these franchise networks in exchange for certain minimum payments from the real estate franchise networks. We also generate revenue through the sale of premium software and marketing products to individual agents, teams and brokerage offices within these real estate franchise networks.

With our software-as-a-service-based marketing products, we offer a bundle of services that may include some or all of the following:

- Software-as-a-service, including customer relationship management (CRM) tools, personalized websites, marketing tools, and content designed to help real estate professionals build online relationships with prospective home buyers and sellers.
- Marketplace products that utilize our advertising expertise and leverage our national real estate websites to produce leads in the local neighborhoods where real estate professionals do business.
- Community and training services that enable real estate professionals to share and learn best practices to help them close more business with consumers.

We also offer real estate professionals a set of free products that allows them to promote themselves and their listings online and to connect with consumers searching to buy or sell homes. Our free products include:

- *Property listings*. We offer real estate professionals the ability to reach a large, transaction-ready audience and the potential to acquire leads by listing their properties in our marketplace for free.
- *Mobile application.* We have developed an *Agent App* for the iPhone and Android Phone that enables real estate professionals to manage their businesses anytime and anywhere.
- *Agent profile.* Agents can create their own profile in our marketplace by posting contact information, photos, and qualifications, and can manage their brand by linking their profile to their activity on our forums and to Facebook. Agent profiles are posted on the *Find an Agent* section of our website.
- *Communities.* Through our *Trulia Voices* forum and our *Active Rain* network, we enable real estate professionals to promote their presence by allowing them to connect meaningfully with consumers, network with other professionals, follow topics of interest to their audience, receive updates on neighborhoods, and broadcast their thoughts on our blogging platform.
- *Recommendations.* We have built social search functionality into our *Find an Agent* database of agent profiles where users can sort agent profiles by number of recommendations. Additionally, real estate professionals can publish their recommendations on their Facebook Wall through integration with Facebook Connect.
- *Check-ins.* Our real estate professionals can “check-in” on the Trulia mobile agent application to establish their presence at a property.

- *Agent training and advice blogs.* We publish two blogs, *Trulia Pro* and *Trulia Corporate*, written by real estate industry experts with whom we partner to provide tips, advice, and education for buyers, sellers, and renters.
- *Tools and widgets.* We offer real estate professionals a number of tools and widgets that they can incorporate into their personal websites to display local real estate information such as a slideshow widget to play photos of properties or a widget to broadcast their contributions on *Trulia Voices* on their blog or website.

Our Products for Advertisers

We sell display media advertising on a cost-per-impression and cost-per-click basis to national advertisers seeking to reach the large and attractive audience for our online properties and those of our publisher partners. We display their advertisements on our home page and on individual web pages through graphical displays and text links, and help these customers optimize their advertisements' effectiveness through our robust targeting capabilities. We also offer display media advertising on our mobile website that is optimized for mobile device web browsers.

Seasonality

From time to time, we experience seasonality in subscription revenue and display advertising due to fluctuations in traffic to our website and mobile applications. During the fourth quarter of each year, traffic to our marketplace has historically declined and our revenue has historically grown more slowly than in other quarters or has declined sequentially. Conversely, we typically experience higher growth in traffic and revenue during the spring and summer months, when consumers are more likely to buy new homes. We expect that seasonality will continue to affect traffic in our marketplace, as well as our revenue from subscriptions and advertising.

We rely on advertising to attract consumers to our Market Leader websites and to generate traffic and leads on these websites. As a result, we are subject to seasonal fluctuations in advertising rates and marketing services. Changing consumer behavior at various times throughout the year affects our advertising expenses. We expect that seasonal fluctuations in advertising costs will affect our operating expenses, as well as our operating margins.

Technology and Engineering

Product development and innovation are core pillars of our engineering culture that aims to delight our users and customers with our products. We provide our web and mobile products using a combination of in-house and third-party technology and products.

Big data and proprietary algorithms. We have developed our technology platform to handle data at large scale. On a daily basis, we process several million home listings from thousands of data feeds through our proprietary algorithms and heuristic data validation engine to sort, augment, and select the most up-to-date and accurate data to display.

Infrastructure. We currently manage our www.trulia.com website and mobile applications from four locations. The primary location where we host our production environment, is within a shared data center in Santa Clara, California. We also placed into service a second hosted facility, located in Denver, Colorado in 2013, where we support our production environment and provide redundancy, backup, and load balancing. We use a third hosted facility, located in Oakland, California, for production service backup and for our development environment. Our website and mobile applications are designed to have high availability, from the Internet connectivity providers we choose, to the servers, databases, and networking hardware that we deploy. Our Market Leader operations are hosted in Bellevue, Washington, at co-location facilities in Kent, Washington and at other locations operated by third parties. We design our systems such that the failure of any individual

component is not expected to affect the overall availability of our platform. We also leverage content delivery networks and use other third-party cloud computing services, including map-related and ad serving services, to ensure fast and local access to content. We employ a host of encryption, antivirus, firewall, monitoring, and patch-management technology to protect and maintain our systems.

Innovation. In addition to our new product development efforts, we encourage technological advances by directing a portion of our engineering team's time towards organized innovation days. Each quarter, our product managers and engineers share ideas and experiments and recruit their peers to join their projects to bring a new concept to life. As progress is shared with the larger group, these new ideas receive additional input and product planning and are frequently the basis of new products and features we offer.

Agile methodology and quality focus. Our software development methodology is agile and promotes teamwork, collaboration, and process adaptability throughout the life cycle of a development project. We believe this methodology yields robust, high quality, efficient, and nimble software development. We also invest heavily in the quality of our technology with robust testing at each stage in our development process.

In June 2012, we entered into a Platform Services Agreement with Move Sales, Inc., or ListHub, which provides us with a substantial portion of the unique listings in our marketplace. This agreement supersedes our prior agreement with ListHub for the provision by ListHub of listings to us. Under the terms of this agreement, ListHub grants to us a nonexclusive license to display listings on our platform and use these listings for the purpose of providing real estate professionals with information relating to lead generation management and advertising products. This agreement contains a 48-month term and renews automatically for additional one year terms unless canceled upon the provision of 90 days prior notice by either party. This agreement is not cancelable by ListHub except in the case of material uncured breach by us or our filing for bankruptcy, insolvency or assignment for the benefit of creditors, or if a receiver is appointed on our behalf.

We maintain our primary technology infrastructure at a facility in Santa Clara, California maintained by Equinix Operating Company, Inc., or Equinix. Equinix provides data center space to us under the terms of a master service agreement. This agreement terminates on the earlier of the date that it is terminated by either party or the last order made under the agreement terminates or expires. This agreement is not cancelable by Equinix except in the case of material uncured breach by us, the suspension by Equinix three or more times during any twelve month period of its services pursuant to the terms of this agreement, our liquidation, cessation to do business or insolvency, or the condemnation of the physical space subject to this agreement.

Marketing

Our principal marketing strategy has been to develop a superior user experience that will drive audience growth and brand recognition. We have not historically spent significantly on marketing programs, but have focused on organic and viral growth driven by our user base. We currently expect that our marketing and product development expenses are likely to significantly increase as we seek to attract additional consumers and real estate professionals to our marketplace. For example, we recently announced plans to launch a multi-channel, national marketing campaign in 2014 to drive awareness of our brand, especially among consumers in the market ready to move. As our consumer audience has grown, real estate professionals have followed consumers to Trulia. We have also grown our brand among real estate professionals and the real estate industry through tradeshow participation, social engagement, and ongoing education via webinars, newsletters, and word of mouth.

In addition, our media outreach programs have been major drivers in growing our brand. We publish a series of blogs and actively use social media to share and spread content on a variety of topics to elevate our brand, including:

- *Trends in the real estate market.* We analyze publicly available data in combination with the rich data and content in our marketplace to create unique and proprietary insights on real estate trends, which we publish on our *Trulia Trends* blog. Our regularly published blogs and reports include:
  - *Trulia Price Monitor* and *Trulia Rent Monitor*. Our view on asking home sale and rent prices that is published monthly.
  - *Housing Barometer*. Our view of the state of the housing market that is published monthly.
  - *Rent vs. Buy*. Our analysis comparing the economics of renting versus buying that is published quarterly.
  - *Metro Movers*. Our observations of search trends for homes within the United States that is published quarterly.
  - *Foreign Buyers*. Our report on search trends for homes by people outside the United States that is published semi-annually.
  - *Consumer Surveys.* Our survey of consumers covering topics such as the "American Dream" of homeownership, attitudes about housing, and public policy that is published quarterly.

  These reports are used by, and our Chief Economist is quoted regularly in, major news outlets, including The Wall Street Journal, Bloomberg, The New York Times, Time Magazine, and U.S. News & World Report.
- *Advice for real estate professionals.* Our blogs for real estate professionals, *Trulia Pro* and *Trulia Corporate*, written by well-known real estate industry experts with whom we partner, elevate Trulia's brand awareness amongst the community of real estate professionals.
- *Celebrity and luxury homes. Luxe Living* is our blog dedicated to the latest developments on celebrity and luxury homes. This blog and its content have been featured on ExtraTV, E! News, US Weekly, The Los Angeles Times, and more.

We also cultivate our brand awareness through social media channels, such as Facebook and Twitter. We expect that our efforts to maintain or increase consumer traffic and subscribers are likely to include, among other things, significant increases to our marketing spending and significant expenditures to increase the number of our engineering and product development personnel.

Customers

Real estate professionals that pay for our subscription products include:

- Agents, who collaborate with consumers, seek leads, and manage transactions;
- Brokers, which recruit, train, and provide core real estate services to agents; and
- National real estate franchisors, which provide real estate services to franchisees to enable the growth of their brand.

The majority of our real estate professional subscribers are agents. As of December 31, 2013, we had more than 437,000 active real estate professionals in our Trulia marketplace and 157,000 active real estate professionals using our Market Leader software and services. Approximately 59,700 of these real estate professionals were paying subscribers (assuming a 20% overlap between Trulia subscribers and Market Leader's premium subscribers). A key focus of our sales and marketing activities has been to further penetrate the large

base of more than 2.8 million real estate professionals in the United States. If we are unable to increase the number of total subscribers in our marketplace, our revenue may not grow and our operating results could suffer.

Our advertising solutions are purchased by a diverse cross-section of brand advertisers that operate within the real estate ecosystem, and those that seek to reach our highly educated and affluent audience. In each of the years ended December 31, 2013, 2012, and 2011, the ten largest advertising partners for the respective period accounted for more than 65%, 63%, and 54%, respectively, of our media revenue.

No customer represented 10% or more of total revenue during the years ended December 31, 2013, 2012, and 2011. One customer accounted for 13.0% and 10.4% of our gross accounts receivable as of December 31, 2013 and 2012, respectively

Sales and Customer Support

We have dedicated sales teams that support our marketplace business and our display advertising business.

For our marketplace business, the majority of our sales are made by our inside sales team that sells our subscription products to real estate professionals. Our inside sales teams are located in our Bellevue, San Francisco, and Denver offices and attract new subscribers through a combination of outbound calling and inbound customer requests generated from our website and marketing activities. We also have a field sales team that sells our marketplace products at larger deal sizes to real estate brokers, franchisors, and builders.

For our display advertising business, we maintain a field sales team based in New York, to specifically target large advertising customers in the real estate and related content categories, such as insurance companies, mortgage providers, and home improvement companies, as well as other brand advertisers that seek to reach our audience. Our field sales team develops direct relationships with these advertisers and the agencies that serve them.

We place a high value on providing quality support to our users, marketplace subscribers, and advertisers. Our customer support team, based in Bellevue, San Francisco and Denver, responds to commercial and technical questions from our users and advertisers.

Competition

The markets in which we operate are highly competitive and fragmented. Consumers research homes through a variety of sources. Similarly, real estate professionals use a variety of marketing channels to promote themselves and find clients. Consequently, we face competition from a variety of direct and indirect channels, and we believe we compete favorably.

Competition for consumers

We compete to attract consumers to our websites and mobile applications primarily on the basis of the breadth and quality of listings; user experience; the breadth, depth, and relevance of the insights on homes, neighborhoods, and real estate professionals; brand and reputation; and the quality of mobile products.

Our principal competitors for consumers include:

- Print media, including local newspapers, magazines, and home/apartment guide publications;
- Online real estate marketplaces such as Homes.com, MSN Real Estate, Realtor.com, Yahoo! Real Estate, and Zillow.com;
- Online brokerage service providers such as Redfin and ZipRealty;
- MLSs across the United States;

- Full-service real estate brokerage service providers such as Century 21 and Coldwell Banker;
- Online rental listing providers such as ApartmentGuide.com, ApartmentList.com and Rent.com;
- General online classifieds such as Craigslist;
- Search engines such as Bing, Google, and Yahoo!; and
- Websites of real estate brokerages and individual agents.

Competition for real estate professionals

We compete for a share of real estate professionals' overall marketing spend with traditional, offline media, and other online marketing channels. We compete primarily on the basis of the size and attractiveness of the consumer audience; quality and measurability of leads; perceived return on investment; effectiveness of marketing and workflow tools; and quality of mobile products.

Our principal competitors for real estate professionals include:

- Print media, including local newspapers, magazines, and home/apartment guide publications;
- Other traditional media, including television and radio;
- Other online real estate marketplaces;
- Social networking services such as Facebook and Twitter;
- Search engines such as Bing, Google, and Yahoo!;
- Websites offering display advertising;
- Email marketing software and tools; and
- Providers of customer relationship management (CRM) software for real estate professionals.

Competition for advertisers

We face competition to attract advertisers to market their products on our website. The basis of competition includes size, demographics, and overall attractiveness of an audience; pricing; and the ability to target desired audience segments.

Intellectual Property

We protect our intellectual property through a combination of trademarks, domain names, copyrights, trade secrets, and patents, as well as contractual provisions and restrictions on access to our proprietary technology.

We registered "Trulia" and the Trulia marker logo as trademarks in the United States and several other jurisdictions. We also hold thirty-six registered trademarks registered in the United States and five trademarks registered in Canada associated with our Market Leader business. We also have filed other trademark applications in the United States and certain other jurisdictions, and will pursue additional trademark registrations to the extent we believe it would be beneficial and cost effective.

We have five patents registered and nine patent applications pending in the United States and internationally, which seek to cover proprietary techniques relevant to our products. We intend to pursue additional patent protection to the extent we believe it would be beneficial and cost effective.

We currently hold the "Trulia.com," "Marketleader.com," "Housevalues.com" and "RealEstate.com" Internet domain names and various other related domain names.

In addition to the protection provided by our intellectual property rights, we enter into confidentiality and proprietary rights agreements with our employees, consultants, contractors, and business partners. Our employees and contractors are also subject to invention assignment agreements. We further control the use of our proprietary technology and intellectual property through provisions in both our general and product-specific terms of use on our website.

Litigation or proceedings before the U.S. Patent and Trademark Office or other governmental authorities and administrative bodies in the United States and abroad may be necessary in the future to enforce our intellectual property rights, to protect our patent rights, trade secrets, and domain names and to determine the validity and scope of the proprietary rights of others. Our efforts to enforce or protect our proprietary rights may be ineffective and could result in substantial costs and diversion of resources, which could harm our business and operating results.

Employees

As of December 31, 2013, we had 1,036 employees, with 222 in technology, 710 in sales, marketing, and customer support, and 104 in general and administrative functions. We had 357 full-time employees in our San Francisco headquarters, 288 in our Denver location, 31 in our New York office, 349 in our Bellevue office and 11 of our employees work remotely. None of our employees is represented by a labor union with respect to his or her employment with us.

Additional Information

Trulia, Inc. was incorporated in Delaware in June 2005. Our principal executive offices are located at 116 New Montgomery Street, Suite 300, San Francisco, California 94105, and our telephone number is (415) 648-4358. Our website address is *www.trulia.com.* In addition, we maintain a Facebook page at *www.facebook.com/trulia* and a Twitter feed at *www.twitter.com/trulia*. Information contained on, or that can be accessed through, our website, Facebook page or Twitter feed does not constitute part of this Annual Report on Form 10-K.

Copies of annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") are available, free of charge, on our website as soon as reasonably practicable after we file such material electronically with or furnish it to the Securities and Exchange Commission ("SEC"). The SEC also maintains a website that contains our SEC filings. The address of the site is *www.sec.gov*.

Item 1A. ***Risk Factors***

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10-K, before making a decision to invest in our common stock. If any of the risks actually occur, our business, financial condition, operating results, and prospects could be materially and adversely affected. In that event, the trading price of our common stock could decline, and you could lose part or all of your investment.

We have a limited operating history in an evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.

We have a limited operating history in an evolving industry that may not develop as expected. Assessing our business and future prospects is challenging in light of the risks and difficulties we may encounter. These risks and difficulties include our ability to:

- increase the number of consumers using our websites and mobile applications;
- continue to obtain home listing information, as well as information on schools, crime, commute times, neighborhood amenities, rental prices and historical earthquake and flood data;
- increase the number of real estate professionals subscribing to our products;
- increase the revenue from real estate professionals subscribing to our products;
- increase the revenue from advertisers on our websites;
- successfully develop and deploy new features and products;
- encourage and foster the growth of user-generated content;
- increase our brand awareness among consumers and real estate professionals;
- successfully compete with other companies that are currently in, or may in the future enter, the business of providing residential real estate information online and on mobile applications, as well as with companies that provide this information offline;
- successfully compete with existing and future providers of other forms of offline, online, and mobile advertising;
- successfully compete with existing and future providers of customer relationship management (CRM) tools and other solutions that help real estate professionals manage and grow their businesses;
- successfully navigate fluctuations in the real estate market;
- effectively manage the growth of our business;
- successfully expand our business into adjacent markets, such as rentals, mortgages, and home improvement;
- successfully integrate companies we may acquire or have acquired, including Market Leader; and
- successfully expand internationally.

If the demand for residential real estate information online does not develop as we expect, or if we fail to address the needs of consumers, real estate professionals, or advertisers, our business will be harmed. We may not be able to successfully address these risks and difficulties, which could harm our business and cause our operating results to suffer.

We have a history of losses and we may not achieve or maintain profitability in the future.

We have not been profitable on a quarterly or annual basis since we were founded, and as of December 31, 2013, we had an accumulated deficit of $64.9 million. We expect to make significant future investments in the development and expansion of our business which may not result in increased revenue or growth. In addition, as a public company, we have incurred and expect that we will continue to incur significant legal, accounting, and other expenses that we did not incur as a private company. As a result of these increased expenditures, we must generate and sustain increased revenue to achieve and maintain future profitability. While our revenue has grown in recent periods, this growth may not be sustainable and we may not achieve sufficient revenue to achieve or maintain profitability. We may incur significant losses in the future for a number of reasons, including slowing demand for our products, a decrease in the growth rate of our monthly unique visitors, increasing competition, weakness in the residential real estate market, our inability to effectively integrate acquired businesses, such as Market Leader, as well as other risks described in this Annual Report on Form 10-K, and we may encounter unforeseen expenses, difficulties, complications and delays, and other unknown factors. Accordingly, we may not be able to achieve or maintain profitability and we may continue to incur significant losses in the future, and this could cause the price of our common stock to decline.

If real estate professionals do not continue to subscribe to our products, or we are unable to attract new subscribers, our business and operating results would be harmed.

We rely primarily on subscriptions purchased by real estate professionals to generate a substantial portion of our marketplace revenue. Marketplace revenue accounted for 79%, 70% and 61% of our revenue in the years ended December 31, 2013, 2012 and 2011, respectively. We generally offer subscriptions for periods between one month to 24 months, with most real estate professionals preferring to subscribe for periods shorter than 12 months. Our ability to attract and retain real estate professionals as subscribers, and to generate subscription revenue, depends on a number of factors, including:

- our ability to attract transaction-ready consumers to our websites and mobile applications;
- the number of unique visitors using our websites and mobile applications;
- the quality of the leads that we provide to our subscribers;
- the number of leads that we provide to our subscribers;
- the rate of adoption of our software-as-a-service based products;
- the success of our marketing relationships with leading national real estate franchise networks;
- the success of our efforts to upsell customers from promotional offers to higher revenue services;
- the success of any increased marketing and product development efforts directed at attracting additional consumers and real estate professionals to our marketplace;
- the strength of the real estate market;
- the competition for real estate professionals' marketing dollars; and
- the strength of our brand.

A key focus of our sales and marketing activities has been to further penetrate the large base of more than 2.8 million real estate professionals in the United States. As of December 31, 2013, we had more than 437,000 active real estate professionals in our Trulia marketplace and 157,000 active real estate professionals using our Market Leader software and services. Approximately 59,700 of these real estate professionals were paying subscribers (assuming a 20% overlap between Trulia subscribers and Market Leader's premium subscribers). We spend a considerable portion of our operating expenses on sales and marketing activities. Our sales and marketing expenses were our largest operating expenses in the years ended December 31, 2013 and 2012. Sales and marketing expenses reflect many of the costs that we incur in acquiring new subscribers and retaining

existing subscribers, and we expect that sales and marketing expenses will continue to significantly increase in absolute dollars as we seek to grow the number of subscribers in our marketplace. If we are unable to increase the number of total subscribers in our marketplace, our revenue may not grow and our operating results could suffer.

Real estate professionals may not continue to subscribe with us if we do not deliver a strong return on their investment in subscriptions, and we may not be able to replace them with new subscribers. In addition, real estate professionals associated with our real estate franchise network partners may choose not to use our premium services if they are unable to convert leads we provide into closed sales, resulting in a loss of incremental revenue associated with our premium services. In addition, real estate professionals sometimes do not renew their subscriptions with us because of dissatisfaction with our products. This may occur for a number of reasons, including because we have made changes to our products or services, which we do periodically. If subscribers do not renew their subscriptions with us with the same or higher subscription fees, or at all, or if we are unable to attract new subscribers, our business and operating results would be harmed.

Further, although a majority of our revenue in the years ended December 31, 2013 and 2012 was generated from subscriptions purchased by real estate professionals, we cannot be certain that subscribers will renew their subscriptions with us and that we will be able to achieve the same or higher amounts of subscription revenue in the future.

Our ability to increase the number of subscribers to our services also depends, to some degree, on whether we can increase the inventory of marketing products and services available for us to sell in different geographic markets. If we are unable to create additional inventory by offering new services or reconfiguring our existing services, we may not be able to grow the number of subscribers to our services quickly or at all. Even if we are able to offer new services or reconfigure our existing services, there is no guarantee that new subscribers will purchase them or existing subscribers will be satisfied with the changes we make. For instance, in March 2013 we initiated an inventory expansion program of offering additional advertising slots on our real estate listing detail pages to feature more than one subscriber. While this allowed us to sell additional subscriptions in a given location, some existing subscribers did not like the change and elected not to renew their subscriptions.

In addition, if we need to reduce our subscription fees due to competition, our business, operating results, financial condition, and prospects would suffer if we are unable to offset any reductions in our fees by increasing our number of consumers and advertisers, reducing our costs, or successfully developing and deploying new features on a timely basis.

If we are not able to optimize our pricing and increase our average revenue per subscriber, we may not be able to grow our revenue over time.

Our ability to grow revenue depends, in part, on our ability to optimize pricing and increase average monthly revenue per subscriber over time. Since launching our first subscription product in 2007, we have continued to expand our products and optimize pricing of our products. As we continue to optimize our pricing, real estate professionals may not accept these new prices, which may harm our business and growth prospects. In August 2013, we acquired Market Leader, which offers subscription-based real estate marketing software and lead generation products. Market Leader historically generated lower average revenue per subscriber than us. As a result, we may experience difficulty in increasing our average revenue per subscriber, which may impact our ability to grow revenue over time and may harm our business and growth prospects.

If advertisers reduce or end their advertising spending with us, or if we are unable to attract new advertisers, our business and operating results would be harmed.

Display advertising accounted for 21%, 30% and 39% of our revenue in the years ended December 31, 2013, 2012 and 2011, respectively. Our advertisers can generally terminate their contracts with us at any time or on very short notice. Our ability to attract and retain advertisers, and to generate advertising revenue, depends on a number of factors, including:

- the number of consumers using our websites and mobile applications;
- our ability to continue to attract an audience that advertisers find attractive;
- the strength of our brand:
- our ability to compete effectively for advertising spending with other real estate marketplaces, offline companies, and online companies;
- how advertisers value our advertising network, which consists of our online properties and those of our publishing partners;
- the amount of spending on online advertising generally; and
- our ability to deliver an attractive return on investment to advertisers.

We may not succeed in capturing more spending from advertisers if we are unable to demonstrate to advertisers the effectiveness of advertising in our marketplace as compared to alternatives, including traditional offline advertising media such as newspapers and magazines.

If advertisers reduce or terminate their advertising spending with us and we are unable to attract new advertisers, our revenue, business, operating results, and financial condition would be harmed. In our display advertising business, we also have a limited ability to replace the loss of revenue resulting from the loss of a customer during a particular quarter because of the significant time required to secure an alternative advertiser for such advertising inventory, run the alternative advertising campaign on our marketplace, and satisfy our revenue recognition criteria from such campaign. As a result, the loss of a customer during a quarter could result in our inability to replace the lost revenue from such customer within that quarter and, therefore, we will sometimes encounter variances in our Media revenue.

If we are unable to maintain or increase consumer traffic to our marketplace, our business and operating results would be harmed.

Our ability to generate revenue from our marketplace business and media business depends, in part, on our ability to attract consumers to our websites and mobile applications. If we fail to maintain or increase consumer traffic to our marketplace, our ability to acquire additional subscribers, deliver leads to existing subscribers and sell advertising to third parties could be negatively affected. While we believe the number of consumers visiting our marketplace will continue to grow, our growth rate of monthly unique visitors, excluding the impact of our Market Leader acquisition, has decreased on a year-over-year basis from 57% in the year ended December 31, 2012 to 41% in the year ended December 31, 2013. We expect that our efforts to maintain or increase consumer traffic are likely to include, among other things, significant increases to our marketing expenditures and significant expenditures to increase the number of our engineering and product development personnel. There can be no assurance that any increases in our expenses will be successful in generating additional consumer traffic. Even if we are able to attract additional consumers to our marketplace, an increase in our operating expenses could negatively impact our operating results if we are unable to generate more revenue through increased sales of subscriptions to our marketplace products and display advertising. Accordingly, if we are unable to increase consumer traffic to our marketplace, or if we are unable to generate enough additional revenue to offset any increase in expenses related to increasing consumer traffic to our marketplace, our business and operating results would be harmed.

Our recent revenue growth rates may not be indicative of our future growth, and we may not continue to grow at our recent pace, or at all.

From the year ended 2008 to the year ended December 31, 2013, our revenue grew from $8.1 million to $143.7 million, which represents a compounded annual growth rate of approximately 78%. In the future, our revenue may not grow as rapidly as it has over the past several years. We believe that our future revenue growth will depend, among other factors, on our ability to:

- acquire additional subscribers and sell additional products to existing subscribers;
- sell advertising to third parties;
- attract a growing number of users to our websites and mobile applications;
- increase our brand awareness;
- successfully develop and deploy new products for the residential real estate industry;
- maximize our sales personnel's productivity;
- respond effectively to competitive threats;
- successfully expand our business into adjacent markets, such as rentals and mortgages;
- successfully integrate companies we may acquire or have acquired, including Market Leader; and
- successfully expand internationally.

We may not be successful in our efforts to do any of the foregoing, and any failure to be successful in these matters could materially and adversely affect our revenue growth.

You should not consider our past revenue growth to be indicative of our future growth.

We may experience difficulties in integrating Market Leader's business and realizing the expected benefits of the acquisition.

The success of the Market Leader acquisition will depend, in part, on our ability to realize the anticipated business opportunities and growth prospects from combining our businesses with those of Market Leader. We may never realize these business opportunities and growth prospects. Integrating operations will be complex and will require significant efforts and expenditures. Our management might have its attention diverted while trying to integrate operations and corporate and administrative infrastructures. We might experience increased competition that limits our ability to expand our business, and we might fail to capitalize on expected business opportunities, including retaining current customers.

We closed the acquisition of Market Leader on August 20, 2013, and are in the early stages of integrating Market Leader's business and operations into our business and operations. The integration process could result in the loss of key employees, the disruption of each company's ongoing businesses, tax costs or inefficiencies, or inconsistencies in standards, controls, information technology systems, procedures and policies, any of which could adversely affect our ability to maintain relationships with clients, employees or other third parties or our ability to achieve the anticipated benefits of the Market Leader acquisition and could harm our financial performance.

If we are unable to successfully or timely integrate the operations of Market Leader's business into our business, we may be unable to realize the revenue growth, synergies and other anticipated benefits resulting from the acquisition and our business and results of operations could be adversely affected.

Purchase price accounting in connection with our acquisition of Market Leader requires estimates which may be subject to change in the future. Future changes to these estimates could impact our historical or future operating results.

The application of purchase price accounting requires that the total purchase price we paid for Market Leader be allocated to the fair value of assets acquired and liabilities assumed based on their fair values at the acquisition date. All amounts in excess of the fair value are recorded as goodwill. The allocation process requires an analysis and valuation of acquired assets, including fixed assets, technologies, deferred tax assets, customer contracts and relationships, trade names and liabilities assumed, including contractual commitments and legal contingencies. We identified and recorded the assets, including specifically identifiable intangible assets, and liabilities assumed in connection with our recent acquisition of Market Leader at their estimated fair values as of the date of the acquisition. This process requires estimates by our management based upon the best available information at the time of the preparation of the financial statements. These estimates of fair value may change in the future as we finalize the purchase price allocation. We expect it may take until August 2014 to complete the purchase price allocation. Any future changes to our estimates of the fair value of the assets and liabilities of Market Leader as of the date of the acquisition could impact our historical or future operating results.

If we cannot obtain comprehensive and accurate real estate listing information on a timely basis, our business will suffer.

Our offerings are based on receiving current and accurate real estate listing data. We depend on, and expect to continue to depend on, relationships with various third parties to provide this data to us, including real estate listing aggregators, multiple listing services, real estate brokerages, apartment management companies, and other third parties. Many of our agreements with our listing sources are short-term agreements that may be terminated with limited or no notice. If our relationship with one or more of these parties is disrupted, the quality of the experience we provide to users would suffer.

We currently depend on a listing aggregator to provide us with a substantial portion of the unique listings in our database. While these listings are available from their original sources, it would take substantial time and effort for us to aggregate these listings from all of the original sources. Therefore, if the agreement with our largest listing aggregator is terminated, we may not be able to fully replace the listings in a timely manner or on terms favorable to us, or at all, which would adversely affect our business and operating results. In addition, as real estate brokers and multiple listing services typically control the distribution and use of listings, our business could suffer if real estate brokers or multiple listing services withheld listings from us or delayed the delivery of their listings to us. From time to time in the past, real estate brokers have refused to syndicate listings to us and multiple listing services have delayed the delivery of listings to us, and we cannot assure you this will not happen in the future. If real estate brokers or multiple listing services refuse to syndicate listings or delay such syndication to us, the quality of our products would suffer due to the decline of timely and accurate information, which could adversely affect our business and operating results.

We rely on information from real estate multiple listing services provided by third parties that we do not control.

The websites we provide to our software-as-a-service based customers combine aerial maps and for sale home listings, including listings in most of the major metropolitan markets in the United States. In addition, in selected markets, including most of the major metropolitan markets in the United States, we provide customers with functionality that allows them to automatically email their prospective clients information about newly available homes that meet the prospective clients' criteria. The for sale home listings information provided by our websites and the automated email functionality are supplied only in markets in which we, our broker customers, or the broker affiliated with our agent customers have a relationship with the local multiple listing service (MLS). Our agreements with MLSs to display property listings have short terms, or can be terminated by the MLSs, or, in some cases, the broker, with little notice. The success of our products depends in part on our

continued ability to provide customers with MLS listings and data, as well as our ability to expand listings in markets in which it is not currently available. Our inability to obtain MLS listings and data will harm our business and operating results.

If use of our mobile products does not continue to grow or we are not able to successfully monetize them as we expect, our operating results could be harmed and our growth could be negatively affected.

Our future success depends in part on the continued growth in the use of our mobile products by our users and our ability to monetize them. During the year ended December 31, 2013, our mobile products accounted for 37% of our total traffic, excluding traffic from Market Leader, compared to 29% of our total traffic for the year ended December 31, 2012. We currently monetize our mobile offerings through our *Trulia Mobile Ads* subscription product for real estate professionals and through our mobile websites, including our Trulia mobile website and more than 126,000 agent websites powered by Market Leader. We monetize our mobile applications principally through our *Trulia Mobile Ads* subscription product through which real estate professionals can purchase local advertising on our mobile applications and our Trulia mobile website by zip code and by share of a given market. We also monetize mobile offerings through *kwkly*, a mobile software-as-a-service lead generation platform that provides home buyers with real-time access to property information on their Web-enabled phones, while at the same time connecting real estate professional customers of *kwkly* with those home buyers. We monetize our Trulia mobile website and Trulia mobile applications through the sale of display advertisements and we also provide our Trulia subscribers rotational placement in a local lead form that appears on certain pages of our Trulia mobile website and mobile applications. The use of mobile technology may not continue to grow at historical rates, and consumers may not continue to use mobile technology for real estate research. Further, mobile technology may not be accepted as a viable long-term platform for a number of reasons, including actual or perceived lack of security of information and possible disruptions of service or connectivity. In addition, traffic on our mobile applications may not continue to grow if we do not continue to innovate and introduce enhanced products on mobile platforms, or if users believe that our competitors offer superior mobile products. The growth of traffic on our mobile products may also slow or decline if our mobile applications are no longer compatible with operating systems such as iOS, Android, or the devices they support. Additionally, real estate professionals and advertisers may choose to devote less of their spending to target mobile users for a number of reasons, including a perceived lack of effectiveness of display advertising on mobile devices. Although we have seen strong results in our mobile product monetization efforts with the launch of *Trulia Mobile Ads* in May 2012 and our product redesign in March 2013, we cannot assure you that we will continue to monetize our mobile products as effectively in the future. If use of our mobile products does not continue to grow, or if real estate professionals or advertisers decrease their spending on our mobile products, our business and operating results could be harmed.

If we do not continue to innovate and provide useful products, we may not remain competitive, and our business and financial performance could suffer.

Our success depends in part on our ability to continue to innovate. This is particularly true with respect to mobile applications, which are increasingly being used by our audience. Our competitors regularly enhance their offerings and create new offerings for consumers, real estate professionals, and others involved in the residential real estate industry. If we are unable to continue to offer innovative products or to keep pace with our competitors' offerings, our business and operating results will suffer.

We rely on Internet search engines to drive traffic to our websites, and if we fail to appear high up in the search results, our traffic would decline and our business would be adversely affected.

We depend in part on Internet search engines, such as Google, Bing, and Yahoo!, to drive traffic to our websites. For example, when a user types a property address into a search engine, we rely on a high organic search ranking of our webpages in these search results to refer the user to our websites. However, our ability to maintain high organic search result rankings is not within our control. Our competitors' search engine optimization, or SEO, efforts may result in their websites receiving a higher search result page ranking than ours,

or Internet search engines could revise their methodologies in a way that would adversely affect our search result rankings. If Internet search engines modify their search algorithms in ways that are detrimental to us, or if our competitors' SEO efforts are more successful than ours, overall growth in our user base could slow. Search engine providers could provide listings and other real estate information directly in search results or choose to align with our competitors. Our websites have experienced fluctuations in search result rankings in the past, and we anticipate similar fluctuations in the future. Any reduction in the number of users directed to our websites through search engines could harm our business and operating results.

Our revenue and operating results could vary significantly from period to period, which could cause the market price of our common stock to decline.

We generate revenue through sales of subscriptions to real estate professionals and sales of display advertising to advertisers. Our subscription and advertising sales can be difficult to predict and may result in fluctuations in our revenue from period to period. Our revenue and operating results have fluctuated in the past, and may continue to fluctuate in the future, as a result of a variety of factors, many of which are outside of our control. As a result, comparing our revenue and operating results on a period-to-period basis may not be meaningful, and you should not rely on past results as an indication of future performance.

Our revenue, operating results, or both, may be affected by a number of factors, including:

- our subscription and advertising sales, particularly large advertising campaigns;
- fluctuations in user activity on our websites and mobile applications, including as a result of seasonal variations;
- competition and the impact of offerings and pricing policies of our competitors;
- the effects of changes in search engine placement and prominence of our websites;
- the amount and timing of operating expenses related to the maintenance and expansion of our business, operations, and infrastructure;
- our ability to control costs, particularly those of third-party data providers;
- our ability to reduce costs in a given period to compensate for unexpected shortfalls in revenue;
- the timing of costs related to the development or acquisition of technologies or businesses;
- our inability to complete or integrate efficiently any acquisitions that we may undertake;
- our ability to collect amounts owed to us from advertisers;
- changes in our tax rates or exposure to additional tax liabilities;
- claims of intellectual property infringement against us and any resulting temporary or permanent injunction prohibiting us from selling our products or requirements to pay damages or expenses associated with any of those claims;
- our ability to successfully expand in existing markets and enter new markets;
- our ability to keep pace with changes in technology;
- changes in government regulation affecting our business;
- the effectiveness of our internal controls;
- conditions in the real estate market; and
- general economic conditions.

For example, individuals hired to join our sales team typically do not reach their maximum productivity until they have been employed for several months or more. Our fixed expenses related to the addition of personnel may not result in an increase in revenue in a given period or at all.

As a result of the foregoing factors and others discussed in this "Risk Factors" section, our operating results in one or more future periods may fail to meet or exceed our projections or the expectations of securities analysts or investors. In that event, the trading price of our common stock would likely decline.

Seasonality may cause fluctuations in our traffic, revenue, operating expenses and operating results.

From time to time, we experience seasonality in subscription revenue and display advertising due to fluctuations in traffic to our websites and mobile applications. During the fourth quarter of each year, traffic to our marketplace has historically declined and our revenue has historically grown more slowly than in other quarters or has declined sequentially. For example, we experienced a decrease in the number of unique visitors to our marketplace in the fourth quarter of 2013 compared to the third quarter of 2013, due in part to seasonality. Conversely, we typically experience higher growth in traffic and revenue during the spring and summer months, when consumers are more likely to buy new homes. We expect that seasonality will continue to affect traffic in our marketplace, as well as our revenue from subscriptions and advertising.

We rely on advertising to attract consumers to our Market Leader websites and to generate traffic and leads on these websites and for our *Trulia Seller Ads* product. As a result, we are subject to seasonal fluctuations in advertising rates and marketing services. Changing consumer behavior at various times throughout the year affects our advertising expenses. We expect that seasonal fluctuations in advertising costs will affect our operating expenses, as well as our operating margins.

Declines in, or changes to, the real estate industry could adversely affect our business and financial performance.

Our business and financial performance are affected by the health of, and changes to, the residential real estate industry. Although we have built and grown our business during a worldwide economic downturn, home-buying patterns are sensitive to economic conditions and tend to decline or grow more slowly during these periods. A decrease in home purchases could lead to reductions in user traffic, reductions in subscriptions by real estate professionals, and a decline in marketing spend by real estate professionals. Furthermore, online advertising products may be viewed by some existing and potential advertisers on our websites and mobile applications as a lower priority, which could cause advertisers to reduce the amounts they spend on advertising, terminate their use of our products, or default on their payment obligations to us. In addition, we may become subject to rules and regulations in the real estate industry that may restrict or complicate our ability to deliver our products. These changes would harm our business and operating results.

Most recently, beginning in 2008, domestic and global economic conditions deteriorated rapidly, resulting in a dramatic slowdown in the housing market, which slowed advertising spending in the real estate industry. In addition, changes to the regulation of the real estate industry and related areas, including mortgage lending and the deductibility of home mortgage interest, may negatively affect the prevalence of home purchases. Real estate markets also may be negatively impacted by a significant natural disaster, such as earthquake, fire, flood, or other disruption. Declines or disruptions in the real estate market or increases in mortgage interest rates could reduce demand for our products and could harm our business and operating results.

We participate in a highly competitive market, and pressure from existing and new companies may adversely affect our business and operating results.

The market to provide home listings and marketing services for the residential real estate industry is highly competitive and fragmented. Homes are not typically marketed exclusively through any single channel. Consumers can access home listings and related data through more than one source. Accordingly, current and potential competitors could aggregate a set of listings similar to ours. We compete with online real estate marketplaces, such as Zillow.com, and Realtor.com, other real estate websites, and traditional offline media. We compete to attract consumers primarily on the basis of the number and quality of listings; user experience; the breadth, depth, and relevance of insights and other content on homes, neighborhoods, and professionals; brand

and reputation; and the quality of mobile products. We expect that our marketing and product development expenses are likely to significantly increase as we seek to attract additional consumers and real estate professionals to our marketplace. For example, we recently announced a national marketing campaign that is designed to attract serious home buyers and sellers to our marketplace.

We compete to attract real estate professionals primarily on the basis of the quality of our websites and mobile products, the size and attractiveness of the consumer audience, the quality and measurability of the leads we generate, the perceived return on investment we deliver, and the effectiveness of marketing and workflow tools. We also compete for advertisers against other media, including print media, television and radio, social networks, search engines, other websites, and email marketing. We compete primarily on the basis of the size and attractiveness of the audience; pricing; and the ability to target desired audiences.

Many of our existing and potential competitors have substantial competitive advantages, such as:

- greater scale;
- stronger brands and greater name recognition;
- longer operating histories;
- more financial, research and development, sales and marketing, and other resources;
- more extensive relationships with participants in the residential real estate industry, such as brokers, agents, and advertisers;
- strong relationships with third-party data providers, such as multiple listing services and listing aggregators;
- access to larger user bases; and
- larger intellectual property portfolios.

The success of our competitors could result in fewer users visiting our websites and mobile applications, the loss of subscribers and advertisers, price reductions for our subscriptions and display advertising, weaker operating results, and loss of market share. Our competitors also may be able to provide users with products that are different from or superior to those we can provide, or to provide users with a broader range of products and prices.

We expect increased competition if our market continues to expand. In addition, current or potential competitors may be acquired by third parties with greater resources than ours, which would further strengthen these current or potential competitors and enable them to compete more vigorously or broadly with us. If we are not able to compete effectively, our business and operating results will be materially and adversely affected. Any increased marketing spending by one of our primary competitors could cause us to incur additional expenses, could reduce consumer traffic to, and subscribers of, our marketplace, or could harm our operating results.

If our users do not continue to contribute content or their contributions are not valuable to other users, our marketplace would be less attractive, which could negatively affect our unique visitor traffic and revenue.

Our success depends on our ability to provide consumers with the information they seek, which in turn depends in part on the content contributed by our users. We believe that one of our primary competitive advantages is the quality and quantity of the user-generated content in our marketplace, and that information is one of the main reasons consumers use our platform. If we are unable to provide consumers with the information they seek because our users do not contribute content, or because the content that they contribute is not helpful and reliable, the number of consumers visiting our websites and using our mobile applications may decline. If we experience a decline in consumers visiting our websites and using our mobile applications, real estate professionals and advertisers may not view our marketplace as attractive for their marketing expenditures, and

may reduce their spending with us. Any decline in visits to our websites and usage of our mobile applications by consumers and any decline in spending by real estate professionals and advertisers with us would harm our business and operating results.

In addition, we monitor new contributions to user-generated content because we believe this metric is a key indicator of our user engagement and the strength of our community. In the event that the number of new contributions to user-generated content declines, this metric may provide a leading indicator of the health of our business. However, if the quantity of new contributions to user-generated content continues to increase but the quality of user-generated content declines, this metric would not capture any corresponding declines in user engagement or the strength of our community as evidenced by the lower quality of user-generated content, and such data would be of limited use in those circumstances.

Our growth depends in part on our relationship with third parties to provide us with local information.

Third parties provide us with information that we use to provide users with insights that go beyond listings, such as information about schools, crime, and neighborhood amenities. Property descriptions and sale transactions obtained via third-party data providers also inform the valuations provided by our *Trulia Estimates* feature. If these third-party data providers terminate their relationships with us, the information that we provide to users may be limited or the quality of the information may suffer. If we are unable to renew our agreements with these data providers on favorable terms to us or to secure alternative sources for this information, our costs may increase and our business may be harmed.

If we do not display accurate and complete information on a timely basis, our user traffic may decline, our reputation would suffer, and our business and operating results would be harmed.

We receive listing and other information provided by listing aggregators and other third parties that we include on our websites and mobile applications. Our reputation with consumers depends on the accuracy and completeness of the information that we provide, although the accuracy and completeness of this data is often outside of our control. We cannot independently verify the accuracy or completeness of all of the information provided to us by third parties. If third parties provide us with inaccurate or incomplete information that we then display on our websites and mobile applications, consumers may become dissatisfied with our products, our traffic may decrease, and our reputation may suffer. Real estate professionals also expect listings data and other information to be accurate and complete, and to the extent our information is incorrect or incomplete, our reputation and business relationships may suffer.

In addition, we update the listing information that we provide on our websites and mobile applications on a daily basis. To the extent that we are no longer able to update information in our marketplace on a timely basis, or if consumers begin to expect updates in a more timely manner, we may be forced to make investments which allow us to update information with higher frequency. There can be no assurance that we will be able to provide information at a pace necessary to satisfy consumers in a cost-effective manner, or at all.

Growth of our business will depend on a strong brand, and any failure to maintain, protect, and enhance our brand would hurt our ability to retain or expand our base of users, or our ability to increase their level of engagement.

We believe that a strong brand is necessary to continue to attract and retain consumers and, in turn, the real estate professionals and others who choose to advertise on our websites and mobile applications. We need to maintain, protect, and enhance the “Trulia” and “Market Leader” brands in order to expand our base of users and increase their engagement with our websites and mobile applications. This will depend in part on our ability to continue to provide high-value, differentiated products, and we may not be able to do so effectively. This will also depend on our ability to successfully execute a broader marketing campaign to further promote our brand. For instance, in February 2014, we announced a national marketing campaign that is designed to attract serious

home buyers and sellers to our marketplace. If this campaign is not successful, our business could suffer. Furthermore, negative publicity about our company, including our content, technology, sales practices, personnel, or customer service could diminish confidence in and the use of our products, which could harm our operating results. If we are unable to maintain or enhance user and advertiser awareness of our brand cost effectively, our business, operating results, and financial condition could be harmed. In addition, our trulia.com and activerain.com websites serve as a forum for expression by our users, and if some of our users contribute inappropriate content and offend other users, our reputation could be harmed.

Our Market Leader brand could be harmed if customers do not provide quality service to prospective home buyers and sellers.

We rely on real estate professionals who are our customers of our Market Leader marketing services products to promote our Market Leader brand by providing high-quality service to prospective home buyers and sellers. We have little control over the activities of customers. If customers do not provide prospective home buyers and sellers with high-quality service, or if they use the functionality of our systems to send unwanted email to prospective home buyers or sellers, our brand value and our ability to generate leads may diminish.

We rely on a small number of advertising partners for a substantial portion of our Media revenue, and we are subject to risks as a result of this advertiser concentration.

In the years ended December 31, 2013, 2012, and 2011, our ten largest advertising partners accounted for more than 65%, 63%, and 54% of our Media revenue, respectively. One of our growth strategies is to increase the amount large advertisers spend in our marketplace, and we expect this revenue concentration to continue. If one or more of these large advertisers were to decrease or discontinue advertising with us, our business and operating results will be adversely affected.

Our operating results may be adversely affected by a failure to collect amounts owed to us by advertisers.

We often run display advertisements in our marketplace prior to receiving payment from an advertiser, which makes us subject to credit risks. In the past, certain advertisers have been unable to pay us due to bankruptcy or other reasons, and we cannot assure you that we will not experience collection issues in the future. If we have difficulty collecting amounts owed to us by advertisers, or fail to collect these amounts at all, our results of operations and financial condition would be adversely affected.

Current and future acquisitions and investments could disrupt our business, cause dilution to our stockholders, and harm our financial condition and operating results.

Our success will depend, in part, on our ability to expand our products and markets, and grow our business in response to changing technologies, user, and advertiser demands, and competitive pressures. In some circumstances, we may determine to do so through the acquisition of complementary businesses and technologies rather than through internal development, including, for example, our acquisition of Movity, Inc., a data visualization company, and our acquisition of Market Leader, Inc., a provider of software-as-a-service based customer relationship management software for the real estate sector. The identification of suitable acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to successfully complete identified acquisitions. The risks we face in connection with acquisitions include:

- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- coordination of research and development and sales and marketing functions;
- transition of the acquired company's users to our websites and mobile applications;
- retention of employees from the acquired company;

- cultural challenges associated with integrating employees from the acquired company into our organization;
- failure to successfully continue the development of acquired technologies;
- integration of the acquired company's accounting, management information, human resources, and other administrative systems;
- the need to implement or improve controls, procedures, and policies at a business that prior to the acquisition may have lacked effective controls, procedures, and policies;
- liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities, and other known and unknown liabilities;
- litigation or other claims in connection with the acquired company, including claims from terminated employees, users, former stockholders, or other third parties;
- substantial impairments to goodwill or intangible assets in the event that an acquisition proves to be less valuable than the price we paid for it; and
- the possibility that any acquisition may be viewed negatively by our customers or investors or the financial markets.

Our failure to address these risks or other problems encountered in connection with our past or future acquisitions and investments could cause us to fail to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities, amortization expenses, impairment of goodwill, and restructuring charges, any of which could harm our financial condition and operating results. Also, the anticipated benefits of any acquisitions may not materialize.

Competition within our industry for acquisitions of businesses, technologies, assets and product lines has been, and is likely to continue to be, intense. As such, even if we are able to identify an acquisition that we would like to consummate, we may not be able to complete the acquisition on commercially reasonable terms or because the target chooses to be acquired by another company. Furthermore, in the event that we are able to identify and consummate any future acquisitions, we may, in each of those acquisitions:

- issue equity securities which would dilute current stockholders' percentage ownership;
- incur substantial debt to finance the acquisition or assume substantial debt in the acquisition;
- incur significant acquisition-related expenses;
- assume substantial liabilities, contingent or otherwise; or
- expend significant cash.

These financing activities or expenditures could harm our operating results, cash flows and financial condition or the price of our common stock. Alternatively, due to difficulties in the capital or credit markets, we may be unable to secure capital on reasonable terms, or at all, necessary to complete an acquisition.

We depend on our talented personnel to grow and operate our business, and if we are unable to hire, retain, manage, and motivate our personnel, or if our new personnel do not perform as we anticipate, we may not be able to grow effectively.

Our future success will depend upon our continued ability to identify, hire, develop, motivate, and retain talented personnel. We may not be able to retain the services of any of our employees or other members of senior management in the future. We do not have employment agreements other than offer letters with any key employee, and we do not maintain key person life insurance for any employee. In addition, from time to time, there may be changes in our senior management team that may be disruptive to our business. If our senior management team fails to work together effectively and to execute our plans and strategies, our business could be harmed.

Our growth strategy also depends on our ability to expand our organization by hiring high-quality personnel. Identifying, recruiting, training, integrating, managing, and motivating talented individuals will require significant time, expense, and attention. Competition for talent is intense, particularly in the San Francisco Bay Area, where our headquarters is located. If we are not able to effectively recruit and retain our talent, our business and our ability to achieve our strategic objectives would be harmed.

Growth may place significant demands on our management and our infrastructure.

We have experienced substantial growth in our business that has placed, and may continue to place, significant demands on our management and our operational and financial infrastructure. As our operations grow in size, scope, and complexity, we will need to improve and upgrade our systems and infrastructure. The expansion of our systems and infrastructure will require us to commit substantial financial, operational, and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will increase. Continued growth could also strain our ability to maintain reliable service levels for our users and advertisers, develop and improve our operational, financial, and management controls, enhance our reporting systems and procedures, and recruit, train, and retain highly skilled personnel.

Our products are accessed by a large number of users, often at the same time. If the use of our marketplace continues to expand, we may not be able to scale our technology to accommodate increased capacity requirements, which may result in interruptions or delays in service. The failure of our systems and operations to meet our capacity requirements could result in interruptions or delays in service or impede our ability to scale our operations.

Our employee growth will also require significant financial and management resources. For example, for our San Francisco headquarters, our existing lease expires in 2014 and we anticipate needing additional headquarters office space to accommodate growth. As lease rates in the San Francisco commercial real estate market have increased in recent years, we expect to incur significantly higher facilities expenses as we seek to renew our existing lease and add additional space or find a new, larger facility for our headquarters.

Managing our growth will require significant expenditures and allocation of valuable management resources. If we fail to achieve the necessary level of efficiency in our organization as it grows, our business, operating results, and financial condition would be harmed.

A significant disruption in service on our websites or of our mobile applications could damage our reputation and result in a loss of users of our products and of advertisers, which could harm our business, operating results, and financial condition.

Our brand, reputation, and ability to attract users and advertisers depend on the reliable performance of our network infrastructure, software platform and content delivery. We may experience significant interruptions with our systems in the future. Interruptions in these systems, whether due to system failures, computer viruses, or physical or electronic break-ins, could affect the security or availability of our products on our websites and mobile applications, and prevent or inhibit the ability of users to access our products. Problems with the reliability or security of our systems could harm our reputation, result in a loss of users of our products and of advertisers, and result in additional costs.

Substantially all of the communications, network, and computer hardware used to operate our trulia.com website and mobile applications are located at a single colocation facility in Santa Clara, California. Our Market Leader operations depend on our ability to maintain and protect our computer systems, located in Bellevue, Washington and at other co-location facilities in Kent, Washington and other locations operated by third parties. While we have made investments to back up our system in the event of a disruption involving these facilities, our systems are not fully redundant. In addition, we do not own or control the operation of these facilities. Our systems and operations are vulnerable to damage or interruption from fire, flood, power loss, telecommunications

failure, terrorist attacks, acts of war, electronic and physical break-ins, computer viruses, earthquakes, and similar events. The occurrence of any of these events could result in damage to our systems and hardware or could cause them to fail.

Problems faced by our third-party web hosting providers could adversely affect the experience of our users. Our third-party web hosting providers could close their facilities without adequate notice. Any financial difficulties, up to and including bankruptcy, faced by our third-party web hosting providers or any of the service providers with whom they contract may have negative effects on our business, the nature and extent of which are difficult to predict. If our third-party web hosting providers are unable to keep up with our growing capacity needs, our business could be harmed.

Any errors, defects, disruptions, or other performance or reliability problems with our network operations could cause interruptions in access to our products as well as delays and additional expense in arranging new facilities and services and could harm our reputation, business, operating results, and financial condition.

Our failure to protect confidential information of our users against security breaches could damage our reputation and brand and harm our business and operating results.

We maintain sensitive information provided by users and advertisers. We rely on encryption and authentication technology licensed from third parties to effect secure transmission of confidential information, including personally identifiable information and credit card numbers. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches. If we are unable to maintain the security of confidential information that is provided to us by our users, our reputation and brand could be harmed and we may be exposed to a risk of loss or litigation and possible liability, any of which could harm our business and operating results.

Failure to adequately protect our intellectual property could harm our business and operating results.

Our business depends on our intellectual property, the protection of which is crucial to the success of our business. We rely on a combination of patent, trademark, trade secret, and copyright law and contractual restrictions to protect our intellectual property. In addition, we attempt to protect our intellectual property, technology, and confidential information by requiring our employees and consultants to enter into confidentiality and assignment of inventions agreements and third parties to enter into nondisclosure agreements. These agreements may not effectively prevent unauthorized use or disclosure of our confidential information, intellectual property, or technology and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information, intellectual property, or technology. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our websites features, software, and functionality or obtain and use information that we consider proprietary.

We have registered "Trulia" as a trademark in the United States, the European Union and Canada. We also hold thirty-six registered trademarks registered in the United States and five trademarks registered in Canada associated with our Market Leader business. We have five patents registered and nine patents pending application in the United States. Competitors may adopt service names similar to ours, thereby harming our ability to build brand identity and possibly leading to user confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of the term "Trulia" or "Market Leader."

We currently hold the "Trulia.com," "Marketleader.com," "Housevalues.com" and "RealEstate.com" Internet domain names and various other related domain names. The regulation of domain names in the United States is subject to change. Regulatory bodies could establish additional top-level domains, appoint additional domain name registrars, or modify the requirements for holding domain names. As a result, we may not be able to acquire or maintain all domain names that use the names Trulia, Market Leader, Housevalues, or RealEstate.

Litigation or proceedings before the U.S. Patent and Trademark Office or other governmental authorities and administrative bodies in the United States and abroad may be necessary in the future to enforce our intellectual property rights, to protect our patent rights, trade secrets, and domain names and to determine the validity and scope of the proprietary rights of others. Our efforts to enforce or protect our proprietary rights may be ineffective and could result in substantial costs and diversion of resources, which could harm our business and operating results.

Intellectual property infringement assertions by third parties could result in significant costs and harm our business and operating results.

Other parties have asserted, and may in the future assert, that we have infringed their intellectual property rights. Such litigation may involve patent holding companies or other adverse patent owners who have no relevant product revenue, and therefore our own issued and pending patents may provide little or no deterrence. We could also be required to pay damages in an unspecified amount. For example, in September 2011, we entered into a settlement agreement with CIVIX-DDI LLC, or CIVIX, relating to a claim by CIVIX that we infringed two CIVIX patents relating to searching and locating real estate. Under the settlement agreement, we agreed to pay CIVIX to settle the litigation.

In addition, on September 12, 2012, Zillow, Inc., or Zillow, filed a lawsuit against us in the United States District Court for the Western District of Washington, alleging that we infringe on one U.S. patent held by it. The lawsuit alleges that one component of our *Trulia Estimates* feature infringes upon Zillow's patent insofar as *Trulia Estimates* allows homeowners to claim their homes and provide additional information about the properties, which enables us to update the valuation estimates for such properties. We started offering our *Trulia Estimates* feature in 2011. Zillow is seeking a permanent injunction against the alleged infringement, compensatory damages, and attorneys' fees. On September 11, 2013, we filed a petition for covered business method patent review with the United States Patent and Trademark Office ("PTO"). The PTO has not yet ruled on the petition. Also, on September 12, 2013, we filed a motion to stay pending the PTO's review. The district court granted our motion to stay on October 7, 2013, and this matter is now stayed pending the conclusion of the covered business method patent review by the PTO. We believe we have meritorious defenses against Zillow's claims and we intend to vigorously defend the claims against us.

The foregoing litigation matters could cause us to incur significant expenses and costs. In addition, the outcome of any litigation is inherently unpredictable, and as a result of this litigation matter, we may be required to pay damages, an injunction may be entered against us that requires us to change certain features in our marketplace, or a license or other right to continue to deliver an unmodified version of such features may not be made available to us at all or may require us to pay ongoing royalties and comply with unfavorable terms. Any of these outcomes could harm our business. Even if we were to prevail, this litigation matter could be costly and time-consuming, could divert the attention of our management and key personnel from our business operations, and may discourage consumers, real estate professionals, and advertisers from using our marketplace.

From time to time, we also have other claims brought against us by third parties alleging infringement of their intellectual property. We cannot predict whether other assertions of third-party intellectual property rights or claims arising from such assertions will substantially harm our business and operating results. The defense of these claims and any future infringement claims, whether they are with or without merit or are determined in our favor, may result in costly litigation and diversion of technical and management personnel. Furthermore, an adverse outcome of a dispute may require us to pay damages, potentially including treble damages and attorneys' fees, if we are found to have willfully infringed a party's patent or copyright rights; cease making, licensing or using products that are alleged to incorporate the intellectual property of others; expend additional development resources to redesign our products; and enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies. Royalty or licensing agreements, if required, may be unavailable on terms acceptable to us, or at all. In any event, we may need to license intellectual property which would require us to pay royalties or make one-time payments. Even if these matters do not result in litigation or

are resolved in our favor or without significant cash settlements, the time and resources necessary to resolve them could harm our business, operating results, financial condition, and reputation.

Valuation and other proprietary data may be subject to disputes.

We provide data that is relevant to the decision to purchase a home and some of this data is subject to revision, interpretation, or dispute. For example, our *Trulia Estimates* tool provides users with home valuations and is based on algorithms we have developed to analyze third-party data. We revise our algorithms regularly, which may cause valuations to differ from those previously provided. Consumers and real estate professionals sometimes disagree with our estimates. Any such variation in or disagreements about the estimates that we present could result in negative user feedback, harm our reputation, or lead to legal disputes.

We are subject to payments-related risks.

We accept payments using a variety of methods, including credit and debit cards. For certain payment methods, including credit and debit cards, we pay bank interchange and other fees, which may increase over time and raise our operating costs and lower profitability. We rely on third parties to provide payment processing services, including the processing of credit and debit cards, and our business would be disrupted if these companies become unwilling or unable to provide these services to us. We are also subject to payment card association operating rules, certification requirements, and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from consumers or facilitate other types of online payments, and our business and operating results could be adversely affected.

If we fail to comply with the various laws and regulations that govern the real estate industry, our business may be harmed.

Our business is governed by various federal, state and local laws and regulations governing the real estate industry, including the Real Estate Settlement Procedures Act (RESPA), the Fair Housing Act, state and local real estate broker licensing laws, federal and state laws prohibiting unfair and deceptive acts and practices, and federal and state advertising laws. We may not have always been and may not always be in compliance with each of these requirements. Failure to comply with these requirements may result in, among other things, revocation of required licenses, indemnification liability to contract counterparties, class action lawsuits, administrative enforcement actions and civil and criminal liability.

Due to the geographic scope of our operations and the nature of the services we provide, we may be required to obtain and maintain real estate brokerage licenses in certain states in which we operate. In connection with such licenses, we are required to designate individual licensed brokers of record. We cannot assure you that we are, and will remain at all times, in full compliance with state real estate licensing laws and regulations and we may be subject to fines or penalties in the event of any non-compliance. If in the future a state agency were to determine that we are required to obtain a real estate brokerage license in that state in order to receive payments or commissions from real estate professionals, or if we lose the services of a designated broker, we may be subject to fines or legal penalties or our business operations in that state may be suspended until we obtain the license or replace the designated broker. Any failure to comply with applicable laws and regulations may limit our ability to expand into new markets, offer new products or continue to operate in one or more of our current markets.

We may be limited in the way in which we market our business or generate revenue by federal law prohibiting referral fees in real estate transactions.

RESPA generally prohibits the payment or receipt of fees or any other thing of value for the referral of business related to a residential real estate settlement service, including real estate brokerage services. RESPA also prohibits fee shares or splits or unearned fees in connection with the provision of residential real estate

settlement services. However, RESPA expressly permits payments pursuant to cooperative brokerage and referral arrangements or agreements between real estate agents and brokers. In addition, RESPA permits payments for goods or facilities furnished or for services actually performed, so long as those payments bear a reasonable relationship to the market value of the goods or facilities furnished or the services performed, excluding the value of any referrals that may be provided in connection with such goods, facilities or services. Failure to comply with RESPA may result in, among other things, administrative enforcement actions, class action lawsuits, and civil and criminal liability.

There has been limited guidance by the appropriate federal regulator or the courts regarding the applicability of RESPA to online marketing relationships for real estate or mortgage services, including those we provide. Nonetheless, RESPA may restrict our ability to enter into marketing and distribution arrangements with third parties, particularly to the extent that such arrangements may be characterized as involving payments for the referral of residential real estate settlement service business.

Our business is subject to a variety of state and federal laws, many of which are unsettled and still developing and which could subject us to claims or otherwise harm our business.

We are subject to a variety of federal and state laws, including laws regarding data retention, privacy, and consumer protection, that are continuously evolving and developing. The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting. For example, laws relating to the liability of providers of online services for activities of their users and other third parties are currently being tested by a number of claims, including actions based on invasion of privacy and other torts, unfair competition, copyright and trademark infringement, and other theories based on the nature and content of the materials searched, the ads posted, or the content provided by users. In addition, regulatory authorities are considering a number of legislative and regulatory proposals concerning data protection and other matters that may be applicable to our business. Changes to existing laws or regulations or the adoption of new laws or regulations could negatively affect our business. It is difficult to predict how existing laws will be applied to our business and the new laws to which we may become subject.

If we are unable to implement and maintain effective internal control over financial reporting in the future, the accuracy, and timeliness of our financial reporting may be adversely affected.

The Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, requires, among other things, that we assess the effectiveness of our internal control over financial reporting annually and the effectiveness of our disclosure controls and procedures quarterly. If we are not able to comply with the requirements of the Sarbanes-Oxley Act in a timely manner, the market price of our stock could decline and we could be subject to sanctions or investigations by the New York Stock Exchange, the SEC or other regulatory authorities, which would require additional financial and management resources. In connection with the audit of our financial statements for 2009, 2010, and 2011, we identified a material weakness in the design and operating effectiveness of our internal control over financial reporting that was the result of a lack of a sufficient number of qualified personnel within our accounting department that possessed an appropriate level of expertise to perform certain accounting functions. A material weakness is a deficiency, or a combination of deficiencies, that creates a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis.

Although we have remediated this material weakness, we cannot assure you that there will not be material weaknesses in our internal control over financial reporting in the future.

Our compliance with applicable provisions of Section 404 has required, and will continue to require, that we incur substantial accounting expense and expend significant management time on compliance-related issues as we implement additional corporate governance practices and comply with reporting requirements. While our management's assessment of our internal control over financial reporting resulted in our conclusion that, as of December 31, 2013, our internal control over financial reporting was effective, we cannot predict the outcome of

our assessment and that of our independent registered public accounting firm in future periods. If we conclude in future periods that our internal control over financial reporting is not effective, we could be subject to one or more investigations or enforcement actions by state or federal regulatory agencies, stockholder lawsuits or other adverse actions requiring us to incur defense costs, pay fines, settlements or judgments and causing investor perceptions to be adversely affected and potentially resulting in a decline in the market price of our stock.

In addition, we are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act, and as such we have elected to avail ourselves of the exemption from the requirement that our independent registered public accounting firm audit our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act until we cease to be an "emerging growth company." See "—We are an 'emerging growth company,' and any decision on our part to comply only with certain reduced reporting and disclosure requirements applicable to emerging growth companies could make our common stock less attractive to investors," for additional risks relating to our "emerging growth company" status.

If we are unable to maintain effective internal control over financial reporting to meet the demands placed upon us as a public company, including the requirements of the Sarbanes-Oxley Act, we may be unable to accurately report our financial results, or report them within the timeframes required by law or exchange regulations.

Complying with the laws and regulations affecting public companies has increased and may continue to increase our costs and the demands on management and could harm our operating results.

As a public company, we have incurred and expect to continue to incur significant legal, accounting, and other expenses. In addition, the Sarbanes-Oxley Act and rules subsequently implemented by the SEC and the New York Stock Exchange impose various requirements on public companies, including requiring changes in corporate governance practices. Our management and other personnel have devoted and will need to continue to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have increased and will continue to increase our legal, accounting, and financial compliance costs and have made and will continue to make some activities more time-consuming and costly. These rules and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors or our board committees or as executive officers.

In addition, the Sarbanes-Oxley Act requires, among other things, that we assess the effectiveness of our internal control over financial reporting annually and the effectiveness of our disclosure controls and procedures quarterly. Our compliance with applicable provisions of Section 404 has required, and will continue to require, that we incur substantial accounting expense and expend significant management time on compliance-related issues as we implement additional corporate governance practices and comply with reporting requirements. While our management's assessment of our internal control over financial reporting resulted in our conclusion that, as of December 31, 2013, our internal control over financial reporting was effective, we cannot predict the outcome of our assessment and that of our independent registered public accounting firm in future periods. If we conclude in future periods that our internal control over financial reporting is not effective, we could be subject to one or more investigations or enforcement actions by state or federal regulatory agencies, stockholder lawsuits or other adverse actions requiring us to incur defense costs, pay fines, settlements or judgments and causing investor perceptions to be adversely affected and potentially resulting in a decline in the market price of our stock. In addition, we are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act, and as such we have elected to avail ourselves of the exemption from the requirement that our independent registered public accounting firm audit our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act until we cease to be an "emerging growth company." See "—We are an 'emerging growth company,' and any decision on our part to comply only with certain reduced reporting and disclosure requirements applicable to emerging growth companies could make our common stock less attractive to investors," for additional risks relating to our "emerging growth company" status.

If we are unable to implement these changes effectively or efficiently, it could harm our operations, financial reporting, or financial results and could result in an adverse opinion on internal control from our independent registered public accounting firm.

We are an "emerging growth company," and any decision on our part to comply only with certain reduced reporting and disclosure requirements applicable to emerging growth companies could make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act enacted in April 2012, and, for as long as we continue to be an "emerging growth company," we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to "emerging growth companies," including, but not limited to, not being required to have our independent registered public accounting firm audit our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an "emerging growth company" until December 31, 2017; however, if we have more than $1.0 billion in annual revenue, if the market value of our common stock that is held by non-affiliates exceeds $700 million as of June 30 of any year, or we issue more than $1.0 billion of non-convertible debt over a three-year period before the end of that five-year period, we would cease to be an "emerging growth company" as of the following December 31. We cannot predict if investors will find our common stock less attractive if we choose to rely on these exemptions. If some investors find our common stock less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our common stock and our stock price may be more volatile.

Under the Jumpstart Our Business Startups Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards, and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Our operating results may be harmed if we are required to collect sales taxes for our products.

There is general uncertainty in the industry about the obligation of Internet-based businesses to collect and remit sales taxes in jurisdictions where their commerce is solely virtual. In the current climate, it is possible that one or more states or countries could seek to impose sales or other tax collection obligations on us or our subscribers with regards to our products, which taxes may be applicable to past sales. A successful assertion that we should be collecting additional sales or other taxes on our products could result in substantial tax liabilities for past sales, discourage subscribers from purchasing our products, or otherwise harm our business and operating results.

If we fail to expand effectively into adjacent markets, our growth prospects could be harmed.

We intend to expand our operations into adjacent markets, such as rentals, mortgages, and home improvement, and into international geographies. We may incur losses or otherwise fail to enter these markets successfully. Our expansion into these markets will place us in competitive environments with which we are unfamiliar and involves various risks, including the need to invest significant resources and the possibility that returns on such investments will not be achieved for several years, or at all. In attempting to establish a presence in new markets, we expect to incur significant expenses and face various other challenges, such as expanding our sales force and management personnel to cover these markets. For example, in September 2012, we introduced a mortgage product through which we provide real-time mortgage quotes to our users. We currently obtain mortgage quotes from a single third party partner. While the third party partner is obligated under our agreement

to continue to provide real-time mortgage quotes and to support us until April 2014, we cannot guarantee that we will be able to continue to obtain mortgage quotes from this third party partner beyond April 2014. If we are unable to add additional real-time mortgage quote providers, find replacement real-time mortgage quote providers on similar or better terms or we are unable to integrate with other providers, our expansion into the mortgage market will be hindered and our business and operating results may suffer.

We may require additional capital to support business growth, and this capital might not be available on acceptable terms, if at all.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new features and products or enhance our existing products, improve our operating infrastructure, or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities or if we issue equity securities as consideration in a merger or acquisition, our existing stockholders could suffer significant ownership dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our common stock. Any debt financing we secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be impaired, and our business may be harmed.

Risks Related to Ownership of Our Common Stock

Our actual operating results may differ significantly from our guidance.

From time to time, we have released, and may continue to release guidance in our quarterly earnings conference call, quarterly earnings releases, or otherwise, regarding our future performance that represents our management's estimates as of the date of release. This guidance, which includes forward-looking statements, has been and will be based on projections prepared by our management. These projections are not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants, and neither our registered public accountants nor any other independent expert or outside party compiles or examines the projections. Accordingly, no such person expresses any opinion or any other form of assurance with respect to the projections.

Projections are based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. We intend to state possible outcomes as high and low ranges which are intended to provide a sensitivity analysis as variables are changed but are not intended to imply that actual results could not fall outside of the suggested ranges. The principal reason that we release guidance is to provide a basis for our management to discuss our business outlook with analysts and investors. We do not accept any responsibility for any projections or reports published by any such third parties.

Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the guidance furnished by us will not materialize or will vary significantly from actual results. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date of release. Actual results may vary from our guidance and the variations may be material. In light of the foregoing, investors are urged not to rely upon our guidance in making an investment decision regarding our common stock.

Any failure to successfully implement our operating strategy or the occurrence of any of the events or circumstances set forth in this "Risk Factors" section in this Annual Report on Form 10-K could result in the actual operating results being different from our guidance, and the differences may be adverse and material.

The price of our common stock may be volatile, and you could lose all or part of your investment.

The trading price of our common stock has fluctuated and may continue to fluctuate substantially. Since shares of our common stock were sold in our initial public offering, or the IPO, in September 2012 at a price of $17.00 per share, the reported high and low sales prices of our common stock have ranged from $14.69 to $51.68 through February 27, 2014. The trading price of our common stock depends on a number of factors, including those described in this "Risk Factors" section, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our common stock since you might be unable to sell your shares at or above the price you paid. Factors that could cause fluctuations in the trading price of our common stock include the following:

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the market prices and trading volumes of high technology stocks;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- sales of shares of our common stock by us or our stockholders;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- the financial projections we may provide to the public, any changes in those projections, or our failure to meet those projections;
- announcements by us or our competitors of new products;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our operating results or fluctuations in our operating results;
- actual or anticipated developments in our business, our competitors' businesses, or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- any significant change in our management;
- conditions in the real estate industry or changes in mortgage interest rates; and
- general economic conditions and slow or negative growth of our markets.

In addition, the stock market in general, and the market for technology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may seriously affect the market price of our common stock, regardless of our actual operating performance. In addition, in the past, following periods of volatility in the overall market and the market prices of a particular companies' securities, securities class action litigations have often been instituted against these companies. Litigation of this type, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

Because our outstanding 2.75% Convertible Senior Notes due 2020, or the 2020 Notes, issued on December 17, 2013, are convertible into shares of our common stock, volatility or depressed prices of our common stock could have a similar effect on the trading price of our notes. In addition, the existence of the 2020 Notes may encourage short selling in our common stock by market participants because the conversion of the 2020 Notes could depress the price of our common stock.

Future sales of shares by existing stockholders could cause our stock price to decline.

The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the market, particularly sales by our directors, executive officers, employees and significant stockholders, and the perception that these sales could occur may also depress the market price of our common stock. As of December 31, 2013, we had 36,582,572 shares of common stock outstanding.

As of February 24, 2014 an aggregate of 2,795,920 shares are entitled, under contracts providing for registration rights, to require us to register shares of our common stock owned by them for public sale in the United States. In addition, we filed registration statements to register approximately 11,889,738 shares reserved for future issuance under our equity compensation plans. Subject to the satisfaction of applicable exercise periods, the shares of common stock issued upon exercise of outstanding options will be available for immediate resale in the United States in the open market. In addition, a substantial number of shares of our common stock are reserved for issuance upon conversion of the 2020 Notes.

Substantial sales of our common stock may make it more difficult for us to sell equity or equity-linked securities in the future at a time and at a price that we deem appropriate. These sales also could cause our stock price to fall and make it more difficult for you to sell shares of our common stock.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business or our market, or if they change their recommendations regarding our stock adversely, our stock price and trading volume could decline.

The trading market for our common stock has been and may continue to be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market, or our competitors. If any of the analysts who covers us change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our competitors, our stock price would likely decline. If any analyst who covers us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

We do not expect to declare any dividends in the foreseeable future.

We do not anticipate declaring any cash dividends to holders of our common stock in the foreseeable future. Consequently, investors may need to rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment. Investors seeking cash dividends should not purchase our common stock.

Anti-takeover provisions contained in our certificate of incorporation and bylaws, as well as provisions of Delaware law, and our outstanding convertible notes could impair a takeover attempt.

Our certificate of incorporation, bylaws, and Delaware law contain provisions which could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by our board of directors. Our corporate governance documents include provisions:

- providing for a classified board of directors whose members serve staggered three-year terms;
- authorizing “blank check” preferred stock, which could be issued by our board of directors without stockholder approval and may contain voting, liquidation, dividend, and other rights superior to our common stock;

- limiting the liability of, and providing indemnification to, our directors and officers;
- limiting the ability of our stockholders to call and bring business before special meetings;
- requiring advance notice of stockholder proposals for business to be conducted at meetings of our stockholders and for nominations of candidates for election to our board of directors;
- controlling the procedures for the conduct and scheduling of board of directors and stockholder meetings; and
- providing our board of directors with the express power to postpone previously scheduled annual meetings and to cancel previously scheduled special meetings.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management.

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation law, which prevents some stockholders holding more than 15% of our outstanding common stock from engaging in certain business combinations without approval of the holders of substantially all of our outstanding common stock. Additionally, certain provisions of our outstanding 2020 Notes could make it more difficult or more expensive for a third party to acquire us.

Any provision of our certificate of incorporation, bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock.

Item 1B. ***Unresolved Staff Comments***

None.

Item 2. ***Properties***

In May 2010, we entered into a lease effective through October 2014 for approximately 32,000 square feet of office space that houses our principal offices in San Francisco. In March 2012, we entered into a sublease effective through March 2013 for approximately 9,500 square feet of additional office space in San Francisco. In October 2012, we entered into a lease to extend our occupancy of this additional space in San Francisco effective April 2013 and to add an additional 9,500 square feet of office space effective October 2012. The lease for this combined 19,000 square feet of office space runs through September 30, 2015. In September 2013, we entered into a lease effective through September 2021 for approximately 72,000 square feet of office space that houses our offices in Bellevue, WA. We lease additional office space in Denver and New York. We believe our facilities are sufficient for our current needs.

Item 3. ***Legal Proceedings***

From time to time, we are subject to legal proceedings and claims in the ordinary course of business. We have received, and may in the future continue to receive, claims from third parties asserting, among other things, infringement of their intellectual property rights.

Merger Litigation

Following the announcement that we entered into an Agreement and Plan of Merger to acquire Market Leader, purported class action law suits contesting the merger were filed and then consolidated under the caption In re Market Leader Inc. Shareholders' Litigation, No. 13-2-20796-6 SEA (the "Merger Litigation"). On July 15, 2013, a superseding Consolidated Class Action Complaint ("Consolidated Complaint"), was filed, alleging that

Market Leader's board of directors breached its fiduciary duties by failing to maximize shareholder value or to engage in a fair sale process before approving the proposed acquisition of Market Leader by Trulia. The Consolidated Complaint also alleges that the defendants, including us and Mariner Acquisition Corp., our wholly owned subsidiary, failed to provide Market Leader shareholders with material information regarding the merger in the proxy statement and related public filings. The Consolidated Complaint further alleges that Market Leader, Trulia and Mariner Acquisition Corp. aided and abetted the Market Leader directors' breaches of fiduciary duty. The Consolidated Complaint seeks an injunction prohibiting the consummation of the merger, rescission to the extent the merger terms have already been implemented, damages for the alleged breaches of fiduciary duty, and payment of plaintiffs' attorneys' fees and costs. On August 5, 2013, the parties entered into a memorandum of understanding to settle the Merger Litigation and resolve all allegations against Market Leader and the other defendants. The settlement, which is subject court approval, provides for the release of all claims against the defendants relating to the merger, including those alleged in the Consolidated Complaint. Lead Counsel for the consolidated action intends to apply to the court for an award of fees and reimbursement of costs incurred in connection with the Merger Litigation. Market Leader has agreed not to oppose the application for an award of fees and reimbursement of costs up to $350,000. On December 23, 2013, the Court entered an order preliminarily approving the settlement. A final settlement approval hearing is scheduled for March 7, 2014.

Zillow Litigation

On September 12, 2012, Zillow filed a lawsuit against us in the United States District Court for the Western District of Washington, alleging that we infringe on one U.S. patent held by it. The lawsuit alleges that one component of our *Trulia Estimates* feature infringes Zillow's patent insofar as *Trulia Estimates* allows homeowners to claim their homes and provide additional information about the properties, which enables us to update the valuation estimates for such properties. We started offering our Trulia Estimates feature in 2011. Zillow is seeking a permanent injunction against the alleged infringement, compensatory damages, and attorneys' fees. On September 11, 2013, we filed a petition for covered business method patent review with the United States Patent and Trademark Office ("PTO"). The PTO has not yet ruled on the petition. Also, on September 12, 2013, we filed a motion to stay pending the PTO's review. The district court granted our motion to stay on October 7, 2013, and this matter is now stayed pending the conclusion of the covered business method patent review by the PTO. We believe we have meritorious defenses against Zillow's claims and we intend to vigorously defend the claims against us.

Current and future litigation may be necessary to defend ourselves, our partners and our customers by determining the scope, enforceability, and validity of third-party proprietary rights or to establish our proprietary rights. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

Item 4. ***Mine Safety Disclosures.***

Not applicable.

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Market Information and Holders of Record

Our common stock has been listed on the New York Stock Exchange ("NYSE") under the symbol "TRLA" on September 20, 2012. Prior to that date, there was no public trading market for our common stock. The following table sets forth for the periods indicated the high and low sales price per share of our common stock as reported on the NYSE for the periods indicated:

Year Ended December 31, 2013:	**High**	**Low**
First Quarter	$38.22	$16.50
Second Quarter	$35.33	$27.52
Third Quarter	$52.71	$30.81
Fourth Quarter	$51.54	$26.35
Year Ended December 31, 2012:	**High**	**Low**
Third Quarter (from September 20, 2012)	$26.57	$20.44
Fourth Quarter	$23.88	$14.69

As of December 31, 2013, we had 75 holders of record of our common stock. The actual number of stockholders is greater than this number of record holders and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

Dividends

We have never declared or paid a cash dividend on our capital stock. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. Any future determinations to pay cash dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions, and any other factors that our board of directors may deem relevant. In addition, the terms of our credit facility currently prohibit us from paying cash dividends on our capital stock.

Recent Sales of Unregistered Securities and Use of Proceeds from Registered Securities

(a) Sales of Unregistered Securities

On December 17, 2013, we issued $230.0 million aggregate principal amount of 2.75% Convertible Senior Notes due 2020, or the 2020 Notes, which included a $30.0 million of principal amount issued pursuant to an option to purchase additional shares granted to the initial purchasers, in a private placement pursuant to exemptions from the registration requirements of the Securities Act. J.P. Morgan Securities LLC and Deustsche Bank Securities Inc. acted as representatives of the initial purchasers of the 2020 Notes. The 2020 Notes were issued only to "qualified institutional buyers" in compliance with Rule 144A under the Securities Act. We incurred $6.9 million in underwriting fees that were paid out of the gross proceeds from this offering.

(b) Use of Proceeds

On September 25, 2012, we closed our IPO pursuant to which we sold 5,900,000 shares of our common stock, which includes 900,000 shares sold pursuant to the exercise by the underwriters of an over-allotment option, at a public offering price of $17.00 per share, resulting in net proceeds to us of $89.4 million, after

deducting underwriting discounts and commissions and offering expenses payable by us. In addition, another 1,000,000 shares were sold by certain selling stockholders. We did not receive any proceeds from sales by the selling stockholders. J.P. Morgan Securities LLC, Deutsche Bank Securities Inc., RBC Capital Markets, LLC, Needham & Company, LLC, and William Blair & Company, L.L.C acted as underwriters. No payments were made by us to directors, officers or persons owning ten percent or more of our common stock or to their associates, or to our affiliates. We maintain the funds received in cash and cash equivalents. There has been no material change in the planned use of proceeds from our initial public offering as described in our final prospectus filed pursuant to Rule 424(b) with the Securities and Exchange Commission on September 19, 2012. From the effective date of the registration statement through December 31, 2013, we have used the net proceeds of the offering in connection with the acquisition of Market Leader and for working capital purposes and other general corporate purposes.

On March 20, 2013, we closed our follow-on public offering pursuant to which we sold 3,500,000 shares of our common stock, at a public offering price of $29.75 per share, resulting in net proceeds to us of $98.1 million, after deducting underwriting discounts and commissions and offering expenses payable by us. On March 26, 2013, we sold an additional 525,000 shares of our common stock pursuant to the exercise by the underwriters of an option to purchase additional shares, at a public offering price of $29.75 per share, resulting in net proceeds to us of $14.9 million, after deducting underwriting discounts and commissions and offering expenses payable by us. In addition, another 3,117,311 shares were sold by certain selling stockholders, which includes 406,606 shares sold pursuant to the exercise by the underwriters of an option to purchase additional shares. We did not receive any proceeds from sales by the selling stockholders. Deutsche Bank Securities Inc., J.P. Morgan Securities LLC, RBC Capital Markets, LLC, Needham & Company, LLC, and William Blair & Company, L.L.C acted as underwriters. No payments were made by us to directors, officers or persons owning ten percent or more of our common stock or to their associates, or to our affiliates. We maintain the funds received in cash and cash equivalents. There has been no material change in the planned use of proceeds from our secondary public offering as described in our final prospectus filed pursuant to Rule 424(b) with the Securities and Exchange Commission on March 15, 2013. From the effective date of the registration statement through December 31, 2013, we have used the net proceeds of the offering in connection with the acquisition of Market Leader and for working capital purposes and other general corporate purposes.

On December 17, 2013 we issued $230.0 million aggregate principal amount of the 2020 Notes, which included a $30.0 million of principal amount issued pursuant to an option to purchase additional notes granted to the initial purchasers. We received net proceeds of $222.4 million, after deducting offering expenses of $7.6 million payable by us. Interest began to accrue on December 17, 2013 and is payable semi-annually every June 15 and December 15, starting on June 15, 2014. We may not redeem the 2020 Notes prior to December 20, 2018. We may redeem the notes, at our option, in whole or in part on or after December 20, 2018, if the last reported sale price per share of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period. Holders of the notes may convert all or portion all or any portion of their notes, in multiples of $1,000 principal amount, at their option at any time prior to the close of business on the business day immediately preceding the maturity date. The notes are convertible at an initial conversion rate of 27.8303 shares of our common stock per $1,000 principal amount of notes, subject to adjustment in certain events.

c) Issuer Purchases of Equity Securities

Period	(a) Total Number of Shares (Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(c) Maximum number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
Month #1 (October 1, 2013 – October 31, 2013) *	521	$43.73	—	—
Month #2 (November 1, 2013 – November 30, 2013)	—	—	—	—
Month #3 (December 1, 2013 – December 31, 2013) **	1,085,383	$27.64	—	—
Total	1,085,904	$27.65	—	—

* We paid $23,000 to repurchase shares of our common stock in the open market at the market price of our common stock on the date of this transaction.

** We used $30.0 million of the net proceeds received from the issuance of the 2020 Notes to repurchase shares of our common stock from purchasers of the 2020 Notes in privately negotiated transactions effected through J.P. Morgan Securities LLC or its affiliate as our agent. The purchase price per share of the common stock repurchased in this transactions was equal the closing price per share of our common stock on December 11, 2013, which was $27.64.

Securities Authorized for Issuance Under Equity Compensation Plans

See Item 12, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" for information regarding securities authorized for issuance.

Item 6. ***Selected Financial and Other Data***

The following selected historical financial data below should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," our financial statements, and the related notes appearing in Item 8, "Financial Statements and Supplementary Data", of this Annual Report on Form 10-K to fully understand factors that may affect the comparability of the information presented below.

The statements of operations data for the years ended December 31, 2013, 2012, and 2011 and the balance sheet data as of December 31, 2013 and 2012 are derived from our audited financial statements appearing in Item 8, "Financial Statements and Supplementary Data", of this Annual Report on Form 10-K. The statements of operations for the years ended December 31, 2010 and 2009 and the balance sheet data as of December 31, 2011, 2010, and 2009 are derived from audited financial statements not included in this Annual Report on Form 10-K. The statement of operations for the year ended December 31, 2013 includes results of Market Leader operations in the post-acquisition period from August 21, 2013 through December 31, 2013. Our historical results are not necessarily indicative of the results to be expected in the future.

	Year Ended December 31,				
	2013	2012	2011	2010	2009
	(In thousands, except share and per share data)				
Statement of Operations Data:					
Revenue	$ 143,728	$ 68,085	$ 35,518	$ 19,785	$ 10,338
Cost and operating expenses: [1]					
Cost of revenue (exclusive of amortization) [2]	23,122	9,999	5,795	3,657	2,855
Technology and development	34,612	20,199	14,650	8,803	7,056
Sales and marketing	71,370	33,747	17,717	8,638	5,532
General and administrative	32,702	13,659	6,123	2,501	1,912
Acquisition related costs	6,065	—	—	—	—
Total cost and operating expenses	167,871	77,604	44,285	23,599	17,355
Loss from operations	(24,143)	(9,519)	(5,767)	(3,814)	(7,017)
Interest income	121	50	17	15	55
Interest expense	(1,107)	(1,016)	(389)	(39)	(21)
Change in fair value of warrant liability	—	(369)	(16)	—	—
Loss on extinguishment of debt	(141)	—	—	—	—
Loss before provision for income taxes	(25,270)	(10,854)	(6,155)	(3,838)	(6,983)
Provision for income taxes	7,511	(67)	—	—	—
Net loss attributable to common stockholders	$ (17,759)	$ (10,921)	$ (6,155)	$ (3,838)	$ (6,983)
Net loss per share attributable to common stockholders, basic and diluted [3]	$ (0.54)	$ (0.87)	$ (0.92)	$ (0.64)	$ (1.21)
Weighted average shares used in computing net loss per share attributable to common stockholders, basic and diluted [3]	33,129,572	12,538,769	6,657,045	6,016,550	5,752,478
Other Financial Information:					
Adjusted EBITDA [4]	$ 17,106	$ (3,364)	$ (1,787)	$ (2,497)	$ (5,857)

(1) Compensation paid in stock was allocated as follows:

	Year Ended December 31,				
	2013	2012	2011	2010	2009
	(In thousands)				
Cost of revenue	$ 718	$ 32	$ 11	$ 8	$ 10
Technology and development	6,365	930	482	176	177
Sales and marketing	5,663	398	183	97	105
General and administrative	10,227	1,210	808	73	13
Total compensation paid in stock	$22,973	$2,570	$1,484	$354	$305
(2) Amortization of product development costs were included in technology and development as follows:	$ 2,660	$1,108	$ 708	$366	$179

(3) See Note 12 to our audited financial statements for an explanation of the method used to calculate basic and diluted net loss per share attributable to common stockholders and the weighted average number of shares used in the computation of the per share amounts.

(4) See "Non-GAAP Financial Measures" for more information and a reconciliation of Adjusted EBITDA to net loss, the most directly comparable financial measure calculated and presented in accordance with generally accepted accounting principles in the United States, or GAAP.

	As of December 31,				
	2013	2012	2011	2010	2009
	(In thousands)				
Balance Sheet Data:					
Cash and cash equivalents and short-term investments	$225,597	$100,017	$11,341	$ 4,395	$ 7,587
Working capital (deficit)	213,336	82,632	4,165	(132)	6,881
Property and equipment, net	22,289	7,069	5,548	3,465	847
Total assets	655,409	118,964	24,195	15,710	11,162
Deferred revenue	10,002	13,296	4,827	1,810	546
Total indebtedness	230,000	9,759	9,592	1,955	517
Preferred stock warrant liability	—	—	297	—	—
Total stockholders' equity (deficit)	381,076	86,534	3,039	7,142	8,262

Non-GAAP Financial Measures

Adjusted EBITDA is a financial measure that is not calculated in accordance with generally accepted accounting principles in the United States, or GAAP. We define Adjusted EBITDA as net loss adjusted to exclude interest income, interest expense, loss on extinguishment of debt, income taxes, depreciation and amortization, change in the fair value of our warrant liability, compensation paid in stock, and certain other infrequently occurring items that Trulia does not believe are indicative of ongoing results (such as acquisition related costs). Below, we have provided a reconciliation of Adjusted EBITDA to our net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP. Adjusted EBITDA should not be considered as an alternative to net loss or any other measure of financial performance calculated and presented in accordance with GAAP. Our Adjusted EBITDA may not be comparable to similarly titled measures of other organizations because other organizations may not calculate Adjusted EBITDA in the same manner as we calculate the measure.

We include Adjusted EBITDA in this Annual Report on Form 10-K because it is an important measure upon which our management assesses our operating performance. We use Adjusted EBITDA as a key performance measure because we believe it facilitates operating performance comparisons from period to period by excluding potential differences primarily caused by variations in capital structures, tax positions, the impact of depreciation and amortization expense on our fixed assets, changes related to the fair value remeasurements of our preferred stock warrant, and the impact of the compensation paid in stock. Because Adjusted EBITDA facilitates internal

comparisons of our historical operating performance on a more consistent basis, we also use Adjusted EBITDA for business planning purposes, to incentivize and compensate our management personnel, and in evaluating acquisition opportunities. In addition, we believe Adjusted EBITDA and similar measures are widely used by investors, securities analysts, ratings agencies, and other parties in evaluating companies in our industry as a measure of financial performance and debt-service capabilities.

Our use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures for capital equipment or other contractual commitments;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect capital expenditure requirements for such replacements;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our indebtedness; and
- Other companies, including companies in our industry, may calculate Adjusted EBITDA measures differently, which reduces their usefulness as a comparative measure.

In evaluating Adjusted EBITDA, you should be aware that in the future we will incur expenses similar to the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by these expenses or any unusual or non-recurring items. When evaluating our performance, you should consider Adjusted EBITDA alongside other financial performance measures, including our net loss and other GAAP results.

The following table presents a reconciliation of Adjusted EBITDA to our net loss, the most comparable GAAP measure, for each of the periods indicated:

	Year Ended December 31,				
	2013	2012	2011	2010	2009
	(In thousands)				
Net loss attributable to common stockholders	$(17,759)	$(10,921)	$(6,155)	$(3,838)	$(6,983)
Non-GAAP adjustments:					
Interest income	(121)	(50)	(17)	(15)	(55)
Interest expense	1,107	1,016	389	39	21
Loss on extinguishment of debt	141	—	—	—	—
Depreciation and amortization	12,211	3,585	2,496	963	855
Change in fair value of warrant liability	—	369	16	—	—
Income tax provision (benefit)	(7,511)	67	—	—	—
Compensation paid in stock	22,973	2,570	1,484	354	305
Acquisition related costs	6,065				
Adjusted EBITDA	$ 17,106	$ (3,364)	$(1,787)	$(2,497)	$(5,857)

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. In addition to historical financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Statements containing words such as "may," "believe," "anticipate," "expect," "intend," "plan," "project," "projections," "business outlook," "estimate," or similar expressions constitute forward-looking statements. Our actual results could differ materially from those contained in or implied by any forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Annual Report on Form 10-K.

Overview

Trulia is redefining the home search experience for consumers and changing the way that real estate professionals build their businesses. Our marketplace, delivered through the web and mobile applications, gives consumers powerful tools to research homes and neighborhoods and enables real estate professionals to efficiently market their listings and attract and manage new clients. We believe we deliver the best home search experience by combining our superior user interface with our comprehensive database of real estate properties, local insights, and user-generated content. We also offer a comprehensive suite of free and subscription products that provide real estate professionals with access to transaction-ready consumers and help them to grow and manage their online presence. We also generate media revenue from sales of display advertising on our websites and mobile applications.

Key elements of our marketplace are extensive consumer reach, an engaged base of real estate professionals, and a comprehensive database of real estate information and local insights. We also offer free and subscription-based products that provide comprehensive marketing and customer relationship management (CRM) solutions for real estate professionals. In the year ended December 31, 2013, taking into account unique visitors on Market Leader properties since acquisition on August 20, 2013, we had approximately 38.8 million monthly unique visitors. In addition, as of December 31, 2013, we had more than 437,000 active real estate professionals in our Trulia marketplace and 157,000 active real estate professionals using our Market Leader software and services. Approximately 59,700 of these real estate professionals were paying subscribers (assuming a 20% overlap between Trulia subscribers and Market Leader's premium subscribers).

Our large, continually refreshed, and searchable database contains more than 113.2 million properties, including 4.0 million homes for sale and rent. We supplement listings data with local information on schools, crime, commute time, neighborhood amenities, rental prices and historical earthquake, flood and other natural disaster data to provide unique insights into each community. In addition, we harness rich, insightful user-generated content from our active community of contributors, including consumers, local enthusiasts, and real estate professionals. With more than 11.8 million unique user contributions, we believe we have the largest collection of user-generated content on homes, neighborhoods, and real estate professionals. We deliver this information on mobile devices through our iPhone, iPad, Android Phone, Android tablet, Kindle Fire and Blackberry applications and also provide tailored mobile experiences, such as GPS-based search.

We offer our products free to consumers. We deliver hard to find insights on homes, neighborhoods, and real estate professionals in an intuitive and engaging way, helping consumers make more informed housing decisions. Our free products attract users to our marketplace and the quality of our products drives the growth of our audience and promotes deep engagement by our users. We believe this leads real estate professionals to convert to paying subscribers and brand advertisers to purchase our advertising products.

For real estate professionals, we offer a suite of free and subscription products to promote themselves and their listings online, manage and grow their businesses and to connect with consumers searching for homes. We generate revenue primarily from sales of subscription marketing products and our software-as-a-service customer relationship management products that we offer to real estate professionals. Our *Trulia Pro* and *Trulia Premium*

Listings products allow real estate professionals to receive prominent placement of their listings in our search results. With our *Trulia Local Ads* and *Trulia Mobile Ads* products, real estate professionals can purchase local advertising on our Trulia website and mobile applications, respectively, by locale and by share of a given market. With our recently launched *Trulia Seller Ads* product, real estate professionals can generate leads from consumers interested in selling their homes. With our software-as-a-service products, real estate professionals can manage and cultivate clients and potential clients by automating daily tasks and efficiently marketing their services. We charge real estate professionals subscription fees for our software-as-a-service products. We also generate revenue through enterprise marketing agreements with real estate franchise networks. We provide a base level software-as-a-service product to all agents and/or brokerages in these franchise networks in exchange for certain minimum payments from the real estate franchise networks. We also generate revenue through the sale of premium software and marketing products to individual agents, teams and brokerage offices within these real estate franchise networks.

In addition, we generate revenue from display advertising we sell to leading advertisers engaged in promoting their brand to our attractive audience. Pricing for our display advertisements is based on advertisement size and position on our web page, and fees are primarily based on a Cost-Per-Thousand ("CPM"), Cost-Per-Click ("CPC"), or Cost-Per-Lead ("CPL) basis.

To date, we have focused our efforts and investments on developing and delivering superior products and user experiences, attracting consumers and real estate professionals to our marketplace, selling our products and growing our revenue. We intend to continue to spend significantly on technology and engineering in order to further improve the experience of our users and offer the most comprehensive end-to-end marketing and customer relationship management solutions for real estate professionals.

We believe that the growth of our business and our future success are dependent upon many factors including our ability to increase our audience size and user engagement, grow the number of our paying subscribers, increase the value of our advertising and software-as-a-service products, achieve the anticipated benefits of the Market Leader acquisition, and successfully invest in our growth. We also expect that our efforts to maintain or increase consumer traffic and subscribers are likely to include, among other things, significant increases to our marketing spending and significant expenditures to increase the number of our engineering and product development personnel. In February 2014, we announced a national marketing campaign that is designed to attract serious home buyers and sellers to our marketplace. While each of these areas presents significant opportunities for us, they also pose important challenges that we must successfully address in order to sustain the growth of our business and improve our operating results.

Follow-on Public Offering

In March 2013, we completed our follow-on public offering in which we sold an aggregate of 4,025,000 shares of our common stock, which included 525,000 shares sold pursuant to the exercise by the underwriters of an option to purchase additional shares, at a public offering price of $29.75 per share. In addition, another 3,117,311 shares were sold by certain selling stockholders, which includes 406,606 shares sold pursuant to the exercise by the underwriters of an option to purchase additional shares. We received aggregate net proceeds of $113.0 million, after deducting underwriting discounts and commissions and offering expenses payable by us, from sales of our shares in the offering. We did not receive any of the proceeds from the sales of shares by the selling stockholders.

Acquisition of Market Leader, Inc.

On August 20, 2013 we completed the acquisition of Market Leader, Inc., or Market Leader, for approximately $372.7 million, including 4,412,489 million shares of our common stock valued at $189.3 million, and $170.5 million in cash and assumed Market Leader equity awards valued at $26.7 million, $12.9 million of which was included in the purchase price and the remaining amount is subject to post-acquisition service requirement and will be expensed prospectively. Market Leader is a provider of software-as-a-service based

customer relationship management software for the real estate sector. We acquired Market Leader to help accelerate our growth, including by expanding our product portfolio for real estate professionals and increasing our subscriber base. Our consolidated financial statements include the results of operations for Market Leader beginning on August 21, 2013.

Convertible Senior Notes

On December 17, 2013 we issued $230.0 million aggregate principal amount of 2.75% Convertible Senior Notes due in 2020, or the 2020 Notes, which included a $30.0 million of principal amount issued pursuant to an option to purchase additional notes granted to the initial purchasers. The aggregate principal amount of the 2020 Notes is due on December 15, 2020. We received net proceeds of $222.4 million, after deducting offering expenses of $7.6 million payable by us. Interest began to accrue on December 17, 2013 and is payable semi-annually every June 15 and December 15, starting on June 15, 2014. We may not redeem the 2020 Notes prior to December 20, 2018. We may redeem the 2020 Notes, at our option, in whole or in part on or after December 20, 2018, if the last reported sale price per share of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period. Holders of the notes may convert all or portion all or any portion of their notes, in multiples of $1,000 principal amount, at their option at any time prior to the close of business on the business day immediately preceding the maturity date. The notes are convertible at an initial conversion rate of 27.8303 shares of our common stock per $1,000 principal amount of notes, subject to adjustment in certain events.

Key Business Metrics

To analyze our business performance, determine financial forecasts, and help develop long-term strategic plans, we review the key business metrics below.

- *Monthly Unique Visitors*. We count a unique visitor the first time a computer or mobile device with a unique IP address accesses trulia.com, our Trulia consumer facing blogs, any of our more than 126,000 agent websites powered by Market Leader, or our mobile websites and applications during a calendar month. If an individual accesses any of the websites or mobile applications using different IP addresses within a given month, the first access by each such IP address is counted as a separate unique visitor. If an individual accesses more than any one of our websites in a single month, the first access to each website is counted as a separate unique user since unique users are tracked separately for each domain. Our number of monthly unique visitors includes mobile monthly unique visitors. We calculate our monthly unique visitors based on the monthly average over the applicable period. The fourth quarter of 2013 is the second quarter we are including our consumer facing blogs in our monthly unique visitor count. Traffic to our consumer facing blogs represented less than 1% of our monthly unique visitors for the year ended December 31, 2013. As a result we have not recalculated our monthly unique visitor count for historical periods. We view monthly unique visitors as a key indicator of the growth in our business and audience reach, the quality of our products, and the strength of our brand awareness. In the year ended December 31, 2013, the total number of monthly unique visitors increased to 38.8 million from 23.1 million in the year ended December 31, 2012, a 68% increase. We attribute the growth in our monthly unique visitors principally to our increasing brand awareness, the popularity of our mobile products, the overall industry trend of more consumers using the web and mobile applications to research housing decisions and to our acquisition of Market Leader.
- *Mobile Monthly Unique Visitors*. We count a unique mobile visitor the first time a mobile device with a unique IP address accesses trulia.com, any of our more than 126,000 agent websites powered by Market Leader, or our mobile websites and applications during a calendar month. We calculate our mobile monthly unique visitors based on the monthly average over the applicable period. These mobile monthly unique visitors are included in our monthly unique visitors metric. We view mobile monthly unique visitors as a key indicator of the growth in our business and audience reach, and believe that having more unique visitors using our mobile applications will drive faster growth in our revenue. We plan to expand our mobile products to support our rapidly growing mobile user base. In the first quarter

of 2013 we reclassified our mobile visitor data for the current and all historical quarters to include visitors to *trulia.com* on tablets or other mobile devices. Previously, these visitors were classified as web-based visitors. There was no change to overall visitor traffic as a result of this reclassification. In the year ended December 31, 2013, the number of mobile monthly unique visitors, as restated, increased to 14.3 million from 6.8 million in the year ended December 31, 2012, a 111% increase. We attribute this growth to the overall adoption of smartphones and the growth of mobile applications and mobile web use by consumers. We also attribute the growth in our mobile monthly unique visitors to our increased efforts in developing a mobile website and mobile applications. Due to the significant growth rate of usage of our mobile products and solutions, and our acquisition of Market Leader, our mobile monthly unique visitors has grown as a percentage of our monthly unique visitors over recent periods and we expect this trend to continue.

- *New Contributions to User-Generated Content*. We define user-generated content as any content contributed by a user through trulia.com, or Trulia's mobile websites or applications, such as Q&A discussions, blogs, blog comments, user votes, recommendations, and neighborhood ratings and reviews. We view the changes in the volume of new contributions to user-generated content as a key indicator of our user engagement and the strength of our community. In the year ended December 31, 2013, new contributions to user-generated content increased by approximately 4.4 million contributions, and we now have over 11.8 million cumulative contributions on our marketplace. We expect new contributions to user-generated content to continue to grow as our monthly unique visitors and total subscribers grow and as we introduce new features to *trulia.com* and our Trulia mobile websites and applications. While the absolute number of new contributions to user-generated content may continue to grow period-over-period, the rate of growth has slowed and we expect that the rate of growth may continue to slow as the aggregate size of our user-generated content increases. We believe the slowing growth rate of new contributions to user-generated content is a function of the large historical number of new contributions to user-generated content on our marketplace, which makes achievement of increasing rates of growth more challenging. We continue to focus on promoting new contributions to user-generated content to increase the engagement of our users with our marketplace.

- *Total Subscribers*. We define a subscriber as a real estate professional with a paid subscription at the end of a period. This includes agents using our premium software-as-a-service product under a licensed purchased by their brokerage. Total subscribers has been, and we expect will continue to be, a key driver of revenue growth. It is also an indicator of our market penetration, the value of our products, and the attractiveness of our consumer audience to real estate professionals. As of December 31, 2013, we had approximately 59,700 total subscribers, a 144% increase from 24,443 total subscribers as of December 31, 2012. Our total subscribers include approximately 39,300 subscribers of Trulia products and approximately 25,500 subscribers of Market Leader products; however, we estimate that there was a 20% overlap between Trulia and Market Leader subscribers during the year ended December 31, 2013 and therefore our aggregate subscriber total has been adjusted accordingly. We attribute the growth in our total subscribers to our increasing sales and marketing efforts, principally from the launch and growth of our inside sales team, as well as growth in monthly unique visitors and our acquisition of Market Leader. Although our total subscribers are growing period-over-period and we expect total subscribers to continue to grow, the rate of growth may slow as we increase efforts to sell more products to existing subscribers. In addition, subscribers often purchase subscriptions for limited periods as a result of seasonality, as part of their advertising campaigns, and other factors.

- *Average Monthly Revenue per Subscriber*. We calculate our average monthly revenue per subscriber by dividing the revenue generated from subscriptions of our lead generation products and our software-as-a-service products in a period by the average number of subscribers in the period, divided again by the number of months in the period. Our average number of subscribers is calculated by taking the average of the beginning and ending number of subscribers for the period. Our average monthly revenue per subscriber is a key indicator of our ability to monetize our marketplace and the performance of our software-as-a-service products for real estate professionals, and we monitor changes in this metric to

measure the effectiveness of our monetization strategy. During the year ended December 31, 2013, average monthly revenue per subscriber of our Trulia products increased to $191, from $156 during the year ended December 31, 2012, a 22% increase. As our new and existing subscribers mature, we have been able to increase our average monthly revenue per Trulia subscriber by launching new products to sell to these customers, redesigning existing products to expand inventory in high demand zip codes, raising prices in certain geographic markets, and selling to existing subscribers the additional advertising inventory created by traffic growth to our marketplace. In addition, in geographic markets that show strong demand for our Trulia subscription products—those where inventory is sold out and wait lists to purchase our products exist—average monthly revenue per subscriber is higher than in markets with less demand for our Trulia products. While our average monthly revenue per Trulia subscriber has increased and may continue to increase in absolute dollars year-over-year, the rate of increase has slowed and we expect that the rate of increase may continue to slow. We believe that the slowing growth rate of our average monthly revenue per subscriber is the result of our larger subscriber base and the resulting challenge associated with achieving higher growth rates and our efforts to introduce new, lower priced, entry level lead generation products to attract new subscribers. Despite this slowing growth rate, we believe we have significant opportunities to continue to increase average monthly revenue per subscriber by further penetrating markets and by offering new products to existing subscribers.

Our key business metrics are as follows:

	Year Ended December 31,		
	2013	2012	2011
Monthly unique visitors (in thousands)	38,809	23,145	14,776
Mobile monthly unique visitors (in thousands)	14,260	6,760	2,088
New contributions to user-generated content (in thousands)	4,362	3,050	1,991
Total subscribers (at period end)	59,677	24,443	16,849
Average monthly revenue per subscriber ($)	191	156	110

Components of Statements of Operations

Revenue

Our revenue is comprised of Marketplace revenue and Media revenue.

Marketplace Revenue. Marketplace revenue primarily consists of products and services sold to real estate professionals, including agents, brokers, agents of property managers, and mortgage lenders on a fixed fee subscription, Cost Per Click ("CPC"), or Cost Per Lead ("CPL") basis. We currently sell three sets of products to real estate professionals on a subscription basis. The first set of products, which includes *Trulia Local Ads* and *Trulia Mobile Ads*, enables real estate professionals to promote themselves on our search results pages and property details pages for a local market area. Real estate professionals purchase subscriptions to these products based upon their specified market share for a city or zip code, at a fixed monthly price, for periods ranging from one month to one year, with pricing depending on demand, location, and the percentage of market share purchased. Our second set of products allows real estate professionals to receive prominent placement of their listings in our search results. Real estate professionals sign up for new subscriptions to this product at a fixed monthly price for periods that generally range from 1 month to 24 months. Our third set of products is our comprehensive premium software-as-a-service based marketing products typically sold to real estate professionals as a bundle of products under a fixed fee subscription. We also sell a base version of these products to strategic franchise networks for specified contractual amounts over a number of years and partner with them to drive adoption of our premium solution across their network.

Media Revenue. Media revenue primarily consists of display advertising sold on a Cost per Thousand ("CPM"), CPC, and CPL basis to advertisers promoting their brand on *trulia.com,* our mobile website, *m.trulia.com* and our partners websites (cumulatively "Trulia Websites"). Impressions are the number of times an

advertisement is loaded on a web page and clicks are the number of times users click on an advertisement. Revenue is recognized in the periods the clicks or impressions are delivered. Pricing is primarily based on advertisement size and position on the Trulia Websites and fees are generally billed monthly. As our mobile web pages and mobile applications offer less space on which to display advertising, a shift in user traffic from our websites to mobile products could decrease our advertising inventory and negatively affect our Media revenue. We do not believe that we have experienced a shift in user traffic from our websites to our mobile applications, as our monthly unique visitors and mobile monthly unique visitors each continued to grow at a rapid pace.

In the third quarter of 2013, we changed how we define our Marketplace revenue and Media revenue. The changes primarily relate to the re-classification of products and services sold to mortgage lenders. The change in definitions did not change total revenue reported in any period. The following table provides a comparison of Marketplace revenue and Media revenue as currently classified and as previously classified for all periods presented. Marketplace revenue and Media revenue have been reclassified for all periods disclosed herein.

	Year Ended December 31,	
	2013	2012
Marketplace Revenue (current definition)	$113,383	$47,805
Marketplace Revenue (previous definition)	$107,712	$45,475
Media Revenue (current definition)	$ 30,345	$20,280
Media Revenue (previous definition)	$ 36,016	$22,610

In addition, as noted above, in the year ended December 31, 2013, we have added the contribution of Market Leader to Marketplace revenue from August 21, 2013 (the day after the closing of our acquisition of Market Leader) through December 31, 2013.

Cost and Operating Expenses

Cost of Revenue. Cost of revenue consists primarily of expenses related to operating our websites and mobile applications, including those associated with the operation of our data centers and customer websites, hosting fees, customer service related headcount expenses including salaries, bonuses, benefits and stock-based compensation expense, cost to generate leads for customers, licensed content, multiple listing services fees, revenue sharing costs, credit card processing fees, third-party contractor fees, and allocated overhead.

Technology and Development. Technology and development expenses consist primarily of headcount related expenses including salaries, bonuses, benefits and stock-based compensation expense, third-party contractor fees, and allocated overhead primarily associated with developing new technologies. Technology and development also includes amortization expenses related to capitalized costs from internal and external development activities for our marketplace.

Sales and Marketing. Sales and marketing expenses consist primarily of headcount-related expenses including salaries, bonuses, commissions, benefits and stock-based compensation expense for sales, customer service, marketing, and public relations employees and third-party contractor fees. Sales and marketing expenses also include other sales expenses related to promotional and marketing activities, and allocated overhead.

General and Administrative. General and administrative expenses consist primarily of headcount related expenses including salaries, bonuses, and benefits and stock-based compensation expense for executive, finance, accounting, legal, human resources, recruiting, and administrative support personnel. General and administrative expenses also include legal, accounting, and other third-party professional service fees, bad debt, and allocated overhead costs.

Interest Income

Interest income consists primarily of interest earned on our cash and cash equivalent and short-term investment balances.

Interest Expense

Interest expense consists primarily of interest on our outstanding long-term debt and capital lease obligations. See Note 7 of our audited financial statements included elsewhere in this Annual Report on Form 10-K for more information about our long-term debt.

Change in Fair Value of Warrant Liability

Change in fair value of the warrant liability includes charges from the remeasurement of our preferred stock warrant liability on a mark-to-market basis as of each period end. These preferred stock warrants became warrants to purchase common stock upon the completion of our IPO, at which time the warrant liability was remeasured to fair value and the remaining liability was reclassified as additional paid-in capital. See Notes 3 and 11 of the audited financial statements included elsewhere in this Annual Report on Form 10-K for more information about our preferred stock warrants.

Provision for Income Taxes

Our provision for income taxes has not been historically significant to our business as we have incurred operating losses to date.

As a result of the acquisition of Market Leader in August 2013, we recorded a tax benefit of $7.9 million as a discrete item in the three months ended December 31, 2013. This tax benefit is a result of the partial release of its existing valuation allowance immediately prior to the acquisition since the acquired deferred tax liabilities from Market Leader will provide a source of income for us to realize a portion of our deferred tax assets, for which a valuation allowance is no longer needed.

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with generally accepted accounting principles in the United States, or GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable. In many instances, we could have reasonably used different accounting estimates, and in other instances changes in the accounting estimates are reasonably likely to occur from period-to-period. Actual results could differ significantly from our estimates. To the extent that there are material differences between these estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving our judgments and estimates.

Revenue Recognition

We recognize revenue when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable, and collection is reasonably assured. We consider a signed agreement, a binding insertion order, or other similar documentation reflecting the terms and conditions under which products will be provided to be persuasive evidence of an arrangement. Collectability is assessed based on a number of factors, including payment history and the creditworthiness of a customer. If it is determined that collection is not reasonably assured, revenue is not recognized until collection becomes reasonably assured, which is generally upon receipt of cash.

Our revenue includes marketplace revenue and media revenue. Marketplace revenue consists primarily of subscription revenue, which is recognized ratably over the term of the subscription. Media revenue consists primarily of advertisement sales, which is recognized in the periods the clicks or impressions are delivered.

We enter into arrangements with customers that include combinations of CPC media placements, CPM media placements, and subscription products.

Beginning on January 1, 2011, we adopted new authoritative guidance on multiple-element arrangements, using the prospective method for all arrangements entered into or materially modified from the date of adoption. Under this new guidance, we allocate arrangement consideration in multiple-element revenue arrangements at the inception of an arrangement to all deliverables or those packages in which all components of the package are delivered at the same time, based on the relative selling price method in accordance with the selling price hierarchy, which includes: (i) vendor-specific objective evidence, or VSOE if available; (ii) third-party evidence, or TPE, if VSOE is not available; and (iii) best estimate of selling price, or BESP, if neither VSOE nor TPE is available.

VSOE- We determine VSOE based on our historical pricing and discounting practices for the specific product when sold separately. In determining VSOE, we require that a substantial majority of the standalone selling prices for these products fall within a reasonably narrow pricing range. For certain subscription products, we have been able to establish VSOE.

TPE- When VSOE cannot be established for deliverables in multiple-element arrangements, we apply judgment with respect to whether we can establish a selling price based on TPE. TPE is determined based on competitor prices for similar deliverables when sold separately. Generally, our go-to-market strategy differs from that of our peers and our offerings contain a significant level of differentiation such that the comparable pricing of our products cannot be obtained. Furthermore, we are unable to reliably determine what similar competitor selling prices are on a standalone basis. As a result, we have not been able to establish selling price based on TPE.

BESP- When we are unable to establish selling price using VSOE or TPE, we use BESP in our allocation of arrangement consideration. The objective of BESP is to determine the price at which we would transact a sale if the service was sold regularly on a standalone basis. As we have not been able to establish VSOE or TPE for CPM media placements, CPC media placements, and certain subscription products, we determine BESP for these deliverables based on the following:

- The list price represents a component of the go-to-market strategy established by senior management. Our list prices are based on the features of the products offered. These features, which consist of the size and placement of the advertisements on our website, impact the list prices which vary depending on the specifications of the features. In addition, the list prices are impacted by market conditions, including the conditions of the real estate market and economy in general, and our competitive landscape; and
- Analysis of our selling prices for these deliverables.

We limit the amount of allocable arrangement consideration to amounts that are fixed or determinable and that are not contingent on future performance or future deliverables. We regularly review BESP. Changes in assumptions or judgments or changes to the elements in the arrangement could cause a material increase or decrease in the amount of revenue that we report in a particular period.

We recognize the relative fair value of the products as they are delivered assuming all other revenue recognition criteria are met.

Allowances for Doubtful Accounts

We record a provision for doubtful accounts based on historical experience and a detailed assessment of the collectability of our accounts receivable. To assist with the estimate, our management considers certain factors such as historical experience, industry data, credit quality, age of accounts receivable balances, and current

economic conditions that may affect a customer's ability to pay. In cases where we become aware of circumstances that may impair a specific customer's ability to meet its financial obligations, we record a specific allowance against amounts due from the customer and thereby reduce the net recognized receivable to the amount we reasonably believe will be collected. There is significant judgment involved in estimating the allowance for doubtful accounts.

Goodwill

Goodwill represents the excess of the aggregate purchase price paid over the fair value of the net tangible assets acquired. Goodwill is not amortized and is tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. We have determined that we operate as one reporting unit and have selected December 1 as the date to perform our annual impairment test. The first step of the impairment test involves comparing the fair value of the reporting unit to its net book value, including goodwill. If the net book value exceeds its fair value, then we would perform the second step of the goodwill impairment test to determine the amount of the impairment loss. When performing the valuation of our goodwill, we make assumptions regarding our estimated future cash flows to determine the fair value of our business. If our estimates or related assumptions change in the future, we may be required to record impairment loss related to our goodwill. We have not recognized any goodwill impairments since our inception.

Impairment of Long-Lived Assets

We assess the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured first by a comparison of the carrying amount of an asset to the future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, an impairment loss would be recognized. When measuring the recoverability of these assets, we will make assumptions regarding our estimated future cash flows expected to be generated by the assets. If our estimates or related assumptions change in the future, we may be required to impair these assets. We have not recognized any impairment of long-lived assets to date.

Product Development Costs

Costs incurred in connection with the development of our marketplace are accounted for as follows: all costs incurred in the preliminary project and post-implementation stages are expensed as incurred. Certain costs incurred in the application development stage of a new product or projects to provide significant additional functionality to existing products are capitalized if certain criteria are met. Maintenance and enhancement costs are typically expensed as incurred. Such costs are amortized on a straight-line basis over the estimated useful lives of the related assets, which was estimated to be two years. Amortization expense is included in technology and development expense in the statements of operations.

Stock-Based Compensation

We recognize compensation costs related to stock-based awards granted to employees based on the estimated fair value of the awards on the date of grant, net of estimated forfeitures. For the stock options and stock appreciation rights we estimate the grant date fair value, and the resulting stock-based compensation expense using the Black-Scholes option-pricing model. For the restricted stock units, the grant date fair value equals the market value of the underlying stock. We measure the fair value of stock appreciation rights similar to stock options. The grant date fair value of the stock-based awards is recognized on a straight-line basis over the requisite service period, which is the vesting period of the respective awards.

The fair value of the awards granted during the years ended December 31, 2013, 2012 and 2011 was calculated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	Year Ended December 31,		
	2013	2012	2011
Expected term (in years)	5.5	5.5	5.5
Expected volatility	52%	53%	55%
Risk-free interest rate	1.2%	0.9%	1.9%
Dividend rate	0%	0%	0%

The Black-Scholes option-pricing model requires the use of highly subjective and complex assumptions, including the expected term and the price volatility of the underlying stock, which determine the fair value of stock-based awards. These assumptions include:

- *Expected term*. The expected term represents the period that the stock-based awards are expected to be outstanding. We estimate the expected term of the options based on a study of publicly traded industry peer companies and the historical data on employee exercises and post-vesting employment termination behavior taking into account the contractual life of the stock-based awards;
- *Expected volatility*. The expected volatility is derived from the historical stock volatilities of several comparable publicly listed peers over a period approximately equal to the expected term of the stock-based awards. We use this method because we have limited information on the volatility of our common stock because of our short trading history. When making the selections of our comparable industry peers to be used in the volatility calculation, we considered the size, operational and economic similarities to our principle business operations;
- *Risk-free interest rate*. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for zero coupon U.S. Treasury notes with maturities approximately equal the expected term of the stock-based awards; and
- *Expected dividend*. The expected dividend is assumed to be zero as we have never paid dividends and have no current plans to pay any dividends on our common stock.

In addition to the assumptions used in the Black-Scholes option-pricing model, we must also estimate a forfeiture rate to calculate the stock-based compensation for our awards. Our forfeiture rate is based on an analysis of our actual forfeitures. We will continue to evaluate the appropriateness of the forfeiture rate based on actual forfeiture experience, analysis of employee turnover, and other factors. Quarterly changes in the estimated forfeiture rate can have a significant impact on our stock-based compensation expense as the cumulative effect of adjusting the rate is recognized in the period the forfeiture estimate is changed. If a revised forfeiture rate is higher than the previously estimated forfeiture rate, an adjustment is made that will result in a decrease to the stock-based compensation expense recognized in our financial statements. If a revised forfeiture rate is lower than the previously estimated forfeiture rate, an adjustment is made that will result in an increase to the stock-based compensation expense recognized in our financial statements.

We will continue to use judgment in evaluating the expected volatility, expected terms, and forfeiture rates utilized for our stock-based compensation calculations on a prospective basis. As we continue to accumulate additional data related to our common stock, we may have refinements to the estimates of our expected volatility, expected terms, and forfeiture rates, which could materially impact our future stock-based compensation expense.

Business Combination

We recognize identifiable assets acquired and liabilities assumed at their acquisition date fair values. Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed. While we use our best estimates and

assumptions as a part of the purchase price allocation process to accurately value assets acquired and liabilities assumed at the acquisition date, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill to the extent that we identify adjustments to the preliminary purchase price allocation. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our consolidated statements of operations.

Purchased Intangible Assets

Purchased intangible assets with a determinable economic life are carried at cost, less accumulated amortization. Amortization is computed over the estimated useful life of each asset on a straight-line basis. The useful lives of the purchased intangible assets are as follows:

Enterprise Relationships	10
Premium Users	5
Existing Technology	7
Trade Names	10
Home/MLS data feeds	10

Purchased intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured first by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, an impairment loss would be recognized when the carrying amount of the asset exceeds the fair value of the asset.

Income Taxes

We account for our income taxes in accordance with the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. Management must make assumptions, judgments, and estimates to determine our current provision for income taxes and also our deferred tax assets and liabilities as well as any valuation allowance to be recorded against a deferred tax asset.

Our assumptions, judgments, and estimates relative to the current provision for income taxes take into account current tax laws, our interpretation of current tax laws, and possible outcomes of current and future audits conducted by domestic tax authorities. We have established reserves for income taxes to address potential exposures involving tax positions that could be challenged by tax authorities. Although we believe our assumptions, judgments, and estimates are reasonable, changes in tax laws or our interpretation of tax laws, and the resolution of potential tax audits could significantly impact the amounts provided for income taxes in our financial statements.

Our assumptions, judgments, and estimates relative to the value of a deferred tax asset take into account predictions of the amount and category of future taxable income, such as income from operations or capital gains income. Actual operating results and the underlying amount and category of income in future years could render our current assumptions, judgments and, estimates of recoverable net deferred taxes inaccurate. Any of the assumptions, judgments, and estimates mentioned above could cause our actual income tax obligations to differ from our estimates, thus materially impacting our financial position and results of operations.

Since inception, we have incurred operating losses, and accordingly, we have generally not recorded significant provisions for income taxes for any of the periods presented. We generally do not expect any significant changes until we are no longer incurring losses. However, in the three months ended September 30,

2013, we recorded a discrete, one-time benefit of approximately $8 million associated with the acquisition of Market Leader which enabled us to recognize a portion of our deferred tax assets.

During the year ended December 31, 2013, we completed an analysis of certain research expenditures attributable to the legacy Trulia business to determine whether, and to what extent, federal and state research credits could be claimed and carried forward from inception through 2013. As a result of that analysis, we claimed research and development credits of approximately $2.5 million and $2.2 million, for federal and state purposes, respectively. These credits have been presented in Note 14 of our audited financial statements included elsewhere in this Annual Report on Form 10-K as an increase to deferred tax assets for the year ended December 31, 2013 but have also resulted in a corresponding increase to our valuation allowance. The claim therefore had no net impact to income tax expense. The federal credits will begin to expire in 2025 and the state credits can be carried forward indefinitely.

At December 31, 2013, we had approximately $147.8 million of federal net operating loss and $85.9 million of state net operating loss carryforwards available to reduce future taxable income, which will begin to expire in 2025 and 2015, respectively. Included in the above net operating loss carryforwards are $35.9 million and $25.1 million of federal and state net operating loss carryforwards, respectively, associated with windfall tax benefit that will be recorded as additional paid in capital when realized. In addition, we had approximately $3.8 million of federal research credit and $3.2 million of state research credit and $1.1 million of state enterprise zone credits carryforwards. The federal credits will begin to expire in 2025 and the state credits can be carried forward indefinitely.

Segment Information

We have one reportable segment. Our reportable segment has been identified based on how our chief operating decision-maker manages our business, makes operating decisions and evaluates operating performance. The chief executive officer acts as the chief operating decision-maker and reviews financial and operational information on an entity-wide basis.

Recently Issued and Adopted Accounting Pronouncements

Under the Jumpstart Our Business Startups Act, or JOBS Act, we meet the definition of an "emerging growth company." We have irrevocably elected to opt out of the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the JOBS Act.

In July 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2013-11, "*Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or Tax Credit Carryforward Exists,*" ("ASU 2013-11"). ASU 2013-11 requires entities to present an unrecognized tax benefit, or a portion of an unrecognized tax benefit, as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward when settlement in this manner is available under the tax law. This guidance is effective for interim and annual reporting periods beginning after December 15, 2013, with earlier adoption permitted, and may be applied prospectively or retrospectively. We adopted this guidance on January 1, 2014. Adoption of this guidance has no impact on our financial position, results of operations or cash flows in the current or future periods.

In February 2013, the FASB issued Accounting Standards Update No. 2013-02, *Comprehensive Income,* requiring entities to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income if the amount being reclassified is required under GAAP to be reclassified in its entirety to net income. For other amounts that are not required under GAAP to be reclassified in their entirety from accumulated other comprehensive income to net income in the same reporting period, an entity is required to cross-reference other disclosures required under GAAP that provide additional detail about those amounts. This pronouncement is effective for fiscal years beginning after December 15, 2012. We adopted this standard on January 1, 2013. During the years ended December 31, 2013, 2012, and 2011 we did not have any other comprehensive income and, therefore, the net loss and comprehensive loss was the same for all periods presented.

Results of Operations

The following tables set forth our results of operations for the periods presented in dollars and as a percentage of our total revenue:

	Year Ended December 31,		
	2013	2012	2011
	(In thousands)		
Statement of Operations Data:			
Revenue	$143,728	$ 68,085	$38,518
Cost and operating expenses: [1]			
Cost of revenue [2]	23,122	9,999	5,795
Technology and development	34,612	20,199	14,650
Sales and marketing	71,370	33,747	17,717
General and administrative	32,702	13,659	6,123
Acquisition related costs	6,065	—	—
Total cost and operating expenses	167,871	77,604	44,285
Loss from operations	(24,143)	(9,519)	(5,767)
Interest income	121	50	17
Interest expense	(1,107)	(1,016)	(389)
Change in fair value of warrant liability	—	(369)	(16)
Loss on extinguishment of debt	(141)	—	—
Loss before provision for income taxes	(25,270)	(10,854)	(6,155)
Provision for income taxes	7,511	(67)	—
Net loss attributable to common stockholders	$ (17,759)	$(10,921)	$ (6,155)

[1] Compensation paid in stock was allocated as follows:

	Year Ended December 31,		
	2013	2012	2011
	(In thousands)		
Cost of revenue	$ 718	$ 32	$ 11
Technology and development	6,365	930	482
Sales and marketing	5,663	398	183
General and administrative	10,227	1,210	808
Total compensation paid in stock	$22,973	$2,570	$1,484

[2] Amortization of product development costs was included in technology and development as follows

	$ 2,660	$1,108	$ 708

	Year Ended December 31,		
	2013	2012	2011
Percentage of Revenue:**			
Revenue	100%	100%	100%
Cost and operating expenses:			
Cost of revenue	16	15	15
Technology and development	24	30	38
Sales and marketing	50	49	46
General and administrative	23	20	16
Acquisition related costs	4	—	—
Total cost and operating expenses	117	114	115
Loss from operations	(17)	(14)	(15)
Interest income	*	*	*
Interest expense	(1)	(2)	(1)
Change in fair value of warrant liability	—	*	*
Loss on extinguishment of debt	*	—	—
Loss before provision for income taxes	(18)	(16)	(16)
Provision for income taxes	5	—	—
Net loss attributable to common stockholders	(12)%	(16)%	(16)%

* Less than 0.5% of revenue.

** Certain numbers may not foot due to rounding.

Comparison of the Years Ended December 31, 2013, 2012, and 2011

Revenue

	Year Ended December 31,			2012 to 2013 % Change	2011 to 2012 % Change
	2013	2012	2011		
	(In thousands)				
Revenue	$143,728	$68,085	$38,518	111%	77%

2013 Compared to 2012

Revenue increased to $143.7 million in the year ended December 31, 2013 from $68.1 million in the year ended December 31, 2012, an increase of $75.6 million, or 111%. Marketplace revenue and Media revenue represented 79% and 21%, respectively, of total revenue in the year ended December 31, 2013, compared to 70% and 30%, respectively, of total revenue in the year ended December 31, 2012. The increase in total revenue was attributable to the significant growth of our subscriber base, increase in average revenue per subscriber, as well as revenue from our acquisition of Market Leader in August 2013.

2012 Compared to 2011

Revenue increased to $68.1 million in the year ended December 31, 2012 from $38.5 million in the year ended December 31, 2011, an increase of $29.6 million, or 77%. Marketplace revenue and media revenue represented 70% and 30%, respectively, of total revenue in the year ended December 31, 2012, compared to 61% and 39%, respectively, of total revenue in the year ended December 31, 2011. The increase in total revenue was attributable to the significant growth of our subscriber base, an increase in our unique monthly visitors, and increased prices.

During the years ended December 31, 2013, 2012, and 2011, we recognized marketplace revenue and media revenue as follows:

	Year Ended December 31,			2012 to 2013 % Change	2011 to 2012 % Change
	2013	2012	2011		
	(In thousands)				
Marketplace revenue	$113,383	$47,805	$23,474	137%	104%
Media revenue	30,345	20,280	15,044	50%	35%
Total revenue	$143,728	$68,085	$38,518	111%	77%

2013 Compared to 2012

Marketplace revenue increased to $113.4 million in the year ended December, 2013 from $47.8 million in the year ended December 31, 2012, an increase of $65.6 million, or 137%. This was primarily attributable to the growth in the number of subscribers, our inventory expansion program, increased sales of our mobile subscription product, *Trulia Mobile Ads*, increased prices, as well as $21.2 million of revenue from our acquisition of Market Leader in August 2013.

Overall our subscriber base grew by 144% to approximately 59,700 subscribers as of December 31, 2013 from 24,443 subscribers as of December 31, 2012. The subscriber numbers as of December 31, 2013 reflect our estimate that there was a 20% overlap of subscribers between Trulia and Market Leader as of December 31, 2013. Our mobile subscription product for agents, *Trulia Mobile Ads*, which we launched in May 2012, contributed to Marketplace revenue growth in the year ended December 31, 2013. The average monthly revenue per subscriber for Trulia standalone increased from $156 in the year ended December 31, 2012 to $191 in the year ended December 31, 2013, largely due to increased sales of our *Trulia Local Ads* and *Trulia Mobile Ads* products in our high demand zip codes as a result of monetization improvement of these products.

Media revenue increased to $30.3 million in the year ended December 31, 2013 from $20.3 million in the year ended December 31, 2012, an increase of $10.1 million, or 50%. This increase continues to be driven by strong year over year growth in our average monthly unique visitors, which increased from 23.1 million in the year ended December 31, 2012 to 38.8 million in the year ended December 31, 2013, an increase of 68%.

2012 Compared to 2011

Marketplace revenue increased to $47.8 million in the year ended December 31, 2012 from $23.5 million in the year ended December 31, 2011, an increase of $24.3 million, or 104%. This was primarily attributable to growth in the number of subscribers, price increases, and sales of our mobile subscription product. The overall subscriber base grew by 45% to 24,443 subscribers as of the year ended December 31, 2012 from 16,849 subscribers as of the year ended December 31, 2011. In May 2012, we launched our most significant mobile subscription product for agents, *Trulia Mobile Ads* that resulted in an additional $4.4 million of marketplace revenue for the year ended December 31, 2012. Much of the 42% increase in average monthly revenue per subscriber, from $110 in the year ended December 31, 2011 to $156 in the year ended December 31, 2012 was attributable to increased sales and higher pricing for our *Trulia Local Ads* product as well as sales of our *Trulia Mobile Ads* product.

Media revenue increased to $20.3 million in the year ended December 31, 2012 from $15.0 million in the year ended December 31, 2011, an increase of $5.2 million, or 35%. This increase was primarily attributable to the strong year over year growth in our average monthly unique visitors from 14.8 million in the year ended December 31, 2011, to 23.1 million in the year ended December 31, 2012, an increase of 57%. We also experienced a significant increase in display advertisement sales to home builders as a result of the improving real estate market. Although there is a correlation between monthly unique visitors and our media revenue, it is not a direct correlation. The growth rate in our monthly unique visitors has outpaced the growth rate of our media revenue, as well as sales of our *Trulia Mobile Ads* product.

Cost of Revenue

	Year Ended December 31,			2012 to 2013 % Change	2011 to 2012 % Change
	2013	2012	2011		
	(In thousands)				
Cost of revenue	$23,122	$9,999	$5,795	131%	73%

2013 Compared to 2012

Cost of revenue increased to $23.1 million in the year ended December 31, 2013 from $10.0 million in the year ended December 31, 2012, an increase of $13.1 million, or 131%. The increase was primarily due to a $2.7 million increase related to a new partnership arrangement that we entered into in the fourth quarter of 2012, and a $3.1 million increase in Trulia standalone labor and facilities related costs, including compensation paid in stock, largely as a result of a 23% increase in headcount in the year ended December 31, 2013. Market Leader's contribution to cost of revenue was $6.0 million since August 21, 2013.

2012 Compared to 2011

Cost of revenue increased to $10.0 million in the year ended December 31, 2012 from $5.8 million in the year ended December 31, 2011, an increase of $4.2 million, or 73%. This increase in cost of revenue was primarily the result of a $1.9 million increase in headcount and related benefits due primarily to the growth in sales and expansion of the business overall, and a $1.5 million increase attributable to content license fees, hosting fees, and credit card fees due to higher subscription revenue. Cost of revenue remained at 15% of revenue in the year ended December 31, 2012 and 2011.

Technology and Development Expenses

	Year Ended December 31,			2012 to 2013 % Change	2011 to 2012 % Change
	2013	2012	2011		
	(In thousands)				
Technology and development	$34,612	$20,199	$14,650	71%	38%

2013 Compared to 2012

Technology and development expenses increased to $34.6 million in the year ended December 31, 2013 from $20.2 million in the year ended December 31, 2012, an increase of $14.4 million, or 71%. The increase was primarily due to a $7.3 million increase in Trulia standalone labor and facilities related costs, including compensation paid in stock, largely as a result of an 34% increase in headcount in the year ended December 31, 2013. Also, $1.3 million of the increase was related to stock-based compensation expense for the performance-based awards we granted to existing employees of Trulia and Market Leader in connection with the Market Leader acquisition. Market Leader's contribution to technology and development expenses was $6.1 million since August 21, 2013.

2012 Compared to 2011

Technology and development expenses increased to $20.2 million in the year ended December 31, 2012 from $14.7 million in the year ended December 31, 2011, an increase of $5.5 million, or 38%. This increase was comprised primarily of a $4.1 million increase in headcount and related benefits, a $0.5 million increase in stock-based compensation expenses, a $0.4 million increase attributable to higher facilities related expenses in the current year due to significant leasehold improvements completed in the year ended December 31, 2012 in our Denver facility, as well an increase in capitalized product development costs. Technology and development expenses decreased to 30% of revenue in the year ended December 31, 2012 from 38% of revenue in the year ended December 31, 2011, reflecting the increase in our revenue.

Sales and Marketing Expenses

	Year Ended December 31,			2012 to 2013 % Change	2011 to 2012 % Change
	2013	2012	2011		
	(In thousands)				
Sales and marketing	$71,370	$33,747	$17,717	111%	90%

2013 Compared to 2012

Sales and marketing expenses increased to $71.4 million in the year ended December 31, 2013 from $33.7 million in the year ended December 31, 2012, an increase of $37.6 million, or 111%. The increase was primarily due to a $23.0 million increase in Trulia standalone labor and facilities related costs, including compensation paid in stock, largely as a result of a 34% increase in headcount in the year ended December 31, 2013. Also, $2.9 million of the increase was related to additional expenditures for marketing and advertising, and $0.7 million of the increase was related to stock-based compensation expense for the performance-based awards we granted to existing employees of Trulia and Market Leader in connection with the Market Leader acquisition. Market Leader's contribution to sales and marketing expenses was $12.4 million since August 21, 2013.

2012 Compared to 2011

Sales and marketing expenses increased to $33.7 million in the year ended December 31, 2012 from $17.7 million in the year ended December 31, 2011, an increase of $16.0 million, or 90%. This increase was primarily the result of a $12.4 million increase in headcount and related benefits associated with the expansion of our sales personnel to support our revenue growth, a $0.2 million increase in stock-based compensation, and a $2.5 million increase in marketing and advertising expenses due to the increased marketing activities for Trulia Mobile Ads. These increases were partially offset by a $1.2 million decrease in external contractor fees as we decreased usage of external contractors and hired more full time employees. Sales and marketing expenses increased to 49% of revenue in the year ended December 31, 2012 from 46% of revenue in the year ended December 31, 2011, due to substantial headcount growth in our sales and marketing function and marketing expense associated with the launch of our *Trulia Mobile Ad* product in May 2012.

General and Administrative Expenses

	Year Ended December 31,			2012 to 2013 % Change	2011 to 2012 % Change
	2013	2012	2011		
	(In thousands)				
General and administrative	$32,702	$13,659	$6,123	139%	123%

2013 Compared to 2012

General and administrative expenses increased to $32.7 million in the year ended December 31, 2013 from $13.7 million in the year ended December 31, 2012, an increase of $19.0 million, or 139%. The increase was primarily due to an $8.8 million increase in Trulia standalone labor and facilities related costs, including compensation paid in stock, largely as a result of a 29% increase in headcount in the year ended December 31, 2013. Also, $2.3 million of the increase was related to stock-based compensation expense for the performance-based awards we granted to existing employees of Trulia and Market Leader in connection with the Market Leader acquisition. Market Leader's contribution to general and administrative expenses was $5.9 million since August 21, 2013.

2012 Compared to 2011

General and administrative expenses increased to $13.7 million in the year ended December 31, 2012 from $6.1 million in the year ended December 31, 2011, an increase of $7.5 million, or 123%. This increase was primarily the result of a $2.9 million increase in salary and related benefits, a $0.4 million increase in stock-based

compensation expenses, a $0.3 million increase in facilities related expenses due to headcount growth, and a $2.5 million increase in the outside accounting services related to our IPO in September 2012. General and administrative expenses increased to 20% of revenue in the year ended December 31, 2012 from 16% of revenue in the year ended December 31, 2011 primarily due to the significant increase in our financial, accounting, and legal headcount and increased expenses for third party service providers to support our transition to being a public reporting company.

Acquisition Related Costs

	Year Ended December 31,			2012 to 2013 % Change	2011 to 2012 % Change
	2013	2012	2011		
	(In thousands)				
Acquisition Related Costs	$6,065	$—	$—	100%	— %

In the year ended December 31, 2013 we incurred $6.1 million of expenses in connection with our acquisition of Market Leader primarily related to investment banking and legal fees.

Interest Expense

	Year Ended December 31,			2012 to 2013 % Change	2011 to 2012 % Change
	2013	2012	2011		
	(In thousands)				
Interest expense	$1,107	$1,016	$389	9%	161%

2013 Compared to 2012

Interest expense increased to $1.1 million in the year ended December 31, 2013 from $1.0 million in the year ended December 31, 2012, an increase of $0.1 million, or 9%. This increase is attributable to an incremental interest expense associated with our outstanding indebtedness.

2012 Compared to 2011

Interest expense increased to $1.0 million in the year ended December 31, 2012 from $0.4 million in the year ended December 31, 2011, an increase of $0.6 million, or 161%. The increase is attributable to an incremental interest expense associated with our outstanding indebtedness.

Change in Fair Value of Warrant Liability

	Year Ended December 31,			2012 to 2013 % Change	2011 to 2012 % Change
	2013	2012	2011		
	(In thousands)				
Change in fair value of warrant liability	$—	$(369)	$(16)	(100)%	2,206%

2013 Compared to 2012

Change in fair value of warrant liability decreased to $0 in the year ended December 31, 2013 from $369,000 in the year ended December 31, 2012, a decrease of $369,000, or 100%. We issued this warrant when a new credit facility was established in September 2011. Upon the first public filing of our registration statement in August 2012, the anti-dilution provisions in this warrant terminated. As a result, the preferred stock warrant liability was remeasured to fair value and the remaining liability was reclassified to additional paid-in capital. Immediately prior to completion of our initial public offering in September 2012, the preferred stock converted to common stock and this warrant to purchase preferred stock converted into a warrant to purchase common

stock. Because this warrant no longer contained anti-dilution provisions, this warrant was no longer remeasured to fair value on an ongoing basis. The common stock warrants were net exercised in February 2013 and were no longer outstanding as of December 31, 2013.

2012 Compared to 2011

Change in fair value of warrant liability increased to $369,000 in the year ended December 31, 2012 from $16,000 in the year ended December 31, 2011, an increase of $353,000, or 2,206%. This increase is attributable to an increase in the fair value of the warrant to purchase convertible preferred stock.

Quarterly Results of Operations

The following unaudited quarterly statements of operations data for each of the eight quarters in the year ended December 31, 2013 have been prepared on a basis consistent with our audited annual financial statements included in this Annual Report on Form 10-K and include, in our opinion, all normal recurring adjustments necessary for the fair presentation of the financial information contained in those statements. Our historical results are not necessarily indicative of the results that may be expected in the future. The following quarterly financial data should be read in conjunction with our audited financial statements and the related notes included in Item 8 of this Annual Report on Form 10-K.

	Three Months Ended							
	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2012	Sept. 30, 2012	June 30, 2012	March 31, 2012
	(Unaudited, in thousands, except share and per share data)							
Statement of Operations Data:								
Revenue	$ 49,730	$ 40,283	$ 29,713	$ 24,002	$ 20,554	$ 18,544	$ 16,825	$ 12,162
Cost and operating expenses: [1]								
Cost of revenue (exclusive of amortization) [2]	9,428	6,069	4,443	3,181	2,692	2,615	2,488	2,205
Technology and development	13,128	10,058	6,529	4,897	5,059	5,235	5,259	4,646
Sales and marketing	25,586	20,189	13,302	12,293	10,109	8,441	9,122	6,075
General and administrative	12,134	9,826	5,570	5,172	4,003	3,631	3,054	2,971
Acquisition related costs	—	4,060	2,005	—	—	—	—	—
Total cost and operating expenses	60,276	50,202	31,849	25,543	21,863	19,922	19,923	15,897
Loss from operations	(10,546)	(9,919)	(2,136)	(1,541)	(1,309)	(1,378)	(3,098)	(3,735)
Interest income	9	33	52	26	26	3	4	3
Interest expense	(451)	(203)	(217)	(236)	(242)	(268)	(239)	(252)
Change in fair value of warrant liability	—	—	—	—	—	(46)	(107)	(216)
Loss on extinguishment of debt	(141)	—	—	—	—	—	—	—
Loss before provision for income taxes	(11,129)	(10,089)	(2,301)	(1,751)	(1,525)	(1,689)	(3,440)	(4,200)
Income tax (provision) benefit	(17)	7,869	(110)	(231)	(67)	—	—	—
Net loss attributable to common stockholders	$ (11,146)	$ (2,220)	$ (2,441)	$ (1,982)	$ (1,592)	$ (1,689)	$ (3,440)	$ (4,200)
Net loss per share attributable to common stockholders, basic and diluted	$ (0.30)	$ (0.06)	$ (0.07)	$ (0.07)	$ (0.06)	$ (0.19)	$ (0.49)	$ (0.61)
Weighted average shares used in computing net loss per share attributable to common stockholders, basic and diluted	37,270,375	34,557,842	32,150,829	28,427,025	27,328,415	8,805,722	7,017,449	6,882,065
Other Financial Information:								
Adjusted EBITDA [3]	$ 7,683	$ 4,811	$ 3,403	$ 1,211	$ 564	$ 301	$ (1,758)	$ (2,473)

(1) Compensation paid in stock was allocated as follows:

	Three Months Ended							
	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2012	Sept. 30, 2012	June 30, 2012	March 31, 2012
	(Unaudited, in thousands)							
Cost of revenue	$ 420	$ 200	$ 57	$ 41	$ 12	$ 6	$ 9	$ 5
Technology and development	3,337	2,039	578	411	301	253	184	192
Sales and marketing	3,315	1,526	485	337	122	97	124	55
General and administrative	5,233	3,525	866	603	326	437	234	213
Total compensation paid in stock.	$12,305	$7,290	$1,986	$1,392	$761	$793	$551	$465

(2) Amortization of product development costs was included in technology and development as follows: $ 1,505 $ 559 $ 397 $ 199 $361 $266 $207 $274

(3) See "Non-GAAP Financial Measures" for more information and a reconciliation of Adjusted EBITDA to net loss, the most directly comparable financial measure calculated and presented in accordance with generally accepted accounting principles in the United States.

	Three Months Ended							
	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2012	Sept. 30, 2012	June 30, 2012	March 31, 2012
	(Unaudited, in thousands)							
Marketplace revenue (current definition)	$42,152	$31,308	$21,964	$17,959	$14,531	$12,654	$11,531	$ 9,089
Marketplace revenue (previous definition)	40,000	29,422	20,933	17,357	13,852	11,890	11,049	8,684
Media revenue (current definition)	7,578	8,975	7,749	6,043	6,023	5,890	5,294	3,073
Media revenue (previous definition)	9,730	10,861	8,780	6,645	6,702	6,654	5,776	3,478
Total revenue	$49,730	$40,283	$29,713	$24,002	$20,554	$18,544	$16,825	$12,162

	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2012	Sept. 30, 2012	June 30, 2012	March 31, 2012
Percentage of Revenue:**								
Revenue	100%	100%	100%	100%	100%	100%	100%	100%
Cost and operating expenses:								
Cost of revenue	19	15	15	13	13	14	15	18
Technology and development	26	25	22	20	25	28	31	38
Sales and marketing	51	50	45	51	49	46	54	50
General and administrative	24	24	19	22	19	20	18	24
Acquisition related costs	—	10	6					
Total cost and operating expenses	121	125	107	106	106	107	118	131
Loss from operations	(21)	(25)	(7)	(6)	(7)	(7)	(18)	(31)
Interest income	*	*	*	*	*	*	*	*
Interest expense	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)
Change in fair value of warrant liability	—	—	—	—	—	*	(1)	(2)
Loss on extinguishment of debt	*	—	—	—	—	—	—	—
Loss before provision for income taxes	(22)	(25)	(8)	(7)	(8)	(9)	(20)	(35)
Income tax provision (benefit)	*	20	—	(1)	—	—	—	—
Net loss attributable to common stockholders	(22)%	(6)%	(8)%	(8)%	(8)%	(9)%	(20)%	(35)%

* Less than 0.5% of revenue

** Certain numbers may not foot due to rounding.

Adjusted EBITDA

The following table presents a reconciliation of Adjusted EBITDA to our net loss, the most comparable GAAP measure, for each of the periods indicated below. See the section titled "Selected Financial and Other Data" for the detailed reconciliation to our net loss and for more information on our use and the limitations of Adjusted EBITDA as a measure of our financial performance.

	Three Months Ended							
	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2012	Sept. 30, 2012	June 30, 2012	March 31, 2012
	(Unaudited, in thousands)							
Net loss attributable to common stockholders	$(11,146)	$(2,220)	$(2,441)	$(1,982)	$(1,592)	$(1,689)	$(3,440)	$(4,200)
Non-GAAP adjustments:								
Interest income	(9)	(33)	(52)	(26)	(26)	(3)	(4)	(3)
Interest expense	451	203	217	236	242	268	239	252
Loss on extinguishment of debt	141	—	—	—	—	—	—	—
Depreciation and amortization	5,924	3,380	1,548	1,360	1,112	886	789	797
Change in fair value of warrant liability	—	—	—	—	—	46	107	216
Compensation paid in stock	12,305	7,290	1,986	1,392	761	793	551	465
Income tax provision (benefit)	17	(7,869)	110	231	67	—	—	—
Acquisition related costs	—	4,060	2,005	—	—	—	—	—
Adjusted EBITDA	$ 7,683	$ 4,811	$ 3,403	$ 1,211	$ 564	$ 301	$(1,758)	$(2,473)

Liquidity and Capital Resources

As of December 31, 2013, our principal sources of liquidity were cash and cash equivalents totaling $225.6 million, which consists of bank deposits and money market funds.

On December 17, 2013 we issued $230.0 million aggregate principal amount of the 2020 Notes, which included a $30 million of principal amount issued pursuant to an option to purchase additional notes granted to the initial purchasers. The aggregate principal amount of the 2020 Notes is due on December 15, 2020. We received net proceeds of $222.4 million after deducting offering expenses of $7.6 million payable by us.

On August 20, 2013 we acquired all the outstanding shares of capital stock of Market Leader for 4,412,489 shares of our common stock and $170.5 million in cash. Under the terms of the Merger Agreement, each outstanding share of Market Leader common stock was converted into the right to receive (a) $6.00 in cash, without interest, and subject to applicable withholding tax, and (b) 0.1553 of a share of the Company's common stock, for a total purchase price of $372.7 million. In connection with the merger, all of the outstanding stock options, stock appreciation rights and restricted stock units of Market Leader were converted into stock options, stock appreciation rights and restricted stock units, respectively, denominated in shares of our common stock based on formulas set forth in the Merger Agreement.

On March 20, 2013, we completed our follow-on public offering pursuant to which we sold an aggregate of 3,500,000 shares of our common stock, at a public offering price of $29.75 per share, resulting in aggregate net proceeds to us of $98.1 million, after deducting underwriting discounts and commissions and offering expenses

payable by us. On March 26, 2013, we sold an additional 525,000 shares of our common stock pursuant to the exercise by the underwriters of an option to purchase additional shares, at a public offering price of $29.75 per share, resulting in aggregate net proceeds to us of $14.8 million, after deducting underwriting discounts and commissions and offerings expenses payable by us. In addition, another 3,117,311 shares were sold by certain selling stockholders, which included 406,606 shares sold pursuant to the exercise by the underwriters of an option to purchase additional shares. We did not receive any proceeds from sales by the selling stockholders. Prior to our follow-on public offering, our operations were financed primarily by the net proceeds of $89.4 million from our initial public offering in September 2012, and $10.0 million in proceeds from the issuance of indebtedness from a Credit Facility. We repaid in full the outstanding balance of the Credit Facility in December 2013 with the net proceeds received from issuance of the 2020 Notes.

We have incurred cumulative losses of $64.9 million from our operations to date, and expect to incur additional losses in the future. We believe that our cash balances and the cash flows generated by operations will be sufficient to satisfy our anticipated cash needs for working capital and capital expenditures for at least the next 12 months. However, our future capital requirements will depend on many factors, including our rate of revenue growth, the cash that may be used in connection with acquisitions or other investments, the expansion of our sales and marketing activities, and the timing and extent of our spending to support our technology and development efforts. To the extent that existing cash and cash equivalents, and cash from operations are insufficient to fund our future activities, we may need to raise additional funds through public or private equity or debt financing. Additional funds may not be available on terms favorable to us or at all.

Credit Facility

In September 2011, we entered into a loan and security agreement with Hercules Technology Growth Capital, Inc., or Hercules, providing for a secured term loan facility, or the Credit Facility, in an aggregate principal amount of up to $20.0 million to be used for general business purposes. The indebtedness we incurred under this agreement was secured by substantially all of our assets. This agreement contained customary affirmative and negative covenants, including covenants that limited or restricted our ability to, among other things, incur additional indebtedness, grant liens, make investments, repurchase stock, pay dividends, transfer assets, merge or consolidate, and make acquisitions. On December 17, 2013 we repaid the outstanding $7.2 million of this Credit Facility including accrued interest with the proceeds of the 2020 Notes, and terminated the Credit Facility.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Year Ended December 31,		
	2013	2012	2011
	(In thousands)		
Cash provided by (used in) operating activities	$ (1,372)	$ 4,153	$ 1,132
Cash provided by (used in) investing activities	(175,143)	(1,970)	(6,638)
Cash provided by financing activities	302,095	90,793	8,152

Cash Flows from Operating Activities

Cash used in operating activities for the year ended December 31, 2013 was $1.4 million. The primary component of our cash flows during the year ended December 31, 2013 was our net loss of $17.8 million. The cash flows from our net loss were increased by our non-cash operating activities and net cash flows provided through changes in certain of our operating assets and liabilities. Specifically, we recognized non-cash charges of $12.2 million for depreciation and amortization of our property and equipment, $23.0 million for compensation paid in stock, and $7.9 million for release of valuation allowance related to the Market Leader acquisition. We also recognized changes in operating assets and liabilities which used $11.6 million of cash from operating

activities. The primary driver of the changes in our operating assets and liabilities was a $6.5 million increase in prepaid expenses and other current assets and a $6.7 million decrease in accounts payable. Changes in our operating assets and liabilities were also affected by an increase in deferred rent of $4.9 million primarily due to the acquisition of Market Leader and their lease in Bellevue, Washington; an increase in accounts receivable of $5.0 million due to timing of collections; an increase in accrued liabilities of $3.3 million primarily due to the overall growth in our business during the year; and a decrease in deferred revenue of $3.3 million primarily due to our revenue growth but also due to the timing of collections.

Cash provided by operating activities for the year ended December 31, 2012 was $4.2 million. The primary component of our cash flows during the year ended December 31, 2012 was our net loss of $10.9 million. The cash flows from our net loss were more than offset by our non-cash operating activities and net cash flows provided through changes in certain of our operating assets and liabilities. Specifically, we recognized non-cash charges of $3.6 million for depreciation and amortization of our property and equipment, $2.6 million for stock-based compensation, and $0.4 million for the fair value remeasurement of the preferred stock warrant liability. We also recognized changes in operating assets and liabilities which provided $8.3 million of cash from operating activities. Of this $8.3 million, $1.0 million related to an accrued withholding tax from stock options exercise collected from a former employee, which we remitted to the appropriate tax authorities after December 31, 2012. The primary driver of the changes in our operating assets and liabilities was an $8.5 million increase in deferred revenue due to the increase in the number of total subscribers and average monthly revenue per subscriber during the year. Changes in our operating assets and liabilities were also affected by an increase in accrued liabilities in the amount of $1.8 million, due primarily to the overall growth in our business during the year; increases in accrued compensation and benefits of $2.5 million due to the growth in our headcount, an increase in accounts receivable of $2.5 million, primarily due to our revenue growth but also to timing of collections; and increases in prepaid expenses and other current assets of $0.9 million mainly due to expansion of our facilities in Denver and overall growth in our business.

Cash provided by operating activities for the year ended December 31, 2011 was $1.1 million. The primary component of our cash flows during the year ended December 31, 2011 was our net loss of $6.2 million. The cash flows from our net loss were more than offset by our non-cash operating activities and net cash flows provided through changes in certain of our operating assets and liabilities. Specifically, we recognized non-cash charges of $2.5 million for depreciation and amortization of our property and equipment, $1.5 million for stock-based compensation, and $0.2 million provision for doubtful accounts. We also recognized changes in operating assets and liabilities which provided $3.0 million of cash from operating activities. The primary driver of the changes in our operating assets and liabilities was a $3.0 million increase in deferred revenue due to the increase in the number of total subscribers and average monthly revenue per subscriber during the year. Changes in our operating assets and liabilities were also significantly affected by an increase in accounts receivable of $1.4 million, primarily due to our revenue growth but also to timing of certain payments related to generally slower collections during the year. Changes in our operating assets and liabilities were also affected by increases in accrued compensation and benefits of $0.7 million and deferred rent of $0.7 million due to the growth in our headcount and expanded facilities during the year. Changes in our operating assets and liabilities were also affected by an increase in accounts payable and accrued liabilities in the amount of $0.4 million, due primarily to the overall growth in our business during the year.

Cash Flows from Investing Activities

Cash used in investing activities of $175.1 million for the year ended December 31, 2013 was primarily related to the acquisition of Market Leader for $160.8 million, net of cash acquired of $9.7 million. We used $16.6 million to purchases property and equipment for our offices in San Francisco, New York, and Bellevue due to expansion of our offices and increases in headcount.

Cash used in investing activities for the year ended December 31, 2012 was primarily related to the maturity of short-term investments in the amount of $4.3 million, which was more than offset by the acquisition of property and equipment in the amount of $5.5 million.

Historically, cash used in investing activities was primarily related to the acquisition of property and equipment and patents, which amounted to $4.8 million for the year ended December 31, 2011. Cash used in investing activities was also attributable to the increases in our restricted cash and deposit balance of $2.2 million in the year ended December 31, 2011.

Cash Flows from Financing Activities

Cash flows from financing activities for the year ended December 31, 2013 of $302.1 million were primarily comprised of net proceeds of $223.1 million from the issuance of our 2020 Notes in December 2013, net proceeds of $113.0 million from our follow-on public offering in March 2013, and $7.0 million proceeds from exercise of stock options. These inflows were partially offset by a $30.0 million payment to repurchase our outstanding shares and $10.0 million of repayments on our long-term debt.

Cash flows from financing activities for the year ended December 31, 2012 of $90.8 million was comprised of net proceeds of $89.4 million from our IPO in September 2012 and proceeds of $1.7 million from the exercise of stock options, partially offset by $0.3 million of capital lease payments.

Cash provided by financing activities for the year ended December 31, 2011 of $8.2 million was primarily comprised of proceeds of $12.0 million from additional borrowings and $0.4 million from exercise of stock options, which were partially offset by $4.2 million of capital lease and long-term debt repayments.

Contractual Obligations and Other Commitments

The following table summarizes our contractual obligations as of December 31, 2013:

	Payments Due by Period				
Contractual Obligations:	**Less Than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**More Than 5 Years**	**Total**
			(In thousands)		
Long-term debt	$ —	$ —	$ —	$230,000	$230,000
Interest on long-term debt [1]	6,325	12,650	12,650	12,650	44,275
Operating leases [2]	3,186	6,309	5,236	7,684	22,415
Total contractual obligations	$9,511	$18,959	$17,886	$250,334	$296,690

(1) The 2020 Notes carry a 2.75% stated interest rate.

(2) Operating leases include total future minimum rent payments under noncancelable operating lease agreements.

We had unrecognized tax benefits in the amount of $2.3 million as of December 31, 2013 related to uncertain tax positions. However, there is uncertainty regarding when these liabilities will require settlement so these amounts were not included in the contractual obligations table above.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements and do not have any holdings in variable interest entities.

Segment Information

We have one business activity and operate in one reportable segment.

Item 7A. *Quantitative and Qualitative Disclosures about Market Risk*

We are exposed to certain market risks in the ordinary course of our business. These risks primarily include interest rate sensitivities as follows:

Interest Rate Risk

We had cash and cash equivalents of $225.6 million as of December 31, 2013, which consists of bank deposits and money market funds. Such interest-earning instruments carry a degree of interest rate risk. To date, fluctuations in interest income have not been significant. We also had the $230.0 million aggregate principal amount of the 2020 Notes outstanding as of December 31, 2013, due on December 15, 2020. The 2020 Notes carry an interest of 2.75% per year.

The primary objective of our investment activities is to preserve principal while maximizing income without significantly increasing risk. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. Due to the short-term nature of our investments, we have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates. The interest rate on our outstanding debt is variable. A hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our financial statements.

Item 8. ***Financial Statements and Supplementary Data***

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Trulia, Inc.
San Francisco, California

We have audited the accompanying consolidated balance sheets of Trulia, Inc. (the "Company") as of December 31, 2013 and 2012, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2013. Our audits also included the consolidated financial statement schedule listed in Part IV, Item 15. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Trulia, Inc. as of December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ DELOITTE & TOUCHE LLP
San Jose, California
February 28, 2014

TRULIA, INC.

Consolidated Balance Sheets
(In thousands, except share and per share data)

	As of December 31,	
	2013	**2012**
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$225,597	$100,017
Accounts receivable, net of allowance for doubtful accounts of $411 and $142 as of December 31, 2013 and 2012, respectively	11,697	6,095
Prepaid expenses and other current assets	12,272	1,413
Total current assets	249,566	107,525
Restricted cash	1,589	385
Property and equipment, net	22,289	7,069
Intangible assets	117,888	445
Goodwill	255,904	2,155
Other assets	8,173	1,385
TOTAL ASSETS	$655,409	$118,964
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 3,018	$ 525
Accrued liabilities	11,261	2,916
Accrued compensation and benefits	10,863	4,500
Deferred revenue	10,002	13,296
Deferred rent, current portion	1,035	444
Capital lease liability, current portion	51	217
Long-term debt, current portion	—	2,665
Other current liabilities	—	330
Total current liabilities	36,230	24,893
Deferred rent, net of current portion	4,751	407
Capital lease liability, net of current portion	84	16
Long-term debt, net of current portion	230,000	7,094
Other long-term liabilities	3,268	20
Total liabilities	274,333	32,430
Commitments and contingencies (NOTE 8)		
STOCKHOLDERS' EQUITY:		
Preferred stock, par value of $0.00001, 20,000,000 shares authorized as of December 31, 2013 and 2012; no shares issued or outstanding as of December 31, 2013 and 2012	—	—
Common stock, par value of $0.00001, 1,000,000,000 shares authorized as of December 31, 2013 and 2012; 37,668,476 and 27,552,818 shares issued as of December 31, 2013 and 2012, respectively; 36,582,572 and 27,552,818 shares outstanding as of December 31, 2013 and 2012, respectively;	—	—
Treasury stock at $27.65, 1,085,904 and 0 shares at December 31, 2013 and 2012, respectively	—	—
Additional paid-in capital	445,960	133,659
Accumulated deficit	(64,884)	(47,125)
Total stockholders' equity	381,076	86,534
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$655,409	$118,964

See accompanying notes to consolidated financial statements.

TRULIA, INC.

Consolidated Statements of Operations
(In thousands, except share and per share data)

	Year Ended December 31,		
	2013	2012	2011
Revenue	$ 143,728	$ 68,085	$ 38,518
Cost and operating expenses:			
Cost of revenue (exclusive of amortization of product development cost)	23,122	9,999	5,795
Technology and development	34,612	20,199	14,650
Sales and marketing	71,370	33,747	17,717
General and administrative	32,702	13,659	6,123
Acquisition related costs	6,065	—	—
Total cost and operating expenses	167,871	77,604	44,285
Loss from operations	(24,143)	(9,519)	(5,767)
Interest income	121	50	17
Interest expense	(1,107)	(1,016)	(389)
Change in fair value of warrant liability	—	(369)	(16)
Loss on debt extinguishment	(141)	—	—
Loss before provision for income taxes	(25,270)	(10,854)	(6,155)
Income tax (provision) benefit	7,511	(67)	—
Net loss attributable to common stockholders	$ (17,759)	$ (10,921)	$ (6,155)
Net loss per share attributable to common stockholders, basic and diluted	$ (0.54)	$ (0.87)	$ (0.92)
Weighted average shares used in computing net loss per share attributable to common stockholders, basic and diluted	33,129,572	12,538,769	6,657,045

See accompanying notes to consolidated financial statements.

TRULIA, INC.

Consolidated Statements of Stockholders' Equity
(In thousands, except share data)

	Convertible Preferred Stock		Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance—December 31, 2010	14,161,444	$—	6,619,391	$—	—	$—	$ 37,191	$(30,049)	$ 7,142
Issuance of common stock warrants in exchange for services	—	—	—	—	—	—	93	—	93
Exercise of common stock options	—	—	287,766	—	—	—	408	—	408
Exercise of common stock warrants	—	—	12,735	—	—	—	45	—	45
Stock-based compensation expense related to options granted to employees and nonemployees	—	—	—	—	—	—	1,506	—	1,506
Net loss and total comprehensive loss	—	—	—	—	—	—	—	(6,155)	(6,155)
Balance—December 31, 2011	14,161,444	—	6,919,892	—	—	—	39,243	(36,204)	3,039
Issuance of common stock in connection with initial public offering net of offering costs	—	—	5,900,000			—	89,447	—	89,447
Conversion of convertible preferred stock to common stock in connection with initial public offering	(14,161,444)	—	14,161,444	—	—	—	—	—	—
Conversion of preferred stock warrant to common stock warrant in connection with initial public offering	—	—	—	—	—	—	666	—	666
Exercise of common stock options	—	—	541,445	—	—	—	1,681	—	1,681
Exercise of common stock warrant	—	—	33,380	—	—	—	—	—	—
Shares returned from escrow related to acquisition of Movity, Inc.	—	—	(3,343)	—	—	—	(14)	—	(14)
Stock-based compensation expense related to options granted to employees and nonemployees	—	—	—	—	—	—	2,636	—	2,636
Net loss and total comprehensive loss	—	—	—	—	—	—	—	(10,921)	(10,921)
Balance—December 31, 2012	—	—	27,552,818	—	—	—	133,659	(47,125)	86,534
Issuance of common stock in connection with secondary public offering net of offering costs	—	—	3,500,000	—	—	—	98,144		98,144
Issuance of additional shares of common stock in connection with secondary offering	—	—	525,000	—	—	—	14,878		14,878
Issuance of common stock as consideration for Market Leader			4,412,489	—	—	—	189,296		189,296
Assumption of stock-based awards in connection with the acquisition of Market Leader			—	—	—	—	12,871		12,871
Exercise of common stock options			1,484,251	—	—	—	7,003		7,003
Non-cash exercise of stock appreciation rights			32,169	—	—	—	—		—
Vesting of restricted stock units	—	—	151,164	—	—	—	—		—
Value and shares of equity awards withheld for tax liability and award exercises	—	—	(28,620)	—	—	—	(783)		(783)
Non-cash exercise of common stock warrants	—	—	56,054	—	—	—	—		—
Warrants withheld for exercises	—	—	(16,849)	—	—	—	—		—
Shares repurchases	—	—	—	—	(1,085,904)	—	(30,032)		(30,032)
Stock-based compensation expense related to options granted to employees	—	—	—	—	—	—	20,924		20,924
Net loss and total comprehensive loss	—	—	—	—	—	—	—	(17,759)	(17,759)
Balance—December 31, 2013	—	$—	37,668,476	$—	(1,085,904)	$—	$445,960	$(64,884)	$381,076

See accompanying notes to consolidated financial statements.

TRULIA, INC.

Consolidated Statements of Cash Flows
(In thousands, except share data)

	Year Ended December 31,		
	2013	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (17,759)	$ (10,921)	$ (6,155)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	12,211	3,585	2,496
Compensation paid in stock	22,973	2,570	1,484
Provision for doubtful accounts	351	95	176
Loss on disposal of fixed assets	45	—	—
Release of valuation allowance	(7,923)	—	—
Issuance of common stock warrants in exchange for services	—	—	93
Change in fair value of warrant liability	—	369	16
Amortization of debt discount	106	167	38
Amortization of debt issue cost	83	30	10
Amortization of underwriter's fee	34	—	—
Loss on extinguishment of debt	141	—	—
Changes in operating assets and liabilities, net of acquisition of business:			
Accounts receivable	(5,005)	(2,475)	(1,427)
Prepaid expenses and other current assets	(6,467)	(889)	(286)
Other assets	—	(13)	(168)
Accounts payable	(6,698)	(864)	336
Accrued liabilities	3,309	1,811	100
Accrued compensation and benefits	1,586	2,458	666
Deferred rent	4,935	(174)	651
Deferred revenue	(3,294)	8,469	3,017
Other long-term liabilities	—	(65)	85
Net cash provided by (used in) operating activities	(1,372)	4,153	1,132
CASH FLOWS FROM INVESTING ACTIVITIES:			
Increase in restricted cash and deposits	(1,500)	(764)	(2,200)
Decrease in restricted cash and deposits	709	—	4,645
Reclass from restricted cash to short-term investments	—	—	(4,300)
Maturities of short-term investments	2,999	4,300	—
Purchases of property and equipment	(16,572)	(5,506)	(4,783)
Disposals of property and equipment	34	—	—
Acquisition, net of cash acquired of $9.7 million in 2013 and $0 in 2012	(160,813)	—	—
Net cash used in investing activities	(175,143)	(1,970)	(6,638)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from initial public offering, net of underwriting discounts	—	93,279	—
Proceeds from follow-on public offering, net of underwriting discounts	114,056	—	—
Payments of costs related to public offerings	(1,034)	(3,832)	—
Proceeds from long-term debt	230,000	—	12,035
Repayment of notes payable	—	—	(110)
Repayments on long-term debt	(10,006)	—	(4,045)
Payment of debt issuance costs	(6,910)	—	—
Value of equity awards withheld for tax liability	(782)	—	—
Repayments on capital lease liability	(200)	(334)	(181)
Proceeds from exercise of stock options	7,003	1,680	408
Proceeds from exercise of common stock warrants	—	—	45
Shares repurchased	(30,032)	—	—
Net cash provided by financing activities	302,095	90,793	8,152
NET INCREASE IN CASH AND CASH EQUIVALENTS	125,580	92,976	2,646
CASH AND CASH EQUIVALENTS—Beginning of period	100,017	7,041	4,395
CASH AND CASH EQUIVALENTS—End of period	$ 225,597	$100,017	$ 7,041
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest	$ 696	$ 791	$ 263
Cash paid for income taxes	$ 418	$ 4	$ 10
NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Stock-based compensation capitalized in product development costs	$ 685	$ 66	$ 22
Conversion of preferred stock warrants to common stock warrants	$ —	$ 666	$ —
Purchase of equipment under capital leases	$ 105	$ 119	$ 439
Net change related to purchase of equipment in accounts payable and accrued liabilities	$ 3,325	$ 54	$ (584)
Purchases of equipment with accounts payable and accrued liabilities at period end	$ 3,964	$ 226	$ —
Release of valuation allowance	$ 7,923	$ —	$ —
Other compensation to be paid in stock	$ 2,524	$ —	$ —
Issuance of preferred stock warrants in connection with debt financing	$ —	$ —	$ 281
Common stock issued and stock awards assumed in connection with Market Leader acquisition	5,340,271	—	—
Common stock warrants exercised in a net settlement transaction	56,054	—	—
Stock appreciation rights exercised in a net settlement transaction	32,169	—	—

See accompanying notes to consolidated financial statements.

TRULIA, INC.

Consolidated Notes to Financial Statements

1. Organization and Description of Business

We were incorporated on June 1, 2005 in the state of Delaware as Realwide, Inc. On September 22, 2005, we changed our name to Trulia, Inc.

Our marketplace, delivered through the web and mobile applications, gives consumers powerful tools to research homes and neighborhoods and enables real estate professionals to efficiently market their listings and attract new clients. We also offer a comprehensive suite of free and subscription products that provide real estate professionals with access to transaction-ready consumers and help them grow and manage their online presence.

Initial Public Offering

In September 2012, we completed an initial public offering ("IPO") in which we sold 5,900,000 shares of our common stock, which included 900,000 shares sold pursuant to the exercise by the underwriters of an option to purchase additional shares, at a public offering price of $17.00 per share. In addition, another 1,000,000 shares were sold by certain selling stockholders. We received net proceeds of $89.4 million, after deducting underwriting discounts and commissions and offering expenses payable by us, from sales of our shares in the IPO. We did not receive any proceeds from sales by the selling stockholders. Immediately prior to the completion of the IPO, all shares of the then-outstanding convertible preferred stock automatically converted into an aggregate of 14,161,444 shares of common stock, and an outstanding warrant to purchase convertible preferred stock automatically converted into a warrant to purchase up to 120,961 shares of common stock.

Follow-on Public Offering

In March 2013, we completed a follow-on public offering in which we sold an aggregate of 4,025,000 shares of our common stock, which included 525,000 shares sold pursuant to the exercise by the underwriters of an option to purchase additional shares, at a public offering price of $29.75 per share. In addition, another 3,117,311 shares were sold by certain selling stockholders, which included 406,606 shares sold pursuant to the exercise by the underwriters of an option to purchase additional shares. We received aggregate net proceeds of $113.0 million, after deducting underwriting discounts and commissions and offering expenses payable by us, from sales of our shares in the offering. We did not receive any of the proceeds from the sales of shares by the selling stockholders.

Acquisition of Market Leader, Inc.

In August 2013, we acquired all the outstanding shares of capital stock of Market Leader, Inc. ("Market Leader") for 4,412,489 shares of our common stock and $170.5 million in cash. Market Leader is a provider of software-as-a-service ("SaaS")-based customer relationship management software for the real estate sector. Under the terms and conditions of the Agreement and Plan of Merger (the "Merger Agreement"), each outstanding share of Market Leader common stock was converted into the right to receive (a) $6.00 in cash, without interest, and subject to applicable withholding tax, and (b) 0.1553 of a share of our common stock, for a total purchase consideration of $372.7 million. In connection with the merger, all of the outstanding stock options, stock appreciation rights and restricted stock units of Market Leader were converted into stock options, stock appreciation rights and restricted stock units, respectively, denominated in shares of our common stock based on formulas set forth in the Merger Agreement. We have included Market Leader's results of operations prospectively after August 20, 2013, the date of acquisition. Further detail on this business combination is presented in Note 5 of these consolidated financial statements.

Convertible Senior Notes

On December 17, 2013, we issued $230.0 million aggregate principal amount of 2.75% Convertible Senior Notes, due in 2020 (the "2020 Notes"), which included a $30 million of principal amount issued pursuant to an over-allotment option granted to the initial purchasers. The aggregate principal amount of the 2020 Notes is due on December 15, 2020. We received net proceeds of $222.4 million, after deducting offering expenses payable by us. Interest began to accrue on December 17, 2013 and is payable semi-annually every June 15 and December 15, starting on June 15, 2014. We may not redeem the 2020 Notes prior to December 20, 2018. We may redeem the 2020 Notes, at our option, in whole or in part on or after December 20, 2018, if the last reported sale price per share of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period. Holders of the notes may convert all or portion all or any portion of their notes, in multiples of $1,000 principal amount, at their option at any time prior to the close of business on the business day immediately preceding the maturity date. The notes are convertible at an initial conversion rate of $27.8303 shares of our common stock per $1,000 principal amount of notes, subject to adjustment in certain events. Further detail on these 2020 Notes is presented in Note 7 of these consolidated financial statements.

Certain Significant Risks and Uncertainties

We operate in a dynamic industry and, accordingly, can be affected by a variety of factors. For example, we believe that changes in any of the following areas could have a significant negative effect on our future financial position, results of operations, or cash flows: ability to obtain additional financing; advances and trends in new technologies and industry standards; changes in certain strategic relationships or customer relationships; market acceptance of our products; development of sales channels; loss of significant customers; litigation or other claims against us; the hiring, training, and retention of key employees; changes in enacted tax rates; and new product introductions by competitors.

2. Summary of Significant Accounting Policies

Basis of Presentation

Our consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Principles of Consolidation

The consolidated financial statements include the operations of Trulia and our wholly owned subsidiary Market Leader, Inc. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with GAAP requires that we make estimates and assumptions about future events that affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. Significant items subject to such estimates include: revenue recognition; allowance for doubtful accounts; useful lives of property and equipment and intangible assets; recoverability of long-lived assets, intangible assets with definite lives and goodwill; determination of fair value of our common stock, stock options and preferred and common stock warrants; income tax uncertainties, including a valuation allowance for deferred tax assets; accounting for business combinations; and contingencies. We base these estimates on historical and anticipated results, trends and various other assumptions that we believe are reasonable under the circumstances, including assumptions as to future events. These estimates form the basis for making judgments about the carrying values of assets and liabilities and recorded revenue and expenses that are not readily apparent from other sources. Actual results could differ from those estimates.

Reclassification

Certain amounts in the balance sheet and accompanying footnotes for the year ended December 31, 2012 have been reclassified to be consistent with the current year presentation. Net intangible assets of $445,000 as of December 31, 2012 have been reclassified out of other assets into an intangible assets line item in the balance sheet. Additionally, $226,000 of accrued liabilities related to purchases of property and equipment in Note 4 have been reclassified separately to conform with the current year presentation. These reclassifications have no impact on our financial condition, results of operations, or cash flows.

Concentrations of Credit Risk and Credit Evaluations

Financial instruments which potentially subject us to concentrations of credit risk consist principally of cash and cash equivalents, and trade accounts receivable. We deposit our cash and cash equivalents with major financial institutions that management believes are of high credit quality; however, at times, balances exceed federally insured limits.

Our accounts receivable are derived from customers in the United States of America and Canada. We do not require our customers to provide collateral to support accounts receivable. We perform ongoing credit evaluations of our customers' financial condition and maintain allowances for estimated credit losses. Actual credit losses may differ from our estimates. No customer represented 10% or more of total revenue during the years ended December 31, 2013, 2012, and 2011. One customer accounted for 13.0% and 10.4% of our gross accounts receivable as of December 31, 2013 and 2012, respectively.

Revenue Recognition

Our revenue is comprised of Marketplace revenue and Media revenue.

Marketplace Revenue. Marketplace revenue primarily consists of products and services sold to real estate professionals, including agents, brokers, agents of property managers, and mortgage lenders on a fixed fee subscription, Cost Per Click ("CPC"), or Cost Per Lead ("CPL") basis. We currently sell three sets of products to real estate professionals on a subscription basis. The first set of products, which includes *Trulia Local Ads* and *Trulia Mobile Ads*, enables real estate professionals to promote themselves on our search results pages and property details pages for a local market area. Real estate professionals purchase subscriptions to these products based upon their specified market share for a city or zip code, at a fixed monthly price, for periods ranging from one month to one year, with pricing depending on demand, location, and the percentage of market share purchased. Our second set of products allows real estate professionals to receive prominent placement of their listings in our search results. Real estate professionals sign up for new subscriptions to this product at a fixed monthly price for periods that generally range from 1 month to 24 months. Our third set of products is our comprehensive premium software-as-a-service based marketing products typically sold to real estate professionals as a bundle of products under a fixed fee subscription. We also sell a base version of these products to strategic franchise networks for specified contractual amounts over a number of years and partner with them to drive adoption of our premium solution across their network. Our software-as-a-service based marketing products were obtained as part of our acquisition of Market Leader in August 2013.

Media Revenue. Media revenue primarily consists of display advertising sold on a Cost per Thousand ("CPM"), CPC, and CPL basis to advertisers promoting their brand on *trulia.com,* our mobile website, *m.trulia.com* and our partners websites (cumulatively "Trulia Websites"). Impressions are the number of times an advertisement is loaded on a web page and clicks are the number of times users click on an advertisement. Revenue is recognized in the periods the clicks or impressions are delivered. Pricing is primarily based on advertisement size and position on the Trulia Websites and fees are generally billed monthly. As our mobile web pages and mobile applications offer less space on which to display advertising, a shift in user traffic from our websites to mobile products could decrease our advertising inventory and negatively affect our Media revenue. We do not believe that we have experienced a shift in user traffic from our websites to our mobile applications, as our monthly unique visitors and mobile monthly unique visitors each continued to grow at a rapid pace.

Multiple-Element Arrangements

We enter into arrangements with customers that include combinations of CPC media placements, CPM media placements, and subscription products.

For the year ended December 31, 2010, because we have not yet established the fair value for each element, advertising revenue was recognized ratably over the contract term.

Beginning on January 1, 2011, we adopted new authoritative guidance on multiple-element arrangements, using the prospective method for all arrangements entered into or materially modified from the date of adoption. Under this new guidance, we allocate arrangement consideration in multiple-element revenue arrangements at the inception of an arrangement to all deliverables or those packages in which all components of the package are delivered at the same time, based on the relative selling price method in accordance with the selling price hierarchy, which includes: (i) vendor-specific objective evidence ("VSOE") if available; (ii) third-party evidence ("TPE") if VSOE is not available; and (iii) best estimate of selling price ("BESP") if neither VSOE nor TPE is available.

VSOE- We determine VSOE based on our historical pricing and discounting practices for the specific product when sold separately. In determining VSOE, we require that a substantial majority of the standalone selling prices for these products fall within a reasonably narrow pricing range. For certain subscription products, we have been able to establish VSOE.

TPE- When VSOE cannot be established for deliverables in multiple-element arrangements, we apply judgment with respect to whether it can establish a selling price based on TPE. TPE is determined based on competitor prices for similar deliverables when sold separately. Generally, our go-to-market strategy differs from that of our peers and our offerings contain a significant level of differentiation such that the comparable pricing of the products cannot be obtained. Furthermore, we are unable to reliably determine what similar competitor selling prices are on a standalone basis. As a result, we have not been able to establish selling price based on TPE.

BESP- When we are unable to establish selling price using VSOE or TPE, we use BESP in our allocation of arrangement consideration. The objective of BESP is to determine the price at which we would transact a sale if the service was sold regularly on a standalone basis. As we have not been able to establish VSOE or TPE for CPM media placements, CPC media placements, and certain subscription products, we determine BESP for these deliverables based on the following:

- The list price represents a component of the go-to-market strategy established by senior management. Our list prices are based on the features of the products offered. These features, which consist of the size and placement of the advertisements on our website, impact the list prices which vary depending on the specifications of the features. In addition, the list prices are impacted by market conditions, including the conditions of the real estate market and economy in general, and our competitive landscape; and
- Analysis of our selling prices for these deliverables.

We limit the amount of allocable arrangement consideration to amounts that are fixed or determinable and that are not contingent on future performance or future deliverables. We regularly review BESP. Changes in assumptions or judgments or changes to the elements in the arrangement could cause a material increase or decrease in the amount of revenue that we report in a particular period.

We recognize the relative fair value of the products as they are delivered assuming all other revenue recognition criteria are met.

Cost of Revenue

Cost of revenue consists primarily of expenses related to operating our websites and mobile applications, including those associated with the operation of our data centers and customer websites, hosting fees, customer

service related headcount expenses including salaries, bonuses, benefits and stock-based compensation expense, cost to generate leads for customers, licensed content, multiple listing services fees, revenue sharing costs, credit card processing fees, third-party contractor fees, and allocated overhead.

Technology and Development

Costs to research and develop our products are expensed as incurred. These costs consist primarily of technology and development headcount related expenses including salaries, bonuses, benefits and stock-based compensation expense, third party contractor fees and allocated overhead primarily associated with developing new technologies. Technology and development also includes amortization of capitalized costs ("product development costs") associated with the development of our marketplace.

Product Development Costs

Product development costs include costs related to the development of our marketplace which is inclusive of costs related to the development of our delivery points, the website and mobile applications. Product development costs are accounted for as follows: all costs incurred in the preliminary project and post-implementation stages are expensed as incurred while certain costs incurred in the application development stage of a new product or projects to provide significant additional functionality to existing products are capitalized if certain criteria are met. Maintenance and enhancement costs are typically expensed as incurred. We capitalized costs associated with product development of $8.2 million, $2.5 million and $1.3 million during the years ended December 31, 2013, 2012, and 2011, respectively, and recorded related amortization expenses of $2.7 million, $1.1 million and $708,000 during the years ended December 31, 2013, 2012, and 2011, respectively. The net book value of capitalized product development costs was $7.5 million and $2.0 million as of December 31, 2013 and 2012, respectively. Such costs are amortized on a straight-line basis over the estimated useful lives of the related assets, which have been estimated to be two years. Amortization expense is included in technology and development in the statements of operations.

Advertising Expense

Advertising costs are expensed when incurred and are included in sales and marketing expenses in the accompanying consolidated statements of operations. Our advertising expenses were $7.7 million, $2.6 million and $459,000 during the years ended December 31, 2013, 2012, and 2011, respectively.

Stock-Based Compensation

We recognize compensation costs related to stock options and restricted stock units granted to employees based on the estimated fair value of the awards on the date of grant, net of estimated forfeitures. We estimates the grant date fair value of option grants, and the resulting stock-based compensation expense, using the Black-Scholes option-pricing model. The grant date fair value of the stock-based awards is recognized on a straight-line basis over the requisite service period, which is the vesting period of the respective awards.

We account for stock options issued to nonemployees based on the fair value of the awards determined using the Black-Scholes option-pricing model. The fair value of stock options granted to nonemployees are remeasured as the stock options vest, and the resulting change in value, if any, is recognized in the statement of operations during the period the related services are rendered.

Income Taxes

We account for income taxes in accordance with the asset and liability method. Under this method, deferred tax assets and liabilities are measured based on differences between the financial reporting and the tax bases of assets and liabilities using enacted tax rates that are expected to be in effect when the differences are expected to reverse. A valuation allowance is established to reduce net deferred tax assets to amounts that are more likely than not to be realized.

We account for uncertainty in tax positions recognized in the financial statements by recognizing a tax benefit from an uncertain tax position when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Income tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized.

Our policy for classifying interest and penalties associated with unrecognized income tax benefits is to include such items as tax expense.

Comprehensive Loss

During the years ended December 31, 2013, 2012, and 2011, we did not have any other comprehensive income and, therefore, the net loss and comprehensive loss were the same for all periods presented.

Net Loss per Share Attributable to Common Stockholders

We calculate the basic and diluted net loss per share attributable to common stockholders in conformity with the two-class method required for companies with participating securities. Immediately prior to the completion of our IPO in September 2012, all shares of outstanding preferred stock automatically converted into 14,161,444 shares of common stock. In addition, our outstanding preferred stock warrants converted into 56,054 common stock warrants. Under the two-class method, in periods when we have net income, net income attributable to common stockholders is determined by allocating undistributed earnings, calculated as net income less current period convertible preferred stock non-cumulative dividends, between common stock and the convertible preferred stock. In computing diluted net income attributable to common stockholders, undistributed earnings are re-allocated to reflect the potential impact of dilutive securities. Our basic net loss per share attributable to common stockholders is calculated by dividing the net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding for the period. The diluted net loss per share attributable to common stockholders is computed by giving effect to all potential dilutive common stock equivalents outstanding for the period. For purposes of this calculation, options to purchase common stock, and common stock warrants are considered common stock equivalents but have been excluded from the calculation of diluted net loss per share attributable to common stockholders as their effect is antidilutive.

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid investments with original maturities of three months or less at the time of acquisition. As of December 31, 2013 and 2012, cash equivalents consisted of money market funds. All credit card and debit card transactions that process as of the last day of the fiscal year and settle within a few days in the subsequent period are also classified as cash and cash equivalents. The amounts due from third party merchant processors for these transactions classified as cash totaled $349,000 and $135,000 as of December 31, 2013 and 2012, respectively.

Accounts Receivable and Allowance for Doubtful Accounts

We perform ongoing credit evaluations of our customers. Accounts receivable are recorded at invoiced amounts, net of our estimated allowances for doubtful accounts. The allowance for doubtful accounts is estimated based on an assessment of our ability to collect on customer accounts receivable. We regularly reviews the allowance by considering certain factors such as historical experience, industry data, credit quality, age of accounts receivable balances and current economic conditions that may affect a customer's ability to pay. In cases where we are aware of circumstances that may impair a specific customer's ability to meet their financial obligations, we record a specific allowance against amounts due from the customer and thereby reduce the net recognized receivable to the amount we reasonably believe will be collected. We write-off accounts receivable against the allowance when we determine the balance is uncollectible and no longer actively pursue collection of the receivable. We recorded a provision for uncollectible accounts receivable of $351,000, $95,000 and $176,000 during the years ended December 31, 2013, 2012, and 2011, respectively.

Restricted Cash

Restricted cash consists of certificates of deposit held as collateral at a financial institution related to a property lease in our name, and to insure the corporate credit card spending. These certificates of deposit have contractual maturities of 12 months or less. The balance of the restricted cash was $1.6 million and $385,000 as of December 31, 2013 and 2012, respectively.

Property and Equipment

Property and equipment are initially recorded at cost and depreciated using a straight-line method over the estimated useful lives of the assets. Maintenance and repair costs are charged to expense as incurred. The useful lives of our property and equipment are as follows:

Computer equipment	2 to 3 years
Office equipment, furniture and fixtures	3 to 5 years
Capitalized product development costs	2 to 3 years
Network equipment	5 years
Leasehold improvements	Shorter of the lease term or estimated useful life

Depreciation expense of assets acquired through capital leases is included in depreciation and amortization expense in the statements of operations.

Business Combination

We recognize identifiable assets acquired and liabilities assumed at their acquisition date fair values. Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed. While we use our best estimates and assumptions as a part of the purchase price allocation process to accurately value assets acquired and liabilities assumed at the acquisition date, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill to the extent that we identify adjustments to the preliminary purchase price allocation. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our consolidated statements of operations.

Purchased Intangible Assets

Purchased intangible assets with a determinable economic life are carried at cost, less accumulated amortization. Amortization is computed over the estimated useful life of each asset on a straight-line basis. The useful lives of the purchased intangible assets are as follows:

Enterprise Relationships	10
Premium Users	5
Existing Technology	7
Trade Names	10
Home/MLS data feeds	10

Purchased intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured first by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, an impairment loss would be recognized when the carrying amount of the asset exceeds the fair value of the asset.

Goodwill

Goodwill represents the excess of the aggregate purchase price paid over the fair value of the net tangible assets acquired. Goodwill is not amortized and is tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. We have determined that we operate as one reporting unit and have selected December 1 as the date to perform our annual impairment test. In the valuation of our goodwill, we must make assumptions regarding estimated future cash flows to be derived from our business. If these estimates or their related assumptions change in the future, we may be required to record impairment for these assets. The first step of the impairment test involves comparing the fair value of the reporting unit to its net book value, including goodwill. If the net book value exceeds its fair value, then we would perform the second step of the goodwill impairment test to determine the amount of the impairment loss. The impairment loss would be calculated by comparing the implied fair value of the entity to its net book value. In calculating the implied fair value of our goodwill, the fair value of the entity would be allocated to all of the other assets and liabilities based on their fair values. The excess of the fair value of the entity over the amount assigned to the other assets and liabilities is the implied fair value of goodwill. An impairment loss would be recognized when the carrying amount of goodwill exceeds its implied fair value. We were not required to perform the second step of the goodwill impairment test during the years ended December 31, 2013 or 2012. There was no impairment of goodwill recorded for the years ended December 31, 2013 or 2012.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured first by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, an impairment loss would be recognized when the carrying amount of the asset exceeds the fair value of the asset. To date, we believe that no such impairment has occurred.

Deferred Revenue

Deferred revenue consists of prepaid but unrecognized subscription revenue, advertising fees received or billed in advance of delivery and for amounts received in instances when revenue recognition criteria have not been met. Deferred revenue is recognized when all revenue recognition criteria have been met.

Preferred Stock Warrant Liability

Our warrants to purchase convertible preferred stock were classified as liabilities and recorded in other current liabilities within the accompanying balance sheets at fair value upon issuance because these warrants contained certain anti-dilution provisions which required us to lower the exercise price of the warrants upon any future down-round financings. Therefore, the warrants were subject to remeasurement to fair value at each balance sheet date, and any change in fair value was recognized in the statements of operations. At the time of issuance, the aggregate fair value of these warrants were determined using a Monte Carlo model. We adjusted the liability quarterly for changes in fair value using a Monte Carlo model until the completion of the IPO in September 2012. Upon conversion of the underlying preferred stock, the related warrant liability was remeasured to fair value and the remaining liability was reclassified to additional paid-in capital.

Segment Information

We have one reportable segment. Our reportable segment has been identified based on how our chief operating decision maker manages our business, makes operating decisions and evaluates operating performance. The chief executive officer acts as the chief operating decision maker and reviews financial and operational information on an entity-wide basis.

Recently Issued Accounting Pronouncements

Under the Jumpstart Our Business Startups Act, or JOBS Act, we meet the definition of an "emerging growth company." We have irrevocably elected to opt out of the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the JOBS Act.

In July 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2013-11, "*Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or Tax Credit Carryforward Exists,*" ("ASU 2013-11"). ASU 2013-11 requires entities to present an unrecognized tax benefit, or a portion of an unrecognized tax benefit, as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward when settlement in this manner is available under the tax law. This guidance is effective for interim and annual reporting periods beginning after December 15, 2013, with earlier adoption permitted, and may be applied prospectively or retrospectively. We adopted this guidance on January 1, 2014. Adoption of this guidance has no impact on our financial position, results of operations and cash flows in the current or future periods.

In February 2013, the FASB issued Accounting Standards Update No. 2013-02, *Comprehensive Income,* requiring entities to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income if the amount being reclassified is required under GAAP to be reclassified in its entirety to net income. For other amounts that are not required under GAAP to be reclassified in their entirety from accumulated other comprehensive income to net income in the same reporting period, an entity is required to cross-reference other disclosures required under GAAP that provide additional detail about those amounts. This pronouncement is effective for fiscal years beginning after December 15, 2012. We adopted this standard on January 1, 2013. In the years ended December 31, 2013, 2012, and 2011 we did not have any other comprehensive income and, therefore, the net loss and comprehensive loss was the same for all periods presented.

3. Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or an exit price paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The current accounting guidance for fair value measurements defines a three-level valuation hierarchy for disclosures as follows:

Level I—Unadjusted quoted prices in active markets for identical assets or liabilities;

Level II—Inputs other than quoted prices included within Level I that are observable, unadjusted quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data; and

Level III—Unobservable inputs that are supported by little or no market activity, which requires us to develop our own assumptions.

The categorization of a financial instrument within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The carrying values of our financial instruments, including cash equivalents, accounts receivable, accounts payable and restricted cash approximated their fair values. The estimated fair value and carrying value of our convertible notes as of December 31, 2013 were $252.0 million and $230.0 million respectively. We determined the estimated fair value of the convertible notes through use of option pricing and discounted cash flow models. The fair value is classified as Level III due to the use of significant unobservable inputs such as estimated long-term volatility of our common stock and credit risk premium. Long-term debt as of December 31, 2012 was stated at the carrying value as the stated interest rate approximated market rates available to us at that time.

Fair Value Measurements on a recurrent basis (in thousands):

	As of December 31, 2013			
	Level I	Level II	Level III	Total
Financial Assets:				
Money market funds	$6,683	$ —	$ —	$6,683
Restricted cash	1,589	—	—	1,589
Total financial assets	$8,272	$ —	$ —	$8,272

	As of December 31, 2012			
	Level I	Level II	Level III	Total
Financial Assets:				
Money market funds	$6,681	$ —	$ —	$6,681
Restricted cash	385	—	—	385
Total financial assets	$7,066	$ —	$ —	$7,066

None of the cash equivalents or the restricted cash held by us had unrealized losses and there were no realized losses for the years ended December 31, 2013 and 2012. There were no other-than-temporary impairments for these instruments as of December 31, 2013 or 2012. As of December 31, 2013, the contractual maturity of all certificates of deposit were from less than one year to three years.

Prior to September 2012, we carried a Level III liability related to a preferred stock warrant that was remeasured in August 2012 before our initial public offering in September 2012 and reclassified as additional paid-in capital. The fair value was measured using a Monte Carlo model and inputs used to determine the estimated fair value of the warrant liability in August 2012 included the estimated fair value of the underlying stock at the valuation date, the estimated term of the warrants, the risk-free interest rates, the expected dividends, and the expected volatility of the underlying stock.

Upon completion of our IPO in September 2012 the preferred stock warrants had converted into common stock warrants and were no longer carried as a liability recorded at fair value at December 31, 2012. The following table sets forth a summary of the changes in the fair value of the Company's Level III financial liabilities for the years ended December 31, 2013 and 2012 (in thousands):

	Year Ended December 31,	
	2013	2012
Fair value—beginning of period	$ —	$ 297
Issuance of preferred stock warrants	—	—
Change in fair value of Level III financial liabilities	—	369
Reclassification of warrant liability to stockholders' equity	—	(666)
Fair value—end of period	$ —	$ —

The gains and losses from remeasurement of this Level III financial liability were recorded through the change in fair value of warrant liability in the statements of operations.

4. Balance Sheet Components

Property and Equipment

Property and equipment consisted of the following (in thousands):

	As of December 31,	
	2013	2012
Computer equipment	$ 7,275	$ 6,078
Capitalized product development costs	9,934	3,230
Furniture and fixtures	3,276	974
Leasehold improvements	8,985	2,314
Software	183	11
Equipment not yet in service	3,868	614
Total property and equipment, gross	33,521	13,221
Less: accumulated depreciation and amortization	(11,232)	(6,152)
Total property and equipment, net	$ 22,289	$ 7,069

As of December 31, 2013 and 2012, property and equipment under capital lease, included within the computer equipment balance above, amounted to $261,000 and $865,000, respectively, with accumulated depreciation of $87,000 and $492,000, respectively. Depreciation expense during the years ended December 31, 2013, 2012, and 2011 was $6.4 million, $3.6 million and $2.5 million, respectively.

Accrued Liabilities

Accrued liabilities consisted of the following (in thousands):

	As of December 31,	
	2013	2012
Legal and professional fees	$ 2,253	$ 751
Marketing and advertising expenses	1,326	304
Interest	246	102
Sales taxes	2,355	446
Payroll taxes	651	234
Acquisition of property and equipment	3,084	226
Other	1,346	853
Total accrued liabilities	$11,261	$2,916

Accrued Compensation and Benefits

Accrued compensation and benefits consisted of the following (in thousands):

	As of December 31,	
	2013	2012
Bonus	$ 3,645	$ 349
Payroll and related expenses	3,191	1,978
Commissions	2,166	1,282
Vacation	1,861	891
Total accrued compensation and benefits	$10,863	$4,500

5. Acquisition of Market Leader

Market Leader

During the third quarter of fiscal year 2013, we acquired all the outstanding shares of capital stock of Market Leader, Inc. for 4,412,489 shares of our common stock and $170.5 million in cash. Market Leader is a provider of software-as-a-service ("SaaS")-based customer relationship management software for the real estate sector. Under the terms and conditions of the Agreement and Plan of Merger (the "Merger Agreement"), each outstanding share of Market Leader common stock was converted into the right to receive (a) $6.00 in cash, without interest, and subject to applicable withholding tax, and (b) 0.1553 of a share of the Company's common stock, for a total purchase price of $372.7 million. In connection with the merger, all of the outstanding stock options, stock appreciation rights and restricted stock units of Market Leader were converted into stock options, stock appreciation rights and restricted stock units, respectively, denominated in shares of our common stock based on formulas set forth in the Merger Agreement. We have included Market Leader's results of operations prospectively after August 20, 2013, the date of acquisition.

The acquisition adds additional products and services to our offerings for real estate professionals. With these additional products, we now offer products and services that encompass the entire real estate agent workflow—from generating and capturing initial leads through nurturing those leads into clients and real estate transactions. The acquisition has also added new customers, technology assets and intellectual property assets.

The purchase price of $372.7 million reflects the cash amount paid and the fair value of our common stock transferred as consideration for all outstanding shares of Market Leader, and the fair value of pre-combination services of Market Leader employees reflected in the vested equity awards assumed by us in the acquisition. The purchase price components are summarized in the following table (in thousands):

Cash paid for the outstanding stock of Market Leader	$170,497
Fair value of common stock transferred as consideration for the outstanding stock of Market Leader (4,412,489 shares)	189,296
Fair value of vested equity awards assumed by us	12,871
Total purchase price	$372,664

The fair value of the 4,412,489 shares of our common stock issued as part of the consideration paid for Market Leader was determined on the basis of the closing market price of our common stock on the acquisition date. The fair value of the vested equity awards was determined by using a Black-Scholes option pricing model with the applicable assumptions as of the acquisition date.

The fair value of Market Leader unvested stock awards (that were converted to our awards), relate to post-combination services of Market Leader employees and will be recorded as share-based compensation expense over the respective vesting periods.

The total purchase price has been allocated to the preliminary net tangible and intangible assets based on their preliminary fair values as of August 20, 2013 as set forth below. The excess of the purchase price over the preliminary net tangible assets and intangible assets was recorded as goodwill. Goodwill recorded as a result of this acquisition includes intangible assets that do not qualify for separate recognition, such as the assembled workforce and anticipated synergies from complementary products and largely non-overlapping customer bases. Goodwill is not deductible for income tax purposes. We expect to continue to obtain information to assist us in determining the fair values of the net assets acquired at the acquisition date during the measurement period. Our preliminary purchase price allocation is as follows (in thousands):

Cash	$ 9,662
Short-term investments	2,999
Other identifiable tangible assets	3,732
Total tangible assets	16,393
Accounts payable	(7,058)
Accrued expenses and other current liabilities	(3,104)
Accrued compensation and benefits	(2,253)
Other identifiable liabilities	(8,163)
Total liabilities	(20,578)
Net acquired tangible assets	(4,185)
Identifiable intangible assets	123,100
Goodwill	253,749
Total purchase price allocation	$372,664

We acquired a net deferred tax liability of $7.9 million related to Market Leader in this business combination.

Intangible assets acquired consist of the following (in thousands):

		Estimated Amortization Period (in years)
Enterprise relationships	$ 29,000	10
Premium users	15,200	5
Existing technology	32,300	7
Trade names	42,900	10
Home/MLS data feeds	3,700	10
Total intangible assets acquired	$123,100	

Enterprise relationships consist of contracts with national real estate franchisors that serve as channels for selling Market Leader products and services to real estate agents. Premium users consist of real estate professionals and brokerages that purchase enhanced versions of Market Leader's products and services. Existing technology consists of software products and supporting technology infrastructure developed by Market Leader. Trade names includes the several registered trademarks, logos and domain names owned by Market Leader, including Market Leader, House Values and Sharper Agent. MLS data feeds means the contractual rights to display for sale home listings from hundreds of multiple listing services in the United States.

The estimated fair value of the intangible assets acquired was determined by us, and we considered or relied in part upon a valuation report of a third-party expert. We used an income approach to measure the fair value of the enterprise relationships based on the multi-period excess earnings method, whereby the fair value is estimated based upon the present value of cash flows that the applicable asset is expected to generate. We used an income

approach to measure the fair value of the customer relationships based on the multi-period excess earnings method, whereby the fair value is estimated based upon the present value of cash flows that the applicable asset is expected to generate. We used an income approach to measure the fair value of the developed technology based on the relief-from-royalty method. We used an income approach to measure the fair value of the trade names based on the relief-from-royalty method. We used a cost approach to measure the fair value of the home/MLS data feed based on the estimated cost to replace the data feed library.

Net tangible assets were valued at their respective carrying amounts, as we believe that these amounts approximate their current fair values.

Acquisition-related costs incurred, including legal and accounting fees and other external costs directly related to the acquisition, were expensed as incurred. Acquisition-related costs of $6.1 million for the year ended December 31, 2013 are included as a separate line item in our combined statement of operations.

The following pro forma condensed combined financial information gives effect to the acquisition of Market Leader as if it was consummated on January 1, 2012 (the beginning of the comparable prior reporting period), and includes pro forma adjustments related to the amortization of acquired intangible assets, share-based compensation expense and direct and incremental transaction costs reflected in the historical financial statements. Direct and incremental transaction costs are excluded from the annual period ended December 31, 2013 pro forma condensed combined financial information presented below, and included in the annual period ended December 31, 2012 pro forma condensed combined financial information presented below. The tax benefit of $6.7 million that resulted from the acquisition is recorded in the annual period ended December 31, 2012 pro-forma period. The pro forma condensed combined financial information is presented for informational purposes only. The pro forma condensed combined financial information is not intended to represent or be indicative of the results of operations that would have been reported had the acquisition occurred on January 1, 2012 and should not be taken as representative of future results of operations of the combined company. The following table presents the unaudited pro forma condensed combined financial information (in thousands, except per share amounts). Market Leader's portion of the revenue and net loss in the period from the acquisition and through December 31, 2013 were $21.2 million and $9.3 million, respectively.

	Years Ended December 31,	
	2013	2012
Revenue	$178,151	$113.073
Net loss attributable to common shareholders	$ (33,056)	$ (49,461)
Net loss per share attributable to common shareholders—basic and diluted net loss attributable to common shareholders	$ (0.92)	$ (2.92)

6. Goodwill and Intangible Assets

Goodwill

The following table presents the change in goodwill from December 31, 2012 through December 31, 2013 (in thousands):

Balance as of December 31, 2012	$ 2,155
Goodwill recorded in connection with the acquisition of Market Leader	253,749
Balance as of December 31, 2013	$255,904

Goodwill recorded as a result of this acquisition includes intangible assets that do not qualify for separate recognition, such as the assembled workforce and anticipated synergies from complimentary products and largely non-overlapping customer bases. Goodwill is not deductible for tax purposes.

Intangible Assets

The following table presents the detail of intangible assets subject to amortization (in thousands):

	Year Ended December 31, 2013		
	Cost	Accumulated Amortization	Net
Enterprise relationships	$ 29,000	$(1,052)	$ 27,948
Premium users	15,200	(1,103)	14,097
Existing technology	32,300	(1,675)	30,625
Trade names	42,900	(1,557)	41,343
Home/MLS data feeds	3,700	(134)	3,566
Other	701	(392)	309
Total	$123,801	$ 5,913	$117,888

	Year Ended December 31, 2012		
	Cost	Accumulated Amortization	Net
Patent	$591	$146	$445
Total	$591	$146	$445

Amortization expense recorded for intangible assets for the years ended December 31, 2013 and 2012 was $5.8 million and $111,000, respectively.

Future amortization expense is expected to be as follows over each of the next five years (in thousands):

	Total
2014	$ 15,525
2015	15,214
2016	15,214
2017	15,214
2018	14,111
Thereafter	42,610
Total	$117,888

7. Debt

Credit Facility

In September 2011, we entered into a $20.0 million loan and security agreement which provided for a secured term loan facility ("Credit Facility"), issuable in tranches, with a financial institution. Under the Credit Facility, the first tranche of $5.0 million was drawn down in full in September 2011 and was used to repay our outstanding debt at the time. The second tranche of $5.0 million was also drawn down in full in September 2011. The Credit Facility carried an interest rate equal to the greater of the prime rate plus 2.75% or 6% for the first tranche, and a rate equal to the greater of the prime rate plus 5.5% or 8.75% for the second and third tranches. The loan facility was subject to interest-only payments through September 2012, which was repayable in 30 equal monthly installments of principal and interest after the interest-only period, and had a maturity date of March 2015. However, during the six months ended June 30, 2012, we achieved certain financial milestones under the Credit Facility which provided for the extension of: a) the drawdown period from August 2012 to December 2012, b) the beginning of the interest-only period from September 2012 to March 2013, and c) the maturity date from March 2015 to September 2015. On December 31, 2012, the drawdown period for the remaining $10.0 million expired.

In conjunction with the Credit Facility, we issued warrants to purchase up to 120,961 shares our stock as follows: (1) shares of Series D convertible preferred stock with an exercise price equal to $8.4738 per share or (2) shares of the next round of preferred stock financing at the per share price for such shares upon drawdown of the entire loan amount. Of this amount, warrants to purchase 56,054 shares of Series D convertible preferred stock became exercisable upon the drawdown of the first and second tranches and have an exercise price of $8.4738 per share. At the time of issuance, the aggregate fair value of these warrants was $281,000. We also paid a net facility charge of $165,000 upon drawdown of the first tranche of the loan. The fair value of warrants and net facility charge were recorded as debt discount to be amortized as interest expense over the contractual term of the loan agreement using the effective interest rate method. As a result of the debt discount, the effective interest rate for the Credit Facility differed from the contractual rate. During the years ended December 31, 2013 and 2012, we recognized interest expense related to amortization and write off of the remaining debt discount in the amount of $241,000 and $167,000, respectively. The warrants were net exercised in February 2013 and were no longer outstanding as of December 31, 2013.

On December 17, 2013 when the outstanding balance of the Credit Facility was $7.2 million, we repaid the Credit Facility with the proceeds from the convertible senior notes discussed below. We recorded a loss on debt extinguishment of $141,000.

Convertible Senior Notes

On December 17, 2013, we issued $230.0 million aggregate principal amount of the 2020 Notes, which included $30 million of principal amount issued pursuant to an over-allotment option granted to the initial purchasers. The aggregate principal amount of the 2020 Notes is due on December 15, 2020. We received net proceeds of $222.4 million after deducting offering expenses payable by us. The effective interest rate on the 2020 Notes is not materially different from the stated interest rate of 2.75%.

We will pay 2.75% interest per annum on the outstanding principal amount of the 2020 Notes semi-annually on June 15 and December 15 of each year beginning on June 15, 2014. Interest began to accrue on December 17, 2013. The 2020 Notes are unsecured senior obligations of Trulia. These 2020 Notes were offered and sold only to qualified institutional investors, as defined in Rule 144 under the Securities Act of 1933 (“Securities Act”), and the 2020 Notes and the shares of our common stock issuable upon conversion of the 2020 Notes have not been registered under the Securities Act.

We may not redeem the 2020 Notes prior to December 20, 2018. We may redeem the notes, at our option, in whole or in part on or after December 20, 2018, if the last reported sale price per share of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period.

Holders of the 2020 Notes may convert all or any portion of their notes, in multiples of $1,000 principal amount, at their option at any time prior to the close of business on the business day immediately preceding the maturity date. The 2020 Notes are convertible at an initial conversion rate of $27.8303 shares of our common stock per $1,000 principal amount of notes. This is equivalent to an initial conversion price of approximately $35.93 per share of our common stock. The conversion rate will be adjusted for certain dilutive events and will be increased in the case of corporate events that constitute a “Make-Whole Fundamental Change” (as defined in the indenture governing the notes). The holders of the 2020 Notes will have the ability to require us to repurchase the notes in whole or in part upon the occurrence of an event that constitutes a “Fundamental Change” (as defined in the indenture governing the notes including such events as a “change in control” or “termination of trading”). In such case, the repurchase price would be 100% of the principal amount of the notes plus accrued and unpaid interest, if any, to, but excluding, the fundamental change repurchase price. Certain events are also considered “Events of Default,” which may result in the acceleration of the maturity of the 2020 Notes, as described in the indenture governing the notes, including, among other events, our failure to file with the SEC the reports required pursuant to Section 13 or 15(d) of the Securities Exchange of 1934, as amended, within 180 days after the time such report was required to be filed. There are no financial covenants to these 2020 Notes.

The conversion option of the 2020 Notes has no cash settlement provisions. Total issuance costs for the 2020 Notes were $7.6 million. We use the effective interest method to amortize the debt issuance costs. We believe that the conversion option does not meet the criteria for separate accounting as a derivative as it is indexed to our own stock.

As of December 31, 2013, the future principal payments on the 2020 Notes are as follows (in thousands):

Year Ending December 31:	Amounts
2014	$ —
2015	—
2016	—
2017	—
2018	—
Thereafter	230,000
Total noncurrent portion	$230,000

We recognized interest expense and amortization of debt issue costs related to the 2020 Notes in the period from December 17, 2013 through December 31, 2013 of $246,000 and $38,000, respectively.

8. Commitments and Contingencies

Operating Leases

We lease our corporate offices under noncancelable operating leases in San Francisco, Bellevue, Denver and New York that range from one to seven years in term. Rent expense from the facility leases is recognized on a straight-line basis over the lease term and was $3.6 million, $1.6 million, and $1.1 million during the years ended December 31, 2013, 2012, and 2011, respectively.

As of December 31, 2013, our minimum payments under the noncancelable operating leases are as follows (in thousands):

Year Ending December 31:	Operating Lease
2014	3,186
2015	3,768
2016	2,540
2017	2,581
2018	2,656
Thereafter	7,684
Total minimum lease payments	$22,415

Contingencies

Merger Litigation

Following the announcement that we entered into an Agreement and Plan of Merger to acquire Market Leader, purported class action law suits contesting the merger were filed and then consolidated under the caption In re Market Leader Inc. Shareholders' Litigation, No. 13-2-20796-6 SEA (the "Merger Litigation"). On July 15, 2013, a superseding Consolidated Class Action Complaint ("Consolidated Complaint"), was filed, alleging that Market Leader's board of directors breached its fiduciary duties by failing to maximize shareholder value or to engage in a fair sale process before approving the proposed acquisition of Market Leader by Trulia. The Consolidated Complaint also alleges that the defendants, including us and Mariner Acquisition Corp., our wholly owned subsidiary, failed to provide Market Leader shareholders with material information regarding the merger in the proxy statement and related public filings. The Consolidated Complaint further alleges that Market Leader, Trulia and Mariner Acquisition Corp. aided and abetted the Market Leader directors' breaches of fiduciary duty. The Consolidated Complaint seeks an injunction prohibiting the consummation of the merger, rescission to the extent the merger terms have already been implemented, damages for the alleged breaches of fiduciary duty, and

payment of plaintiffs' attorneys' fees and costs. On August 5, 2013, the parties entered into a memorandum of understanding to settle the Merger Litigation and resolve all allegations against Market Leader and the other defendants. The settlement, which is subject to court approval, provides for the release of all claims against the defendants relating to the merger, including those alleged in the Consolidated Complaint. Lead Counsel for the consolidated action intends to apply to the court for an award of fees and reimbursement of costs incurred in connection with the Merger Litigation. Market Leader has agreed not to oppose the application for an award of fees and reimbursement of costs up to $350,000. On December 23, 2013, the Court entered an order preliminarily approving the settlement. A final settlement approval hearing is scheduled for March 7, 2014.

Zillow Litigation

In September 2012, Zillow, Inc. ("Zillow") filed a lawsuit against us alleging patent infringement. Zillow is seeking a permanent injunction against the alleged infringement, compensatory damages, and attorneys' fees. We believe we have meritorious defenses and we intend to vigorously defend the claims against us. On September 11, 2013, we filed a petition for covered business method patent review with the United States Patent and Trademark Office ("PTO"). The PTO has not yet ruled on the petition. Also, on September 12, 2013, we filed a motion to stay pending the review. The district court granted our motion to stay on October 7, 2013, and this matter is now stayed pending the conclusion of the covered business method patent review by the PTO. This litigation is still in its early stages and the final outcome, including any estimated liability, if any, with respect to these claims, is uncertain. We did not accrue any amounts related to this litigation because a reasonably possible range of loss, if any, that may result from this matter could not be estimated as of December 31, 2013 and 2012.

From time to time, we are subject to legal proceedings and claims in the ordinary course of business. We have received, and may in the future continue to receive, claims from third parties asserting, among other things, infringement of their intellectual property rights.

Although the results of litigation and claims cannot be predicted with certainty, we believe the final outcome of the matters discussed above will not have a material and adverse effect on our business, financial position, results of operations, or cash flows. We will, however, accrue for losses for any known contingent liabilities when future payment is probable and the amount is reasonably estimable.

Indemnifications

In the ordinary course of business, we enter into contractual arrangements under which we agree to provide indemnification of varying scope and terms to business partners and other parties with respect to certain matters, including, but not limited to, losses arising out of the breach of such agreements and out of intellectual property infringement claims made by third parties. In these circumstances, payment may be conditional on the other party making a claim pursuant to the procedures specified in the particular contract. Further, our obligations under these agreements may be limited in terms of time and/or amount, and in some instances, we may have recourse against third parties for certain payments. In addition, we have indemnification agreements with certain of its directors and executive officers that require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. The terms of such obligations may vary. No such obligations existed as of December 31, 2013 and December 31, 2012

9. Stockholders' Equity

Shares repurchases

In December 2013, we used $30.0 million of the net proceeds received from the issuance of the 2020 Notes to repurchase 1,085,383 shares of our common stock from purchasers of the 2020 Notes in privately negotiated transactions effected through J.P. Morgan Securities LLC or its affiliate as our agent. The purchase price per share of the common stock repurchased in this transactions was equal the closing price per share of our common stock on December 11, 2013, which was $27.64. We also repurchased nominal other amounts of shares of our common stock in the open market at their effective market prices at the time of purchase. All shares repurchases were accounted for at cost.

Reverse Stock Split

In September 2012, our board of directors and stockholders approved an amendment to our amended and restated certificate of incorporation as in effect prior to the completion of the IPO. The amendment provided for, among other things, a 1-for-3 reverse stock split of our outstanding common stock and outstanding convertible preferred stock (collectively, "capital stock"), which became effective on September 6, 2012. Accordingly, (i) every three shares of capital stock were combined into one share of capital stock, (ii) the number of shares of capital stock into which each outstanding option or warrant to purchase capital stock is exercisable, as the case may be, were proportionately decreased on a 1-for-3 basis, and (iii) the exercise price for each such outstanding option or warrant to purchase capital stock was proportionately increased on a 1-for-3 basis. All of the share numbers, share prices, and exercise prices have been adjusted within these financial statements, on a retroactive basis, to reflect this 1-for-3 reverse stock split

Common Stock

As of December 31, 2013 and December 31, 2012, we had reserved shares of common stock for issuance as follows:

	As of December 31, 2013	As of December 31, 2012
Stock options and awards issued and outstanding	6,452,832	3,608,326
Stock options and awards available for grant under 2012 Plan	1,976,815	2,127,279
Stock options and awards available for grant under the 2004 Plan	82,784	—
Common stock warrants	—	56,054
Total	8,512,431	5,791,659

The common stock warrants were net exercised in February 2013 at an exercise price of $8.47 per share for an aggregate of 39,025 shares of common stock.

Preferred Stock

Under our amended and restated certificate of incorporation registered in September 2012, we were authorized to issue 20,000,000 shares of preferred stock at $0.00001 par value per share. The preferred stock may be issued from time to time in one or more series pursuant to a resolution or resolutions duly adopted by the board of directors. Our board of directors is authorized to determine by resolution the relevant powers of each issue of the preferred stock, such as designations, preferences, participation, dividend rights, divided rates, conversion rights, voting rights, etc. As of December 31, 2013 and December 31, 2012 no shares of preferred stock were issued or outstanding.

10. Stock-Based Compensation

2005 Stock Plan

We granted options under our 2005 Stock Incentive Plan (the "2005 Plan") until September 2012 when the 2005 Plan was terminated. Since the date of the plan termination, no more stock options or awards were issued under the plan, however the stock options issued prior to the plan termination continue to be outstanding. Under the terms of the 2005 Plan, we had the ability to grant incentive ("ISO") and nonstatutory ("NSO") stock options, restricted stock awards ("RSA") and restricted stock units ("RSU"). The options were granted at a price per share not less than 100% of the fair market value per share at the grant date. Options granted under the 2005 Plan generally vest at a rate of 25% after the first year and then at 1/36 of the remaining shares each month thereafter and expire 10 years from the grant date. Certain options vest monthly over two to four years.

2012 Equity Incentive Plan

Effective September 19, 2012, our board of directors adopted, and our stockholders approved, a 2012 Equity Incentive Plan (the "2012 Plan"). The 2012 Plan provides for the grant of ISOs, NSOs, restricted stock, restricted stock units, stock appreciation rights, performance units, and performance shares to our employees, directors, and consultants. Upon adoption of the 2012 Plan, a total of 2,370,000 shares of common stock were reserved for issuance plus up to 1,000,000 shares from the expiration or termination of awards under the 2005 Plan. The shares available are increased at the beginning of each fiscal year by the lesser of (i) 2,100,000 shares, (ii) 4% of outstanding common stock on the last day of the immediately preceding fiscal year, or (iii) such number determined by our board of directors. On January 1, 2014 and 2013 the shares available for grant under the 2012 Plan were automatically increased by 1,463,303 and 1,102,112 shares, respectively. On June 5, 2013, the stockholders approved a 2,000,000 share increase to the 2012 Plan. Under the 2012 Plan, both the ISOs and NSOs are granted at a price per share not less than 100% of the fair market value per share of the underlying stock at the grant date. The board of directors determines the vesting period for each option award on the grant date, and the options generally expire 10 years from the grant date or such shorter term as may be determined by the board of directors. The restricted stock units are granted for zero purchase price.

Market Leader 2004 Equity Incentive Plan

Effective with the acquisition of Market Leader and pursuant to the Merger Agreement between us and Market Leader, we assumed Market Leader's 2004 Equity Incentive Plan ("2004 Plan"), including all outstanding shares of restricted stock, all outstanding stock appreciation rights, all outstanding options and all shares available for future issuance under the 2004 Plan, and all of such securities became issuable for shares of our common stock, subject to appropriate adjustments to the number of shares pursuant to the Merger Agreement. We will now be able to grant equity-based awards, to the extent permissible by applicable law and NYSE rules, under the terms of the 2004 Plan or the terms of another plan adopted by us to issue the reserved but unissued Market Leader shares under the 2004 Plan and the shares that would otherwise be returned to the 2004 Plan due to (i) awards that lapse, expire, terminate or are canceled prior to the issuance of shares thereunder or (ii) shares of Market Leader common stock that are issued under the 2004 Plan and thereafter are forfeited to or otherwise reacquired by Market Leader.

As of the date we assumed the 2004 Plan, a total of 283,522 shares of common stock were reserved for issuance. The shares available were increased on January 1, 2014 by 202,770 shares under the automatic annual increase provisions of this plan.

We did not assume Market Leader's 1999 Stock Incentive Plan (the "1999 Plan"), however, pursuant to the Merger Agreement we have assumed all outstanding shares of restricted stock, all outstanding stock appreciation rights and all outstanding options issued under 1999 Plan. These equity awards will continue to be outstanding and will be governed by the provisions of the 1999 Plan.

Total shares of common stock available for grant under our 2012 Plan and 2004 Plan were 2,059,599 and 2,127,279 as of December 31, 2013 and December 31, 2012, respectively.

Stock Option Activity

Stock option activity for the year ended December 31, 2013 under the 2005 Plan, 2012 Plan, 1999 Plan and 2004 Plan (for the period from August 21, 2013 through December 31, 2013) was as follows:

	Stock Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
				(In thousands)
Balance—December 31, 2012	3,570,566	$ 6.45	7.56	$35,415
Assumed in acquisition	643,237	15.27		
Granted	652,711	32.27		
Canceled	(293,814)	13.41		
Exercised	(1,484,251)	4.74		
Balance—December 31, 2013	3,088,449	$13.90	7.42	$68,131
Options exercisable—December 31, 2013	1,497,372	$ 9.23	6.30	$39,927
Options vested and expected to vest—December 31, 2013	3,007,257	$10.79	7.38	$67,010

The options exercisable as of December 31, 2013 included options that were exercisable prior to vesting. The weighted average grant date fair value of options granted during the year ended December 31, 2013, 2012, and 2011 was $15.24, $6.77, and $2.28, respectively.

Aggregate intrinsic value represents the difference between the estimated fair value of the underlying common stock and the exercise price of outstanding, in-the-money options. The aggregate intrinsic value of options exercised was $45.9 million, $5.3 million, and $902,000 for the year ended December 31, 2013, 2012, and 2011, respectively. The total estimated grant date fair value of employee options vested during the year ended December 31, 2013 and 2012 was $6.4 million and $4.6 million, respectively. As of December 31, 2013 total unrecognized compensation cost related to non-vested stock options granted to employees was $16.0 million, net of estimated forfeitures of $1.5 million. These costs will be amortized on a straight-line basis over a weighted average vesting period of 2.38 years.

Restricted Stock Units Activity

Restricted stock units activity for the year ended December 31, 2013 under the 2005 Plan, 2012 Plan, 1999 Plan and 2004 Plan (for the period from August 21, 2013 through December 31, 2013) was as follows:

	RSUs Outstanding	Weighted Average Grant Date fair Value	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
				(in thousands)
Unvested—December 31, 2012	37,760	$16.41	2.16	$ 613
Assumed in acquisition	124,832	42.90		
Granted	1,748,081	34.67		
Canceled	(98,920)	28.97		
Released	(151,164)	33.94		
Unvested—December 31, 2013	1,660,589	$35.28	1.94	$58,569
Restricted stock units expected to vest—December 31, 2013	1,509,246	$35.15	2.23	$53,231

As of December 31, 2013, total unrecognized compensation cost related to the unvested RSUs granted to employees was $46.5 million, net of estimated forfeitures of $3.4 million, respectively. This cost will be amortized on a straight-line basis over a weighted average vesting period of 3.02 years.

In the year ended December 31, 2013 we granted 2,105,000 stock unit awards in connection to the Market Leader acquisition, of which 1,576,250 were performance based awards and 528,750 were time based awards. The performance based awards were contingent upon closing of the acquisition of Market Leader referred to in Note 1 above, achievement of certain performance metrics, including comparative market-based returns, and the employees continued service relationship with us. The time based awards were contingent upon closing of the acquisition of Market Leader referred to in Note 1 above and the employees continued service relationship with us. On August 20, 2013 the first contingency was resolved when we closed the acquisition of Market Leader. Hence, the time-based awards are classified as restricted stock units and are included in the RSU table above. The performance-based awards are summarized in the table below.

	PSUs Outstanding	Weighted Average Grant Date fair Value	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
				(in thousands)
Unvested—December 31, 2012	—	$ —	—	$ —
Granted	1,576,250	22.84		
Canceled	—			
Released	—			
Unvested—December 31, 2013	1,576,250	$22.84	3.0	$55,594
Restricted stock units expected to vest—December 31, 2013	1,408,793	$22.45	3.0	$49,688

We estimated the fair value of the performance based awards with market-based conditions using a Monte Carlo simulation model. Total compensation cost recorded related to performance-based awards in the year ended December 31, 2013 was $4.4 million.

As of December 31, 2013, total unrecognized compensation cost related to the unvested PSUs granted to employees was $27.2 million, net of estimated forfeitures of $4.1 million, respectively. This cost will be amortized on a straight-line basis over a weighted average vesting period of 3 years.

Stock Appreciation Rights Activity

We measure the fair value of stock appreciation rights similar to stock options. Additionally, we classify stock appreciation rights that can be settled in cash as a liability and remeasure it at fair value at the end of each reporting period. Any changes in fair value as a result of this remeasurement are recorded as cumulative compensation cost. Compensation expense related to stock appreciation rights is recognized over the vesting period using the straight-line method reduced for estimated forfeitures. We recognized $618,000 and $0 of expense for the year ended December 31, 2013 and 2012, respectively, related to these stock appreciation rights. Stock appreciation rights activity is summarized in the following table:

	Stock Appreciation Rights Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
				(In thousands)
Balance—December 31, 2012	—	$ —	—	$ —
Assumed in acquisition	159,713	31.93	3.30	5,684
Granted	—	—		
Canceled	—	—		
Exercised	(32,169)	9.90		
Balance—December 31, 2013	127,544	$11.83	3.08	$2.990
Exercisable—December 31, 2013	26,788	$11.01	3.01	$2,990
Vested and expected to vest—December 31, 2013	117,419	$11.76	3.08	$2,760

No stock appreciation rights were granted in the year ended December 31, 2013.

The aggregate intrinsic value of stock appreciation rights exercised during the year ended December 31, 2013 was $908,000. The total estimated grant date fair value of employee stock appreciation rights vested during the year ended December 31, 2013 was $28.89. As of December 31, 2013 total unrecognized compensation cost related to non-vested stock options granted to employees was $2.7 million, net of estimated forfeitures of $713,000. These costs will be amortized on a straight-line basis over a weighted average vesting period of 1.97 years.

Determining Fair Value of Stock Based Awards

The fair value of each grant of stock option and stock appreciation right awards is determined by us using the methods and assumptions discussed below. Each of these inputs is subjective and generally requires significant judgment to determine.

Valuation Method—We estimate the fair value of our stock option and stock appreciation right awards using the Black-Scholes option-pricing model.

Expected Term—The expected term represents the period that the stock option awards are expected to be outstanding. We estimate the expected term for our awards grants based on a study of publicly traded industry peer companies and the historical data on our employee exercises and post-vesting employment termination behavior taking into account the contractual life of the award.

Expected Volatility—The expected volatility is derived from the historical stock volatilities of several comparable publicly listed peers over a period approximately equal to the expected term of the awards because we have limited information on the volatility of our common stock since we do not have significant trading history. When making the selections of the comparable industry peers to be used in the volatility calculation, we considered the size, operational and economic similarities to [our] principle business operations.

Fair Value of Common Stock—Prior to our IPO, the fair value of the common stock underlying the stock option awards was determined by our board of directors. Because there had been no public market for our stock, the board of directors had determined the fair value of the common stock at the time of the option grant by considering a number of objective and subjective factors including contemporaneous valuations performed by unrelated third party specialists, valuations of comparable companies, operating and financial performance, lack of liquidity of capital stock and general and industry-specific economic outlook, amongst other factors. After our IPO we have been using the listed stock price on the date of grant as its fair value.

Risk-Free Interest Rate—The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for zero coupon U.S. Treasury notes with maturities approximately equal to the expected term of the options.

Expected Dividends—The expected dividend has been zero as we have never paid dividends and have no expectations to do so.

Forfeiture Rate—We estimate our forfeiture rates based on an analysis of our actual forfeitures and will continue to evaluate the adequacy of the forfeiture rate based on actual forfeiture experience, analysis of employee turnover behavior, and other factors. The impact from a forfeiture rate adjustment will be recognized in full in the period of adjustment, and if the actual number of future forfeitures differs from that estimated, we may be required to record adjustments to stock-based compensation expense in future periods.

Summary of Assumptions

The fair value of each employee stock option awards was estimated at the date of grant using a Black-Scholes option-pricing model with the following weighted average assumptions:

	Year Ended December 31,		
	2013	2012	2011
Expected term (in years)	5.5	5.5	5.5
Expected volatility	52%	53%	55%
Risk-free interest rate	1.2%	0.9%	1.9%
Dividend rate	0%	0%	0%

The fair value of restricted stock units equals the market value of the underlying stock on the date of grant.

The fair value of performance based awards with market based condition was estimated using a Monte Carlo simulation model with the following weighted average assumptions:

	As of May 29, 2013	As of August 29, 2013
Stock price	$ 30.31	$ 41.67
Simulation period	2.93 years	2.68 years
Risk free rate	0.47%	0.65%
Volatility	52.6%	52.6%
Dividend yield	0%	0%
Cost of equity	12.6%	12.3%

The value of each employee stock appreciation right granted was estimated at the end of the reporting period using the Black-Scholes option-pricing model with the following weighted average assumptions:

	Year Ended December 31, 2013
Estimated term (in years)	1.63
Risk-free interest rate	0.32%
Expected volatility	36%
Expected dividend yield	0%

Our stock appreciation rights typically vest on a graded basis over either a two or four year period and typically expire the earlier of five years from the date of grant or ninety days following termination of employment.

Options granted to non-employees

During the years ended December 31, 2013, 2012, and 2011 we granted zero, zero, and 16,216 stock options to non-employees. Through June 30, 2012, no stock-based compensation expense was recognized related to the options granted during the year ended December 31, 2011 as these non-employee options have performance conditions that we determined are not probable as of June 30, 2012. Such options were subject to remeasurement using the Black-Scholes option-pricing model as the options vested. In the second half of the year ended December 31, 2012, a total of $58,000 of stock-based compensation expense was recognized related to these options. No expense was recognized in the year ended December 31, 2013.

Compensation Paid in Stock

We recorded compensation expense for the stock-based awards granted to employees and other compensation paid in stock as follows (in thousands):

	Years Ended December 31,		
	2013	2012	2011
Stock-based compensation:			
Cost of revenue	$ 644	$ 32	$ 11
Technology and development	5,659	930	482
Sales and marketing	4,880	398	183
General and administrative	9,266	1,210	808
Total stock-based compensation expense	20,449	2,570	1,484
Other compensation paid in stock:			
Cost of revenue	74	—	—
Technology and development	706	—	—
Sales and marketing	783	—	—
General and administrative	961	—	—
Total compensation paid in stock	$22,973	$2,570	$1,484

We capitalized stock-based compensation of $685,000, $66,000, and $22,000 as product development costs during the years ended December 31, 2013, 2012, and 2011, respectively.

11. Warrants

Convertible Preferred Stock Warrants

In September 2011, we entered into a $20.0 million Credit Facility discussed further in Note 7. In connection with the Credit Facility, we issued a warrant to purchase up to 120,961 shares of Series D with an exercise price of $8.4738 per share. As of December 31, 2011, only 56,054 shares were exercisable. The exercisability of the warrant would be triggered upon specified drawdowns under the Credit Facility. As of December 31, 2012 and 2011, we had drawdowns of $10.0 million from the total $20.0 million underlying the Credit Facility. If we withdrew the remaining $10.0 million, the remaining 64,907 shares would become exercisable under the warrant. As of December 31, 2012, our ability to withdraw the remaining $10.0 million expired. At the time of issuance, the aggregate fair value of the warrant in the amount of $281,000 was determined using a Monte Carlo model incorporating two scenarios, one with a future equity financing and one without. The model also used the following assumptions: expected term of 1.2 years, risk-free interest rate of 0.2%, expected volatility of 55.0% and expected dividend yield of 0%. The fair value of the warrant was

recorded as a warrant liability upon issuance. As a result of our first public filing of its Form S-1 in August 2012 and in connection with the termination of the anti-dilution provisions contained in the warrant, the warrant liability was remeasured to fair value and the remaining value reclassified to additional paid-in-capital. Upon completion of our IPO in September 2012 and the related conversion of the convertible preferred stock to common stock, this warrant to purchase convertible preferred stock became a warrant to purchase common stock and the expiration date was set at September 19, 2017, which was five years from the effectiveness of our IPO.

During the years ended December 31, 2012 and 2011, we recognized a charge to earnings of $369,000 and $16,000, respectively, from remeasurement of the fair value of the warrant, which was recorded through the statements of operations.

We determined the fair value of the outstanding convertible preferred stock warrant as of August 17, 2012, the date the anti-dilution provision was no longer applicable, and December 31, 2011 with the following assumptions:

	As of August 17, 2012	As of December 31, 2011
Estimated term (in years)	5.9	1.0
Risk-free interest rate	1.0%	0.1%
Expected volatility	53%	55%
Expected dividend yield	0%	0%

The above assumptions were determined as follows:

Term—The term represents a weighted average of the remaining term under probable scenarios used to determine the fair value of the underlying stock. A weighted average term was determined to be more appropriate than the contractual term due to potential adjustments to the related expiration date for the warrant under multiple scenarios;

Risk-free interest rate—The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of grant for zero coupon U.S. Treasury notes with maturities approximately equal the term of the warrant;

Expected volatility—The expected volatility is derived from historical volatilities of several unrelated publicly listed peer companies over a period approximately equal to the term of the warrant because we have limited information on the volatility of the preferred stock since we do not have significant trading history. When making the selections of industry peer companies to be used in the volatility calculation, we considered the size, operational and economic similarities to our principle business operations; and

Expected dividend yield—The expected dividend yield is assumed to be zero as we have never paid dividends and have no current plans to do so.

Common Stock Warrants

In September 2011, in conjunction with services provided by a third party consultant, we issued a warrant to purchase 44,646 shares of common stock with an exercise price of $4.29 per share and expiration date of February 14, 2016. The fair value of the warrant in the amount of $93,000 was recorded as additional paid-in capital upon issuance and was not subject to remeasurement at each reporting period. The fair value of the warrant was calculated using the Black-Scholes option-pricing model with the following assumptions: contractual term of 4.5 years, risk-free interest rate of 0.7%, expected volatility of 55.0% and expected dividend yield of 0%. In connection with the IPO in September 2012, the warrant was exercised using the cashless exercise provision which amounted to the net issuance of 33,380 shares of common stock. As of December 31, 2012, this warrant was no longer outstanding.

12. Net Loss per Share Attributable to Common Stockholders

The following table sets for the computation of our basic and diluted net loss per share attributable to common stockholders during the years ended December 31, 2013, 2012, and 2011 (in thousands, except share and per share data):

	Year Ended December 31,		
	2013	2012	2011
Net loss attributable to common stockholders	$ (17,759)	$ (10,921)	$ (6,155)
Shares used in computing net loss per share attributable to common stockholders, basic and diluted	33,129,572	12,538,769	6,657,045
Net loss per share attributable to common stockholders, basic and diluted	$ (0.54)	$ (0.87)	$ (0.92)

The following outstanding shares of common stock equivalents were excluded from the computation of the diluted net loss per share attributable to common stockholders for the periods presented because including them would have been antidilutive:

	Year Ended December 31,		
	2013	2012	2011
Convertible preferred stock	—	—	14,161,444
Stock options to purchase common stock	3,088,449	3,570,566	3,334,530
Restricted stock units	3,236,839	37,760	—
Stock appreciation rights	127,544	—	—
Heldback shares in connection with Movity acquisition	30,524	30,524	125,461
Preferred stock warrants	—	—	56,054
Common stock warrants	—	56,054	44,646
Convertible senior notes	6,400,969	—	—

13. Self-Insurance

We are self-insured for a portion of our employees' medical and dental coverage. The medical plan carries a stop-loss policy, which will protect from an individual claim during the plan year exceeding $100,000 or when cumulative medical claims exceed 125% of expected claims for the plan year. We record estimates of the total cost of claims incurred as of the balance sheet date based on an analysis of historical data and independent estimates. Our liability for self-insured medical and dental claims is included in accrued compensation and benefits and was $225,000 and $0 at December 31, 2013 and 2012, respectively.

14. Income Taxes

We account for income taxes in accordance with authoritative guidance, which requires the use of the asset and liability method. Under this method, deferred income tax assets and liabilities are determined based upon the difference between the financial statement carrying amounts and the tax basis of assets and liabilities and are measured using the enacted tax rate expected to apply to taxable income in the years in which the differences are expected to be reversed.

As a result of the acquisition of Market Leader in August 2013, we recorded a tax benefit of $7.9 million as a discrete item in the third quarter. This tax benefit is a result of the partial release of our existing valuation allowance in conjunction with the acquisition since the acquired deferred tax liabilities from Market Leader will provide a source of income for us to realize a portion of its deferred tax assets, for which a valuation allowance is no longer needed.

The components of the provision for income taxes for the years ended December 31, 2013 and 2012 are as follows (in thousands):

	Year Ended December 31,	
	2013	2012
Current:		
Federal	$ —	$ —
State	412	67
Deferred:		
Federal	(5,123)	—
State	(2,800)	—
TOTAL	$(7,511)	$ 67

A reconciliation of the statutory federal income tax rate of 34% to the actual tax rate for the years ended December 31 is as follows (in thousands):

	As of December 31,	
	2013	2012
Tax at federal statutory rate	$(8,592)	$(3,684)
Permanent items	128	499
State taxes	(499)	(609)
Net operating loss not benefitted	8,004	3,527
Acquisition related costs	1,072	—
Valuation allowance release	(7,923)	—
Stock-based compensation	299	334
Income tax expense	$(7,511)	67

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes, and the amount used for income tax purposes. Our deferred tax assets and liabilities are detailed below (in thousands):

	As of December 31,	
	2013	2012
Assets:		
Net operating loss carryforwards	$ 40,828	$ 16,275
Tax credit carryforwards	5,210	—
Accruals and reserves	5,082	867
Stock-based compensation	9,034	633
Fixed assets and intangibles	—	36
Other	27	1
Gross deferred tax assets	60,181	17,812
Valuation allowance	(20,995)	(17,342)
Total deferred tax assets	39,186	470
Liabilities:		
Deferred Revenue	$ (58)	$ (117)
Prepaid expenses and other	(1,085)	(353)
Fixed assets and intangibles	(38,043)	—
Total deferred tax liabilities	(39,186)	470
Net deferred tax assets	$ —	$ —

During the year ended December 31, 2013, we completed an analysis of certain research expenditures attributable to the legacy Trulia business to determine whether, and to what extent, federal and state research credits could be claimed and carried forward from inception through 2013. As a result of that analysis, we claimed research and development credits of approximately $2.5 million and $2.2 million, for federal and state purposes, respectively. These credits have been presented as an increase to deferred tax assets in the table above for the year ended December 31, 2013 but have also resulted in a corresponding increase to our valuation allowance. The claim therefore had no net impact to income tax expense. In addition, we had approximately $1.1 million of state enterprise zone credits carryforwards. The federal credits will begin to expire in 2025 and the state credits can be carried forward indefinitely.

We have evaluated the available positive and negative evidence surrounding our ability to realize our deferred tax assets. In our evaluation, we determined that our recent and cumulative history of pre-tax book losses, as well as our expectation of pre-tax losses in the near future, presents overwhelming negative evidence of our ability to realize our deferred tax assets in excess of our deferred tax liabilities. Accordingly, we have established a full valuation allowance against our net deferred tax assets**.** Our valuation allowance was approximately $17.3 million at December 31, 2012 and was increased by approximately $3.7 million to approximately $21.0 million at December 31, 2013.

At December 31, 2013, we had approximately $147.8 million of federal net operating loss and $85.9 million of state net operating loss carryforwards available to reduce future taxable income, which will begin to expire in 2025 and 2015, respectively. Included in the above net operating loss carryforwards are $35.9 million and $25.1 million of federal and state net operating loss carryforwards, respectively, associated with a windfall tax benefit that will be recorded as additional paid in capital when realized.

Utilization of the net operating loss and tax credit carryforwards are subject to annual use limitations due to certain ownership change rules provided by the Internal Revenue Code of 1986, as amended and similar state provisions. However, we do not anticipate these limitations will significantly impact our ability to utilize our net operating losses and tax credit carryforwards.

A reconciliation of our unrecognized tax benefits, excluding accrued interest and penalties, for 2013 and 2012 is as follows (in thousands):

	As of December 31,	
	2013	2012
Balance at the beginning of the year	$ 20	$ 475
Decreases related to prior year tax positions	—	(475)
Expiration of statute of limitations	—	—
Current year increases	2,316	20
Balance at the end of the year	2,336	20

We recognize interest and/or penalties related to income tax matters as a component of income tax expense. As of December 31, 2013 there were no accrued interest and penalties related to uncertain tax positions. We do not have any tax positions that are expected to significantly increase or decrease within the next 12 months.

We file income tax returns in the U.S. federal and various state jurisdictions. Our tax years for 2010 and forward are subject to examination by the U.S. tax authorities, our tax years for 2009 and forward are subject to examination by various state tax authorities. However, due to the fact we had net operating losses and credits carried forward in most jurisdictions, certain items attributable to technically closed years are still subject to

adjustment by the relevant taxing authority through an adjustment to tax attributes carried forward to open years. In addition, to the extent we are deemed to have a sufficient connection to a particular taxing jurisdiction to enable that jurisdiction to tax us but we have not filed an income tax return in that jurisdiction for the year(s) at issue, the jurisdiction would typically be able to assert a tax liability for such years without limitation on the number of years it may examine.

15. Employee Benefit Plan

We have a defined contribution 401(k) retirement plan covering Trulia employees who have met certain eligibility requirements (the Trulia 401(k) Plan). Eligible employees may contribute pretax compensation up to the maximum amount allowable under Internal Revenue Service limitations. Employee contributions and earnings thereon vest immediately.

Effective with the Market Leader acquisition, we assumed the Market Leader defined contribution 401(k) plan separately covering our Market Leader employees (the Market Leader 401(k) Plan). Eligible employees may contribute pretax compensation up to the maximum amount allowable under Internal Revenue Service limitations. Employee contributions and earnings thereon vest immediately.

We currently match up to 4% of employee contributions under the Trulia 401(k) Plan. Our expense related to our benefit plan for the years ended December 31, 2013 and 2012 was $1.1 million and $685,000, respectively. The Market Leader 401(k) Plan allows for discretionary employer contributions, but no such contributions have been made.

* * * * * *

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2013. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of December 31, 2013, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) and Rule 15d-15(f) of the Exchange Act. Our internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

The effectiveness of any system of internal control over financial reporting, including ours, is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting, including ours, no matter how well designed and operated, can only provide reasonable, not absolute, assurances. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Our management assessed the effectiveness of Trulia's internal control over financial reporting as of December 31, 2013. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated 1992 Framework. Based on our assessment using those criteria, our management has concluded that, as of December 31, 2013, Trulia's internal control over financial reporting was effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. ***Other Information***

Not applicable.

Part III

Item 10. ***Directors, Executive Officers and Corporate Governance***

The information required by this item is incorporated by reference to our definitive proxy statement relating to our 2014 annual meeting of shareholders. The definitive proxy statement will be filed with the Securities and Exchange Commission within 120 days after the end of the 2013 fiscal year.

Codes of Business Conduct and Ethics

Our board of directors has adopted a code of business conduct and ethics that applies to all of our employees, officers, and directors, including our Chief Executive Officer, Chief Financial Officer, and other executive and senior financial officers. The full text of our Code of Business Conduct and Ethics is posted on the Investors portion of our website at http://ir.trulia.com/. We will post amendments to our Code of Business Conduct and Ethics or waivers of our Code of Business Conduct and Ethics for directors and executive officers on the same website.

Item 11. ***Executive Compensation***

The information required by this item is incorporated by reference to our definitive proxy statement relating to our 2014 annual meeting of shareholders. The definitive proxy statement will be filed with the Securities and Exchange Commission within 120 days after the end of the 2013 fiscal year.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by this item is incorporated by reference to our definitive proxy statement relating to our 2014 annual meeting of shareholders. The definitive proxy statement will be filed with the Securities and Exchange Commission within 120 days after the end of the 2013 fiscal year.

Item 13. ***Certain Relationships and Related Transactions and Director Independence***

The information required by this item is incorporated by reference to our definitive proxy statement relating to our 2014 annual meeting of shareholders. The definitive proxy statement will be filed with the Securities and Exchange Commission within 120 days after the end of the 2013 fiscal year.

Item 14. ***Principal Accountant Fees and Services***

The information required by this item is incorporated by reference to our definitive proxy statement relating to our 2014 annual meeting of shareholders. The definitive proxy statement will be filed with the Securities and Exchange Commission within 120 days after the end of the 2013 fiscal year.

Part IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a) The following documents are filed as part of this report:

1. Financial Statements

See Index to Financial Statements at Item 8 herein.

2. Financial Statement Schedules

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS

	Year Ended December 31,		
	2013	2012	2011
	(In thousands)		
Allowance for Doubtful Accounts:			
Beginning balance	$142	$ 80	$ 104
Charged to costs and expenses	351	95	176
Reductions and write-offs	(82)	(33)	(200)
Ending balance	$411	$142	$ 80

All other schedules have been omitted because they are not required, not applicable, or the required information is otherwise included.

3. Exhibits

See the Exhibit Index immediately following the signature page of this Annual Report on Form 10-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Trulia, Inc.

Date: February 28, 2014

/s/ PETER FLINT

Peter Flint
Chief Executive Officer and Director
(Principal Executive Officer)

Date: February 28, 2014

/s/ PRASHANT "SEAN" AGGARWAL

Prashant "Sean" Aggarwal
Chief Financial Officer
(Principal Accounting and Financial Officer)

Date: February 28, 2014

/s/ ERIK BARDMAN

Erik Bardman
Director

Date: February 28, 2014

/s/ THERESIA GOUW

Theresia Gouw
Director

Date: February 28, 2014

/s/ DANIEL STEPHEN HAFNER

Daniel Stephen Hafner
Director

Date: February 28, 2014

/s/ SAMI INKINEN

Sami Inkinen
Director

Date: February 28, 2014

/s/ ROBERT MOLES

Robert Moles
Director

Date: February 28, 2014

/s/ GREGORY WALDORF

Gregory Waldorf
Director

EXHIBIT INDEX

Exhibit Number	Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
2.1	Agreement and Plan of Merger, dated May 7, 2013, by and among Trulia, Inc., Mariner Acquisition Corp., a wholly owned subsidiary of Trulia, Inc. and Market Leader, Inc.	8-K	001-35650	2.1	May 8, 2013
3.1	Amended and Restated Certificate of Incorporation of the Registrant.	S-1	333-183364	3.4	August 17, 2012
3.2	Amended and Restated Bylaws of the Registrant.	S-1	333-183364	3.7	August 17, 2012
4.1	Form of common stock certificate of the Registrant.	S-1/A	333-183364	4.1	September 19, 2012
4.2	Third Amended and Restated Investor Rights Agreement, dated May 8, 2008, by and among the Registrant and certain of its stockholders.	S-1	333-183364	4.4	August 17, 2012
4.3	Indenture between Trulia, Inc. and Wells Fargo Bank, National Association, dated as of December 17, 2013.	8-K	001-35650	4.1	December 17, 2013
4.4	Form of Note for Trulia, Inc.'s 2.75% Convertible Senior Notes due 2020 (incorporated by reference to Exhibit 4.3 hereto).				
10.1*	Form of Indemnity Agreement between the Registrant and each of its directors and executive officers.	S-1	333-183364	10.1	August 17, 2012
10.2*	Trulia, Inc. 2005 Stock Incentive Plan, as amended, and form of Stock Option Agreement and form of Stock Option Grant Notice thereunder.	S-1	333-183364	10.2	August 17, 2012
10.3*†	Trulia, Inc. SMT Bonus Plan.	S-1	333-183364	10.4	August 17, 2012
10.4*	Outside Director Compensation Policy	10-Q	001-35650	10.2	November 13, 2012
10.5*	Confirmatory Employment Letter, dated August 3, 2012, between the Registrant and Peter Flint.	S-1	333-183364	10.5	August 17, 2012
10.6*	Employment Offer Letter, dated October 17, 2011, between the Registrant and Prashant "Sean" Aggarwal.	S-1	333-183364	10.6	August 17, 2012
10.7*	Employment Offer Letter, dated January 13, 2011, between the Registrant and Paul Levine.	S-1	333-183364	10.7	August 17, 2012
10.8*	Employment Offer Letter, dated October 17, 2011, between the Registrant and Scott Darling.	S-1	333-183364	10.8	August 17, 2012

Exhibit Number	Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
10.9*	Confirmatory Employment Letter, dated August 3, 2012, between the Registrant and Daniele Farnedi.	S-1	333-183364	10.9	August 17, 2012
10.10*	Letter Agreement, dated January 5, 2012, between the Registrant and Gregory Waldorf.	S-1	333-183364	10.10	August 17, 2012
10.11*	Letter Agreement, dated May 23, 2012, between the Registrant and Erik Bardman.	S-1	333-183364	10.11	August 17, 2012
10.12*	Transition Agreement and Release, dated March 28, 2012, between the Registrant and Sami Inkinen.	S-1	333-183364	10.12	August 17, 2012
10.13†	Platform Services Agreement, dated June 19, 2012, between the Registrant and Move Sales, Inc.	S-1/A	333-183364	10.13	September 19, 2012
10.14	Master Service Agreement, dated June 2, 2008, between the Registrant and Equinix Operating Co., Inc.	S-1	333-183364	10.14	August 17, 2012
10.15	Lease, dated May 20, 2010, between the Registrant and CWR Holdings LLC and Broad Street San Francisco LLC.	S-1	333-183364	10.15	August 17, 2012
10.16	Multi-Tenant Office Lease, dated January 24, 2011, between the Registrant and LBA Realty Fund II—WBP III, LLC.	S-1	333-183364	10.16	August 17, 2012
10.17	First Amendment to Multi-Tenant Office Lease, dated August 31, 2012, between the Registrant and LBA Realty Fund II—WBP III, LLC.	S-1/A	333-183364	10.17	September 19, 2012
10.18	Lease, dated October 1, 2012, between the Company and Douglas G. Moore and Maclean Properties, LLC, as amended.	10-Q	001-35650	10.1	September 30, 2012
10.19*	Trulia, Inc. 2012 Equity Incentive Plan, as amended and restated.	10-Q	001-35650	10.1	August 12, 2013
10.20*	Letter Agreement, dated October 16, 2013, between the Trulia, Inc. and Steve Hafner.	8-K	001-35650	10.1	October 23, 2013
10.21	Purchase Agreement by and among Trulia, Inc., J.P. Morgan Securities LLC and Deutsche Bank Securities Inc., dated December 11, 2013.	8-K	001-35650	10.1	December 17, 2013
10.22	Consent and Sixth Amendment, dated as of December 11, 2013, to the Loan and Security Agreement, dated as of September 15, 2011, between Trulia, Inc. and Hercules Technology Growth Capital, Inc.	8-K	001-35650	10.2	December 17, 2013
21.1	List of subsidiaries of the Registrant.				
23.1	Consent of Deloitte & Touche, LLP.				

Exhibit Number	Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
31.1	The certification of Peter Flint, Chief Executive Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2	Certification of Prashant "Sean" Aggarwal, Chief Financial Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1	Certification of Peter Flint, Chief Executive Officer, and Prashant "Sean" Aggarwal, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS**	XBRL Instance Document.				
101.SCH**	XBRL Taxonomy Extension Schema Document.				
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document.				
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document				
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document				

* Management contract, compensatory plan or arrangement.

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not otherwise subject to liability under these Sections.

† Portions of this exhibit have been omitted pursuant to a determination by the Securities and Exchange Commission that these portions should be granted confidential treatment.

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BOARD OF DIRECTORS

Pete Flint
Chairman & Chief Executive Officer

Erik Bardman
Chief Financial Officer, Roku

Theresia Gouw
Partner, Aspect Ventures

Daniel Stephen Hafner
CEO & Co-Founder, Kayak

Sami Inkinen
Co-Founder

Robert Moles
Chairman, Intero Real Estate Services

Gregory Waldorf
CEO-in-Residence, Accel Partners

CORPORATE EXECUTIVES

Pete Flint
Chief Executive Officer

Sean Aggarwal
Chief Financial Officer

Paul Levine
Chief Operating Officer

Scott Darling
Vice President and General Counsel

Daniele Farnedi
Chief Technology Officer

Ian Morris
President, Market Leader

INVESTOR RELATIONS

Trulia, Inc.
Investor Relations
116 New Montgomery, Suite 300
San Francisco, CA 94105
E: ir@trulia.com
T: (415) 648-4358

CORPORATE HEADQUARTERS

Trulia, Inc.
116 New Montgomery, Suite 300
San Francisco, CA 94105

T: (415) 648-4358
F: (415) 369-9355

COMMON STOCK LISTING

New York Stock Exchange
Ticker Symbol: TRLA

ANNUAL MEETING OF STOCKHOLDERS

Tuesday, June 3, 2014, at 8:30 a.m.
Trulia, Inc.
116 New Montgomery, Suite 300
San Francisco, CA 94105

REGISTRAR AND TRANSFER AGENT

For questions regarding your account, changes of address or the consolidation of accounts, please contact the Company's transfer agent:

Computershare Trust Company, N.A.
250 Royall Street
Canton, Massachusetts 02021
T: (877) 373-6374
Foreign Stockholders: (781) 575-2879
www.computershare.com/investor

LEGAL COUNSEL

Goodwin Procter, LLP
Menlo Park, California

INDEPENDENT AUDITORS

Deloitte & Touche LLP
San Francisco, California

trulia