

HomeAway raises record \$250million in private financing

Submitted by: HomeAway Ltd

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INTRODUCTION:

Below is the latest news from HomeAway, Inc., parent company of www.Holiday-Rentals.co.uk and www.OwnersDirect.co.uk, two of the UK's leading online holiday rentals websites. Established in 1996, [Holiday-Rentals.co.uk](http://www.Holiday-Rentals.co.uk) lists over 120,000 properties worldwide, providing travellers with the largest choice of holiday homes available online and the reassurance of guest reviews. [OwnersDirect.co.uk](http://www.OwnersDirect.co.uk), founded in 1997, lists over 27,000 privately owned properties, exclusively for rent direct from owners, providing travellers a huge choice, a personal service and the best possible prices. Both sites also offer the unique HomeAway Rent with Confidence Guarantee (<http://guaranteeuk.homeaway.com/>) to provide increased peace of mind for those booking direct with private owners and property managers. As travellers increasingly seek out great value, affordable accommodation, and more owners look to rent out their homes to generate extra income in these difficult times, both sites have experienced record traffic levels and a growing number of new subscriptions so far in 2008.

To speak to Greg Grant, Managing Director, HomeAway UK, about the company's vision for this fast growing sector of the UK and worldwide travel market, please call Sarah Chambers on 020 8846 3430 or email sarah@holiday-rentals.co.uk.

PRESS RELEASE:

AUSTIN, TX, November 11, 2008 – HomeAway, Inc., the world's leading online vacation rental marketplace, today announced it has completed a \$250 million equity capital raise, a record investment that reinforces the company's leadership position in travel's fastest-growing segment.

Led by Technology Crossover Ventures (TCV) and with existing investors Institutional Venture Partners (IVP) and Redpoint Ventures, this financing represents the largest minority investment of a U.S. Internet company in the last eight years, according to Venture Source.

HomeAway® will use proceeds from the investment to fund additional strategic investments, eliminate all debt and provide working capital for increased marketing and promotions. The company will also introduce a share repurchase program for certain shareholders including tenured employees.

"We are very pleased to secure this major round of funding, particularly during the current financial crisis that is increasingly restricting access to capital for many companies. And we're especially excited to join forces with TCV to help us execute our long-term growth strategy," says Brian Sharples, chief executive officer and founder of HomeAway. "The TCV lead investment demonstrates their confidence in our business model, and the extraordinary potential in front of us. We expect to benefit tremendously from their experience and record in building leading consumer Internet and travel companies."

The U.S. vacation rental marketplace is valued at more than \$24 billion, according to a first-of-its-kind research study, PhoCusWright's Vacation Rental Marketplace: Poised for Change and research conducted on behalf of HomeAway by Illuminas, an international research consultancy, estimates the combined UK, Germany and France marketplace at the same size.

“The success of HomeAway and the growth of the vacation rental industry are being driven by travelers who seek affordable accommodations, and by owners who have learned that they can earn significant income from their vacation home investments,” says Sharples. “However, there are nearly 14 million vacation home owners in the U.S. and Europe, and most are still not aware of how easy and profitable it can be to rent their homes, even if for just a few weeks each year. We plan to increase our marketing substantially over the next couple of years to further the awareness of the industry.”

“We look to invest in companies with market leadership positions, great management teams, and compelling growth opportunities. HomeAway is such an investment,” says Woody Marshall, TCV general partner. “We believe HomeAway will become a leading Internet brand just like TCV’s past investments in market leaders including Expedia, Netflix, eHarmony, CNET and Orbitz.”

“This financing gives HomeAway significant resources to accelerate both organic growth and growth through strategic acquisitions,” says Todd Chaffee, general partner, Institutional Venture Partners, one of the premier later stage venture capital firms.

HomeAway was founded in 2005 with \$49 million in equity from Austin Ventures and Redpoint Ventures. That initial investment funded the acquisition of five of the world’s leading vacation rental sites, including CyberRentals.com in the U.S., Holiday-Rentals.co.uk in the UK and FeWo-direkt.de in Germany. In 2006, IVP and Trident Capital led a \$160 million financing round that funded the company’s purchase of VRBO.com. The acquisition meant that, along with its flagship site HomeAway.com, the company also operated the largest rent-by-owner site in the U.S.

HomeAway acquired VacationRentals.com, Aritel.fr and OwnersDirect.co.uk in 2007 and now has 11 vacation rental sites in its portfolio, as well as EscapeHomes.com, which connects buyers and sellers of second homes and resort real estate.

Jeff Brody, founding partner of Redpoint Ventures, notes that HomeAway’s management team and business model have made HomeAway one of the most innovative and successful Internet travel companies of this decade.

About HomeAway, Inc.

HomeAway® operates the world’s leading and most-established vacation rental sites including HomeAway.com, VRBO.com, VacationRentals.com, Holiday-Rentals.co.uk, FeWo-direkt.de, Ownersdirect.co.uk and Aritel.fr. Featuring more than 309,000 vacation rentals in destinations ranging from big cities to remote countrysides, the sites make it easy for travelers who seek space, value and privacy on vacation to find the perfect alternative to hotels. HomeAway is committed to providing the safest and most-trusted marketplace in the industry, offering reviews by guests and the added protection of the HomeAway Rental Guarantee. HomeAway is funded by Austin Ventures, Institutional Venture Partners, Redpoint Ventures, Technology Crossover Ventures and Trident Capital. The company is based in Austin, Texas and has offices in London and Ashted, Surrey in England; Kassel, Germany and Marseilles, France.

About Technology Crossover Ventures

Technology Crossover Ventures (TCV), founded in 1995, is a leading provider of growth capital to

technology companies, providing funds to later-stage private and public companies. With \$7.7 billion in capital under management, TCV has made growth equity and recapitalization investments in over 160 companies leading to 45 initial public offerings and more than 30 strategic sales or mergers. Representative investments include Altiris, eHarmony, Expedia, Fandango, Liquidnet, Netflix, RealNetworks, Redback Networks, Solect Technology, TechTarget, Travelport, Webroot, and Zillow. TCV has nine partners and is headquartered in Palo Alto, California. For more information about TCV, visit www.tcv.com.

About Institutional Venture Partners (IVP)

With more than \$2.2 billion of committed capital, Institutional Venture Partners (IVP) is one of the premier later-stage venture capital firms in the United States. Founded in 1980, IVP has invested in over 200 companies with 85 IPOs and more than 50 strategic acquisitions of its portfolio companies. IVP has a 28-year IRR of 43.2% which is more than double the industry average. IVP specializes in venture growth investments, industry rollups, founder liquidity, and select public market transactions. Since its inception, IVP has invested in such notable companies as ArcSight (ARST), Ask Jeeves (IACI), Aspect Communications (ASPT), At Road (ARDI), Business.com (RHD), Clarify (CLFY), ComScore (SCOR), Concur Technologies (CNQR), Danger (MSFT), Digital River (DRIV), Form Factor (FORM), Foundry Networks (FDRY), Juniper Networks (JNPR), LSI Logic (LSI), Mobile 365 (SY), MySQL (JAVA), Netflix (NFLX), Polycom (PLCM), Quigo (AOL), Seagate (STX), Synchronoss (SNCR), Tivo (TIVO), and Websense (WBSN). IVP has offices in Menlo Park and San Francisco, California. For more information, visit www.ivp.com.

About Redpoint Ventures

Redpoint Ventures focuses on partnering with and funding innovative companies that have the potential to define, lead, and change industries. Redpoint partners have many decades of experience and success in technology investing; combined with this foundation, the firm is able to leverage a thriving network of entrepreneurs, partners, and industry experts to accelerate building market-leading companies. Redpoint (www.redpoint.com) was founded in 1999 by partners from two of the top firms in the venture capital industry and currently has over \$2 billion under management. The firm is headquartered in Menlo Park, CA with offices in Los Angeles and Shanghai, China.

About Austin Ventures

Austin Ventures ("AV") has worked with talented entrepreneurs to build valuable companies for nearly 25 years. With \$3.9 billion under management, AV is the most active venture capital and growth equity firm in Texas and one of the most established in the nation. With a focus on business services, information services, integrated media, computer and communications hardware, and enterprise software, AV invests at all stages of company development, from \$100,000 "planned experiments" in early stage ideas to \$100+ million investments in expansion rounds, minority recapitalizations, and buyouts of middle market growth companies. Visit www.austinventures.com for more information.

About Trident Capital

Trident Capital is a leading venture capital and private equity firm with over \$1.5 billion of capital under management, including \$400 million raised in a recently closed Fund VI. Trident's core investment focus has remained consistent since inception in 1993, focusing on investments in the business services, information services and software sectors across a variety of industries. Within the sector focus, the firm invests across multiple stages, including traditional venture capital investing as well as

investments in micro-cap public companies, buyouts and consolidation platforms. Trident has made 120 investments since inception.

