

Form 8937

Issuers of corporate securities are required to complete Internal Revenue Service Form 8937 to report organizational actions that affect the basis of securities.

The following Form 8937 relates to the July 5, 2011 preferred stock distributions.

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name HOMEAWAY, INC.		2 Issuer's employer identification number (EIN)	
3 Name of contact for additional information RICHARD TATER	4 Telephone No. of contact 512-684-1100	5 Email address of contact	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1011 W. FIFTH STREET, SUITE 300		7 City, town, or post office, state, and Zip code of contact AUSTIN, TEXAS 78703	
8 Date of action JULY 5, 2011	9 Classification and description DISTRIBUTIONS ON PREFERRED STOCK		
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶

HOMEAWAY, INC. MADE DISTRIBUTIONS ON JULY 5, 2011 OF ACCUMULATED AND UNPAID DIVIDENDS TO HOLDERS OF EACH OF ITS SERIES A REDEEMABLE PREFERRED STOCK, SERIES B REDEEMABLE PREFERRED STOCK, AND SERIES C CONVERTIBLE PREFERRED STOCK.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶

THE PORTION OF THE DISTRIBUTIONS THAT IS CLASSIFIED AS A NONDIVIDEND DISTRIBUTION REDUCES THE BASIS OF THE STOCK, TO THE EXTENT OF BASIS IN THAT STOCK, AS FOLLOWS:

SECURITY	% OF DISTRIBUTION	
	CLASSIFIED AS A NONDIVIDEND DISTRIBUTION	REDUCTION OF BASIS PER SHARE
SERIES A REDEEMABLE PREFERRED STOCK	81.95%	\$0.5858
SERIES B REDEEMABLE PREFERRED STOCK	81.95%	\$0.6696
SERIES C CONVERTIBLE PREFERRED STOCK	81.95%	\$1.3684

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶

HOMEAWAY, INC. CALCULATED EARNINGS AND PROFITS IN ACCORDANCE WITH IRC SECTION 312. THE COMPUTATION SUPPORTS THE CALCULATION OF THE TAXABLE PORTION OF THE DISTRIBUTIONS ON THE RESPECTIVE SERIES OF PREFERRED STOCK. THE COMPUTATION ALSO SUPPORTS THE PORTION OF THE DISTRIBUTIONS THAT ARE IN EXCESS OF CURRENT AND ACCUMULATED EARNINGS AND PROFITS.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►
THE NONDIVIDEND PORTION OF DISTRIBUTIONS IS DETERMINED PURSUANT TO IRC SECTION 301(c).

18 Can any resulting loss be recognized? ►
NO RESULTING LOSS CAN BE RECOGNIZED.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►
THE REPORTABLE TAX YEAR IS 2011.

SEE ATTACHED STATEMENT.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ►

Original with signature available upon request.

Print your name ► RICHARD TATER

Title ► VICE PRESIDENT - TAX

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check if self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

Form 8937
Statement

Consult Your Tax Advisor

This notice contains our general understanding of the application of certain existing U.S. Federal income tax laws and regulations relating to the distributions. The information in this document does not constitute tax advice and does not purport to be a complete description of the consequences that may apply to specific holders of our preferred stock at the time of the distributions. You should be aware that it is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending any transaction or matters addressed herein. Each taxpayer is urged to seek independent advice from their tax advisor based on their particular circumstances.