

MEDIA RELEASE – FOR IMMEDIATE RELEASE

Carsales Delivers Yet Another Record Half Year Result

February 18, 2015

carsales.com Limited (ASX: CRZ) today announced its financial results for the first half of the 2015 financial year (H1 FY15).

For the period, the company reported total operating revenue of \$150.9 million, up 34 per cent compared to the same period in FY14. Earnings before interest, tax, depreciation and amortisation (EBITDA) was \$72.9 million which represents an increase of 15 per cent compared to the same period in FY14.

carsales.com Ltd's Board of Directors has declared a fully franked interim dividend of 16.2 cents per share, up 10% on pcg (interim H1 FY14, 14.7 cents per share) to be paid on April 15, 2015. The record date for the dividend payment is March 25, 2015.

carsales.com Ltd CEO and Managing Director, Greg Roebuck said the H1 revenue performance was a core focus for the group and that 34% up on FY14's first half revenue reflects this.

"It is always a pleasure delivering record results to shareholders and the first six months of the current financial year, while not without challenges, have been very rewarding" Mr Roebuck commented.

According to Mr Roebuck, carsales.com Ltd's **Operational and Strategic Highlights** during H1 FY15 included:

- Strong earnings performance – EBITDA up 15% year on year
- Pleasing revenue growth from Brazilian and South Korean international investments
- Core domestic business continuing to perform well overall with revenue up 9%
- Strong growth of Dealer and Data Services – up 20% year on year
- Dealer revenue performing well – up 8% year on year
- Increased private seller revenue – up 16% year on year
- Stratton Finance acquired in July 2014 performing ahead of expectations
- Solid increase in vehicle sales for both dealer used and private seller vehicles.

Mr Roebuck stated carsales.com Ltd had demonstrated the ability of the company to continue its ongoing core business growth while at the same time adding significant value to its international and domestic investment portfolio.

"Our domestic core business revenue and EBITDA have continued to perform strongly throughout the first half in a patchy economic environment. Consumer buying activity on the carsales.com.au site was particularly strong through the second quarter and into the new calendar year, which is reflected in dealer used and private seller vehicle inventory", said Roebuck.

"Innovation continues to remain at the core of our DNA and the past six months have once again seen a range of market leading developments across our network of sites and platforms.

"The acquisition of Stratton Finance was completed in July 2014 and the subsequent integration into our private seller offering from late October has assisted in it performing ahead of expectations. We see good future growth

and helping our private buyers with finance is part of our core focus on the consumer, ensuring we continue to deliver tangible benefits to the consumer when they're buying or selling, on carsales.com," he said.

"Our investment in Brazil delivered strong revenue growth with Webmotors' underlying revenue up by 24% year on year," said Roebuck. "Over the past 6 months we have invested heavily in developing business scale through marketing and personnel in Webmotors. The ongoing collaboration is progressing well and with the implementation of carsales' search engine Ryvuss in Q2 and the acquisition of vMotors in December, we are confident we are positioning Webmotors well for future earnings growth."

"SKENCARSALES delivered a very pleasing 38% underlying revenue growth year on year driven largely by its dealer and display business segments and we are very confident about the opportunity for further business development in the coming months and years," said Roebuck.

"We continue to closely monitor our performance and market conditions. Assuming these are stable, we anticipate revenue and EBITDA to remain solid throughout H2 FY15, while NPAT will grow more moderately," commented Roebuck.

Mr Roebuck also advised the company's intention to change ASX ticker codes from CRZ to CAR on February 25. "When the company listed in 2009, CAR was the obvious ticker code for us to use but was unavailable at the time. It has since become available and we are excited about adopting the CAR identity on the ASX".

RESULTS OVERVIEW

Half Year Ending 31 December 2014	\$A Millions		Growth	
	H1 FY14	H1 FY15	\$'s	%
Operating Revenue (Excluding Interest Revenue)				
Online Advertising	98.3	105.9	7.6	8%
Data & Research	12.7	15.2	2.5	20%
International	1.3	1.4	0.1	8%
Finance and Related Services	-	28.4	28.4	N/A
Total Operating Revenue	112.3	150.9	38.6	34%
Operating Expenses (Before Interest and D&A)	48.8	78.0	29.2	60%
EBITDA	63.5	72.9	9.4	15%
<i>EBITDA Margin</i>	<i>57%</i>	<i>48%</i>		
D&A	1.5	2.1	0.6	40%
EBIT	62.0	70.8	8.8	14%
Net Interest Expense	1.1	4.1	3.0	281%
Profit Before Tax	60.9	66.7	5.8	10%
Income Tax Expense	18.4	20.6	2.2	12%
Contribution from associates	1.5	2.5	1.0	67%
Net Profit After Tax	44.0	48.6	4.6	10%
Non-controlling interest (NCI)	0.1	1.9	1.8	1800%
Net Profit After Tax (post NCI)	43.9	46.7	2.8	7%
Earnings Per Share (cents)	18.5	19.6	1.1	6%
Dividend Per Share (cents)	14.7	16.2	1.5	10%

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