

Trade Me purchases AutoBase

Trade Me has entered into an agreement to purchase the vehicle listing aggregator AutoBase Limited. A due diligence process has been completed, and the final sale and purchase agreement was signed today.

AutoBase is an aggregator of listings from car, truck, motorcycle and boat dealers. It has had an exclusive business arrangement in place with Trade Me since 2003. AutoBase procures classified vehicle listings from dealers, and Trade Me displays these advertisements on Trade Me Motors. AutoBase is also responsible for dealer relationship management and related software development.

Back in 2005, Trade Me acquired 25.4% of AutoBase from co-founders Hamish Lusk and David Paviour. This transaction brings the remainder of the business under Trade Me's ownership.

Trade Me CEO Jon Macdonald said acquiring the assets of AutoBase was a logical move. "Hamish and David created a great business and they've been excellent to work with as their business has grown over the past nine years.

"This acquisition will allow us to consolidate the Trade Me Motors business line. It's business as usual for dealers except we'll have direct relationships with them, in much the same way as we operate our other classified businesses Trade Me Property and Trade Me Jobs."

The AutoBase directors said they were pleased to reach an agreement. "This is a good thing for our customers and staff, and we're looking forward to seeing the business continue to thrive as part of Trade Me Motors."

About AutoBase:

FY12* EBIT:	\$3.2m (up 18.5% YoY)
FY12* NPAT:	\$2.3m
Staff as at 31 March 2012:	16
Dealer customers as at 31 March 2012:	935
Live listings on Trade Me Motors:	39,225

* Based on FY ending 31 March 2012.

About the transaction:

Purchase price:	\$15.5m
Effective purchase price (for remaining 74.6% of the business):	\$11.5m
EBIT multiple:	4.8
NPAT multiple:	6.7

The transaction is cash funded and settles today.

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More info: Trade Me investor website: <http://investors.trademe.co.nz/>