carsales.com ltd

MEDIA RELEASE
carsales.com Ltd Accelerates

August 14, 2012

carsales.com Limited (ASX: CRZ) today announced its financial results for FY2012.

For the 2012 financial year, the company passed **a significant milestone** by delivering an earnings before interest, tax, depreciation and amortisation (EBITDA) result of over 100 million dollars. As a result, it reported a net profit after tax (NPAT) of $71.6 million. This represents an increase of 23 per cent compared to the same period in FY2011 (FY2011, $58.3 million). Total operating revenue of $184.2 million was up 21 per cent. carsales.com Ltd's EBITDA margin of 55 per cent was the same as the prior comparative period.

carsales.com Ltd's Board of Directors has declared **a fully franked final dividend of 13.2 cents per share** (FY2011, 10.5 cents per share); the Board has also declared **a fully franked *special dividend* of 6.0 cents per share.** The two dividends are to be paid on September 25, 2012. The record date for the dividend payments is September 11, 2012.

The payment of the special dividend is as a result of the continued ongoing capital management of the company by the Board and its commitment to returning excess capital to shareholders.

The special dividend in no way changes the existing dividend payment policy of the company and the company continues to pursue acquisition opportunities in appropriate markets.

Earnings Per Share (EPS) of 30.6 cents represents growth of 23% from FY2011 to FY2012. Total dividends for the FY2012 year (including the special dividend of 6.0 cents per share) is 30.5 cents per share. This represents a total dividend payout ratio of just under 100 percent of earnings for FY2012.

RESULTS OVERVIEW

	$A Millions		**Growth**	
Year Ending 30 June 2012	**FY2011**	**FY2012**	**$'s**	**%**
Operating Revenue (Excluding Interest Revenue)				
Online Advertising	133.5	160.2	26.7	20%
Data & Research	19.0	24.0	5.0	26%
Total Operating Revenue	152.5	184.2	31.7	21%
Operating Expenses (Before Interest and D&A)	68.7	82.9	14.2	21%
EBITDA	**83.8**	**101.3**	**17.5**	**21%**
EBITDA Margin	*55%*	*55%*		
D&A	2.7	3.3	0.6	22%
EBIT	**81.1**	**98.0**	**16.9**	**21%**
Net Interest Expense	(1.0)	(1.3)	(0.3)	30%
Profit Before Tax	**82.1**	**99.3**	**17.2**	**21%**
Income Tax Expense	23.8	27.6	3.8	16%
Net Profit After Tax	**58.3**	**71.6**	**13.3**	**23%**
Earnings Per Share (cents)	25.0	30.6	5.6	23%
Net Operating Cashflow (Before Capex)	60.1	74.2	14.1	23%
Capex	1.4	5.6	4.2	300%

carsales.com Ltd CEO and Managing Director, Greg Roebuck said the financial results were indicative of carsales.com Ltd's continued strength in automotive and classified marketplaces and the company's commitment to innovation across a range of verticals.

In the face of re-capitalised competition, strong growth in display advertising, increased new car enquiry and inventory growth were all important factors in the automotive vertical's trading results. Non-automotive verticals increased their contribution to overall revenue and carsales.com Ltd's business-to-business categories also posted excellent results in FY2012.

"carsales.com Ltd's core products and strong commitment to innovation and renewal came to the fore this past financial year. FY2012 presented potential changes to the landscape in which carsales.com Ltd operates but once again our core business model proved robust, while innovation across a range of products and services provide key growth opportunities," Mr Roebuck commented.

"MediaMotive, our display advertising division was again a key contributor to revenue growth, but so too was DataMotive, carsales.com Ltd's business-to-business division. In the face of a crowded marketplace and recapitalised competition, our 2012 results are especially pleasing.

"This is a whole-of-business result. We have grown revenues and profit across a range of business verticals and at the same time reinforced or grown our audience and market share," he stated.

According to Mr Roebuck, carsales.com Ltd's Operational and Strategic Highlights during FY2012 included:

- Overall automotive enquiry volumes - up 14% year on year.
- Strong growth in display advertising through MediaMotive - up 47% year on year.
- Continued new car enquiry volume growth - up 23% year on year.
- Dealer and Data Services had a standout year demonstrating particular strength in LiveMarket customer acquisition, Redbook, video and CarFacts for the private seller segment.
- Automotive private advertising was flatter throughout the year as we protected our strong market leading position and held pricing relatively consistent.
- Non-automotive verticals all continued to perform strongly.
- Traffic to mobile sites/apps continues to grow providing key opportunities for innovation.

In summarising carsales.com Ltd's performance, Mr Roebuck stated: "FY12 is a period during which we continued our strategy to encourage innovation and evolve, and build upon, core competencies across the business.

"carsales.com Ltd has almost 360-degree visibility into the verticals in which it operates and we are increasingly leveraging this to provide consumers and customers with new products. This year carsales rolled out business-to-business and consumer-facing services that are unique and in the process built on key metrics – financial and audience.

"It is our commitment to innovation that helps position carsales.com Ltd well for the future – whether that be via organic growth or, where appropriate, acquisitions and launches. We see myriad opportunities in consumers' continued migration to the online space – both desktop and mobile," Mr Roebuck said.

During FY12 carsales.com Ltd continued to strengthen its in-house sales, development and BI resources. Non-automotive and general classified categories were also key areas of focus.

"We believe significant opportunity exists right across carsales.com Ltd's network," Mr Roebuck stated.

Mr Roebuck also stated trading for the first six weeks of the new financial year were pleasing with all revenue segments showing solid growth. The company will provide a further trading update at its October AGM.

About carsales.com Ltd.
carsales.com Ltd listed on the ASX in 2009 and is the largest online automotive, motorcycle, marine and industry classifieds business in Australia. Our sites attract more Australians interested in buying or selling cars, motorcycles, trucks, boats, farm equipment, construction equipment, caravans, etc, than any other classified business. carsales.com Ltd's first revenues were reported in the financial year 1998. The company is one of only a few to have made the BRW Fast 100 for five consecutive years. carsales.com.au is Australia's number one automotive website and in June 2012 served more than 13 million sessions and over 340 million page impressions across its desktop and mobile sites. The carsales Network of websites includes carsales.com.au; bikesales.com.au; boatsales.com.au; trucksales.com.au; quicksales.com.au, motoring.com.au and redbook.com.au.*
**Source: Nielsen Online Market Intelligence, Automotive Information Report, June 2012 and Nielsen Online, Site Census, Mobile, June 2012*

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