



Full year results presentation to 30 June 2016

Disclaimer and Non-IFRS Information

Disclaimer

The material in this presentation has been prepared by carsales.com Limited (ASX: CAR) ABN 91 074 444 018 ("carsales") and is general background information about carsales' activities current as at the date of this presentation. The information is given in summary form and does not purport to be complete. In particular you are cautioned not to place undue reliance on any forward looking statements regarding our belief, intent or expectations with respect to carsales' businesses, market conditions and/or results of operations, as although due care has been used in the preparation of such statements, actual results may vary in a material manner. Information in this presentation, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice.

Non-IFRS Financial Information

carsales' results are reported under International Financial Reporting Standards (IFRS). This presentation also includes certain non-IFRS measures including, "proforma", "underlying" and "look through". These measures are used internally by management to assess the performance of our business and our associates, make decisions on the allocation of resources and assess operational management. Non-IFRS measures have not been subject to audit or review. All numbers listed as reported comply with IFRS.



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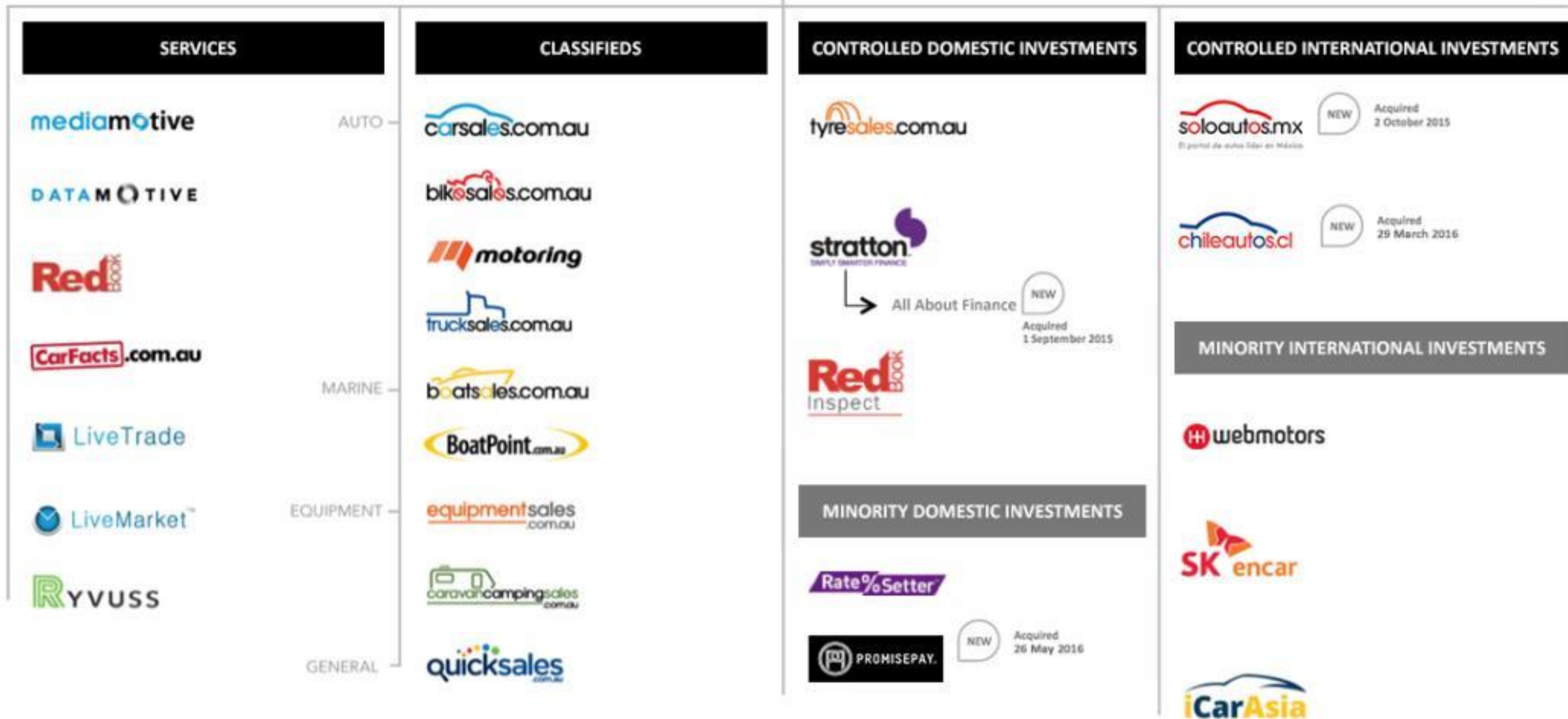
Key Messages

to 30 June 2016



Organisational Structure

carsales  com ltd



Overview of FY16



**REPORTED REVENUE up
10% to \$344m**



**REPORTED EBITDA up
10% to \$170m**



**Adjusted NPAT* up 9%
to \$111m**

FINANCIAL OVERVIEW

- Pleasing full year results.
- FY16 pcp growth in revenue of 10%, EBITDA of 10% and adjusted NPAT* of 9%. Reported NPAT** up 6% to \$109m.

DOMESTIC OVERVIEW

- Strong H2 revenue growth across all online advertising and data research and services.
- Strong gross profit contribution from Stratton reflecting ongoing growth in core finance products.
- Overall Group EBITDA margins maintained at 50%.
- Continued strong revenue performance by Redbook Inspect and Tyresales.

INTERNATIONAL OVERVIEW

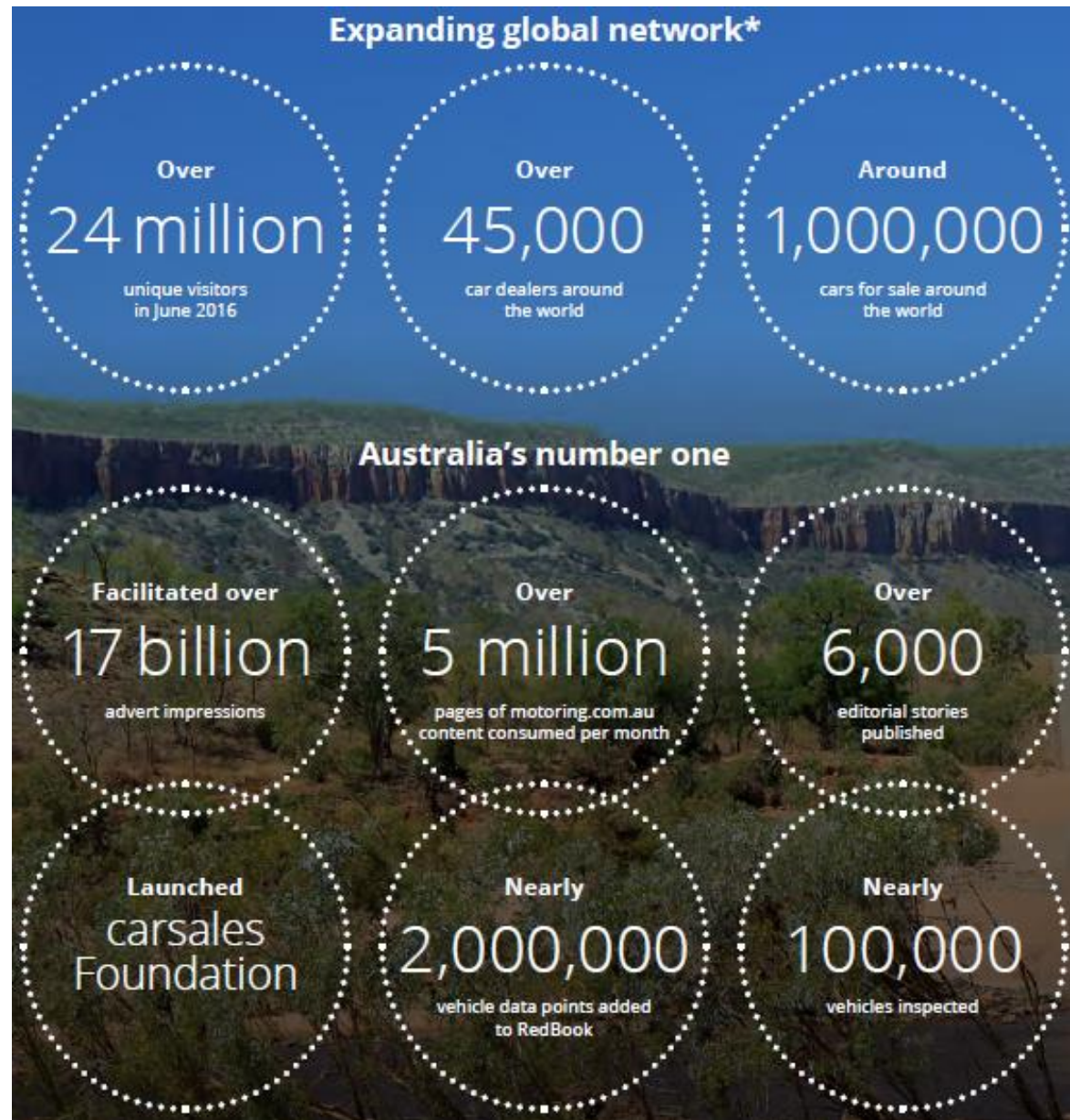
- Completed the acquisition of 83% of Chileautos, the No. 1 auto classifieds business in Chile, during the second half continuing our Latin American expansion strategy. 65% of SoloAutos in Mexico also acquired during the year.
- Strong local currency growth for SKENCARSALES with revenue up 21% on pcp.
- Webmotors delivered solid local currency revenue growth of 13% on pcp with lead model being trialled from 1 July 2016.

* Adjusted NPAT stated above is post non-controlling interests and excludes one-off gains on business disposal, gains on associate dilution and acquired intangible amortisation. See slide 30 regarding the disclosure of non-IFRS Information and slide 31 for a reconciliation of adjusted NPAT to Reported NPAT.

** Reported NPAT stated above is post non-controlling interests.



FY16 Operational Highlights



* Figures stated are for all websites in the carsales Network globally

Reported Group Financial Performance

to 30 June 2016



Financial Overview

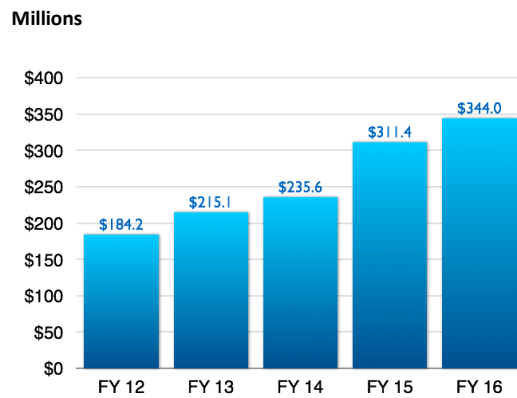
- Solid growth in revenue rising to \$344.0m, up by 10% on pcip.
- Operating expenses (before Interest and D&A) up 10% on pcip.
- EBITDA up 10% on pcip to \$170.3m.
- Stratton gross profit up 29% reflecting strong core finance revenue growth, offset by reduction in low margin products.
- Adjusted NPAT up 9% on pcip to \$110.5m.
- D&A increased by \$2.8m reflecting acquisition intangible asset amortisation and depreciation of capitalised labour supporting group wide integration and globalisation projects.
- Underlying solid growth in profits from associates (up 34% on pcip), offset by acquisition intangible asset amortisation, adverse FX in Brazil and inclusion of Ratesetter for the first time.
- Divestment of homesales business resulted in a gain of \$0.9m.
- Adjusted EPS up 3.3 cents per share to 45.9, up 8% on pcip.
Reported EPS up 2.2 cents per share to 45.4, up 5% on the prior year.
- Final FY16 dividend of 19.2 cents per share declared up 9% on pcip (FY15 final dividend of 17.7 cents per share).

Year Ending 30 June 2016	\$A Millions		Growth	
	FY15	FY16	\$'s	%
Revenue				
Online Advertising	216.5	240.7	24.2	11%
Data & Research	33.0	35.9	2.9	9%
Finance and Related Services	59.4	63.0	3.6	6%
International	2.9	4.4	1.5	54%
Total Revenue	311.8	344.0	32.2	10%
Operating Expenses (Before Interest and D&A)	157.5	173.7	16.2	10%
EBITDA	154.3	170.3	16.0	10%
<i>EBITDA Margin</i>	<i>50%</i>	<i>50%</i>		
D&A	4.7	7.5	2.8	61%
EBIT	149.6	162.8	13.2	9%
Net Interest Expense	8.5	8.4	0.1	1%
Profit Before Tax	141.1	154.4	13.3	9%
Income Tax Expense	42.3	47.4	5.1	12%
Profits from Associates	4.9	5.3	0.4	8%
Gain on business disposal	-	0.9	0.9	N/A
Gain on associate dilution	3.5	0.9	(2.6)	(74%)
Outside Equity Interests	(4.0)	(4.8)	(0.8)	(21%)
Reported Net Profit After Tax	103.2	109.3	6.1	6%
Reported Earnings Per Share (cents)	43.2	45.4	2.2	5%
Adjusted Net profit After Tax*	101.8	110.5	8.7	9%
Adjusted Earnings Per Share (cents)*	42.6	45.9	3.3	8%

* Adjusted NPAT and earnings per share stated above is post non-controlling interests and excludes one-off gains on subsidiary disposal, gains on associate dilution and acquired intangible amortisation. See slide 30 regarding the disclosure of non-IFRS Information and slide 31 for a reconciliation of adjusted NPAT to Reported NPAT.

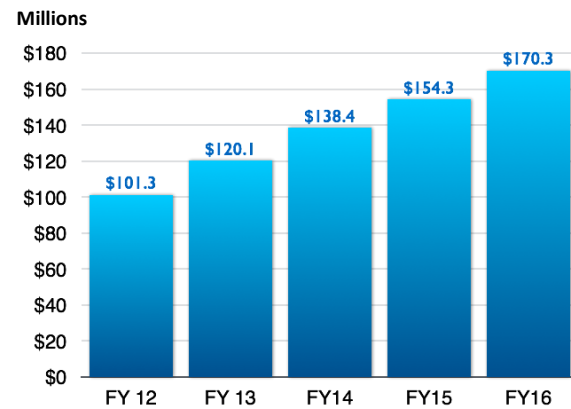
Strong track record of financial performance

REPORTED REVENUE



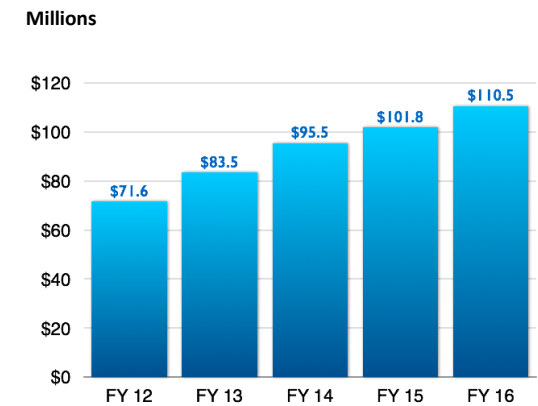
CAGR 16.9%

REPORTED EBITDA



CAGR 13.9%

ADJUSTED NPAT

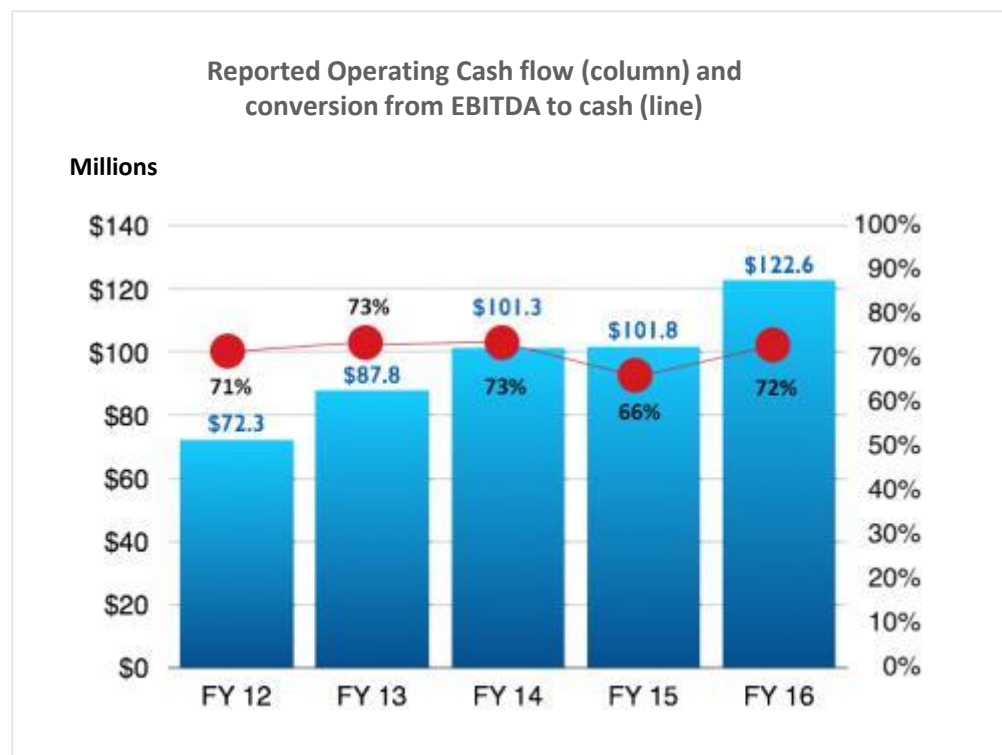


CAGR 11.5%

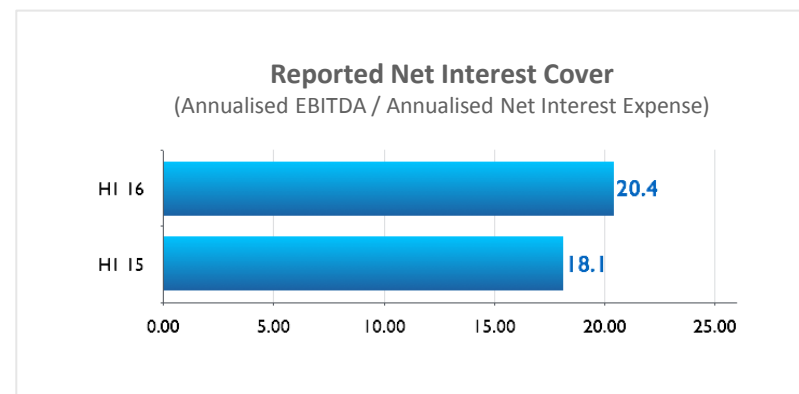
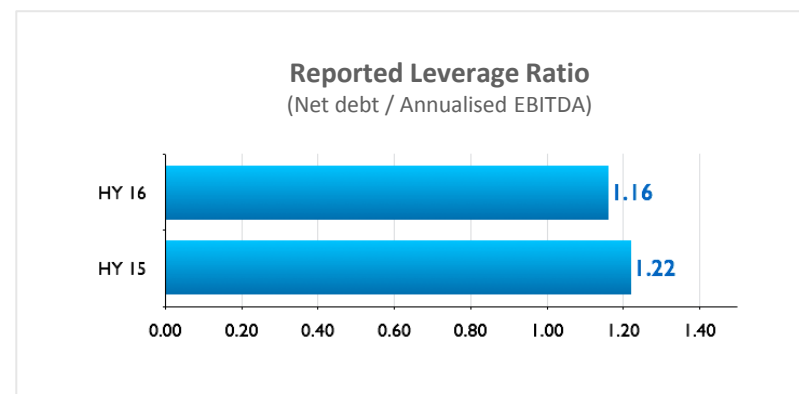
Once again carsales continues to demonstrate consistent high returns to its shareholders.

Reported Debt and Cash flow

Continued strong operating cash flows



Improved credit metrics



- Solid cash conversion of earnings with Operating cash flow / EBITDA at 72% up on pcp, with FY15 being lower due to timing of tax payments.
- Reported Net Debt* of ~\$198m as at 30 June 2016. ~\$10m increase on 30 June 2015 due to investments in Chile, Mexico and Promisepay, offset by operating cashflow.
- Cash capex up 153% on pcp to \$4.3m principally reflecting office fit-out costs at Stratton due to ongoing business growth. Capitalised labour costs up 66% on pcp due to investment in technology platforms supporting international and adjacent market expansion.

Year Ending 30 June 2016	\$A Millions		Growth	
	FY15	FY16	\$'s	%
Cash Capital expenditure	1.7	4.3	2.6	153%
Capitalised labour costs	5.0	8.3	3.3	66%
Total capital expenditure	6.7	12.6	5.9	88%

See slide 30 regarding the disclosure of non-IFRS Information

* Net debt includes total borrowings less total cash as at 30 June 2016 per published balance sheet. Ratios above are based on reported financial outcomes and may vary with bank covenant definitions.

carsales Domestic

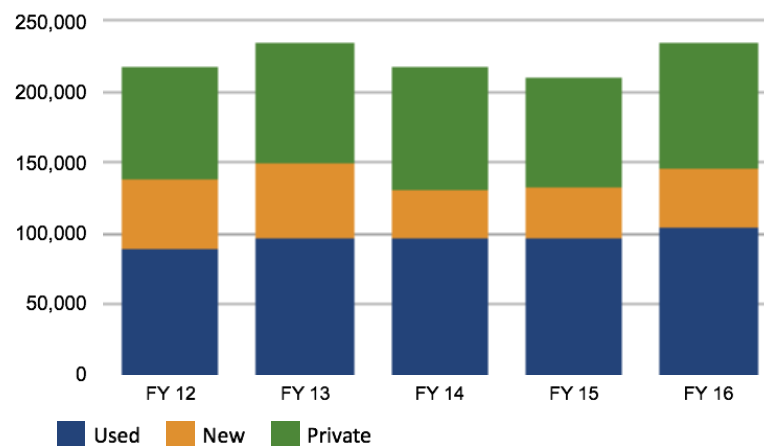
to 30 June 2016



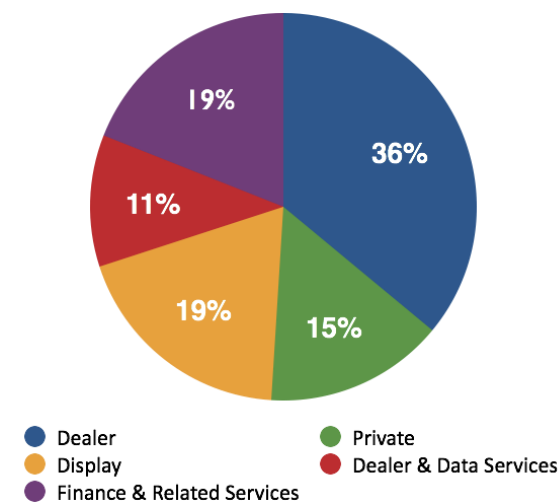
Domestic Revenue Performance - Summary

Year Ending 30 June 2016	\$A Millions		Growth	
	FY15	FY16	\$'s	%
Domestic Revenue				
Dealer	112.8	123.8	11.0	10%
Private	43.0	51.1	8.1	19%
Display	60.6	65.8	5.2	9%
Total Online Advertising	216.4	240.7	24.3	11%
Data, Research and Services	33.0	35.9	2.9	9%
Finance and Related Services	59.4	63.0	3.6	6%
Total Domestic Revenue	308.8	339.6	30.8	10%

Automotive Inventory at 30 June

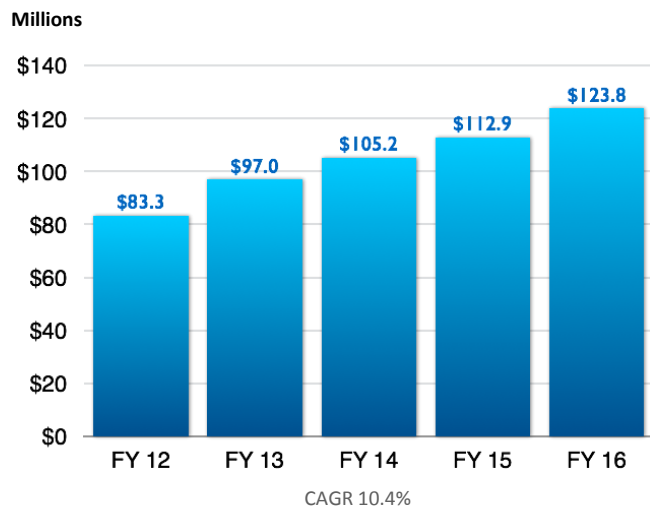


FY16 Category Revenue



Domestic Revenue Performance by Category

Dealer

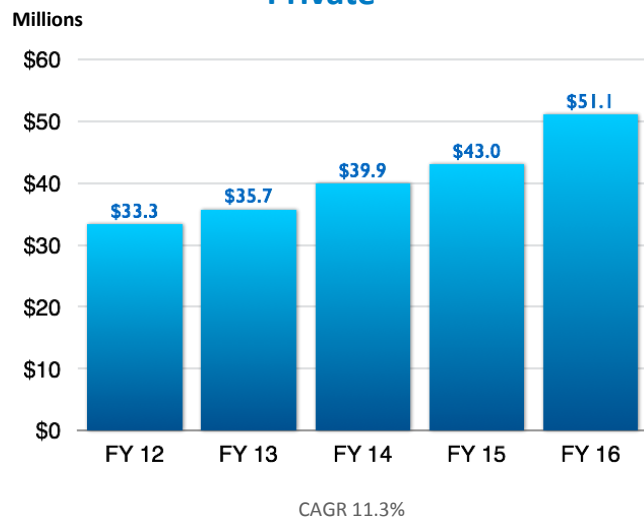


Dealer revenue up 10% on pcp to \$123.8m

Solid new and used car dealer enquiry volumes. Full year used enquiry volumes up 3% and in H2 new car enquiry volumes saw pcp growth. Pleasing used and new inventory growth of 8% and 15% respectively on pcp.

Strong growth in 'depth' products and pricing improvements continue to expand yields.

Private



Private revenue up 19% on pcp to \$51.1m

Continued strong revenue growth from Tyresales B2C and Redbook Inspect.

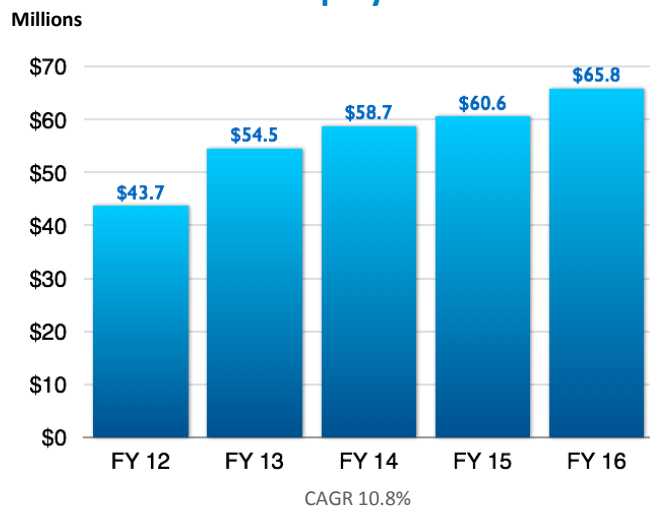
Private automotive ad volumes up double digit percentage in H2 and more pleasingly accompanied by lower time to sell which is a great message for consumers. Strong growth in lower priced inventory which has been well supported by free under \$3k campaign.

Total private inventory up 12% on pcp to around 86,000 cars as at 30 June 2016. Good growth in instant offer product which achieves an outcome for the consumer without being reflected in inventory count.

Good opportunities to come from investment in Promisepay along with other product development in Q4.

Domestic Revenue Performance by Category

Display



Display revenue up 9% to \$65.8m

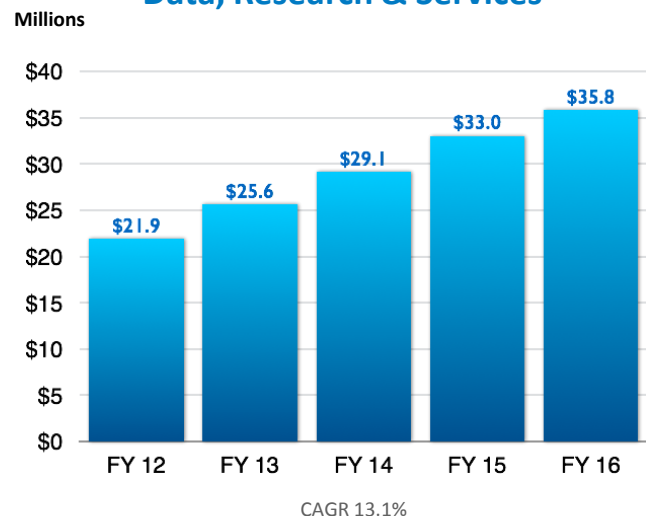
Continued improvement in revenue trend growth to 9% on pcp (FY15 3% on pcp).

Refreshed new car showroom launched to provide new opportunities for display.

Despite ongoing changes in OEM advertising policies we have continued to develop stronger relationships with OEMs across the board.

Invested in analytics and insights to complement the evolution of the display product set.

Data, Research & Services



Data, Research and Services revenue up 9% to \$35.8m

Continued solid pcp revenue growth from Livemarket, driven by volume growth.

Redbook business continues to expand reflecting increasing demand from OEM's for data services.

Domestic Revenue Performance by Category

Year Ending 30 June 2016	\$A Millions		Growth	
	FY15	FY16	\$'s	%
Core Finance	33.4	43.6	10.2	31%
Other products	26.0	19.4	(6.6)	(25%)
Total Revenue	59.4	63.0	3.6	6%
Cost of sales	22.8	15.9	(6.9)	(30%)
Gross Profit	36.6	47.1	10.5	29%
Operating Expenses (Before Interest and D&A)	24.9	31.3	6.4	26%
EBITDA	11.7	15.8	4.1	36%

Finance and Related Services Revenue up 6% to \$63.0m

Strong growth in core finance broking revenue up 31% on pcp. All About Finance acquisition integrated into core Stratton operations and performing well. Q4 soft as a result of a temporary volume capacity reduction at a major lender.

Gross profit up 29% on pcp to \$47.2m reflecting growth in core finance broking and reduction in volume of low margin other products.

Core finance EBITDA margins continue to expand reflecting ongoing operational leverage.

Ratesetter integration continues and showing encouraging signs for the future. Equity accounted losses of \$1m reflecting early stage of the business.

10% stake in Promisepay acquired during the year with significant potential to provide complementary transaction settlement services to core customer base.

carsales International

to 30 June 2016



International Portfolio



- **International Key Highlights**
- Strong double digit revenue growth rates across International.
- Business model progression continues in all of our businesses to support future growth.
- Chileautos (Chile) and SoloAutos (Mexico) acquisitions completed in the year.

Year Ending 30 June 2016	\$A Millions		Growth	
	FY15	FY16	\$'s	%
Revenue	2.9	4.4	1.5	54%
EBITDA	1.6	1.4	(0.2)	(13%)
Adjusted NPAT (including associates) after NCI*	8.6	10.1	1.5	18%

* Adjusted NPAT and earnings per share stated above is post non-controlling interests and excludes one-off gains on subsidiary disposal, gains on associate dilution and acquired intangible amortisation. See slide 30 regarding the disclosure of non-IFRS Information and slide 31 for a reconciliation of adjusted NPAT to Reported NPAT.

Asia – Underlying Results

SKENCARSales Financials (49.9% Owned - Equity Accounted by CAR)

Pro-Forma (100%)	12 months to 30 June 2015	12 months to 30 June 2016	PCP
	KRWb	KRWb	%
Underlying Revenue*	24.9	30.0	20.6%
Underlying EBITDA*	14.5**	15.6	7.6%
Underlying EBITDA(%)*	58.2%	51.9%	N/A
Underlying Adjusted NPAT*	11.2	12.2	9%
Underlying Cash Balance	15.8	18.5	16.9%

carsales Share of Earnings

	AUDm	AUDm	%
Adjusted NPAT (Share of Associate Earnings)*	6.2	7.1	14.6%

Key Drivers

	30 June 2015 000's	30 June 2016 000's	%
Inventory	64.6	66.7	3.2%
Unique Visitors	3,568	5,342	49.7%



Strong Financial Results.

Strong continued revenue growth across dealer, private and display advertising channels. Dealer growth a standout reflecting growth in premium listing products.

Private growth reflects introduction of paid listings in April 2015.

Underlying EBITDA margin performed consistently with H1 as the business continued to invest in personnel and technology in preparation for the introduction of a lead model. Continued investment in marketing in H2.

RedBook Asia and New Zealand (100% owned / Consolidated by CAR)

	12 months to 30 June 2015	12 months to 30 June 2016	PCP
	AUDm	AUDm	%
Reported Revenue	2.9	3.3	12%
Reported EBITDA	1.6	1.6	2%



Solid performances across Asian countries, reflecting continued demand for data services, particularly in China.

iCar Asia Financials (20.2% Owned - Equity Accounted by CAR)

	12 Months to 30 June 2015	12 Months to 30 June 2016	PCP
	AUDm	AUDm	%
Estimated Adjusted NPAT (Share of Associate Earnings excl. one-off acctg gains)	(3.3)	(2.4)	27%



Retained 20.2% equity position

*Revenue and EBITDA stated is 100% of the revenue and EBITDA for the business. The carsales share of earnings is based on owning the percentage set out above. Adjusted NPAT stated above excludes intangible amortisation. See slide 30 regarding the disclosure of non-IFRS Information and slide 31 for a reconciliation of adjusted NPAT to Reported NPAT.

** FY15 EBITDA represented to reclassify KRWb1.4 of non-operating income below EBITDA consistent with FY16 presentation. No net impact on Underlying or Reported NPAT.

Latin America – Underlying Results

WebMotors Financials (30% owned - Equity Accounted by CAR)

Pro-Forma (100%)	12 Months to 30 June 2015	12 Months to 30 June 2016	PCP
	BRLm	BRLm	%
Underlying Revenue*	87.7	99.4	13.3%
Underlying EBITDA*	23.5	26.9	14.6%
Underlying EBITDA* (%)	27%	27%	N/A
Underlying NPAT*	29.5**	34.9	18%
Underlying Cash Balance	202.5	213.2	5.3%

carsales Share of Earnings

	AUDm	AUDm	%
Adjusted NPAT* (Share of Associate Earnings)	4.1	4.0	(1.4%)

Key Drivers

	30 June 2015 000's	30 June 2016 000's	%
Inventory	264.5	269.5	1.9%
Unique Visitors	9,811	8,396	(14.4%)



WebMotors continuing solid growth

Pleasing double digit growth in both dealer and private revenue segments across the year. Display remains challenging reflecting the subdued economic conditions and impacts on the new car market as a result – a 25% reduction in new car market size in H2 on pcp.

Decline in desktop visitors on pcp reflects shift to mobile and more targeted marketing activities which resulted in significant reduction in low quality traffic. This, along with other operational improvements, has achieved 50%+ growth in dealer lead volumes on pcp.

Trial of a leads based model for dealer from July 2016 has potential to be a good growth contributor over the coming year. Anticipate a good level of acceptance from dealers over transition to lead model.

Margins remain steady, reflecting underlying leverage offset by investments to implement lead model.

carsales adjusted NPAT impacted by adverse FX rates during the year otherwise share of earnings growth would be similar of WebMotors underlying earnings growth.

*Revenue and EBITDA stated is 100% of the revenue and EBITDA for the business. The carsales share of earnings is based on owning the percentage set out above. Adjusted NPAT stated above excludes intangible amortisation. See slide 30 regarding the disclosure of non-IFRS Information and slide 31 for a reconciliation of adjusted NPAT to Reported NPAT.

** FY15 underlying NPAT has been represented to exclude acquired intangible amortisation consistent with the FY16 presentation.

Latin America – Underlying Results

SoloAutos Financials (65% owned – Consolidated by CAR)

Pro-Forma (100%)	2 Oct 2014 to 30 June 2015	2 Oct 2015 to 30 June 2016	PCP
	MXPm	MXPm	%
Reported Revenue	N/A	5.9	N/A
Reported EBITDA	N/A	(7.5)	N/A
Reported EBITDA (%)	N/A	N/A	N/A
Adjusted NPAT*	N/A	(6.5)	N/A
Reported Cash Balance	N/A	43.3	N/A

Key Drivers

	30 June 2015 000's	30 June 2016 000's	%
Inventory	N/A	37.4	N/A
Unique Visitors	331	506	53%



SoloAutos

Solid revenue performance since acquisition of Soloautos.

Earnings impacted by one-time post acquisition costs to change the trading model and prepare for future growth. Pleasing growth in unique visitors and dealer numbers on pcp.

Spanish language editorial site Autologica acquired in the period to support the development of the business. Integration of carsales IP and technology set to continue into FY17.

ChileAutos Financials (83% owned – Consolidated by CAR)

Pro-Forma (100%)	24 March to 30 June 2015	24 March to 30 June 2016	PCP
	CLPm	CLPm	%
Reported Revenue	N/A	358	N/A
Reported EBITDA	N/A	175	N/A
Reported EBITDA (%)	N/A	49%	N/A
Adjusted NPAT*	N/A	165	N/A
Reported Cash Balance	N/A	281	N/A

Key Drivers

	30 June 2015 000's	30 June 2016 000's	%
Inventory	N/A	63	N/A
Unique Visitors	1,850	1,830	(1%)



ChileAutos

Pleasing performance since acquisition of Chileautos.

Significant opportunity to grow revenue and earnings from implementation of carsales technology platform.

Revenue and EBITDA stated is 100% of the revenue, EBITDA and NPAT for the business over the carsales ownership period. Soloautos acquired on 2 October 2015 and Chileautos acquired on 29 March 2016.

* Adjusted NPAT stated above excludes intangible amortisation. See slide 30 regarding the disclosure of non-IFRS Information and slide 31 for a reconciliation of adjusted NPAT to Reported NPAT.

Outlook

to 30 June 2016



Performance Outlook

carsales Domestic Outlook

Domestic core business performance in the first month of FY17 has remained solid. Domestic adjacencies continue to build scale and breadth with a number of promising opportunities.

We continue to monitor our performance and market conditions. Assuming these are stable we anticipate FY17 revenue and EBITDA growth will remain solid.

carsales International Outlook

Assuming no further deterioration in market conditions we anticipate the trialling of the lead model into Brazil to be a good growth contributor to local currency revenue and earnings over the full year.

Korea expected to see continued solid local currency revenue and earnings growth.

Expect ongoing integration of core carsales IP and technology into Chilean and Mexican businesses to provide solid uplift in revenue and earnings in the coming year.



New Product Releases

to 30 June 2016



Redbook Inspections

2015 Mercedes-Benz C250 Auto

Private Seller Car



\$63,000*
Own this car from
\$822 per month*

24,604 km
ODOMETER

Sedan
BODY TYPE

Automatic
TRANSMISSION

4cyl 2.0L Turbo Petrol
ENGINE



37 people recently viewed

BEST PRESTIGE CAR
UNDER \$100K

motoring.com.au
RECOMMENDED

Redbook
INSPECT

Buy this car with peace of mind.

- * 150+ point inspection by qualified mobile mechanics
- * Fast turnaround comprehensive report with photos
- * CarFacts history report included

Book Inspection

See a sample report

Key Details

* Sedan * 7 speed

Enquire on this car

Your details will only be sent to the seller of this car and no one else.

Name

Email Postcode

Telephone

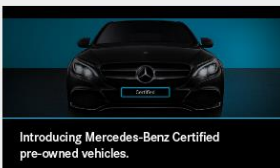
Comments

Send Enquiry

Seller's Details

Contact Name Alice Huang
Location Kangaroo Point, QLD 4169
Distance [More than 100kms](#)

Seller's phone number [View](#)



Redbook INSPECT

VEHICLE INSPECTION REPORT

Vehicle Description

Mercedes-Benz CLA 45 AMG

DATE INSPECTED: 01/03/2016
INSPECTION POINTS CHECKED: 150+

VIN JN1TANT31A0003024
Engine Number 2XA76364
Compliance Date 10/2014
Build Date 08/2015
Odometer Reading 12633
Registration Number MBCLA45
Registration Expiry 11/06/2017
Reason for inspection Pre-purchase



Overall Rating

★★★★★
FAIR TO GOOD

Engine Bay
★★★★★
FAIR TO GOOD

Interior
★★★★★
GOOD

Exterior
★★★★★
FAIR TO GOOD



Road Test
★★★★★
GOOD

Tyres, Wheels & Brakes
★★★★★
GOOD

The inspection is visual and non-mechanical only. Refer to terms and conditions on last page for further details and explanation of ratings.

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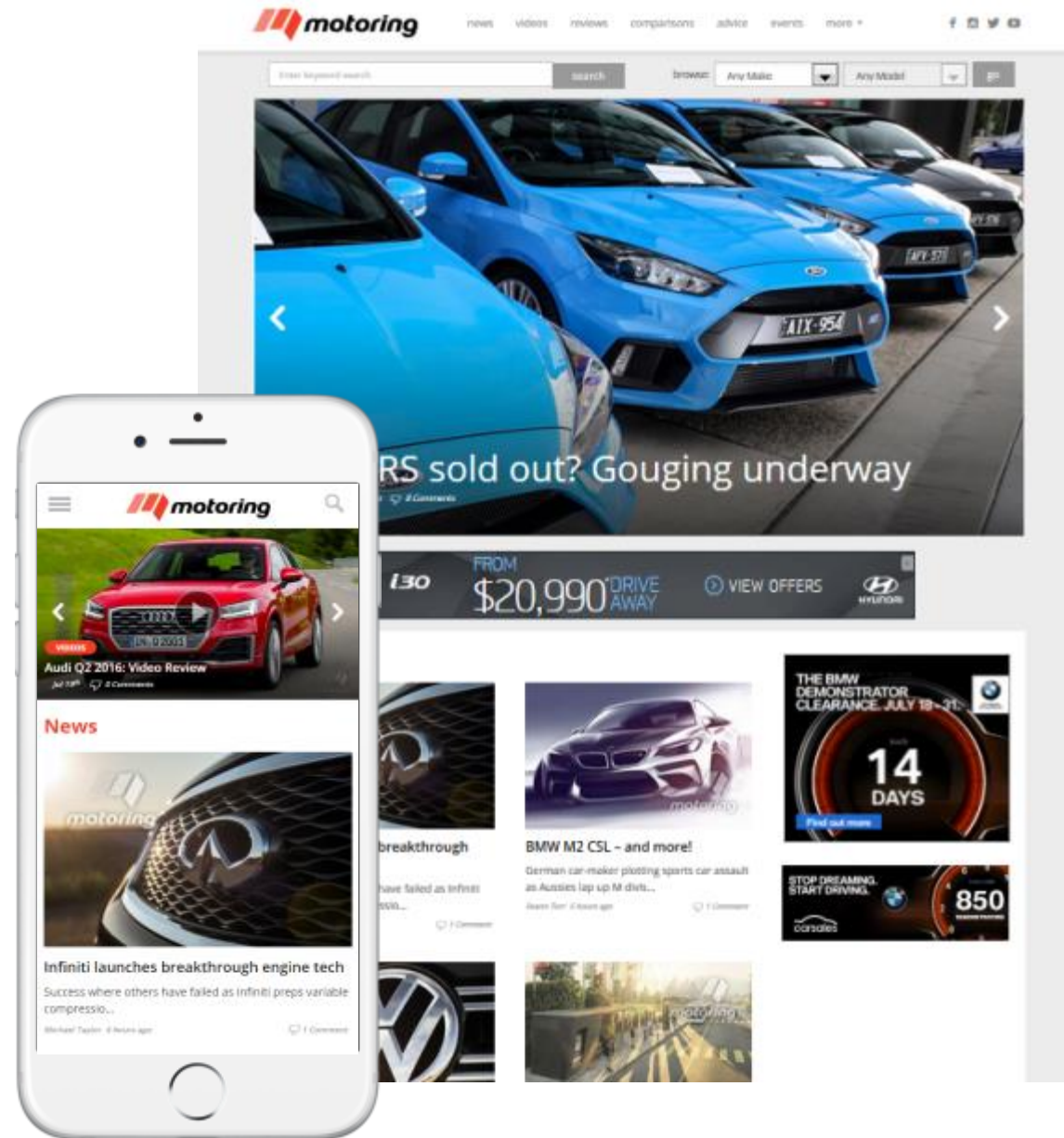
INSPECT@REDBOOK.COM.AU

WWW.REDBOOK.COM.AU/INSPECT

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SAMPLE REPORT
THIS IS A SAMPLE REPORT ONLY
NOT VALID FOR ANY PURPOSE

Motoring.com.au Refresh



New Car Showroom

carsales New Car Showroom [Compare](#)

New cars in stock near **Richmond** **41,536** **11,752** **9,625**
VIC NSW QLD

Australia's biggest new car showroom
40,000 brand new cars and counting

[Choose a vehicle](#)

Start your new car search

Type [Search](#)

 Hatch
 Sedan
 SUV
 Wagon
 Ute
 C ute chassis
 Convertible
 Coupe
 MPV

carsales New Car Showroom [Compare](#)

You are comparing **3 cars**



2016 Hyundai Tucson Active X
From \$34,500 Drive away

SUV

Active X

[Find cars in stock](#)



2016 Mazda CX-5 Maxx
From \$30,870 Drive away

SUV

Maxx

[Find cars in stock](#)



2016 Mazda CX-3 Neo
From \$23,462 Drive away

SUV

Neo

[Find cars in stock](#)

Details

Body Style	SUV	SUV	SUV
Doors	5 Seats	5 Seats	5 Seats
Seats	5 Doors	5 Doors	5 Doors
Transmission	6 speed Manual 6 speed Automatic	6 speed Manual 6 speed Automatic	6 speed Manual 6 speed Automatic
Engine Size	2.0L 4 Cylinder	2.0L 4 Cylinder 2.5L 4 Cylinder	2.0L 4 Cylinder
Drive Type	Front Wheel Drive	Front Wheel Drive 4x4 On Demand	Front Wheel Drive
Fuel Type	Petrol - Unleaded ULP	Petrol - Unleaded ULP	Petrol - Unleaded ULP

Native Advertising

Reviews



Volvo XC60 Polestar 2016 Review

Mid-size Swedish SUV gets option of dealer-fit sporty Polestar makeove...

9 Comments

Mar 22nd



Mazda CX-5 2016 Review

Practical, comfortable and seriously popular, this value-for-money SUV...

9 Comments

Mar 22nd



Lexus RX 2016 Review

Mid-size Swedish SUV gets option of dealer-fit sporty Polestar makeove...

9 Comments

Mar 22nd



Renault Megane RS: The French hatch that has taken on the world

Rocketship ups power, drops weight and remains the best driver's hat...

9 Comments

Sponsored

[view more >](#)

"MUX Build your MU-X your way! With access to the Genuine Isuzu UTE Accessory range and..."

Dealer: **Demo** [More than 100kms](#) | WA [Enquire](#) [View](#)

Have you considered?

2016 Subaru Outback 2.0D 5GEN Manual AWD MY16 Sponsored Save ☆

body	SUV	transmission	Manual	From
engine	4cyl 2.0L Diesel	colour	Crystal White	\$39,840
				Drive Away
				\$35,490* Excl. Govt. Charges

New Car [Enquire](#) [View](#)

2013 Holden Ute SS VF Manual MY14 Save ☆

Odometer	51,410 km	Body	Ute	\$33,990* Excl. Govt. Charges
Transmission	Manual	Engine	8cyl 6.0L Petrol	
CarFacts view report				

carsales [Enquire](#) [View](#)

Dealer: **Used Car** [More than 100kms](#) | NSW

Appendix

to 30 June 2016



Overview of carsales Non-IFRS Financial Information

What is IFRS and non-IFRS financial information?

- IFRS financial information is financial information that is presented in accordance with all relevant accounting standards.
- Non-IFRS financial information is financial information that is presented other than in accordance with all relevant accounting standards. For example:
 - Revenue or Profit information calculated on a basis other than under accounting standard definitions or calculated with accounting standards and then adjusted eg; “proforma”, “underlying” or “look through”;

What non-IFRS financial information does carsales disclose in its half year and year end results presentations?

- carsales presents reported financial information for its business segments, associates and investments where applicable IFRS financial information exists. The financial information presented is sourced directly from financial information prepared in accordance with all relevant accounting standards and has been subject to either review or audit by carsales’ external auditors (PwC).
- In carsales’ investor presentations the company aims to provide equal or greater prominence to IFRS financial information. However, we also present or refer to non-IFRS financial information. Please note, all information labelled “Reported” in this presentation complies with IFRS.
- Non-IFRS financial information is calculated based on statutory IFRS financial information and adjusted to show either a position excluding significant items which have been removed OR presented based on carsales’ effective equity ownership interest of an entity’s underlying revenue, EBITDA or NPAT.
- Any non-IFRS financial information is clearly labelled as “underlying” or “look-through” to differentiate it from reported/IFRS financial information.
- carsales provides reconciliations on the face of slides, appendices and in footnotes of presentations in order to allow the reader to clearly reconcile between the IFRS and non-IFRS financial information.

Why does carsales disclose non-IFRS financial information in its half year and full year results presentations?

- Since March 2013 carsales has invested in businesses in Malaysia, Thailand, Indonesia, South Korea, Mexico and Brazil and has become a global portfolio of online automotive assets – as such carsales management believes that the presentation of additional non-IFRS information in its half year and full year results presentations provides readers of these documents with a greater understanding into the way in which management analyses the business as well as meaningful insights into the financial conditions of carsales overall performance.
- The Australian Securities and Investment Commission (“ASIC”) acknowledges the relevance of non-IFRS financial information in providing “meaningful insight” as long as it does not mislead the reader.



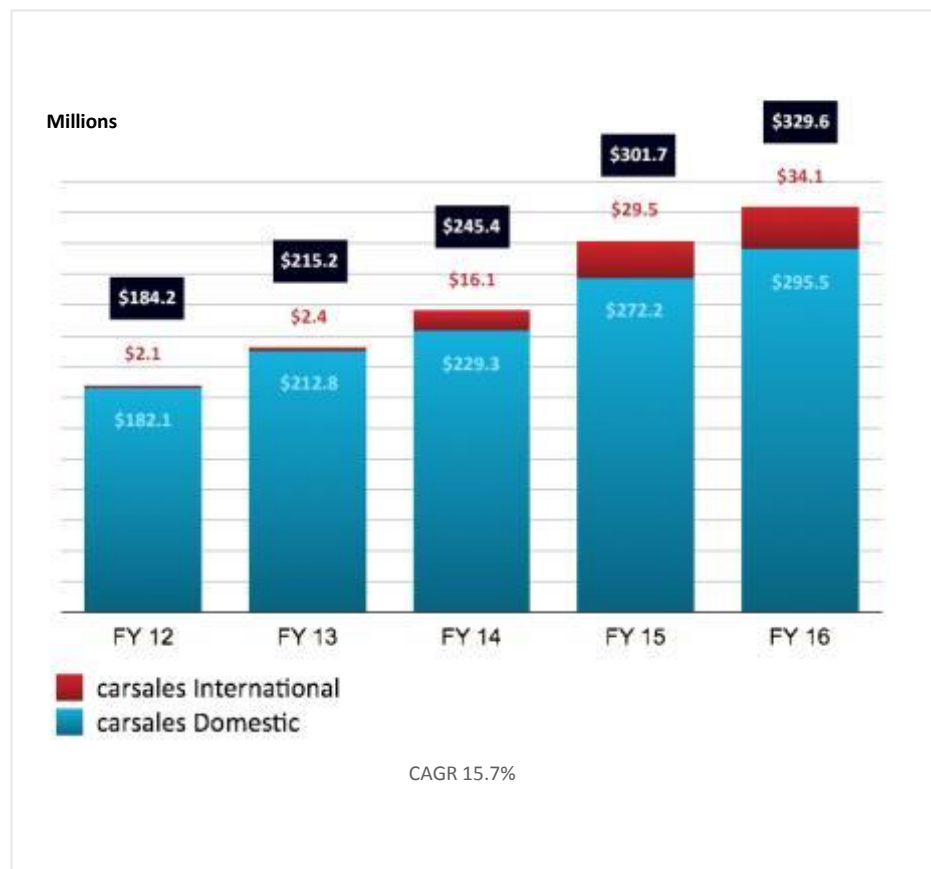
Reconciliation of Reported to Adjusted NPAT

Year Ending 30 June 2016	\$A Millions		Growth	
	FY15	FY16	\$'s	%
Reported NPAT	103.2	109.3	6.1	6%
Gain on disposal of business	-	(1.0)		
Gain on associate dilution	(3.5)	(1.0)		
NPAT before one-off gains	99.7	107.3	7.6	8%
Acquired intangible amortisation				
Stratton	-	0.7		
Webmotors	0.6	0.6		
SK Encar	1.5	1.8		
Soloautos	-	0.1		
Total acquired intangible amortisation	2.1	3.2		
Adjusted NPAT before one-off gains and acquired intangible amortisation	101.8	110.5	8.7	9%
Weighted Average Number of Shares	238,911,085	240,645,736		
Adjusted Earnings per Share (cents)	42.6	45.9	3.3	8%

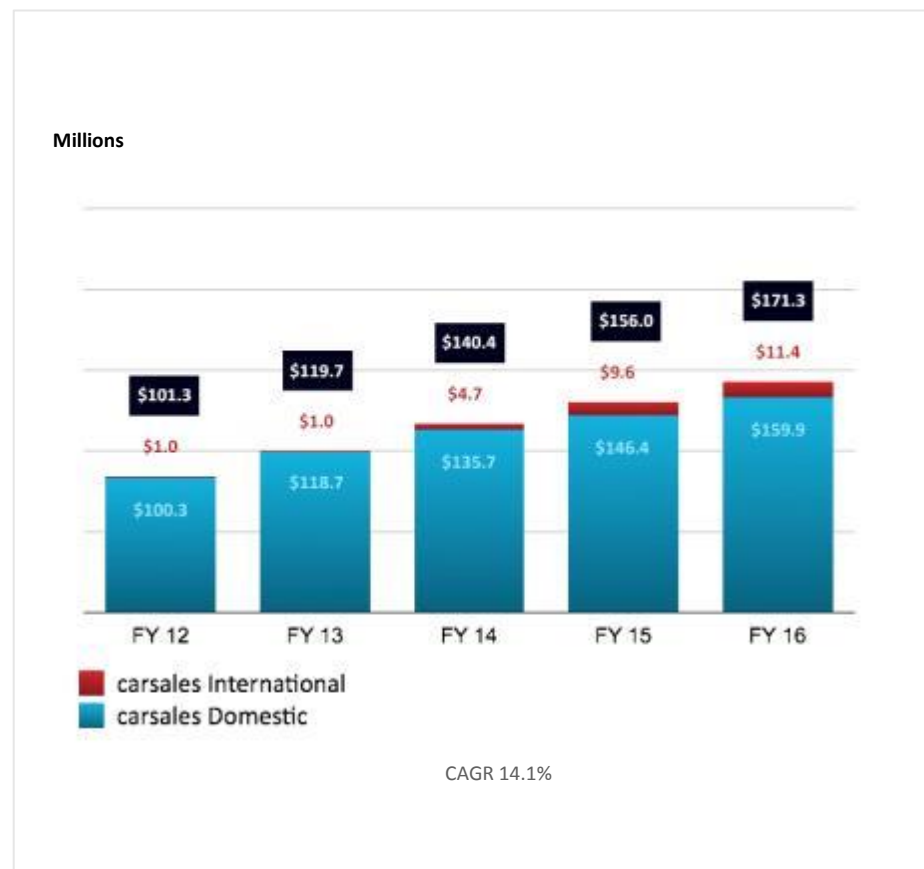


Look Through Revenue and EBITDA Performance

Look Through Revenue (\$m)



Look Through EBITDA (\$m)



NOTE: carsales "Look Through" methodology is: For equity accounted associates: Add the total revenue or EBITDA for the period of ownership within the reporting period (e.g. carsales investments in iCar Asia, WebMotors and SK ENCARSALLES were owned for the entire reporting period) multiplied by the % ownership (30% for WebMotors, 49.9% for SKENCARSALLES and 20.2% for iCar Asia over the period).

For consolidated associates/subsidiaries, revenue and EBITDA attributable to associates has been eliminated (i.e. total revenue and EBITDA multiplied by carsales percentage ownership remains as the look through revenue and EBITDA). All numbers for iCar Asia are carsales management estimates. Some "Look Through" numbers involve the disclosure of non IFRS information - Refer to carsales "Look Through" P&L Analysis slide and Disclosure of Non IFRS slide 30 for further details.

carsales “Look Through” P&L Analysis

	FY14					FY15					FY16				
	% Owned	Days Owned	Reported	Underlying	Look Through	% Owned	Days Owned	Reported	Underlying	Look Through	% Owned	Days Owned	Reported	Underlying	Look Through
Revenue															
carsales International															
iCar Asia	19.9%, 22.9%	248, 117	Equity Acc'ted	2.0	0.4	22.9%, 20.3%	141, 224	Equity Acc'ted	4.3	0.9	20.2%	365	Equity Acc'ted	6.4	1.3
SK ENCARSALES	49.90%	76	Equity Acc'ted	4.9	2.5	49.90%	365	Equity Acc'ted	27.8	13.9	49.9%	365	Equity Acc'ted	35.2	17.6
WebMotors	30%	365	Equity Acc'ted	35.5	10.6	30%	365	Equity Acc'ted	39.5	11.9	30%	365	Equity Acc'ted	37.0	11.1
RedBook Asia and New Zealand	100%	365	2.6	2.6	2.6	100%	365	2.9	2.9	2.9	100%	365	3.3	3.3	3.3
Soloautos	0%	0	N/A	N/A	N/A	0%					65%	272	0.5	0.5	0.3
Chileautos	0%	0	N/A	N/A	N/A	0%					83%	96	0.7	0.7	0.6
Total			2.6	45.0	16.1			2.9	74.5	29.5			4.4	83.0	34.1
carsales Domestic															
Domestic Core Business	100%	365	225.6	225.6	225.6	100%	365	235.4	235.4	235.4	100%	365	251.0	251.0	251.0
Domestic Investments *	Various *	Various *	7.4	7.4	3.7	Various *	Various *	73.5	73.5	36.8	Various *	Various *	88.6	89.4	44.5
Total Domestic			233.0	233.0	229.3			308.9	308.9	272.2			339.6	340.4	295.5
Total revenue			235.6	278.0	245.4			311.8	383.4	301.7			344.0	423.5	329.6
EBITDA															
carsales International															
iCar Asia	19.9%, 22.9%	248, 117	Equity Acc'ted	-9.4	-2.0	22.9%, 20.3%	141, 224	Equity Acc'ted	-15.4	-3.3	20.2%	365	Equity Acc'ted	-11.2	-2.3
SK ENCARSALES	49.90%	76	Equity Acc'ted	2.5	1.3	49.90%	365	Equity Acc'ted	16.0	8.0	49.90%	365	Equity Acc'ted	18.3	9.1
WebMotors	30%	365	Equity Acc'ted	13.3	4.0	30%	365	Equity Acc'ted	10.6	3.2	30%	365	Equity Acc'ted	10.1	3.0
RedBook Asia and New Zealand	100%	365	1.4	1.4	1.4	100%	365	1.7	1.7	1.7	100%	365	1.6	1.6	1.6
Soloautos	0%	0	N/A	N/A	N/A	0%	0	N/A	N/A	N/A	65%	272	-0.6	-0.6	-0.4
Chileautos	0%	0	N/A	N/A	N/A	0%	0	N/A	N/A	N/A	83%	96	0.3	0.3	0.3
Total			1.4	7.8	4.7			1.7	12.8	9.6			1.4	18.6	11.4
carsales Domestic															
Domestic Core Business	100%	365	134.5	134.5	134.5	100%	365	140.2	140.2	140.2	100%	365	152.5	152.5	152.5
Domestic Investments *	Various *	Various *	2.5	2.5	1.2	Various *	Various *	12.4	12.4	6.2	Various *	Various *	16.4	11.3	7.5
Total Domestic			137.0	137.0	135.7			152.6	152.6	146.4			168.9	163.8	159.9
Total EBITDA			138.4	144.8	140.4			154.3	165.5	156.0			170.3	182.3	171.4

* Investments in Tyresales (owned 50% from 1 July 2013), Auto Exchange (owned 50% from 1 July 2013), Stratton Finance (owned 50.1% from 15th July 2014), Auto Inspect (owned 50.1% from 26 June 2015), Ratesetter (owned 15% from 12 March 2015) and Promisepay (owned 10.1% from 26 May 2016) are presented with Domestic Investments.

NOTE: carsales “Look Through” methodology is: For equity accounted associates: Add the total revenue or EBITDA for the period of ownership within the reporting period (e.g. carsales investments in iCar Asia, WebMotors and SK ENCARSALES were owned for the entire reporting period) multiplied by the % ownership (30% for WebMotors, 49.9% for SKENCARSALES and 20.2% for iCar Asia over the period).

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