

On-Market Share Buy-Back

May 25, 2011

As part of its ongoing strategy of prudent capital management, Carsales.com Limited ("carsales") is implementing an on-market share buy-back program for up to 10% of its issued capital over a period of 12 months. Based on carsales' closing share price on May 24th 2011 (\$4.60), this would equate to approximately \$105.8 million.

The Board considers that it is appropriate to establish the buy-back program to give carsales the flexibility to repurchase shares on an opportunistic basis, particularly in times of market or share price volatility.

The company remains committed to its growth strategy and this announcement does not limit the company's future expansion plans including potential acquisitions, should the Board be presented with an appropriate opportunity.

The buy-back period is scheduled to commence on June 9th 2011. The buy-back does not require shareholder approval.

The timing and actual number of shares to be purchased will depend on market conditions and other future events such as acquisitions and divestments.

For further information, please contact:

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About carsales.com Ltd.

*carsales.com Ltd listed on the ASX in 2009 and is the largest online automotive, motorcycle and marine classifieds business in Australia, attracting more Australians interested in buying or selling cars, motorcycles and boats than any other classified group of websites. 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 is Australia's number one automotive website and in March 2011 attracted 3.6 million unique visitors *. The Carsales Network of websites includes CarPoint.com.au, discountnewcars.com.au, quicksales.com.au, Redbook.com.au and motorcycle, boat, truck and machinery websites. The network boasted in excess of 6.6 million unique visitors** in March 2011.*

* Nielsen Online Market Intelligence, Automotive, Brand, March 2011

** Nielsen Online Site Census, Carsales Network Aggregate, March 2011