

MEDIA RELEASE – FOR IMMEDIATE RELEASE

Continued growth at carsales

August 16, 2011

carsales.com Limited (ASX: CRZ) today announced the release of its financial results for FY2011.

For the 2011 financial year the company reported a net profit after tax (NPAT) of \$58.3 million. This represents an increase of 35 per cent compared to the same period in FY2010 (FY2010, \$43.2 million). Total operating revenue of \$152.5 million was up 26 per cent. carsales.com Ltd's EBITDA margin increased from 53 per cent in FY2010 to 55 per cent.

carsales.com Ltd's Board of Directors has declared a fully franked interim dividend of 10.5 cents per share (FY2010, 8.3 cents per share) to be paid on October 5, 2011. The record date for the dividend payment is September 21, 2011.

RESULTS OVERVIEW

Year Ending 30 June 2011	\$A Millions		Growth	
	FY2010	FY2011	\$'s	%
Operating Revenue (Excluding Interest Revenue)				
Online Advertising	105.2	133.5	28.3	27%
Data & Research	15.4	19.0	3.6	23%
Total Operating Revenue	120.6	152.5	31.9	26%
Operating Expenses (Before Interest and D&A)	56.1	68.7	12.6	22%
EBITDA	64.5	83.8	19.3	30%
<i>EBITDA Margin</i>	<i>53%</i>	<i>55%</i>		
D&A	2.3	2.7	0.4	17%
EBIT	62.2	81.1	18.9	30%
Net Interest Expense	0.2	(1.0)	(1.2)	(600%)
Profit Before Tax	62.0	82.1	20.1	32%
Income Tax Expense	18.8	23.8	5.0	27%
Net Profit After Tax	43.2	58.3	15.1	35%
Earnings Per Share (cents)	18.6	25.0	6.4	34%
Net Operating Cashflow (Before Capex)	50.4	60.1	9.7	19%
Capex	2.1	1.4	(0.7)	(33%)

carsales.com Ltd CEO and Managing Director, Greg Roebuck said the company's strong full year financial results were the outcome of the "continued focus on the delivery of innovative, high value solutions to its growing customer base".

In addition to traditional automotive dealer-based income, carsales.com Ltd performed strongly in display and private advertising revenue growth across automotive and the other verticals. Research and business to business revenue streams were also up.

"The automotive business was delivered a series of unique challenges during FY2011 and the strong performance of carsales, despite the Industry setbacks, was very pleasing. The company has continued on its trajectory of growth," Mr Roebuck stated.

"Across its various divisions, carsales delivered a number of key initiatives in FY2011. The FY results are an indication of the effectiveness of these initiatives and the growing strength of the online marketplace.

"Our key metrics have improved -- traffic, conversion rates, inventory, revenue, lead delivery, and others. This growth, and our results generally, reflect the automotive consumer's commitment to online researching, enquiring, buying and selling," he said.

According to Mr Roebuck **Operational and Strategic Highlights** during FY2011 included:

- Strong overall automotive enquiry volumes -- up 15% year on year.
- Double-digit automotive private ad volume growth year on year.
- Strong ongoing growth in display advertising – up 51% year on year.
- Significant new car enquiry volume growth – up 29% year on year.
- Real-time data analytics customer acquisition growth.
- Solid growth performances from non-automotive verticals – in particular motorcycles and caravan/camping.
- Mobile sites/Apps continue to deliver significant incremental growth.
- On-market share buyback program commenced with 670,578 shares acquired (and cancelled) by the company in early July.

In summarising the company's performance, Mr Roebuck stated: "FY10 to FY11 growth was substantial as consumers continue to shift away from our competitors, whether they be online or print, and embrace the carsales.com.au brand.

"Mediamotive, carsales.com Ltd's display advertising division, has continued to grow strongly and now carries out all of its sales functions in-house. This is an important evolution from what was a completely outsourced model less than three years ago.

"With all mainstream car brands realising more and more that their audience – car buyers – are nearly all online and primarily at carsales, we expect that strong display advertising growth will continue," Mr Roebuck stated.

"Competitively, our lead in the online space has grown. Although we expect the coming year to see plenty of activity by others trying to regain market share, when you consider that our carsales mobile and app sites alone deliver more page impressions than our major competitors' desktop and mobile sites combined, it puts us in a great position," he said.

Mr Roebuck also stated trading for the first six weeks of the new financial year has continued to be solid and the company will provide a further trading update at its October AGM.

Mr Roebuck commented that carsales' dealer and private seller businesses would remain important foundation stones of the business. He stated key initiatives would be launched in FY2012 to reinforce the company's position in the automotive and allied sectors.

"At the heart of everything we do, is our singular focus on 'what we do works'. Private sellers and dealers alike know that we deliver great results and great value," he said.

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 June 2011 more than 8.8 million sessions and more than 287 million page impressions. 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 4.8 million unique visitors** in June 2011.*

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

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

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