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ANNUAL GENERAL MEETING – 26TH OCTOBER 2012



































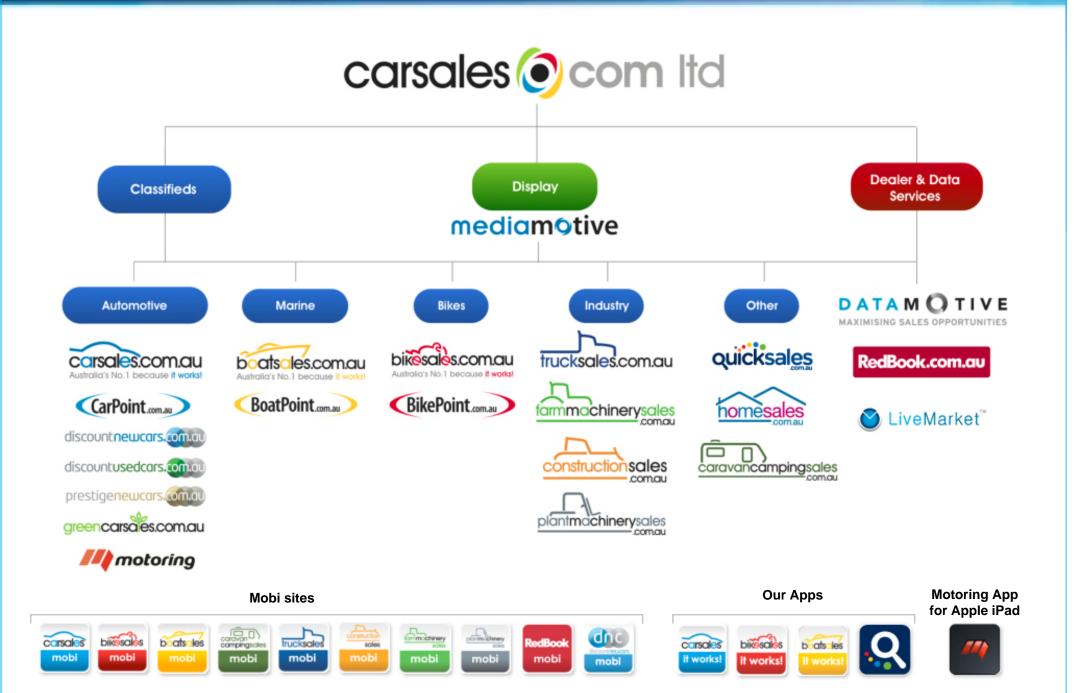








Organisational Structure



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Performance Update











































Organisational Structure

Operational Performance

- Continued strong growth in automotive enquiry volumes up 14% on pcp.
- Enquiry volumes on new cars up 23% on pcp. New car inventory levels up 22% to over 48,000 new cars.
- Overall automotive inventory up 6.7% to 216,000 cars online.
- Continued strong revenue growth in display advertising with Mediamotive growing 47% on pcp.
- Private revenue up 3% on pcp. Automotive was flatter through H2 as we maintained our standard ad pricing to protect our strong market position.
- Non automotive verticals all continued to perform strongly across private, dealer and display advertising. The verticals that stood out were bikes, industry and caravan & camping
- Dealer & Data services had a stand out year demonstrating particular strength in LiveMarket customer acquisition, Redbook, video and CarFacts for the private seller segment.
- Many, many new products and features released throughout the past twelve months and a number with good potential. Expect the pace of product development to continue over the coming twelve months.

Market Dynamics

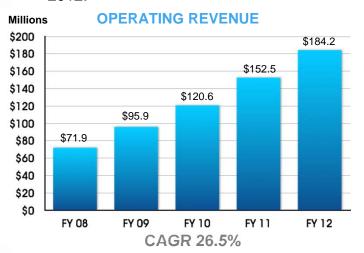
- Automotive sales of new vehicles have demonstrated resiliance over the past six months as stock levels have returned to normal post the natural disasters in Thailand and Japan last year.
- Migration to mobile devices continue to gain momentum with mobile traffic up 127% on pcp
- Online automotive classified advertising market dynamics evolved over the past twelve months and the company is pleased with how it has responded to this more competitive landscape.

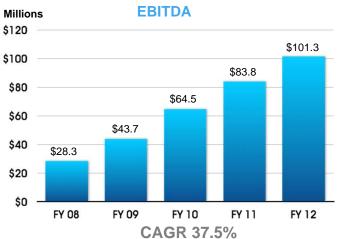


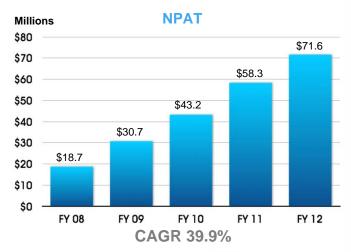
Financial Overview

- Continued solid growth in Operating Revenue to \$184.2m, up 21% on pcp.
- EBITDA up 21% on pcp to \$101.3m and EBITDA margins steady at 55%.
- Operating cashflow of \$74.2m, up 23% on pcp.
- EPS of 30.6 cents per share, up 23% on prior full year (H2 FY2012 16.5 cents per share, up 25% on prior H2).
- Final FY2012 dividend of 13.2 cents per share declared (Interim FY2012 dividend of 11.3 cents per share). Additional special dividend of 6.0 cents per share.
- Capex spend of \$5.6m, up 300% on pcp. Underlying capex spend of \$1.3m (FY 2011 \$1.4m) and \$4.3m spent on the Richmond building relocation.
- Headcount rose to 388 full time equivalents up 6% on pcp.
- Acquired 1,501,499 shares at a total cost of \$6.9m during FY 2012 in the on market share buy back that ceased on June 8th 2012.

	\$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%





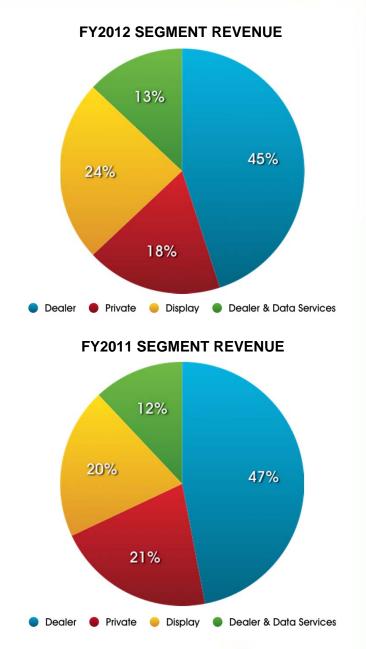




Revenue Segment Performance

	\$A Millions		Growth	
Year Ending 30 June 2012	FY2011	FY2012	\$'s	%
Operating Revenue				
Dealer	71.5	83.3	11.8	16%
Private	32.2	33.3	1.1	3%
Display	29.8	43.7	13.9	47%
Dealer & Data Services	19.0	24.0	5.0	26%
Total Operating Revenue	152.5	184.2	31.7	21%

- Dealer continued to maintain a healthy growth rate throughout H2 FY2012. New car enquiry volumes were once again very strong up 23%, while used car enquiry grew at low double digit rates. Customer acquisition continued to grow at a steady pace, with automotive customer numbers now comfortably over 3,000.
- Mediamotive had another great year and continued to grow impressively throughout H2 FY2012. Revenue in H2 grew 44% on pcp with automotive being the key vertical growth driver.
- Private performed in line with H1 FY2012 and did not leverage a traditional annual price rise on standard ads. New product releases late in FY2012 and FY2013 will continue to support the ability to expand yield in private going forward.
- Dealer and Data services performed very strongly throughout the financial year, but were particularly strong in H2 FY2012 growing 28% on pcp. LiveMarket, Redbook and other products like video all making good contributions.

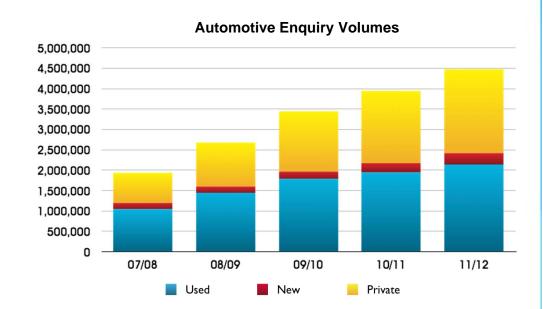


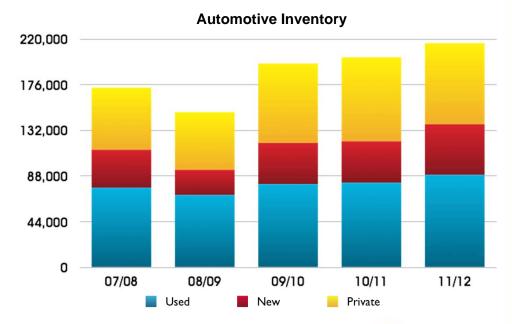


Organisational Metrics

- Automotive enquiry volumes grew 14% on pcp
- Dealer enquiry volumes remained robust growing 11% overall on pcp, with new enquiry volumes particularly on in-stock new cars once again up solidly by 35% on pcp.
- Private vehicle enquiry volumes once again continued to grow steadily throughout the year and were up 16% on pcp

- Automotive inventory volumes increased to around 216,000 vehicles up 6.7% on pcp.
- New car inventory jumped 22% to around 48,000 vehicles, helped in part by stock levels returning to normal and ongoing growth in customer acquisition to our new car product offering. Dealer used inventory grew to around 89,000 vehicles.
- Underlying private inventory remained consistent on pcp to around 78,000 cars.



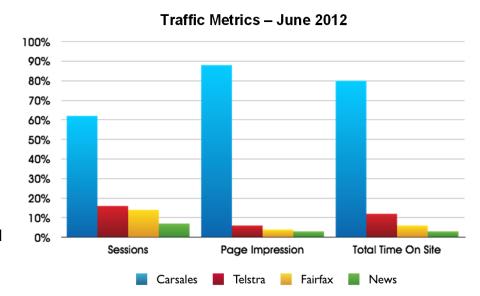




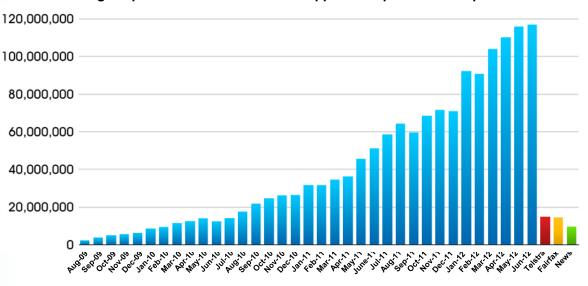
Source: Carsales

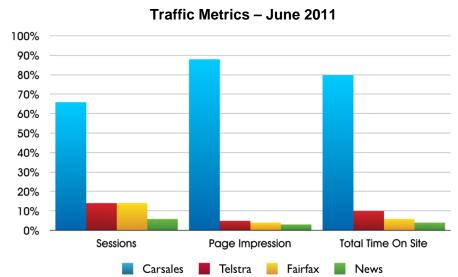
Industry Landscape

- Continued to maintain significant market share in traffic throughout the year*.
- 80% of all time spent looking at automotive classifieds websites around Australia was done on a carsales owned site.
- Page Impressions generated for the month of June 2012 on the carsales .mobi and apps were 3 times higher than those generated by the Fairfax, News Corp and Telstra Automotive Ad Networks desktop sites combined (see the chart below).
- Consumers have downloaded more than 891,000 carsales iOS/Android applications and over 211,000 downloads of our bike and marine iOS applications (as at 30 June 2012).



Page Impressions – Mobi & iPhone Apps v Competitor Desktop Sites**







^{*} Source: Nielsen Online Market Intelligence, Automotive Ad Networks, Jun 2012 & Jun 2011

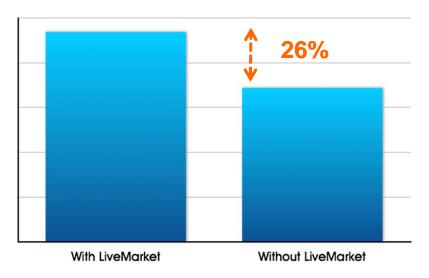
^{**}Source: carsales Mobi, carsales Mobi & App: Nielsen, Site Census, Mobile Aggregate, August 2009 to June 2012; Drive, Trading Post & Carsquide (Fairfax, Telstra & News) desktop sites: Nielsen, Market Intelligence, Domestic traffic for audited sites, Australia, June 2012

Dealer Performance

Dealer online performance continues to improve

- A customer with a LiveMarket subscription will on average turn their inventory over 26% more than a dealer that is not subscribing to LiveMarket.
- % of dealer ads with photos and descriptions are very similar between those customers with the highest and lowest closing ratios.
- The big difference between a dealer with a closing ratio of better than or equal to 20% and one with a closing ratio of equal to or less than 10% is most evidenced in response time. A dealer with a higher closing ratio will contact an enquiring customer 19% faster than a dealer with a low closing ratio.

Stock Turn per annum



Response Time





Performance Outlook

- Mediamotive continues to perform well overall despite the shortening in the advertising market in recent months.
- Private ad market remains highly competitive. Advertising volumes remain stable and we are continuing to evolve our opportunities around yield.
- Dealer and Data services has had a good start to the year and we anticipate this continuing for the remainder of the year.
- The new vehicle sales market continues to be patchy despite strong reported vehicle registration data. Overall performance is good in light of market landscape.
- Non-auto continues to grow steadily and performance across these verticals is pleasing.
- We remain optimistic about the full year ahead and where we currently sit against consensus for FY13 assuming market conditions remain unchanged throughout the remainder of the year.
- H1 revenue pcp growth is consistent with full year consensus expectations. H1 pcp earnings to be negatively impacted by an uplift in marketing spend.
- Continued to invest in the quicksales general classifieds business throughout the first quarter and we are still working
 with the ACCC on the enquiries into the Trading Post proposal.
- A significant number of new products being prepared for deployment over the coming months.



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New Products Released





































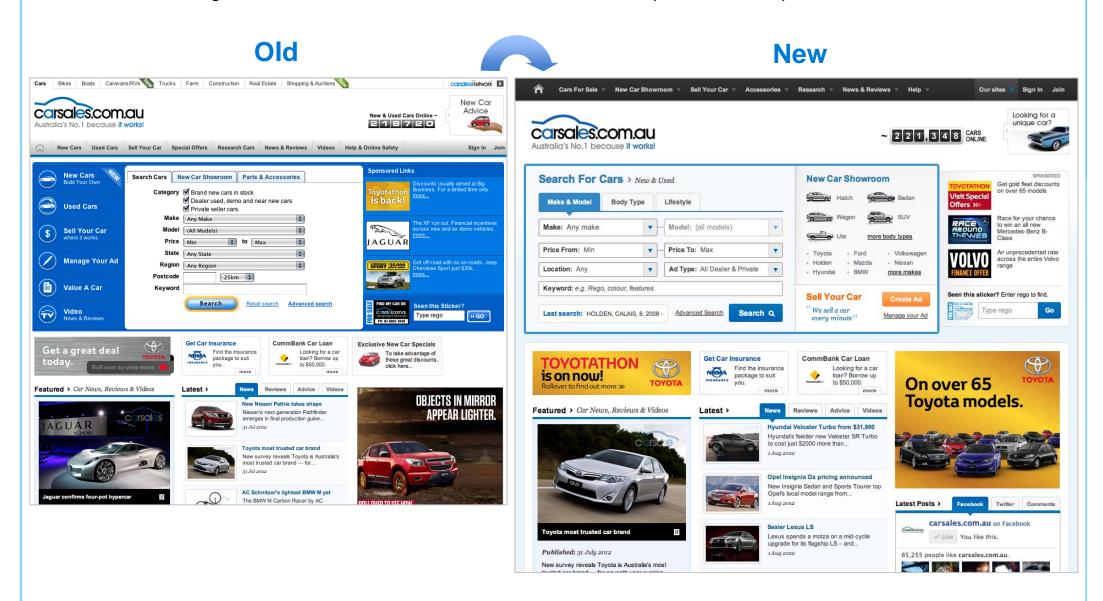






Carsales Homepage

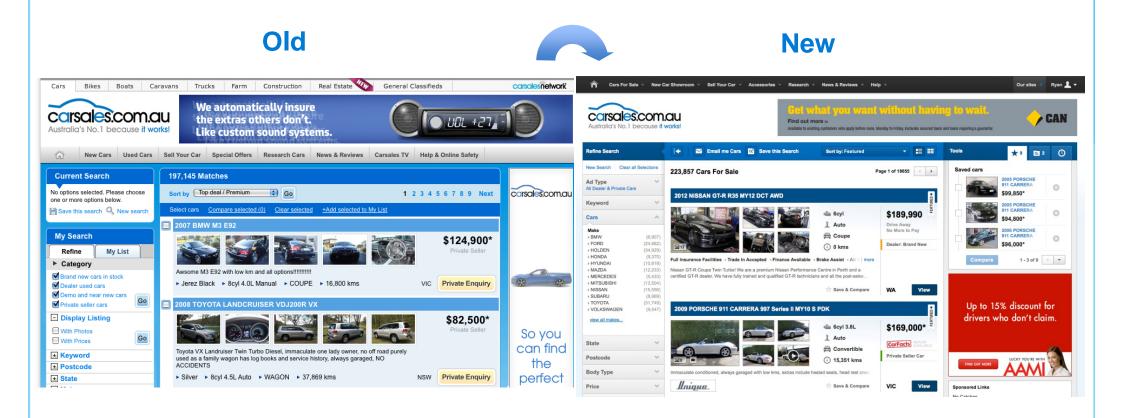
The recent redesign allowed us to showcase a number of new search options via a simplified interface.





Carsales Listing Page

Following on from the homepage re design, this exciting update to the listing page is now delivering a world class user experience for consumers looking to buy a car.



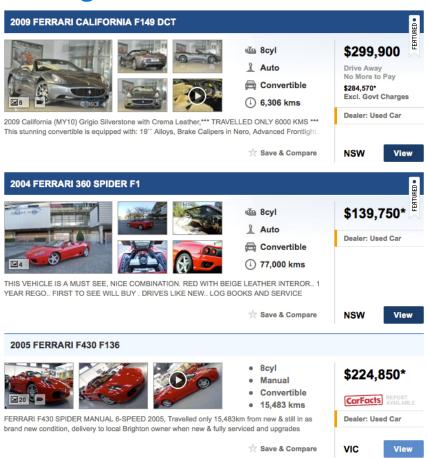


Carsales - Listing and Gallery view

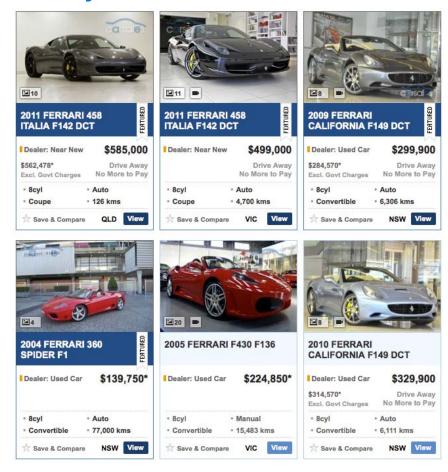
Listing options

We have designed two viewing options; listing and gallery. Both include larger images and a simpler design, while making the key vehicle details most prominent.

Listing view



Gallery view

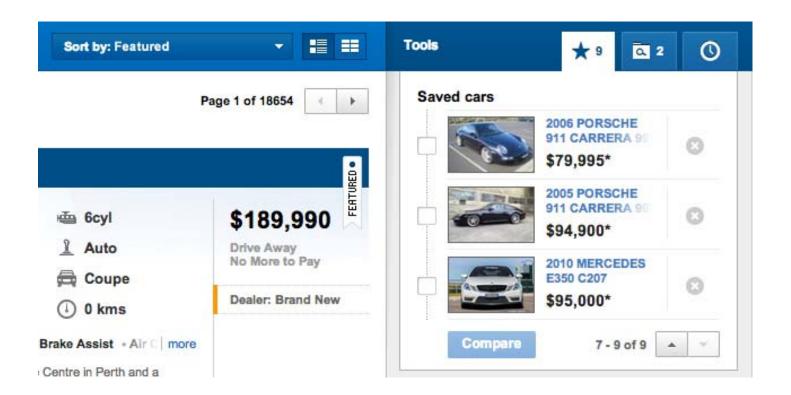




Carsales – Member Tools

Member tools

We have brought key search tools (saved cars/searches and comparison) to the front, where they are easy to access at any time.





High Resolution Gallery

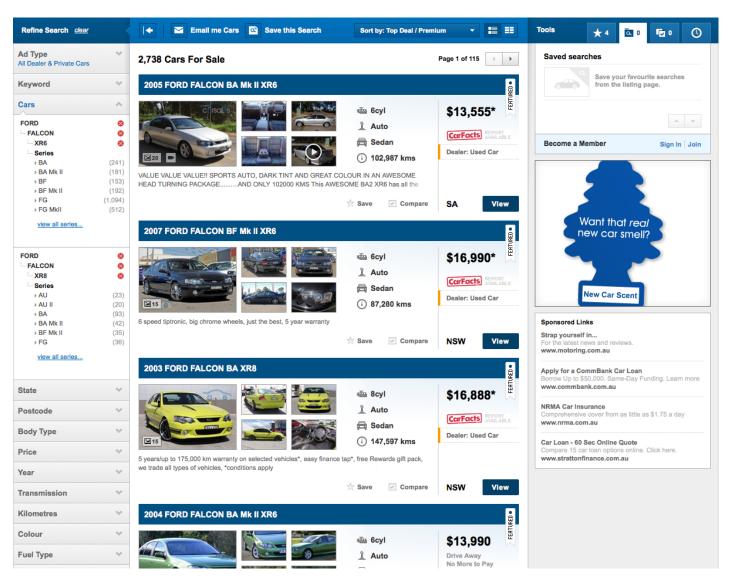
We know images help sell cars. We now have the highest resolution images of any Australian automotive site, furthermore these images scale down or up depending on the consumer's screen resolution.

2010 LAMBORGHINI GALLARDO L140 MY10 LP560-4 SPYDER E-GEAR AWD - \$319,000*	Vehicle Enquiry
Os isales	Name *
	Email Address * Postcode *
	Telephone *
	Your Comments
	Subscribe to Carsales Newsletter
	Send Enquiry Safer buying tips
	Up to 15% discount for drivers who don't claim.
	CUCK FOR A QUOTE
Photos > image o1 of o8	



Multi Vehicle Search

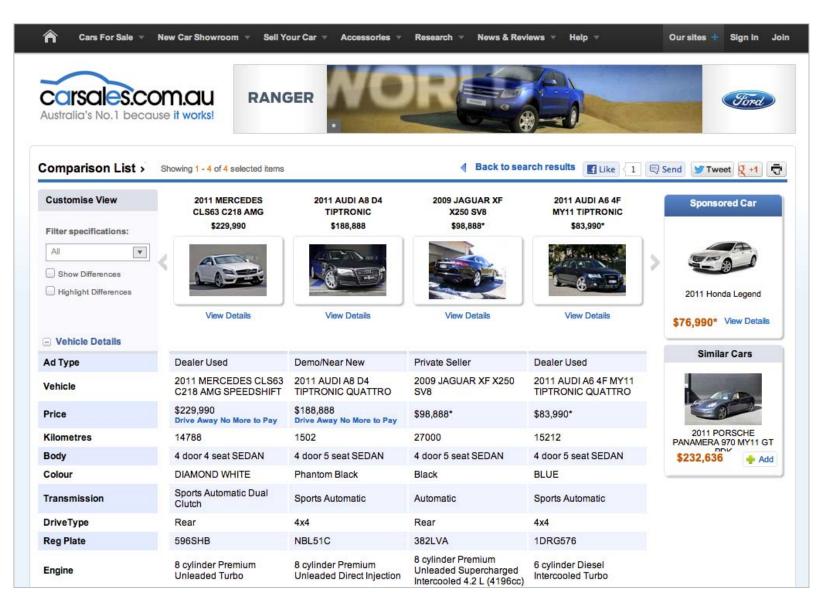
People want to assess multiple make/model availability at the same time. This new search functionality is one step further in that direction.





Comparison

The comparison tools on carsales have had a major facelift this year and there is more to come.

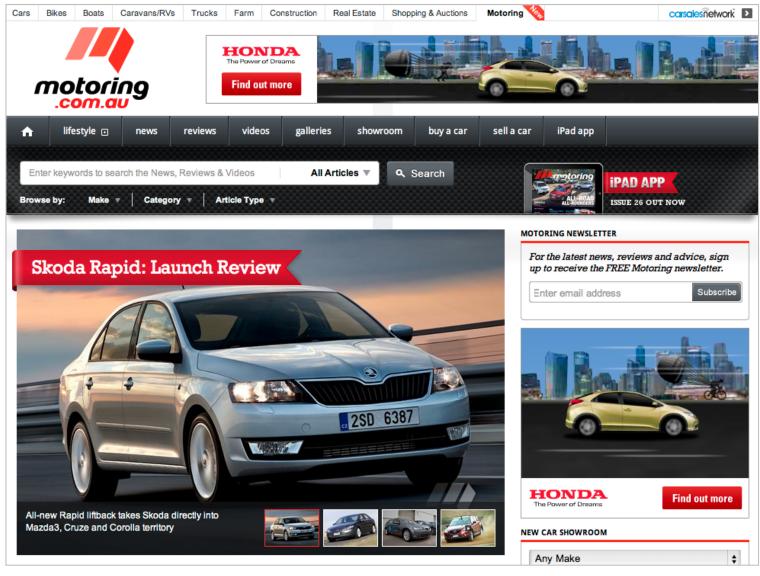




motoring.com.au

Motoring has continued to gain a loyal user base while showcasing the best automotive news, reviews, videos and advice in Australia.







motoring iPad app

The Motoring iPad app is currently the number 1 automotive magazine on the Apple App Store and currently rates between 4.5 and 5 stars. In recent months, the rate of adoption has increased with the introduction of the iPad 3.







Reader Feedback

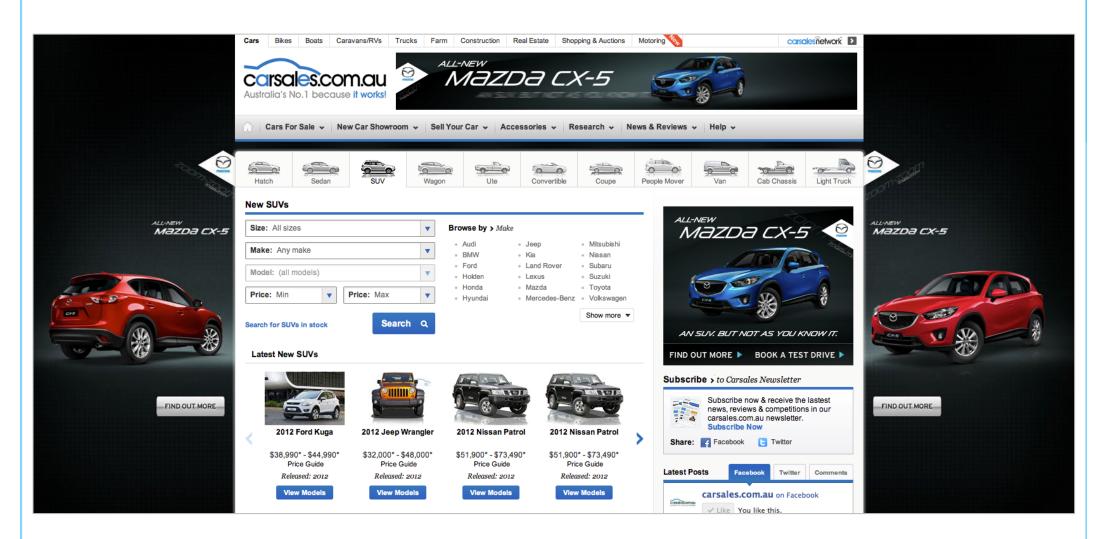
"Hi motoring,

I've bought & read a wide range of Automotive Magazines ever since I was a kid. "Motoring" is now my staple magazine. You guys have done a sensational job & given that it is still early days one can only wonder how much better "Motoring" can get. It is brilliant to read on the iPad & the Audio Visual content is outstanding. I have recommended "Motoring" to friends who have got back to me each time with glowing reviews & thanking me for the referral. Like me they now eagerly await each new edition. Thanks guys & keep up the outstanding work!"



Category landing pages

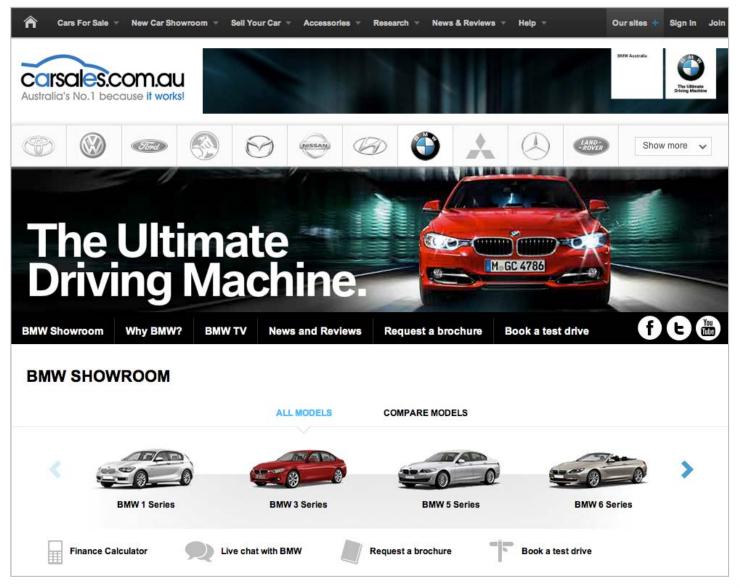
The new category landing pages were introduced recently to cater for a growing trend in browse and category/body type searching.





Manufacturer landing pages

Similar to the category landing pages, the manufacturer pages are providing more search options for our users. Manufacturers are able to sponsor their page to provide a more 'brand like' experience within carsales. Custom BMW example below.





Simplified seller page & Ad Packaging

The release of the new simplified seller page has coincided with the launch of Dealer Direct and upgrades to the ad packages.

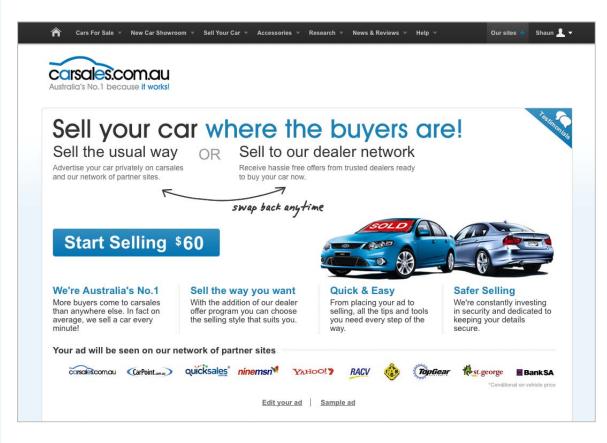
Sellers can now take advantage of PriceAssist and Dealer Direct included free with every ad (standard or premium). No other automotive site offers either of these features.

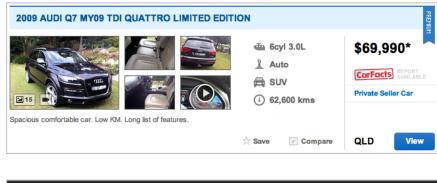








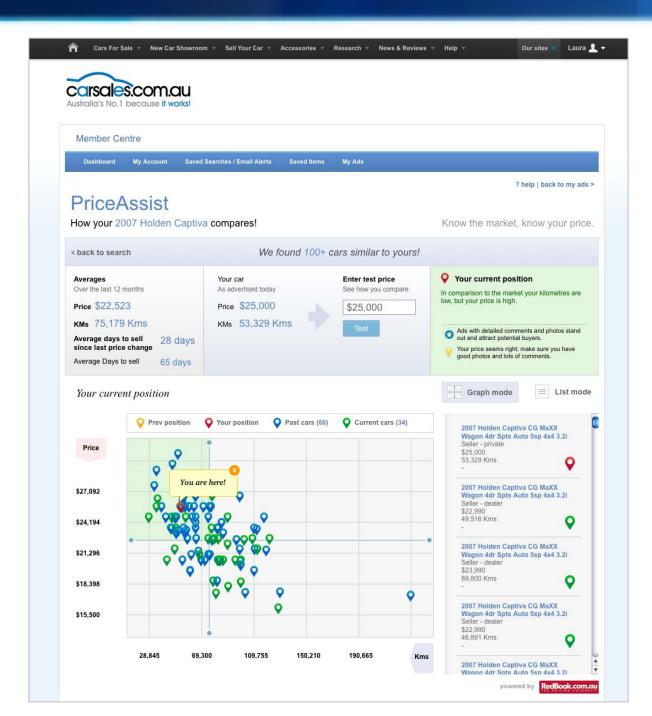








PriceAssist





Pricing a car for sale can be difficult and confusing.

This is what drove us to launch 'PriceAssist'. It allows our sellers to competitively price their car against similar cars already in the market – all delivered in an easy to use and understand interface.

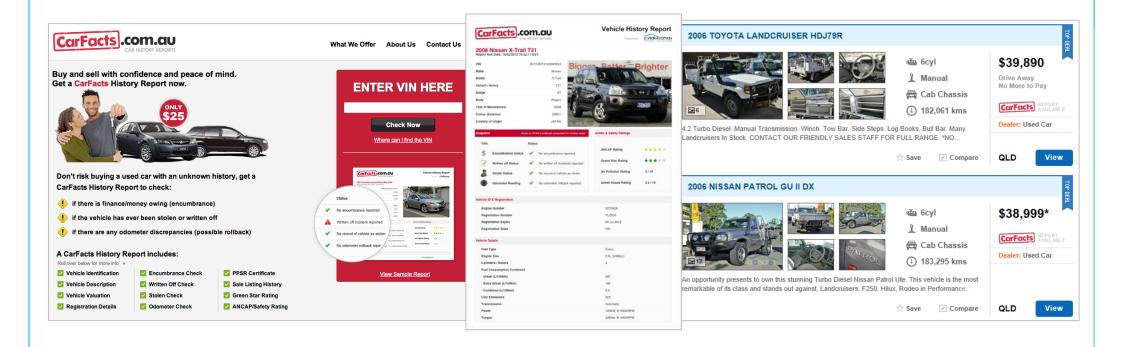


CarFacts

Providing vehicle history to buyers is just another way carsales is helping ensure their next vehicle purchase is the right one.



CarFacts reports include vehicle valuations, registration details, encumbrances check, odometer readings and more.



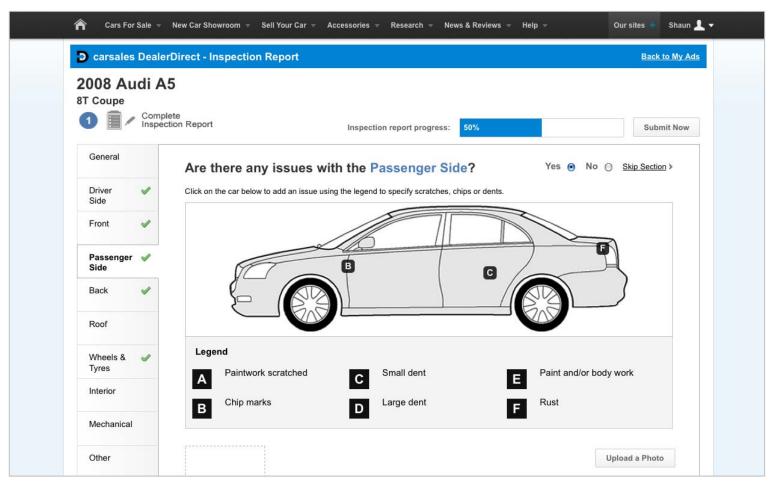


Dealer Direct - Private

Some sellers don't have time to prepare their car for sale or meet with potential buyers, so we have developed 'Dealer Direct' - the ability for private sellers to offer their car for sale directly to the carsales dealer network.



Dealers are able to bid for a car, while the seller has the option to accept or decline a bid. Seller and Dealer details are only passed on once a bid has been accepted by the seller.



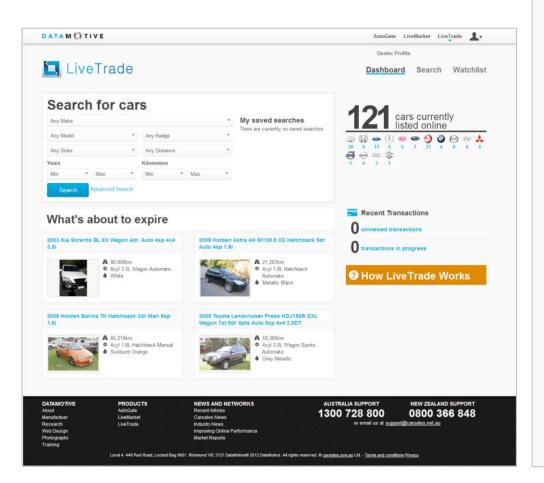


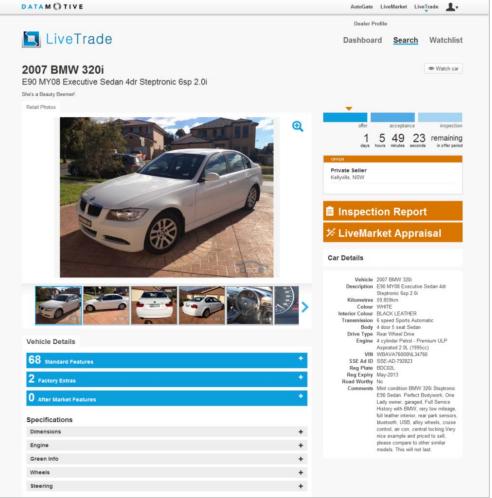
LiveTrade - Dealer

LiveTrade is the dealer side of Dealer Direct.

LiveTrade

Dealers can search for new stock on offer, review the vehicle inspection report, ask questions directly to the seller and place a bid on a vehicle of interest.

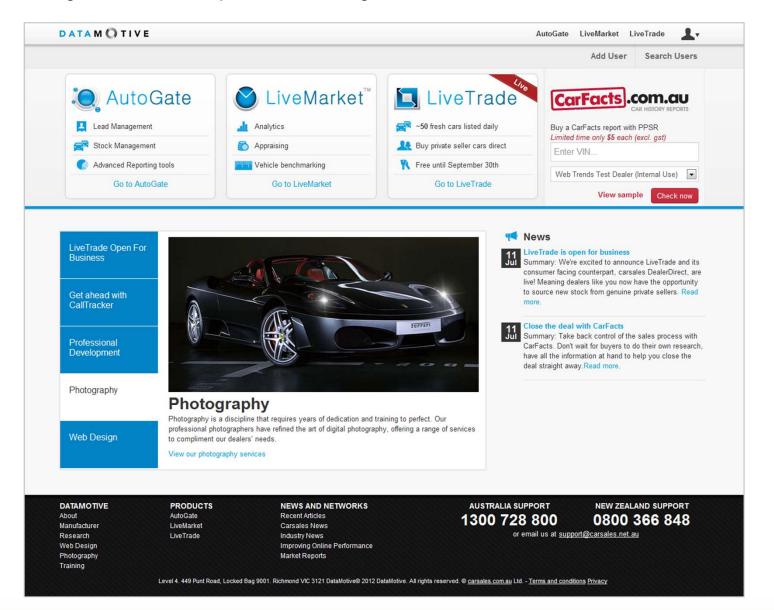






Dealer Portal

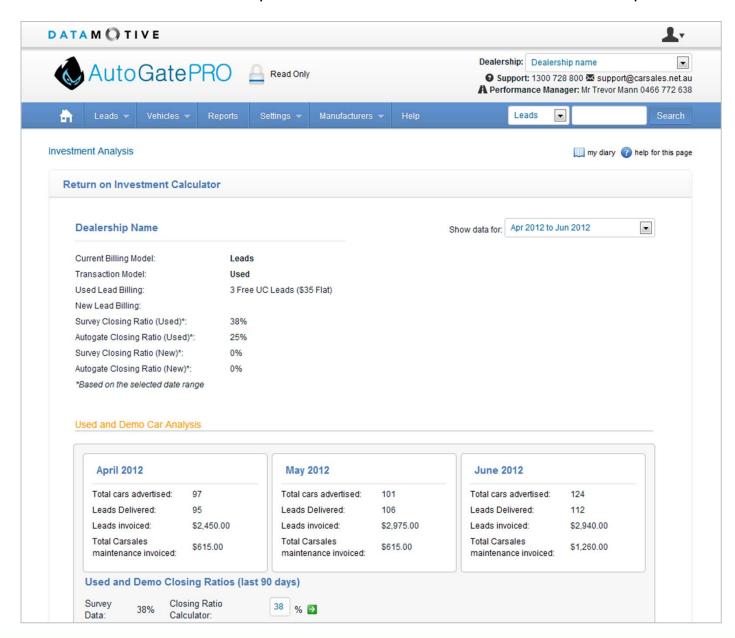
The new Dealer Portal brings a number of dealer services (Autogate/Pro, LiveMarket, LiveTrade) together under the one umbrella, all accessible via a single username and password. Making life much easier for our dealers.





ROI Calculator

This tool allows Dealer Principals to assess their business and sales team performance within AutoGate.

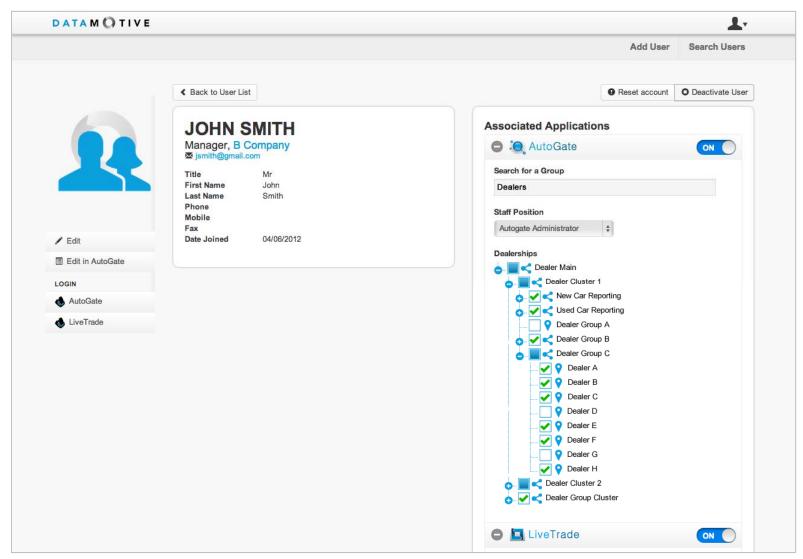




Group on Group – More tools for our dealers

Group on Group allows our dealer customers to define how their dealerships and dealer groups are related.

Our dealer users now have the ability to manage and report on all their dealerships with a single user account.





Carsales iPhone App - Snap n' Sell

Snap n' sell completes the buy/sell lifecycle, allowing users to list their car on carsales all via their iPhone. Keep your eye on this platform for more Australian first features in the near future.







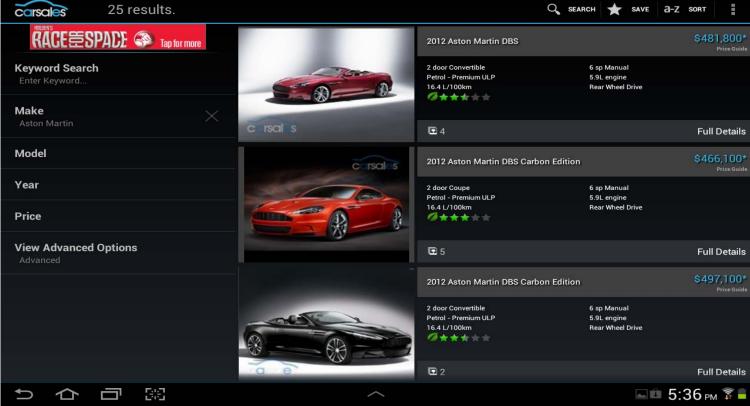


Native Android Apps – Phones and Tablets

Although iOS is the dominant mobile platform within Australia and for the carsales network, Android usage and Australian distribution is increasing at an ever growing pace.

The next generation of the carsales Android apps are fully native and deliver best of breed user experience optimised for the various digital devices.







bikesales.com.au

Cars

Rikes

Caravans/RVs

Trucks

Bikesales now allows consumers to buy and sell Bike Accessories.

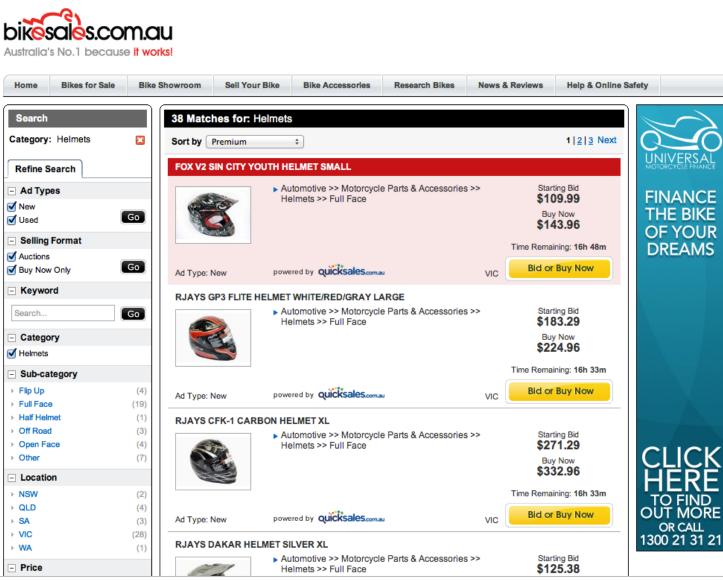
Construction

Real Estate

Shopping & Auctions







Motoring 6



homesales.com.au

Homesales continues to progress, with traffic and inventory all heading in the right direction. To further build loyalty and differentiate Homesales from its competitors, we have launched our new investment search.



Investors of all types can now easily search all the houses for sale on Homesales, with specific investor centric criteria, eg. rental yield, capital growth, etc.

Buy Rent	Invest	Place an Ad A	gent Quote Finder	Finance	Reports	Le
\$ Find Investm	nent Pr	operties	BETA	o Se	earch Pr	ope
State	©	Strategy +/-		Multipl	e Suburb, Po	stco
Please select a state	•	Any	•	Start your search here		
Property Type		Rental Yield %	0	Proper	ty Type	
All	•	Min	▼ OR	All		
Price \$		Suburb Capital Grov	vth @	Bedro	oms 🔟	
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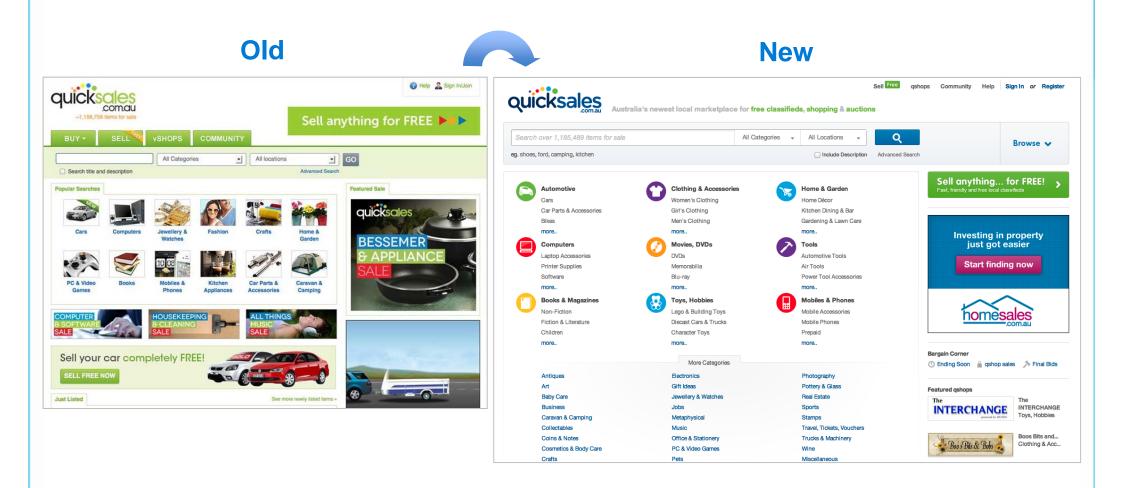


quicksales.com.au

New brand, new advertising campaigns and new website, Quicksales has been totally revamped.



General classifieds is a growing market in Australia and Quicksales has something unique to offer.





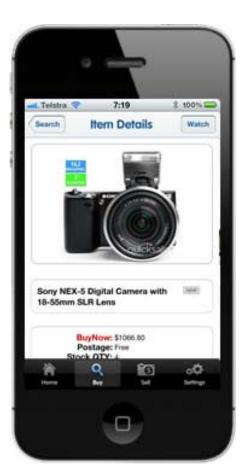
quicksales iPhone App

Mobile is one of the most important elements to this relaunch of Quicksales. The new app allows users to buy, shop or sell, all via their iPhones.





Search



Item Details



Snap n' Sell



carsales (•) com Itd









































