`

carsales enters into binding agreements to acquire 30 per cent of WebMotors, the #1 Automotive Website in Brazil

June 24, 2013

carsales.com Ltd (ASX: CRZ) and Banco Santander (Brasil) SA today announce that they have entered into final unconditional binding agreements relating to carsales' acquisition of 30 per cent interest in WebMotors SA (www.webmotors.com.br), the number one automotive website in Brazil.

As announced on April 17, 2013, as part of the transaction, carsales.com Ltd, one of the world's leading online automotive businesses, will form a strategic partnership with Banco Santander to further grow WebMotors. Banco Santander, one of the world's largest and most successful financial institutions, will retain a 70 per cent stake in the business.

carsales.com Ltd's CEO and Managing Director, Mr Greg Roebuck said the partnership with Santander represented a significant opportunity for carsales. "We are both excited about working together to continue building on the strength of Webmotors in the Brazilian market"

"Brazil is a highly attractive market with favourable demographics, rising disposable incomes and rapidly growing internet penetration," Mr Roebuck stated.

"Brazil is the world's fourth largest car market with more than 4 million new vehicles expected to be sold in 2013, approximately four times Australia's total. The investment in WebMotors provides carsales with an exciting opportunity to leverage its expertise in online automotive classifieds through the market leading online automotive classifieds website in Brazil."

As part of the investment, carsales will be entitled to appoint nominees to the WebMotors Board and a representative to the WebMotors management team. carsales.com Limited CEO and Managing Director, Mr Greg Roebuck is expected to be appointed to the WebMotors Board with further appointments by carsales to be finalised.

The key terms of the transaction are set out in the annexure to this announcement.

carsales' investment will be funded by existing cash reserves and a new bank facility.

The transaction is expected to close over the coming days and to be EPS accretive in FY14.

For further information, please contact:

Greg Roebuck
CEO & Managing Director
carsales.com Ltd
+61 3 9093 8667

Key commercial terms:

- carsales (via a wholly owned subsidiary) to subscribe for new shares equal to 30% of the post dilution issued capital of WebMotors for R$180m or A$87.7m with all funds remaining in the business to fund growth.
- carsales to have various minority shareholder protections including certain veto rights and pre-emptive rights.
- Santander right to exercise a call option over all of carsales' shares in WebMotors upon change of control in carsales.com Ltd, either:
    - at fair value, with a 12 month non-compete period imposed on carsales in the Brazilian market; or
    - should the ultimate acquirer of carsales.com Ltd be a direct competitor to WebMotors in Brazil, at fair value with a 30% price penalty imposed

Acknowledgments:

- Financial Advisor - UBS
- Legal – Arnold Bloch Leibler and Pinhero Neto
- Accounting - PriceWaterhouseCoopers