

carsales to increase its Latin American footprint with DeMotores acquisition

Extends carsales into Argentina and Colombia; expands Chilean presence

31 January 2017

carsales.com Limited (ASX:CAR) (carsales), through a wholly owned subsidiary, has entered into an agreement to acquire 100% of the entities which own and operate the DeMotores online automotive classified websites in Argentina, Colombia and Chile from an entity controlled by S.A. La Nacion, one of Argentina's largest media companies.

"The inclusion of DeMotores with carsales' existing investments in Brazil, Mexico and Chile makes us the number one online automotive classifieds network operating across the Latin American region," said Paul Barlow, carsales Director International. "This investment further capitalises on our work rolling out a Spanish language version of our world-class technology in Mexico and Chile and helps us continue to benefit from economies of scale in Latin America."

The Argentinean market is attractive from an investment point of view as the country continues its positive transition under its new President, as well as Argentina having both high GDP per capita and population relative to the region. In 2016 new car sales in Argentina increased by over 10% when compared to 2015, and together, new and used passenger vehicle sales achieved a volume of around 2.2m. This acquisition provides carsales with a significant growth opportunity in Spanish speaking Latin America. Senior management will be retained across the DeMotores businesses.

"We believe the number one position in the Argentinean online auto vertical market is still contested. This acquisition provides carsales with a significant presence in one of the most attractive markets in the region. The acquisition also cements chileautos' clear number one position in Chile through the combination of the number one and two assets and creates an opportunity for manufacturers, advertisers and investors to access the number one network of automotive classifieds sites operating across Latin America," said carsales' CEO Greg Roebuck.

The purchase price for the acquisition is AUD\$6.7 million subject to purchase price adjustments (including for working capital). carsales intends to fund the acquisition from existing cash reserves and existing syndicated debt facilities. The transaction is subject to usual closing conditions and is expected to complete by the end of March 2017. This investment is expected to have an immaterial impact on EBITDA.

Further information regarding carsales' Latin American investments

carsales' LatAm assets

- The acquisition of the DeMotores business provides carsales with exposure to countries in the Latin American region which provide excellent growth opportunities from an investment point of view, as well as further cements its clear number one position in Chile.
- This is led by the favourable metrics below including population, GDP per capita, internet penetration and number of passenger vehicles in the relevant countries.



Note: carsales' ownership interests: WebMotors 30%; soloautos 65% (owner of autologia); Chileautos 83%; Demotores 100% (post-completion)

Selected macro metrics by country

Country	Population (m) ¹	Internet penetration (%) ²	GDP US\$bn ³	GDP per capita US\$ ⁴	Passenger vehicles (m) ⁵
Brazil	208	59	1,774	8,539	33
Mexico	127	57	1,144	9,005	26
Argentina	43	69	583	13,431	10
Chile	18	64	241	13,416	3
Colombia	48	56	292	6,056	3

Source:

¹ United Nations Department of Economic and Social Affairs, 2015

² The World Bank; Internet users per 100 people, 1 January 2017

³ The World Bank, GDP (current US\$), 2015

⁴ The World Bank, GDP per capita (current US\$), 2015

⁵ The International Organisation of Motor Vehicle Manufacturers ("OICA") <http://www.oica.net/category/vehicles-in-use/> (2014 statistics)

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About carsales.com Ltd

Founded in 1997, carsales.com Ltd (ASX: CAR) operates the largest online automotive, motorcycle and marine classifieds business in Australia. carsales is regarded as one of Australia's original disruptors and has expanded to include a large number of market-leading brands. The carsales network is Australia's number one online destination for buying and selling cars, motorbikes, trucks, boats, caravans and machinery equipment. Employing over 800 people, the core network of market-leading Australian classifieds sites is augmented by classifieds businesses in Chile, Mexico, Brazil, South Korea, Thailand, Malaysia and Indonesia. carsales develops world leading technology and advertising solutions in Melbourne that drive its business around the world.

Find out more at carsales.com.au