

## **carsales to acquire remaining 50.1% of SKEncar.com**

Melbourne 20 November 2017

carsales.com Limited (ASX: CAR) and South Korea's SK Holdings Co., Ltd (KOPSI: 034730) today announced that they have signed a binding Memorandum of Understanding for carsales to purchase the remaining 50.1% of South Korea's SK ENCARSALES.COM Ltd (Encar.com), giving carsales 100% control and ownership of South Korea's number one online auto classifieds business.

carsales CEO Cameron McIntyre says "This acquisition is a significant milestone in carsales' long term strategy to be the global leader in online auto classifieds. Encar.com has been one of our strongest performing overseas businesses and has continually delivered good revenue and earnings growth".

carsales purchased 49.9% of Encar.com in April 2014 and since then has seen the business grow significantly. "Our increased investment is testament to our confidence in the strength of the South Korean market and the long term growth potential of Encar.com" said McIntyre. "carsales and Encar.com will enjoy the benefits of a continued strategic partnership with the SK Group."

President of SK Holdings Mr Joe Ahn said "The joint venture between SK and carsales has been a great success over the past several years. The sale of Encar.com is part of a change in strategic direction and focus of the group and we look forward to continuing to work with carsales and Encar in other ways in the future".

Sangbeom Kim, CEO of Encar.com, said "Encar.com has been a greatly successful joint venture by ensuring a unique collaboration between the SK Group and carsales. This deal will further enable us to sharpen our competitiveness as the biggest auto classified website in South Korea and to pursue further growth in diverse adjacent markets with faster and flexible decision making."

carsales will acquire the remaining shares in Encar.com for consideration of KRW205 billion (approximately A\$244 million) prior to adjusting for movements in working capital. The acquisition is subject to regulatory approval (if required), confirmatory due diligence and no material adverse change occurring prior to completion. carsales' investment is expected to be funded by new syndicated debt facilities.

As a result of this acquisition carsales' existing 49.9% stake in Encar.com will be revalued for accounting purposes which will create a one off non-cash statutory gain of approximately A\$100m.

The parties expect the final deal documentation to be signed before the end of December 2017, and the deal to be completed in January 2018. carsales expects the acquisition to be neutral to adjusted EPS\* in FY18 and accretive in FY19 and beyond.

*\*Excludes any amortisation of identifiable intangibles that may arise from purchase price allocation activities and excludes transaction and one off re-structuring costs.*

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**For further information and interviews, please contact:**

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**About carsales.com Ltd**

carsales.com Ltd (ASX: CAR) is the largest online automotive, motorcycle and marine classifieds business in Australia. Attracting more Australians interested in buying or selling cars, motorcycles, trucks, caravans and boats than any other classified group of websites. Together with its subsidiaries employing more than 600 people in Australia, carsales.com Ltd. develops world leading technology and advertising solutions that drive its business around the world. The carsales.com Ltd. network has operations across the Asia Pacific region and has interests in leading automotive classified businesses in Brazil, South Korea, Malaysia, Indonesia, Mexico, Chile, Argentina and Thailand. Find out more at [www.carsales.com.au](http://www.carsales.com.au) or @carsales