Media Release

carsales' growth strategy delivers another record result

Releases first half FY18 results

February 6, 2018

<table>
<tr><th colspan="3">Financial Snapshot
H1 FY18 compared to H1 FY17:</th><th>Cameron McIntyre, CEO Comment:</th></tr>
<tr><td>Revenue</td><td>Up 12%</td><td>$200.1m</td><td rowspan="5">"It has been an outstanding first half of the year. The business has made significant progress in executing its international strategy with the acquisition of the remaining stakes in our South Korean and Mexican businesses. We reinforced our domestic market leading position whilst reinvesting in future growth priorities. Our strategy positions us well for continued growth".</td></tr>
<tr><td>EBITDA</td><td>Up 9%</td><td>$90.6m</td></tr>
<tr><td>Adjusted NPAT*</td><td>Up 11%</td><td>$60.9m</td></tr>
<tr><td>Adjusted EPS*</td><td>Up 11%</td><td>25.2c</td></tr>
<tr><td>Interim Dividend</td><td>Up 10%</td><td>20.5c</td></tr>
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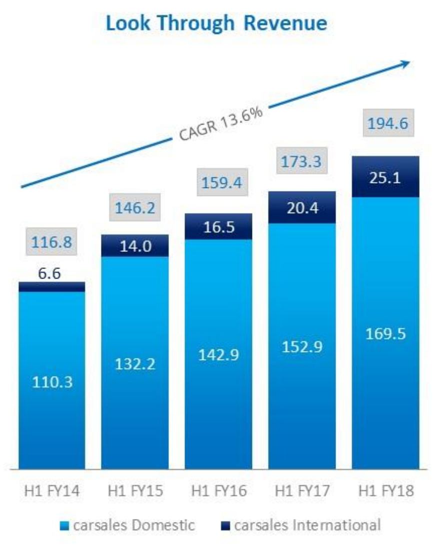
Financial Highlights:

- Delivering consistent returns for shareholders with revenue growth of 12% on prior comparative period (pcp), EBITDA growth of 9%, adjusted NPAT growth of 11% and an interim dividend up 10%;
- Completed acquisition of the remaining 50.1% of SK Encar in January 2018;
- Strong performance from the domestic private business, with revenue up 20% on pcp. This was underpinned by growth in core private advertising products along with continued contributions from our adjacent market businesses in tyresales and Redbook Inspect;
- Solid growth in the domestic dealer business, with improved momentum in Q2 driven both by the release of new product enhancements and improving consumer sentiment. The strategy of increasing penetration of premium listing products continues to drive increased yield;
- Stratton Finance built on the positive momentum shown in Q4 FY17, with revenue and EBITDA up 23% and 11% respectively on pcp. Pleasing to see the turnaround plans put in place delivering a return to growth;
- Executing on our international growth strategy with international revenue and EBITDA up 23% and 47% respectively on a look through basis. The highlight was Webmotors in Brazil, with underlying revenue and EBITDA up 30% and 122% respectively on pcp.

CEO overview:

carsales.com Ltd CEO and Managing Director Cameron McIntyre said the financial result was very satisfying with the business delivering good returns for shareholders whilst investing for future growth:



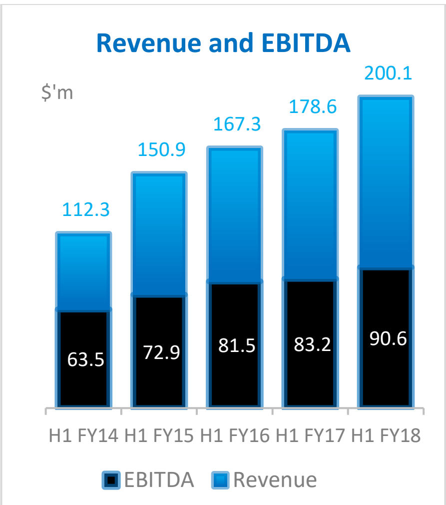
"It is pleasing to see us executing on our strategic priorities with strong growth from our adjacent market businesses as well as the advancement of our international growth strategy. This is underpinned by the continued solid performance from our core domestic business, as we deliver key product innovations to drive improved customer outcomes. Stratton continued to show positive signs of recovery, delivering revenue and earnings growth in the period. We are also extremely excited to take control of the SK Encar business in South Korea, given the long term growth potential of the business", said McIntyre.

Domestic business

The core domestic segments exhibited good revenue growth with Private up 20%, Dealer up 7%, Display up 4% and Data, Research and Services up 7%. This performance reflects a solid contribution from traditional advertising products, enhanced by continued strong growth in adjacent businesses and premium listing/depth products. Moreover, the business saw improved momentum in Q2, driven both by the release of new product enhancements as well as improved consumer sentiment.

Both the consumer and commercial business units have continued to drive new product innovation in a bid to improve consumer and customer experience, with a focus on reducing the number of friction points in the buy/sell process.

"We are prioritising an optimised mobile experience for our consumers and commercial customers, given the continued shift to mobile device usage. This is reflected in the release of our new Autogate application for dealers as well as improved lead delivery technology on mobile devices," said McIntyre. "There is plenty more to come with our investments in mobile technology, data science and artificial intelligence, ensuring we provide compelling personalised experiences for consumers and commercial customers".



McIntyre also said that it was pleasing to see the recovery strategy put in place at Stratton in FY17 paying off. "The business has tackled some difficult structural issues over the past twelve to eighteen months and it is good to see a return to positive revenue and earnings growth in the first half of the year".

International progress

"We are making excellent progress advancing our international strategy. Our focus is on attractive macroeconomic environments where we can achieve superior returns through deploying carsales' strategic, product and technology capabilities and IP. We see significant long-term opportunity in all our international markets and we are excited to increase our exposure in Korea and Mexico by taking 100% control of these businesses," said McIntyre.

SK Encar delivered solid underlying revenue growth of 13% in H1 whilst EBITDA grew 6%, with earnings growth impacted by the timing of marketing spend. Webmotors delivered an outstanding result with revenue and EBITDA up 30% and 122% respectively in the half as the business has started to improve margins, benefiting from prior year investments in people, technology and products. The Chilean business continues to be a clear No.1 in that market with strong revenue and earnings growth. The Company has also progressed its ambition to be market leaders in Argentina and Mexico and is committed to increased investment in these markets. Indicative of this is the deployment of two key senior managers from Australia into these businesses over the last 12 months.

Dividend up 10%

The carsales.com Limited Board of Directors has declared an interim dividend of 20.5 cents per share. This is a 10% increase on pcp and will be paid on 19 April 2018. The record date for the dividend payment 23 March 2018.

Outlook

"The second half of FY18 has commenced well with January once again proving to be an attractive month for car buyers in the domestic business. We expect our domestic adjacent businesses to continue to build scale and breadth consistent with H1 FY18 and our premium listing and depth products to continue growing well" commented McIntyre.

"We continue to closely monitor our performance and market conditions and assuming these remain stable we anticipate revenue, EBITDA and NPAT growth will remain solid in the domestic core business. Our Finance and Related Services business has returned to growth in H1 FY18 which we anticipate will continue into the second half.

"Assuming market conditions remain stable in Brazil, we anticipate continued strong local currency revenue and earnings growth in H2 FY18 for Webmotors (our investment in Brazil). In South Korea, we are expecting solid revenue growth and moderate earnings growth in H2 FY18 for SK Encar (our investment in Korea), with revenue and earnings impacted by the Winter Olympics and incremental investment in the business as part of the transition to 100% ownership. Integration of core carsales IP and technology into our Chilean, Mexican and Argentinian businesses will continue. This should provide an uplift in their underlying revenue and earnings in FY18, somewhat offset by further investments into these businesses to achieve scale. The remaining 50.1% of SK Encar was acquired on 19 January 2018, and so will be fully consolidated into the carsales Group results from that date," said McIntyre.

ENDS

For further information, please contact:
Will Clarke
Communications and PR Manager
03 9093 4505 / 0468 971 536
will.clarke@carsales.com.au / @willclarkeinoz

Notes to Editors:

Financial Reports and Investor Presentations can be downloaded from
http://shareholder.carsales.com.au/Investor-Centre/

REPORTED RESULTS

	$A Millions		Growth	
Half Year Ending 31 December 2017	**H1 FY17**	**H1 FY18**	**$'s**	**%**
Revenue				
Online Advertising	129.8	141.6	11.8	9%
Data, Research and Services	19.2	20.6	1.4	7%
International	3.5	5.8	2.3	66%
Finance and Related Services	26.1	32.1	6.0	23%
Total revenue	178.6	200.1	21.5	12%
Total operating expenses (before Interest, depreciation and amortisation)	95.4	109.5	(14.1)	(15%)
EBITDA	**83.2**	**90.6**	**7.4**	**9%**
EBITDA margin	*47%*	*45%*		
Depreciation & amortisation	4.6	5.6	(1.0)	(21%)
EBIT	**78.6**	**85.0**	**6.4**	**8%**
Net interest expense	3.7	3.0	0.7	18%
Profit Before Tax	**74.9**	**82.0**	**7.1**	**9%**
Income Tax Expense	23.0	24.6	(1.6)	(7%)
Profits from associates	3.6	3.5	(0.1)	(3%)
Gain/(loss) on associates fair value adjustment and investment dilution	(6.8)	1.3	8.1	(119%)
Non-controlling interest (NCI)	(1.5)	(2.0)	(0.5)	(36%)
Reported net profit after tax	**47.2**	**60.2**	**13.0**	**27%**
Adjusted net profit after tax*	**54.9**	**60.9**	**6.0**	**11%**
Adjusted earnings per share (cents)*	22.8	25.2	2.4	11%

* Adjusted NPAT and earnings per share stated above is post non-controlling interests and excludes one-off gains on associate dilution and fair value remeasurement, one-off tax gains and acquired intangible amortisation.

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. Employing over 1,200 people around the world, carsales develops world leading technology and advertising solutions in Melbourne that drive its business around the world. Find out more at carsales.com.au