

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

April 17, 2013

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

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 CEO and Managing Director, Greg Roebuck, said the transaction represents a significant and exciting opportunity for carsales.

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

"Automotive ownership is also growing rapidly in Brazil. In 2013 more than 4 million new vehicles are expected to be sold -- approximately four times Australia's total. WebMotors is the number one online automotive classifieds website in Brazil and delivers to carsales an exciting opportunity to participate in this market -- the world's fourth largest in car market."

"We look forward to partnering with Santander, with whom, over a long period, we have already developed a strong relationship," he said.

Felix Cardamone, Vice-Presidente Executivo at Banco Santander commented: "Santander has undertaken a detailed and exhaustive process to ensure it is working with the ideal partner. carsales is a best in class business and we are excited to take advantage of the opportunities that will arise when combining the expertise of Santander in financial services and the experience of carsales in online classifieds"

"There is a strong complementarity of knowledge and we look forward to building on an already strong relationship" he stated.

As part of the transaction, carsales will subscribe for a 30 per cent stake in WebMotors on a post-dilution basis for consideration of BRL180 million (approximately A\$89 million), with the proceeds remaining to fund the growth of WebMotors.

carsales' investment will be funded by existing cash reserves and bank debt. WebMotors generates positive EBITDA and carsales expects the acquisition to be EPS accretive in FY14.

Although exclusive negotiations continue, both parties are very confident that a final transaction will be completed. The transaction remains subject to negotiation of definitive agreements which both parties expect to be executed in the coming months.

For further information, please contact:

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

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