

**carsales to acquire 49.9% of South Korea's number one online car classifieds website**

6-March, 2014

carsales.com Ltd (ASX: CRZ) and SK C&C (KOPSI: 034730) today announced that they have signed a binding agreement under which carsales.com Ltd will acquire a significant shareholding in the online assets of SK Encar, South Korea's leading automotive trading business.

Currently all of the assets of SK Encar, which includes both the online assets (including the [www.encar.com](http://www.encar.com) website (the clear number one automotive classifieds website in South Korea) along with associated data and online automotive products) and physical car dealership assets operate as one business division of SK C&C.

Under this transaction the online assets will be transferred into a new entity leaving the offline assets of SK Encar as a business division of SK C&C. carsales will acquire shares in the new vehicle containing only the online assets. The new business will be a clear number one based on both inventory and traffic metrics in South Korea.

The new company will be named SK ENCARSALES.COM Ltd. carsales.com Ltd will acquire 49.9% of SK ENCARSALES, with SK C&C retaining 50.1%.

carsales.com Ltd CEO and Managing Director Greg Roebuck said "The transaction represents a significant and exciting opportunity for carsales.

"The acquisition of a shareholding in SK ENCARSALES.COM Ltd is an important step in carsales' long-term growth and internationalisation, and solidifies carsales.com Ltd as a global leader in automotive classifieds," Mr Roebuck stated.

"With Korea joining interests in Brazil, Malaysia, Indonesia, Thailand, China and New Zealand, carsales has a significant and growing international portfolio. We look forward to continuing to develop and support the increasing success of our international interests and playing a key role in their ongoing growth," he said.

"Korea is a developed market with strong growth fundamentals and very sophisticated technology take-up. The ability to partner with SK C&C in Korea makes this acquisition very attractive to us," Mr Roebuck stated.

"More than 1.6m new vehicles are expected to be sold in South Korea in 2014 – nearly 60 per cent more than in Australia during the same period. In addition, around 3.3m used vehicles will find new homes," Mr Roebuck stated.

"In this environment SK ENCARSALES.COM Ltd will leverage carsales' significant knowledge, expertise and technology solutions and SK C&C's strong position in, and knowledge of, the Korean marketplace to create significant shareholder value," he said

SK Encar Representative and CEO Sung Chul Park was equally optimistic about the new venture.

"carsales.com Ltd is a best-in-class business and we are excited to take advantage of the opportunities that will arise when combining SK C&C's global and regional expertise with the experience of carsales in online classifieds," Mr Sung Chul Park stated.

"We look forward to building on what is already a strong relationship," he said.

carsales will acquire its shares in SK ENCARSALES.COM Ltd for a consideration of approximately KRW121 billion (approximately A\$126 million). carsales' investment will be funded by existing cash reserves and a non-syndicated debt facility held with the National Australia Bank.

The online business of SK Encar generates positive EBITDA and carsales expects the acquisition to be EPS accretive in FY14.

The transaction remains subject to SK C&C shareholder and Korean Regulatory approvals and the successful spin-off by SK C&C of the Encar online assets and is expected to close prior to June 30, 2014.

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### **About SK C&C**

SK C&C is the largest shareholder of the holding structure for the SK Group, one of Korea's largest conglomerates. The company has significant operations in a number of domestic and international markets.

### ***carsales Advisor Acknowledgements:***

- Arnold Bloch Leibler acted as lead legal advisor to carsales
- PricewaterhouseCoopers acted as lead accounting advisor to carsales
- Yulchon LLC acted as carsales' local Korean counsel