



ASX Announcement

21 August 2013

SEEK delivers another record full year result

<u>Reported Results</u>	A\$m		Growth	
	FY13	FY12	\$m	%
Revenue ^(a)	620.2	442.3	177.9	40%
Reported EBITDA	239.6	193.6	46.0	24%
Reported NPAT (Post NCI)	300.1	131.7	168.4	128%
NPAT excl significant items (Post NCI) ^(b)	141.1	130.2	10.9	8%
Basic EPS excl significant items (cents)	41.9	38.6	3.2	8%
Dividend per share (cps)	22.0	17.3	4.7	27%

^(a) Excludes Interest Income

^(b) FY13 Reported NPAT (Post NCI) includes a fair value gain of A\$160m relating to the acquisition of Zhaopin and the associated uplift in valuation & DWT impairment of A\$1.3m

SEEK Limited ("SEEK") reported Revenue of A\$620.2m, EBITDA of A\$239.6m and NPAT (excluding significant items) of A\$141.1m for the 12 months to 30 June 2013. Compared to the prior corresponding period ("pcp"), this represents Revenue growth of 40%, EBITDA growth of 24% and NPAT growth of 8%.

In commenting on the results, SEEK CEO Andrew Bassat said "This was another record full year result that was achieved despite subdued macro conditions and a reinvestment focus in our international businesses. The key drivers of this result were strong growth across Education, robust results in SEEK International and a solid performance by SEEK Domestic relative to the subdued conditions it faced."

SEEK AUSTRALIA AND NEW ZEALAND – Key Highlights

- **SEEK Australia and New Zealand achieved EBITDA of A\$141.6m (60% EBITDA margin)**
 - Clear market leadership with >70% share of visits and ads¹

SEEK's Australia & New Zealand employment business achieved Revenue of A\$234.9m and EBITDA of A\$141.6m for FY13.

Andrew Bassat said "This was a solid result which reflects SEEK's market leadership and the structural strength of our business model. SEEK cannot control the economic cycle but we can

¹ SEEK's share of Top 3 Online websites in Australia based on July-13, Nielsen Market Intelligence & SEEK count of websites

strongly influence our market position.” Compared to the combined metrics of SEEK’s main competitors (including LinkedIn)², SEEK accounts for:

- ~8x the number of placements³ made
- ~70% of online ads
- Also, SEEK’s unaided awareness is 74% compared to 33% of its highest ranked online competitor⁴

“In the last 2 years or so, SEEK’s financial results have been resilient to relatively weak market conditions. This reflects SEEK’s market leadership and its exposure to favourable structural trends which provided some protection from a weak cycle. When an improvement in the cycle occurs, SEEK’s market leadership and operating leverage means it is well positioned to strongly grow earnings.”

Andrew Bassat said, “SEEK has a large growth opportunity in its placement strategy. In Australia, 2.3m³ people changed or started a new job in the last 12 months with SEEK facilitating only 26% of placements. SEEK is focused on developing products and services to better facilitate the matching and communication of job opportunities to jobseekers. In turn, this will lead to SEEK facilitating a greater share of placements for all recruiters and corporates.”

SEEK INTERNATIONAL – Key Highlights

- **SEEK International achieved “look-through”⁵ Revenue of A\$219.5m and EBITDA of A\$64.3m**
 - “Look-through” Revenue growth of 26% & EBITDA growth of 32%
 - Strong underlying results from Brasil Online and Zhaopin
 - Portfolio of market-leading businesses across Asia (incl China), Latin America and Africa

During FY13, SEEK successfully increased its ownership in existing investments, moving to a c.78% shareholding in Zhaopin (China) and to a c.69%⁶ shareholding in JobsDB (Asia). These transactions were partially funded by cash and/or debt from the balance sheets of these businesses which demonstrates their strong cash generation and profitability. SEEK also made an investment into early stage high growth African markets by acquiring a 25% stake in One Africa Media.

SEEK is now a global business with equity interests in businesses which have exposure to c.2.5 billion people and greater than 20% of Global GDP. SEEK has been re-investing in each of its international businesses to ensure it captures the large growth opportunities within each market.

Andrew Bassat commented, “Pleasingly, Zhaopin has been able to grow EBITDA by 19% despite softer macro conditions and a competitive environment”

“SEEK has good exposure across Asia’s fast growing markets via its ownership interests in JobsDB and JobStreet. JobsDB made significant re-investment and is now well positioned for future growth. JobStreet continues to achieve solid Revenue and EBITDA growth in FY13.”

“Latin America is an exciting region with Brazil and Mexico having a total population of 300m and internet penetration below 50% in both countries. Brasil Online achieved a strong result with EBITDA growth of 46% which reflects the positive impact of prior period re-investment.”

² Major online competitors defined as LinkedIn, CareerOne and MyCareer

³ Source: Q3 '13+Q4 '13 (Jan 2013-Jun 2013); independent research study conducted by GFK on behalf of SEEK. This study is run on a quarterly basis and reaches out to over 1000 Australian jobseekers each quarter or 4000 each year. Research is conducted using an independent research panel and the data is weighted to be nationally representative of the Australian labour force

⁴ Independent research conducted by Newspoll Online Omnibus, conducted 8 – 11 August 2013. Sample size 706 people aged 18-64 in Sydney, Melbourne, Brisbane, Adelaide and Perth. Survey now online based rather than telephone based

⁵ “Look-through” is defined as Revenue and EBITDA based on SEEK’s equity ownership as at 30 June

⁶ SEEK’s subsidiary, SEEK Asia Limited (SEEK Asia) moved to a 100% interest in JobsDB. SEEK’s share of SEEK Asia is 68.96%, therefore SEEK’s effective ownership of JobsDB moved to 68.96%

“OCC is the clear market leader in Mexico and has recently completed key aspects of its pricing model transition. The model transition will improve OCC’s ability to service the large SME market opportunity and better capture the value it delivers for hirers.”

SEEK EDUCATION⁷ – Key Highlights

- **SEEK Education achieved “look-through”⁸ Revenue of A\$260.2m & EBITDA of A\$58.4m**
 - “Look-through” Revenue growth of 10% & EBITDA growth of 76%
 - Strong results across all businesses

Andrew Bassat said, “I am delighted by the strong result in SEEK Education. The result provided a degree of counter-cyclical protection against weak labour markets.”

Commenting on the results, Andrew Bassat said “SEEK Learning achieved strong EBITDA growth of 62%, THINK grew EBITDA to A\$15.2m (from A\$5.3m in FY12) and SEEK’s share of NPAT in IDP grew by 30%. Swinburne Online achieved an exceptional result is performing well ahead of business plan expectations.”

H2 FY13 Dividend & Outlook – Key Highlights

- **Final H2 FY13 dividend of 12.0 cents, growth of 33% vs pcp**
- **Total FY13 dividends of 22.0 cents, growth of 27% vs pcp**

For the H2 FY13 interim dividend, the Board has maintained its dividend pay-out ratio of 50%. The Board has declared a final dividend of 12 cents per share (fully franked) which represents growth of 33% vs pcp. The dividend will be paid on 16 October 2013 with a record date of 18 September 2013.

Andrew Bassat commented, “SEEK will pay total dividends of 22 cents in FY13 which represents 27% growth from FY12. The strong growth in dividends highlights SEEK’s strong cash generation capabilities.”

In terms of outlook, Andrew Bassat said, “Based on current conditions, expect Reported Revenue, EBITDA and NPAT (excluding significant items)⁹ in FY14 to be greater than FY13.”

About SEEK Limited

SEEK Limited (ASX Code: SEK) is the leading provider of online employment services in Australia and New Zealand. In Australia, seek.com.au now hosts approximately 72%* of all jobs on Australia’s major job sites. In a given month, approximately 110,000* job advertisements are posted on seek.com.au with approximately 19.2m** million monthly visits. In New Zealand, seek.co.nz is the leading job site in terms of job advertisements with approximately 16,000* listed in July 2013.

SEEK has a leading presence across Asia with Zhaopin (SEEK owns 78.4%), SEEK Asia, (a majority owned subsidiary of SEEK, which owns 100% of JobsDB) and c22% of JobStreet (a leading employment website across SE Asia). Across Latin America, SEEK owns 57% of Online Career Center Mexico SA de CV (“OCC”) and 51% of Brasil Online. SEEK also owns a 25% stake in One Africa Media, a market leader in online marketplaces across Africa.

SEEK Education comprises fully owned subsidiary SEEK Learning, SEEK’s 80% interest in THINK Education Group and SEEK’s 50% interest in IDP Education & Swinburne Online. SEEK Learning provides sales and marketing services to help people find and enrol in career related education and training. THINK is a leading provider of private vocational education in Australia whilst IDP is the global leader in student recruitment services and also provides English language testing services. Swinburne Online is a 50:50 Swinburne University of Technology and SEEK partnership that delivers premium online tertiary courses specifically designed to meet the educational needs of working Australians.

*Source: SEEK count of websites as at July-13

**Source: Nielsen Market Intelligence, July-13

⁷ SEEK Education comprises SEEK Learning (100%), THINK (80%), Swinburne Online (50%) and IDP (50%). The Revenue & EBITDA for Swinburne Online and IDP has been included on a “look-through basis.” However, for SEEK’s statutory accounts, IDP and Swinburne Online do not form part of SEEK’s consolidated Revenue & EBITDA.

⁸ "Look-through" is defined as Revenue and EBITDA based on SEEK's equity ownership as at 30 June

⁹ NPAT reference is to FY13 NPAT excluding significant items (Post NCI) of A\$141.1m. FY13 significant items comprise the Zhaopin fair value gain and DWT impairment

This announcement contains certain "forward-looking statements". Forward looking words such as, "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Such forward-looking statements, opinions and estimates are not guarantees of future performance.

Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This announcement contains such statements that are subject to risk factors associated with the markets in which SEEK operates. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially. Such forward-looking statements only speak as to the date of this announcement and SEEK assumes no obligation to update such information.

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Appendix-ASX Release

Notes to this release

SEEK's results are reported under International Financial Reporting Standards (IFRS). This document also makes reference to non-IFRS measures "Reported EBITDA" and "look-through" Revenue and EBITDA. These measures are used internally by management to assess the performance of our business, our associates and Joint Ventures, make decisions on the allocation of our resources and assess operational management.

Reported EBITDA

Reported EBITDA is earnings before interest, tax, depreciation and amortisation and excluding share of net profits of associates and jointly controlled entities accounted for using the equity method, dividend income and amortisation of share-based payments and other long-term incentive schemes.

Review of information

Non-IFRS financial information is calculated based on underlying IFRS financial information extracted from SEEK's financial statements. Non-IFRS measures have not been subject to audit or review.