



ASX Announcement

19 February 2014

SEEK Asia announces an agreement to acquire JobStreet's online employment businesses & combine with JobsDB Inc. to create a compelling online employment marketplace in Asia

Transaction Highlights:

- **SeekAsia Limited ("SEEK Asia") to acquire 100% of the online employment businesses¹ of JobStreet Corporation Berhad ("JobStreet")**
 - Subject to regulatory approval in Singapore & Jobstreet shareholder approval
- **Combination of JobStreet and JobsDB ("MergeCo") will unlock large growth opportunities**
- **SEEK Group ("SEEK") to own c75% of MergeCo**
- **Valuation of JobStreet's 100% online employment businesses is MYR 1,730 million (cA\$580m)**
- **SEEK expects the transaction to be slightly cash earnings² per share accretive in FY15 and strongly accretive thereafter**

SEEK today announced that SEEK Asia, a majority owned subsidiary, has executed a share purchase agreement to acquire 100% of the online employment businesses of JobStreet. Settlement of the transaction is still subject to regulatory approval in Singapore and JobStreet shareholder approval.

JobStreet is an online employment market place that operates in Malaysia, Singapore, Indonesia, Philippines and Vietnam. JobStreet has a strong financial track record with EBITDA CAGR of 18% (FY09 to FY13) and generates EBITDA margins of 48% (Q3 CY13).

This acquisition is a continuation of SEEK's expansion in the strategic and high growth Asian region. For the 12 months to 30 June 2013, Reported financial results (100% share) are:

- JobStreet³ Rev. A\$56.2m & EBITDA A\$24.1m & JobsDB Rev A\$51.3m & EBITDA A\$17.6m

¹ The online employment businesses included in this transaction are Malaysia, Singapore, Indonesia, Philippines and Vietnam. This transaction does not include JobStreet.com's operations in Thailand, India, Japan and Autoworld, or the JobStreet.com Berhad listed company.

² Excludes any amortisation of identifiable intangibles that may arise from purchase price allocation activities and excludes transaction and one-off restructuring costs

³ Note, these are JobStreet's audited financial results and include a small financial contribution from investments and non-online employment businesses which are not a part of this transaction

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Discussion on the transaction

Andrew Bassat, CEO and Co-Founder of SEEK said,

“This transaction is a continuation of SEEK’s focus in Asia (including China). In the near term, we expect revenue residing in Asia to comprise over 50% of SEEK’s overall revenue which further cements SEEK as a global leader in online employment.”

“The focus for JobStreet and JobsDB is to help jobseekers find the most relevant career opportunities and hirers to find the most relevant candidates. SEEK is excited that both businesses will make a large and positive contribution to people’s lives and assist in Asia’s ongoing economic growth.”

Jason Lenga, Managing Director of SEEK International said,

“SEEK has had a long association with JobStreet and we are pleased to increase our investment in a unique and well managed business. We believe the combination of JobStreet and JobsDB will unlock expansion opportunities and growth synergies. We expect the combined impact of a strong earnings outlook and the use of an efficient capital structure to deliver significant value for SEEK shareholders”.

“SEEK is well positioned to play a meaningful role to further enhance the operations of JobStreet and JobsDB. We look forward to working alongside the management teams from both businesses.”

Transaction Consideration & Funding

Total consideration is MYR 1,730 million or cA\$580m (excluding transaction costs)

- Attractive “blended” valuation based on
 - Standalone earnings profile & combined growth opportunities
 - Ability to access debt in SEEK Asia to reduce funding task
 - Historic cost of SEEK’s investment in JobStreet⁴
- SEEK’s consideration is cA\$374m made up of existing JobStreet equity of cA\$113m⁵ & Cash of cA\$261m
- SEEK Asia co-investors, Newscorp & Tiger Global are collectively contributing c\$83m
- SEEK Asia intending to access debt funding of cA\$123m. This debt is non-recourse to SEEK Group.

Combination of JobStreet & JobsDB

Based on this transaction and in combination with JobsDB, the illustrative equity ownerships will be:

- SEEK c75%
- Newscorp c12%, Tiger Global c9%, Macquarie Capital c4%⁶

Post the combination, SEEK will continue to have typical majority shareholder rights and will continue to consolidate the financial results of SEEK Asia into SEEK’s Group Financial Statements.

⁴ Value of SEEK’s equity in JobStreet based on original cost A\$47m compared to equity valued at A\$113m based on the transaction valuation

⁵ Based on SEEK owning c19.9% of JobStreet equity after accounting for equity dilution relating to the transaction

⁶ Macquarie Capital ownership’s in MergeCo is based on their current effective equity interest in JobsDB

SEEK Group - New Bank Facility

SEEK's investment will be funded through a new cA\$770m syndicated bank debt facility. Key structure of the facility is:

- Revolving, unsecured, senior debt facility
- Tranche A\$183m (2 years), Tranche A\$282m (3 years), Tranche C US\$273m (4 years)
- Reflecting SEEK's business model strength and improving funding conditions there has been an improvement in the pricing from the previous debt facility

SEEK's syndicated refinancing was over-subscribed and SEEK was strongly supported by the existing members of its current banking syndicate, being NAB, HSBC, CBA, WBC, ANZ and new members of the syndicate, United Overseas Bank, Sumitomo Mitsui Banking Corporation and Bank of Tokyo-Mitsubishi UFJ.

In discussing SEEK's refinancing, John Armstrong, CFO, said

"The support for SEEK's refinancing reflects SEEK's strong financial performance, outlook and credit profile. We would like to thank the members of the existing syndicate for their ongoing support. At the same time, I'd like to welcome our new syndicate members"

Accounting for this transaction, SEEK's pro-forma consolidated net debt would be A\$521m⁷ (at 31 Dec-13).

Expected Settlement Timeline

The expected settlement timeline is subject to both regulatory approvals in Singapore and JobStreet shareholder approvals.

- Settlement is expected in Q4 FY14

CIMB and Goldman Sachs are acting as financial advisors, Baker & McKenzie and SBA Law are acting as legal advisors and PriceWaterhouseCoopers is acting as accounting and tax advisor to SEEK.

Amounts shown in Australian dollars are based on AUD:MYR exchange rate of 2.98

For further information or to arrange an interview please contact:

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About JobStreet

JobStreet.com (www.jobstreet.com) is an online recruitment company presently covering the employment markets in Malaysia, Singapore, Philippines, Indonesia, India, Japan, Thailand and Vietnam. The Group currently services over 80,000 corporate customers and over 11 million jobseekers in its database. JobStreet.com is listed on the Main Board of Bursa Malaysia Securities (JOBST).

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

⁷ SEEK's reported net debt at 31-Dec-13 was A\$137m + SEEK's Cash Contribution of cA\$261m + SEEK Asia Debt cA\$123m. Note, while SEEK Asia debt would be consolidated into SEEK Group Financials it is non-recourse to SEEK Group Limited

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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Appendices - ASX Release

Notes to this release

SEEK's results are reported under International Financial Reporting Standards (IFRS). This document also makes reference to the non-IFRS measure "EBITDA". This measure is 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.

EBITDA

"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.