



ASX Announcement

19 February 2014

SEEK delivers another record half year result

Key Highlights:

- Record half year result with strong Revenue, EBITDA and NPAT growth
- Key drivers of financial results were SEEK International and SEEK Education
- SEEK Domestic is the market leader & executing well against its placement strategy
- Providing strong shareholder returns with H1 FY14 dividend of 14 cents which represents growth of 40% vs H1 FY13 dividend

SEEK Group Reported Results

| Reported Results | A\$m | | Growth | |
|---|---------|---------|--------|-----|
| | H1 FY14 | H1 FY13 | \$m | % |
| Revenue ^(a) | 380.7 | 275.3 | 105.4 | 38% |
| Reported EBITDA | 147.5 | 107.5 | 40.0 | 37% |
| Reported NPAT (Post NCI) ^(b) | 111.2 | 67.5 | 43.7 | 65% |
| NPAT excl significant items (Post NCI) ^(c) | 87.4 | 67.5 | 19.9 | 29% |
| Basic EPS Reported (cents) | 32.9 | 20.0 | 12.9 | 65% |
| Basic EPS excl significant items (cents) | 25.8 | 20.0 | 5.8 | 29% |
| Dividends per share (cps) | 14.0 | 10.0 | 4.0 | 40% |

(a) Excludes interest income

(b) H1 FY14 Reported NPAT (Post NCI) includes the Gain on THINK sale of cA\$24m

(c) H1 FY14 significant item is Gain on THINK sale of cA\$24m

SEEK Limited ("SEEK") reported Revenue of A\$380.7m, EBITDA of A\$147.5m and NPAT (excluding significant items) of A\$87.4m. Compared to the prior corresponding period ("pcp"), this represents Revenue growth of 38%, EBITDA growth of 37% and NPAT growth of 29%.

SEEK CEO and Co-Founder Andrew Bassat said, "This was a record half year result. The key drivers of the strong result were SEEK International and SEEK Education with SEEK Domestic performing well in far from buoyant conditions."

M&A Update - Agreement to acquire the online employment businesses of JobStreet

SEEK has a strong track record in creating value through M&A and today announced that it has executed a share purchase agreement to acquire 100% of the online employment businesses of JobStreet¹. This transaction is still subject to regulatory approval in Singapore and JobStreet shareholder approval.

Andrew Bassat said, "JobStreet is a very well managed business with key market positions and a strong financial track record. Combined with JobsDB, this will create a compelling online employment marketplace across Asia. This transaction is an exciting development for SEEK and we expect that both businesses will unlock significant growth opportunities across the fast growing Asian markets."

For further details, please refer to the separate ASX Announcement on this transaction.

SEEK AUSTRALIA AND NEW ZEALAND – KEY HIGHLIGHTS

- **SEEK Australia and New Zealand achieved EBITDA of A\$71.6m (61% EBITDA margin)**
 - Clear market leadership with c25% of placements³ & unprompted awareness⁴ of c70%
 - Making strong progress in placement strategy

SEEK's Australia & New Zealand employment business achieved Revenue of A\$116.9m and EBITDA of A\$71.6m for the 6 months to 31 December 2013.

Andrew Bassat said, "The H1 FY14 result was pleasing in the context of subdued macro conditions and reflects the strong competitive position and structural strength of SEEK's business model."

The strength of SEEK's competitive position is best reflected when comparing SEEK with the combined metrics of its main competitors (including LinkedIn and Indeed)²

- SEEK accounts for c25% share of placements³ compared to 2% of combined online competitors (incl LinkedIn, Indeed)
- Has c70% unprompted brand awareness⁴

"SEEK is continuing to make strong progress in rolling out new or refined products and technology to assist in facilitating a greater share of placements. In the last 12-18 months, SEEK has made significant improvements to its online employment marketplace and this has been well received by jobseekers and hirers."

Andrew Bassat said, "In the medium to long-term, SEEK is positioned for earnings growth across three main drivers. Firstly, when macro conditions improve SEEK's results will be favoured given its market leadership. Secondly, there remains a substantial revenue opportunity from the continued structural migration of print to online. Thirdly, SEEK's placement strategy opens up a larger addressable market."

SEEK INTERNATIONAL – KEY HIGHLIGHTS

- **SEEK International achieved "look through" Revenue of A\$134.3m & EBITDA of A\$41.6m**
 - "Look through" Revenue growth of 56% and EBITDA of 79% vs pcp
 - Portfolio of market leading businesses that are well positioned for strong growth

"SEEK International performed extremely well with "look-through" EBITDA growth of 79%. This result was particularly pleasing as it reflected the benefit of prior period re-investment and the positive impact of strategic and operational changes occurring in many of the businesses."

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 Major online competitors defined as LinkedIn, CareerOne, MyCareer and Indeed

³ Source: Independent research by GFK on behalf of SEEK (Sep-11 to Dec-13). Study is run monthly, reaches 4k+ Australians (pa) and conducted using an independent online research panel. Data is weighted to be nationally representative of age, gender, location, employment status and income (combination of ABS stats). Projected pop. figures based on c.65% workforce participation rate & labour force of c.11.9m (ABS Feb-13)

⁴ Source: Qtr ended Oct-13- Independent research by Hall & Partners (OpenMind) on behalf of SEEK (Feb-13 to Dec -13). Monthly study, reaches 4k+ Australians (pa) and conducted using an independent online research panel. Uses comparable data set to GFK survey outlined above

Andrew Bassat said, "Zhaopin has been able to grow EBITDA by 17%⁵ vs pcp despite a strategic focus on market share in a competitive environment and relatively subdued macro conditions. Zhaopin continues to progress to a near term IPO, subject to market conditions."

"Both JobsDB and JobStreet are performing well with strong EBITDA growth across both businesses. The results reflect their strong track record in Asia as well as the benefits of prior period re-investment."

"Brazil and Mexico are very large market opportunities with total population exposure of over 320m and internet penetration below 50% across both countries. Brasil Online achieved strong EBITDA growth of 47%⁶ driven by efficiency gains in sales and marketing whilst also continuing to re-invest in product and technology. OCC has successfully completed its pricing model transition which has led to strong underlying EBITDA growth of 117%⁷."

"SEEK's portfolio of international businesses provide shareholders with exposure to market leaders in high growth economies. The international opportunity is best encapsulated by SEEK having equity exposure to businesses that are exposed to c2.5b billion people and c20% of Global GDP. SEEK's international businesses are also leveraged to early stage structural trends such as rising internet penetration, urbanisation of labour forces and increasing adoption of online employment services."

SEEK EDUCATION – KEY HIGHLIGHTS

- **SEEK Education achieved "look through" Revenue of A\$142.7m and EBITDA of A\$35.7m**
 - "Look through" Revenue growth of 19% and EBITDA of 62%
 - Sale of 80% of THINK for an implied 100% EV of A\$140m

Andrew Bassat said, "SEEK Education has completed another period of strong results. In H1 FY14, SEEK divested THINK for cash proceeds of cA\$99.5m and subject to market conditions IDP is considering an IPO in CY14."

Commenting on the results, Andrew Bassat said, "SEEK Learning continues to perform exceptionally well with EBITDA growth of 74%, IDP is performing well with SEEK's share of NPAT growing by 26% and Swinburne Online continues to achieve rapid earnings growth with SEEK's share of NPAT increasing to \$2.6m compared to a loss of \$0.2m in the prior corresponding period."

H1 FY14 Dividends & Outlook

- **H1 FY14 dividend of 14 cents which represents growth of 40% vs pcp**
- **Expect NPAT in H2 FY14 to be marginally greater than H1 FY14**

The SEEK Board has maintained its pay-out ratio of 50% and declared an interim dividend of 14 cents. The dividend will be paid on 30 April 2014 with a 9 April 2014 record date.

In terms of outlook, Andrew Bassat said, "For SEEK Group Consolidated (continuing operations)⁸ expect NPAT in H2 FY14 to be marginally greater than H1 FY14."⁹

For further information or to arrange an interview please contact:

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⁵ Based on 100% of EBITDA in local currency

⁶ Based on 100% of EBITDA in local currency

⁷ Based on 100% of EBITDA in local currency & adjusted for one-off items

⁸ SEEK's continuing operations excludes THINK as it was divested on Nov-13. In H1 FY14, THINK's NPAT contribution was \$0.8m (incl intercompany eliminations)

⁹ Refers to H1 FY14 NPAT (continuing operations) excluding significant items of A\$86.6m. To be clear, the NPAT of A\$86.6m excludes THINK

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.

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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.