# SEEK Limited Interim Financial Report

For the half-year ended 31 December 2012

ABN 46 080 075 314

Lodged with the ASX under Listing Rule 4.2A

This information should be read in conjunction with the 30 June 2012 Annual Report



### **Corporate Directory**

### **Directors**

Neil G Chatfield Chairman

Andrew R Bassat

Managing Director and Chief Executive Officer

Colin B Carter Denise I Bradley Graham B Goldsmith

### Secretary

Moana Weir

### Principal registered office in Australia

Level 6 541 St Kilda Road MELBOURNE VIC 3004 AUSTRALIA

Ph: +61 3 8517 4100

### **Share register**

Computershare Investor Services Pty Ltd 452 Johnston Street ABBOTSFORD VIC 3067 Ph: +61 3 9415 4000

### **Auditor**

PricewaterhouseCoopers Freshwater Place 2 Southbank Boulevard SOUTHBANK VIC 3006

### **Solicitors**

Arnold Bloch Leibler Level 21 333 Collins Street MELBOURNE VIC 3000

### **Bankers**

Westpac Banking Corporation

### Stock exchange listing

SEEK Limited shares are listed on the Australian Stock Exchange (Listing code: SEK)

### Website

www.seek.com.au

### SEEK Limited ABN 46 080 075 314

### Half-year ended 31 December 2012

(Previous corresponding period: Half-year ended 31 December 2011)

### **Results for Announcement to the Market**

				\$'000
Operating revenue	Up	32.3%	To	275,271
Revenue from ordinary activities	Up	32.7%	To	277,903
Profit from ordinary activities after tax	Up	14.4%	To	72,189
Net profit after tax attributable to the members of SEEK Limited	Up	11.5%	To	67,541

	Amount	Franked amount
Dividends/distributions	per security	per security
2012 interim dividend paid	8.3 cents	8.3 cents
2012 final dividend paid	9.0 cents	9.0 cents
2013 interim dividend (declared after balance date)	10.0 cents	10.0 cents

Record date for determining entitlements to the dividend

27 March 2013

Dividend payable

17 April 2013

### Other information required by Listing Rule 4.2A

The remainder of information requiring disclosure to comply with Listing Rule 4.2A is contained in the Interim Financial Report (which includes the Directors' Report).

### SEEK Limited ABN 46 080 075 314

### **Interim Financial Report to 31 December 2012**

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This Interim Financial Report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by SEEK Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Your directors present their report on the consolidated entity (referred to hereafter as the Group), consisting of SEEK Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2012.

### Directors

The following persons were directors of the company during the half-year:

N G Chatfield Chairman (effective 29 November 2012), non-executive director R C G Watson Chairman, non-executive director (resigned 29 November 2012)

A R Bassat Managing Director and Chief Executive Officer (CEO)

C B Carter Non-executive director
D I Bradley Non-executive director

G B Goldsmith Non-executive director (appointed 29 October 2012)

### **Review of operations**

A summary extracted from note 2 of the Interim Financial Report of consolidated revenues and results for the half-year is set out below:

		31 Dec 2012	31 Dec 2011
	Notes	\$'000	\$'000
Operating revenue	3	275,271	208,079
Interest revenue	3	2,632	1,306
Revenue from continuing operations		277,903	209,385
Segment EBITDA <sup>(1)</sup>		107,532	89,845
Depreciation		(4,707)	(4,066)
Amortisation		(7,920)	(5,728)
Amortisation of share-based payments and other long-term incentive scheme	·S	(2,955)	(2,022)
Interest expense		(12,695)	(11,706)
Interest income	3	2,632	1,306
Share of net profits of associates and jointly controlled entities accounted			
for using the equity method	6	15,582	15,128
Profit from continuing operations before income tax expense		97,469	82,757
Income tax expense	4	(25,280)	(19,659)
Profit for the half-year		72,189	63,098
Non-controlling interests		(4,648)	(2,510)
Profit for the half-year attributable to owners of SEEK Limited		67,541	60,588

<sup>1.</sup> Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excluding share of net profits from associates and jointly controlled entities accounted for using the equity method, fair value gains/(losses) on acquisition, impairment losses, amortisation of share based payments and other long-term incentive schemes and other non-operating gains/(losses).

### **Review of operations** continued

The group achieved a record half-year result with net profit (SEEK Limited's share) of \$67,541,000 (2011: \$60,588,000), up 11.5% on the prior period. The result was achieved despite subdued macro conditions, reflecting the strength of SEEK's business model and continued execution against its strategy. The domestic Employment business achieved a solid result in challenging labour market conditions, alongside continued organic and acquisition related growth in the International businesses, and strong performance across the Education businesses.

Further information on results by segment is provided below.

### **SEEK Employment**

	31 Dec 2012	31 Dec 2011	Growth	owth	
	\$'000	\$'000	\$'000	%	
Operating revenue	120,899	122,814	(1,915)	(2%)	
Segment EBITDA	75,344	75,202	142	0%	
EBITDA (%)	62%	61%			

SEEK's Employment business achieved results in line with the comparative period despite a soft macro environment. The revenue decline of 2% on the comparative period was attributable to volume declines of 11% partially offset by a 9% increase in yield.

### **Key highlights:**

- The result was achieved despite the SEEK New Job Index being 11% lower in the six months to 31 December 2012 and an unemployment rate which increased to 5.4%.
- Solid performance and continued cost focus has led to an improved EBITDA margin of 62%.
- The successful launch of several new products and services further supported the placement strategy, including:
  - New Advertiser Centre new search capabilities and archiving functionality
  - New iPad application launched in December 2012
  - Growth in Candidate Profiles 53% growth in Candidate Profiles since June 2012.

### **Review of operations** continued

### **SEEK Education**

	31 Dec 2012	31 Dec 2011	Growth	
	\$'000	\$'000	\$'000	%
Operating revenue	72,384	59,884	12,500	21%
SEEK Learning	25,825	20,982	4,843	23%
Think	48,370	40,378	7,992	20%
Inter-segment revenue	(1,811)	(1,476)	(335)	(23%)
Segment EBITDA	13,616	5,456	8,160	150%
SEEK Learning	8,980	5,156	3,824	74%
Think	5,244	300	4,944	n/a
Inter-segment elimination	(608)	-	(608)	n/a
EBITDA (%)	19%	9%		
SEEK Learning	35%	25%		
Think	11%	1%		
Share of net profits/(losses) of associates and				
jointly controlled entities				
IDP	5,808	4,163	1,645	40%
Swinburne Online	(233)	(840)	607	72%
Share of net profit of Education associates and				
jointly controlled entities	5,575	3,323	2,252	68%

SEEK Education achieved a strong result for the period with EBITDA of \$13,616,000, more than double the result of the prior comparative period, with each business executing against its key objectives. The EBITDA result was driven entirely by organic growth in SEEK Learning and Think.

SEEK Education's share of net profits from equity accounted investments was \$5,575,000 (31 Dec 2011: \$3,323,000) with a strong result from IDP, and Swinburne Online ahead of expectations.

### Key highlights:

- SEEK Learning achieved a record half-year result with EBITDA increasing 74% on the prior comparative period and EBITDA margin expansion from 25% to 35%. Key drivers of the result include a continued focus on enrolments in higher value courses, coupled with improvements in sales and marketing which are delivering operating leverage. SEEK Learning continues to add new courses, increase visits and improve brand awareness.
- Think achieved a strong result with revenue increasing 20% on the prior comparative period, and EBITDA improving by \$4,944,000, to reach an 11% margin. Key drivers of the result include strong revenue growth with student growth of 8% and continued operating efficiencies. During the period, Laureate Education, Inc. acquired a 20% interest in Think (refer to note 16 for further details).
- IDP achieved a strong result despite subdued market conditions, with EBITDA increasing by 55% on the prior comparative period. The result was underpinned by a 26% increase in student placements as well as a 12% increase in IELTS tests administered. IDP continues to pay dividends and is well capitalised with a cash balance of \$39,000,000 (31 Dec 2011: \$12,000,000), after paying total dividends of \$17,000,000 over the last 12 months. SEEK received dividends of \$5,000,000 during the period (31 Dec 2011: \$2,500,000).

### **Review of operations** continued

### **SEEK International**

SEEK International owns interests in leading job boards that are exposed to favourable structural and macro trends. SEEK's international segment includes controlling interests in JobsDB, Brasil Online (consolidated from 31 May 2012), and OCC (consolidated from 19 June 2012), equity interests in JobStreet and Zhaopin ("international associates") and other operating costs associated with managing SEEK's international investments.

	31 Dec 2012	31 Dec 2011	Growth	
	\$'000	\$'000	\$'000	%
Operating revenue	81,988	25,381	56,607	223%
JobsDB	24,403	25,381	(978)	(4%)
Brasil Online	51,252	n/a	n/a	n/a
OCC	6,333	n/a	n/a	n/a
Segment EBITDA	18,572	9,187	9,385	102%
JobsDB	7,827	10,239	(2,412)	(24%)
Brasil Online	12,283	n/a	n/a	n/a
OCC	1,154	n/a	n/a	n/a
Other operating costs	(2,692)	(1,052)	(1,640)	(156%)
EBITDA (%)	23%	36%		
JobsDB	32%	40%		
Brasil Online	24%	n/a		
OCC	18%	n/a		

SEEK International achieved a pleasing result despite weak market conditions and a focus on re-investment, with the half-year results including the consolidation of Brasil Online and OCC.

### **Key highlights:**

- JobsDB achieved EBITDA of \$7,827,000 and continues to invest to position the business for long term growth. SEEK's share of JobsDB dividends during this half was \$2,485,000 (31 Dec 2011: \$1,535,000).
- Brasil Online achieved strong EBITDA of \$12,283,000 despite soft macro conditions and continued re-investment in the business model to capture both jobseeker pays and advertiser pays (CV search).
- As anticipated OCC underlying revenue declined by 15% due to an increase in the revenue recognition period under the new pricing model. OCC is generating strong cash flow and growth in unearned income, which are better indicators of underlying performance.
- Subsequent to 31 December 2012, the Group increased its ownership in Zhaopin and will fully consolidate the
  results of Zhaopin from the date of acquisition (refer to note 17 for further details).

### Share of net profits of International associates

	31 Dec 2012	31 Dec 2011	Growth	
	\$'000	\$'000	\$'000	%
Zhaopin	8,615	7,500	1,115	15%
JobStreet	1,392	1,339	53	4%
Brasil Online <sup>(1)</sup>	-	2,578	n/a	n/a
OCC <sup>(1)</sup>	-	388	n/a	n/a
Share of net profits of International associates	10,007	11,805	1,168	10%

<sup>1.</sup> Comparative result included as Brasil Online and OCC were equity accounted to 31 May 2012 and 19 June 2012 respectively.

Profits from SEEK's share of International associates was \$10,007,000 (31 December 2011: \$11,805,000) which reflects the impact of Brasil Online and OCC now being fully consolidated into the Group results.

### Key highlights:

- Zhaopin continues to achieve pleasing results despite subdued conditions with underlying revenue and EBITDA growth of 8%. SEEK's share of Zhaopin profits increased 15% from the prior comparative period to \$8,615,000.
- JobStreet achieved solid financial results with revenue and EBITDA growth of 13% and 15% respectively. SEEK received dividends during the year of \$716,000 (31 Dec 2011: \$720,000).

### **Review of operations** continued

### Analysis of key items below EBITDA

	31 Dec 2012	31 Dec 2011	Movement	
Expenses	\$'000	\$'000	\$'000	%
Net interest expense	10,063	10,400	(337)	(3%)
Depreciation	4,707	4,066	641	16%
Amortisation	7,920	5,728	2,192	38%
Amortisation of share-based payments and other				
long-term incentive schemes	2,955	2,022	933	46%
	25,645	22,216	3,429	15%

### Key highlights:

- Net interest expense of \$10,063,000 is broadly in line with the prior comparative period. Lower interest costs on debt facilities, as a result of lower base rates and margins, have been offset by the write-off of capitalised loan establishment fees on the refinancing of the SEEK Group syndicated facility during the period (refer to note 7 for details).
- The higher costs of depreciation, amortisation and amortisation of share-based payments and other long-term incentive schemes are due largely to the impact of the consolidation of Brasil Online and OCC into the Group results. These businesses were equity accounted in the prior comparative period.

### Significant changes in the state of affairs

### Laureate Education, Inc. acquisition of a minority stake in Think

On 31 August 2012 Laureate Education, Inc. acquired a 20% interest in Think, based on an implied 100% Enterprise Valuation of \$75,000,000. As part of this transaction SEEK and Laureate have entered into shareholder arrangements which include Laureate having voting rights and representation on the Think Board in proportion to its equity stake. The Shareholder Agreements provide Laureate with minority shareholder protections in regards to corporate governance and agreed processes for potential future equity transactions which under the current agreement cannot be instigated prior to 30 June 2013, unless otherwise agreed by both parties.

### Syndicated debt facility

On 19 September 2012 the Group refinanced its debt facility with an increased limit of approximately A\$450,000,000 (comprising A\$350,000,000 and US\$100,000,000). As per the previous loan facility, the structure is a revolving, unsecured syndicated senior debt facility. Overall margins and debt covenants remain broadly consistent with the previous facility. For further details refer to note 7.

### Changes to composition of the SEEK Board

On 29 October 2012, Bob Watson announced his intention to resign from the SEEK Board at the conclusion of the Annual General Meeting on 29 November 2012, after 13 years with SEEK. Neil Chatfield succeeded Bob as Chairman of the Board from this date.

Graham Goldsmith was appointed to the Board of Directors on 29 October 2012. With Neil's appointment as Chairman of the Board, Graham succeeded Neil as Chairman of the Audit and Risk Management Committee from 29 November 2012.

### Change in key management personnel

Helen Souness resigned as SEEK Marketing Director, effective 1 November 2012.

### SEEK Asia acquisition of remaining stake in JobsDB

On 20 December 2012 the vendor of JobsDB exercised its right to sell the remaining 20% of the business to SEEK Asia. The final value, under the terms of the original shareholders' agreement, has been determined at HK\$640,000,000. The transaction will be completed by 20 March 2013. For further details refer to note 8.

### Matters subsequent to the end of the half-year

### Acquisition of controlling interest in Zhaopin Limited ('Zhaopin')

On 11 January 2013 the Group announced that it had entered into a share purchase agreement and separate offers to acquire additional interests in Zhaopin, taking the Group's ownership from 55.5% to approximately 79%.

On 19 February 2013, a transaction was completed with SEEK acquiring an additional 18.7% interest in Zhaopin, taking SEEK's ownership to 74.2% for total consideration of US\$118,804,000. This transaction was funded through a combination of entrusted loan facilities established by Zhaopin (totalling US\$68,000,000) and the balance through SEEK's existing cash and debt facilities.

During January 2013, the Group also entered into offers to acquire a further 4% interest in Zhaopin at a cost of US\$14,054,000. This will take the Group's interest in Zhaopin from 74.2% to 78.2%. Cash settlement is expected to occur on 28 February 2013 through SEEK's existing cash and debt facilities.

Related to the above transaction is a separate arrangement whereby SEEK may acquire further additional ownership interests in Zhaopin during the next financial year. If completed, this arrangement would result in SEEK increasing its fully-diluted ownership in Zhaopin by 6.8%. The fair value of the additional cost of this arrangement is included within the preliminary accounting estimates as set out at note 17.

Zhaopin operates a leading online employment marketplace in China and this transaction is a continuation of SEEK's strategy to increase its exposure to leading international online businesses. For further details refer to note 17.

From 19 February 2013, the Group will account for Zhaopin as a controlled entity and recognise the relevant non-controlling interest in the Group's financial statements. Prior to this, the Group accounted for its interest in Zhaopin as an associate under the equity accounting method.

### **Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

### **Rounding of amounts**

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report and interim financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of directors.

Neil Chatfield Chairman

Melbourne 20 February 2013



### **Auditor's Independence Declaration**

As lead auditor for the review of SEEK Limited for the half year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of SEEK Limited and the entities it controlled during the period.

John Yeoman

Partner

PricewaterhouseCoopers

Melbourne 20 February 2013

# SEEK Limited Consolidated Income Statement For the half-year ended 31 December 2012

		31 Dec 2012	31 Dec 2011
	Notes	\$'000	\$'000
Revenue from continuing operations	3	277,903	209,385
Operating expenses			
Direct cost of services		(18,738)	(16,945)
Sales and marketing		(93,212)	(66,668)
Business development		(16,235)	(11,053)
Operations and administration		(53,532)	(34,649)
Finance costs		(14,299)	(12,441)
Total operating expenses		(196,016)	(141,756)
Share of profits of associates and jointly controlled entities accounted			
for using the equity method	6	15,582	15,128
Profit before income tax expense		97,469	82,757
Income tax expense	4	(25,280)	(19,659)
Profit for the half-year		72,189	63,098
Profit is attributable to:			
Owners of SEEK Limited		67,541	60,588
Non-controlling interests		4,648	2,510
		72,189	63,098

### Earnings per share for profit attributable to the ordinary equity holders of the Company:

		Cents	Cents
Basic earnings per share	13	20.0	18.0
Diluted earnings per share	13	19.9	17.9

 $\label{thm:constraint} \textit{The above Consolidated Income Statement should be read in conjunction with the accompanying notes}$ 

### SEEK Limited Consolidated Statement of Comprehensive Income For the half-year ended 31 December 2012

		31 Dec 2012	31 Dec 2011
	Notes	\$'000	\$'000
Profit for the half-year		72,189	63,098
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign controlled operations		(2,986)	9,692
Exchange differences on translation of foreign associates	6	(1,204)	(11,818)
Gains/(losses) on hedge contracts of controlled entities		230	366
Gains/(losses) on hedge contracts of associates (net of tax)		137	222
Tax on items that may be reclassified subsequently to profit or loss		446	(90)
Other comprehensive income for the half-year		(3,377)	(1,628)
Total comprehensive income for the half-year		68,812	61,470
Total comprehensive income for the half-year is attributable to:			
Owners of SEEK Limited		66,374	56,558
Non-controlling interests		2,438	4,912
		68,812	61,470

 $The \ above \ Consolidated \ Statement \ of \ Comprehensive \ Income \ should \ be \ read \ in \ conjunction \ with \ the \ accompanying \ notes$ 

# SEEK Limited Consolidated Balance Sheet For the half-year ended 31 December 2012

			30 Jun 2012
		31 Dec 2012	Restated*
	Notes	\$'000	\$'000
Current assets			
Cash and cash equivalents		96,572	92,703
Trade and other receivables		55,625	70,906
Other financial assets	5	12,136	630
Current tax assets		7,623	2,924
Total current assets		171,956	167,163
Non-current assets			
Investments accounted for using the equity method	6	207,362	196,063
Plant and equipment		21,842	24,744
Intangible assets		972,972	980,436
Deferred tax assets		20,124	23,326
Total non-current assets		1,222,300	1,224,569
Total assets		1,394,256	1,391,732
Current liabilities			
Trade and other payables		42,640	51,551
Unearned income		47,809	61,680
Other financial liabilities	8	80,910	82,487
Current tax liabilities		11,777	19,376
Current provisions	9(a)	9,534	8,326
Total current liabilities		192,670	223,420
Non-current liabilities			
	7	200 277	318,433
Borrowings Deferred tax liabilities	,	298,277 47,222	47,434
	9(b)	21,767	31,312
Non-current provisions Total non-current liabilities	9(0)	367,266	397,179
Total liabilities		559,936	620,599
Net assets		834,320	771,133
Equity			
Contributed equity	10	185,538	186,525
Reserves	11	(20,757)	(63,884)
Retained profits	11	313,665	276,867
Non-controlling interests	11	355,874	371,625
Total equity		834,320	771,133
			_,

<sup>\*</sup> Refer to note 14 for details of restatement on preliminary adjustments to the acquisition accounting for Brasil Online.

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes

### SEEK Limited Consolidated Statement of Changes in Equity For the half-year ended 31 December 2012

						Non-	
	(	Contributed		Retained		controlling	
		equity	Reserves	profits	Total	interests	Total
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2011 Restated*		183,950	(71,208)	198,474	311,216	123,543	434,759
Profit for the half-year		-	-	60,588	60,588	2,510	63,098
Other comprehensive income		-	(4,030)	-	(4,030)	2,402	(1,628)
Total comprehensive income							
for the half-year		-	(4,030)	60,588	56,558	4,912	61,470
Transactions with owners in their							
capacity as owners:							
Contributions of equity, net of							
transaction costs and tax	10	2,575	-	-	2,575	-	2,575
Dividends provided for or paid	12	-	-	(25,277)	(25,277)	(1,882)	(27,159)
Employee share option schemes		-	2,198	-	2,198	-	2,198
Purchase of shares on-market for							
employee share option schemes	5	-	(197)	(363)	(560)	-	(560)
Tax associated with employee			, ,	, ,	, ,		, ,
share option schemes		-	(333)	333	-	-	_
Balance at 31 December 2011		186,525	(73,570)	233,755	346,710	126,573	473,283
					•	·	·
Balance at 1 July 2012		186,525	(63,884)	276,867	399,508	371,625	771,133
Profit for the half-year		-	-	67,541	67,541	4,648	72,189
Other comprehensive income		-	(1,167)	-	(1,167)	(2,210)	(3,377)
Total comprehensive income							
for the half-year		-	(1,167)	67,541	66,374	2,438	68,812
Transactions with owners in their	•						
capacity as owners:							
Dividends provided for or paid	12	-	-	(30,339)	(30,339)	(908)	(31,247)
Employee share option schemes:							
- of parent entity		-	2,061	-	2,061	-	2,061
- of subsidiary		-	530	-	530	(52)	478
Purchase of shares on-market:							
- employee share option schemes	5	-	(653)	(587)	(1,240)	-	(1,240)
- treasury shares	10	(987)	-	-	(987)	-	(987)
Exercise of share options in subsic	liary	-	114	-	114	88	202
Tax associated with employee							
share option schemes		-	(183)	183	-	-	-
Partial disposal of THINK to							
non-controlling interest		-	(3,629)	-	(3,629)	17,461	13,832
Exercise of JobsDB put option		-	46,054	-	46,054	(34,778)	11,276
Balance at 31 December 2012		185,538	(20,757)	313,665	478,446	355,874	834,320

<sup>\*</sup> Restatements were made during the previous financial year on the completion of acquisition accounting for JobsDB. For further details refer to the 30 June 2012 Annual Report.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

### SEEK Limited Consolidated Statement of Cash Flows For the half-year ended 31 December 2012

Cash flows from operating activities         \$'000         \$'000           Receipts from customers (inclusive of goods and services tax)         292,520         222,401           Payments to suppliers and employees (inclusive of goods and services tax)         197,332         (132,025)           Interest received         2,530         1,306           Interest paid         (9,207)         (7,111)           Settlement of civil, labour and legal cases         9(c)         (7,526)         -           Income taxes paid         (29,991)         (19,536)           Net cash inflow from operating activities         50,994         65,035           Cash flows from investing activities         50,994         65,035           Cash flows from investing activities         6(b)         5,716         4,124           Payment for additional interest in jointly controlled entity and subsidiary         6(b)         2,500         (70,260)           Payments for intangible assets         (5,004)         (2,190)         (2,190)           Net cash (outflow) from investing activities         3,518         (73,015)           Cash flows from financing activities         20,000         49,783           Payments for intangible assets         (5,004)         (2,190)           Net cash (outflow) from investing activities <td< th=""><th></th><th></th><th>31 Dec 2012</th><th>31 Dec 2011</th></td<>			31 Dec 2012	31 Dec 2011
Receipts from customers (inclusive of goods and services tax)         292,520 (132,025)           Payments to suppliers and employees (inclusive of goods and services tax)         (197,332) (132,025)           Interest received         2,530 (1,306)           Interest paid         (9,207) (7,111)           Settlement of civil, labour and legal cases         9(c) (7,526) (29,991) (19,536)           Income taxes paid         50,994 (29,991) (19,536)           Net cash inflow from operating activities         50,994 (29,991) (19,536)           Net ash inflow from investing activities         50,994 (29,991) (19,536)           Payment for additional interest in jointly controlled entity and subsidiary of (6b) (2,500) (70,260)         7,716 (2,500) (70,260)           Payments for plant and equipment         (1,730) (4,689)           Payments for intangible assets         (5,004) (2,190)           Net cash (outflow) from investing activities         3,518 (73,015)           Cash flows from financing activities         20,000 (49,783)           Repayment of borrowings         20,000 (49,783)           Repayment of borrowings         20,000 (49,783)           Repayment of borrowings         20,000 (40,000)         (33,600)           Transaction costs on syndicated debt facility         7 (2,434)         -           Proceeds from issues of shares         10 (9,200)         - <td></td> <td>Notes</td> <td>\$'000</td> <td>\$'000</td>		Notes	\$'000	\$'000
Payments to suppliers and employees (inclusive of goods and services tax)         (197,332)         (132,025)           Interest received         2,530         1,306           Interest paid         (9,207)         (7,111)           Settlement of civil, labour and legal cases         9(c)         (7,526)         -           Income taxes paid         (29,991)         (19,536)           Net cash inflow from operating activities         50,994         65,035           Cash flows from investing activities         50,994         65,035           Dividends and distributions received from associates         6(b)         5,716         4,124           Payment for additional interest in jointly controlled entity and subsidiary         6(b)         (2,500)         (70,260)           Payments for plant and equipment         (1,730)         (4,689)         (4,689)         (70,260)           Payments for intangible assets         (5,004)         (2,190)         (2,190)         (2,190)         (4,689)           Payments for intangible assets         (5,004)         (2,190)         (4,689)         (4,000)         (3,8,00)         (3,518)         (73,015)         (2,301)         (4,689)         (4,000)         (3,8,00)         (2,341)         -         (2,434)         -         -         2,575	Cash flows from operating activities			
Interest received   2,530   1,306	Receipts from customers (inclusive of goods and services tax)		292,520	222,401
Interest received	Payments to suppliers and employees (inclusive of goods and services tax)		(197,332)	(132,025)
Page			95,188	90,376
Settlement of civil, labour and legal cases Income taxes paid         9(c) (29,991)         - (29,991)         - (19,536)           Net cash inflow from operating activities         50,994         65,035           Cash flows from investing activities         50,994         65,035           Dividends and distributions received from associates         6(b)         5,716         4,124           Payment for additional interest in jointly controlled entity and subsidiary         6(b)         2,500         (70,260)           Payments for plant and equipment         (1,730)         (4,689)           Payments for intangible assets         (5,004)         (2,190)           Net cash (outflow) from investing activities         20,000         49,783           Proceeds from borrowings         20,000         49,783           Repayment of borrowings         20,000         49,783           Repayment of borrowings         (40,000)         (38,000)           Transaction costs on syndicated debt facility         7         (2,434)         -           Proceeds from issues of shares for employee share options plans         10         -         2,575           Proceeds received on exercise of employee share options in subsidiary         202         -         -           Proceeds received on exercise of the parent         12         (30,	Interest received		2,530	1,306
Income taxes paid         (29,991)         (19,536)           Net cash inflow from operating activities         50,994         65,035           Cash flows from investing activities         Secondary         Control of some investing activities           Dividends and distributions received from associates         6(b)         5,716         4,124           Payment for additional interest in jointly controlled entity and subsidiary         6(b)         (2,500)         (70,260)           Payments for plant and equipment         (1,730)         (4,689)         (2,900)         (2,190)           Payments for intangible assets         (5,004)         (2,190)         (2,190)         (2,190)           Net cash (outflow) from investing activities         3,518         (73,015)         (73,015)         (73,015)           Cash flows from financing activities         20,000         49,783         (49,000)         (38,000)           Transaction costs on syndicated debt facility         7         (2,434)         -         -           Purchase of shares for employee share options plans         (1,240)         (560)           Proceeds from issues of shares         10         -         2,575           Proceeds received on exercise of employee share options in subsidiary         202         -           On-market purchase of treasur	Interest paid		(9,207)	(7,111)
Net cash inflow from operating activities50,99465,035Cash flows from investing activities50,09565,0164,124Dividends and distributions received from associates6(b)5,7164,124Payment for additional interest in jointly controlled entity and subsidiary6(b)(2,500)(70,260)Payments for plant and equipment(1,730)(4,689)Payments for intangible assets(5,004)(2,190)Net cash (outflow) from investing activities(3,518)(73,015)Cash flows from financing activities20,00049,783Repayment of borrowings20,00049,783Repayment of borrowings(40,000)(38,000)Transaction costs on syndicated debt facility7(2,434)-Purchase of shares for employee share options plans(1,240)(560)Proceeds from issues of shares10-2,575Proceeds received on exercise of employee share options in subsidiary202-On-market purchase of treasury shares10(987)-Dividends paid to members of the parent12(30,339)(25,277)Dividends paid to members of the parent12(30,339)(25,277)Dividends paid to mon-controlling interests(2,066)(1,882)Proceeds from sale of ownership interest in subsidiary1613,832-Contributions from non-controlling interests-16,980Net cash (outflow)/inflow from financing activities(43,032)3,619Net increase in cash and cash equi	Settlement of civil, labour and legal cases	9(c)	(7,526)	-
Cash flows from investing activitiesDividends and distributions received from associates6(b)5,7164,124Payment for additional interest in jointly controlled entity and subsidiary6(b)(2,500)(70,260)Payments for plant and equipment(1,730)(4,689)Payments for intangible assets(5,004)(2,190)Net cash (outflow) from investing activities(3,518)(73,015)Cash flows from financing activities20,00049,783Repayment of borrowings(40,000)(38,000)Transaction costs on syndicated debt facility7(2,434)-Purchase of shares for employee share options plans(1,240)(560)Proceeds from issues of shares10-2,575Proceeds received on exercise of employee share options in subsidiary202-On-market purchase of treasury shares10(987)-Dividends paid to members of the parent12(30,339)(25,277)Dividends paid to mon-controlling interests(2,066)(1,882)Proceeds from sale of ownership interest in subsidiary1613,832-Contributions from non-controlling interests-16,980Net cash (outflow)/inflow from financing activities(43,032)3,619Net increase in cash and cash equivalents4,444(4,361)Cash and cash equivalents at the beginning of the half-year92,70398,291Effect of exchange rate changes on cash and cash equivalents(575)(1,819)	Income taxes paid			(19,536)
Dividends and distributions received from associates Payment for additional interest in jointly controlled entity and subsidiary Payments for plant and equipment Payments for intangible assets Perceash (outflow) from investing activities Proceeds from borrowings Purchase of shares for employee share options plans Proceeds from issues of shares Proceeds from exercise of employee share options in subsidiary Proceeds received on exercise of the parent Dividends paid to members of the parent Dividends paid to mon-controlling interests Proceeds from sale of ownership interests in subsidiary Proceeds from sale of ownership interests Proceeds from non-controlling interests Proceeds from non-controlling interests Proceeds from sale of equivalents at the beginning of the half-year Effect of exchange rate changes on cash and cash equivalents  6(b) (2,500) (2,500) (1,730) (4,689) (1,730) (5,004) (2,190) (3,518) (73,015) (3,518) (73,015) (3,518) (73,015) (3,000) (49,783 (40,000) (38,000) (40,000) (40,000) (38,000) (40,000) (40,000) (38,000) (40,000) (4	Net cash inflow from operating activities		50,994	65,035
Payment for additional interest in jointly controlled entity and subsidiary6(b)(2,500)(70,260)Payments for plant and equipment(1,730)(4,689)Payments for intangible assets(5,004)(2,190)Net cash (outflow) from investing activities(3,518)(73,015)Cash flows from financing activities20,00049,783Proceeds from borrowings20,00049,783Repayment of borrowings(40,000)(38,000)Transaction costs on syndicated debt facility7(2,434)-Purchase of shares for employee share options plans(1,240)(560)Proceeds from issues of shares10-2,575Proceeds received on exercise of employee share options in subsidiary202-On-market purchase of treasury shares10(987)-Dividends paid to members of the parent12(30,339)(25,277)Dividends paid to mon-controlling interests(2,066)(1,882)Proceeds from sale of ownership interest in subsidiary1613,832-Contributions from non-controlling interests-16,980Net cash (outflow)/inflow from financing activities(43,032)3,619Net increase in cash and cash equivalents4,444(4,361)Cash and cash equivalents at the beginning of the half-year92,70398,291Effect of exchange rate changes on cash and cash equivalents(575)(1,819)	Cash flows from investing activities			
Payments for plant and equipment(1,730)(4,689)Payments for intangible assets(5,004)(2,190)Net cash (outflow) from investing activities(3,518)(73,015)Cash flows from financing activities3,518)(73,015)Proceeds from borrowings20,00049,783Repayment of borrowings(40,000)(38,000)Transaction costs on syndicated debt facility7(2,434)-Purchase of shares for employee share options plans(1,240)(560)Proceeds from issues of shares10-2,575Proceeds received on exercise of employee share options in subsidiary202-On-market purchase of treasury shares10(987)-Dividends paid to members of the parent12(30,339)(25,277)Dividends paid to non-controlling interests(2,066)(1,882)Proceeds from sale of ownership interest in subsidiary1613,832-Contributions from non-controlling interests-16,980Net cash (outflow)/inflow from financing activities(43,032)3,619Net increase in cash and cash equivalents4,444(4,361)Cash and cash equivalents at the beginning of the half-year92,70398,291Effect of exchange rate changes on cash and cash equivalents(575)(1,819)	Dividends and distributions received from associates	6(b)	5,716	4,124
Payments for intangible assets(5,004)(2,190)Net cash (outflow) from investing activities(3,518)(73,015)Cash flows from financing activities20,00049,783Proceeds from borrowings20,00049,783Repayment of borrowings(40,000)(38,000)Transaction costs on syndicated debt facility7(2,434)-Purchase of shares for employee share options plans(1,240)(560)Proceeds from issues of shares10-2,575Proceeds received on exercise of employee share options in subsidiary202-On-market purchase of treasury shares10(987)-Dividends paid to members of the parent12(30,339)(25,277)Dividends paid to non-controlling interests(2,066)(1,882)Proceeds from sale of ownership interest in subsidiary1613,832-Contributions from non-controlling interests-16,980Net cash (outflow)/inflow from financing activities(43,032)3,619Net increase in cash and cash equivalents4,444(4,361)Cash and cash equivalents at the beginning of the half-year92,70398,291Effect of exchange rate changes on cash and cash equivalents(575)(1,819)	Payment for additional interest in jointly controlled entity and subsidiary	6(b)	(2,500)	(70,260)
Net cash (outflow) from investing activities(3,518)(73,015)Cash flows from financing activities(40,000)49,783Proceeds from borrowings20,00049,783Repayment of borrowings(40,000)(38,000)Transaction costs on syndicated debt facility7(2,434)-Purchase of shares for employee share options plans(1,240)(560)Proceeds from issues of shares10-2,575Proceeds received on exercise of employee share options in subsidiary202-On-market purchase of treasury shares10(987)-Dividends paid to members of the parent12(30,339)(25,277)Dividends paid to members of the parent12(30,339)(25,277)Dividends paid to non-controlling interests(2,066)(1,882)Proceeds from sale of ownership interest in subsidiary1613,832-Contributions from non-controlling interests-16,980Net cash (outflow)/inflow from financing activities(43,032)3,619Net increase in cash and cash equivalents4,444(4,361)Cash and cash equivalents at the beginning of the half-year92,70398,291Effect of exchange rate changes on cash and cash equivalents(575)(1,819)	Payments for plant and equipment		(1,730)	(4,689)
Cash flows from financing activitiesProceeds from borrowings20,00049,783Repayment of borrowings(40,000)(38,000)Transaction costs on syndicated debt facility7(2,434)-Purchase of shares for employee share options plans(1,240)(560)Proceeds from issues of shares10-2,575Proceeds received on exercise of employee share options in subsidiary202-On-market purchase of treasury shares10(987)-Dividends paid to members of the parent12(30,339)(25,277)Dividends paid to non-controlling interests(2,066)(1,882)Proceeds from sale of ownership interest in subsidiary1613,832-Contributions from non-controlling interests-16,980Net cash (outflow)/inflow from financing activities(43,032)3,619Net increase in cash and cash equivalents4,444(4,361)Cash and cash equivalents at the beginning of the half-year92,70398,291Effect of exchange rate changes on cash and cash equivalents(575)(1,819)	Payments for intangible assets		(5,004)	(2,190)
Proceeds from borrowings Repayment of borrowings Transaction costs on syndicated debt facility To (2,434) The cost on is subsidiary Transaction costs on syndicated debt facility Transaction costs on syndicated debt facility To (1,240) The cost on is subsidiary The cost on employee share options plans The purchase of the parent of the parent options in subsidiary The cost on employee share options in subsidiary The cost of exchange of treasury shares The cost on employee share options in subsidiary The cost of exchange of treasury shares The cost on employee share options in subsidiary The cost of exchange of treasury shares The cost on employee share options in subsidiary The cost of exchange of employee share options in subsidiary The cost of exchange of employee share options in subsidiary The cost of exchange of employee share options in subsidiary The cost of exchange of employee share options in subsidiary The cost of exchange of employee share options in subsidiary The cost of exchange of employee share options in subsidiary The cost of exchange of employee share options in subsidiary The cost of exchange of employee share options in subsi	Net cash (outflow) from investing activities		(3,518)	(73,015)
Repayment of borrowings (40,000) (38,000)  Transaction costs on syndicated debt facility 7 (2,434) - Purchase of shares for employee share options plans (1,240) (560)  Proceeds from issues of shares 10 - 2,575  Proceeds received on exercise of employee share options in subsidiary 202 - On-market purchase of treasury shares 10 (987) - Dividends paid to members of the parent 12 (30,339) (25,277)  Dividends paid to non-controlling interests (2,066) (1,882)  Proceeds from sale of ownership interest in subsidiary 16 13,832 - Contributions from non-controlling interests - 16,980  Net cash (outflow)/inflow from financing activities (43,032) 3,619  Net increase in cash and cash equivalents 10 (43,361)  Cash and cash equivalents at the beginning of the half-year 92,703 98,291  Effect of exchange rate changes on cash and cash equivalents (575) (1,819)	Cash flows from financing activities			
Transaction costs on syndicated debt facility Purchase of shares for employee share options plans (1,240) (560) Proceeds from issues of shares 10 - 2,575 Proceeds received on exercise of employee share options in subsidiary On-market purchase of treasury shares 10 (987) - Dividends paid to members of the parent 12 (30,339) (25,277) Dividends paid to non-controlling interests (2,066) (1,882) Proceeds from sale of ownership interest in subsidiary 16 13,832 - Contributions from non-controlling interests - 16,980  Net cash (outflow)/inflow from financing activities  Net increase in cash and cash equivalents Cash and cash equivalents at the beginning of the half-year Effect of exchange rate changes on cash and cash equivalents (575) (1,819)	Proceeds from borrowings		20,000	49,783
Purchase of shares for employee share options plans Proceeds from issues of shares Proceeds received on exercise of employee share options in subsidiary Proceeds received on exercise of employee share options in subsidiary Proceeds received on exercise of employee share options in subsidiary Proceeds received on exercise of employee share options in subsidiary Proceeds paid to members of the parent Proceeds paid to members of the parent Proceeds from sale of ownership interests Proceeds from sale of ownership interest in subsidiary Proceeds from non-controlling interests Proceeds from non-controlling interests Proceeds from non-controlling interests Proceeds from non-controlling interests Proceeds from sale of ownership interest in subsidiary Proceeds from sale of ownership interests Proceeds f	Repayment of borrowings		(40,000)	(38,000)
Proceeds from issues of shares 10 - 2,575 Proceeds received on exercise of employee share options in subsidiary 202 - On-market purchase of treasury shares 10 (987) - Dividends paid to members of the parent 12 (30,339) (25,277) Dividends paid to non-controlling interests (2,066) (1,882) Proceeds from sale of ownership interest in subsidiary 16 13,832 - Contributions from non-controlling interests - 16,980 Net cash (outflow)/inflow from financing activities (43,032) 3,619  Net increase in cash and cash equivalents 4,444 (4,361) Cash and cash equivalents at the beginning of the half-year 92,703 98,291 Effect of exchange rate changes on cash and cash equivalents (575) (1,819)	Transaction costs on syndicated debt facility	7	(2,434)	-
Proceeds received on exercise of employee share options in subsidiary On-market purchase of treasury shares 10 (987) Dividends paid to members of the parent 12 (30,339) (25,277) Dividends paid to non-controlling interests (2,066) (1,882) Proceeds from sale of ownership interest in subsidiary 16 13,832 Contributions from non-controlling interests - 16,980 Net cash (outflow)/inflow from financing activities (43,032) 3,619  Net increase in cash and cash equivalents Cash and cash equivalents at the beginning of the half-year Effect of exchange rate changes on cash and cash equivalents (575) (1,819)	Purchase of shares for employee share options plans		(1,240)	(560)
On-market purchase of treasury shares 10 (987) - Dividends paid to members of the parent 12 (30,339) (25,277) Dividends paid to non-controlling interests (2,066) (1,882) Proceeds from sale of ownership interest in subsidiary 16 13,832 - Contributions from non-controlling interests - 16,980 Net cash (outflow)/inflow from financing activities (43,032) 3,619  Net increase in cash and cash equivalents 4,444 (4,361) Cash and cash equivalents at the beginning of the half-year 92,703 98,291 Effect of exchange rate changes on cash and cash equivalents (575) (1,819)	Proceeds from issues of shares	10	-	2,575
Dividends paid to members of the parent  Dividends paid to non-controlling interests  Proceeds from sale of ownership interest in subsidiary  Contributions from non-controlling interests  Net cash (outflow)/inflow from financing activities  Net increase in cash and cash equivalents  Cash and cash equivalents at the beginning of the half-year  Effect of exchange rate changes on cash and cash equivalents  12  (30,339)  (25,277)  (1,882)  (1,882)  16  13,832  -  16,980  (43,032)  3,619  (43,032)  98,291  Effect of exchange rate changes on cash and cash equivalents  (4,361)  (575)  (1,819)	Proceeds received on exercise of employee share options in subsidiary		202	-
Dividends paid to non-controlling interests  Proceeds from sale of ownership interest in subsidiary  Contributions from non-controlling interests  Net cash (outflow)/inflow from financing activities  Net increase in cash and cash equivalents  Cash and cash equivalents at the beginning of the half-year  Effect of exchange rate changes on cash and cash equivalents  (2,066)  (1,882)  16  13,832  - 16,980  (43,032)  3,619  4,444  (4,361)  28,291  Effect of exchange rate changes on cash and cash equivalents  (575)  (1,819)	On-market purchase of treasury shares	10	. ,	-
Proceeds from sale of ownership interest in subsidiary  Contributions from non-controlling interests  - 16,980  Net cash (outflow)/inflow from financing activities  (43,032)  Net increase in cash and cash equivalents  Cash and cash equivalents at the beginning of the half-year  Effect of exchange rate changes on cash and cash equivalents  (575)  16,980  4,444  (4,361)  98,291	Dividends paid to members of the parent	12	(30,339)	(25,277)
Contributions from non-controlling interests-16,980Net cash (outflow)/inflow from financing activities(43,032)3,619Net increase in cash and cash equivalents4,444(4,361)Cash and cash equivalents at the beginning of the half-year92,70398,291Effect of exchange rate changes on cash and cash equivalents(575)(1,819)	Dividends paid to non-controlling interests		(2,066)	(1,882)
Net cash (outflow)/inflow from financing activities(43,032)3,619Net increase in cash and cash equivalents4,444(4,361)Cash and cash equivalents at the beginning of the half-year92,70398,291Effect of exchange rate changes on cash and cash equivalents(575)(1,819)	Proceeds from sale of ownership interest in subsidiary	16	13,832	-
Net increase in cash and cash equivalents  Cash and cash equivalents at the beginning of the half-year  Effect of exchange rate changes on cash and cash equivalents  4,444 (4,361) 98,291 (1,819)			-	
Cash and cash equivalents at the beginning of the half-year 92,703 98,291  Effect of exchange rate changes on cash and cash equivalents (575) (1,819)	Net cash (outflow)/inflow from financing activities		(43,032)	3,619
Cash and cash equivalents at the beginning of the half-year 92,703 98,291 Effect of exchange rate changes on cash and cash equivalents (575) (1,819)	Net increase in cash and cash equivalents		4,444	(4,361)
Effect of exchange rate changes on cash and cash equivalents (575) (1,819)	Cash and cash equivalents at the beginning of the half-year		92,703	
			(575)	(1,819)
			96,572	92,111

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

### 1. Summary of significant accounting policies

### (a) Basis of preparation of interim financial report

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2012 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.* SEEK Limited is a 'for profit' entity for the purpose of preparing the interim financial statements.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by SEEK Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

At 31 December 2012 the Group's current liabilities exceed its current assets by \$20,714,000. This financial report has been prepared on a going concern basis as this deficiency is due to the \$79,616,000 payment due to vendor on acquisition under which the Group's controlled entity, SEEK Asia Limited, is committed to purchase the remaining 20% of JobsDB. A substantial proportion of SEEK's share of the JobsDB obligation will be funded through long-term debt, and accordingly once payment for the put option occurs in March 2013, current assets are expected to exceed current liabilities. The Group has sufficient committed facilities in place to support the capital requirements of the business. For further details please refer to note 7 (Borrowings) and note 15 (Net tangible asset backing).

### (b) Critical accounting estimates

The preparation of this interim financial report requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to this interim financial report, are disclosed in the annual report for the year ended 30 June 2012.

### (c) Accounting standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period. The Group has assessed the impact of these new standards and interpretations, and does not expect that initial application will affect any of the amounts recognised in the financial report, but may change the disclosures presently made in relation to the Group. For further details refer to the June 2012 Annual Report.

### 2. Segment information

### (a) Description of segments

Management have determined the operating segments based on the reports reviewed and relied upon by the CEO (the chief operating decision maker (CODM)).

The Group operates in three core industries: online employment classified advertising (Employment); the provision and execution of training courses (Education); and investments in overseas online employment marketplaces (International).

- The Employment business is considered as one reporting segment which provides online employment classified advertising services through the SEEK website. It sells these services in Australia, New Zealand and the United Kingdom, which have similar business characteristics and are managed as one business.
- The Education business comprises two segments: SEEK Learning and Think.
  - The SEEK Learning business markets, sells and distributes (predominantly through online channels) vocational training and education training courses in Australia. These courses are developed and delivered by outside providers (including Think). It also includes the results of the Group's investment in IDP and Swinburne Online.
  - Think is a provider of vocational training and higher education courses, including classroom-based and distance learning courses and operates solely in Australia.
- The International business now comprises three operating segments being controlling interests in JobsDB, Brasil Online and OCC as well as 'International other', which comprises other operating costs associated with managing the international businesses, as well as interests in International associates JobStreet and Zhaopin (previously disclosed as one business). As a result of the increased investments in Brasil Online and OCC during the prior year and the acquisition of JobsDB during 2011, these entities now represent significant individual businesses within the Group. SEEK has a presence in China, Asia, Brazil and Mexico.

Segment EBITDA is the measure utilised by the CODM to measure the businesses' profitability. Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of net profits from associates and jointly controlled entities accounted for using the equity method, fair value gains/losses on acquisition, impairment losses, amortisation of share-based payments and long-term incentives and other non-operating gains/losses. Interest income and expenditure are not allocated to segments, as this type of activity is driven and managed centrally by the Group.

Segment revenue, expenses and assets are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, other financial assets, plant and equipment and goodwill and other intangible assets, net of related provisions. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates and usage.

Segment revenues, expenses and results include transfers between segments. Such transfers are prices on an "arm's length" basis and are eliminated on consolidation.

The amounts provided to the CODM with respect to total assets and total liabilities are measured in a manner consistent with that of the interim financial report. Assets and liabilities are allocated based on the operations of the segment.

### 2. Segment information continued

### Segment information provided to the CODM

				Educ	ation			Ir	nternational			
Half year ended 31 December 2012		Employment	SEEK Learning	Think	Eliminations	Total	JobsDB	Brasil Online	OCC	Int'l Other	Total	Consolidated
N	lotes	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue												
Segment revenue from external customers		120,899	24,014	48,370	-	72,384	24,403	51,252	6,333	-	81,988	275,271
Inter-segment revenue		-	1,811	-	(1,811)	-	-	-	-	-	-	-
Total segment revenue	3	120,899	25,825	48,370	(1,811)	72,384	24,403	51,252	6,333	-	81,988	275,271
Interest income	3											2,632
Consolidated revenue	3	120,899	25,825	48,370	(1,811)	72,384	24,403	51,252	6,333	-	81,988	277,903
Segment EBITDA		75,344	8,980	5,244	(608)	13,616	7,827	12,283	1,154	(2,692)	18,572	107,532
Depreciation		(1,021)	(612)	(1,769)	-	(2,381)	(523)	(531)	(251)	-	(1,305)	(4,707)
Amortisation		(1,661)	(163)	(1,332)	-	(1,495)	(2,696)	(1,370)	(698)	-	(4,764)	(7,920)
Share of profits from associates and jointly												
controlled entities accounted for using												
the equity method	6	-	5,575	-	-	5,575	-	-	-	10,007	10,007	15,582
Segment result		72,662	13,780	2,143	(608)	15,315	4,608	10,382	205	7,315	22,510	110,487
Amortisation of share-based payments and												
other long-term incentive schemes												(2,955)
Interest income	3											2,632
Interest expense												(12,695)
Profit before tax												97,469
Income tax expense	4											(25,280)
Profit for the year												72,189
Non-controlling interests												(4,648)
Profit for the year attributable to the												
owners of SEEK Limited												67,541

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### 2. Segment information continued

### (b) Segment information provided to the CODM continued

			Educ	ation			Ir	iternational			
Half year ended 31 December 2011 Restated*	Employment	SEEK Learning	Think	Eliminations	Total	JobsDB	Brasil Online	occ	Int'l Other	Total	Consolidated
Notes	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue											
Segment revenue from external customers	122,814	19,506	40,378	-	59,884	25,381	-	-	-	25,381	208,079
Inter-segment revenue	-	1,476	-	(1,476)	-	-	-	-	-	-	-
Total segment revenue	122,814	20,982	40,378	(1,476)	59,884	25,381	-	-	-	25,381	208,079
Interest income											1,306
Consolidated revenue											209,385
Segment EBITDA	75,202	5,156	300	-	5,456	10,239	-	-	(1,052)	9,187	89,845
Depreciation	(931)	(500)	(2,127)	-	(2,627)	(508)	-	-	-	(508)	(4,066)
Amortisation	(1,293)	(149)	(1,533)	-	(1,682)	(2,753)	-	-	-	(2,753)	(5,728)
Share of profits from associates and jointly											
controlled entities accounted for using											
the equity method	-	3,323	-	-	3,323	-	2,578	388	8,839	11,805	15,128
Segment result	72,978	7,830	(3,360)	-	4,470	6,978	2,578	388	7,787	17,731	95,179
Amortisation of share-based payments and											
other long-term incentive schemes											(2,022)
Interest income											1,306
Interest expense											(11,706)
Profit before tax											82,757
Income tax expense											(19,659)
Profit for the year											63,098
Non-controlling interests											(2,510)
Profit for the year attributable to the											
owners of SEEK Limited											60,588

<sup>\*</sup> As discussed in note 2(a), the International segment has been restated to reflect the acquisitions made in the second half of the financial year ended 30 June 2012.

### 2. Segment information continued

### (c) Total segment assets

		Education				International				Unallocated	
	Employment	SEEK Learning	Think	Total	JobsDB	Brasil Online	occ	Int'l Other	Total	Restated*	Consolidated
Notes	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
31 December 2012	71,803	98,559	103,073	201,632	372,402	416,507	165,914	145,874	1,100,697	20,124	1,394,256
30 June 2012 Restated*	68,358	92,794	114,371	207,165	381,896	418,979	163,816	126,903	1,091,594	24,615	1,391,732

<sup>\*</sup> As discussed in note 2(a), the International segment has been restated to reflect the acquisitions made in the second half of the financial year ended 30 June 2012.

### **Notes to the Financial Statements**

### For the half-year ended 31 December 2012

### 3. Revenue

31 Dec 2012	31 Dec 2011
\$'000	\$'000
120,899	122,814
81,988	25,381
22,429	17,662
49,955	42,222
275,271	208,079
2,632	1,306
277,903	209,385
	\$'000 120,899 81,988 22,429 49,955 275,271

Increase in revenue for the half-year includes the impact of consolidating Brasil Online and OCC for the full six month period. Refer to note 14 for further details.

### 4. Income Tax

Numerical reconciliation of income tax expense to prima facie tax payable:	31 Dec 2012	31 Dec 2011
	\$'000	\$'000
Profit from ordinary activities before income tax expense	97,469	82,757
Income tax calculated @ 30% (2011: 30%)	29,240	24,827
Tax effect of amounts that are not deductible/(taxable) in calculating income tax:		
Research and development claim	(120)	(225)
Tax effect on share of net profits of associates and jointly controlled entities	(4,675)	(4,539)
Non-deductible expenses:		
Legal fees and acquisition costs	30	214
Share-based payments	100	335
Non-deductible interest	75	-
Other non-deductible/non-assessable items	503	461
	25,153	21,074
Income tax adjusted for permanent differences:		
Effect of different rates of tax on overseas income	187	(868)
Effect of changes in tax rates	-	9
(Over) provision in previous years	(60)	(557)
Income tax expense attributable to profit from ordinary activities	25,280	19,659

### 5. Other financial assets

	31 Dec 2012	30 Jun 2012
	\$'000	\$'000
Amounts due from co-investors (i)	11,276	-
Cross currency and interest rate swap contracts	860	630
Total other financial assets	12,136	630

### (i) Amounts due from co-investors

On 20 December 2012 the vendor of JobsDB exercised its right to sell the remaining 20% of the business to SEEK Asia. The total amount payable by SEEK Asia has been recognised as a current liability in SEEK's Consolidated Balance Sheet. The amount due from co-investors of \$11,276,000 represents the current best estimate of cash consideration payable by the minority shareholders of SEEK Asia for their share of the liability, to be settled in March 2013. For further details on the JobsDB transaction refer to note 8.

### **Notes to the Financial Statements**

### For the half-year ended 31 December 2012

### 6. Investments accounted for using the equity method

### (a) Details of associates and jointly controlled entities

		Owne intere			
	<b>Country of</b>	Dec	Jun		
Associate <sup>(1)</sup>	Incorporation	2012	2012	Year end	Principal activities
IDP Education Pty Ltd ("IDP")	Australia	50.0	50.0	30 June	Provides services for international students wishing to study in Australian educational institutions and also provides International English Language Testing (IELTS)
Zhaopin Limited ("Zhaopin")	The Cayman Islands	55.5	56.1	31 December	Provides both online and print employment classified advertising services in China
JobStreet Corporation Berhad ("JobStreet")	Malaysia	22.2	22.0	31 December	Provider of online employment websites in Asia (listed in Malaysia)
Jointly controlled entity Online Education Services Pty Ltd ("Swinburne Online")	Australia	50.0	50.0	30 June	A joint venture entity between SEEK and Swinburne University of Technology to deliver online learning to students

Brasil Online and OCC were equity accounted in the half-year to 31 December 2011, but have been fully consolidated since 31 May 2012 and 19 June 2012 respectively.

### (b) Investments in associates and jointly controlled entities

	IDP	Zhaopin	JobStreet <sup>(2)</sup>	Swinburne	Total
Notes	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount as at 1 July 2012	73,602	77,236	44,799	426	196,063
Investments during the year, at cost (i)	-	-	-	2,500	2,500
Dividends and distributions received					
or declared during the half-year	(5,000)	-	(716)	-	(5,716)
Share of profits after income tax	5,808	8,615	1,392	(233)	15,582
Movement in reserves:					
Foreign currency translation reserve	25	(1,532)	303	-	(1,204)
Cash flow hedge reserve	137	-	-	-	137
Carrying amount at 31 December 2012	74,572	84,319	45,778	2,693	207,362

JobStreet is listed in Malaysia and releases its results quarterly. SEEK developed an internal estimate of share of profits for JobStreet, using
publicly available information, and did not receive any input or guidance from JobStreet in its development. As JobStreet is due to release
its December quarter results on 19 February 2013, the JobStreet result for the half-year represented in the SEEK interim financial report
comprises results for the September 2012 quarter, and SEEK's internal estimate for the December 2012 quarter.

### (i) Additional investment in Swinburne Online

On 1 July 2012, SEEK and Swinburne University each contributed an additional \$2,500,000 to Swinburne Online, as detailed in the joint venture agreement. SEEK have recognised this transaction as an additional investment in Swinburne Online.

### **Notes to the Financial Statements**

### For the half-year ended 31 December 2012

### 6. Investments accounted for using the equity method continued

### (c) Contingent liabilities of associates

The Group's share of contingent liabilities in associates are as follows:

### **JobStreet**

In 2008, JobStreet provided a corporate guarantee for SGD5.5 million to a financial institution for a treasury/ foreign exchange facility granted to the company's wholly-owned subsidiary, JobStreet.com Pte. Ltd. SEEK's share of this guarantee is \$960,000.

### 7. Borrowings

	31 Dec 2012	30 Jun 2012
	\$'000	\$'000
Bank borrowings - principal	300,487	320,487
Less: transaction costs capitalised	(2,210)	(2,054)
Total non-current borrowings	298,277	318,433

### Syndicated facility (unsecured)

On 19 September 2012 the Group re-financed its debt facility and the pre-existing \$340,000,000 facility was extinguished. A new syndicated facility was established with an increased limit of approximately A\$450,000,000. As per the previous facility, the structure is a revolving, unsecured, syndicated senior debt facility. Key features of the facility include:

- Tranche A: A\$225,000,000 (3 year tenor)
- Tranche B & C: A\$125,000,000 & U\$\$100,000,000 (4 year tenor)
- Overall margins and debt covenants remain broadly consistent with the previous facility.

The new facility is provided by a syndicate comprising the National Australia Bank, Westpac Banking Corporation, ANZ, Commonwealth Bank and HSBC.

Unamortised transaction costs associated with the previous facility of \$1,712,000 were charged to "finance costs" in the Consolidated Income Statement.

As at 31 December 2012, \$300,487,000 principal had been drawn down against the new facility. Transaction costs of \$2,434,000 were incurred to establish the facility and have been capitalised on the Consolidated Balance Sheet, of which \$2,210,000 has not yet been amortised through the Consolidated Income Statement.

### Matters subsequent to the half-year

- At the date of this report the syndicated loan balance is equivalent to A\$367,000,000.
- During February 2013 Zhaopin entered into and drew down on entrusted loan facilities totalling U\$\$68,000,000. For further details refer to note 17.

### 8. Other financial liabilities

	31 Dec 2012	30 Jun 2012
	\$'000	\$'000
Put option (i)	-	81,216
Payment due to vendor on acquisition (i)	79,616	-
Deferred consideration (iii)	1,294	1,271
Total other financial liabilities	80,910	82,487

### (i) Put option/payment due to vendor on acquisition

On 20 December 2012 the vendor of JobsDB exercised its right to sell the remaining 20% of the business to SEEK Asia Limited ('SEEK Asia'). The final value, under the terms of the original shareholders' agreement, has been determined at HK\$640,000,000. The transaction will be completed by 20 March 2013. Accordingly, the 'put option' liability at 30 June 2012 has now been disclosed as a 'payment due to vendor on acquisition', translated at 31 December 2012 exchange rates.

SEEK's maximum obligation, in line with its 68.96% ownership stake, is HK\$441,000,000 (approximately A\$55,000,000), for which SEEK has adequate headroom in its existing syndicated facilities (recently increased to approximately A\$450,000,000, refer to note 7). The co-investors in SEEK Asia have contractually agreed to fund their share of the purchase price, being HK\$199,000,000 (approximately A\$25,000,000). SEEK Asia intends to establish its own debt facilities which are expected to fund part of the total payment obligation, in which case the contribution by each investor (including SEEK) will be reduced proportionately. A financial asset of \$11,276,000 has been recognised which represents the current best estimate of the cash equity contributions by the co-investors (refer to note 5).

### (iii) Deferred consideration

This balance represents amounts which are required to be paid to the vendor of JobsDB at a future date to be agreed with the vendor and are translated at 31 December 2012 exchange rates.

### **Notes to the Financial Statements**

### For the half-year ended 31 December 2012

### 9. Provisions

### (a) Current provisions

		30 Jun 2012
	31 Dec 2012	Restated*
	\$'000	\$'000
Employee benefits provision	8,432	7,493
Lease incentives	1,102	833
Total current provisions	9,534	8,326

Employee benefits provision at 30 June 2012 has been restated to reallocate the provision for annual leave to 'current provisions' which had previously been included within 'trade and other payables'

### (b) Non-current provisions

	31 Dec 2012	30 Jun 2012
Notes	\$'000	\$'000
Employee benefits provision	1,160	1,748
Lease incentives	2,737	2,660
Make-good provisions	2,639	2,572
Other provisions 9(c)	15,231	24,332
Total non-current provisions	21,767	31,312

### (c) Other provisions

Other provisions relate to a number of outstanding legal, tax and social security provisions in Brasil Online and its subsidiaries, most of which were acquired on acquisition. All of these cases may take a number of years to come to conclusion and the difference between the settlement amounts and the amount provided for may be material. Further information on these provisions is detailed in the June 2012 financial statements, and an update on the movement in provisions is provided below.

The decrease in other provisions during the period is mainly due to a subsidiary of Brasil Online, Catho Online Ltda settling its lawsuit with Curriculum Technologia Ltda ('Curriculum') and other legal cases. These settlements were fully provided for in the acquired balance sheet and resulted in a cash outflow of \$7,526,000 (translated at prevailing exchange rates on the settlement dates). The Curriculum settlement has also resulted in a reduction in unrecognised contingent liabilities of \$53,828,000, as detailed below at (d).

### (d) Unrecognised contingent liabilities

The Group has \$3,098,000 of unrecognised contingent liabilities at 31 December 2012 (30 June 2012: \$70,460,000). which relate mainly to a number of tax, labour and social security cases in Brasil Online and its subsidiaries.

Unrecognised contingent liabilities represent the possible (but not probable) cash outflow in excess of any provision. They do not represent management's expectation of likely outflow and are not recognised on the balance sheet. They are disclosed unless the possibility of outflow is remote.

The decrease of \$67,362,000 is mainly due to the settlement of the legal case with Curriculum as disclosed at note (c), as well as a more recent settlement of a lawsuit with Gelre Informatica S/C Ltda.

### 10. Contributed equity

### (a) Share capital

		Number of	Average	
	Notes	shares	issue price	\$'000
Balance at 1 July 2011		336,584,488		183,950
Issues of ordinary shares:				
Exercise of performance rights and options		516,819	\$4.98	2,575
Balance at 30 June 2012		337,101,307		186,525
Balance at 31 December 2012 (including treasury shares)		337,101,307		186,525
Less: Treasury shares	10(b)	(138,232)	\$7.14	(987)
Balance at 31 December 2012 (excluding treasury shares)		336,963,075		185,538

### (b) Treasury shares

On 3 September 2012 the Group made an on-market purchase of 138,232 shares to be held in trust for the participants of certain equity-based compensation schemes. The Group had not previously held any treasury shares.

### 11. Equity

### (a) Reconciliation of movement in equity

(,,					Reserves						
			Foreign	Hedging	Hedging		Transactions				
		Share-based	currency	reserve - cash	reserve - net		with non-			Non-	
	Contribute	d payments	translation	flow hedge	investment	Redemption	controlling	Total	Retained	controlling	Total
	equit	/ reserve	reserve	reserve	hedge	reserve (i)	interests (ii)	Reserves	profits	interests	equity
No	tes <b>\$'00</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2012	186,525	12,162	(23,121)	(1,314)	672	(52,283)	-	(63,884)	276,867	371,625	771,133
Profit for the half-year	-	-	-	-	-	-	-	-	67,541	4,648	72,189
Exchange differences on translation of											
foreign controlled operations	-	-	(776)	-	-	-	-	(776)	-	(2,210)	(2,986)
Exchange differences on translation of											
foreign associates	-	-	(1,204)	-	-	-	-	(1,204)	-	-	(1,204)
Gains/(losses) on hedge contracts of											
controlled entities	-	-	-	(741)	971	-	-	230	-	-	230
Gains on hedge contracts of											
associates (net of tax)	-	-	-	137	-	-	-	137	-	-	137
Income tax recognised in other											
comprehensive income	-	446	-	-	-	-	-	446	-	-	446
Total comprehensive income for the half-year	-	446	(1,980)	(604)	971	-	-	(1,167)	67,541	2,438	68,812
Transactions with owners in their capacity as own	ers:										
Dividends provided for or paid	12 -	-	-	-	-	-	-	-	(30,339)	(908)	(31,247)
Employee share options scheme of parent	-	2,061	-	-	-	-	-	2,061	-	-	2,061
Employee share options scheme of subsidiary	-	530	-	-	-	-	-	530	-	(52)	478
Purchase of shares on-market:											
- employee share options scheme	-	(653)	-	-	-	-	-	(653)	(587)	-	(1,240)
- treasury shares	10 (987	) -	-	-	-	-	-	-	-	-	(987)
Exercise of share options in subsidiary	-	-	-	-	-	-	114	114	-	88	202
Tax associated with employee share											
options schemes	-	(183)	-	-	-	-	-	(183)	183	-	-
Partial disposal of THINK to non-controlling											
interest	-	-	-	-	-	<del>-</del>	(3,629)	(3,629)	-	17,461	13,832
Exercise of JobsDB Put Option	-	-	1,570	-	-	50,630	(6,146)	46,054	-	(34,778)	11,276
Transfer of reserves	-	-	-	-	-	1,653	(1,653)	-	-	-	
Balance at 31 December 2012	185,538	14,363	(23,531)	(1,918)	1,643	-	(11,314)	(20,757)	313,665	355,874	834,320

### 11. Equity continued

						Reserves						
				Foreign	Hedging	Hedging		Transactions				
			Share-based	currency	reserve - cash	reserve - net		with non-			Non-	
		Contributed	payments	translation	flow hedge	investment	Redemption	controlling	Total	Retained	controlling	Total
		equity	reserve	reserve	reserve	hedge	reserve (i)	interests	Reserves	Profits	interests	equity
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2011 Restated*		183,950	8,594	(33,513)	5,994	-	(52,283)	-	(71,208)	198,474	123,543	434,759
Profit for the half-year		-	-			-	-	-	-	60,588	2,510	63,098
Exchange differences on translation of foreign												
controlled operations		-	-	7,290	-	-	-	-	7,290	-	2,402	9,692
Exchange differences on translation of												
foreign associates		-	-	(11,818)	-	-	-	-	(11,818)	-	-	(11,818)
Gains on hedge contracts of controlled entities		-	-		366	-	-	-	366	-	-	366
Gains on hedge contracts of												
associates (net of tax)		-	-		222	-	-	-	222	-	-	222
Income tax recognised in other												
comprehensive income		-	-		(90)	-	-	-	(90)	-	-	(90)
Total comprehensive income for the half-year		-	-	(4,528)	498	-	-	-	(4,030)	60,588	4,912	61,470
Transactions with owners in their												
capacity as owners:												
Contributions of equity, net of												
transaction costs and tax	10	2,575	-	-	-	-	-	-	-	-	-	2,575
Dividends provided for or paid	12	-	-	-	-	-	-	-	-	(25,277)	(1,882)	(27,159)
Employee share options scheme		-	2,198	-	-	-	-	-	2,198	-	-	2,198
Purchase of shares on-market:												
- employee share options scheme		-	(197)	-	-	-	-	-	(197)	(363)	-	(560)
Tax associated with employee share												
options schemes		-	(333)	-	-	-	-	-	(333)	333	-	-
Balance at 31 December 2011		186,525	10,262	(38,041)	6,492	-	(52,283)	-	(73,570)	233,755	126,573	473,283

<sup>\*</sup> Restatements were made on the completion of acquisition accounting for JobsDB. For further details see the 30 June 2012 Annual Report

### **Notes to the Financial Statements**

### For the half-year ended 31 December 2012

### 11. Equity continued

### (i) Redemption reserve

The redemption reserve is used to recognise further contractual purchases of non-controlling interests where the risks and rewards of ownership have not yet passed to the Group, which arose due to the put option in place whereby SEEK Asia was potentially required to purchase the remaining 20% stake in JobsDB. On 20 December 2012 the vendor exercised this right. The ownership risks and rewards of the remaining 20% interest are considered to have transferred to SEEK Asia when the option was exercised, extinguishing the reserve. For further information on the transaction refer to note 8.

### (ii) Transactions with non-controlling interests

This reserve is used to record differences arising as a result of transactions with a non-controlling interest that do not result in a loss of control.

### 12. Dividends

	Payment date	Amount per share	Franked amount per share	Total dividend \$'000
Financial year 2012				
2011 final dividend	12 October 2011	7.5 cents	7.5 cents	\$25,277
2012 interim dividend	18 April 2012	8.3 cents	8.3 cents	\$27,980
Total dividends paid for the year ended 30 June	e 2012			\$53,257
Financial year 2013 2012 final dividend	16 October 2012	9.0 cents	9.0 cents	\$30,339
Dividends declared by the Company after the h	nalf-year (to be paid o	ut of retained pro	ofits at 31 Decen	nber 2012):
2013 interim dividend	17 April 2013	10.0 cents	10.0 cents	\$33,710

### 13. Earnings per share (EPS)

	31 Dec 2012	31 Dec 5011
	Cents per share	Cents per share
Basic EPS	20.0	18.0
Diluted EPS	19.9	17.9

### Weighted average number of shares used as the denominator when calculating earnings per share

	31 Dec 2012	31 Dec 2011
	Number	Number
Weighted average ordinary shares (net of treasury shares) - Basic EPS	337,012,174	337,080,497
Weighted average of potential dilutive ordinary shares:		
- performance rights and options	1,072,514	848,289
- deferred share plans	671,025	-
Weighted average ordinary shares - Diluted EPS	338,755,713	337,928,786

### Earnings used in calculating earnings per share

The earnings used in calculating both Basic and Diluted EPS is \$67,541,000 (31 Dec 2011: \$60,588,000).

### 14. Business combinations

### Update on prior year acquisitions of Brasil Online and OCC

During the previous financial year SEEK's wholly owned subsidiary, Seek International Investments II Coöperatie U.A. acquired controlling interests in leading online employment marketplaces in Brasil (Brasil Online) and Mexico (OCC).

Further details of these acquisitions, including purchase consideration and preliminary fair values of assets and liabilities acquired are disclosed in the annual report for the year ended 30 June 2012.

### (a) Details of assets and liabilities acquired

Given that both acquisitions occurred close to the previous financial year end, the final net asset valuation and allocation of the purchase price to acquired net assets and fair values assigned to intangible assets was preliminary. In accordance with the Group's accounting policy, the accounting for these acquisitions was reviewed during the period. In relation to the OCC acquisition, no changes have been made to the amounts disclosed in the 30 June 2012 financial report. For the Brasil Online acquisition, preliminary changes have been made to the fair value of certain acquired assets and liabilities. Further details are provided below in section (b).

The valuation of identifiable net assets and allocation of the purchase price to acquired assets for the acquisitions of both OCC and Brasil Online is still provisional and will be completed by the end of this financial year.

### (b) Brasil Online

Following the preliminary review of the fair value of acquired assets and liabilities in Brasil Online, there have been reallocations of the purchase price to acquired current tax assets (included within 'trade and other receivables') and 'deferred tax assets' as outlined in the table below.

Revised preliminary goodwill is \$332,042,000 (Preliminary goodwill: \$336,419,000).

	Revised	
	preliminary	Preliminary
	fair value	fair value
	\$'000	\$'000
Cash and cash equivalents	18,293	18,293
Trade and other receivables	22,435	16,666
Plant and equipment	4,036	4,036
Intangible assets		
Brands and licences	70,901	70,901
Customer relationships	1,763	1,763
Computer software and website development	2,980	2,980
Deferred tax assets	7,347	8,739
Trade and other payables	(9,861)	(9,861)
Unearned income	(12,822)	(12,822)
Current tax liabilities	(1,883)	(1,883)
Non-current provisions	(26,197)	(26,197)
Deferred tax liabilities	(25,401)	(25,401)
Net identifiable assets	51,591	47,214
Add: goodwill acquired	332,042	336,419
	383,633	383,633

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### 15. Net tangible asset backing

30 Jun 2012

31 Dec 2012 Restated\*

Cents per share Cents per share

Net tangible asset backing per share (net of treasury shares)

(41.15)

(62.09)

A large proportion of the Group's assets are intangible in nature, consisting of goodwill and identifiable intangible assets relating to businesses acquired. These assets are excluded from the calculation of net tangible assets per security, which results in the negative outcome.

Net assets per share at 31 December 2012 was \$2.48 (30 June 2012 Restated: \$2.29).

Refer to note 7 for further information on the Group's borrowings and debt facilities.

### 16. Commitments

On 31 August 2012 Laureate Education, Inc. acquired a 20% interest in Think, based on an implied 100% Enterprise Valuation of \$75,000,000. As part of this transaction SEEK and Laureate have entered into shareholder arrangements which include Laureate having voting rights and representation on the Think Board in proportion to its equity stake. The Shareholder Agreements provide Laureate with minority shareholder protections in regards to corporate governance and agreed processes for potential future equity transactions which under the current agreement cannot be instigated prior to 30 June 2013, unless otherwise agreed by both parties.

Net cash inflow in relation to this transaction was \$13,832,000.

### 17. Events occurring after balance date

### Acquisition of additional interest in Zhaopin Limited ('Zhaopin')

On 11 January 2013 the Group announced that it had entered into a share purchase agreement and separate offers to acquire additional interests in Zhaopin, taking the Group's ownership from 55.5% to approximately 79%.

On 19 February 2013, a transaction was completed with SEEK acquiring an additional 18.7% interest in Zhaopin, taking SEEK's ownership to 74.2% for total consideration of US\$118,804,000. This transaction was funded as follows:

- Zhaopin has established entrusted loan facilities of US\$68,000,000 ('the facilities'). The facilities are supported by cash balances within the Zhaopin Group (total cash balances as at 31 December 2012 of RMB780,000,000, equivalent to approximately US\$124,000,000), and are non-recourse to the SEEK Limited wholly-owned group. The Group has also entered into foreign exchange transactions to hedge against currency fluctuations on repayment of these facilities.
- The balance was funded via SEEK's existing cash and debt facilities, including a drawdown on the USD tranche
  of the syndicated facility.

During January 2013, the Group also entered into offers to acquire a further 4% interest in Zhaopin at a cost of US\$14,054,000. This will take the Group's interest in Zhaopin from 74.2% to 78.2%. Cash settlement is expected to occur on 28 February 2013 through SEEK's existing cash and debt facilities.

Related to the above transaction is a separate arrangement whereby SEEK may acquire further additional ownership interests in Zhaopin during the next financial year. If completed, this arrangement would result in SEEK increasing its fully-diluted ownership in Zhaopin by 6.8%. The fair value of the additional cost of this arrangement is included within the preliminary accounting estimates set out below.

<sup>\*</sup> Refer to note 14 for details of restatement on preliminary adjustments to the acquisition accounting for Brasil Online.

### 17. Events occurring after balance date continued

### **Initial accounting**

In view of the recent timing of this transaction, accounting impacts are not yet complete and it is currently impractical to comply with all the disclosure requirements of AASB 3: *Business Combinations*. The Group expects to finalise the acquisition accounting within 12 months of the acquisition date and further information will be provided in the 2013 SEEK Group Annual Report.

Based on preliminary estimates, the Group expects to recognise:

- A fair value gain in the range of \$150,000,000 \$170,000,000 in the Consolidated Income Statement for the year ending 30 June 2013.
- Net identifiable assets and goodwill in the range of \$410,000,000 \$430,000,000.

This position may change following the Group's completion of any acquisition adjustments to reflect the fair value of acquired assets and liabilities (including contingent liabilities) which has not yet occurred.

If this acquisition occurred on 1 July 2012, the contribution to consolidated revenue and consolidated profit before non-controlling interests and cost of funding for the SEEK Group for the half-year ended 31 December 2012 would have been \$67,948,000 and \$15,281,000 respectively, offset by a reduction in the share of net profit from associates of \$8,615,000.

### SEEK Limited Directors' Declaration

### For the half-year ended 31 December 2012

In the directors' opinion:

- (a) the financial statements and notes set out on pages 10 to 31 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that SEEK Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Neil Chatfield Chairman

Melbourne 20 February 2013



### Independent auditor's review report to the members of SEEK Limited

### Report on the half-year financial report

We have reviewed the accompanying half-year financial report of SEEK Limited, which comprises the balance sheet as at 31 December 2012, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for both SEEK Limited and the SEEK Limited group (the consolidated entity). The consolidated entity comprises the SEEK Limited (the company) and the entities it controlled at the period's end or from time to time during that financial half-year.

### Directors' responsibility for the half-year financial report

The directors of the company, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our audit in accordance with Australian Auditing Standards on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of SEEK Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australia Accounting Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of SEEK Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001

PricewaterhouseCoopers

John Y**¢**oman Partner Melbourne 20 February 2013