



ASX Announcement

20 February 2013

## SEEK delivers another record Half Year Result

	Reported Results			
	A\$m		Growth	
	H1 FY13	H1 FY12	\$m	%
Revenue*	275.3	208.1	67.2	32%
Reported EBITDA	107.5	89.8	17.7	20%
NPAT (Post NCI)	67.5	60.6	6.9	11%
Basic EPS (Cents)	20.0	18.0	2.0	11%
H1 - Interim Dividend (Cents)	10.0	8.3	1.7	20%

*\*Excludes Interest Income*

SEEK Limited (“SEEK”) reported Revenue of A\$275.3m, EBITDA of A\$107.5m and NPAT of A\$67.5m for the 6 months to 31 December 2012. Compared to the prior corresponding period (“pcp”), this represents Revenue growth of 32%, EBITDA growth of 20% and NPAT growth of 11%. Today, SEEK also announced the finalisation of the Zhaopin transaction.

In commenting on the results, SEEK CEO Andrew Bassat said “This was another record half year result that was achieved despite weak macro conditions and a re-investment focus in our international businesses. The key growth drivers of this result were pleasing growth across Zhaopin, Brasil Online and strong performances across all of SEEK’s Education businesses”.

### FINALISATION OF ZHAOPIN TRANSACTION – Key highlights

- **SEEK to increase its stake in Zhaopin from 55.5% to 78.2%**
  - Total deal consideration of US\$132.8m
  - Utilised US\$68.0m of Zhaopin funding<sup>1</sup> compared to previous estimate of US\$55.0m

Andrew Bassat said, “I am pleased to announce that SEEK has increased its ownership interest in Zhaopin to 78.2% for a total consideration of US\$132.8m. Pleasingly, we were able to utilise US\$68.0m of Zhaopin’s funds compared to our previous estimate of US\$55.0m. Zhaopin is a market leader in China and has very exciting growth prospects. We expect Zhaopin to provide SEEK’s shareholders with strong earnings growth for many years”.

<sup>1</sup> To utilise Zhaopin’s surplus cash an entrusted loan facility is utilised. In China, this is a common form of funding which is administered by regulated financial institutions to facilitate the flow of funds between corporations or for specific purposes such as project financing, acquisitions and other such activities. This entrusted loan is separate to SEEK’s syndicated loan facility and therefore there is no recourse to SEEK

## SEEK AUSTRALIA AND NEW ZEALAND – Key Highlights

- **SEEK Australia and New Zealand achieved EBITDA of A\$75.3m (62% EBITDA margin)**
  - A solid result in subdued economic conditions
  - Dominant market leadership with 78% share of visits<sup>2</sup>

SEEK's Australia & New Zealand employment business achieved Revenue of A\$120.9m and EBITDA of A\$75.3m for H1 FY13. The result was broadly in line with the pcp.

Andrew Bassat said "Given the weak macro conditions, this was a solid result which reflects SEEK's market leadership and the resiliency of the business model. SEEK has the highest number of job ads across all its competitors. In Australia, SEEK remains the clear market leader with over 17.8m visits in January 2013<sup>3</sup>, close to 7x the number of our nearest online job board competitor".

"In the first six weeks of the 2013 calendar year we are seeing an improvement in sentiment. Given its market leadership, SEEK is well positioned to benefit when economic conditions eventually improve. Irrespective of conditions, our focus is to continue attracting all job seekers, all career opportunities and develop products and services that assist our placement strategy".

## SEEK INTERNATIONAL– Key Highlights

- **SEEK International achieved "look-through"<sup>4</sup> Revenue of A\$86.3m and EBITDA of A\$23.3m**
  - Provides a growth platform that will underpin earnings growth for the medium to long-term
  - Strong performances in Zhaopin and Brasil Online

SEEK is now a global business with controlling interests in businesses which have exposure to over 2 billion people and greater than 20% of Global GDP. To capitalise on the large growth opportunities across Asia and Latin America, there has been a re-investment focus in the last 12 months.

Andrew Bassat commented, "Despite soft macro conditions and re-investment in sales and IT, Zhaopin performed well with online revenue growth of 13% and SEEK's share of NPAT increasing by 15%".

"SEEK is also well positioned across fast growing markets in Asia via JobsDB and JobStreet. JobsDB's focus has been to re-invest and position the business for strong growth in the medium to long-term. JobStreet achieved solid Revenue and EBITDA growth in H1 FY13".

"SEEK owns market leading businesses in Latin America with 51% equity ownership in Brasil Online Holdings and 57% equity ownership in OCC Mundial ("OCC"). Brasil Online achieved a strong result with revenue growth of 14% and EBITDA growth of 26%. This result reflects the impact of several strategic and operational initiatives undertaken in the last 6 to 12 months".

"OCC is the clear market leader in Mexico and has made significant inroads in transitioning its pricing model to serve the large SME market opportunity. We expect these changes to drive improved financial performance that reflects OCC's dominant market leadership in Mexico".

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<sup>2</sup> SEEK's share of Top 3 Online websites in Australia based on Jan-13, Nielsen Market Intelligence

<sup>3</sup> Jan-13, Nielsen Market Intelligence, SEEK count of websites (Desktop visits only)

<sup>4</sup> "Look-through" is defined as Revenue and EBITDA based on SEEK's equity ownership as at 31 December

## SEEK EDUCATION<sup>5</sup> – Key Highlights

- **SEEK Education achieved “look-through<sup>6</sup>” Revenue growth of 12% & EBITDA growth of 108%**
  - Strong growth across all of our education businesses

SEEK Education continued its recent trend of strong operating results with strong growth across all businesses. In commenting on the results, Andrew Bassat said “In H1 FY13, SEEK Learning achieved strong EBITDA growth of 73%, THINK grew EBITDA to A\$5.2m (from A\$0.3m in pcp) and SEEK’s share of NPAT in IDP grew by 40%. Swinburne Online continues to perform ahead of business plan expectations”.

## H2 FY13 OUTLOOK & DIVIDENDS – Key Highlights

- **Interim H1 FY13 dividend of 10.0 cents, growth of 20% vs pcp**

For the H1 FY13 interim dividend, the Board has maintained its dividend pay-out ratio of 50%. The Board has declared a final dividend of 10.0 cents per share (fully franked) which represents growth of 20% vs pcp. The dividend will be paid on 17 April 2013 with a record date of 27 March 2013.

In terms of outlook, Andrew Bassat said, “We are presently expecting Reported<sup>7</sup> NPAT for H2 FY13 to be moderately greater than H1 FY13. SEEK’s portfolio of leading businesses are well positioned for medium to long term earnings growth”.

## About SEEK Limited

SEEK Limited (ASX Code: SEK) is the leading provider of online employment services in Australia and New Zealand. In Australia, seek.com.au now hosts approximately 75%\* of all jobs on Australia’s major job sites. In a given month, approximately 120,000\* job advertisements are posted on seek.com.au with approximately 17.8m\* million monthly visits. In New Zealand, seek.co.nz is the leading job site in terms of job advertisements with approximately 15,000\* listed in January 2013.

SEEK has a leading presence across Asia with Zhaopin (SEEK owns 78.2%), SEEK Asia, (a majority owned subsidiary of SEEK, which owns 100% of JobsDB) and c22.0% of JobStreet (a leading employment website across SE Asia). Across Latin America, SEEK owns 57% of Online Career Center Mexico SA de CV (“OCC”) and 51% of Brasil Online.

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

\*Source: Nielsen Market Intelligence, January 2013

*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.*

<sup>5</sup> SEEK Education comprises SEEK Learning (100%), THINK (80%), Swinburne Online (50%) and IDP (50%). The Revenue & EBITDA for Swinburne Online and IDP has been included on a “look-through basis.” However, for SEEK’s statutory accounts, IDP and Swinburne Online do not form part of SEEK’s consolidated Revenue & EBITDA.

<sup>6</sup> “Look-through” is defined as Revenue and EBITDA based on SEEK’s equity ownership as at 31 December

<sup>7</sup> Reported NPAT for H2 FY13 refers to NPAT that excludes the Zhaopin fair value gain. For H1 FY13, Reported NPAT for SEEK Group was A\$67.5m

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

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## **Appendix-ASX Release**

### **Notes to this release**

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

### **Reported EBITDA**

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

### **Review of information**

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