



ASX Announcement

17 February 2015

Record financial results whilst continuing to invest for long-term growth

H1 FY15 – Key Highlights

- Record half year result with strong Revenue & EBITDA growth
- Strong business & cash flows led to dividend growth of c36% vs pcg
- Completion of JobStreet transaction & good progress in integration activities
- Re-investment in the placement strategy is leading to strong growth in operating metrics

H1 FY15 – Financial Results

	A\$m		Growth	
	H1 FY15	H1 FY14	\$m	%
Underlying Revenue ^{(a)(b)}	395.3	337.6	57.7	17%
Underlying EBITDA ^(a)	168.5	142.9	25.6	18%
Reported NPAT (Post NCI) ^{(a)(c)}	182.8	111.2	71.6	64%
NPAT excl significant items (Post NCI) ^{(a)(d)}	94.1	86.6	7.5	9%
Basic EPS (cents) ^(c)	53.5	32.9	20.7	63%
Dividends per share (cps)	19.0	14.0	5.0	36%

(a) H1 FY14 has been restated to exclude the contribution from THINK which has subsequently been disposed

(b) Excludes interest income

(c) H1 FY15 & H1 FY14 NPAT (post NCI) includes a number of one-off non-cash accounting gains – refer to slide 44 & 48 of SEEK's H1 FY15 Investor Relations Presentation

(d) This removes the impact of one-off non-cash accounting gains in H1 FY15 and H1 FY14. Specifically for H1 FY15, it also excludes the impact of JobStreet's Purchase Price Amortisation

SEEK Limited ("SEEK") the world's largest online employment marketplace by market capitalisation and earnings, reported record financial results for the half year ended 31 December 2014.

SEEK is pleased to announce the following results:

- Revenue of A\$395.3m
- EBITDA of A\$168.5m
- Underlying NPAT (excluding significant items) of A\$94.1m

SEEK CEO & Co-Founder Andrew Bassat said, "This is a record half year result that was achieved due to earnings growth across all of SEEK's divisions. It is particularly pleasing to achieve strong financial results whilst SEEK continues to also re-invest in exciting growth opportunities."

SEEK AUSTRALIA AND NEW ZEALAND | KEY INSIGHTS

- **Strong rev. growth of 14% (Rev. of \$132.9m & EBITDA of A\$75.8m (EBITDA margins: 57%))**
 - Clear market leadership with c22%¹ of placements compared to 2% for nearest competitor
 - Continuation of improving operating conditions leading to strong revenue growth

Andrew Bassat said, “SEEK Domestic’s financial results reflect the strength of the business model and a continuation of improving operating conditions. Based on results for January and February 2015, revenue is up compared to the same time last year and we are seeing good forward looking indicators. We are also happy with our progress in SEEK’s re-investment in placements which has led to 35+ product enhancements and significantly improved the search and matching process for candidates and hirers.”

“SEEK has a strong track record in capital allocation which has historically translated into strong financial results. Our expectation is that the re-investment in the placement strategy and in adjacent career products and services will lead to SEEK delivering more value to candidates and hirers and ultimately SEEK growing its share of placements.”

SEEK is the clear market leader in online employment despite an evolving competitive environment as highlighted by the following statistics:

	SEEK Australia	Nearest Competitor	Nearest Aggregator
Share of Placements	22%	2%	<1%
Unprompted brand awareness	76%	38%	9%

SEEK INTERNATIONAL | KEY INSIGHTS

- **SEEK International achieved “look-through”² Rev of A\$160.5m & EBITDA of A\$52.2m**
 - Portfolio of market leading businesses that are well positioned for growth
 - Strong growth in financial results and key operating metrics

Andrew Bassat said, “SEEK International’s individual businesses continue to deliver strong growth in financial results and operating metrics. SEEK operates strong market leaders that generate high free cash flows which led to the payment of A\$23m in dividends.”

“Zhaopin is realising tangible and intangible benefits from its recent IPO. Zhaopin continues to achieve strong financial and operating results with EBITDA growth of 25% and growth in unique customers of 40%. The strong results achieved by Zhaopin reflect its strong market position and is testament to Zhaopin’s management team, led by CEO Evan Guo.”

“We are very pleased with progress made in SEEK Asia which we believe will unlock tremendous opportunities across South East Asia. In H1 FY15, we completed the JobStreet transaction and we are focused on its integration with JobsDB. We are feeling very positive about SEEK Asia and seeing good billing growth which augurs well for near-term revenue growth.”

“SEEK owns market leaders in Brazil and Mexico which delivered good growth in key financial and operating metrics. Brasil Online achieved good financial results despite very weak macro conditions. OCC’s strong underlying financial result was underpinned by strong customer growth.”

“SEEK’s early stage investments in Africa and Bangladesh are market leaders who are achieving rapid growth in key operating metrics. Our focus is to build these businesses into market leaders that can take advantage of the sizeable growth opportunities present in these markets.”

¹ SEEK placements includes Jobseeker placements (100% owned by SEEK). Source: Independent research by GfK on behalf of SEEK (Jan-14 to Dec-14). The study includes a nationally representative sample of 4k Australians in the labour force aged 18-65 years. Conducted monthly using an independent online research panel

² “Look-through” Revenue and EBITDA refers to SEEK’s proportional interest in the underlying Revenue or EBITDA of its subsidiaries, Associates or Joint Ventures

“SEEK has market leading operations across multiple countries offering exposure to over 2.9 billion people and over 20% of global GDP. SEEK International provides investors with exposure to a large and growing market opportunity and favourable structural trends such as rising internet/smartphone penetration and urbanisation of labour markets. Our expectation is that SEEK’s businesses across Asia, Africa and Latin America will continue to generate strong returns for shareholders.”

Refer to Zhaopin’s Q2 FY15 earnings presentation (NYSE) for further details on its financial and operational performance.

SEEK EDUCATION | KEY HIGHLIGHTS

- **SEEK Education achieved “look-through” Revenue of A\$131.4m and EBITDA of A\$39.5m**
 - “Look-through” Revenue growth of 23% and EBITDA growth of 24% vs pcp
 - Strong results from SEEK Learning, Swinburne Online and IDP

SEEK Education achieved record H1 financial results with strong growth across all three businesses.

Andrew Bassat said, *“SEEK Learning continues to perform well. The result was pleasing against the backdrop of increasing competition and re-investment in sales & marketing.”*

“Swinburne Online continues to achieve strong results with EBITDA growth of 67% in H1 FY15 vs pcp. Swinburne generates high free cash flows which led to dividend payment of A\$6.6m to SEEK in H1 FY15. Based on dividends received, SEEK has recouped over 100% of its upfront capital invested in Swinburne Online.”

“IDP continues to perform well with SEEK’s share of NPAT growing by 16% in H1 FY15 vs pcp. IDP’s strong balance sheet and cash flows led to a A\$10m dividend payment to SEEK. Subject to market conditions, we currently expect an IPO to occur in CY15.”

DIVIDENDS AND OUTLOOK | KEY HIGHLIGHTS

- **H1 FY15 dividend of 19.0 cents which represents growth of 36% vs pcp**
- **FY15 Outlook**

SEEK’s dividend policy is to pay out 40% to 70% of Cash NPAT³. The SEEK Board has increased the pay-out range from 50% to 50-60% of Cash NPAT. Correspondingly, the Board has declared an interim dividend payment of 19 cents per share which represents growth of 36% compared to the prior year interim dividend. The dividend will be paid on 21 April with a record date of 31 March.

“SEEK’s H1 FY15 dividend has increased by c36% compared to pcp. Post the Global Financial Crisis, SEEK’s interim dividend has increased by a compound average growth rate of 33%. SEEK also continues to invest in exciting growth opportunities. The expectation is that cash flows from its existing operations and from new capital deployed will underpin strong growth in future dividends.”

“SEEK’s vision is be the global leader in employment placements, matching more people with job opportunities than any other organisation in each market in which we operate. In the short to medium term the focus will be on executing against key operational and strategic initiatives to support the ultimate delivery of more placements. We are confident that achieving these objectives will lead to significant shareholder returns over the medium to long-term.”

In terms of near term financial outlook, Andrew Bassat said, *“SEEK is pleased to re-affirm its FY15 guidance provided at the time of SEEK’s AGM in November 2014.”*

In terms of SEEK Group guidance for H2 FY15, Andrew said,

- *“Expect solid growth in Rev & EBITDA (H2 FY15 v H1 FY15) from both organic growth & consolidation of JobStreet’s financials”*

³ Dividends paid out of Cash NPAT defined as: NPAT (Post NCI) (Reported) – Associates NPAT +/- Non Cash items + Associate Dividends

- “For SEEK Group, expect underlying NPAT in H2 FY15 to be moderately greater than H1 FY15⁴”

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Appendices - ASX Release

Notes to this release

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

EBITDA

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

Review of information

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

⁴ Refers to H1 FY15 Underlying NPAT of A\$94.1m. H2 NPAT does not include impact of JobStreet Purchase Price Amortisation or other significant or one off items such as transaction costs or non-cash gains or losses