



ASX Announcement
22 June 2015

FY15 Trading Update

SEEK's financial results in H2 FY15 have been affected by issues in SEEK Learning.

SEEK CEO, Andrew Bassat commented,

"The main cause of SEEK Learning's results being lower than our prior expectations relates to one-off issues with an IT systems upgrade undertaken by TAFE NSW. SEEK Learning had fulfilled its sales obligations but TAFE NSW's IT issues resulted in errors and significant delays in the enrolment process, ultimately leading to incomplete enrolments and very high withdrawal rates."

"This has been an ongoing issue. Until recently based on discussions with TAFE NSW, we believed the issues would be resolved and the financial impact mitigated. Unfortunately, this has not eventuated."

"Our FY15 results in SEEK Learning have also been affected by a competitive environment. We have implemented a series of strategic and operational initiatives to drive improved performance."

"In the education sector there are a broad range of VET FEE-HELP reforms that have been announced. SEEK is supportive of overall VET FEE-HELP reforms that protect the education sector. Reforms implemented to date have not impacted SEEK Learning. However, other announced reforms will have a negative financial impact on certain SEEK Learning partners when they are finalised and implemented."

New Guidance Statements¹

SEEK Group, comparing H2 FY15 v H1 FY15

- Expect solid growth in Revenue and growth in EBITDA to be moderately lower than Revenue growth (due to SEEK's re-investment focus)
- Expect underlying NPAT in H2 FY15² to be broadly in line with H1 FY15

SEEK Learning (FY15)

- Expect reported EBITDA in FY15 to be A\$31-33m

SEEK's re-affirms all other guidance statements made at H1 FY15 results

¹ Based on underlying financials that exclude abnormal and one-off items and JobStreet Purchase Price Amortisation

² Underlying NPAT in H1 FY15 of A\$94.1m

FY16 outlook

SEEK currently expects that,

- Earnings growth in FY16 will be moderated by:
 - Aggressive re-investment across the Group
 - The effect of VET FEE-Help reforms
- A FY16 update will be provided at time of SEEK's FY15 results

SEEK remains well positioned for growth

SEEK CEO, Andrew Bassat said,

“SEEK is aggressively investing in new initiatives that are opening up large addressable market opportunities as well as delivering more value to hirers, jobseekers and students.”

“In Australia, SEEK's reinvestment to drive a greater share of placements has led to improved outcomes for hirers, jobseekers and is positively contributing to revenue. In FY16, SEEK will launch a number of new products and services. We are confident that the re-investment in new initiatives combined with SEEK's market leadership across its large and growing markets will generate a strong return on investment.”

Key operational initiatives in H2 FY15 include:

- **SEEK Employment**
 - Successful pilot of Premium Talent Search (“PTS”) with very high conversion to paid offering along with strong sales momentum in selling PTS to broader customer base
 - Around 150,000 new SEEK jobseeker profiles added (on average) every month
 - Continued the fast deployment of new product and technology enhancements
- **SEEK International**
 - Zhaopin – For the first time, Zhaopin is currently the market leader in both unique employers and jobseeker visits
 - SEEK Asia - Strong progress on the integration between JobsDB and Jobstreet
 - Brasil Online – Investment in product and technology is moderately accelerating paying subscribers in tough macro conditions
 - OCC – Strong progress in developing their education business which complements market leading employment business
- **SEEK Education**
 - Swinburne Online: Pleasing enrolment growth and successful launch of several new post-graduate degrees
 - IDP: Hired a new CEO and still targeting an IPO in CY15 (subject to market conditions)

For further information please contact

Media enquires

Daniel Ellis

Phone: +61 400 587 232

Email: dellis@seek.com.au

Investor/Analyst enquiries

John Armstrong / Jeff Tang

+61 3 8517 4142

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