

Appendix 4D and Interim Financial Report

For the half-year ended 31 December 2015



Lodged with the ASX under Listing Rule 4.2A
SEEK Limited ABN 46 080 075 314

SEEK Limited

ABN 46 080 075 314

Half-year ended 31 December 2015

(Previous corresponding period: Half-year ended 31 December 2014)

Results for Announcement to the Market

		Percentage Change		Amount \$m
Total sales revenue	Up	22%	To	482.0
Total revenue from ordinary activities	Up	22%	To	488.7
Profit for the period after tax	Up	52%	To	295.9
Net profit for the period attributable to the owners of SEEK Limited	Up	50%	To	275.1

Dividends/distributions	Amount per security	Franked amount per security
2015 interim dividend paid	19.0 cents	19.0 cents
2015 final dividend paid	17.0 cents	17.0 cents
2016 interim dividend (declared after balance date)	21.0 cents	21.0 cents

Record date for determining entitlements to the dividend

6 April 2016

Dividend payable

27 April 2016

Other information required by Listing Rule 4.2A

Other information requiring disclosure to comply with Listing Rule 4.2A is contained in the following pages.

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This report covers SEEK Limited as a consolidated entity consisting of SEEK Limited (the Company) and its controlled entities. Figures in this report are expressed in Australian dollars.

This interim financial report does not include all the notes 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 2015 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*.

Directors' Report

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 2015.

Directors

The following persons were directors of the Company during the half-year and up to the date of this report:

Neil G Chatfield	Chairman, Non-executive director
Andrew R Bassat	Managing Director and Chief Executive Officer
Colin B Carter	Non-executive director
Denise I Bradley	Non-executive director
Graham B Goldsmith	Non-executive director
Julie A Fahey	Non-executive director

Review of operations

A summary of consolidated revenues and results is set out below:

	Notes	31 Dec 2015 \$m	31 Dec 2014 \$m
Sales revenue	3	482.0	395.3
Dividend income	3	0.1	-
Interest income	3	6.6	6.3
Total revenue	3	488.7	401.6
Segment EBITDA⁽¹⁾	2	193.3	168.5
Depreciation and amortisation		(25.1)	(20.9)
Net interest		(13.8)	(5.6)
Share-based payment expense		(10.4)	(10.0)
Share of results of equity accounted investments		9.2	11.3
Fair value gain on step acquisitions		-	100.3
Gain on disposal of equity accounted investment	4	279.7	-
Transaction costs from investing activities	4	(13.5)	(14.0)
Other financing items		4.0	-
Profit before income tax		423.4	229.6
Income tax expense	6	(127.5)	(34.7)
Profit for the half-year		295.9	194.9
Non-controlling interests		(20.8)	(12.1)
Profit for the half-year attributable to owners of SEEK Limited		275.1	182.8

1. Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of results of equity accounted investments, share-based payment expense, gains/losses on investing activities, and other non-operating gains/losses.

SEEK achieved another strong result for the half-year ended 31 December 2015 ("H1 FY2016") with growth in both sales revenue (up 22%) and EBITDA (up 15%) compared to the period ended 31 December 2014 ("H1 FY2015") despite significant re-investment across the Group.

The key drivers for revenue and earnings growth across the SEEK Group were:

- Domestic Employment - Core: Revenue growth of 15% and EBITDA growth of 18% driven by strong growth in both volume and average yields;
- SEEK Asia: Revenue growth of 108% and EBITDA growth of 156% which benefit from a full six months of consolidation for JobStreet in H1 FY2016 compared to only 42 days in H1 FY2015 and significant realisation of cost synergies;
- Zhaopin: Constant currency growth in revenue of 19% and EBITDA of 2% driven primarily by strong growth in unique hirers, offset by re-investment in product, sales and marketing;
- Conversely, SEEK Learning had a disappointing financial result due to heightened competition alongside the transition to a new regulatory environment for Registered Training Organisations; and
- Translation of offshore results to AUD favourably impacted by the declining AUD exchange rate.

Profit attributable to the owners of SEEK Limited was \$275.1m (31 December 2014: \$182.8m). H1 FY2016 and H1 FY2015 were impacted by the following significant items:

- H1 FY2016: Gain on sale of SEEK's interest in IDP of \$181.7m post-tax and net of transaction costs;
- H1 FY2015: Gain on acquisition of the online employment businesses of JobStreet Corporation Berhad of \$89.7m net of transaction costs.

When adjusted for the significant items above, profit attributable to the owners of SEEK Limited would have been \$93.4m in H1 FY2016 (H1 FY2015: \$93.1m), reflecting an increase of \$0.3m.

International

International comprises interests in leading online employment marketplaces that are exposed to favourable structural and macro-economic trends.

The division includes results from SEEK Asia, Zhaopin, Brasil Online and OCC, and equity interests in One Africa Media ("OAM"), Babajob and other smaller associates. These results are offset by other operating costs associated with managing SEEK's international investments.

International's financial contribution is a large and growing part of the SEEK Group, comprising 62% of SEEK Group sales revenue from continuing operations and 52% of EBITDA in H1 FY2016.

	31 Dec 2015 \$m	31 Dec 2014 \$m	Growth	
			\$m	%
Sales revenue	298.0	222.2	75.8	34%
SEEK Asia	70.1	33.7	36.4	108%
Zhaopin	166.3	117.6	48.7	41%
Brasil Online	46.5	60.0	(13.5)	(23%)
OCC	15.1	10.9	4.2	38%
Segment EBITDA	100.6	74.1	26.5	36%
SEEK Asia	38.4	15.0	23.4	156%
Zhaopin	38.6	31.8	6.8	21%
Brasil Online	18.4	22.4	(4.0)	(18%)
OCC	5.3	4.1	1.2	29%
Other operating costs	(0.1)	0.8	(0.9)	(113%)
Segment EBITDA margin (%)	34%	33%		
SEEK Asia	55%	45%		
Zhaopin	23%	27%		
Brasil Online	40%	37%		
OCC	35%	38%		

Revenue growth of 34% and EBITDA growth of 36% on H1 FY2015 were driven by:

- Strong organic growth in Zhaopin and OCC;
- SEEK Asia achieved good organic revenue growth and EBITDA growth was realised from integration benefits. The H1 FY2016 growth rates compared to H1 FY2015 also benefited from six months of consolidation of JobStreet in H1 FY2016 compared to only 42 days in H1 FY2015.

On a constant currency basis, SEEK International would have achieved revenue growth of 24% and EBITDA growth of 27%.

Key operating highlights:

- **SEEK Asia:** Successfully completed the most challenging phase of integration between the JobsDB and JobStreet brands;
- **Zhaopin:** Extended market leadership in the last 6 months alongside the roll-out of many new jobseeker and hirer products;
- **Brasil Online:** Launched Company Reviews and retained a robust jobseeker pays business despite a very weak macro-economic environment;
- **OCC:** Opened 7 new offices, continued to penetrate the large 'Small to Medium Enterprise' market opportunity and delivered continued success in OCC Education.

Directors' Report

Review of operations continued

International continued

Share of results of International equity accounted investments

	31 Dec 2015 \$m	31 Dec 2014 \$m	Growth	
			\$m	%
Share of results of equity accounted investments				
JCB ⁽¹⁾	-	(0.9)	0.9	
OAM	(1.3)	(1.4)	0.1	
Babajob	(2.1)	-	(2.1)	
Other immaterial associates	(0.2)	0.1	(0.3)	
Total share of results of equity accounted investments	(3.6)	(2.2)	(1.4)	(65%)

1. Equity accounted result for the period to 19 November 2014.

One Africa Media ("OAM") and Babajob are executing on their strategy of growing market share and building leading marketplaces across Africa and India respectively.

Domestic Employment – Core

The Domestic Employment - Core segment includes SEEK Employment, SEEK New Zealand and SEEK Business (formerly SEEK Commercial).

	31 Dec 2015 \$m	31 Dec 2014 \$m	Growth	
			\$m	%
Sales revenue	151.8	131.6	20.2	15%
Segment EBITDA	88.6	75.0	13.6	18%
Segment EBITDA margin (%)	58%	57%		

Core Employment's revenue growth of 15% is attributable to a yield benefit of 9% and a 6% growth in job ad volumes. The strong revenue result validates the ongoing re-investment strategy, while the EBITDA margin of 58% reflects the inherent operating leverage of the business model.

Key operating highlights:

- SEEK continues to be the market leader with 33% share of placements which is a lead of 8 times over the nearest competitor;
- More than 300 Premium Talent Search clients (including 80% of top 20 clients) (31 Dec 2014: nil);
- Partnership with Hays: Combines Hays' candidate management database with SEEK's Profile database and the power of SEEK's search technology to deliver greater reach and more relevant candidates to Hays;
- Continuing to grow the depth and breadth of SEEK's Profile database, which now includes 7.1m profiles (January 2016; 5.1m at January 2015) representing growth of 41%; and
- Launch of Company Reviews so jobseekers can find trusted information on companies.

Education – Domestic

The Education - Domestic segment includes SEEK Learning and a share of net results from Swinburne Online (50%) and IDP (50%), until the disposal of IDP in November 2015. SEEK Learning and Swinburne Online are highly synergistic to SEEK's online employment marketplace.

	31 Dec 2015 \$m	31 Dec 2014 \$m	Growth	
			\$m	%
Sales revenue	30.6	40.2	(9.6)	(24%)
Segment EBITDA	8.2	18.6	(10.4)	(56%)
Segment EBITDA margin (%)	27%	46%		
Share of results of equity accounted investments				
IDP ⁽¹⁾	8.1	8.5	(0.4)	(5%)
Swinburne Online	5.2	5.1	0.1	2%
Total share of results of equity accounted investments	13.3	13.6	(0.3)	(2%)

1. Equity accounted result for the period to 24 November 2015.

SEEK Learning had a disappointing financial result which was impacted by heightened competition and the transition to a new regulatory environment for Registered Training Organisations. It is expected that this regulation will improve industry sustainability and that SEEK Learning will return to profitable growth in the medium term.

SEEK sold its 50% stake in IDP as part of the IDP Education Initial Public Offering ('IPO'). Strong shareholder returns were generated, with SEEK recording a gain on sale of \$181.7m.

Domestic Employment - Early Stage

The Domestic Employment - Early Stage segment comprises a portfolio of small investments that provide products and services which sit 'adjacent' to the core online employment marketplace of SEEK Employment, including Jora and share of results from other investments.

	31 Dec 2015 \$m	31 Dec 2014 \$m	Growth	
			\$m	%
Sales revenue	1.5	1.3	0.2	15%
Segment EBITDA	(2.0)	1.1	(3.1)	(282%)
Total share of results of equity accounted investments	(0.5)	(0.1)	(0.4)	(278%)

Jora (a job advertisement aggregator) is the main financial contributor and is providing valuable strategic insights and contributing to new product and technology development across the SEEK Group.

Education - Early Stage

The Education - Early Stage segment comprises early stage international education operations and costs associated with driving SEEK's international education expansion.

	31 Dec 2015 \$m	31 Dec 2014 \$m	Growth	
			\$m	%
Sales revenue	0.1	-	0.1	n/a
Segment EBITDA	(2.1)	(0.3)	(1.8)	(506%)

During the half-year SEEK successfully launched Catho Education (in Brazil) and a similar model is being developed by SEEK Asia.

Directors' Report

Review of operations continued

Analysis of other key items below EBITDA

	31 Dec 2015	31 Dec 2014	Movement	
	\$m	\$m	\$m	%
Depreciation	(6.7)	(5.7)	(1.0)	(18%)
Amortisation	(18.4)	(15.2)	(3.2)	(21%)
Fair value gain on step acquisitions	-	100.3	(100.3)	n/a
Gain on disposal of equity accounted investment	279.7	-	279.7	n/a
Transaction costs from investing activities	(13.5)	(14.0)	0.5	4%
Other financing activities	4.0	-	4.0	n/a
Share-based payment expense	(10.4)	(10.0)	(0.4)	(4%)
Interest income	6.6	6.3	0.3	5%
Interest expense	(20.4)	(11.9)	(8.5)	(71%)

Key highlights:

- Depreciation and amortisation have both increased, reflecting both current and prior period re-investment in product and technology, and the acquisition of JobStreet;
- The gain on disposal (\$279.7m pre-tax) represents the sale of SEEK's stake in IDP via the IPO, with \$13.5m of transaction costs recognised in the period;
- Other financing activities (income of \$4.0m) relates to the settlement of foreign currency derivative contracts, less the write-off of previously capitalised borrowing costs (\$4.9m) on refinancing the borrowing facilities in SEEK Asia;
- Interest expense has increased as a result of increased level of borrowings which were drawn down in FY2015 to fund SEEK's acquisition of JobStreet.

Significant changes in the state of affairs

Sale of interest in IDP Education Pty Ltd (IDP)

On 25 November 2015 IDP was successfully listed on the Australian Stock Exchange (ticker "IEL"). Being listed will help IDP build its profile and is consistent with its long-term objectives.

IDP has been a very strong investment for SEEK, however it is not synergistic with the Group's other online businesses. As a result, SEEK sold its entire 50% stake in IDP as part of the Initial Public Offering, generating gross proceeds of \$331.6m.

IDP was accounted for as an associate until the date of disposal. SEEK has recognised a gain of \$181.7m (net of tax of \$84.5m and transaction costs of \$13.5m) on disposal of its investment.

Increased stake in One Africa Media (OAM)

On 15 April 2015, SEEK entered into a share subscription agreement to make an additional US\$10.0m investment in OAM (in two tranches of US\$5.0m each). Tranche 1 of US\$5.0m (A\$6.4m at the exchange rate on the date of the transaction) was settled in April 2015 taking SEEK's ownership of OAM to 27.5%. Tranche 2 of US\$5.0m (\$6.9m at the exchange rate on the date of the transaction) was settled in October 2015 taking SEEK's ownership in OAM to 30.6%.

Appointment of new Group Chief Financial Officer

On 30 June 2015, SEEK announced the appointment of Geoff Roberts as SEEK Limited's Group Chief Financial Officer, replacing John Armstrong. Geoff joined the Company in October 2015 and became a member of the SEEK Executive Team from this date. Geoff has more than 30 years of Finance experience, including as Managing Partner of Deloitte Victoria, and Group CFO of AXA Asia Pacific Holdings Limited for seven years.

Appointment of new Company Secretary

On 11 December 2015, SEEK Limited announced the resignation of Moana Weir as Company Secretary, effective 21 December 2015, and the appointment of Lynne Jensen as its new Company Secretary, effective 22 December 2015.

Lynne has 24 years of international and domestic legal and governance experience, including as a partner of Allens Arthur Robinson and as Group General Counsel and Company Secretary of Grocon. Lynne holds a Bachelor of Laws (Honours) and Bachelor of Arts from the University of Melbourne.

Events occurring after the balance sheet date

Zhaopin Limited - preliminary non-binding proposal

On 19 January 2016 Zhaopin Limited, SEEK's New York Stock Exchange listed subsidiary, received a non-binding proposal from CDH V Management Company Limited and Shanghai Goliath Investment Management LP ("Proposed Buying Group") to acquire all outstanding shares in Zhaopin Limited other than those owned by SEEK Limited in a taking private transaction.

SEEK expects the Proposed Buying Group will endeavour to negotiate arrangements with SEEK for the future management of Zhaopin. Zhaopin Limited has appointed a Special Committee to consider this non-binding proposal.

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 8.

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 Financial Report have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars, or in certain cases, to the nearest dollar.

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



Neil Chatfield
Chairman
Melbourne
25 February 2016




Auditor's Independence Declaration

As lead auditor for the review of SEEK Limited for the half-year ended 31 December 2015, 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
25 February 2016

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Consolidated income statement

for the half-year ended 31 December 2015

	Notes	31 Dec 2015 \$m	31 Dec 2014 \$m
Revenue	3	488.7	401.6
Other income	4	279.7	100.3
Operating expenses			
Direct cost of services		(18.9)	(12.7)
Sales and marketing		(161.2)	(128.2)
Business development		(41.4)	(32.4)
Operations and administration		(107.1)	(96.7)
Finance costs		(25.6)	(13.6)
Total operating expenses		(354.2)	(283.6)
Share of results of equity accounted investments	17(b)	9.2	11.3
Profit before income tax expense		423.4	229.6
Income tax expense	6	(127.5)	(34.7)
Profit for the half-year		295.9	194.9
Profit is attributable to:			
Owners of SEEK Limited		275.1	182.8
Non-controlling interests		20.8	12.1
		295.9	194.9
Earnings per share attributable to the owners of SEEK Limited:		Cents	Cents
Basic earnings per share	5	79.9	53.5
Diluted earnings per share	5	78.7	52.3

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive income

for the half-year ended 31 December 2015

	Notes	31 Dec 2015 \$m	31 Dec 2014 \$m
Profit for the half-year		295.9	194.9
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
<i>Exchange differences on translation of foreign operations</i>			
Exchange differences on translation of foreign controlled entities		(52.2)	162.5
Exchange differences on translation of foreign associates		(3.9)	1.3
Net investment hedge of foreign controlled entities	14(b)	(23.3)	(43.4)
Income tax recognised in other comprehensive income		(4.3)	-
Reserves recycled on step-acquisition		-	0.5
Reserves recycled on disposal of equity accounted investment		1.0	-
<i>Cash flow hedges</i>			
(Losses)/gains on hedge contracts of controlled entities		(0.5)	2.4
(Losses)/gains on hedge contracts of associates (net of tax)		(0.5)	0.5
Reserves recycled on disposal of equity accounted investment		(1.0)	-
<i>Share-based payments</i>			
Income tax recognised in other comprehensive income	14(a)	1.5	5.2
Items that will never be reclassified to profit or loss:			
<i>Investment in equity instruments</i>			
Change in fair value of financial assets	7(b)	(1.5)	9.1
Other comprehensive income for the half-year		(84.7)	138.1
Total comprehensive income for the year for SEEK Limited		211.2	333.0
Total comprehensive income for the half-year attributable to:			
Owners of SEEK Limited		216.0	276.4
Non-controlling interests		(4.8)	56.6
		211.2	333.0

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet

as at 31 December 2015

	Notes	31 Dec 2015 \$m	30 Jun 2015 (restated) * \$m
Current assets			
Cash and cash equivalents		499.6	449.6
Trade and other receivables		99.5	120.2
Other current financial assets	7(a)	146.7	63.1
Current tax assets		-	9.3
Total current assets		745.8	642.2
Non-current assets			
Investments accounted for using the equity method	17(b)	69.2	132.4
Plant and equipment		28.8	28.1
Intangible assets	8	2,360.3	2,407.7
Other non-current financial assets	7(b)	35.7	64.6
Deferred tax assets		22.4	24.2
Total non-current assets		2,516.4	2,657.0
Total assets		3,262.2	3,299.2
Current liabilities			
Trade and other payables		106.1	116.9
Current borrowings	10(a)	94.4	214.9
Unearned income		206.6	204.3
Other financial liabilities	11	12.2	10.0
Current tax liabilities		105.8	17.1
Current provisions		33.0	36.0
Total current liabilities		558.1	599.2
Non-current liabilities			
Non-current borrowings	10(b)	621.5	769.3
Deferred tax liabilities		101.0	105.2
Non-current provisions		23.6	24.6
Total non-current liabilities		746.1	899.1
Total liabilities		1,304.2	1,498.3
Net assets			
Equity			
Share capital	13(a)	222.9	222.9
Foreign currency translation reserve		174.2	210.3
Hedging reserve	14(b)	(100.8)	(75.5)
Other reserves	14(a)	(12.4)	(19.9)
Retained profits		1,012.9	796.5
Non-controlling interests		661.2	666.6
Total equity		1,958.0	1,800.9

* 30 June 2015 balances for intangible assets, current provisions and non-current provisions have been restated as a result of the finalisation of the JobStreet purchase price allocation described in note 16.

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

for the half-year ended 31 December 2015

	Notes	Attributable to equity holders of the parent					Total \$m	Non- controlling interests \$m	Total equity \$m
		Share capital \$m	Foreign currency translation reserve \$m	Hedging reserve \$m	Other reserves \$m	Retained profits \$m			
Balance at 1 July 2014		203.7	45.6	(15.1)	43.3	624.9	902.4	566.2	1,468.6
Profit for the half-year		-	-	-	-	182.8	182.8	12.1	194.9
Exchange differences on translation of foreign operations		-	119.3	-	-	-	119.3	44.5	163.8
Losses on hedge contracts		-	-	(40.5)	-	-	(40.5)	-	(40.5)
Reserves recycled on step-acquisition		-	0.5	-	-	-	0.5	-	0.5
Change in fair value of financial assets	7	-	-	-	9.1	-	9.1	-	9.1
Income tax recognised in other comprehensive income		-	-	-	5.2	-	5.2	-	5.2
Total comprehensive income for the half-year		-	119.8	(40.5)	14.3	182.8	276.4	56.6	333.0
<i>Transactions with owners:</i>									
Contributions of equity, net of transaction costs and tax	13	10.2	-	-	-	-	10.2	-	10.2
Dividends provided for or paid	15	-	-	-	-	(54.8)	(54.8)	(8.9)	(63.7)
Employee share options scheme		-	-	-	6.9	-	6.9	0.8	7.7
Tax associated with employee share schemes		-	-	-	(6.3)	6.3	-	-	-
Exercise of share options in subsidiary		-	-	-	1.5	-	1.5	11.2	12.7
Change in ownership of subsidiaries		-	-	-	(13.5)	-	(13.5)	113.6	100.1
Transfer of reserves		-	-	-	(2.9)	-	(2.9)	2.9	-
Balance at 31 December 2014		213.9	165.4	(55.6)	43.3	759.2	1,126.2	742.4	1,868.6
Balance at 1 July 2015		222.9	210.3	(75.5)	(19.9)	796.5	1,134.3	666.6	1,800.9
Profit for the half-year		-	-	-	-	275.1	275.1	20.8	295.9
Exchange differences on translation of foreign operations		-	(30.5)	-	-	-	(30.5)	(25.6)	(56.1)
Losses on hedge contracts		-	-	(24.3)	-	-	(24.3)	-	(24.3)
Change in fair value of financial assets	7(b)	-	-	-	(1.5)	-	(1.5)	-	(1.5)
Income tax recognised in other comprehensive income		-	(4.3)	-	1.5	-	(2.8)	-	(2.8)
Reserves recycled on disposal of equity accounted investment		-	1.0	(1.0)	-	-	-	-	-
Total comprehensive income for the half-year		-	(33.8)	(25.3)	-	275.1	216.0	(4.8)	211.2
<i>Transactions with owners:</i>									
Dividends provided for or paid	15	-	-	-	-	(58.5)	(58.5)	(9.2)	(67.7)
Employee share options scheme	14(a)	-	-	-	7.5	-	7.5	0.8	8.3
Tax associated with employee share schemes		-	-	-	0.2	(0.2)	-	-	-
Exercise of share options in subsidiary		-	(2.3)	-	(0.5)	-	(2.8)	7.8	5.0
Share of reserve movement of associates		-	-	-	0.3	-	0.3	-	0.3
Balance at 31 December 2015		222.9	174.2	(100.8)	(12.4)	1,012.9	1,296.8	661.2	1,958.0

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

for the half-year ended 31 December 2015

	Notes	31 Dec 2015 \$m	31 Dec 2014 \$m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		535.0	427.3
Payments to suppliers and employees (inclusive of goods and services tax)		(332.0)	(253.1)
		203.0	174.2
Interest received		6.0	6.3
Interest paid		(16.8)	(11.1)
Transaction costs		(13.5)	(16.2)
Income taxes paid		(32.2)	(38.7)
Net cash inflow from operating activities		146.5	114.5
Cash flows from investing activities			
Proceeds from disposal of equity accounted investment	4	331.6	-
Payments for acquisition of subsidiary, net of cash acquired		-	(512.5)
Dividends and distributions received from equity accounted investments	17(b)	28.9	19.4
Dividends received from financial assets		0.1	-
Payment for additional interest in equity accounted investments		(7.8)	-
Payment for investment in equity accounted investments		(4.8)	-
Payments for intangible assets		(19.2)	(19.2)
Payments for plant and equipment		(8.7)	(11.7)
Net cash inflow/(outflow) from investing activities		320.1	(524.0)
Cash flows from financing activities			
Proceeds from borrowings		30.0	442.6
Repayment of borrowings		(331.1)	(66.5)
Transaction costs on establishment of debt facilities		(1.6)	(6.0)
Exercise of Zhaopin underwriter's option		-	11.9
Cash released from deposits to support entrusted loan facilities		19.2	25.9
Cash placed on deposit in short term investment		(80.7)	-
Proceeds from issues of shares		-	10.2
Proceeds from share options in subsidiaries		6.9	1.5
Dividends paid to members of the parent	15	(58.5)	(54.8)
Dividends paid to non-controlling interests		(9.2)	(8.9)
Contributions from non-controlling interests		-	100.1
Proceeds from other financing arrangements		8.8	-
Net cash (outflow)/inflow from financing activities		(416.2)	456.0
Net increase in cash and cash equivalents		50.4	46.5
Cash and cash equivalents at the beginning of the half-year		449.6	323.0
Effect of exchange rate changes on cash and cash equivalents		(0.4)	38.1
Cash and cash equivalents at the end of the half-year		499.6	407.6

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the half-year ended 31 December 2015

1. Basis of preparation

This condensed interim report for the half-year reporting period ended 31 December 2015 has been prepared in accordance with Australian 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.

The financial statements are for the consolidated entity consisting of SEEK Limited and its subsidiaries.

This condensed interim 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 2015 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*.

(i) Accounting policies

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

(ii) 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 financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars, or in certain cases, the nearest dollar.

2. Segment information

(a) Description of segments

Segment reporting was rearranged for FY2015 as described in the 30 June 2015 Annual Report. Subsequent to this, a change has been made to SEEK's business divisions (groupings of operating segments) for FY2016 to align with Executive responsibilities and analysis of results as provided to the Chief Operating Decision Maker. The revised business divisions and operating segments are described below.

The Group now reports its business through three business divisions: International, Domestic Employment, and Education. Domestic Employment and Education were previously reported together as the 'Domestic' business division.

- The International business comprises four operating segments being controlling interests in:
 - SEEK Asia (operating in seven countries across South East Asia);
 - Zhaopin (operating in the People's Republic of China);
 - Brasil Online (operating in Brazil); and
 - OCC (operating in Mexico).

as well as "International other", which comprises share of results from One Africa Media, Babajob and other immaterial investments, operating costs associated with managing the international businesses, and eliminations of intersegment revenue/expenses between the International operations. International other also included the equity accounted investment in JCB (based in Malaysia) until the cessation of equity accounting described in the 30 June 2015 Annual Report.

- The Domestic Employment business comprises two operating segments:
 - Core Employment; operates online employment marketplace services through the SEEK website. It sells these services in Australia and New Zealand; and
 - Early Stage Employment; comprises a portfolio of small investments that provide products and services which sit 'adjacent' to the core online employment marketplace of SEEK Employment, including Jora and share of results from other immaterial investments.
- The Education business comprises two operating segments:
 - Domestic Education; SEEK Learning, which markets, sells and distributes (predominantly through online channels) education courses in Australia, as well as SEEK's share of profits from IDP and Swinburne Online; and
 - Early Stage Education; comprises early stage international education operations and costs associated with driving SEEK's international education expansion.

2. Segment information continued

(b) Segment information provided to the CODM

	Notes	International				Domestic Employment			Education			Total		
		SEEK Asia	Zhaopin	Brasil Online	OCC	Int'l Other	Total	Core	Early Stage	Total	Domestic		Early Stage	Total
		\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m		\$m	\$m
Revenue														
Sales revenue from external customers		70.1	166.3	46.5	15.1	-	151.8	1.5	153.3	30.6	0.1	30.7	482.0	
Total sales revenue	3	70.1	166.3	46.5	15.1	-	151.8	1.5	153.3	30.6	0.1	30.7	482.0	
Dividend income	3												0.1	
Interest income	3												6.6	
Consolidated revenue	3												488.7	
Segment EBITDA⁽¹⁾														
Depreciation		38.4	38.6	18.4	5.3	(0.1)	88.6	(2.0)	86.6	8.2	(2.1)	6.1	193.3	
Amortisation		(1.3)	(2.7)	(0.6)	(0.3)	-	(1.4)	-	(1.4)	(0.4)	-	(0.4)	(6.7)	
Share of results of equity accounted investments	17(b)	(4.8)	(1.9)	(0.7)	(1.0)	-	(8.0)	(1.5)	(9.5)	(0.5)	-	(0.5)	(18.4)	
Gain on disposal of equity accounted investment	4	-	-	-	-	(3.6)	-	(0.5)	(0.5)	13.3	-	13.3	9.2	
Transaction costs from investing activities	4	-	-	-	-	-	-	-	-	279.7	-	279.7	279.7	
Other financing activities		-	-	-	-	-	-	-	-	(13.5)	-	(13.5)	(13.5)	
Dividend income		-	-	-	-	0.1	8.8	-	8.8	-	-	-	8.8	
Subtotal before unallocated items		32.3	34.0	17.1	4.0	(3.6)	88.0	(4.0)	84.0	286.8	(2.1)	284.7	452.5	
Share-based payment expense													(10.4)	
Net interest													(13.8)	
Borrowing costs written off													(4.9)	
Profit before income tax expense													423.4	

1. Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of results of equity accounted investments, share-based payment expense, gains/losses on investing activities, and other non-operating gains/losses.

Notes to the Financial Statements

for the half-year ended 31 December 2015

(b) Segment information provided to the CODM continued

	Notes	International				Domestic Employment			Education		Total			
		SEEK Asia		Brazil Online		Int'l Other	Total	Core	Early Stage	Domestic		Early Stage		
		\$m	\$m	\$m	\$m								\$m	\$m
Revenue														
Sales revenue from external customers		33.7	117.6	60.0	10.9	-	222.2	131.6	1.3	132.9	40.2	-	40.2	395.3
Total sales revenue	3	33.7	117.7	60.0	10.9	-	222.2	131.6	1.3	132.9	40.2	-	40.2	395.3
Interest income	3													6.3
Consolidated revenue	3													401.6
Segment EBITDA														
Depreciation		15.0	31.8	22.4	4.1	0.8	74.1	75.0	1.1	76.1	18.6	(0.3)	18.3	168.5
Amortisation		(0.6)	(2.6)	(0.7)	(0.2)	-	(4.1)	(1.0)	-	(1.0)	(0.6)	-	(0.6)	(5.7)
Share of results of equity accounted investments	17	(5.1)	(3.5)	(0.4)	(1.0)	-	(10.0)	(4.5)	(0.4)	(4.9)	(0.3)	-	(0.3)	(15.2)
Fair value gain on step acquisition		-	-	-	-	(2.2)	(2.2)	-	(0.1)	(0.1)	13.6	-	13.6	11.3
Transaction costs from investing activities		100.3	-	-	-	-	100.3	-	-	-	-	-	-	100.3
<i>Subtotal before unallocated items</i>		(14.0)	-	-	-	-	(14.0)	-	-	-	-	-	-	(14.0)
Share-based payment expense		95.6	25.7	21.3	2.9	(1.4)	144.1	69.5	0.6	70.1	31.3	(0.3)	31.0	245.2
Net interest														(10.0)
Profit before income tax expense														(5.6)
														229.6

3. Revenue

	31 Dec 2015 \$m	31 Dec 2014 (restated) * \$m
Sales revenue		
Domestic core employment - job and banner advertising	151.8	131.6
Domestic early stage employment - job and banner advertising	1.5	1.3
International employment - job, banner advertising and CV online	298.0	222.2
Education - commission revenue	30.7	40.2
Total sales revenue	482.0	395.3
Other revenue		
Dividend income	0.1	-
Interest income	6.6	6.3
Total revenue	488.7	401.6

* 31 Dec 2014 results have been restated to reflect changes to the Group's operating segments which occurred during 2015, refer to note 2 for details.

4. Other income

	31 Dec 2015 \$m	31 Dec 2014 \$m
Fair value gain on step acquisition	-	100.3
Gain on disposal of equity accounted investment	279.7	-
Total other income	279.7	100.3

Disposal of interest in IDP Education Pty Ltd (IDP)

On 25 November 2015 IDP was successfully listed on the Australian Stock Exchange (ticker "IEL"). As a result, SEEK sold its entire 50% stake in IDP as part of the Initial Public Offering, generating gross proceeds of \$331.6m.

IDP was accounted for as an associate until the date of disposal. SEEK has recognised a gain of \$181.7m on disposal of its investment.

	Gain on disposal \$m
Fair value of consideration received	331.6
Less: carrying value of IDP as an associate	(51.9)
Less: foreign currency translation reserve recycled	(1.0)
Less: share of associate reserves recycled	1.0
Amount recognised as other income	279.7
Less: transaction costs ¹⁾	(13.5)
Gain on disposal (before tax)	266.2
Less: capital gains tax	(84.5)
Gain on disposal (after tax)	181.7

1. Transaction costs have been included within 'operations and administration' expenses in the consolidated income statement.

5. Earnings per share

(a) Reconciliation of earnings used in calculating earnings per share (EPS)

	31 Dec 2015 \$m	31 Dec 2014 \$m
Profit attributable to owners of SEEK Limited (for basic EPS)	275.1	182.8
Potential dilutive adjustment for subsidiary option plans	(1.9)	(2.1)
Adjusted profit attributable to owners of SEEK Limited (for diluted EPS)	273.2	180.7

Notes to the Financial Statements

for the half-year ended 31 December 2015

5. Earnings per share continued

(b) Weighted average number of shares used as the denominator

	31 Dec 2015 number	31 Dec 2014 number
Weighted average number of shares used as denominator in calculating basic EPS	344,405,914	341,404,067
Weighted average of potential dilutive ordinary shares:		
- LTI options	1,947,445	4,076,204
- LTI rights	229,908	-
- performance rights	440,246	332,403
Weighted average number of shares used as the denominator in calculating diluted EPS	347,023,513	345,812,674

The weighted average of potential dilutive ordinary shares excludes 1,130,430 options (31 Dec 2014: 1,547,445) which are considered antidilutive. These options are currently 'out of the money' and are therefore excluded from the calculation of diluted EPS.

6. Income tax

Numerical reconciliation of income tax expense to prima facie tax payable

	31 Dec 2015 \$m	31 Dec 2014 \$m
Profit before income tax expense	423.4	229.6
Income tax calculated @ 30% (2014: 30%)	127.0	68.9
Tax effect of amounts that are not deductible/(taxable) in calculating income tax:		
Net taxable gain on disposal of equity accounted investment (a)	4.6	-
Fair value gain on step acquisitions (b)	-	(30.1)
Taxable unfranked dividends (c)	5.4	1.0
Research and development claim (d)	(3.2)	(2.3)
Post tax associate earnings (e)	(2.8)	(3.4)
Tax deductible goodwill (f)	(1.2)	(2.0)
Legal fees and acquisition costs (g)	1.4	5.3
Share-based payments (h)	1.4	1.3
Financing activities (i)	1.6	-
Effect of foreign exchange movements	0.1	0.3
Overseas tax rate differential (j)	(6.6)	(5.0)
Over provision in prior year	-	0.7
Other	(0.2)	-
Income tax expense in the consolidated income statement	127.5	34.7

Explanation of key items

- The difference between the accounting and tax gain on SEEK's disposal of its interest in IDP.
- Non-taxable gain realised as part of the JobStreet transaction.
- The unfranked portion of dividends received from IDP during the period is taxable to SEEK.
- Research and development incentives utilised throughout the SEEK Group.
- SEEK's share of associates' profit is taken up net of associates' tax expense.
- Goodwill amortisation is tax deductible in Brazil.
- Non-deductible legal and acquisition costs incurred throughout the SEEK Group.
- Non-deductible expense primarily relating to Zhaopin's share option plan.
- Non-deductible financing costs within the SEEK Group.
- SEEK Group's international profits are taxed at local rates varying from the Australian statutory tax rate (as shown below).

Local statutory tax rates

Country (Company)	H1 FY2016	H1 FY2015
Australia (SEEK Ltd)	30.0%	30.0%
New Zealand (SEEK NZ)	28.0%	28.0%
China (Zhaopin)	25.0%	25.0%
South East Asia (SEEK Asia)	16.5%-30.0%	16.5%-30.0%
Brazil (Brasil Online)	34.0%	34.0%
Mexico (OCC)	30.0%	30.0%

7. Other financial assets

(a) Current financial assets

	Notes	31 Dec 2015 \$m	30 Jun 2015 \$m
Hedge assets	12	7.6	14.1
Short-term investments (i)		81.2	0.1
Funds on deposit for entrusted loan facilities (ii)		57.9	48.9
Total other current financial assets		146.7	63.1

(b) Non-current financial assets

	Notes	31 Dec 2015 \$m	30 Jun 2015 \$m
Funds on deposit for entrusted loan facilities (ii)		17.2	44.6
Investment in equity instruments (iii)	12	17.5	19.0
Non-current prepayments		1.0	1.0
Total other non-current financial assets		35.7	64.6

(i) Short-term investments

Short term investments comprise cash in fixed interest term deposits and money market funds in Australia and China, with maturities ranging from 1 day to 6 months.

(ii) Funds on deposit for entrusted loan facilities

Zhaopin entrusted loan facilities are supported by funds on deposit of RMB 354.3m (A\$75.1m). Refer to note 10(ii) for further information.

(iii) Investment in equity instruments

SEEK has elected at initial recognition to record gains and losses of the investment in JobStreet Corporation Berhad ("JCB") in other comprehensive income.

	31 Dec 2015 \$m	30 Jun 2015 \$m
Shares in JCB		
Fair value as at 1 July	19.0	-
Transfer from investments accounted for using the equity method	-	14.1
Change in fair value	(1.5)	4.9
Fair value as at 31 Dec	17.5	19.0

8. Intangible assets

	Goodwill \$m	Brands and licences \$m	Customer relationships \$m	Computer software and website development \$m	Work in progress \$m	Total \$m
At 30 June 2015 (restated) *						
Cost	1,945.2	372.7	66.5	121.9	5.0	2,511.3
Accumulated amortisation	-	-	(49.8)	(53.8)	-	(103.6)
Net book amount	1,945.2	372.7	16.7	68.1	5.0	2,407.7
Exchange differences	(39.9)	(9.6)	(0.3)	(0.4)	(0.2)	(50.4)
Additions	-	-	-	1.6	19.8	21.4
Transfers	-	0.1	-	15.8	(15.9)	-
Amortisation charge ⁽¹⁾	-	(0.2)	(5.3)	(12.9)	-	(18.4)
Closing net book amount	1,905.3	363.0	11.1	72.2	8.7	2,360.3
At 31 Dec 2015						
Cost	1,905.3	363.2	67.1	139.1	8.7	2,483.4
Accumulated amortisation	-	(0.2)	(56.0)	(66.9)	-	(123.1)
Net book amount	1,905.3	363.0	11.1	72.2	8.7	2,360.3

1. Amortisation charges have been included within 'operations and administration' expenses in the consolidated income statement.

* 30 June 2015 carrying amount of goodwill has been restated as a result of the finalisation of the JobStreet purchase price allocation described in note 16.

Notes to the Financial Statements

for the half-year ended 31 December 2015

9. Net tangible assets per share

	31 Dec 2015 cents per share	30 Jun 2015 cents per share
Net tangible assets per share	(117.22)	(176.75)
Net assets per share	568.67	522.89

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

10. Borrowings

(a) Current borrowings

	31 Dec 2015 \$m	30 Jun 2015 \$m
Syndicated facility (unsecured) - SEEK Limited (i)	-	153.0
Entrusted loan facilities - Zhaopin Limited (ii)	52.2	25.9
Loan facility - SEEK Asia (iii)	42.2	36.0
Total current borrowings	94.4	214.9

(b) Non-current borrowings

	31 Dec 2015 \$m	30 Jun 2015 \$m
Syndicated facility (unsecured) - SEEK Limited (i)	524.6	635.9
Entrusted loan facilities - Zhaopin Limited (ii)	11.0	33.7
Loan facility - SEEK Asia (iii)	88.4	106.6
Less: transaction costs capitalised	(2.5)	(6.9)
Total non-current borrowings	621.5	769.3

(i) Syndicated facility (unsecured) - SEEK Limited

On 20 August 2015, the Group increased and extended its syndicated debt facility by 18 months. Updated key features of the revolving, unsecured, syndicated senior debt facility are as follows:

- Tranche A: A\$183m, expiring August 2017
- Tranche B: A\$335m, expiring August 2018
- Tranche C: US\$273m, expiring August 2019

This extension was strongly supported by the existing members of the syndicate, being National Australia Bank, Westpac Banking Corporation, ANZ, Commonwealth Bank, HSBC, United Overseas Bank, Sumitomo Mitsui Banking Corporation and Bank of Tokyo-Mitsubishi UFJ. Reflecting SEEK's business model strength and improving funding conditions there has been a significant improvement in terms and conditions of the facility.

During the half-year, SEEK repaid A\$315.0m principal on its AUD facilities, using the proceeds from the disposal of IDP (refer to note 4). As at 31 December 2015, A\$524.6m principal had been drawn down against this facility, comprising A\$150.0m and US\$273.0m. Transaction costs of A\$4.0m, which have been incurred over time in establishing the facility, have been capitalised on the consolidated balance sheet, of which A\$2.5m has not yet been amortised through the consolidated income statement.

(ii) Entrusted loan facilities - Zhaopin Limited

Zhaopin utilises entrusted loan facilities. At 31 December 2015, US\$46.0m (A\$63.2m) was drawn down on these facilities. The facilities are supported by funds on deposit of RMB354.3m (A\$75.1m) within the Zhaopin Group and are non-recourse to the SEEK Limited wholly-owned group.

(iii) Loan facility – SEEK Asia

As at 31 December 2015, A\$130.6m principal was drawn down against the debt facility, comprising SG\$77.9m and HK\$312.1m.

SEEK Asia is well progressed with re-financing its existing facility to increase and extend it on more favourable terms. Unamortised transaction costs associated with the existing facility of HK\$27.5m (A\$4.9m) have been expensed in 'finance costs' in the consolidated income statement during the half-year.

Borrowings drawn down at the date of this report

- Syndicated facility (unsecured) - SEEK Limited: A\$530.2m, comprising A\$150.0m and US\$273.0m
- Entrusted loan facilities - Zhaopin Limited: A\$64.1m, comprising US\$46.0m
- Loan facility – SEEK Asia: A\$133.0m, comprising SG\$77.9m and HK\$312.1m

11. Other financial liabilities

	Notes	31 Dec 2015 \$m	30 Jun 2015 \$m
Hedge liabilities	12	12.2	10.0

12. Fair value measurement of financial instruments

SEEK Limited discloses fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

At 31 December 2015 the Group held at fair value the following financial instruments:

	Level	31 Dec 2015 \$m	30 Jun 2015 \$m
Assets			
Investment in equity instruments	1	17.5	19.0
Derivative financial assets	2	7.6	14.1
		25.1	23.1
Liabilities			
Derivative financial liabilities	2	12.2	10.0

Level 1

This balance represents shares held in JobStreet Corporation Berhad which is listed on the Main Board of Bursa Malaysia exchange.

Level 2

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates in accordance with the Group's treasury policies.

Notes to the Financial Statements

for the half-year ended 31 December 2015

13. Share capital

(a) Ordinary share capital

Date	Details	Number of Shares	Average issue price \$	\$m
30 June 2015	Balance	344,098,479		222.9
17 July 2015	Exercise of performance rights	335,193	-	-
10 August 2015	Exercise of performance rights	3,478	-	-
12 August 2015	Exercise of performance rights	554	-	-
7 September 2015	Exercise of performance rights	178	-	-
31 December 2015	Balance (including treasury shares)	344,437,882		222.9
Less:	Treasury shares			
	-allocated	(309,262)		-
	-unallocated	(3,489)		-
31 December 2015	Balance (excluding treasury shares)	344,125,131		222.9

(b) Treasury shares

On 1 July 2015, 299,790 shares held by the Employee Share Trust ceased to be held as treasury shares as they were released to employees under the Performance Rights and Options Plan on that date.

In the half-year to 31 December 2015, the Group issued an additional 339,403 shares to be held in the Employee Share Trust for participants under the Performance Rights and Options Plan. 26,652 were released to employees during the half-year, resulting in 312,751 shares remaining as treasury shares as at 31 December 2015. Of the remaining treasury shares, 3,489 shares are unallocated (forfeited by an employee) and 309,262 are allocated.

14. Equity

(a) Other reserves

Other reserves comprises the following reserves:

	31 Dec 2015 \$m	30 Jun 2015 \$m
Share-based payments reserve (i)	58.4	49.0
Financial asset revaluation reserve	3.4	4.9
Transactions with non-controlling interests	(73.1)	(72.7)
Transfers under common control	(1.1)	(1.1)
Total other reserves	(12.4)	(19.9)

(i) Share-based payment reserve

Share-based payment reserve increased by \$9.4m primarily due to the share-based payment scheme of SEEK Limited (\$5.5m), its subsidiaries (\$2.0m), and income tax recognised in other comprehensive income (\$1.5m).

(b) Hedging reserve

	31 Dec 2015 \$m	30 Jun 2015 \$m
Cash flow hedge reserve	5.9	7.9
Net investment hedge reserve (i)	(106.7)	(83.4)
Total hedging reserve	(100.8)	(75.5)

(i) Net investment hedge reserve

The movement of \$23.3m in the net investment hedge reserve for the half-year was due to significant appreciation of the US dollar against the Australian dollar and its impact on USD borrowings designated as a net investment hedge held by the Group.

15. Dividends

	Payment date	Amount per share	Franked amount per share	Total dividend \$m
Financial Year 2015				
2014 final dividend	17 October 2014	16.0 cents	16.0 cents	\$54.8
2015 interim dividend	21 April 2015	19.0 cents	19.0 cents	\$65.4
Total dividends paid for the year ended 30 June 2015				\$120.2

Financial Year 2016

2015 final dividend	16 October 2015	17.0 cents	17.0 cents	\$58.5
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Dividends paid or declared by the Company after the half-year (to be paid out of retained profits at 31 December 2015):

2016 interim dividend	27 April 2016	21.0 cents	21.0 cents	\$72.3
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16. Business combinations

Finalisation of JobStreet acquisition

On 20 November 2014, the Group, through its majority owned subsidiary SEEKAsia Ltd, acquired 100% of the online employment businesses of JobStreet Corporation Berhad for total consideration of MYR 1,933.8m (A\$665.4m at the exchange rate on the date of the transaction).

In the financial statements for 30 June 2015, the net asset valuation and allocation of the purchase price to acquired assets and fair values assigned to intangible assets was preliminary.

In accordance with the Group's accounting policy, the accounting for the acquisition of JobStreet was finalised during the current year and the preliminary balances have been updated accordingly. There have been reallocations of the purchase price as outlined in the table. These reallocations were between current contingent liabilities, non-current contingent liabilities and goodwill.

Revised goodwill is \$588.5m.

The final fair values of the assets and liabilities arising from the JobStreet acquisition are as follows:

	Final fair value \$m	Revised preliminary fair value as presented at 30 June 2015 \$m	Preliminary fair value as presented at 31 Dec 2014 \$m
Cash and cash equivalents	24.1	24.1	24.1
Trade and other receivables	4.7	4.7	4.7
Plant and equipment	1.8	1.8	1.8
Intangible assets			
Brands and licences	81.6	81.6	-
Customer relationships	16.0	16.0	-
Computer software and website development	1.2	1.2	-
Deferred tax assets	2.2	2.2	2.2
Trade and other payables	(3.4)	(3.4)	(3.4)
Unearned income	(18.3)	(18.3)	(18.3)
Current tax liabilities	(1.8)	(1.8)	(1.8)
Current contingent liabilities	(1.9)	(2.1)	(1.3)
Non-current contingent liabilities	(3.1)	(4.5)	(4.4)
Current provisions	(2.2)	(2.2)	(2.2)
Non-current provisions	(0.3)	(0.3)	(0.3)
Deferred tax liabilities	(23.7)	(23.7)	-
Net identifiable assets acquired	76.9	75.3	1.1
Add: goodwill	588.5	590.1	663.9
Net assets acquired	665.4	665.4	665.0

Notes to the Financial Statements

for the half-year ended 31 December 2015

17. Interests in equity accounted investments

(a) Material interests in associates and joint ventures

Set out below are the associates and joint arrangements of the Group as at 31 December 2015 which, in the opinion of the directors, are material to the Group.

Associates	Country of Incorporation	Ownership interest %		Principal activities
		31 Dec 2015	30 Jun 2015	
IDP Education Pty Ltd (IDP) (i)	Australia	-	50.0	Provides services for international students wishing to study in Australian educational institutions and also provides International English Language Testing (IELTS).
One Africa Media (Pty) Ltd (OAM) (ii)	South Africa	30.6	27.5	Owns, operates and invests in a portfolio of African market leading online marketplaces in the segments of jobs, cars, real estate and travel.
Joint ventures				
Online Education Services Ltd (Swinburne Online)	Australia	50.0	50.0	A joint venture entity between SEEK and Swinburne University of Technology to deliver online learning to students.
Babajob Services Private Ltd (Babajob)	India	46.2	46.2	Provider of online and mobile employment marketplaces across India.

(i) IDP Education Pty Ltd (IDP)

SEEK's interest in IDP was sold on 25 November 2015 and its results were equity accounted up until this date. Refer to note 4 for further details.

(ii) One Africa Media (OAM)

On 15 April 2015, SEEK entered into a share subscription agreement to make an additional US\$10.0m investment in OAM (in two tranches of US\$5.0m each). Tranche 1 of US\$5.0m (\$6.4m at the exchange rate on the date of the transaction) was settled in April 2015 taking SEEK's ownership in OAM to 27.5%. Tranche 2 of US\$5.0m (\$6.9m at the exchange rate on the date of the transaction) was settled in October 2015 taking SEEK's ownership in OAM to 30.6%.

(b) Summarised financial information

	Carrying amount		Share of results		Dividends received	
	31 Dec 2015 \$m	30 Jun 2015 \$m	31 Dec 2015 \$m	31 Dec 2014 \$m	31 Dec 2015 \$m	31 Dec 2014 \$m
Associates						
IDP	-	68.3	8.1	8.5	24.0	10.0
JCB ⁽¹⁾	-	-	-	(0.9)	-	2.8
OAM	24.1	23.1	(1.3)	(1.4)	-	-
Other immaterial associates	20.7	15.1	(0.7)	-	-	-
Joint ventures						
Swinburne Online	13.1	12.9	5.2	5.1	4.9	6.6
Babajob	11.3	13.0	(2.1)	-	-	-
Total associates and joint ventures	69.2	132.4	9.2	11.3	28.9	19.4

1. Results included as JobStreet Corporation Berhad (JCB) was equity accounted until 19 November 2014.

18. Events occurring after the balance sheet date

Zhaopin Limited - preliminary non-binding proposal

On 19 January 2016 Zhaopin Limited, SEEK's New York Stock Exchange listed subsidiary, received a non-binding proposal from CDH V Management Company Limited and Shanghai Goliath Investment Management LP ("Proposed Buying Group") to acquire all outstanding shares in Zhaopin Limited other than those owned by SEEK Limited in a taking private transaction.

SEEK expects the Proposed Buying Group will endeavour to negotiate arrangements with SEEK for the future management of Zhaopin. Zhaopin Limited has appointed a Special Committee to consider this non-binding proposal.

Directors' Declaration

In the directors' opinion:

- a. the financial statements and notes set out on pages 9 to 25 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 2015 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.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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



Neil Chatfield
Chairman

Melbourne
25 February 2016



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 (the company), which comprises the consolidated balance sheet as at 31 December 2015, the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the SEEK Limited Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that 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 and the *Corporations Act 2001* and for such internal 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 review in accordance with Australian Auditing Standard 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 half-year 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 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *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 Australian Auditing 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.

Independence

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

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Independent Auditor's Report



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 2015 and of its performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.


PricewaterhouseCoopers


John Yeoman
Partner

Melbourne
25 February 2016

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
Julie A Fahey

Secretary

Lynne Jensen

Principal registered office in Australia

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Share register

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Ph: +61 3 9415 4000

Auditor

PricewaterhouseCoopers
Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006

Stock exchange listing

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

Zhaopin Limited American Depositary Shares are listed on the New York Stock Exchange (Listing code: ZPIN)

Website

www.seek.com.au

ABN

46 080 075 314

