



ASX Announcement

25 February 2016

SEEK achieves strong result alongside investing for future growth

H1 FY16 – Key Highlights

- SEEK Group: *Strong half year result with revenue growth of 22% & EBITDA growth of 15%*
- SEEK Australia and New Zealand: *Revenue growth of 15% & EBITDA growth of 18%*
- SEEK International: *Revenue growth of 34% & EBITDA growth of 36%*
- Re-affirmed FY16 guidance

	A\$m		Growth	
	H1 FY16	H1 FY15	\$m	%
Revenue ^(a)	482.0	395.3	86.7	22%
EBITDA	193.3	168.5	24.8	15%
Reported NPAT	275.1	182.8	92.3	50%
Underlying NPAT ^(b)	102.4	94.0	8.4	9%
Dividends per share (cps)	21.0	19.0	2.0	11%

^(a) Revenue excludes interest income

^(b) Underlying NPAT excludes significant item (profit on IDP sale) and excludes investment from Early Stage Ventures

SEEK Limited (“SEEK”) reported record financial results for the 6 months ended 31 December 2015 and is pleased to announce the following results:

- Revenue of A\$482.0m
- EBITDA of A\$193.3m
- NPAT excluding significant items and Early Stage Ventures of A\$102.4m

SEEK CEO and Co-Founder Andrew Bassat said, “SEEK has achieved strong half year results while maintaining a focus on re-investment and operating in subdued macro conditions. Key financial highlights include; SEEK International achieving EBITDA growth of 36% and SEEK Australia and New Zealand achieving EBITDA growth of 18%. SEEK is also re-investing in new products and services which have significantly increased our value proposition to hirers and candidates.”

SEEK AUSTRALIA AND NEW ZEALAND | KEY INSIGHTS

- **Strong Revenue growth of 15% and EBITDA growth of 18% (Revenue A\$151.8m, EBITDA of A\$88.6m)**
 - Excellent financial results despite subdued macro conditions and a re-investment focus
 - Clear market leadership with 33% of placements, 8x lead over its nearest competitor

Andrew Bassat said, *“SEEK Australia and New Zealand achieved record half year financial results. Our re-investment focus has resulted in several major product launches in Australia and New Zealand, which have received strong feedback from candidates and hirers.”*

Some key highlights in the last 6 months include:

- Good momentum with Premium Talent Search; Over 345 clients paying for Premium Talent Search including 80% of SEEK’s top 20 clients
- Integrated Talent Search with Hays; SEEK’s Talent Search integrated with Hay’s CRM with the search being powered by SEEK which provides validation of SEEK’s capabilities as a technology services provider
- Capturing data at scale & delivering insights; SEEK has over 7.1m SEEK profiles representing growth of 41% vs pcp

Andrew Bassat also commented, *“We are excited about the outlook for SEEK Australia and New Zealand. We have a strong leadership position and an exciting pipeline of new products and technologies which will add further value to hirers and candidates.”*

SEEK INTERNATIONAL | KEY INSIGHTS

- **Strong Revenue growth of 34% and EBITDA growth of 36% (Revenue A\$298.0m, EBITDA of A\$100.6m)**
 - SEEK operates market leaders across 14 countries exposed to large addressable markets
 - Strong growth in financial and operating metrics

Andrew Bassat said, *“SEEK International delivered a record half year result. In volatile macro conditions, the International division achieved EBITDA growth of 36%. The outlook is exciting as we operate market leaders in high growth markets across 14 countries. The markets are also exposed to favorable long-term structural trends. Despite the relative infancy of SEEK International this division already generates strong free cash flows. To capitalise on the potential of SEEK International, we are investing in these businesses to position them for long-term growth.”*

“Zhaopin is the clear market leader in China and achieved strong online revenue growth of 22%. As the business invests in product and technology to expand its service offerings we expect its market leadership to grow and ultimately drive long-term earnings growth.”

Refer to Zhaopin’s Q2 FY16 earnings presentation (ZPIN; NYSE) for further details.

On commenting about SEEK Asia Andrew Bassat said, *“The integration of JobsDB and JobStreet (“SEEK Asia”) was a complex task and we have made strong progress. The success of our integration activities is reflected in our financial result where the business achieved pro-forma EBITDA growth of 22% in constant currency. SEEK Asia holds leading market positions and serves as a key hub for product and technology development across the SEEK Group.”*

SEEK also owns market leaders in Brazil (Brasil Online) and Mexico (OCC). Andrew Bassat commented, *“Brasil Online delivered a creditable result in very challenging macro conditions and OCC achieved strong results across both its Employment and Education Divisions. SEEK also owns early stage investments that operate in large markets across Africa, India and Bangladesh. These businesses are achieving strong growth in their key operating metrics.”*

“Very few businesses are as well positioned as SEEK being exposed to over 4.0 billion people and c28% of global GDP. We expect our International division to generate strong returns for shareholders over the medium to long term.”

SEEK EDUCATION | KEY HIGHLIGHTS

- **Successful IPO of IDP**
- **Strong results from Swinburne Online**
- **SEEK Learning in a transition period**

Andrew Bassat said, “Across SEEK Education we are pleased with the strategic progress made in each of our businesses.”

IDP was successfully floated in H1 FY16, where SEEK realised gross proceeds of A\$332m which represents a 9x cash return on original investment.

“Swinburne Online achieved a record result driven by strong student enrollments. The outlook is exciting as the business is investing to increase its course offering and to expand internationally to drive growth opportunities” said Andrew Bassat.

SEEK Learning is in a transition period and we expect that the business will resume a trajectory of solid earnings growth in the medium to long term.

DIVIDENDS

- **H1 FY16 dividend per share of 21 cents per share (growth of 11% vs pcp)**

The Board has declared an interim dividend payment of 21 cents per share which represents growth of 11% compared to the prior half year dividend. The interim dividend will be paid on 27 April with a record date of 6 April.

OUTLOOK

SEEK is pleased to re-affirm its near-term financial outlook

- Reported Revenue¹ growth for FY16 v FY15 is expected to be in the range of 15% to 18%
- Reported EBITDA² growth for FY16 v FY15 is expected to be in the range of 5% to 8%
- Reported NPAT³ (before significant items eg. profit on IDP sale) of approximately \$A195m before deducting investments in early stage growth options of approximately A\$20m

In conclusion Andrew Bassat commented, “Given SEEK’s global platform in high growth markets, we are uniquely positioned to capture large market opportunities across the human capital management industry. SEEK’s strong market position combined with our rich data and insights means we are well positioned to develop new products and services that deliver significant value. This supports us in fulfilling our purpose to help people live more fulfilling and productive working lives and helping organisations succeed.

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¹ FY15 Reported Revenue A\$858.4m

² FY15 Reported EBITDA A\$348.9m

³ SEEK’s guidance November AGM was for FY16 NPAT of A\$195m assuming 5 month contribution from IDP & lower interest expense due to IPO proceeds, and excluded investments in from Early Stage Ventures & JobStreet PPA. This guidance statement includes expenses associated with JobStreet purchase price amortisation of A\$5-6m.

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.

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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.