

SEEK Limited

Interim Report

for the half-year ended 31 December 2010

ABN: 46 080 075 314

Lodged with the ASX under Listing Rule 4.2A

This information should be read in conjunction with the 30 June 2010 Annual Report



Corporate Directory	
Directors R C G Watson (Chairman) P M Bassat (Joint Chief Executive Officer) A R Bassat (Joint Chief Executive Officer) C B Carter N G Chatfield D I Bradley	Share Registry Computershare Investor Services Pty Limited 452 Johnston Street Abbotsford VIC 3067 T: +61 3 9415 4000 F: +61 3 9473 2500 W: www.computershare.com
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Registered Office Level 6, 541 St Kilda Road Melbourne VIC 3004 Australia T: +61 3 8517 4100 F: +61 3 9510 7244 W: www.seek.com.au	Stock Exchange SEEK Limited is a public company listed with the Australian Stock Exchange Limited. ASX: SEK

SEEK Limited**ABN 46 080 075 314****Half-year Ended 31 December 2010**

(Previous corresponding period: Half-year ended 31 December 2009)

Results for Announcement to the Market

				\$'000
Revenue from ordinary activities	Up	22%	To	159,532
Profit from ordinary activities after tax attributable to members	Up	31%	To	47,897
Net profit for the period attributable to members	Up	31%	To	47,897

Dividends/distributions	Amount per security	Franked amount per security
2010 Interim dividend paid	5.2 Cents	5.2 Cents
2010 Final dividend paid	6.7 Cents	6.7 Cents
2011 Interim dividend	6.8 cents	6.8 cents

Record date for determining entitlements to the dividend

29 March 2011

Dividend Payable

19 April 2011

Net tangible assets

Net tangible asset backing per ordinary share is 78.3 cents (2009: 54.9 cents)

SEEK Limited
ABN 46 080 075 314
Half-year Report to 31 December 2010

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This interim financial 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 2010 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 2010.

Directors

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

R C G Watson	Chairman, non-executive director
P M Bassat	Joint Chief Executive Officer (CEO)
A R Bassat	Joint Chief Executive Officer (CEO)
C B Carter	Non-executive director
N G Chatfield	Non-executive director
D I Bradley	Non-executive director

Review of operations

A summary of consolidated revenues and results for the half-year is set out below:

	31 December 2010	31 December 2009
	\$'000	\$'000
Sales revenue		
Employment	106,829	78,511
Education - Learning	20,236	19,395
Education - Think	33,138	35,133
Eliminations - intercompany transactions	(1,231)	(2,759)
Operating revenue	158,972	130,280
Interest revenue	560	524
Dividend income	-	154
Total revenue from continuing activities	159,532	130,958
Adjusted EBITDA ⁽¹⁾	62,519	55,798
Depreciation & amortisation	(5,375)	(4,696)
Amortisation of share-based payments and long-term incentives	(1,271)	(1,826)
Interest expense	(3,825)	(2,603)
Interest income	560	524
Dividend income	-	154
Share of net profits of associates accounted for using the equity method	11,440	3,463
Profit from continuing operations before income tax	64,048	50,814
Income tax expense	(16,151)	(14,264)
Non-controlling interests	-	-
Profit attributable to members of SEEK Limited	47,897	36,550

Note: 1. Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation, excluding share of net profits of associates accounted for using the equity method, dividend income and amortisation of share-based payments and long-term incentives.

Review of operations continued

Growth from diverse earnings streams underpinning a record financial result with reported NPAT of \$47,897,000 (2009: \$36,550,000) up 31% from previous corresponding period. The strong result was achieved due to sustained growth in the Employment Business, solid growth in Brasil Online and Zhaopin moving to profitability.

SEEK's employment business achieved a strong revenue result of \$106,829,000, an increase of 36% (2009: \$78,511,000)

- Prime beneficiary of continued structural migration from print to online
- SEEK continues to be the leader in market share and job seeker metrics
- SEEK is poised for further growth reflecting its market position, improving job ad markets and exposure to favourable structural trends

SEEK's Education businesses has experienced a challenging half. Learning achieved a 4% revenue growth increase to \$20,236,000 (2009: \$19,395,000) and THINK revenue decreased by 6% from the previous corresponding half year to \$33,138,000 (2009: \$35,133,000):

- SEEK Learning and THINK faced business specific issues that have adversely impacted financial results
- THINK and IDP investing for the medium term to capitalise on large growth opportunities in their respective markets
- The strategic logic and growth profile of SEEK Education remains intact

International Employment a solid performance delivering an improved share of profit from corresponding half year:

- Brasil Online continues to perform well
- Zhaopin achieved profitability propelled by strong revenue growth
- JobStreet performing well in fast growing SE Asian markets
- Strong growth by OCC in the early stage & fast growing Mexico market
- Jobs DB is a leading online recruitment company across Asia which will provide a strong platform for growth

Share of associates profit improved from the corresponding half-year, with a profit of \$11,440,000 (2009: \$3,463,000).

	31 December 2010	31 December 2009	Increase/ (decrease) to profit
	\$'000	\$'000	\$'000
<i>International</i>			
Zhaopin Ltd	3,653	(3,377)	7,030
Brasil Online Holdings Coöperatief U.A.	2,009	1,283	726
JobStreet Corporation Berhad	1,151	-	1,151
Online Career Center Mexico SA de CV	447	-	-
JobsDB Inc	-	-	-
Total Employment	7,260	(2,094)	8,907
<i>Education</i>			
IDP Education Pty Ltd	4,180	5,557	(1,377)
Total Education	4,180	5,557	(1,377)
Total	11,440	3,463	7,977

Refer to note 5 for further details of associates.

Significant changes in the state of affairs

JobsDB Inc

During the period SEEK Limited together with Consolidated Media Holdings Limited (“CMH”), Macquarie Capital (“Macquarie”) and Tiger Global (“Tiger”), formed a new subsidiary SEEK Asia Limited (“SEEK Asia”), to acquire a 60% controlling interest in JobsDB Inc, over two stages. On 23 December 2010, SEEK Asia acquired 40% of the shares in JobsDB Inc for HK\$1,070,000,000 (A\$138,039,000).

As at 31 December 2010 JobsDB Inc was accounted for as an associate and contributed Nil profit for the half-year.

Significant events occurring after balance date

JobsDB Inc

On 28 January 2011, a further 20% of shares in JobsDB Inc and the related consideration of HK\$520,000,000 (A\$67,182,000), were placed into escrow to be released subject to the completion of certain conditions, but before 30 June 2011. SEEK Asia has paid a total consideration of HK\$1,590,000,000 (A\$205,221,000, including the value placed in escrow) for its investment in JobsDB Inc. Through SEEK Asia, SEEK Ltd has paid HK\$1,096,464,000 (A\$141,520,000) funded through the revolving unsecured senior debt facility. SEEK Ltd will hold the majority of Board seats in SEEK Asia, and SEEK Asia will hold the majority of Board seats in JobsDB Inc, and will play an active role in driving the strategic growth agenda of JobsDB. Refer to note 5 for further details.

Swinburne Joint Venture

On 13 January 2011 SEEK in partnership with Swinburne University of Technology (“Swinburne”) formed a new company to deliver world-class online learning to Swinburne Students. The yet-to-be-named company will be equally owned by both SEEK and Swinburne. While working closely with both Swinburne and SEEK, the new company will be a stand-alone organisation, with its own academic, student support and administrative team based in Melbourne. SEEK and Swinburne has each committed an initial investment of \$5,000,000, with the first student intake scheduled for early 2012.

OCC dividend

On 16 February 2011, Online Career Center Mexico SA de CV declared a dividend of MXN 50,000,000 (A\$4,145,000). SEEK’s share of this dividend is MXN 20,000,000 (approximately A\$1,658,000, subject to foreign exchange rates prevailing on date of payment and potential hedging costs). The payment date is yet to be confirmed.

Brasil dividend

On 17 February 2011, Brasil Online Holdings Coöperatief U.A. declared a dividend of BRL 25,000,000 (A\$14,873,000). SEEK’s share of this dividend is BRL 7,500,000 (approximately A\$4,462,000, subject to foreign exchange rates prevailing on date of payment and potential hedging costs). The payment date is yet to be confirmed.

Transition to sole CEO - Changes to Andrew Bassat’s remuneration

Andrew Bassat has committed to the role of CEO of SEEK until at least 1 January 2013 as part of a new employment agreement. Andrew assumed full responsibility for all CEO direct reports from 1 January 2011, while Paul Bassat is now focused on ensuring a smooth transition. Commensurate with Andrew’s increased responsibilities, the Board of SEEK has reviewed his remuneration to bring it into line with the market.

Andrew Bassat’s base salary will increase from \$650,000 to \$770,000 per annum. Effective 1 January 2011.

In addition, if approved by shareholders at the SEEK Annual General Meeting in November, Andrew will be issued \$2,000,000 in options at a ‘fair value’ determined by external remuneration consultants of \$1.73 per option (a total of 1,156,069 options). Under the plan, 50% of the total number of options will vest at the end of each year of the two year period from 1 January 2011, subject to Andrew remaining as CEO. The options will have an exercise price of \$6.80 per share (30 day volume weight average price of SEEK shares at 31 December 2010) and will expire on 31 December 2014. There will be no adjustment to Andrew’s existing long-term Incentive.

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 9.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities & 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 thousand dollars, or in certain cases, to the nearest dollar.

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

A handwritten signature in blue ink, consisting of a large, stylized initial 'B' followed by a long horizontal stroke.

Bob Watson
Chairman

Melbourne
22 February 2011

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Auditor's Independence Declaration

As lead auditor for the review of SEEK Limited for the half-year ended 31 December 2010, 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.



Mary Waldron
Partner
PricewaterhouseCoopers

Melbourne
22 February 2011

SEEK Limited
Consolidated income statement
For the half-year ended 31 December 2010

	Notes	31 December 2010 \$'000	31 December 2009 \$'000
Revenue from continuing operations	3	159,532	130,958
Operating expenses			
Direct cost of services		(15,019)	(10,372)
Sales and marketing		(51,713)	(36,849)
Business development		(10,272)	(8,949)
Operations and administration		(25,163)	(24,353)
Finance costs		(4,757)	(3,084)
Expenses		(106,924)	(83,607)
Share of profits of associates accounted for using the equity method	5	11,440	3,463
Profit from continuing operations before income tax		64,048	50,814
Income tax expense	4	(16,151)	(14,264)
Profit for the half-year		47,897	36,550
Profit is attributable to:			
Owners of SEEK Limited		47,897	36,550
Non-controlling interests	8	-	-
		47,897	36,550
Earnings per share for profit attributable to the ordinary equity holders of the company:			
		Cents	Cents
Basic earnings per share		14.2	10.9
Diluted earnings per share		14.2	10.8

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

SEEK Limited
Consolidated statement of comprehensive income
For the half-year ended 31 December 2010

	Notes	31 December 2010 \$'000	31 December 2009 \$'000
Profit for the half-year		47,897	36,550
Other comprehensive income			
Exchange differences on translation of foreign controlled operations	9	(394)	117
Exchange differences on translation of foreign associates	5	(29,937)	(1,781)
Losses/ (gains) on hedge contracts of controlled entities	9	(3,308)	197
Losses on hedge contracts of associates (net of tax)	9	(441)	(662)
Mark-to-market revaluation	9	-	1,890
Income tax recognised in other comprehensive income	9	851	1,964
Other comprehensive income for the half-year		(33,229)	1,725
Total comprehensive income for the half-year		14,668	38,275
Total comprehensive income for the half-year attributable to:			
Owners of SEEK Limited		15,491	38,275
Non-controlling interests	8	(823)	-
		14,668	38,275

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

SEEK Limited
Consolidated balance sheet
As at 31 December 2010

	Notes	31 December 2010 \$'000	30 June 2010 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		40,980	39,731
Trade & other receivables		24,832	35,674
Current tax assets		6,643	1,067
Total current assets		72,455	76,472
Non-current assets			
Investments accounted for using the equity method	5	449,596	283,369
Financial instruments	6(a)	107	121
Plant and equipment		14,586	14,289
Intangible assets		127,919	128,974
Deferred tax assets		10,527	10,421
Total non-current assets		602,735	437,174
Total assets		675,190	513,646
LIABILITIES			
Current liabilities			
Trade and other payables		24,497	26,436
Unearned income		16,906	21,964
Provisions		1,980	2,026
Financial instruments	6(b)	978	-
Total current liabilities		44,361	50,426
Non-current liabilities			
Borrowings	7(a)	228,247	99,642
Deferred tax liabilities		7,728	6,694
Provisions		3,404	3,927
Total non-current liabilities		239,379	110,263
Total liabilities		283,740	160,689
Net assets		391,450	352,957
EQUITY			
Contributed equity	9	183,950	183,950
Reserves	9	(8,132)	22,668
Retained profits	9	171,603	146,339
Capital and reserves attributable to owners of SEEK Limited		347,421	352,957
Non-controlling interests	8	44,029	-
Total equity		391,450	352,957

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

SEEK Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2010

Consolidated	Notes	Attributable to owners of SEEK Limited				Non-controlling interests	Total equity
		Contributed equity	Reserves	Retained profits	Total		
		\$'000	\$'000	\$'000	\$'000		
Balance at 1 July 2009		182,179	14,973	91,488	288,640	-	288,640
Profit for the year		-	-	36,550	36,550	-	36,550
Other comprehensive income		-	1,725	-	1,725	-	1,725
Total comprehensive income for the year		-	1,725	36,550	38,275	-	38,275
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs and tax	9	(55)	-	-	(55)	-	(55)
Dividends provided for or paid	9	-	-	(15,781)	(15,781)	-	(15,781)
Employee share options scheme	9	-	1,060	-	1,060	-	1,060
Purchase of shares-on-market for employee share option scheme	9	-	(683)	(3,008)	(3,691)	-	(3,691)
Tax associated with employee share schemes	9	-	(903)	903	-	-	-
Balance at 31 December 2009		182,124	16,172	110,152	308,448	-	308,448
Balance at 1 July 2010		183,950	22,668	146,339	352,957	-	352,957
Profit for the year	9	-	-	47,897	47,897	-	47,897
Other comprehensive income		-	(32,406)	-	(32,406)	(823)	(33,229)
Total comprehensive income for the year	9	-	(32,406)	47,897	15,491	(823)	14,668
Transactions with owners in their capacity as owners:							
Dividends provided for or paid	9	-	-	(22,550)	(22,550)	-	(22,550)
Employee share options scheme	9	-	1,663	-	1,663	-	1,663
Purchase of shares-on-market for employee share option scheme	9	-	(22)	(118)	(140)	-	(140)
Tax associated with employee share schemes	9	-	(35)	35	-	-	-
Transactions with non-controlling interests	9	-	-	-	-	44,852	44,852
Balance at 31 December 2010	9	183,950	(8,132)	171,603	347,421	44,029	391,450

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

SEEK Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2010

	Notes	31 December 2010 \$'000	31 December 2009 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		181,270	135,315
Payments to suppliers and employees (inclusive of goods and services tax)		(119,577)	(86,541)
		61,693	48,774
Interest received		523	543
Interest paid		(3,432)	(2,103)
Income taxes paid		(19,860)	(12,507)
Net cash inflow from operating activities		38,924	34,707
Cash flows from investing activities			
Payments for acquisition of interest in associates		(185,048)	(42)
Payments for acquisition of subsidiary, net of cash acquired		-	(887)
Payments for transaction costs on investments		-	(155)
Dividends received from associates	5	3,133	-
Payments for plant and equipment		(3,048)	(1,695)
Payments for intangible assets		(1,646)	(902)
Net cash (outflow) from investing activities		(186,609)	(3,681)
Cash flows from financing activities			
Proceeds from borrowings		360,355	-
Repayment of borrowings		(228,000)	(32,000)
Transaction costs on borrowings		(5,583)	-
Purchase of shares for employee share options plans		(140)	(3,691)
Proceeds from issues of shares		-	30
Capital raising costs		-	(122)
Dividends paid	10	(22,550)	(15,781)
Contributions from non-controlling interest		44,852	-
Net cash inflow / (outflow) from financing activities		148,934	(51,564)
Net increase / (decrease) in cash and cash equivalents		1,249	(20,538)
Cash and cash equivalents at the beginning of the half-year		39,731	41,432
Cash and cash equivalents at the end of the half-year		40,980	20,894

The above Consolidated Statement of Cash flows should be read in conjunction with the accompanying notes.

SEEK Limited

Notes to the financial statements

31 December 2010

1. Summary of significant accounting policies

Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 31 December 2010 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim financial 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 2010 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.

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

Impact of standards issued but not yet applied by the entity

In December 2010, the AASB issued AASB 9 *Financial Instruments* which addresses the classification and measurement of financial assets. This will lead to a change in the group's accounting policy but is unlikely to affect the measurement of the financial assets currently held by the group. The standard is not applicable until 1 January 2013 but is available for early adoption. The group is yet to assess its full impact.

Critical accounting estimates and judgements

The Group makes estimates, assumptions and judgements concerning the future which may not equal the related actual results based on historical experience and other factors. The estimates, assumptions and judgements that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are consistent with those disclosed in the annual report for the year ended 30 June 2010 with the following additional details relating to the estimation of the provision for credit notes.

(a) Provision for Credit Notes

A provision is raised to account for the estimated profit impact of credit notes that are expected to be raised in future accounting periods in relation to current year invoices. The provision includes an amount for education revenue recognised prior to the date that a student can legally withdraw from the course and be entitled to a refund. This provision has been estimated based on historical proportions of such credit notes. At 31 December 2010 the trade receivables balance is \$25,117,000 (June 2010: \$30,719,000) and the credit note provision is \$5,496,000 (June 2010: \$3,313,000) of which \$5,037,000 (June 2010: \$2,849,000) relates to the Education businesses where there has been significant movement from prior period.

2. Segment information

(a) Description of segments

Management have determined the operating segments based on the reports reviewed and relied upon by the joint CEO's (the chief operating decision makers "CODM").

The consolidated entity operates in three core industries: online employment classified advertising (Employment); the provision and execution of training courses (Education) and overseas investments in online employment websites (International).

- The Employment business is considered as one reporting segment which provides online employment classified advertising services through the SEEK website. It sells these services in Australia, New Zealand and United Kingdom, which have similar business characteristics and are managed as one business.
- The Education division comprises two segments: Learning and Think.
 - The Learning business markets, sells and distributes (predominately through online channels) vocational training and education training courses in Australia. These courses are developed and delivered by outside providers (including Think). It also holds the Group's investment in IDP. Think is a provider of vocational training and higher education courses, including classroom based and distance learning courses and operates solely in Australia.
- The International segment is now reported as a separate segment (previously part of Employment) due to the increase and growth in international investments in leading online employment websites across a number of fast growing economies.
- SEEK now has a presence in China, Southeast Asia, Brazil and Mexico. The CODM now reviews these results as a separate segment.

SEEK Limited
Notes to the financial statements
31 December 2010

2. Segment information continued

Adjusted EBITDA is the measure utilised by the CODM to measure the businesses' profitability. Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of net profits from associates accounted for using the equity method, dividend income and amortisation of share-based payments and long-term incentives. Interest income and expenditure are not allocated to segments, as this type of activity is driven and managed centrally.

Segment revenue, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, plant and equipment and goodwill and other intangible assets, net of related provisions. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates and usage. Segment liabilities consist primarily of trade and other creditors and employee entitlements.

Segment revenues, expenses and results include transfers between segments. Such transfers are prices on an "arm's-length" basis and are eliminated on consolidation.

The amounts provided to the CODM with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. Assets and liabilities are allocated based on the operations of the segment.

(a) Segment information provided to the chief operating decision makers

Half-year 31 December 2010	Employment	Education		International	Eliminations	Total
	\$'000	Learning	Think	\$'000	\$'000	\$'000
		\$'000	\$'000			
Revenue						
Segment revenue from external customers	106,797	19,037	33,138	-	-	158,972
Inter-segment revenue	32	1,199	-	-	(1,231)	-
Total segment revenue	106,829	20,236	33,138	-	(1,231)	158,972
Interest revenue						560
Consolidated revenue						159,532
Profit before tax						
Adjusted EBITDA	62,753	4,506	(4,555)	(185)	-	62,519
Depreciation and amortisation	(2,247)	(277)	(2,851)	-	-	(5,375)
Share of profits from associates accounted for using the equity method	-	4,180	-	7,260	-	11,440
Dividends	-	-	-	-	-	-
Segment result	60,506	8,409	(7,406)	7,075	-	68,584
Amortisation of share-based payments and other long-term incentive schemes						(1,271)
Interest revenue						560
Interest expense						(3,825)
Profit before tax						64,048
Income tax expense						(16,151)
Net profit for the half-year						47,897

SEEK Limited
Notes to the financial statements
31 December 2010

2. Segment information continued

Half-year 31 December 2009	Employment \$'000	Education		International \$'000	Eliminations \$'000	Total \$'000
		Learning \$'000	Think \$'000			
Revenue						
Segment revenue from external customers	77,752	17,395	35,133	-	-	130,280
Inter-segment revenue	759	2,000	-	-	(2,759)	-
Dividends	-	-	-	154	-	154
Total segment revenue	78,511	19,395	35,133	154	(2,759)	130,434
Interest revenue						524
Consolidated revenue						130,958
Profit before tax						
Adjusted EBITDA	40,569	7,703	7,741	(7)	(208)	55,798
Depreciation and amortisation	(2,237)	(299)	(2,160)	-	-	(4,696)
Share of (losses)/profits from associates accounted for using the equity method	-	5,557	-	(2,094)	-	3,463
Dividends	-	-	-	154	-	154
Segment result	38,332	12,961	5,581	(1,947)	(208)	54,719
Amortisation of share-based payments and other long-term incentive schemes						(1,826)
Interest revenue						524
Interest expense						(2,603)
Profit before tax						50,814
Income tax expense						(14,264)
Net profit for the year						36,550

Total Segment Assets	Employment \$'000	Education		International \$'000	Total \$'000
		Learning \$'000	Think \$'000		
31 December 2010	62,473	83,872	122,652	388,917	657,914
30 June 2010	70,368	81,505	131,010	217,516	502,158

SEEK Limited
Notes to the financial statements
31 December 2010

3. Revenue

	31 December	31 December
	2010	2009
	\$'000	\$'000
Revenue from continuing operations		
Sales revenue		
Employment - job and banner advertising	106,797	77,752
Education (Learning) - learning commission revenue	19,037	17,395
Education (Think) - classroom based training	33,138	35,133
Total sales revenue	158,972	130,280
Other revenue		
Interest	560	524
Dividends	-	154
Total revenue from continuing activities	159,532	130,958

4. Income tax

(a) Income tax expense

	31 December	31 December
	2010	2009
	\$'000	\$'000
Current tax	15,792	14,750
Deferred tax	670	(505)
(Over) provided in prior years	(311)	19
	16,151	14,264
The entire income tax expense relates to profit from continuing operations.		
Deferred income tax expense included in income tax expense comprises:		
(Increase) / Decrease in deferred tax assets	(363)	(780)
Decrease in deferred tax liability	1,033	275
	670	(505)

SEEK Limited
Notes to the financial statements
31 December 2010

4. Income tax continued

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	31 December	31 December
	2010	2009
	\$'000	\$'000
Profit from ordinary activities before income tax expense	64,048	50,814
Income tax calculated @ 30% (2009: 30%)	19,214	15,244
Tax effect of amounts that are not deductible / (taxable) in calculating income tax:		
Research and development claim	(180)	-
Share of net profit of associates	(3,433)	(1,039)
Non-assessable dividend income	-	(46)
Foreign currency	-	(11)
Non-deductible expenses/revenue:		
Legal fees & acquisition costs	(140)	73
Borrowing Costs	550	53
Share options	199	-
Other Non-deductible expenses/income	262	(29)
	16,472	14,245
Income tax adjusted for permanent differences		
Effect of higher rates of tax on overseas income	(10)	-
(Over) provision in previous year	(311)	19
Income tax expense attributable to profit from ordinary activities	16,151	14,264

(c) Amounts recognised directly in equity

	31 December	31 December
	2010	2009
	\$'000	\$'000
Aggregate tax amounts arising in the reporting period and not recognised in net profit or loss but directly recognised in equity		
Current tax credited/ (debited) directly to reserves	988	-
Current tax credited directly to retained earnings	35	903
	1,023	903
Net deferred tax (credited)/ debited directly to reserves	(172)	1,061
	851	1,964

SEEK Limited
Notes to the financial statements
31 December 2010

5. Investments accounted for using the equity method

	Country of incorporation	Ownership Interest		Year End	Principal activities
		2010 %	2009 %		
IDP Education Pty Ltd	Australia	50.0	50.0	30 June	Provides services for international students wishing to study in Australian educational institutions and also provides International English Language Testing (IELTS)
Zhaopin Ltd	The Cayman Islands	56.1	56.1	31 December	Provides both online and print employment classified advertising services in China
Brasil Online Holdings Coöperatief U.A.	The Netherlands	30.0	30.0	31 December	Owns Catho Online and Manager Online, two leading employment websites in the South American market
JobStreet Corporation Berhad	Malaysia	22.4	10.1	31 December	Leading provider of online employment websites in South East Asia (listed in Malaysia) ⁽¹⁾
Online Career Center Mexico SA de CV	Mexico	40.0	0.0	31 December	Leader in the online employment market in Mexico
JobsDB Inc	Hong Kong	40.0	0.0	31 December	Leading provider of online employment websites in South East Asia. Operates across nine countries throughout South East Asia, primarily under the JobsDB banner.

		IDP Education Pty Ltd	Zhaopin Ltd	Brasil Online Holdings	JobStreet Corporation Berhad ⁽¹⁾	Online Career Center Mexico SA de CV	JobsDB Inc	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount as at 1 July 2010		66,734	57,221	110,241	49,173	-	-	283,369
Investments during the year at cost		-	-	-	-	44,696	143,602	188,298
Dividends received in the year		(2,500)	-	-	(633)	-	-	(3,133)
Share of profits after income tax		4,180	3,653	2,009	1,151	447	-	11,440
Movements in foreign currency translation reserve	9	(296)	(7,825)	(10,236)	(5,682)	(3,247)	(2,651)	(29,937)
Movements in hedge reserve - cash flow hedges	9	(441)	-	-	-	-	-	(441)
Carrying amount as at 31 December 2010		67,677	53,049	102,014	44,009	41,896	140,951	449,596

1. JobStreet is listed in Malaysia and releases its results quarterly. SEEK does not have access to any JobStreet internal information that is not otherwise publicly available. SEEK developed an internal budget for Jobstreet, using publicly available information, and did not receive any input or guidance from Jobstreet in its development. As JobStreet is due to release its October to December 2010 results on 24 February 2011, the Jobstreet result for half-year represented in the SEEK financial statements comprises actual released results for July to September quarter, and SEEK internal budget for the October to December quarter.

SEEK Limited
Notes to the financial statements
31 December 2010

5. Investments accounted for using the equity method continued

Online Career Center Mexico SA de CV (OCC)

On 11 August 2010 SEEK Limited acquired a 40% interest in Online Career Center Mexico SA de CV (OCC), the leading employment website in Mexico for US\$40,000,000 (A\$44,696,000 including acquisition cost at the exchange rate on the date of transaction) in settlement of the acquisition, funded through the syndicated bank debt facility. SEEK have taken two of five board seats and will play an active role in driving the strategic and growth agenda.

To reduce the impact of foreign exchange, SEEK entered into forward foreign currency exchange contracts. These increased the net cash payment for the acquisition to \$47,012,000. The pre-tax loss of \$2,316,000 arising on these contracts has been recognised in equity reserves. Refer to note 9 for further details.

JobsDB Inc

SEEK Limited, together with CMH, Macquarie and Tiger, formed a new subsidiary (SEEK Asia), to acquire a 60% controlling interest in JobsDB Inc over two stages.

On 23 December 2010, SEEK Asia acquired 40% of the shares in JobsDB Inc for HK\$1,070,000,000 (A\$138,039,000).

Transaction costs related to the acquisition were \$5,563,000. In accordance with SEEK's accounting policies and Australian Accounting Standard for accounting for associates, these costs have been capitalised. If, as expected SEEK should take a controlling interest in JobsDB Inc in the second half of 2011, these transaction costs will be taken to the Income Statement.

Notes 12 and 13 disclose further information about this transaction.

6. Financial instruments

(a) Financial Assets

	31 December	30 June
	2010	2010
	\$'000	\$'000
Interest rate swap contract - cash flow hedge	107	121
	107	121

Financial asset relates to interest rate swap contracts on borrowings.

(b) Financial liabilities

	31 December	30 June
	2010	2010
	\$'000	\$'000
Forward foreign exchange contract - cash flow hedge	978	-
	978	-

Forward foreign exchange contract - cash flow hedge

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

The group has an obligation at balance date (as discussed in note 12) to pay HK\$358,581,000 for the settlement of the second tranche relating to the acquisition of an interest in JobsDB Inc. In order to protect against exchange rate movements, the Group entered into forward exchange contracts to fix the AUD/HK exchange rate. The contract to buy Hong Kong dollar matures on 14 January 2011. The average exchange rate for the period was HK\$7.34.

The forward currency contract is considered to be highly effective as it is matched against the committed transfer of funds in the ensuing financial year the gain or loss on the contract has therefore been recognised in equity.

SEEK Limited
Notes to the financial statements
31 December 2010

7. Borrowings

	31 December 2010	30 June 2010
	\$'000	\$'000
Bank borrowings - principal	232,355	100,000
Less: transactional costs capitalised	(4,108)	(358)
Total non-current borrowings	228,247	99,642

During the period the group has re-financed its debt facility. On 21 July 2010 the facility was increased from \$200,000,000 to \$250,000,000. On the 22 December 2010, this facility was extinguished and a new three year facility of \$340,000,000 was entered into. The current facility is structured as a revolving unsecured senior debt facility and has been fully underwritten by National Australia Bank. The key terms of the facility remain largely unchanged from the previous debt facility. Transaction cost associated with the previous borrowings of \$1,833,000 was taken to operations and administration expenses in the Income Statement.

Transaction costs in relation to current borrowings have been capitalised on the balance sheet and will be amortised through the Income Statement in future periods.

The interest rate on bank borrowings has varied during the period from 6.56% to 6.76%. Interest is calculated on the principal outstanding at each interest period. The interest rate is calculated at that time.

All Australian and New Zealand wholly-owned subsidiaries have entered into a deed of cross guarantee in respect of the facility.

8. Non-controlling interests

	31 December 2010	30 June 2010
	\$'000	\$'000
Interests in:		
Share capital (note 9)	44,852	-
Foreign currency transaction reserve	(823)	-
Retained earnings	-	-
	44,029	-

Non-controlling interests represents CMH, Macquarie and Tiger's ownership interests in SEEK Asia.

SEEK Limited
Notes to the financial statements
31 December 2010

9. Equity

Consolidated	Equity Attributable to the equity holders of the parent						Retained profits	Non-controlling interests	Total Equity
	Contributed equity	Reserves				Total reserves			
		Share-based payments reserve ⁽¹⁾	Foreign currency transaction reserve	Hedging reserve – cash flow hedge reserve	Available-for-sale financial instrument revaluation				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at 1 July 2009	182,179	7,115	(379)	8,207	30	14,973	91,488	-	288,640
Profit for the year	-	-	-	-	-	-	36,550	-	36,550
Exchange differences on translation of foreign controlled operations	-	-	117	-	-	117	-	-	117
Exchange differences on translation of foreign associates	-	-	(1,781)	-	-	(1,781)	-	-	(1,781)
Gains on hedge contracts of controlled entities	-	-	-	197	-	197	-	-	197
Gains on hedge contracts of associates (net of tax)	-	-	-	(662)	-	(662)	-	-	(662)
Mark-to-market revaluation	-	-	-	-	1,890	1,890	-	-	1,890
Income tax recognised in other comprehensive income	-	1,964	-	-	-	1,964	-	-	1,964
Total comprehensive income for the year	-	1,964	(1,664)	(465)	1,890	1,725	36,550	-	38,275
Transactions with owners in their capacity as owners:									
Contributions of equity, net of transaction costs and tax	(55)	-	-	-	-	-	-	-	(55)
Dividends provided for or paid	-	-	-	-	-	-	(15,781)	-	(15,781)
Employee share options scheme	-	1,060	-	-	-	1,060	-	-	1,060
Purchase of shares-on-market for employee share option scheme	-	(683)	-	-	-	(683)	(3,008)	-	(3,691)
Tax associated with employee share schemes	-	(903)	-	-	-	(903)	903	-	-
Balance at 31 December 2009	182,124	8,553	(2,043)	7,742	1,920	16,172	110,152	-	308,448
Balance at 1 July 2010	183,950	7,493	7,020	8,155	-	22,668	146,339	-	352,957
Profit for the year	-	-	-	-	-	-	47,897	-	47,897
Exchange differences on translation of foreign controlled operations	-	-	(394)	-	-	(394)	-	-	(394)
Exchange differences on translation of foreign associates	-	-	(29,114)	-	-	(29,114)	-	(823)	(29,937)
Gains on hedge contracts of controlled entities	-	-	-	(3,308)	-	(3,308)	-	-	(3,308)
Gains on hedge contracts of associates (net of tax)	-	-	-	(441)	-	(441)	-	-	(441)
Mark-to-market revaluation	-	-	-	-	-	-	-	-	-
Income tax recognised in other comprehensive income	-	(137)	-	988	-	851	-	-	851
Total comprehensive income for the year	-	(137)	(29,508)	(2,761)	-	(32,406)	47,897	(823)	14,668
Transactions with owners in their capacity as owners:									
Dividends provided for or paid	-	-	-	-	-	-	(22,550)	-	(22,550)
Employee share options scheme	-	1,663	-	-	-	1,663	-	-	1,663
Purchase of shares-on-market for employee share option scheme	-	(22)	-	-	-	(22)	(118)	-	(140)
Tax associated with employee share schemes	-	(35)	-	-	-	(35)	35	-	-
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	-	44,852	44,852
Balance at 31 December 2010	183,950	8,962	(22,488)	5,394	-	(8,132)	171,603	44,029	391,450

SEEK Limited
Notes to the financial statements
31 December 2010

10. Dividends

	Payment date	Amount per share	Franked amount per share	Total dividend \$'000
Year 2010				
2009 final dividend	16 October 2009	4.7 cents	4.7 cents	15,781
2010 interim dividend	23 April 2010	5.2 cents	5.2 cents	17,502
				33,283
Year 2011				
2010 final dividend	15 October 2010	6.7 cents	6.7 cents	22,550
Dividends not recognised at the end of the half-year (to be paid out of retained profits at 31 December 2010):				
2011 interim dividend	19 April 2011	6.8 cents	6.8 cents	22,888

11. Earnings per share (EPS)

	Consolidated	
	31 December 2010	31 December 2009
	Cents	Cents
Basic earnings per share	14.2	10.9
Diluted earnings per share	14.2	10.8

Weighted average number of shares used as the denominator

	Consolidated	
	31 December 2010	31 December 2009
	Number	Number
Weighted average number of shares used as the denominator in calculating basic EPS	336,584,488	335,765,172
Weighted average number of options and performance rights	388,918	3,311,267
Weighted average number of shares used as the denominator in calculating diluted EPS	336,973,406	339,076,439

Reconciliation of earnings used in calculating earnings per share

	Consolidated	
	31 December 2010	31 December 2009
	\$'000	\$'000
Basic earnings per share		
Earnings used in calculating basic earnings per share	47,897	36,550
Diluted earnings per share		
Earnings used in calculating basic earnings per share	47,897	36,550

SEEK Limited

Notes to the financial statements

31 December 2010

12. Commitments

JobsDB Inc

At 31 December 2010, SEEK Asia was committed to purchase an additional 20% of JobsDB Inc for a total consideration of HK\$520,000,000 (A\$67,182,000). This was paid into escrow on 28 January 2011, to be released subject to the completion of certain conditions, but before 30 June 2011. SEEK's share of this investment is HK\$358,581,000 (A\$46,329,000).

13. Contingencies

JobsDB Inc

On 30 June 2011, SEEK Asia can be required to purchase an additional 20% interest in JobsDB Inc, which would take SEEK Asia's total holding to 80%. The consideration for purchase of the additional 20% interest is at a premium to the acquisition price relating to the initial 60% investment (HK\$600,000,000; A\$75,920,000). SEEK's share of this contingency is in line with its ownership percentage 68.96% in SEEK Asia (HK\$413,760,000; A\$52,354,000).

Separately, in relation to the additional 20% held by the vendor, between the 23 June 2012 and the 23 June 2014, the vendor has been granted the option to sell up to 20% of its remaining interest in JobsDB Inc to SEEK Asia. The selling price is dependent on future earnings but capped at a premium to the initial 60% investment (up to HK\$640,000,000; \$80,978,000). SEEK's share of this contingency is in line with its ownership percentage 68.96% in SEEK Asia (up to HK\$441,344,000; A\$55,842,000).

14. Events occurring after balance date

JobsDB Inc

On 28 January 2011, SEEK Asia fulfilled the commitment disclosed in note 12.

Swinburne Joint Venture

On 13 January 2011 SEEK in partnership with Swinburne University of Technology ("Swinburne") formed a new company to deliver world-class online learning to Swinburne Students. The yet-to-be-named company will be equally owned by both SEEK and Swinburne. While working closely with both Swinburne and SEEK, the new company will be a stand-alone organisation, with its own academic, student support and administrative team based in Melbourne. SEEK and Swinburne has each committed an initial investment of \$5,000,000, with the first student intake scheduled for early 2012.

OCC dividend

On 16 February 2011, Online Career Center Mexico SA de CV declared a dividend of MXN 50,000,000 (A\$4,145,000). SEEK's share of this dividend is MXN 20,000,000 (approximately A\$1,658,000, subject to foreign exchange rates prevailing on date of payment and potential hedging costs). The payment date is yet to be confirmed.

Brasil dividend

On 17 February 2011, Brasil Online Holdings Coöperatief U.A. declared a dividend of BRL 25,000,000 (A\$14,873,000). SEEK's share of this dividend is BRL 7,500,000 (approximately A\$4,462,000, subject to foreign exchange rates prevailing on date of payment and potential hedging costs). The payment date is yet to be confirmed.

Transition to sole CEO - Changes to Andrew Bassat's remuneration

Andrew Bassat has committed to the role of CEO of SEEK until at least 1 January 2013 as part of a new employment agreement. Andrew assumed full responsibility for all CEO direct reports from 1 January 2011, while Paul Bassat is now focused on ensuring a smooth transition. Commensurate with Andrew's increased responsibilities, the Board of SEEK has reviewed his remuneration to bring it into line with the market.

Andrew Bassat's base salary will increase from \$650,000 to \$770,000 per annum. Effective 1 January 2011.

In addition, if approved by shareholders at the SEEK Annual General Meeting in November, Andrew will be issued \$2,000,000 in options at a 'fair value' determined by external remuneration consultants of \$1.73 per option (a total of 1,156,069 options). Under the plan, 50% of the total number of options will vest at the end of each year of the two year period from 1 January 2011, subject to Andrew remaining as CEO. The options will have an exercise price of \$6.80 per share (30 day volume weight average price of SEEK shares at 31 December 2010) and will expire on 31 December 2014. There will be no adjustment to Andrew's existing long-term Incentive.

Directors' declaration

SEEK Limited For the half-year ended 31 December 2010

In the directors' opinion:

- a) The financial statements and notes set out on pages 10 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 2010 and of its performance, as represented by the result of its operations, changes in equity and its cash flows for the half-year ended on that date.
- 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.

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

A handwritten signature in blue ink, consisting of a large, stylized initial 'B' followed by a long, horizontal stroke.

Bob Watson
Chairman

Melbourne
22 February 2011

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, which comprises the balance sheet as at 31 December 2010, the income statement, the statement of comprehensive income, statement of changes in equity and 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 both SEEK Limited (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 (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such 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 Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 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 2010 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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

**Independent auditor's review report to the members of SEEK Limited
(continued)**

Independence

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

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 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

PricewaterhouseCoopers

PricewaterhouseCoopers

Mary Waldron

Mary Waldron
Partner

Melbourne
22 February 2011