



SEEK Limited

ABN 46 080 075 314

Year ended 30 June 2010

(Previous corresponding period: year ended 30 June 2009)

Results for Announcement to the Market
Appendix 4E

Information required by ASX Listing Rule 4.3A

				\$'000
Revenue from ordinary activities	Up	34.7%	To	280,732
Profit from ordinary activities after tax attributable to members	Up	61.9%	To	89,521
Net profit for the period attributable to members	Up	61.9%	To	89,521

Dividends/distributions	Amount per security	Franked amount per security
2009 Final dividend	4.7 cents	4.7 cents
2010 Interim dividend paid	5.2 cents	5.2 cents
2010 Final dividend	6.7 cents	6.7 cents

Record date for determining entitlements to the dividend

16 September 2010

Dividend payable

15 October 2010

Net tangible assets

Net tangible asset backing per ordinary share is 66.5 cents (2009: 51.1 cents)

Other information as required by Listing Rule 4.3A

Other information requiring disclosure to comply with Listing Rule 4.3A is contained in the 30 June 2010 Financial Report



SEEK Limited
ABN 46 080 075 314

Financial Report for the year ended 30 June 2010

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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 year ended 30 June 2010.

Directors

The following persons were directors of the company during the financial year:

R C G Watson	Chairman, non-executive director	
P M Bassat	Chief Executive Officer	
A R Bassat	Chief Executive Officer	
C B Carter	Non-executive director	
N G Chatfield	Non-executive director	
D I Bradley	Non-executive director	(Appointed 15 February 2010)
J D Packer	Chairman, non-executive director	(Resigned 26 August 2009)
J H Alexander	Non-executive director	(Resigned 26 August 2009)

G Jalland was appointed as an alternate director to J D Packer and J H Alexander until their resignation on 26 August 2009.

Principal activities

During the year the principal continuing activities of the Group consisted of:

- advertising employment classifieds and related services on the internet; and
- provision and distribution of vocational training and higher education courses.

Dividends

Dividends paid to shareholders during the financial year were as follows:

Dividend	Payment date	Amount per share	Franked amount per share	Total dividend \$'000
Year 2009				
2008 final dividend	17 October 2008	9.9 cents	9.9 cents	\$28,521
2009 interim dividend	28 April 2009	4.5 cents	4.5 cents	\$12,964
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

Dividends paid or declared by the Company after year end (to be paid out of retained profits at 30 June 2010):

2010 final dividend	16 October 2010	6.7 cents	6.7 cents	\$22,331
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The total dividend for the year is 11.9 cents

Directors' Report

Review of operations

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

	2010	2009
	\$'000	\$'000
Sales revenue		
Employment	172,685	170,464
Education - Learning	43,628	30,051
Education - Think	69,558	9,929
Eliminations - intercompany transactions	(5,139)	(2,099)
Operating revenue	280,732	208,345
Interest revenue	906	1,005
Dividend income	154	428
Total revenue from continuing activities	281,792	209,778
Adjusted EBITDA⁽¹⁾	117,365	97,767
Depreciation & amortisation	(9,615)	(5,872)
Amortisation of share based payments and long term incentives	(2,253)	(1,650)
Interest expense	(5,219)	(7,280)
Interest income	906	1,005
Impairment of non-current asset	-	(7,425)
Fair value gain on acquisition	6,417	4,642
Dividend income	154	428
Share of net (losses)/ profits of associates accounted for using the equity method	11,427	(1,436)
Profit from continuing operations before income tax	119,182	80,179
Income tax attributable to operating profit	(29,661)	(24,878)
Net profit attributable to members of SEEK Limited	89,521	55,301

Note 1: Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation and excluding share of net (losses)/profits of associates accounted for using the equity method, impairment of non-current assets, fair value gain on acquisitions, dividend income and amortisation of share-based payments and long-term incentives.

Comments on the operations and the results of those operations are set out below:

(a) Explanation of revenue

Total revenue from continuing activities for the year to 30 June 2010 was \$281,792,000 (2009: \$209,778,000).

- The Employment business had a very strong year considering the prevailing market conditions at the beginning of the year. The results reflects a sustained and gradual recovery in the employment market in the second half of the year. Revenue increased by 1.3% to \$172,685,000 (2009: \$170,464,000);
- The Education business performed extremely well with Learning revenue of \$43,628,000 (2009: \$30,051,000), an increase of 45.2%, driven by organic growth. The remaining 50% of Think: Education Group Pty Limited ("Think"), was purchased in May 2009 and since then has been reported as a controlled entity resulting in revenue of \$69,558,000, an \$59,629,000 increase from 2009; and
- Interest revenue was \$906,000 (2009: \$1,005,000) and dividend income of \$154,000 (2009: \$428,000) was received from JobStreet Corporation Berhad (JobStreet) prior to obtaining significant influence on 10 March 2010.

(b) Explanation of net profit

Consolidated net profit for the year was \$89,521,000 (2009: \$55,301,000). This represents an increase of 61.9% compared to the prior period due to:

- A 20.0% increase in adjusted EBITDA driven by the growth in the Education business;

Directors' Report

- A fair value gain on acquisition of \$6,417,000 as a result of the step acquisition of JobStreet;
- Improved share of associates profit over the year with a profit of \$11,427,000 incurred in 2010 (2009: loss of \$1,436,000):

	2010	2009	Increase/ (decrease) to profit
<i>Employment</i>			
Zhaopin Ltd	(3,764)	(17,254)	13,490
Brasil Online Holdings Coöperatief U.A.	4,374	2,022	2,352
JobStreet Corporation Berhad	1,022	-	1,022
Total Employment	1,632	(15,232)	16,864
<i>Education</i>			
IDP Education Pty Ltd	9,795	13,835	(4,040)
Think: Education Group Pty Limited	-	(39)	39
Total Education	9,795	13,796	(4,001)
Total	11,427	(1,436)	12,863

Refer to note 11 in the annual report for further details of associates.

Significant changes in the state of affairs

JobStreet Corporation Berhad (JobStreet)

Between 28 February 2010 and 5 April 2010 SEEK purchased additional shares in JobStreet for \$25,855,000 (MYR 78,191,000), bringing the ownership level to 22.4%.

The increase in ownership, combined with an increased level of management interaction, means SEEK now has significant influence over JobStreet. Accordingly SEEK has applied the equity method in accounting for its share of JobStreet's profits from 10 March 2010, the date that SEEK obtained significant influence. Prior to this date, SEEK's investment in JobStreet was held as an available-for-sale financial asset.

In accordance with the Group's accounting policy (as set out in note 1(b)) the original shareholding in JobStreet was transferred at fair value, and gains previously deferred in reserves were released to Income Statement. This gave rise to a one-off gain of \$6,417,000 recorded in Other Income.

JobStreet is listed in Malaysia and is a leading provider of online employment website across South East Asia.

Matters subsequent to the end of the financial year

Syndicated Debt Facility

On 21 July 2010 the Group re-financed its debt facility. The facility was increased from \$200,000,000 to \$250,000,000. The two tranches in the original facility maturing in August 2010 and August 2011 have been combined into one tranche with a three year term, maturing in July 2013. The facility is structured as a revolving unsecured syndicated senior debt facility and is supported by four domestic banks

Acquisitions

On 11 August 2010 SEEK announced that it had acquired a 40% interest in Online Career Center Mexico SA de CV (OCC) for US\$40,000,000. OCC is the leading employment website in Mexico. SEEK will take two of five board seats and will play an active role in driving the strategic and growth agenda. The investment was financed through the syndicated debt facility and will be accounted for using the equity method.

Zhaopin CEO

On 23 July 2010 SEEK announced that the Board had terminated the CEO and was putting in place transitional management arrangements. Zhaopin continues to experience strong operating momentum at both revenue and EBITDA level. SEEK and co-shareholder Macquarie Group are putting in place appropriate structures and processes to maintain that momentum.

Directors' Report

Change in key management personnel

On 22 July 2010 it was announced that the executive management group has expanded to reflect the increased roles and responsibilities of certain staff members. From this date the executive management group consists of:

Name	Position	Employer
P M Bassat	Joint CEO	SEEK Limited
A R Bassat	Joint CEO	SEEK Limited
J A Armstrong	Chief Financial Officer	SEEK Limited
C M T Eaton	Chief Information Officer	SEEK Limited
J S Powell	Managing Director (SEEK Employment)	SEEK Limited
J S Lenga	Director of Corporate Strategy	SEEK Limited
P D Everingham	Managing Director (SEEK Education)	SEEK Learning Pty Ltd
M Callaghan	Human Resources Director	SEEK Limited
H Souness	Marketing Director	SEEK Limited
M Ilczynski	Strategy Director, Education & Learning	SEEK Limited

Performance rights and options issue

On 1 July 2010, 1,894,348 performance rights were issued to executive directors, senior managers and employees of the Group.

No other matters or circumstances have arisen since 30 June 2010 that have significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Group's state of affairs in future financial years.

Likely developments and expected results of operations

At the date of this report there are no likely developments in the operations of the consolidated entity constituted by the SEEK Group which would materially impact the results of the SEEK Group. Further information about the Group's future results has not been disclosed as it could be prejudicial to the best interests of the Group.

Environmental regulation

Given the nature of its business, the consolidated entity is not subject to environmental regulations.

SEEK has implemented initiatives to reduce its carbon output, and with the purchase of carbon offset credits SEEK continues to focus on increasing the sustainability of the company.

Corporate Social Responsibility

SEEK has a Corporate Social Responsibility (CSR) plan known as SEEK Village. SEEK Village has continued successfully this year with its ongoing support of Volunteering Australia through the SEEK Volunteer website. A large number of SEEK staff were involved in community volunteer days throughout the year which included fence building to support rural families impacted by the Victorian bushfires.

Directors' Report

Information on directors

	Robert (Bob) C G Watson	Paul M Bassat	Andrew R Bassat	Colin B Carter	Neil G Chatfield	Denise I Bradley
Position	Chairman, independent non-executive director	Joint Chief Executive Officer Co-founder	Joint Chief Executive Officer Co-founder	Independent non-executive director	Independent non-executive director	Independent non-executive director
Age	54	42	44	67	56	68
Appointed	February 1999, Chairman since August 2009	September 1997	September 1997	March 2005	June 2005	February 2010
Other current directorships	None.	None.		Wesfarmers Limited (non-executive) since October 2002.	Virgin Blue Holdings Limited (non-executive) since May 2006 and Chairman since June 2007. Whitehaven Coal Limited (non-executive) since May 2007. Transurban Group (non-executive) since February 2009. Grange Resources Limited (non-executive) since January 2009.	None.
Former directorships in last three years	Chairman of Cytopia from November 2004 to February 2010. Virgin Blue Holdings Limited (non-executive), September 2006 to July 2008.	None.	None.	Origin Energy Limited (non-executive), February 2000 to April 2007. Fosters Group Limited (non-executive), March 2007 to September 2007.	Toll Holdings Limited (executive director) since July 1998 (resigned 18 September 2008).	None.
Special responsibilities	Chairman of the Board. Chairman of the Remuneration Committee. Member of the Audit and Risk Management Committee. Chairman of Nomination Committee.	Joint Chief Executive Officer.	Joint Chief Executive Officer.	Member of the Remuneration Committee. Member of the Audit and Risk Management Committee. Member of the Nomination Committee.	Chairman of the Audit and Risk Management Committee. Member of the Nomination Committee.	Member of the Remuneration Committee. Member of the Nomination Committee.
Interests in shares and options	4,238,648 shares, representing 1.26% of issued capital.	12,712,613 shares, representing 3.8% of issued capital and 1,291,606 share options.	13,500,113 shares, representing 4.0% of issued capital and 1,291,606 share options.	94,458 shares, representing 0.03% of issued capital.	32,656 shares, representing 0.01% of issued capital.	None
Experience and expertise	Bob Watson has extensive experience as a CEO and company director in the Information Technology, Internet and the Recruitment industries internationally. His past roles have included Chief Executive Officer of Mayne Nickless Computer Services (Australia's largest Payroll and Human Resource Management outsourcing business) and Data Sciences International (a leading U.K. Information Technology services and software business). Bob was also the Australasian CEO for Adecco, the world's and Australia's largest recruitment and labour contracting business. In addition, he has founded and developed several private I.T. software, services and consulting businesses. Bob is currently a director of YM Biosciences, a U.S. listed company.	As part of Paul's role at SEEK, he has overall responsibility for SEEK's online employment business in Australia and New Zealand as well as SEEK's shared services functions of Finance, IT and HR. Prior to co-founding SEEK, Paul was a lawyer for six years with one of Australia's leading corporate and commercial law firms. Paul is involved in a number of community and charitable organisations. He holds Bachelor of Laws and Bachelor of Commerce degrees from the University of Melbourne. <i>Directorships as SEEK's representative:</i> Zhaopin Limited	Andrew leads the Strategy and Business Development team. He is responsible for SEEK's overall strategic direction and progress of expansion opportunities including acquisitions. Andrew is also responsible for SEEK's Education Division including SEEK Learning, Think and IDP and SEEK's International Division including investments in Brazil and South East Asia. Andrew is a director of the charitable Shane Warne Foundation. Prior to co-founding SEEK, Andrew was a management consultant with Booz Allen & Hamilton and prior to that, he worked as a solicitor at Corrs Chamber Westgarth. Andrew holds a Bachelor of Science (Computer Science) degree from the University of Melbourne, a Bachelor of Laws (Honours) degree from Monash University and a Master of Business Administration degree from Melbourne Business School. <i>Directorships as SEEK's representative:</i> IDP Education Pty Ltd Brasil Online Holdings	Colin Carter has an extensive consulting background in organisational and business strategy. He is a former Senior Vice-President of, and a current senior adviser to, The Boston Consulting Group. His interests include corporate governance issues and in recent years Colin has carried out board performance reviews for a number of companies as well as co-authoring a top-selling book on boards, Back To The Drawing Board. Colin is a non-executive Director of ASX Listed company Wesfarmers Limited and a Director of World Vision Australia. He is Chairman of the AFL Foundation and a director of the Geelong Football Club. He is also a director of Indigenous Enterprise Partnerships and the Cape York Institute. In February 2010, Colin was appointed by the Federal government to the new position of Government Ambassador for Business Action - the objective of this new role is to encourage Australian business to play a greater role in economic development of Indigenous communities. Colin has a Bachelor of Commerce degree from Melbourne University and an MBA from Harvard Business School where he graduated with distinction and as a Baker Scholar.	Neil Chatfield is an established executive and non-executive director with extensive experience across all facets of company management, and with specific expertise in financial management, capital markets, mergers and acquisitions, and risk management. In addition to Seek, Neil also holds non-executive roles across a range of industries and is currently the Chairman of Virgin Blue Holdings Ltd, and a non-executive Director of Whitehaven Coal Ltd, Transurban Group and Grange Resources Ltd, all ASX listed companies. Neil was most recently an Executive Director and Chief Financial Officer of ASX listed Toll Holdings Ltd, Australia's largest transport and logistics company; a position he held for over 10 years. Neil has a Masters of Business in Finance and Accounting, and is a Fellow of CPA Australia (FCPA) and Fellow of the Australian Institute of Company Directors (FAICD).	Emeritus Professor Denise Bradley AC, is a former Vice-Chancellor and President of the University of South Australia. Professor Bradley has been extensively involved in national education policy groups for more than two decades. She was a member of the Commonwealth Tertiary Education Commission (CTEC) and later of the National Board of Employment, Education and Training (NBEET) and was deputy chair of the Higher Education Council of NBEET. In 2008 she chaired the Expert Panel which undertook the National Review of Higher Education. She has also had significant roles on other government and educational boards and committees involved in higher education and training. Professor Bradley is also a former President and Chair of IDP Education Australia Limited in which SEEK has a 50% investment in partnership with the Australian Universities. Professor Bradley is currently Chair of the South Australian Training and Skills Commission; a Director of the Australian College of Educators; a member of the Education Investment Fund Advisory Board; a member of the Australian National Commission for UNESCO; a member of the NSW National Partnerships Evaluation Committee and Chair of VERNet. On Australia Day 2008 Professor Bradley was made a Companion of the Order of Australia, Australia's highest honour, in recognition of her service to higher education. Professor Bradley has a Bachelor of Arts degree from Sydney University, a Diploma of Education from Adelaide University, a Diploma of Librarianship from the University of NSW, and a Masters degree in Social Administration from Flinders University. She also holds Honorary Doctorates from Pukyong University (Korea), University of South Australia, Royal Melbourne Institute of Technology and the University of Western Sydney.

Directors' Report

Company secretary

The Company Secretary is Ian J McAuliffe. Ian was appointed to the position of Company Secretary in 2000. Before joining SEEK Limited he held similar positions in several large private companies and prior to that worked in chartered accounting. He has a Bachelor of Economics degree and is a Chartered Accountant and Chartered Secretary.

Meetings of directors

	Board		Audit and Risk Management Committee		Remuneration Committee		Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held
R C G Watson	8	8	5	5	3	3	1	1
P M Bassat	8	8	-	-	-	-	-	-
A R Bassat	8	8	-	-	-	-	-	-
C B Carter	7	8	2	3	3	3	1	1
N G Chatfield	7	8	5	5	-	-	1	1
D I Bradley ⁽¹⁾	2	3	-	-	-	-	-	-
J D Packer ⁽¹⁾	1	1	-	-	-	-	-	-
J H Alexander ⁽¹⁾	1	1	1	1	-	-	-	-

Note 1: For directors who were appointed or who resigned during the year, only those board meetings held whilst a director have been presented in the table.

Retirement, election and continuation in office of directors

Under the SEEK constitution, the following directors will seek re-election at the 2010 Annual General Meeting (AGM)

- Denise Bradley, having been appointed by the Board in February 2010, is required to be elected at the AGM;
- Bob Watson, being eligible, will seek re-election at the next AGM.

Under the SEEK Limited constitution, directors cannot serve beyond three years or the third AGM after their appointment, whichever is longer.

If no director is in a position requiring them to stand for re-election in the normal rotation, then one director must stand for re-election at the AGM, as selected under the rules of the constitution.

Paul Bassat, who is Joint Chief Executive Officer and a director, is not required to be re-elected while he holds the position of Chief Executive Officer.

Insurance of officers

SEEK Limited has entered into Deeds of Indemnity with all SEEK Limited directors in accordance with the SEEK constitution. During the financial year, SEEK Limited paid a premium to insure the directors, officers and managers of the company and its controlled entities. The insurance contract requires that the amount of the premium paid is confidential.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the consolidated entity are important.

Details of the amounts paid to the auditor (PricewaterhouseCoopers) for non-audit services provided during the year are set out on page 11.

The Board of directors has considered the position and, in accordance with the advice received from the Audit and Risk Management Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the integrity and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 28.

Directors' Report

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms

	Consolidated	
	2010	2009
	\$	\$
(a) Other assurance services		
PricewaterhouseCoopers Australian firm:		
Due diligence services	240,544	583,905
Other services	8,893	15,290
Total remuneration for other assurance services	249,437	599,195
(b) Taxation services		
PricewaterhouseCoopers Australian firm:		
Tax compliance services	81,735	107,130
Tax related due diligence services	-	396,660
Tax consulting	220,122	175,412
Related Practices of PricewaterhouseCoopers Australia:		
Tax Compliance services, including review of company tax returns	11,869	13,286
Total remuneration for taxation services	313,726	692,488
(c) Other advisory services		
PricewaterhouseCoopers Australian firm:		
Employee remuneration structure advice	-	20,050
Education awards project	129,383	-
Executive team benchmarking	48,000	-
Other services	17,450	-
Total remuneration for other advisory services	194,833	20,050
Total remuneration for non-audit services	757,996	1,311,733

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

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

Directors' Report

Remuneration report

The information provided in this Remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms with good market practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation;
- transparency;
- capital management; and
- attract and retain high-calibre executives.

In order to attract high-calibre executives, SEEK adopts the following principles:

- recognise and reward executives in accordance with capability and experience;
- align competitive rewards with contribution to growth in shareholder wealth; and
- provide a consistent and transparent reward framework.

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives. As executives gain seniority within the Group, the balance of this mix shifts to a higher proportion of "at risk" rewards.

The Board has established a Remuneration Committee which provides advice on remuneration and incentive policies and practices and specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors. The Corporate Governance Statement on pages 29 to 35 provides further information on the role of this committee.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands that are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The Board also has agreed to the advice of independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently based on fees of non-executive directors in comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration. Non-executive directors do not receive share options. Non-executive directors receive superannuation payments in accordance with statutory requirements, calculated as 9% of directors' fees. Payments are made directly to their individual superannuation funds.

Non-executive directors' fees

External remuneration consultants were engaged to review the approach to setting non-executive director fees to ensure SEEK policy reflected market trends and shareholder expectations. Following recommendations received several changes were made to the structure and level of current base remuneration. These changes were effective 1 July 2010.

Fees were reviewed against those of a comparator group and raised in line with the median of this group. The comparator group was chosen based on market capitalisation and company annual revenue. The exception is the fee for the Audit Committee Chair, that has been raised to higher than the median to reflect the complexity of the role and the volume of work required.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$750,000 per annum plus statutory superannuation totalling \$817,500 per annum, covering all non-executive directors. Shareholders approved the directors' fees pool of \$750,000 per annum at the 2007 Annual General Meeting (AGM). It is proposed that this limit be raised to \$900,000 per annum (plus statutory superannuation) at the 2010 AGM to accommodate the lift in current fees and fees for potential future additional Board members.

The non-executive directors' fees for 2011 are:

Bob Watson, Chairman	\$240,000
Colin Carter	\$105,000
Neil Chatfield	\$145,000
Denise Bradley	\$105,000

Directors' Report

Remuneration Report continued

Effective 1 July 2010, it is expected that all non-executive directors acquire over time a SEEK shareholding equivalent to one year of directors' fees. Non-executive directors will have the option of reaching this level by purchasing shares themselves or by opting into an arrangement with SEEK. This arrangement will be that SEEK purchases an amount of shares on behalf of the non-executive director twice a year immediately following the results release, to the value of 20% of their gross annual fee, after tax. Directors may opt in to a greater amount than 20% if they wish. When the non-executive director reaches the expected level of shareholding they can decide to end the arrangement and receive their annual fee as cash.

All restrictions governing the purchase and trade of these share will be in accordance with the current SEEK Share Trading Policy and Directors' obligations.

Executive remuneration

The executive pay and reward framework has four components, which comprises the executive total remuneration:

- Base pay and benefits;
- Retirement benefits – superannuation;
- Short-term performance incentives; and
- Long-term incentives through participation in various Employee Option Plans; and

Base pay

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. External remuneration consultants provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any senior executives contracts.

Executive directors' remuneration was reviewed on 1 July 2010 through the use of external remuneration consultants using a comparator group selected on the basis of market capitalisation and company annual revenues.

In reviewing the Joint CEOs' salaries it is important to note that the comparables provided are for single CEO companies. Given SEEK has two CEOs, the positioning of the respective salary packages is in between the 25th and 50th percentiles.

Effective 1 July 2010, each executive director's remuneration was increased to a base salary of \$650,000 and a long term incentive value of \$1,004,000. The level of the Long Term Incentive was increased relative to the increase in base salary as was approved by the shareholders at the 2009 Annual General Meeting held on 30 November 2009.

Benefits

Executives, including executive directors, receive salary continuance insurance cover, which is provided to all permanent employees of the company.

Retirement benefits

Retirement benefits are delivered under the Statutory Guarantee Charge (SGC). Under current legislation, SEEK Limited provides choice of superannuation funds to all employees. The SEEK Limited default fund is the SEEK Limited Superannuation Plan, which is provided by MLC Limited Group. This fund is an accumulation fund.

Other retirement benefits for directors may be provided directly by the company if the benefit is within statutory limits or is approved by shareholders.

Short-term incentives ("STI")

Executives (excluding executive directors) participate in an executive cash bonus plan, combining the company's annual profit performance and the individual's personal performance. The level of the STI bonus is set as a percentage of the executive's base pay.

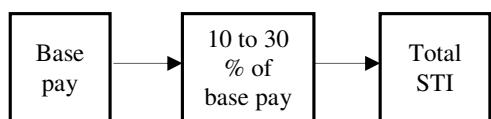
This method of providing short-term incentives aligns the executives with short-term shareholder wealth as expressed by company annual profits against targets, as well as an individual's executive performance.

Bonuses are usually paid annually, after the release of the company's annual results.

Directors' Report

Remuneration Report continued

STI is calculated using the following method:



Individual performance
Assessed through internal performance management program based on individual performance against:

- individual specific objectives
- company core values

Each executive's performance is assessed via a 360° feedback tool by their immediate manager, peers and direct staff reporting to them.

Company performance
Based on company performance against company EBITDA target for the year:

EBITDA	STI
Below 90% of target	No STI payable
Between 90% and 99% of target (inclusive)	80% of allocated STI plus additional 2% of allocated STI for every additional 1% that EBITDA exceeds 90% of target
100% of target	100% of allocated STI
Above 100% of target	100% of allocated STI plus additional 1% of allocated STI for every additional 1% that EBITDA exceeds 100% of target

Long-term incentives ("LTI")

Provided through equity based plans

Similar to STI, this is based on a maximum value calculated as a percentage of base pay, ranging from 10% to 50%

SEEK Limited has established a number of different equity based plans since the first plan commenced in 2000. Executives have participated in a variety of these plans, depending on when they joined the organisation. A number of these plans are now finalised and will not be used again to deliver LTI.

Details of the equity plans including which plans are applicable to each key management executive, are disclosed on pages 18 to 25.

Executive directors: For the 2011 financial year, the shareholders approved a maximum Long Term Incentive award of 800,000 options for each Executive Director at the 2009 Annual General Meeting held on 30 November 2009. The actual number of options granted to each Executive director on 1 July 2010 was 502,000. The options were issued under the SEEK Performance Rights and Options Plan, which is the Plan applicable to all senior management and has the same terms and conditions.

Education Long Term Incentive Plans

While Education remains in the early stage, it is not practical to have a share options plan to reward senior executives in the Education business for the performance of the education investments only. Consequently cash incentive plans have been designed to produce rewards that are similar in nature to the share options plan but only for education investments. Incentive payments are based on an increase in the value of the Education business over three years, measure at the end of the three year period. The payments are subject to achieving a minimum valuation growth hurdle and are limited to a percentage of the increase in the valuation of the businesses. The plans are approved by the Remuneration Committee. As with the company equity plans any cash LTI payments that do not vest, will lapse.

Amounts of remuneration

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124: *Related Party Disclosures* and as defined in the *Corporations Act 2001*) of SEEK Limited and the SEEK Group are set out in the following tables.

The key management personnel of SEEK Limited includes the directors as per page 9 above and the following executive officers, who are also the highest paid executives:

J A Armstrong	Chief Financial Officer	
C M T Eaton	Chief Information Officer	
J S Powell	Managing Director (SEEK Employment)	
J S Lenga	Director of Corporate Strategy	
P D Everingham	Managing Director (SEEK Education)	
T K Vu	Chief Information Officer	(resigned 1 August 2008)

Directors' Report

Remuneration Report continued

Details of the nature and amount of each element of the remuneration of each director and of each of the other key management personnel of the parent entity and the Group receiving the highest remuneration for the year ended 30 June 2010, are set out in the following tables:

2010	Short term benefits			Post-employment benefits		Subtotal	Long-term benefits			Termination payments	Total	Percentage of remuneration that consists of:		
	Cash salary and fees	Cash Bonus	Non-monetary benefits	Super-annuation	Retirement benefits		Long service leave	Share-based payments ⁽¹⁰⁾	Education LTI ⁽¹¹⁾			Fixed ⁽⁵⁾	At risk STI	At risk LTI
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%	%
Non executive directors														
R C G Watson	133,100	-	-	11,979	-	145,079	-	-	-	-	145,079			
C B Carter	66,550	-	-	5,990	-	72,540	-	-	-	-	72,540			
N G Chatfield	145,000	-	-	13,050	-	158,050	-	-	-	-	158,050			
D I Bradley (2)	24,956	-	-	2,246	-	27,202	-	-	-	-	27,202			
J D Packer (1)	17,747	-	-	1,597	-	19,344	-	-	-	-	19,344			
J H Alexander (1)	11,092	-	-	998	-	12,090	-	-	-	-	12,090			
Executive directors														
P M Bassat	550,000	-	4,087	23,221	-	577,308	857	653,770	-	-	1,231,935	47%	0%	53%
A R Bassat	550,000	-	4,087	23,221	-	577,308	1,064	653,770	-	-	1,232,142	47%	0%	53%
Other key management personnel														
J A Armstrong (3) (4)	306,375	128,834	4,087	25,818	-	465,114	14,443	25,556	-	-	505,113	69%	26%	5%
C M T Eaton (3) (4)	270,000	113,538	4,087	24,120	-	411,745	-	64,437	-	-	476,182	63%	24%	14%
J S Powell (3) (4)	475,000	199,743	4,329	34,059	-	713,131	28,163	70,701	-	-	811,995	67%	25%	9%
J S Lenga (3) (4)	375,000	166,129	4,329	29,932	-	575,390	5,757	37,914	-	-	619,061	67%	27%	6%
P D Everingham (4)	322,500	142,871	3,604	26,048	-	495,023	14,245	(11,728)	193,507	-	691,047	53%	21%	26%
Total	3,247,320	751,115	28,610	222,279	-	4,249,324	64,529	1,494,420	193,507	-	6,001,780			

Directors' Report

Remuneration Report continued

2009	Short term benefits			Post-employment benefits		Subtotal	Long-term benefits			Termination payments	Total	Percentage of remuneration that consists of:		
	Cash salary and fees	Cash Bonus	Non-monetary benefits	Super-annuation	Retirement benefits		Long service leave	Share-based payments ⁽¹⁰⁾	Education LTI ⁽¹¹⁾			Fixed ⁽⁵⁾	At risk STI	At risk LTI
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%	%	
Non executive directors														
R C G Watson	133,100	-	-	11,979	-	145,079	-	-	-	-	145,079			
C B Carter	66,550	-	-	5,990	-	72,540	-	-	-	-	72,540			
N G Chatfield	100,767	-	-	9,069	-	109,836	-	-	-	-	109,836			
J D Packer ⁽⁶⁾	106,480	-	-	9,583	-	116,063	-	-	-	-	116,063			
J H Alexander ⁽⁶⁾	13,651	-	-	1,229	-	14,880	-	-	-	-	14,880			
C J Anderson ⁽⁹⁾	55,458	-	-	4,991	-	60,449	-	-	-	-	60,449			
Executive directors														
P M Bassat	550,000	-	5,162	40,561	-	595,723	10,486	230,670	-	-	836,879	72%	0%	28%
A R Bassat	550,000	-	5,162	40,561	-	595,723	10,488	230,670	-	-	836,881	72%	0%	28%
Other key management personnel														
J A Armstrong ^{(3) (4)}	306,375	39,063	4,402	27,632	-	377,472	10,549	54,714	-	-	442,735	79%	9%	12%
C M T Eaton ^{(3) (4) (7)}	223,269	28,350	3,534	19,353	-	274,506	-	33,597	-	-	308,103	80%	9%	11%
J S Powell ^{(3) (4)}	475,000	60,563	5,108	40,949	-	581,620	-	86,816	-	-	668,436	78%	9%	13%
J S Lenga ^{(3) (4)}	375,000	47,813	4,690	31,754	-	459,257	19,584	61,047	-	-	539,888	80%	9%	11%
P D Everingham ⁽⁴⁾	322,500	48,375	4,497	29,000	-	404,372	17,598	62,261	-	-	484,231	77%	10%	13%
T K Vu ⁽⁸⁾	30,209	-	372	2,719	-	33,300	-	-	-	90,798	124,098	100%	0%	0%
Total	3,308,359	224,164	32,927	275,370	-	3,840,820	68,705	759,775	-	90,798	4,760,098			

Note 1 Directors resigned 23 August 2009.

Note 2 Director appointed 15 February 2010.

Note 3 Denotes one of the four highest remunerated executives of the company, as required to be disclosed under the *Corporations Act 2001*. There are no other key management personnel for the company.

Note 4 Denotes one of the five highest remunerated executives of the Group, as required to be disclosed under the *Corporations Act 2001*.

Note 5 Fixed remuneration includes all superannuation benefits, long service leave and termination payments. For the non-executive directors 100% of the remuneration is fixed.

Note 6 J D Packer and J H Alexander – the company has been advised that in relation to the directors' fees disclosed above for these directors, they intend to reimburse Consolidated Media Holdings Limited for the after-tax amount of these fees.

Note 7 C M T Eaton was appointed to Chief Information Officer on 1 September 2008. Prior to this time he was not included as a member of key management personnel.

Note 8 T K Vu resigned 1 August 2008.

Note 9 C J Anderson resigned 8 April 2009.

Note 10 Remuneration in the form of options includes negative amounts for options forfeited during the year.

Note 11 Represents estimate of amounts that may be paid in the future

Directors' Report

Remuneration Report continued

Service agreements

Executive directors

Remuneration and other terms of employment for the executive directors and the other key management personnel are formalised in service agreements. Each of these agreements provide for the base cash salary, and share option agreements (LTI). The major provisions of the agreements relating to remuneration are set out below.

	P M Bassat & A R Bassat ⁽¹⁾
	Joint Chief Executive Officers
Base salary	\$550,000 (plus superannuation)
Salary review	1 July 2010 and 1 July each following year
Participation in option plans	Executive Director Option Plans SEEK Performance Rights and Options Plan
Termination notice period	Six months by either party. However, each Joint CEO cannot resign within six months of the other Joint CEO resigning. The company can terminate their employment with a payment in lieu of notice. If there is a change of control at SEEK, only the six months termination notice is required. There is no restriction on resigning within six months of the other Joint CEO.
Non-competition period	From termination date, maximum of three months within Australia

Note 1 Paul Bassat and Andrew Bassat entered into a new employment contract on 1 July 2008, to align their employment terms with similar terms applicable to other senior executives.

Other key management personnel

Other key management personnel have employment contracts determining base cash salary, performance based cash bonuses and share option agreements. Other key management personnel have no fixed employment terms and no special termination payment conditions. All agreements provide for dismissal due to gross misconduct. Remuneration is reviewed annually.

	J A Armstrong Chief Financial Officer	C M T Eaton Chief Information Officer	J S Powell Managing Director (SEEK Employment)	J S Lenga Director of Corporate Strategy	P D Everingham Managing Director (SEEK Education)
Base salary ⁽¹⁾	\$306,375	\$270,000	\$475,000	\$375,000	\$322,500
Participation in cash bonus plans (STI)	Senior Executive Bonus Plan	Senior Executive Bonus Plan	Senior Executive Bonus Plan	Senior Executive Bonus Plan	Senior Executive Bonus Plan
Participation LTI plans	- Performance Rights and Options Plan	- Performance Rights and Options Plan	- Performance Rights and Options Plan	- Performance Rights and Options Plan - Senior Executive Option Plan - Selfcert Option Agreement (exercised last option in September 2008)	- Performance Rights and Options Plan - Education LTI
Termination notice period	Three months by either party	Three months by either party	Three months by either party	Three months by either party	Three months by either party
Non-competition period	Three months from termination date	Three months from termination date	Three months from termination date	Three months from termination date	Three months from termination date

(1) Base salary for the year ended 30 June 2010 excluding superannuation; they are reviewed annually by the Remuneration Committee

Directors' Report

Remuneration Report continued

Share-based compensation

Details of options plans

The directors have resolved that options outstanding under all SEEK Share Plans cannot exceed 10% of the issued shares in SEEK Limited. Non-executive directors are not entitled to participate in any SEEK Share Plans.

Executive Director Options Plan

Issued March 2005

SEEK entered into separate employment and options agreements, dated 22 March 2005, with the executive directors, on the same terms and conditions. As part of these agreements each executive director was issued with 2,250,000 options, with an exercise price of \$2.10 per share. The options vested as to 30% on 1 January 2007, as to another 35% on 1 January 2008 and as to the balance on 1 January 2009.

Options which have vested only become capable of exercise if and to the extent of the satisfaction of a performance hurdle based on a comparison of the total shareholder return (appreciation in share price plus dividends) of SEEK to the total shareholder returns of a group of companies identified in the agreements as SEEK's peers for the period from listing date to the date of vesting. SEEK must rank at or above the median of that Peer Group in terms of total shareholder return over the period in order for any vested options to be capable of exercise. To the extent that SEEK's total shareholder return for a relevant period ranks above that median, further vested options relating to that period become capable of exercise. Where SEEK's ranking for a period is above 75% of the Peer Group, that achievement may be credited to other periods where not all of the vested options relating to that period became capable of exercise.

The Executive Director Option Plan was implemented in conjunction with independent advisers to align the executive directors' long-term rewards with shareholder wealth as measured by share price and dividend movements over time, against similar companies in the ASX. This options agreement has now been finalised and all options have vested.

Issued July 2008

Each executive director was issued with 1,045,530 options, effective from 1 July 2008. Options are convertible into ordinary shares at an exercise price of \$5.29 per option. The options are allocated 50% subject to a Relative Total Shareholders Return (RTSR) test and 50% allocated subject to an Earnings Per Share (EPS) test.

Minimum and maximum EPS targets for the options have been set for each of the three years of the vesting period. The target for the third year, namely the year ended 30 June 2011, has been set at a minimum Aggregate Growth Rate over the three year period, of 47.0% and a maximum Aggregate Growth Rate, over the three year period, of 58.6%.

Vesting period	Percentage with RTSR hurdle	Percentage with EPS hurdle
30 June 2009	12.5%	12.5%
30 June 2010	12.5%	12.5%
30 June 2011	25%	25%

Alignment of Executive directors and senior management employees

Under the Performance Rights and Option Plan, Options and Performance Rights issued on and after 30 June 2009 contain the same terms and conditions and performance targets. This aligns the executive directors with the other senior management performance rights and options plans, setting common targets, vesting dates and performance hurdles.

Issued November 2009

Under the SEEK Performance Rights and Options Plan, each executive director was issued 559,212 options, approved at the Annual General Meeting on 30 November 2009, effective from 1 July 2009. Options are convertible into ordinary shares at an exercise price of \$4.10 per option and vest on 30 June 2012. The options are allocated 50% subject to a RTSR test and 50% allocated subject to an EPS test.

RTSR measurement is performance against a Peer Group comprising the ASX 200 list, excluding Real Estate, Energy, Metals and Mining classifications.

Entitlement to vest options under the RTSR measurement test is:

- Less than 50th percentile of the Peer Group – no options vest.
- At the 50th percentile – 50% of options vest.
- Between 50th percentile and 75th percentile – 2 percentage points for each 1 percentage point above the 50th percentile.
- At 75% or higher – 100% of options vest.

EPS measurement will be against an aggregate EPS target over the period, set by the Board. Minimum and stretch aggregate EPS targets have been set.

Directors' Report

Remuneration Report continued

Entitlement to vest options under the EPS measurement test is:

- Less than the minimum aggregate EPS target – no options vest.
- At the minimum aggregate EPS target – 50% of options vest.
- Between the minimum and maximum aggregate EPS targets – 50% of options vest plus a prorata allocation up to the maximum aggregate target.
- At the maximum aggregate EPS target or higher - 100% of options vest.

EPS targets for the options have been set by the Board for the Relevant Period. The EPS targets are based on achieving an aggregate EPS target over the three year period. EPS targets will be tested at 30 June 2012. Minimum and maximum EPS Targets have been set for each of the three years of the vesting period. The target for the third year, namely the year ended 30 June 2012, has been set at a minimum aggregate growth rate over the three year period, of 38% and a maximum aggregate growth rate, over the three year period, of 49%.

SEEK sets targeted growth rates for each issue of Options or Performance Rights, where an EPS target is required to be achieved. These rates are set solely for the purposes of LTI hurdles, and will also involve stretch targets. These growth rate targets should in no way be construed as financial forecasts by the company. Any profit or growth rate or similar forecasts to be released by the company, will be announced to the market as and when they are released, in accordance with ASX Continuous Disclosure Rules.

1 July 2010

502,000 options were issued to each executive director on 1 July 2010 with an exercise price of \$7.39 and have a three year vesting period. These were approved at the AGM held on 30 November 2009.

Entitlement to RTSR and EPS options are the same as for issues on or after 30 June 2009 as noted above

The EPS targets are based on achieving an aggregate EPS target over the three year period. EPS targets will be tested at 30 June 2013. Minimum and maximum EPS Targets have been set for each of the three years of the vesting period. The target for the third year, namely the year ended 30 June 2013, has been set at a minimum aggregate growth rate over the three year period, of 75% and a maximum aggregate growth rate, over the three year period of 89%.

Under the plan, any options subjected to both the RTSR and the EPS tests that do not vest within a vesting period will be forfeited.

Expiry date for options will be five years after the grant date.

SEEK Limited Staff Option Plan

The final issue of options was in February 2005. As at 30 June 2010 all options issued under this Plan have vested or lapsed. This Plan is now finalised and the company does not intend issuing any more options from this plan.

The establishment of the SEEK Limited Staff Option Plan was approved by shareholders, by special resolution at the Annual General Meeting of the company held on 16 March 2000. All full-time employees (excluding executive directors) of SEEK Limited and controlled entities were eligible to participate in the plan.

Options were granted under the plan for no consideration. Each option is convertible into one ordinary share at any time (subject to vesting rules) on or before six to 10 years after the date of issue at the specified exercise price.

Options vest proportionately over three to four years from the date of commencement of full-time employment except that no options vest until the end of the first year of employment.

Selfcert Option Agreement

There was only one issue of options under this agreement and at 30 June 2010 all options under this plan have now vested or lapsed. The Plan is now finalised and the company will not be issuing any more options from this plan.

The Selfcert Option Agreement commenced on 25 August 2004 and applied to nominated senior executives of SEEK Learning Pty Ltd (formerly Business Information Systems Pty Ltd trading as Selfcert).

Options were granted for no consideration. Each option is convertible to one ordinary share, subject to vesting and exercise rules, within six years of the grant date, at the specified exercise price.

Options vest over a four-year period, effective from 1 July 2004. The number of options vesting in each period depends on the annual performance rating achieved by the executive in SEEK's internal performance management system. No options will vest if the employee does not achieve a minimum satisfactory rating. Higher ratings receive higher vested options. Unsatisfactory performance yields no vested options. Any options not vested in any period are forfeited. Executives must be employed by the Group, in an executive capacity, for a minimum 12-month period, before any vested options can be exercised.

The Selfcert Option Agreement was established to provide long term incentives to specified senior managers and executives, based on their individual performance. The quantum of options issued was considered large enough to retain current managers and new managers at SEEK Learning, which had been purchased by SEEK Limited.

Directors' Report

Remuneration Report continued

Senior Executive Option Plan (SEOP)

The Senior Executive Option Plan was established to provide long-term incentives to senior managers and executives, based on their individual performance, rather than length of service. As at 30 June 2010, all options have now vested or lapsed. This plan is now finalised and the company will not be issuing any further options under this plan.

The Senior Executive Option Plan was approved by the Board on 25 August 2004. The Plan is open to eligible senior executives of the company and its controlled entities, as determined by the Board.

Options are granted for no consideration. Each option is convertible to one ordinary share, subject to vesting and exercise rules, within six years of the grant date, at the specified exercise price. Options vest over a four-year period, from date of issue. The number of options vesting in each period depends on the annual performance rating achieved by the executive in SEEK's internal performance management system. No options will vest if the employee does not achieve a minimum satisfactory rating. Higher ratings receive higher vested options. Any options not vested in any period are forfeited. Executives must be employed by the Group, in an executive capacity, for a minimum 12-month period, before any vested options can be exercised.

Prior to listing on the ASX, the exercise price of options was determined by the Board. Since listing on the ASX, the exercise price of options is based on the weighted average price at which the company's shares are traded on the ASX, during the five trading days immediately before the options are granted.

Performance Rights and Options Plan

The Performance Rights and Options Plan was approved by the Board on 22 March 2005 and was included in the April 2005 SEEK Limited Initial Public Offer Prospectus. The plan was developed in conjunction with independent remuneration consultants. The Plan is applicable to senior managers and employees of the Group as nominated by the Board. The number of rights or options available to participants depends on their position within the company, their salary level and on current participation in other long-term incentive share option programs. Under the Plan, participants can receive ordinary shares in SEEK Limited, provided the company meets specified performance conditions and the participant also achieves a satisfactory individual performance rating. Performance Rights are issued with no exercise price and Performance Options are issued with an exercise price, based on the weighted average market price of the shares in the 28 days prior to the issue.

The Performance Rights and Options Plan is a component of long-term incentives for senior managers, and aligns employee reward with shareholder wealth and both individual performance and company performance over a period of time. Performance Rights and Options are not exercisable unless the participant receives at least a satisfactory individual performance rating at the end of the measurement period. Any Performance Rights not vesting in the period will be forfeited.

Grant date	Vesting	Percentage with RTSR hurdle	Percentage with EPS hurdle	Exercise price		Fair value (at grant date)	
				Option plan	Performance Rights	RTSR	EPS
01-Jul-06	01-Jul-08	100%	-	-	Nil	\$2.85	n/a
01-Jul-07	01-Jan-10	50%	50%	-	Nil	\$3.12	\$6.92
01-Jul-08	01-Jul-11	50%	50%	-	Nil	\$1.85	\$4.21
30-Jun-09	30-Jun-12	50%	50%	\$4.10	-	\$1.49	\$1.64
01-Jul-10	30-Jun-13	50%	50%	\$7.39	-	\$1.89	\$2.11

Note: Vesting periods range from two years for the initial issue in 2006 to three years for issues in 2008 and thereafter, to accommodate transition onto this plan.

RTSR and EPS are assessed under the same principles as the Executive Director Options Plan. Refer to page 18 to 19 for further details.

1 July 2006

Performance Rights issued on 1 July 2006 had a Relative Total Shareholder Return (RTSR) target at the end of a two-year period. The RTSR hurdles are measured against the TSR of the S&P/ASX 200 companies during the period (excluding Real Estate, Energy, Metals and Mining companies). Performance Rights begin to vest if SEEK is in the 50th percentile and vest proportionately up to the 75th percentile, when 100% of options will vest. This issue of Performance Rights vested at 1 July 2008 and the RTSR calculation resulted in 57.96% of the maximum number of Performance Rights vesting. The unvested Performance Rights were forfeited.

1 July 2007

For the Performance Rights issued on or after 1 July 2007, a number of conditions were adjusted. The performance hurdles now comprise two components; 50% of the Performance Rights is subject to achieving the RTSR target and 50% is subject to achieving an EPS target. Vesting was measured over a 2.5 year period. This issue of Performance Rights vested at 1 January 2010. The RTSR calculation resulted in 90% of the RTSR Performance Rights vesting and no Performance Rights vested that were subject to the EPS target, as target EPS hurdles were not achieved.

Directors' Report

Remuneration Report continued

1 July 2008

Performance rights were issued on 1 July 2008 with no exercise price and have a three year vesting period.

30 June 2009

Options were issued on 30 June 2009 with an exercise price of \$4.10 and have a three year vesting period. Refer Executive Directors Options issue 1 July 2009 for relevant entitlement and measurement of performance targets

1 July 2010

Options were issued on 1 July 2010 with an exercise price of \$7.39 and have a three year vesting period. Refer Executive Directors Options issue 1 July 2010 for relevant entitlement and measurement of performance targets

The terms and conditions of each grant of options affecting remuneration in the previous, current or future reporting periods are as follows:

Plan	Grant date	Expiry date	Exercise price	Fair value per option at grant date	Date exercisable
Staff Option Plan	31/03/2003	31/03/2009	\$0.33	\$0.23	25% exercisable after initial 12 months service, monthly thereafter.
Selfcert Option Agreement	25/08/2004	25/08/2010	\$0.58	\$0.22	Exercisable monthly subject to individual performance hurdle.
Senior Executive Option Plan	13/12/2004	13/12/2010	\$0.83	\$1.04	First maximum 25%, exercisable 13 December 2005. The maximum 25% p.a. exercisable each 1 July commencing 1 July 2006.
Executive Directors Options Plan	22/03/2005	22/03/2011	\$2.10	Tranche 1: \$0.56 Tranche 2: \$0.64 Tranche 3: \$0.74	First tranche (30% of total options) 1 January 2007. Second tranche (35% of total options) 1 January 2008. Third tranche (35% of total options) 1 January 2009. Exercisable dependent on achieving Relative Total Shareholder Returns.
Senior Executive Options Plan	12/12/2005	12/12/2011	\$3.05	\$1.16	First maximum 25%, exercisable 13 December 2006. The maximum 25% p.a. exercisable each 1 July commencing 1 July 2006.
Performance Rights and Options Plan	01/07/2006	01/07/2009	Nil	\$2.85	Exercisable 1 July 2008, dependent on achieving Relative Total Shareholder Return and individual performance hurdles.
Performance Rights and Options Plan	01/07/2007	01/01/2011	Nil	RTSR \$3.12 EPS \$6.92	Exercisable 1 January 2010, dependent on achieving Relative Total Shareholder Return, Earnings Per Share and individual performance hurdles.
Performance Rights and Options Plan	01/07/2008	01/07/2012	Nil	RTSR \$1.85 EPS \$4.21	Exercisable 1 July 2011 dependent on achieving Relative Total Shareholder Return, Earnings Per Share and individual performance hurdles.
Executive Directors Options Plan	01/07/2008	01/07/2013	\$5.29	Tranche 1: \$0.26 Tranche 2: \$0.36 Tranche 3: \$0.81 Tranche 3: \$0.43 Tranche 3: \$0.95	First tranche (25% of total options) 30 June 2009. Second tranche (25% of total options) 30 June 2010. Third tranche (50% of total options) 30 June 2011. Exercisable dependent on achieving Relative Total Shareholder Return and Earnings Per Share.
Performance Rights and Options Plan	30/06/2009	01/07/2014	\$4.10	RTSR \$1.49 EPS \$1.64	Exercisable 1 July 2012 dependent on achieving Relative Total Shareholder Return, Earnings Per Share and individual performance hurdles.
Executive Director Options Plan	30/11/2009	30/11/2014	\$4.10	RTSR \$2.90 EPS \$3.14	Exercisable 1 July 2012 dependent on achieving Relative Total Shareholder Return, Earnings Per Share and individual performance hurdles.
Performance Rights and Options Plan	01/07/2010	01/07/2015	\$7.39	RTSR \$1.89 EPS \$2.11	Exercisable 1 July 2013 dependent on achieving Relative Total Shareholder Return, Earnings Per Share and individual performance hurdles.

Directors' Report

Remuneration Report continued

Options granted under the plans were issued for no consideration and carry no dividend or voting rights.

When exercisable, each option and Performance Right is convertible into one ordinary share in SEEK Limited. Unvested options and Performance Rights are forfeited if the executive ceases employment with SEEK.

Fair value

The fair value of options and Performance rights at grant date is independently determined using a Black-Scholes or similar option model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The model inputs for Executive Director Option Plans granted during the year ended 30 June 2010 included:

Input	30 November 2009
Exercise price ⁽¹⁾	\$4.10
Grant date	30 November 2009
Expiry date	30 November 2014
Share price at grant date	\$6.29
Expected price volatility	45%
Dividend yield	1.5%
Risk free rate	4.83%
Vest period	3 years
Vesting conditions	RTSR, EPS and individual performance rating

Note 1: The exercise price was determined as at 30 June 2009, however, grant date was on approval at AGM on 30 November 2009. During this time the share price increased from \$4.17 to \$6.29

Employee Share Trust

In June 2008, SEEK Limited established an Employee Share Trust (EST) to oversee the administration of all current and future share option and Performance Rights and Options Plans. The Trustee of the EST is Computershare Plan Managers Pty Ltd. Computershare will also administer all SEEK plans.

As well as streamlining administration of the plans, the structure enables the Trustee to buy SEEK shares on market or issue new SEEK shares for delivery to employees exercising vested share options and Performance Rights. The establishment of the EST does not have any negative change to the rights of employees in the various plans, or on shareholders.

Directors' Report

Remuneration Report continued

Options granted, vested and lapsed during the period

Details of options over ordinary shares in the company provided as remuneration to each director of SEEK Limited and each of the key management personnel of the parent entity and the Group are set out below. When exercisable, each option is convertible into one ordinary share of SEEK Limited. Further information on options is set out in note 25 to the financial statements.

	Number of options and Performance Rights granted during the year	Value of options at grant date (1)	Number of options and performance rights vested during the year	Number of options and performance rights lapsed during the year	Value at lapse date of lapses (2)
Executive directors					
P M Bassat	559,212	1,688,820	130,691	130,691	901,768
A R Bassat	559,212	1,688,820	130,691	130,691	901,768
Other key management personnel					
J A Armstrong	-	-	7,018	8,578	59,188
C Eaton	-	-	5,171	6,321	43,615
J S Powell	-	-	9,529	11,647	80,364
J S Lenga	-	-	7,387	9,029	62,300
P D Everingham	-	-	76,797	8,307	57,318

Note 1: The value at grant date calculated in accordance with AASB 2 Share-based Payments of options granted during the year as part of compensation

Note 2: The value at lapse date of options that were granted as part of remuneration and that lapsed during the year because a condition was not satisfied. The value is determined at the time of lapsing.

The assessed fair value at the grant date of options and Performance Rights granted to the individuals is allocated over the period from grant date to vesting date and the amount is included in the remuneration tables above.

Shares provided on exercise of remuneration options

Details of ordinary shares in the Company provided as a result of the exercise of remuneration options to each director of SEEK Limited and other key management personnel of the Group are set out below.

	Number of ordinary shares issued on exercise of options during the year	Weighted average exercise price \$	Value at exercise date \$ (1)	
Executive directors				
P M Bassat	787,500	2.10	3,303,605	Shares purchased on market
A R Bassat	787,500	2.10	4,633,784	New shares issued on 18 February 2010
Other key management personnel				
J A Armstrong	7,018	-	52,098	Shares purchased on market
C Eaton	5,171	-	38,387	Shares purchased on market
J S Powell	9,529	-	70,739	Shares purchased on market
J S Lenga	67,512	2.07	357,445	Shares purchased on market
P D Everingham	66,797	2.23	181,333	Shares purchased on market

Note 1: The value at exercise date of the options that were granted as part of the remuneration and were exercised during the year has been determined as the intrinsic value of the options at that date.

Details of remuneration: cash bonuses and share-based payment benefits

For each cash bonus and grant of options, included in the tables on pages 15 to 16 and 21, the percentage of maximum bonus of grant that was paid, or that vested, in the financial year and comparative financial year, and the percentage that was forfeited because the person did not meet the performance criteria, is set out below. No part of the bonus or grants of options are payable in future years.

No options will vest if the performance conditions are not satisfied, hence the minimum value of the option yet to vest is \$nil. The maximum value of the options yet to vest has been determined as the amount of the grant date fair value of the options that is yet to be expensed. Fair value is calculated in accordance with AASB 2: *Share-Based Payment*.

Directors' Report

Remuneration Report continued

Year 2010 Name	Cash bonus		Options and Cash LTI				
	Paid %	Forfeited %	Grant date	Vested % (2)	Forfeited % (2)	Financial years in which options may vest	Maximum total value of grant yet to vest \$
P M Bassat ⁽¹⁾	-	-	01/07/2008	50%	50%	2010-2011	120,236
			30/11/2009	-	-	2012	1,125,880
							1,246,116
A R Bassat ⁽¹⁾	-	-	01/07/2008	50%	50%	2010-2011	120,236
			30/11/2009	-	-	2012	1,125,880
							1,246,116
J A Armstrong	92%	8%	01/07/2007	45%	55%	2010	-
			01/07/2008	-	-	2011	23,398
			30/06/2009	-	-	2012	80,924
							104,322
C M T Eaton	92%	8%	01/07/2007	45%	55%	2010	-
			01/07/2008	-	-	2011	17,241
			30/06/2009	-	-	2012	71,316
							88,557
J S Powell	92%	8%	01/07/2007	45%	55%	2010	-
			01/07/2008	-	-	2011	44,295
			30/06/2009	-	-	2012	156,830
							201,125
J S Lenga	100%	0%	01/07/2007	45%	55%	2010	-
			01/07/2008	-	-	2011	28,639
			30/06/2009	-	-	2012	99,051
							127,689
P D Everingham	100%	0%	15/08/2005	100%	0%	2010	-
			01/07/2007	45%	55%	2010	-
			01/07/2008	-	-	2011	24,630
			01/07/2009	-	-	2012	387,014
							411,644

Note 1: Executive Directors do not receive cash bonuses.

Note 2: The percentage of options vested and forfeited is calculated on total options that have vested in the current financial year for each particular grant.

Directors' Report

Remuneration Report continued

Shares under option

Unissued ordinary shares of SEEK Limited under option at the date of this report are as follows:

Date granted	Expiry date	Exercise price of options	Number
Senior Executive Option Plan			
15/08/2005	14/08/2011	\$ 2.48	10,000
02/11/2005	01/11/2011	\$ 2.78	8,333
11/11/2005	23/10/2011	\$ 2.78	18,000
11/11/2005	30/06/2011	\$ 2.34	45,600
Executive Director Options			
01/07/2008	01/07/2013	\$ 5.29	1,464,788
30/11/2009	30/11/2014	\$ 4.10	1,118,424
Performance Rights and Options Plan			
01/07/2008	01/07/2014	\$ -	248,902
30/06/2009	01/07/2014	\$ 4.10	847,350
01/07/2010	01/07/2015	\$ 7.39	1,894,348
Total Options and Performance Rights			5,655,745

No option holder has any right under the options to participate in any other share issue of the company or of any other entity.

Loans to directors and executives

There have been no loans to directors or executives during the financial year.

Directors' Report

Remuneration Report continued

Additional information

Principles used to determine the nature and amount of remuneration

Relationship between remuneration and company performance

The overall level of executive rewards takes into account the performance of the Group over a number of years. Since the 2005 financial year, SEEK has elected to move towards a stronger link with company results and executive remuneration.

The table and graph below sets out the summary information about the Group's earnings and movements in shareholders wealth for the past five years up to and include June 2010 and show movements between executives compensation and SEEK's performance.

	Balances					Movement				
	2010	2009	2008	2007	2006	2010	2009	2008	2007	2006
Total executive remuneration (\$'000) ⁽¹⁾	5,567	4,241	4,430	4,501	4,415	31.3%	(4.3%)	(1.6%)	2.0%	84.6%
Revenue (\$'000)	281,792	209,778	211,488	158,897	109,317	34.3%	(0.8%)	33.1%	45.4%	53.3%
Adjusted EBITDA (\$'000)	117,365	97,767	109,809	80,317	49,052	20.0%	(11.0%)	36.7%	63.7%	78.0%
Net profit after tax (\$'000)	89,521	55,301	76,280	55,515	34,157	61.9%	(27.5%)	37.4%	62.5%	67.1%
Share price at year end (\$)	7.01	4.17	5.00	7.38	5.35	68.1%	(16.6%)	(32.2%)	37.9%	124.8%
Weighted average share price (\$)	6.30	3.86	6.60	6.17	3.49	63.1%	(41.5%)	7.0%	77.0%	49.6%
Basic EPS (cents)	26.6	18.8	26.6	19.6	12.1	41.7%	(29.3%)	35.7%	62.0%	59.2%
Diluted EPS (cents)	26.5	18.7	26.3	19.3	11.9	41.7%	(28.9%)	36.3%	62.2%	63.0%
Interim dividend (cents per share)	5.2	4.5	8.7	6.0	3.7	15.6%	(48.3%)	45.0%	62.2%	>100.0%
Final dividend (cents per share)	6.7	4.7	9.9	7.7	4.8	41.5%	(52.5%)	28.6%	60.4%	>100.0%

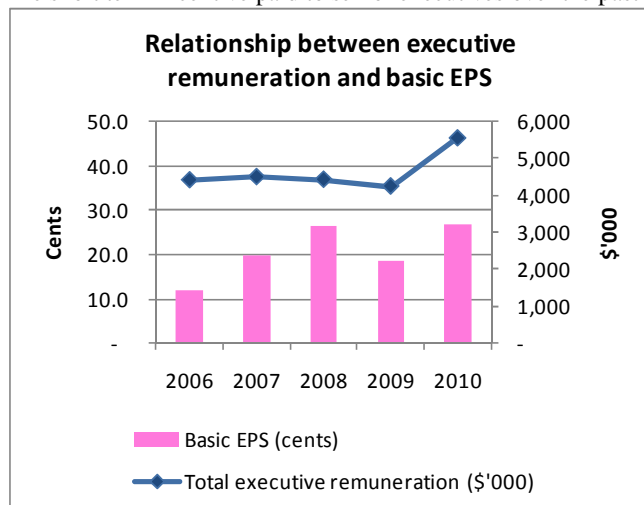
Note 1: Excludes non-executive directors'

The executive remuneration has declined as a percentage of net profit after tax over the past 5 years from 12.9% to 6.3%. Over that period, the increase in executive remuneration was \$1,1153,000 or 26%, while the increase in basic EPS was 118%. In order to tie executive remuneration to business performance, at risk short term incentives are an increasing proportion of the executive remuneration.

The current long term incentive plans are options plans which have been designed to align executive rewards with shareholder value through the use of relative total shareholder return (RTSR) and earnings per share (EPS) hurdles. Several of these plans have not yet vested and all plans have exercise periods over several years.

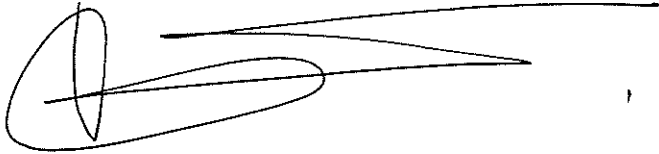
The short term incentive plan is payable to senior executives based on company and individual performance. The STI has fluctuated with the level of net profit after tax over the past 5 years with higher STI's payable in the stronger years. The at risk STI is currently 13% of executive remuneration, and has been increasing as a percentage of total executive remuneration each year, except for 2009 when the payment was significantly reduced due to impact of the overall economic conditions on business performance.

The short term incentive paid to senior executives over the past 5 years has been less than 0.7% of pre-tax profit



Directors' Report

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

A handwritten signature in black ink, consisting of a large, stylized initial 'B' followed by a long, sweeping horizontal line that tapers to the right.

Bob Watson
Chairman

Melbourne
24 August 2010

PricewaterhouseCoopers
ABN 52 780 433 757

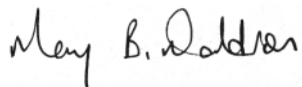
Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006
GPO Box 1331
MELBOURNE VIC 3001
DX 77
Telephone 61 3 8603 1000
Facsimile 61 3 8603 1999
www.pwc.com/au

Auditor's Independence Declaration

As lead auditor for the audit of SEEK Limited for year ended 30 June 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 audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of SEEK Limited and the entities it controlled during the period.



Mary Waldron
Partner
PricewaterhouseCoopers

Melbourne
24 August 2010

Corporate Governance Statement

The Board of SEEK Limited endeavours to ensure that it adds value by guiding, assisting and supporting management to achieve the company's goals. This includes creating and maintaining a company which generates sustainable growth and profitability for the benefit of all stakeholders.

The Board is committed to abiding by all relevant laws and regulations and to providing employees with a safe and rewarding working environment. It will have consideration in its deliberations for the broader community, external and internal stakeholders and the company's responsibilities as a corporate citizen of good standing.

A description of the company's main corporate governance practices is set out below. All the practices, unless otherwise stated, were in place for the entire year. They comply with the August 2007 *ASX Principles of Good Corporate Governance and Best Practice Management, as amended 30 June 2010*, unless otherwise stated.

Principle 1: Lay solid foundations for management and oversight

The Board of directors

The Board operates in accordance with the broad principles set out in its charter which is available from the investor relations/corporate governance information section of the company website at www.seek.com.au. The charter details the Board's responsibilities.

Responsibilities

The responsibilities of the Board include:

(a) Strategy

- Providing input into, and approval of, the Group's strategic direction and business plans as developed by management.
- Directing, monitoring and assessing the Group's performance against strategic and business plans.
- Approving and monitoring capital management including major capital expenditure, acquisitions and divestments.

(b) Risk management

- Ensuring a process is in place to identify the principal risks of the Group's business.
- Reviewing, ratifying and assessing the integrity of the Group's systems of risk management, legal compliance, and internal compliance and control.

(c) Reporting and disclosure

- Approving and monitoring financial and other reporting, including reporting to shareholders and other stakeholders.
- Establishing procedures to ensure implementation and adherence by appropriate management levels of the Group's continuous reporting policy.

(d) Management

- Appointment and terms of engagement of the Joint CEOs.
- Ensuring that a process is in place such that the remuneration and conditions of service of senior executives are appropriate.
- Ensuring that a process is in place for executive succession planning, and monitoring that process.
- Delegating authority to the Joint CEOs.

(e) Performance

- Evaluating the Joint CEOs' performance.
- Approving criteria for assessing performance of senior executives and for monitoring and evaluating the performance of senior executives.
- Undertaking a performance evaluation of the Board every two years.
- Establishing and reviewing succession plans for Board membership.

(f) Corporate governance

- Establishing appropriate standards and encouraging ethical behaviour and compliance with the Group's own governing documents, including the Group's Code of Conduct.
- Monitoring the Group's compliance with corporate governance standards.

(g) Board committees

- Establishing the following Board committees:
 - i. Audit and Risk Management Committee

- ii. Remuneration Committee
- iii. Nomination Committee
- Adopting Charters for each committee.

(h) Delegation of authority to management

- The Board through this charter, subject to certain exceptions, delegates authority to the Joint CEOs for the management of the company, and to ensure all appropriate decisions are adequately determined.

In performing the responsibilities set out above, the directors should act at all times in a manner designed to create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed on them by the company's Constitution and by law.

Day-to-day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Joint CEOs and the executive team.

The performance of the Joint CEOs and executive management team are formally assessed in June of each year, with June 2010 being the last assessment. The Joint CEOs and the executive management team are assessed using the company's performance rating system (SEEK Synergy). The process applies equally to all SEEK employees. Each CEO assesses the executive team members that report directly to them, against predetermined goals and objectives set at the start of the year. The CEOs also receive comprehensive feedback from the employees who report directly to the executive team member. Using this method, a performance rating is derived. The Joint CEOs also participate in the same SEEK Synergy process and the Board receives feedback from the executive team members before conducting their annual performance review of the Joint CEOs.

Principle 2: Structure the Board to add value

Directors' independence

In considering whether a director is independent the Board has regard to ASX Principle 2.1.

When determining the status of an independent director, the Board should consider whether the director:

- Is a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company.
- Is employed, or has previously been employed in an executive capacity by the company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board.
- Has within the last three years been a principal of a material professional adviser or a material consultant to the company or another group member, or an employee materially associated with the service provided.
- Is a material supplier or customer of the company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- Has a material contractual relationship with the company or a controlled entity other than as a director of the Group.

Board members

At the date of signing this report, the Board comprises six directors:

- Four non-executive directors, including the chairman; and
- Two executive directors.

Details of the members of the Board, their experience, expertise, qualifications, term of office and independent status are set out in the Directors' Report under the heading 'Information on directors'.

The Board has reviewed the position and associations of all non-executive directors in office at the date of this report. Directors Colin Carter, Neil Chatfield, Robert Watson and Denise Bradley are considered independent by virtue of them having no relationships under ASX Principle 2 that would adversely affect their independence.

Chairman James Packer and director John Alexander, both of whom resigned 26 August 2009, were considered to be non-independent directors through their relationship with Consolidated Media Holdings Ltd (CMH), which was a significant shareholder of SEEK Limited until 26 August 2009.

ASX Principle 2 requires the Chairman of the Board to be an independent non-executive director. For the period to 26 August 2009, SEEK did not comply with this Principle, as Chairman James Packer was not considered independent. On 28 August 2009, Bob Watson was appointed Chairman of the Board, and as he is considered to be an independent director, SEEK now complies with the ASX Principle of having an Independent Chairman. Up to the 26 August 2009, SEEK's Board had a majority of non-independent directors which was non-compliant with Principle 2 of Corporate Governance best practice. Although there was not a majority of non-independent directors, for all Board discussions where a director's independence was compromised or was seen to be compromised those directors will abstain from such decisions. Therefore, decisions undertaken by the Board were considered to be independent.

On 26 August 2009, James Packer and John Alexander resigned from the board. From that date the SEEK Board comprised a majority of independent non-executive directors, complying with ASX Principle 2.

The Board seeks to ensure that:

- At any point in time, its membership represents an appropriate balance between directors with experience and knowledge of the Group and directors with an external or fresh perspective.
- The size of the Board is conducive to effective discussion and efficient decision-making.

Non-executive directors

The non-executive directors meet annually without the presence of the executive directors and management, to discuss the operation of the Board and will report back those findings to the full Board. The non-executive directors met in June 2010 and assessed the performance of the executive directors in conjunction with their SEEK annual performance rating review. Relevant matters arising from the meeting were shared with the full Board.

(a) Term of office

The company's Constitution specifies that all directors with the exception of the Chief Executive Officer must stand for re-election the longer of every three years or the 3rd Annual General Meeting, after their election. Any director appointed by the Board must stand for re-election at the next Annual General Meeting.

(b) Commitment

The number of meetings of the company's Board of directors and of each Board committee held during the year ended 30 June 2010 and the number of meetings attended by each director is disclosed on page 10.

It is the company's practice to allow its executive directors to accept appointments outside the company, with the approval of the Chairman. Details of current directorships are noted in the Directors Report 'Information on directors' on page 9.

The commitments of non-executive directors are considered by the full Board prior to the directors' appointment to the Board of the company and will be reviewed on a regular basis.

Prior to appointment or being submitted for re-election, each non-executive director is required to acknowledge that they have and will continue to have the time available to discharge their responsibilities to the company.

Conflicts of interest

Directors are required to immediately inform their fellow directors should a conflict of interest arise. Where a matter in which a director has a material personal interest is being considered by the Board, that director must not be present when the matter is being considered or vote on the matter, unless all of the other directors have passed a resolution to enable that director to do so or the matter comes within a category of exception under the *Corporations Act 2001*.

Entities connected with Mr J D Packer, Mr J H Alexander had arm's length business dealings with the consolidated entity during the year, as described in note 26 to the financial statements. In accordance with the Board charter the directors concerned declared their interests in those dealings to the company and took no part in decisions relating to them or the preceding discussions. In addition, those directors did not receive any papers from the Group pertaining to those dealings.

Independent professional advice

Directors and Board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the company's expense. Prior written approval of the Chairman is required, but this will not be unreasonably withheld.

Board performance assessment

The Board will undertake a self-assessment of its collective performance, the performance of the Chairman and of its committees, on a two yearly basis. This appraisal process will be facilitated by the Company Secretary. The Board undertook a performance review in June 2009 (with the next review scheduled for June 2011), and considered the results to be satisfactory. Areas identified for improvement were discussed by the Board at the June 2009 meeting.

The Chairman will also undertake a regular assessment of the performance of individual directors and where required, will meet privately with each director to discuss this assessment. Descriptions of the process for performance assessment for the Board and senior executives are available on the company website.

Board committees

The Board has established three committees to assist in the execution of its duties and to allow detailed consideration of complex issues. Current committees of the Board are the Remuneration Committee, Audit and Risk Management Committee and the Nomination Committee. Each is comprised entirely of non-executive directors. The committee structure and membership is reviewed as required.

Each committee has its own written charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the committee is to operate. All of these charters are reviewed on an annual basis and are

available on the company website. All matters determined by committees are submitted to the full Board as recommendations for Board decision.

Minutes of committee meetings are tabled at the subsequent Board meeting. Additional requirements for specific reporting by the committees to the Board are addressed in the charter of the individual committees.

Audit and Risk Management Committee

Further information about the Audit and Risk Management Committee is provided in the governance statement under Principle 4: Safeguard integrity in financial reporting.

Remuneration Committee

Further information about the Remuneration Committee is provided in the governance statement under Principle 8: Remunerate fairly and responsibly.

Nomination Committee

Principle 2 of Corporate Governance best practice suggests that a nomination committee should be formed of at least three members with a majority of independent directors. In August 2009, the Board established the Nomination Committee, which comprises all non-executive directors. The Charter for the Nomination Committee has been approved by the full Board and is available on the company website. The Committee currently comprises the four independent non-executive directors, Robert Watson (Chairman), Denise Bradley, Colin Carter and Neil Chatfield. The Nomination Committee complies with ASX Principle 2. When a new director is to be appointed, the Board reviews the range of skills, experience, expertise and diversity on the Board, identifies its needs and prepares a short-list of candidates with appropriate skills and experience. Where necessary, advice is sought from independent search consultants.

The full Board will appoint the most suitable candidate who must stand for election at the next Annual General Meeting of the company. The Board's nomination of existing directors for reappointment is not automatic and is contingent on their past performance, contribution to the company and the current and future needs of the Board and company.

Details of the nomination, selection and appointment processes are available on the company website.

Notices of meeting for the election of directors comply with the ASX Corporate Governance Council's best practice recommendations.

Principle 3: Promote ethical and responsible decision making

Code of Conduct

The company has developed a statement of values and a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity.

The Code requires employees who are aware of unethical practices within the Group or breaches of the company's trading policy to report these using the company's whistleblower program.

In summary, the Code requires that at all times all company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and company policies.

Share Trading Policy and Ethical standards

The company has a Share Trading Policy. The purchase and sale of company securities by directors and key employees is only allowed during restricted periods, and is governed by the policy to enforce the "insider trading" rules of the *Corporations Act 2001*.

All transactions undertaken by directors must be authorised in advance by the Chairman, and transactions undertaken by other key employees must be authorised in advance by one of the Joint CEOs.

The Share Trading Policy prohibits designated officers from entering into transactions in associated products which operate to limit the economic risk of security holdings in the company over unvested entitlements.

The Policy also requires executive team members to seek Board approval before entering into any margin loans and similar products over SEEK Limited shares.

The Code and the company's Share Trading Policy are discussed with each new employee as part of their induction training.

The directors are satisfied that the Group has complied with its policies on Ethical standards, including trading in securities.

A copy of the Code of Conduct and the Share Trading Policy are available on the company's website.

Diversity Policy

ASX Principle Recommendation 3.2 (June 2010) recommends that companies establish a diversity policy covering aspects of gender, age, ethnicity and culture within the total organisation, including the Board, and senior management. This policy should include, where appropriate, measurable objectives which will be reported in the annual report.

SEEK is proud of its history of diversity within the organisation, which includes gender, age, ethnicity and cultural diversity and supports the approach taken by the ASX Corporate Governance Council. SEEK is currently formalising its approach to diversity and establishing a written policy as recommended by the ASX Corporate Guidelines Council. SEEK will release the formal Policy to the ASX and include a copy on the company's website as soon as completed.

Principle 4: Safeguard integrity in financial reporting

The Audit and Risk Management Committee operates in accordance with a charter which is available on the company website. The main responsibilities of the Committee are to:

- Monitor any matters outstanding with auditors, Australian Taxation Office, Australian Securities & Investments Commission, the Australian Securities Exchange and financial institutions and monitor compliance with the *Corporations Act 2001* and ASX Listing Rules;
- Monitor corporate risk assessment and internal controls;
- Review and monitor compliance with the company's Auditor Independence Policy;
- Liaise with external auditors;
- Review the annual audit plan with the auditors;
- Review information derived from the audit;
- Review interim financial information;
- Review accounting policies;
- Monitor risks relating to business continuity, disaster recovery, reputation, currency exposure and interest rate exposure;
- Review compliance with relevant government regulations;
- Assess the performance of financial management;
- Review adequacy of insurance coverage;
- Recommend to the Board the appointment, re-appointment or replacement of the external auditors;
- Review performance and compensation of the external auditors; and
- Supervise special investigations as directed by the Board.

In fulfilling its responsibilities, the Audit and Risk Management Committee:

- Receives regular reports from management and the external auditors;
- Meets with the external auditors at least twice a year or more frequently if necessary;
- Reviews the processes the CEO and CFO have in place to support their certifications to the Board;
- Reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved;
- Meets separately with the external auditors at least once a year without the presence of management; and
- Provides the external auditors with a clear line of direct communication at any time to either the Chairman of the Audit and Risk Management Committee or the Chairman of the Board.

The Audit and Risk Management Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

The Audit and Risk Management Committee consists of the following independent non-executive directors:

- | | |
|----------------------------|--|
| - N G Chatfield (Chairman) | Independent |
| - R C G Watson | Independent |
| - C B Carter | Independent , appointed 30 November 2009 |
| - J H Alexander | Non-independent, resigned 26 August 2009 |

Details of these directors' qualifications and attendance at Audit and Risk Management Committee meetings are set out in the Directors' Report on pages 9 to 10.

The Audit and Risk Management Committee has appropriate financial expertise and all members are financially literate and have an appropriate understanding of the industries in which the Group operates. ASX Listing rule 12.7 requires companies that are included in the ASX 300 index, at the start of their financial year, to comply with best practice governance guidelines for audit committees. The guideline states that best practice audit committees require a minimum of three non-executive directors with a majority being independent. SEEK complied with this requirement, except for the period between the resignation of J H Alexander and the appointment of C B Carter, being 28 August 2009 and 30 November 2009.

The Chief Financial Officer (CFO), Financial Controllers, Company Secretary, the company's external auditors PricewaterhouseCoopers, and any other persons considered appropriate, attend the meetings of the Audit and Risk Management Committee by invitation.

External auditors

The company and Audit and Risk Management Committee policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. PricewaterhouseCoopers were appointed as the external auditors in 2000. It is PricewaterhouseCoopers' policy to rotate audit engagement partners on listed companies at least every five years.

An analysis of fees paid to the external auditors, including a breakdown of fees for non-audit services, is provided in the Directors' Report and note 22 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Audit and Risk Management Committee.

The external auditor is requested to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Principles 5 and 6: Make timely and balanced disclosures and respect the rights of shareholders

Continuous disclosure and shareholder communication

The company has designed policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the company and its controlled entities that a reasonable person would expect to have a material effect on the price of the company's securities. These policies and procedures also include the arrangements the company has in place to promote communication with shareholders and encourage effective participation at general meetings. A summary of these policies and procedures is available on the company's website.

The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX listing rules and overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All shareholders have the option to receive a printed copy of the company's annual report, or have access via the company's website. In addition, the company seeks to provide opportunities for shareholders to participate through electronic means. Initiatives to facilitate this include making details of company meetings, press releases for the last three years, financial reports (since 2004) and financial results presentations available on the company's website.

Principle 7: Recognise and manage risk

Risk assessment and management

The Board, through the Audit and Risk Management Committee is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, the company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Group's business objectives.

Considerable importance is placed on maintaining a strong control environment, and steps taken include:

- An organisation structure with clearly drawn lines of accountability and delegation of authority.
- Adherence to the Code of Conduct is required at all times and the Board actively promotes a culture of quality and integrity.
- Board approved annual budgeting and monthly reporting processes for all business units, to monitor the progress of each business against budget, key performance indicators and trend analysis.
- Regular planned strategy meetings are held to develop forward strategic plans for all businesses and ongoing review of these strategies.
- Capital expenditure guidelines and approval limits are in place. In addition, the Board requires that each major proposal submitted to the Board for decision is accompanied by a comprehensive risk assessment and, where required, management's proposed mitigation strategies.

- A treasury policy has been developed to monitor and assess financial risks associated with treasury management including business financing, interest rate and foreign currency risks.
- A risk management process is in place, to identify, assess and deal with material business risks. The program is managed by the Company Secretary in liaison with business departments, including the maintenance of a risk register. The Audit and Risk Management Committee is advised of the assessed major risks at Audit and Risk Management Committee meetings.

Corporate reporting

The CEOs and CFO have made the following certifications to the Board:

- That the company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the company and Group and are in accordance with relevant accounting standards.
- That the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

Principle 8: Remunerate fairly and responsibly

Remuneration Committee

The Remuneration Committee consists of the following independent non-executive directors:

- R C G Watson (Chairman);
- C B Carter; and
- D Bradley, appointed 16 June 2010

Details of these directors' attendance at Remuneration Committee meetings are set out in the Directors' Report on page 10.

The Remuneration Committee operates in accordance with its charter which is available on the company website. The Remuneration Committee advises the Board on remuneration and incentive policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors. For the period to June 2010, SEEK did not comply with best practice corporate governance Principle 8 which suggests that the Remuneration Committee should consist of a minimum of three members. The Board considered it appropriate that two non-executive directors would be sufficient to form a Remuneration Committee. The Board has re-assessed the requirements of the Remuneration Committee and given the increase in size and diversity of the Group resulting from SEEK's investment in the education business, a third director was added to the Remuneration Committee. SEEK now complies with ASX Principle 8 on Committee composition.

The Remuneration Committee is also responsible for overseeing compliance with statutory responsibilities relating to remuneration disclosure. Committee members receive briefings from an external remuneration expert on recent developments on remuneration and related matters.

Each member of the senior executive team signs a formal employment contract at the time of their appointment covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. The standard contract refers to a specific formal job description. This job description is reviewed by the Remuneration Committee on an annual basis and, where necessary is revised in consultation with the relevant employee.

Further information on directors' and executives' remuneration is set out in the Directors' Report and note 21 to the financial statements.

The Remuneration Committee's terms of reference include responsibility for reviewing any transactions between the organisation and the directors, or any interest associated with the directors, to ensure the structure and the terms of the transaction are in compliance with the *Corporations Act 2001* and are appropriately disclosed.

The Remuneration Committee also assumes responsibility for management succession planning, including the implementation of appropriate executive development programs and ensuring adequate arrangements are in place, so that appropriate candidates are recruited for later promotion to senior positions. The company currently has in place a management selection, development and education program covering all levels of management within the Group.

SEEK Limited

Financial Report - 30 June 2010

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This financial report covers SEEK Limited as a consolidated entity consisting of SEEK Limited and its controlled entities. The financial report is presented in the Australian currency.

The financial report was authorised for issue by the directors on 24 August 2010. The company has the power to amend and reissue the financial report.

SEEK Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 6
541 St Kilda Road
Melbourne Victoria 3004

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities in the Directors' Report on pages 5 to 27, which are not part of this financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the company. All press releases, financial reports and other information are available at our Investor Relations page on our website at www.seek.com.au.

Income Statement

For the year ended 30 June 2010

	Notes	Consolidated	
		2010 \$'000	2009 \$'000
Revenue from continuing operations	5	281,792	209,778
Other income	6	6,417	4,642
Operating expenses			
Direct cost of services		(23,158)	(8,081)
Sales and marketing		(81,079)	(62,560)
Business development		(19,531)	(17,145)
Operations and administration		(50,458)	(37,004)
Finance costs	7	(6,228)	(8,015)
Expenses		(180,454)	(132,805)
Share of profits/(losses) of associates accounted for using the equity method	11	11,427	(1,436)
Profit before income tax expense		119,182	80,179
Income tax expense	8	(29,661)	(24,878)
Profit for the year		89,521	55,301
Profit attributable to:			
Owners of SEEK Limited		89,521	55,301
Earnings per share for profit attributable to the ordinary equity holders of the company:		Cents	Cents
Basic earnings per share		26.6	18.8
Diluted earnings per share		26.5	18.7

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

Statement of Comprehensive Income

For the year ended 30 June 2010

	Notes	Consolidated	
		2010	2009
		\$'000	\$'000
Profit for the year		89,521	55,301
Other comprehensive income			
Exchange differences on translation of foreign controlled operations	19	153	178
Exchange differences on translation of foreign associates	19	7,246	2,690
Gains on hedge contracts of controlled entities	19	121	12,876
Gain on hedge contracts of associates (net of tax)	19	(173)	-
Mark-to-market revaluation		(30)	30
Income tax recognised in other comprehensive income	19	2,429	(3,822)
Other comprehensive income for the year		9,746	11,952
Total comprehensive income for the year	19	99,267	67,253
Total comprehensive income for the year attributable to:			
Owners of SEEK Limited		99,267	67,253

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

Balance Sheet

As at 30 June 2010

	Notes	Consolidated	
		2010	2009
		\$'000	Restated * \$'000
Current assets			
Cash and cash equivalents	9	39,731	43,617
Trade & other receivables	10	35,674	26,547
Current tax assets		1,067	-
Total current assets		76,472	70,164
Non-current assets			
Investments accounted for using the equity method	11	283,369	223,233
Financial assets	12	121	12,551
Plant and equipment	13	14,289	13,941
Intangible assets	14	128,974	127,373
Deferred tax assets	8	10,421	13,373
Total non-current assets		437,174	390,471
Total assets		513,646	460,635
Current liabilities			
Trade and other payables	15	26,436	17,106
Unearned income		21,964	22,738
Borrowings	16	-	2,185
Current tax liabilities		-	5,995
Provisions	17	2,026	2,751
Total current liabilities		50,426	50,775
Non-current liabilities			
Borrowings	16	99,642	111,289
Deferred tax liabilities	8	6,694	7,221
Provisions	17	3,927	2,710
Total non-current liabilities		110,263	121,220
Total liabilities		160,689	171,995
Net assets		352,957	288,640
Equity			
Contributed equity	18	183,950	182,179
Reserves	19	22,668	14,973
Retained profits	19	146,339	91,488
Total equity		352,957	288,640

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

* Refer to note 28 for details of restatement

Statement of Changes in Equity

For the year ended 30 June 2010

Consolidated	Notes	Contributed equity	Reserves	Retained profits	Total
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2008		60,490	2,769	79,218	142,477
Profit for the year		-	-	55,301	55,301
Other comprehensive income		-	11,952	-	11,952
Total comprehensive income for the year	19	-	11,952	55,301	67,253
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	18(b)	121,689	-	-	121,689
Dividends provided for or paid	20	-	-	(41,485)	(41,485)
Employee share options scheme		-	1,372	-	1,372
Purchase of shares-on-market for employee share option scheme		-	(458)	(2,208)	(2,666)
Tax associated with employee share schemes	8(c)	-	(662)	662	-
Balance at 30 June 2009		182,179	14,973	91,488	288,640
Profit for the year		-	-	89,521	89,521
Other comprehensive income		-	9,746	-	9,746
Total comprehensive income for the year	19	-	9,746	89,521	99,267
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	18(b)	1,771	-	-	1,771
Dividends provided for or paid	20	-	-	(33,283)	(33,283)
Employee share options scheme		-	1,321	-	1,321
Purchase of shares-on-market for employee share option scheme		-	(986)	(3,773)	(4,759)
Tax associated with employee share schemes	8(c)	-	(2,386)	2,386	-
Balance at 30 June 2010		183,950	22,668	146,339	352,957

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

Statement of Cash Flow

For the year ended 30 June 2010

	Notes	Consolidated	
		2010	2009
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		296,204	235,935
Payments to suppliers and employees (inclusive of goods and services tax)		(180,000)	(131,985)
		116,204	103,950
Interest received		898	1,109
Interest paid		(4,950)	(7,526)
Income taxes paid		(31,713)	(33,291)
Net cash inflow from operating activities	31	80,439	64,242
Cash flows from investing activities			
Payments for acquisition of interest in associates		(25,897)	(139,361)
Payments for investments in subsidiary, net of cash acquired	28	(3,299)	(40,534)
Payments for transaction costs on investments	28	(411)	(510)
Dividends received		3,353	5,428
Purchase of available-for-sale financial asset	12	-	(19,946)
Payments for plant and equipment		(4,723)	(1,248)
Proceeds from the sale of plant and equipment		95	-
Payments for intangible assets		(2,861)	(2,144)
Net cash (outflow) from investing activities		(33,743)	(198,315)
Cash flows from financing activities			
Proceeds from borrowings		20,000	167,000
Repayment of borrowings		(32,000)	(99,235)
Transaction costs on syndicated debt facility	16	-	(1,059)
Purchase of shares for employee share options plans	19	(4,759)	(2,666)
Proceeds from issues of shares	18 (b)	1,767	123,915
Capital raising costs	18 (b)	(122)	(2,928)
Dividends paid	20	(33,283)	(41,485)
Net cash inflow/ (outflow) from financing activities		(48,397)	143,542
Net increase in cash and cash equivalents		(1,701)	9,469
Cash and cash equivalents at the beginning of the financial year		41,432	31,963
Cash and cash equivalents at the end of the financial year	9(a)	39,731	41,432

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

Notes to the Financial Statements

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of SEEK Limited and its subsidiaries.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

The consolidated financial statements of the SEEK Limited complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

Critical accounting estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Financial statement presentation

The Group has applied the revised AASB 1010 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the Group had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of SEEK Limited ('company' or 'parent entity') as at 30 June 2010 and the results of all subsidiaries for the year that ended. SEEK Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies of those subsidiaries. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(g)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of the investing entity.

Associates

Associates are all entities over which the Group has significant influence but not control. Investments in associates are accounted for in the investing entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after being initially recognised at cost.

In an investment acquired in stages, the acquirer remeasures its previously held investment in the acquiree at its acquisition date fair value and recognises the resulting gain or loss, if any, in the income statement.

The Group's investment in associates includes goodwill (net of any accumulated impairment loss if it were to arise) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses are recognised in the Income Statement, and its

Notes to the Financial Statements

share of post-acquisition movements in reserves are recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the investing entity's Income Statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Joint Chief Executive Officers.

Change in accounting policy

The Group has adopted AASB 8 Operating Segments from 1 July 2009. AASB 8 replaces AASB 114 Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This, along with the recent purchase of Think: Education Pty Ltd ('Think'), has resulted in an increase in the number of reportable segments presented.

(d) Foreign currency translation and transactions

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is SEEK Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Balance Sheet and Statement of Comprehensive Income presented are translated at the closing rate at the date of that Balance Sheet;
- income and expenses for each Income Statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for major business activities as follows:

(i) Job advertisements

Revenues from the provision of job advertisements on the company's website are recognised in the period in which the advertisements are placed.

Notes to the Financial Statements

(ii) Banner advertising

Revenues from banner advertising on the company's website are generated based on a fixed price per thousand page impressions each banner receives. These revenues are recognised in the period that the impressions occur.

(iii) Education: classroom-based training

Revenues from classroom-based training are recognised from course commencement and brought to account on a pro-rata basis over the term of the course.

(iv) Education: distance learning

Revenues from distance learning are apportioned between an amount recognised on receiving the course materials and an amount over the period to completion. This has been determined with reference to the proportion of costs incurred upfront to the total estimated cost of provisioning the services.

(v) Education: commission revenue

Commission revenue is recognised when the customer obtains unconditional access to the course material (distance education courses) or when revenue can be reliably estimated (classroom-based training). Revenue that relates to agency/principal relationships is recognised on a net basis.

(vi) Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(vii) Dividends

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence, refer note 1(k).

Change in accounting policy

The Group has changed its accounting policy for dividends paid out of pre-acquisition profits from 1 July 2009 when the revised AASB 127 Consolidated and Separate Financial Statements became operative. Previously, dividends paid out of pre-acquisition profits were deducted from the cost of the investment. In accordance with the transitional provisions, the new accounting policy is applied prospectively. It was therefore not necessary to make any adjustments to any of the amounts previously recognised in the financial statements.

(viii) Royalty income

Royalty income relates to intercompany charges for the use of intellectual property. It is recognised on an accruals basis and is reviewed annually.

(f) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not provided for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Income Statement, except to the extents that it relates to items recognised in Other Comprehensive Income or directly in equity.

Notes to the Financial Statements

(g) Business combinations

The purchase method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (refer note 1(n)). If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the Income Statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Acquisition-related costs are expensed as incurred.

If the Group recognises acquired deferred tax assets after the initial acquisition accounting there will no longer be any adjustment to goodwill. As a consequence, the recognition of the deferred tax asset will increase the Group's net profit after tax.

All payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt and subsequently remeasured through the Income Statement. Under the Group's previous policy, contingent payments were only recognised when the payments were probable and could be measured reliably and were accounted for as an adjustment to the cost of acquisition.

In a business combination achieved in stages, the acquirer remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss, if any, in the Income Statement.

(h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within the borrowings in current liabilities in the balance sheet.

(j) Trade receivables

Trade receivables are recognised initially at fair value, less provision for impairment. This provision includes amounts that are not considered to be recoverable from debtors and amounts that are expected to be credited to debtors.

Trade receivables are generally due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. In addition, the trade receivables balances are considered for credit notes that are expected to be raised against individual and collective balances.

The amount of the provision relating to non-collectible items is recognised in the Income Statement in 'operations and administration' expense. The amount of the provision for amounts that are expected to be credited is recognised in the Income Statement in 'revenue from continuing operations'. Trade receivables which are known to be uncollectible are written off against the provision for impairment. Subsequent recoveries of amounts previously written off to the provision for impairment are credited against 'operations and administration' expense in the Income Statement.

Notes to the Financial Statements

(k) Investments and other financial assets

Classification

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term with the intention of making a profit. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Balance Sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition

Regular purchase and sale of investments are recognised on trade date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Income Statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category, including interest and dividend income, are presented in the Income Statement within 'other income' or 'operating and administration expenses' in the period in which they arise.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences are recognised in profit or loss and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the Income Statement as gains and losses from investment securities.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using commonly used valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

Impairment

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any

Notes to the Financial Statements

such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in Income Statement) is reclassified from equity and recognised in the Income Statement. Impairment losses recognised in the Income Statement on equity instruments classified as available-for-sale are not reversed through the Income Statement.

(l) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Movements in the hedging reserve in shareholders equity are shown in note 19.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the Income Statement within finance costs, together with the changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in the Income Statement within 'other income' or 'other expenses'.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedge item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement within 'other income' or 'operating and administration expenses'.

Amounts accumulated in equity are recycled through the Income Statement in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the Income Statement within 'finance costs'. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in the Income Statement within 'sales'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, fixed assets) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset. The deferred amounts are ultimately recognised in the profit or loss as depreciation in the case of fixed assets.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Income Statement.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the Income Statement and are included in 'other income' or 'operating and administration' expenses.

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(m) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

- Plant and equipment: three to ten years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(h)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

(n) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments accounted for using the equity method. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units (CGUs) for the purpose of impairment testing. Each of these CGUs represents the smallest identifiable group of cash inflows that are largely independent of the cash inflows from other assets or groups of assets (refer to note 14 for details of the Group's CGUs).

(ii) Brand and licences

Brands and licences are carried at the lower of cost or fair value and are not amortised. Instead, they are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired, and are carried at cost or fair value less accumulated impairment losses.

(iii) Course development and accreditation

Course development expenditure is recognised as an asset at cost less any impairment losses. Once delivery of the course to which the development costs relate has commenced the associated costs are amortised over the life of the accreditation which is five years.

(iv) Customer relationships

Acquired customer relationships have a finite useful life and are carried at fair value at acquisition date less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the asset over its estimated useful life, which is between two and five years.

(v) Computer software and website development

Costs incurred in acquiring, developing and implementing new websites or software are recognised as intangible assets only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, licences and direct labour. Amortisation is calculated using the straight-line method to allocate the cost of software over their estimated useful lives, which is between three and six years.

Website developments have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of website development over their estimated useful lives, which is three years.

(vi) Work in progress

Work in progress (WIP) represents intangible assets of other classes not yet put into use. These assets are amortised from the date of completion over their estimated useful life according to the amortisation policies above.

(o) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Notes to the Financial Statements

(p) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Leases are made up of operating leases of property. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight-line basis over the period of the lease. Benefits that are provided to the Group as an incentive to enter into a lease arrangement are recognised as a liability and amortised on a straight-line basis over the life of the lease.

(q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(r) Provisions

Provisions for legal claims and make-good obligations are recognised when the Group has a present legal obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Make-good provisions are amortised through the Income Statement over the life of the lease.

(s) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave expected to vest within 12 months of the end of the period in which employees render the related service is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to vest in more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Retirement benefit obligations

All employees of the Group are entitled to benefits on retirement, disability or death from the Group's superannuation plan. All employees are party to a defined contribution scheme and receive fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions. Contributions to defined contribution funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the SEEK Option Plans. Information relating to these schemes is set out in note 25.

Shares and options granted before 7 November 2002 and/or vested before 1 January 2005

No expense is recognised in respect of the options or shares issued to employees for nil consideration. Shares issued following the exercise of options are recognised at that time and the proceeds received allocated to share capital.

Shares and options granted after 7 November 2002 and vested after 1 January 2005

The fair value of options granted under the SEEK Option Plans is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions but excludes the impact of any service and non-market performance vesting conditions and the impact of any non-vesting options. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes or similar option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-

Notes to the Financial Statements

market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest which are revised at the end of each reporting period. The impact of the revision to original estimates, if any, is recognised in the Income Statement with a corresponding adjustment to equity. The employee benefit expense recognised each period takes into account the most recent estimate.

(v) Profit sharing and bonus plans

A liability for employee benefits in the form of profit sharing and bonus plans is recognised in other payables depending on an assessment against the Group's profit performance and the individual's personal performance and at least one of the following conditions are met:

- there are formal terms in the plan for determining the amount of the benefit, or
- the amounts to be paid are determined before balance sheet date.

(t) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(u) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at the end of the reporting period.

(v) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(w) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the taxation authority is included within trade and other receivables or trade and other payables in the Balance Sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

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

(y) Parent entity financial information

The financial information for the parent entity, SEEK Limited, disclosed in note 33 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of SEEK Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) Tax consolidation legislation

SEEK Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

Notes to the Financial Statements

The head entity, SEEK Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, SEEK Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate SEEK Limited for any current tax payable assumed and are compensated by SEEK Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to SEEK Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(iii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(z) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below:

Initial application of the following Standards and Interpretations will not affect any of the amounts recognised in the financial report, but may change the disclosures presently made in relation to the Group and the company:

AASB 2009-8 <i>Amendments to Australian Accounting Standards – Group Cash-Settled Share-based Payment Transactions [AASB 2]</i>	Effective from 1 January 2010
AASB 2009-10 <i>Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132]</i>	Effective from 1 February 2010
AASB 9 <i>Financial Instruments</i> and AASB 2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Effective from 1 January 2013
Revised AASB 124 <i>Related Party Disclosures</i> and AASB 2009-12 <i>Amendments to Australian Accounting Standards</i>	Effective from 1 January 2011
AASB Interpretation 19 <i>Extinguishing financial liabilities with equity instruments</i> and AASB 2009-13 <i>Amendments to Australian Accounting Standards arising from Interpretation 19</i>	Effective from 1 July 2010
AASB 2009-14 <i>Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement</i>	Effective from 1 January 2011
AASB 2009-5 <i>Further amendments arising from the 2nd improvements project</i> and <i>amendments arising from the 3rd annual improvements project</i>	Effective from 1 July 2010

Notes to the Financial Statements

2. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures.

Risk management is the responsibility of the Company Secretary and follows policies approved by the Board of Directors. The Company Secretary identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

The Group holds the following financial instruments:

	Consolidated	
	2010	2009
		Restated*
	\$'000	\$'000
Financial assets		
Cash and cash equivalents	39,731	43,617
Trade and receivables	35,674	26,547
Financial assets	121	12,551
Financial liabilities		
Trade and other payables	26,436	17,106
Unearned income	21,964	22,738
Borrowings (principal)	100,000	114,185

* Refer to note 28 for details of restatement

The carrying value of the assets and liabilities disclosed in the table above closely approximates or equals their fair value.

Borrowings are issued at variable interest rates (for details of the maturity of borrowings, refer to note 16) and cash and cash equivalents attract interest at variable interest rates (refer to note 9). All other financial assets and liabilities are non-interest bearing.

(a) Market risk

(i) Foreign exchange risk

The Group operate internationally and are exposed to foreign exchange risk arising from various currency exposures, including the New Zealand dollar (NZD), British pound (GBP), and the Malaysian Ringgit (MYR). The Group is also exposed to a number of other currencies through occasional purchases and sales (for example, the US dollar and Euro), however given the nature of the exposure, these do not give rise to a significant foreign exchange risk.

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

Forward contracts are sometimes used to manage foreign currency exchange risk. The Company Secretary is responsible for managing exposures by using external forward currency contracts, for example for one-off significant transactions.

The Group's risk management policy is to hedge up to 50% of anticipated significant cash flows in foreign currencies (currently only required for New Zealand dollars), for up to a six month period. The forward foreign currency exchange contracts taken up by the Group are regularly reassessed. At balance date no forward exchange contracts existed.

Notes to the Financial Statements

2. Financial risk management continued

Group

The Group's exposure to foreign currency exchange risk at the reporting date, expressed in each currency, was as follows:

	2010			2009		
	NZD 000's	GBP 000's	MYR 000's	NZD 000's	GBP 000's	MYR 000's
Cash and cash equivalents	-	161	487	-	482	468
Trade and receivables	-	77	-	-	307	-
Financial assets ⁽¹⁾	-	-	-	-	-	35,860
Trade and other payables	1,937	1,534	-	3,872	45	-
Unearned income	-	1	-	-	3	-
Current tax liabilities	-	6	-	-	48	-

Note 1: 2009 balance consists of investment in JobStreet. JobStreet was classified an investment accounted for using the equity method in 2010. Refer to note 11 for more information.

The analysis below reflects management's view of possible movements in relevant foreign currencies against the Australian dollar in the short term subsequent to 30 June 2010. The table summarises the range of possible outcomes that would affect the Group's net profit and equity as a result of foreign currency movements:

Judgements of reasonably possible movements in exchange rates:

	Profit or Loss				Equity			
	2010		2009		2010		2009	
	High	Low	High	Low	High	Low	High	Low
AUD to NZD (Range -5% to +5%)	75	(83)	148	(164)	-	-	-	-
AUD to GBP (Range -5% to +5%)	109	(121)	(68)	75	-	-	-	-
AUD to MYR (Range -5% to +5%)	(8)	9	(8)	9	-	-	(598)	(661)
Net increase/(decrease)	176	(195)	72	(80)	-	-	(598)	(661)

(ii) Price risk

The Group is no longer exposed to equities price risk. Exposure in prior periods was due to the Group's investment in JobStreet Corporation Berhad (JobStreet), which was from 10 March 2010 classified as an investment accounted for using the equity method. Refer to note 11 for further details.

(iii) Cash flow interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk if the borrowings are carried at fair value. The Group maintained approximately 30% of its borrowings at fixed rate using interest rate swaps. Refer to note 12(b) for details.

Notes to the Financial Statements

2. Financial risk management continued

At the end of the reporting period, the Group had the following variable rate borrowings and interest rate swap contracts outstanding:

	30 June 2010		30 June 2009	
	Weighted average interest rate %	Balance \$'000	Weighted average interest rate %	Balance \$'000
Bank overdrafts ⁽²⁾ (note 9)	9.1 %	-	8.54%	2,185
Bank loans ⁽¹⁾ (note 16)	5.3 %	100,000	5.52%	112,000
Less amounts covered by interest rate swaps	4.5 %	(30,000)	-	-
		70,000		114,185

Note 1: Balance excludes capitalised transaction costs

Note 2: Bank overdraft was repaid in July 2009

The interest rate and term for bank borrowing is determined at the date of each drawdown. The weighted average interest rate for the year ended 30 June 2010 was 5.30% (2009: 5.52%). At 30 June 2010 if the weighted average interest rate of the facility had been 10% higher, interest expense would increase by \$530,000. At 30 June 2010 if the weighted average interest rate of the facility had been 10% lower interest expense would have been \$530,000 lower.

Cash balances

As at 30 June 2010 45% (2009: 62%) of cash balances were on term deposit attracting higher rates of interest.

SEEK Group bank accounts are predominantly interest bearing accounts. Funds that are excess to short term liquidity requirements are generally invested in short term commercial bills, backed by the four major Australian domestic banks. Where excess funds are significantly in excess of short term requirements, they are then applied to reduce the syndicated loan facility balance, thus reducing interest payable.

At 30 June 2010, if the interest rates on interest bearing cash balances and short term investments were to move 10% higher than the weighted average rate of 3.4%, annual interest income would increase by \$135,000. At 30 June 2010 if the rates were to move 10% lower than the weighted average rate of 3.4%, annual interest income would be \$135,000 lower.

(b) Credit risk

The Group's exposure to credit risk arises from the potential default of the Group's trade and other receivables as well as the institutions in which the Group's cash and cash equivalents are deposited, with a maximum exposure equal to the carrying amounts of these assets. Further details of the Group's trade receivables are included in note 10 and cash and cash equivalents are detailed in note 9.

For trade and other receivables, the Group does not hold any credit derivatives or collateral to offset its credit exposure. Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value.

Group trade receivables at 30 June 2010 was \$25,538,000. The Employment business accounts for 73% of the total trade receivables with a customer base comprising of agencies, national/major Accounts and SME's. Credit risk assessments are conducted on new and renegotiated contracts to evaluate each customer's credit worthiness.

The Education business accounts for 27% of the total trade receivables and their customer base is made up predominantly of full and part-time students. A large portion of these students obtain finance or receive FEE-HELP and the risk of default is relatively low.

Notes to the Financial Statements

2. Financial risk management continued

Credit risk is managed in the following ways:

- The provision of credit is covered by a risk assessment process for all customers (eg appropriate credit history, credit limits, past experience);
- Concentrations of credit risk are minimised by undertaking transactions with a large number of customers.

The Group's treasury policy only authorises dealings with financial institutions that have an investment grade rating.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash flows and ensuring that all term deposits can be converted to funds at call. Due to the dynamic nature of the underlying businesses, the Company Secretary aims at maintaining flexibility in funding by keeping accessible the cash reserves of the business. A borrowing facility was set up to enable the Group to borrow cash when necessary (refer to note 16). \$100,000,000 of this facility is repayable on 21 August 2010 and \$100,000,000 is repayable on 21 August 2011. All other financial liabilities are current and anticipated to be repaid over the normal credit terms, usually 30 days.

(i) Financing arrangements

The Group restated prior year comparative information as permitted by the amendments to AASB 7 for the liquidity risk disclosures.

The Group had access to the following borrowing facilities at end of the reporting period:

	Drawn		Undrawn		Total	
	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Floating rate						
Expiring within one year	-	2,185	100,000	29,437	100,000	31,622
Expiring beyond one year	100,000	112,000	-	88,000	100,000	200,000
Net increase/(decrease)	100,000	114,185	100,000	117,437	200,000	231,622

Subject to the continuance of meeting certain financial covenants, the bank loan facilities may be drawn down at any time.

The financing arrangement reported in 2010 is the Group's syndicated revolving facility debt facility that was renegotiated on 21 July 2010. Refer to note 16 for further details.

The financing arrangements expiring within one year in 2009 include the bank overdraft and bank loan facility held by Think: Education Group Pty Limited (Think), which was closed during 2010. The financing arrangement expiring beyond one year in 2009 was the Group's syndicated revolving debt facility.

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

As of 1 July 2009, SEEK Limited has adopted the amendment to AASB 7 *Financial Instruments: Disclosures* which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) 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
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

At 30 June 2010 SEEK Limited only financial assets or liabilities held at fair value were interest rate swaps of \$121,000, which are classified as level 2.

Notes to the Financial Statements

2. Financial risk management continued

(e) Capital risk management

The Group's policy is to maintain a capital structure for the business which ensures sufficient liquidity and support for business operations, maintains shareholder and market confidence, provides strong stakeholder returns, and positions the business for future growth. In assessing capital management the company includes share equity and subordinated debt.

The ongoing maintenance of this policy is characterised by:

- Ongoing cash flow forecast analysis and detailed budgeting processes which, combined with continual development of banking relationships, is directed at providing a sound financial positioning for the Group's operations and financial management activities. Since 30 June 2010, SEEK has negotiated a \$250,000,000 revolving unsecured syndicated loan facility lead by the National Australia Bank and including the other three major Australian banks, ANZ Banking Group, Commonwealth Bank of Australia and Westpac Banking Corporation;
- A capital structure that provides adequate funding for the company's potential acquisition and investment strategies, building future growth in shareholder value. The syndicated loan facility will be partly used to fund significant investments as part of the company's growth strategy; and
- Investment criteria that consider earnings accretion and risk adjusted rate of return requirements based on the Group's weighted average cost of capital, and overall strategic goals.

The Group is not subject to externally imposed capital requirements, other than normal banking covenants and obligations. The company has complied with all bank lending requirements during the year and at the date of this report.

During 2009, the Group raised additional capital through a share placement plan together with a share purchase plan and top-up offer (refer to note 18 for further details).

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future which may not equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use or fair value less costs to sell of the cash-generating units (CGUs) to which goodwill has been allocated. The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(h). The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require SEEK to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Refer to note 14 for details of these assumptions.

(ii) Income taxes

The Group is subject to income taxes in Australia, the United Kingdom and New Zealand. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Research and development tax concessions available to the business are estimated in the accounts because a full assessment of the position cannot be made by the year end. This has been one of the causes of over-provision for tax in prior periods as it is the policy of the business to only bring to account that portion of expenses that are reasonably expected to be claimable at period end.

(iii) Amortisation of unearned income for advertising packages

Unearned income for advertising packages is amortised over a five month period as this is management's best estimate of the current usage of the advertising packages to which this income relates. If usage changes this would require a change in the amortisation period. The total unearned income of the advertising packages at balance date is \$11,829,000 (2009: \$5,799,000).

Notes to the Financial Statements

3. Critical accounting estimates and judgements continued

(iv) Future value of share-based payments and probability of vesting

The share-based payments expense recognised by the business during the year has been calculated based on a probability that 100% of options vest. When staff leave the calculation is adjusted and the expense is reduced accordingly. The estimates involved in assessing the fair value of the share-based payments has been discussed in note 25.

(v) Potential deferred tax liability on undistributed profits of IDP Education Pty Ltd (an associate of SEEK Limited)

The Group did not recognise a deferred tax liability in relation to undistributed profits of IDP Education Pty Ltd since a dividend policy agreement has been put in place and the directors consider that this gives them the ability to control the timing and reversal of the temporary differences.

(vi) Distance Learning Revenue

The recognition policy for distance learning revenue requires the estimation of the apportionment of revenue between an amount recognised on receiving the course materials and an amount over the period to completion. This has been determined with reference to the proportion of costs incurred upfront to the total estimated cost of providing the services. Adjusting the proportion of revenue recognised at the start of the course by 10% would have an \$429,000 impact on revenue.

(vii) 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 historic proportions of such credit notes. The trade receivables balance is \$30,719,000 (2009: \$28,666,000) and the credit note provision is \$3,313,000 (2009: \$4,843,000) of which \$2,849,000 (2009: \$3,300,000) relates to Education businesses.

(b) Critical judgements in applying the entity's accounting policies

(i) Significant influence over associates

Zhaopin Limited (Zhaopin)

The Group owns 56.1% of Zhaopin. Although SEEK's equity interest is more than 50%, the terms of a shareholder's agreement mean that SEEK does not exercise control over the financial and operating policies of the entity. A representative of the Group is a director of the entity, enabling the Group to exert significant influence over the entity. For this reason the investment is considered to be an associate of the Group and its financial results are accounted for in the consolidated financial statements using the equity method of accounting, after being initially recognised at cost. If this situation were to change and the Group's influence and board representation increased such that the Group has the power to govern the financial and operating activities of Zhaopin, then its results would have to be fully consolidated.

IDP Education Pty Ltd (IDP)

The Group owns 50% of the voting rights in IDP. As the Group does not have control over the investment, there is no need to consolidate IDP's results, however the Group is required to equity account for IDP as an associate company due to the fact that the Group has significant influence over IDP. If this situation were to change and the Group's share of the voting rights and board representation increased such that the Group has the power to govern the financial and operating activities of IDP, then its results would have to be consolidated.

(ii) Impairment of the investment in associates

The Group has not impaired any of its investments in associates, a decision which requires significant estimates and judgements. As required by current Accounting Standards, the Group has evaluated, among other factors, the financial health of, and near term business outlook for its associates and assessed the carrying value of its investments against current estimated fair value. Where an impairment indicator exists due to the current economic climate an impairment test has been performed. This has resulted in no impairment write downs being required in the current financial period.

Notes to the Financial Statements

3. Critical accounting estimates and judgements continued

Zhaopin

On 23 July 2010, a mutual agreement was reached between the Board and four Zhaopin Executives to leave the company, and a transitional management team have been put in place. SEEK believe that this change in management will not have a material impact to the business operations of Zhaopin, and we continue to believe in the long term value that Zhaopin will generate. In consideration of the events that happened after balance date, SEEK have reviewed the current carrying value of Zhaopin as at 30 June 2010, and confirm no impairment indicators exist.

4. Segment information

(a) Description of segments

Management have determined the operating segments based on the reports reviewed and relied upon by the chief operating decision makers (“CODM”).

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

- 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).
 - Think is a provider of vocational training and higher education courses, including classroom based and distance learning courses and operates solely in Australia.

Adjusted EBITDA is utilised by the CODM to measure the businesses’ profitability and as such has been disclosed. Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of net (losses)/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.

Notes to the Financial Statements

4. Segment information continued

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

Income statement information

30 June 2010	Employment	Education		Eliminations	Consolidated
	\$'000	Learning \$'000	Think \$'000		
Revenue					
Segment revenue from external customers	171,167	40,007	69,558	-	280,732
Inter-segment revenue	1,518	3,621	-	(5,139)	-
Dividends	154	-	-	-	154
Total segment revenue	172,839	43,628	69,558	(5,139)	280,886
Interest revenue					906
Consolidated revenue					281,792
Profit before tax					
Adjusted EBITDA	93,346	16,733	7,286	-	117,365
Depreciation and amortisation	(4,429)	(559)	(4,627)	-	(9,615)
Share of profits/(losses) from associates accounted for using the equity method	1,632	9,795	-	-	11,427
Dividends	154	-	-	-	154
Segment result	90,703	25,969	2,659	-	119,331
Amortisation of share-based payments and other long-term incentive schemes					(2,253)
Interest revenue					906
Interest expense					(5,219)
Fair value gain on acquisition (Note 6)					6,417
Profit before tax					119,182
Income tax expense	(24,377)	(4,932)	(352)	-	(29,661)
Net profit for the year					89,521
30 June 2009					
	Employment	Education		Eliminations	Consolidated
	\$'000	Learning \$'000	Think \$'000	\$'000	\$'000
Revenue					
Segment revenue from external customers	168,891	29,525	9,929	-	208,345
Inter-segment revenue	1,573	526	-	(2,099)	-
Dividends	428	-	-	-	428
Total segment revenue	170,892	30,051	9,929	(2,099)	208,773
Interest revenue					1,005
Consolidated revenue					209,778
Profit before tax					
Adjusted EBITDA ⁽¹⁾	90,855	7,588	(676)	-	97,767
Depreciation and amortisation	(4,703)	(647)	(522)	-	(5,872)
Share of (losses)/profits from associates accounted for using the equity method	(15,232)	13,835	(39)	-	(1,436)
Dividends	428	-	-	-	428
Segment result	71,348	20,776	(1,237)	-	90,887
Amortisation of share-based payments and other long-term incentive schemes					(1,650)
Interest revenue					1,005
Interest expense					(7,280)
Impairment of non-current assets (note 12)					(7,425)
Fair value gain on acquisition (note 6)					4,642
Profit before tax					80,179
Income tax expense	(23,599)	(1,651)	372	-	(24,878)
Net profit for the year					55,301

Note 1: Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation and excluding share of net (losses)/profits of associates accounted for using the equity method, impairment of non-current assets, fair value gain on acquisitions, dividend income and amortisation of share-based payments and long-term incentives.

Notes to the Financial Statements

4. Segment information continued

Balance Sheet information

30 June 2010	Employment	Education		Eliminations	Consolidated
		Learning	Think		
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Total segment assets	327,033	66,493	108,632	-	502,158
Unallocated:					
Deferred tax assets					10,421
Current tax assets					1,067
Total assets					513,646
<i>Other asset items</i>					
Capital expenditure on plant and equipment	1,039	97	3,378	-	4,514
Capital expenditure on intangible assets	1,471	39	1,580	-	3,090
Carrying value of investments in associates	216,635	66,734	-	-	283,369
Liabilities					
Total segment liabilities	31,892	2,345	20,116	-	54,353
Unallocated:					
Current borrowings					-
Non-current borrowings					99,642
Current tax liabilities					-
Deferred tax liabilities					6,694
Total liabilities					160,689
<hr/>					
30 June 2009	Employment	Education		Eliminations	Consolidated
		Learning	Think		
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Total segment assets	249,749	70,974	126,539	-	447,262
Unallocated:					
Deferred tax assets					13,373
Total assets					460,635
<i>Other asset items</i>					
Capital expenditure on plant and equipment	784	36	362	-	1,182
Capital expenditure on intangible assets	1,654	234	336	-	2,224
Carrying value of investments in associates	163,563	59,670	-	-	223,233
Liabilities					
Total segment liabilities	16,942	3,656	24,707	-	45,305
Unallocated:					
Current borrowings					2,185
Non-current borrowings					111,289
Current tax liabilities					5,995
Deferred tax liabilities					7,221
Total liabilities					171,995

Notes to the Financial Statements

4. Segment information continued

(c) Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers. Segments assets are based on the geographical location of the assets.

	2010		2009	
	Revenue (2) \$'000	Non-current assets (3) \$'000	Revenue (2) \$'000	Non-current assets (3) \$'000
Australia	265,252	206,540	190,194	198,537
New Zealand	12,951	3,441	14,432	2,382
United Kingdom	2,529	14	3,719	65
China	-	57,221	-	63,870
Brazil	-	110,241	-	99,692
Malaysia	-	49,173	-	12,551
Total	280,732	426,631	208,345	377,097

Note 2: Represents segment revenue from external customers

Note 3: Non-current assets excludes financial instruments and deferred tax assets.

5. Revenue

	Consolidated	
	2010	2009
	\$'000	\$'000
Revenue from continuing operations		
Sales revenue		
Employment - job and banner advertising	171,167	168,891
Education (Learning) - learning commission revenue	40,007	29,525
Education (Think) - classroom based training	69,558	9,929
Total sales revenue	280,732	208,345
Other revenue		
Interest	906	1,005
Dividends	154	428
Total revenue from continuing activities	281,792	209,778

6. Other income

	Consolidated	
	2010	2009
	\$'000	\$'000
Fair value gain on acquisition - JobStreet (note 11(b))	6,417	-
Fair value gain on acquisition - Think (note 28)	-	4,642
	6,417	4,642

Notes to the Financial Statements

7. Expenses

Net losses and expenses

Profit from ordinary activities before income tax includes the following specific net losses and expenses:

	Consolidated	
	2010	2009
	\$'000	\$'000
Expenses		
Depreciation of plant and equipment (note 13)	4,845	3,470
Amortisation (note 14)	4,770	2,402
Rental expense relating to operating leases:		
Minimum lease payments	8,595	4,622
Net foreign exchange losses / (gains) recognised in profit from ordinary activities for the year	443	281
Impairment on non-current assets (note 12)	-	7,425
Net loss on disposal of plant & equipment	46	-
Finance costs		
Interest expense	5,219	7,280
Other finance charges paid/payable	1,009	735
	6,228	8,015
Employee benefits		
Share based payments	1,321	1,372
Other long term incentives	932	278
Salary costs	67,241	46,637
Superannuation costs	5,120	3,637
Total employee benefits	74,614	51,924

8. Income tax

(a) Income tax expense

	Consolidated	
	2010	2009
	\$'000	\$'000
Current tax	28,126	24,588
Deferred tax	2,382	868
(Over) provided in prior years	(847)	(578)
	29,661	24,878

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	2,909	868
Decrease in deferred tax liability	(527)	-
	2,382	868

Notes to the Financial Statements

8. Income tax continued

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

	Consolidated	
	2010	2009
	\$'000	\$'000
Profit from ordinary activities before income tax expense	119,182	80,179
Income tax calculated @ 30% (2009: 30%)	35,755	24,054
Tax effect of amounts that are not deductible / (taxable) in calculating income tax:		
Fair value gain on financial assets	(1,925)	(1,393)
Investment allowance	(7)	(22)
Research and development claim	(358)	-
Share of net profit of associates	(3,428)	431
Non-assessable dividend income	(46)	(128)
Impairment of investment	-	2,228
Non-deductible expenses:		
Entertainment	88	95
Legal fees & acquisition costs	383	-
Other Non-deductible expenses	49	206
	30,511	25,471
Income tax adjusted for permanent differences		
Effect of higher rates of tax on overseas income	(3)	(15)
(Over) provision in previous year	(847)	(578)
Income tax expense attributable to profit from ordinary activities	29,661	24,878

(c) Amounts recognised directly in equity

Tax expense relating to items of other comprehensive income

	Consolidated	
	2010	2009
	\$'000	\$'000
Tax (debited)/credited directly to hedge reserve	-	(3,863)
Tax (debited)/credited associated with share-based payment schemes	2,429	41
	2,429	(3,822)

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity

	Consolidated	
	2010	2009
	\$'000	\$'000
Tax credited directly to retained profits - on-market purchase of shares	1,132	662
Tax credited directly to retained profits - new issue	1,254	-
	2,386	662
Tax credited/(debited) directly to contributed equity (note 18(b))	126	702
	2,512	1,364

Notes to the Financial Statements

8. Income tax continued

(d) Deferred tax assets

The balance comprises temporary differences attributable to:

	Consolidated	
	2010	2009
	\$'000	Restated* \$'000
Amounts recognised in profit or loss:		
Provision for impairment of trade receivables	490	836
Unearned income	-	4,369
Employee benefits	4,041	1,788
Provision for credit notes	992	1,387
Fringe benefits tax	(84)	66
Share-based payments	943	990
Accounting fees	178	160
Deferred expenditure - professional fees	-	203
Plant and equipment and intangible assets	891	809
Deferred expenditure - other	1,212	1,224
Foreign exchange losses	283	50
Commissions - non-employee benefits	206	205
Accruals	-	-
	9,152	12,087
Amounts recognised directly in equity:		
Share-based payments	775	733
Capital raising costs	504	562
	1,279	1,295
Set off of deferred tax liabilities of parent entity pursuant to set off provisions:		
Interest receivable (note 8(e))	(10)	(9)
Net deferred tax assets	10,421	13,373
Movements:		
Opening balance at 1 July	13,373	7,842
Credited / (charged) to the Income Statement	(2,909)	(868)
Credited to equity	(15)	(59)
Other movements	12	(10)
Unders / overs in the prior year - other	(40)	(209)
Acquisition of subsidiaries ⁽¹⁾	-	6,677
Closing balance at 30 June	10,421	13,373
Deferred tax assets to be recovered within 12 months	8,473	11,472
Deferred tax assets to be recovered after more than 12 months	1,948	1,901
	10,421	13,373

* Refer to note 28 for details of restatement

Note 1² Represents balances acquired from business acquisitions made during the year. Refer to note 28 for details of business combinations.

Notes to the Financial Statements

8. Income tax continued

(e) Deferred tax liabilities

	Consolidated	
	2010	2009
		Restated*
	\$'000	\$'000
The balance comprises temporary differences attributable to:		
Intangible assets	6,694	7,221
Interest receivable	10	9
Set off of deferred tax liabilities of parent entity pursuant to set off provisions	(10)	(9)
Net deferred tax liabilities	6,694	7,221
Movements:		
Opening balance at start of year	7,221	63
(Credited) / charged to the Income Statement	(527)	-
Acquisition of subsidiaries	-	7,158
Closing balance at end of year	6,694	7,221

* Refer to note 28 for details of restatement

The deferred tax liability relating to intangible assets is anticipated to be settled in more than 12 months and the interest rate receivable liability within 12 months.

Tax consolidation legislation

SEEK Limited and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2004. The Australian Taxation Office has been notified of this decision. The accounting policy on implementation of the legislation is set out in note 1(y).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, SEEK Limited.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate SEEK Limited for any current tax payable assumed and are compensated by SEEK Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to SEEK Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current intercompany receivable or payables.

Notes to the Financial Statements

9. Cash and cash equivalents

	Consolidated	
	2010	2009
	\$'000	\$'000
Cash at bank and on hand	21,805	16,685
Short-term investments	17,926	26,932
	39,731	43,617

Short-term investments are available at call.

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flow as follows:

	Consolidated	
	2010	2009
	\$'000	\$'000
Balance as above	39,731	43,617
Bank overdrafts (note 16)	-	(2,185)
	39,731	41,432

(b) Risk exposure

The Group's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

10. Trade and other receivables

	Consolidated	
	2010	2009
	\$'000	Restated * \$'000
Trade receivables	30,719	28,666
Less: Provision for impairment of receivables (note a)	(5,181)	(7,865)
	25,538	20,801
Other receivables (note c)	8,457	3,701
Prepayments	1,679	2,045
	35,674	26,547

* Refer to note 28 for details of restatement

(a) Impaired trade receivables

As at 30 June 2010 the amount of the provision for current trade receivables was \$5,181,000 (2009: \$7,865,000). The Group has recognised a loss of \$4,321,000 (2009: \$2,493,000) in respect of impaired trade receivables during the year ended 30 June 2010.

Notes to the Financial Statements

10. Trade and other receivables continued

Movements in the provision for impairment of receivables are as follows:

	Consolidated	
	2010	2009
		Restated*
	\$'000	\$'000
Opening balance	7,865	3,325
Provision for impairment recognised during the year	4,321	2,493
Utilisation of provision for credit notes and receivables written off	(5,949)	(1,560)
Unused amount reversed	(1,065)	-
Acquisition of subsidiaries ⁽¹⁾	55	3,590
Other	(46)	17
Closing balance	5,181	7,865

* Refer to note 28 for details of restatement

Note 1: Represents balances acquired from business acquisitions made during the year. Refer to note 28 for details of business combinations. The creation and release of the provision for impaired receivables has been included in 'operations and administration' expense in the Income Statement. Amounts charged to the provision are generally written off when there is no expectation of recovering additional cash.

(b) Ageing of net trade receivables since due date

	Consolidated	
	2010	2009
		Restated*
	\$'000	\$'000
Current – 30 days	19,734	15,371
30 – 60 days ⁽¹⁾	3,813	2,837
60 – 90 days ⁽¹⁾	1,029	1,011
90 – 120 days ⁽¹⁾	369	356
120+ days ⁽¹⁾	593	1,226
Total	25,538	20,801

* Refer to note 28 for details of restatement

Note 1: Past due and not considered impaired. Trade receivables are considered past due when they are not collected within credit terms.

The Group does not hold any collateral in relation to these receivables.

(c) Other receivables

The other receivables balances mainly represents accrued revenue in the Education business.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

(d) Foreign exchange and interest rate risk

Information about the Group's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in note 2.

(e) Fair value and credit risk

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 2 for more information on the risk management policy of the Group and the credit quality of the entity's trade receivables.

Notes to the Financial Statements

11. Investments accounted for using the equity method

The results of associates are reflected in the results of the Group for the period from the later of the date of SEEK's investment or 1 July 2009 to the earlier of the date the investment ceased to be an associate or 30 June 2010.

(a) Details of associates

Information relating to associates is set out below:

	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 Cooperatief 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⁽¹⁾	Malaysia	22.4	10.1	31 December	Leading provider of online employment websites in South East Asia (listed in Malaysia)
Think: Education Group Pty Limited⁽²⁾	Australia	100.0	100.0	30 June	Provides vocational and higher education courses, including classroom based and distance learning courses

Note 1: Significant influence was obtained over JobStreet Corporation Berhad on 10 March 2010. From this point it has been accounted for using the equity method. Prior to this it was accounted for as an available-for-sale financial asset.

Note 2: Think: Education Group Pty Limited is accounted for as a subsidiary from 12 May 2009. Prior to this equity was accounted and recorded as an associate in the results of the Group.

Notes to the Financial Statements

11. Investments accounted for using the equity method continued

(b) Movements in carrying amounts

Consolidated – investments accounted for using the equity method

	IDP Education Pty Ltd	Zhaopin Ltd	Think: Education Group Pty Limited	Brasil Online Holdings Coöperatief U.A.	JobStreet Corporation Berhad	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount as at 1 July 2008	50,706	23,096	37,847	-	-	111,649
Investments during the year at cost	-	47,256	102	105,882	-	153,240
Dividends received in the year	(5,000)	-	-	-	-	(5,000)
Share of profits / (losses) after income tax	13,835	(17,254)	(39)	2,022	-	(1,436)
Movements in foreign currency translation reserve (note 19)	130	10,772	-	(8,212)	-	2,690
Reclassification to goodwill and intangible assets (note 28)	-	-	(37,910)	-	-	(37,910)
Carrying amount as at 30 June 2009	59,671	63,870	-	99,692	-	223,233
Investments during the year at cost	-	-	-	42	25,855	25,897
Transfer from available for sale financial asset (note 12(a))	-	-	-	-	18,938	18,938
Fair value gain on financial asset	-	-	-	-	-	-
Dividends received in the year	(2,500)	-	-	-	(699)	(3,199)
Share of profits / (losses) after income tax	9,795	(3,764)	-	4,374	1,022	11,427
Movements in foreign currency translation reserve (note 19)	(59)	(2,885)	-	6,133	4,057	7,246
Movements in hedge reserve - cash flow hedges (note 19)	(173)	-	-	-	-	(173)
Carrying amount as at 30 June 2010	66,734	57,221	-	110,241	49,173	283,369

IDP Education Pty Ltd

On 1 March 2010, IDP Education Pty Ltd paid a fully franked interim dividend of \$5,000,000 (2009: \$10,000,000), of which SEEK's share was \$2,500,000 (2009: \$5,000,000).

Zhaopin Ltd (Zhaopin)

On 10 July 2008 SEEK Limited invested a further US\$45,000,000 (A\$47,256,000 including acquisition costs) in Zhaopin to increase its shareholding to 56.1%. The investment was financed with the utilisation of existing cash reserves and debt facilities.

Think: Education Group Pty Limited

On 12 May 2009 SEEK Limited acquired the remaining 50% of the issued shares in Think: Education Group Pty Limited (refer to note 28 for further details). From the date of acquisition this investment has been accounted for as a controlled entity and fully consolidated into the SEEK Group. Prior to this the 50% ownership was equity accounted and recorded as an associate in the results of the Group.

Brasil Online Holdings Coöperatief U.A. (Brasil Online Holdings)

On 17 November 2008 SEEK acquired a 30% equity interest in Brasil Online Holdings Coöperatief U.A. owner of Catho Online and Manager Online, two leading employment websites in the South American market. The company provides advertising of employment classifieds and related services on the internet and increases SEEK's international presence in online employment classifieds.

SEEK made a cash payment of US\$67,500,000 (A\$105,882,000 including acquisition costs at the exchange rate on the date of the transactions) in settlement of the acquisition. The investment was financed through the syndicated debt facility.

To reduce the impact of foreign exchange, SEEK entered into forward foreign currency exchange contracts. These reduced the net cash payment for the acquisition to \$93,006,000. The pre-tax gain of \$12,876,000 arising on these contracts has been recognised in equity reserves (note 19) and is included in the cost of \$105,882,000.

Notes to the Financial Statements

11. Investments accounted for using the equity method continued

JobStreet Corporation Berhad

Between 28 February 2010 and 5 April 2010 SEEK purchased additional shares in JobStreet for \$25,855,000 (MYR 78,191,000), bringing the ownership level to 22.4%.

The increase in ownership, combined with an increased level of management interaction, means SEEK now has significant influence over JobStreet. Accordingly SEEK has applied the equity method in accounting for its share of JobStreet's profits from 10 March 2010, the date that SEEK obtained significant influence. Prior to this date, SEEK's investment in JobStreet was held as an available-for-sale financial asset.

In accordance with the Group's accounting policy (as set out in Note 1 (b)) the original shareholding in JobStreet was transferred at fair value, and gains previously deferred in reserves were released to profit. This gave rise to a one-off gain of \$6,417,000 recorded in Other Income (refer to note 6).

JobStreet is listed in Malaysia and is a leading provider of online employment website in South East Asia.

Dividends

Since 10 March 2010 the following dividends were received:

- 17 May 2010: JobStreet declared a final dividend for year 2009, of which SEEK's share was MYR 1,058,000 (A\$381,000).
- 21 May 2010: JobStreet declared a interim dividend for year 2010, of which SEEK's share was MYR 881,000 (A\$318,000).

These were recorded as a reduction in the carrying amount of the investment.

(c) Summarised financial information of associates

The Group's share of the results of its associates and its aggregated assets, including goodwill and its liabilities are as follows:

	Owners	Group's share of			
	%	Assets \$'000	Liabilities \$'000	Revenues \$'000	Profit/(loss) \$'000
Year 2010					
IDP Education Pty Ltd	50.0%	64,440	20,298	98,282	9,795
Zhaopin Ltd	56.1%	20,123	17,342	36,978	(3,764)
Brasil Online Holdings Coöperatief U.A.	30.0%	20,243	20,390	34,210	4,374
JobStreet Corporation Berhad ⁽²⁾	22.4%	14,590	2,659	2,795	1,022
Total		119,396	60,689	172,265	11,427
Year 2009					
IDP Education Pty Ltd	50.0%	67,417	30,352	95,804	13,835
Zhaopin Ltd	56.1%	17,726	10,885	33,665	(17,254)
Brasil Online Holdings Coöperatief U.A.	30.0%	14,951	21,357	18,324	2,022
Think: Education Group Pty Limited ⁽¹⁾	50.0%	35,483	22,217	17,283	(39)
Total		135,577	84,811	165,076	(1,436)

Note 1: The Group's share of the results of Think: Education Group Pty Limited represent the period from 1 July 2008 to the acquisition date of 12 May 2009 and the assets and liabilities represent the balances held on acquisition date (at 50% being the Group's share at that date).

Note 2: Group's share of the results of JobStreet Corporation Berhad represents the period from 10 March 2010 to 30 June 2010.

The Group's share of expenditure commitments, relating to operating lease commitments, non-cancellable advertising contracts and capital commitments are as follows:

- IDP Education Pty Ltd \$8,868,000 (2009: \$3,156,000)
- Zhaopin Ltd \$5,430,000 (2009: \$3,486,000)
- JobStreet Corporation Berhad \$222,000

As at 30 June 2010, the fair value of JobStreet was \$50,650,000 (MYR 141,027,000). The carrying amount was \$49,173,000. All other Associates are unlisted investments.

Notes to the Financial Statements

12. Financial assets

	Consolidated	
	2010	2009
	\$'000	\$'000
Available-for-sale financial asset (a)	-	12,551
Interest rate swap contracts (b)	121	-
	121	12,551

(a) Available-for-sale financial assets

	Consolidated	
	2010	2009
	\$'000	\$'000
Shares - Malaysian Listed		
Fair value as at 1 July	12,551	-
Investments during the year at cost	-	19,946
Mark-to-market revaluation	6,387	30
Impairment loss recognised in the Income Statement	-	(7,425)
Transfer to investments accounted for using the equity method	(18,938)	-
Fair value as at 30 June	-	12,551

During the year additional investments were made in JobStreet Corporation Berhad (JobStreet). From 10 March 2010 SEEK has applied the equity method in accounting for its share of JobStreet's profits, the date that SEEK obtained significant influence. Refer to note 11 for details.

(b) Interest rate swap contracts – cash flow hedge

The Group has decided to protect part of its borrowings from exposure to fluctuations in interest rates and has entered into interest rate swap contracts during the period under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

Swaps currently in place cover approximately 30% (2009: not applicable) of the variable loan principal outstanding and are timed to expire as each loan repayment falls due.

The contracts require settlement of net interest receivable or payable each 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt. The contracts are settled on a net basis.

The gain or loss from remeasuring the hedging instruments at fair value is deferred in equity in the hedging reserve, to the extent that the hedge is effective, and reclassified into the Income Statement when the hedged interest expense is recognised. The net impact on the Income Statement arising during the year as a result of implementing the swap contacts is a loss of \$64,000. There was no hedge ineffectiveness in the current year.

Information about the Group's exposure to credit risk, foreign exchange and interest rate risk is provided in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial assets mentioned above.

Notes to the Financial Statements

13. Plant and equipment

	Consolidated	
	2010	2009
	\$'000	\$'000
Opening at 1 July		
Cost	27,217	15,793
Accumulated Depreciation	(13,276)	(6,552)
Net book amount 1 July	13,941	9,241
Carrying amount at 1 July		
Additions	4,514	1,182
Disposals	(141)	-
Transfers ⁽¹⁾	-	(633)
Acquisition of subsidiaries ⁽²⁾	820	7,621
Depreciation expense (note 7)	(4,845)	(3,470)
Carrying amount at 30 June	14,289	13,941
Closing at 30 June		
Cost	33,218	27,217
Accumulated depreciation	(18,929)	(13,276)
Net book amount at 30 June	14,289	13,941

Note 1: Includes \$402,000 transferred to intangible assets in 2009

Note 2: Represents balances acquired from business acquisitions made during the year. Refer to note 28 for details of business combinations.

Notes to the Financial Statements

14. Intangible assets

	Goodwill ⁽²⁾ \$'000	Brands and licences \$'000	Course development and accreditation \$'000	Customer relationships \$'000	Computer software and website development \$'000	Work in progress \$'000	Total \$'000
Consolidated							
At 1 July 2008							
Cost	10,645	-	-	362	10,344	1,053	22,404
Accumulated amortisation	-	-	-	(206)	(1,663)	-	(1,869)
Net book amount	10,645	-	-	156	8,681	1,053	20,535
Year ended 30 June 2009 (Restated*)							
Opening net book amount	10,645	-	-	156	8,681	1,053	20,535
Foreign currency effect	70	-	-	-	-	-	70
Additions	40	-	202	-	1,982	-	2,224
Transfers ⁽³⁾	-	-	-	-	402	(1,053)	(651)
Acquisition of subsidiary ⁽⁴⁾	81,118	19,439	3,420	3,300	320	-	107,597
Amortisation charge ⁽¹⁾	-	-	(51)	(92)	(2,259)	-	(2,402)
Closing net book amount	91,873	19,439	3,571	3,364	9,126	-	127,373
At 30 June 2009							
Cost	91,873	19,439	3,622	3,662	13,048	-	131,644
Accumulated amortisation	-	-	(51)	(298)	(3,922)	-	(4,271)
Net book amount	91,873	19,439	3,571	3,364	9,126	-	127,373
Year ended 30 June 2010							
Opening net book amount	91,873	19,439	3,571	3,364	9,126	-	127,373
Foreign currency effect	48	-	-	-	-	-	48
Additions	-	-	1,089	-	1,772	229	3,090
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	(40)	-	(40)
Acquisition of subsidiaries ⁽⁴⁾	1,131	1,450	408	198	86	-	3,273
Amortisation charge ⁽¹⁾	-	-	(736)	(1,238)	(2,796)	-	(4,770)
Closing net book amount	93,052	20,889	4,332	2,324	8,148	229	128,974
At 30 June 2010							
Cost	93,052	20,889	5,119	3,860	14,866	229	138,015
Accumulated amortisation	-	-	(787)	(1,536)	(6,718)	-	(9,041)
Net book amount	93,052	20,889	4,332	2,324	8,148	229	128,974

* Refer to note 28 for details of restatement.

Note 1: Amortisation charges have been included within 'operations and administration' expenses in the Income Statement.

Note 2: Historical goodwill amortisation (that occurred before the introduction of Australian Equivalents to International Reporting Standards) that was previously separately reported is now included in the cost of goodwill.

Note 3: \$402,000 transferred from plant and equipment and \$1,053,000 reclassified to 'investments accounted for using the equity method' as acquisition costs in 2009

Note 4: Includes identifiable intangible assets acquired through the purchase of Think and other subsidiaries (refer to note 28)

The categories for intangible assets have been realigned during the year to appropriately reflect the nature of the business.

Intangible assets are amortised over their estimated useful life (as listed below) on a straight line basis;

- Goodwill, brands and licences – indefinite and not amortised;
- Course development and accreditation – five years;
- Customer relationships – two to five years; and
- Computer software and website development – three to six years.

Notes to the Financial Statements

14. Intangible assets continued

(a) Impairment tests for goodwill

Goodwill is allocated to the Group's cash generating units (CGUs) identified according to business segment and country of operation.

A segment level summary of the goodwill allocation is presented below:

2010	Australia \$'000	New Zealand \$'000	Total \$'000
Employment – NZ Jobs	-	4,957	4,957
Education – Classroom (DWT)	2,140	-	2,140
Education – Online (SEEK Learning)	3,666	-	3,666
Education – Classroom and Online (Think) ⁽²⁾	82,289	-	82,289
Total	88,095	4,957	93,052

2009	Australia \$'000	New Zealand \$'000	Total \$'000
Employment – NZ Jobs	-	4,909	4,909
Education – Classroom (DWT)	2,140	-	2,140
Education – Online (SEEK Learning)	3,666	-	3,666
Education – Classroom and Online (Think) ⁽¹⁾	81,158	-	81,158
Total	86,964	4,909	91,873

Note 1: The second 50% of Think was acquired on 12 May 2009 and the acquisition price was consistent with the assessment completed by SEEK prior to the transaction, hence no impairment test has been completed at 30 June 2009.

Note 2: The allocation of the purchase price to acquired assets was finalised during the period, resulting in an increase to THINK Goodwill. Refer Business Combinations (note 28)

(b) Key assumptions used for value-in-use calculations

The recoverable amount of each CGU was determined based on value-in-use calculations. These calculations use cash flow projections for future years based on the estimated results of that CGU.

The goodwill balances for NZ jobs, DWT and SEEK Learning are all relatively small amounts in the Group balance sheet and have been held for several years. Given the headroom available, five year cash flows forecasts are based on next year's budgeted result with the remaining years applying a real growth rate of 0% to budgeted EBITDA and using a terminal value cash flow beyond five years with real growth rate of 0%.

The goodwill balance for Think is a larger component of the Group balance sheet and the business has been recently acquired and in a growth phase. Given this, estimated cash flows are based on a five year forecast derived from the most recent long term profit forecast for the business approved by the board and applying a terminal value cash flow beyond five years with a real growth rate of 0%.

These estimated future cash flows have been discounted to present value using the discount rates noted on page 75. This approach showed no evidence of goodwill impairment at each period and no impairment was indicated with any reasonably possible change in estimates.

In the opinion of the board, EBITDA margins and revenue growth rates in the relevant forecast period are commercially sensitive and have not been disclosed.

Notes to the Financial Statements

14. Intangible assets continued

Increases to the discount rates below of 2% or reductions to the growth rate of 1% would still not indicate any impairment in these CGUs.

	Discount rate ⁽¹⁾	
	2010	2009
	%	%
Employment – NZ Jobs	14.7	14.8
Education – Classroom (DWT)	14.4	14.8
Education – Online (SEEK Learning)	14.4	14.8
Education – Classroom and Online (Think)	15.3	n/a

Note 1: Pre-tax discount rate

15. Trade and other payables

	Consolidated	
	2010	2009
	\$'000	\$'000
Trade and other payables	24,926	16,202
GST Payable	1,510	904
	26,436	17,106

16. Borrowings

(a) Current borrowings

	Consolidated	
	2010	2009
	\$'000	\$'000
Bank overdraft	-	2,185
Total current borrowings	-	2,185

(b) Non-current borrowings

	Consolidated	
	2010	2009
	\$'000	\$'000
Bank borrowings - principal	100,000	112,000
Less: transactional costs capitalised	(358)	(711)
Total non-current borrowings	99,642	111,289

Syndicated loan agreements (unsecured)

In August 2008, the Group entered into a syndicated revolving unsecured debt facility with a limit of \$200,000,000. This debt is a three year facility with \$100,000,000 repayable on 21 August 2010 and \$100,000,000 repayable on 21 August 2011. At 30 June 2010, \$100,000,000 principal had been drawn down against this facility. Transaction costs of \$1,059,000 were incurred in 2009 and were capitalised on the Balance Sheet, of which \$358,000 had not yet been amortised through the Income Statement.

Notes to the Financial Statements

16. Borrowings continued

The interest rate on bank borrowings has varied during the period from 4.45% to 6.23%. Interest is calculated on the principal outstanding at each interest period. The interest period and interest rate are negotiated at that time.

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

On 21 July 2010, the Group re-financed its debt facility. The facility was increased from \$200,000,000 to \$250,000,000. The two tranches in the original facility expiring in August 2010 and August 2011 have been combined into one tranche with a three year term, maturing in July 2013. The facility is structured as a revolving unsecured syndicated senior debt facility.

Think: Education Group Pty Limited – loan with St George Bank (secured)

On 12 May 2009 the Group acquired the remaining 50% of the issued shares in Think: Education Group Pty Limited (refer to note 28). At this time a loan of \$14,235,000 had been taken out by the Think Group with St George Bank. On 26 June 2009 the SEEK loaned to Think an amount of \$14,235,000 to repay the outstanding loan and the facility was subsequently closed.

(c) Risk exposure

Details of the Group exposure to risks arising from current and non-current borrowings are set out in note 2.

17. Provisions

(a) Current provisions

	Consolidated	
	2010	2009
		Restated*
	\$'000	\$'000
Employee benefits provision ⁽¹⁾	1,675	2,307
Lease incentives	351	338
Other provisions ⁽²⁾	-	106
	2,026	2,751

* Refer to note 28 for details of restatement.

Note 1: Includes long service leave, all of which is expected to be used in the next 12 months.

Note 2: Other provisions are made up of provisions for repairs and maintenance of offices.

Movement in provisions

The movement in lease incentives and other provisions during the financial year is set out below:

	Consolidated	
	2010	2009
	\$'000	\$'000
Lease incentives		
Carrying amount at start of year	338	157
Additional provision recognised in the year	-	181
Transferred from non-current provisions	157	157
Credited to the income statement	(144)	(157)
Carrying amount at end of year	351	338
Other provisions		
Carrying amount at start of year	106	-
Utilised during the year	(106)	-
Charged to the income statement	-	54
Acquisition of subsidiaries ⁽³⁾	-	52
Carrying amount at end of year	-	106

Note 3: Represents balances acquired from business acquisitions made during the year. Refer to note 28 for details of business combinations.

Notes to the Financial Statements

17. Provisions continued

(b) Non-current provisions

	Consolidated	
	2010	2009
	\$'000	\$'000
Employee benefits provision ⁽¹⁾	2,247	1,085
Lease incentives	144	395
Other provisions ⁽²⁾	1,536	1,230
	3,927	2,710

Note 1: Includes long service leave and cash long-term incentive

Note 2: Other provisions are made up of provisions for repairs and maintenance of offices.

Movement in provisions

The movement in lease incentives and other provisions during the financial year is set out below:

	Consolidated	
	2010	2009
	\$'000	\$'000
Lease incentives		
Carrying amount at start of year	395	457
Additional provision recognised in the year	(37)	-
Transferred to current provisions	(157)	(157)
Credited to the income statement	-	95
Transfer	(57)	-
Carrying amount at end of year	144	395
Other provisions		
Carrying amount at start of year	1,230	-
Acquisition of subsidiaries ⁽³⁾	-	1,230
Additional provision recognised in the year	249	-
Transfer	57	-
Carrying amount at end of year	1,536	1,230

Note 3: Represents balances acquired from business acquisitions made during the year. Refer to note 28 for details of business combinations.

18. Contributed equity

(a) Share capital

	Consolidated and parent entity		Consolidated and parent entity	
	2010	2009	2010	2009
	Shares	Shares	\$'000	\$'000
Ordinary shares				
Issued and fully paid	336,584,488	335,755,466	183,950	182,179

Notes to the Financial Statements

18. Contributed equity continued

(b) Movements in ordinary share capital

Date	Details	Number of shares	Average Issue price	\$'000
1 July 2008	Balance	288,095,864		60,490
30 April 2009	Share issue: placement shares	25,191,494	\$2.60	65,498
15 May 2009	Share issue: related party placement	13,270,043	\$2.60	34,502
16 June 2009	Share issue: SPP & top up offer	9,198,065	\$2.60	23,915
	Share issue: transaction costs			(2,928)
	Share issue: tax effect of transaction costs			702
	Movement	47,659,602		121,689
30 June 2009	Balance	335,755,466		182,179
29 July 2009	Share issue: SPP and top-up offer	11,522	\$2.60	30
18 February 2010	Exercise of staff options	787,500	\$2.10	1,654
18 February 2010	Exercise of staff options	30,000	\$2.78	83
	Share issue: transaction costs			(122)
	Share issue: tax effect of transaction costs			126
	Movement	829,022		1,771
30 June 2010	Balance	336,584,488		183,950

(c) Ordinary shares

Ordinary shares have no par value and entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Share issue

On 23 April 2009 the SEEK Group announced its intention to raise additional capital, through a share placement together with further funds through a share purchase plan and top-up offer. 47,659,602 shares were issued in 2009 for \$2.60 each, resulting in an increase in contributed equity of \$121,689,000. During 2010 additional shares of 11,522 were issued as part of this process and transactions costs after tax of \$85,000 were incurred.

(e) Exercise of staff options

During the year 817,500 shares were issued under the employee share option plans. 1,102,040 shares were purchased on market under the employee share option plans. (During the year to 30 June 2009, all shares provided under employee share option plans were purchased on market).

Notes to the Financial Statements

19. Equity

Consolidated	Notes	Contributed equity		Reserves			Total reserves	Retained profits	Total equity
		Share-based payments reserve ⁽¹⁾	Foreign currency transaction reserve	Hedging reserve – cash flow hedge reserve	Available-for-sale financial instrument revaluation reserve				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2008		60,490	6,822	(3,247)	(806)	-	2,769	79,218	142,477
Profit for the year		-	-	-	-	-	-	55,301	55,301
Exchange differences on translation of foreign controlled operations		-	-	178	-	-	178	-	178
Exchange differences on translation of foreign associates	11(b)	-	-	2,690	-	-	2,690	-	2,690
Gains on hedge contracts of controlled entities		-	-	-	12,876	-	12,876	-	12,876
Mark-to-market revaluation		-	-	-	-	(7,395)	(7,395)	-	(7,395)
Recognised in the Income Statement	7	-	-	-	-	7,425	7,425	-	7,425
Income tax relating to other comprehensive income	8(c)	-	41	-	(3,863)	-	(3,822)	-	(3,822)
Total comprehensive income for the half-year		-	41	2,868	9,013	30	11,952	55,301	67,253
Transactions with owners in their capacity as owners:									
Contributions of equity, net of transaction costs and tax	18(b)	121,689	-	-	-	-	-	-	121,689
Dividends provided for or paid	20	-	-	-	-	-	-	(41,485)	(41,485)
Employee share options scheme	7	-	1,372	-	-	-	1,372	-	1,372
Purchase of shares-on-market for employee share option scheme		-	(458)	-	-	-	(458)	(2,208)	(2,666)
Tax associated with employee share schemes	8(c)	-	(662)	-	-	-	(662)	662	-
Balance at 30 June 2009		182,179	7,115	(379)	8,207	30	14,973	91,488	288,640
Profit for the year		-	-	-	-	-	-	89,521	89,521
Exchange differences on translation of foreign controlled operations		-	-	153	-	-	153	-	153
Exchange differences on translation of foreign associates	11(b)	-	-	7,246	-	-	7,246	-	7,246
Gains on hedge contracts of controlled entities	12	-	-	-	121	-	121	-	121
Gains on hedge contracts of associates (net of tax)	11(b)	-	-	-	(173)	-	(173)	-	(173)
Mark-to-market revaluation		-	-	-	-	(30)	(30)	-	(30)
Income tax recognised in other comprehensive income	8(c)	-	2,429	-	-	-	2,429	-	2,429
Total comprehensive income for the year		-	2,429	7,399	(52)	(30)	9,746	89,521	99,267
Transactions with owners in their capacity as owners:									
Contributions of equity, net of transaction costs and tax	18(b)	1,771	-	-	-	-	-	-	1,771
Dividends provided for or paid	20	-	-	-	-	-	-	(33,283)	(33,283)
Employee share options scheme	7	-	1,321	-	-	-	1,321	-	1,321
Purchase of shares-on-market for employee share option scheme		-	(986)	-	-	-	(986)	(3,773)	(4,759)
Tax associated with employee share schemes	8(c)	-	(2,386)	-	-	-	(2,386)	2,386	-
Balance at 30 June 2010		183,950	7,493	7,020	8,155	-	22,668	146,339	352,957

Note 1: During the period to 30 June 2010 817,500 shares were issued. All other shares provided under the employee share option plans were purchased on-market.
During the period to 30 June 2009 all shares provided under employee share option plans were purchased on-market.

Notes to the Financial Statements

19. Reserves and retained profits continued

Nature and purpose of reserves

Share-based payments reserve

The reserve is comprised of two components:

- Unexercised: is used to recognise the fair value of options issued but not exercised.
- Exercised: is used to hold the fair value of options that have been exercised and options that have lapsed but are not required to be adjusted through the Income Statement.

Foreign currency translation reserve

Exchange differences arising on the translation of foreign controlled entities and associates are recognised in the foreign currency translation reserve, as described in note 1(d).

Hedging reserve – cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in note 1(l). Amounts are recognised in the Income Statement when the associated hedged transaction affects the Income Statement or when it is impaired or sold.

Available-for-sale financial assets revaluation reserve

Changes in the fair value and exchange difference arising on translation of investments, such as equities, classified as available-for-sale financial assets, are charged / credited to the available-for-sale financial assets revaluation reserve, as described in note 1(k). Amounts are recognised in the income statement when the associated assets are sold or impaired.

The balance was transferred out as a result of the step acquisition of JobStreet. Refer to note 11 for further details.

20. Dividends

	Payment date	Amount per share	Franked amount per share	Total dividend \$'000
Year 2009				
2008 final dividend	17 October 2008	9.9 cents	9.9 cents	\$28,521
2009 interim dividend	28 April 2009	4.5 cents	4.5 cents	\$12,964
				\$41,485
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

Dividends paid or declared by the Company after year end (to be paid out of retained profits at 30 June 2010):

2010 final dividend	15 October 2010	6.7 cents	6.7 cents	\$22,331
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The franked portion of final dividends for the financial year paid after 30 June 2010 will be franked out of franking credits arising from the balance of the franking account as at the year end and the payment of income tax subsequent to the year ending 30 June 2010. The dividend payment on 15 October 2010 will reduce the franking credits available by \$9,570,000 for the consolidated Group. At 30 June 2010 all Australian controlled entities are included in the consolidated income tax group and therefore their franking credits are fully available for distribution to shareholders of the Group.

	Consolidated and parent entity	
	2010	2009
	\$'000	\$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	56,693	31,975

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for franking credits that will arise from the payment of the current tax liability.

Notes to the Financial Statements

21. Key management personnel disclosures

(a) Directors

The following persons were directors of SEEK Limited during the financial year:

R C G Watson	Chairman, non-executive director	
P M Bassat	Chief Executive Officer	
A R Bassat	Chief Executive Officer	
C B Carter	Non-executive director	
N G Chatfield	Non-executive director	
D I Bradley	Non-executive director	Appointed 15 February 2010
J D Packer	Chairman, non-executive director	Resigned 26 August 2009
J H Alexander	Non-executive director	Resigned 26 August 2009

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

Name	Position	Employer
J A Armstrong	Chief Financial Officer	SEEK Limited
C M T Eaton ⁽¹⁾	Chief Information Officer	SEEK Limited
J S Powell	Managing Director (SEEK Employment)	SEEK Limited
J S Lenga	Director of Corporate Strategy	SEEK Limited
P D Everingham	Managing Director (SEEK Education)	SEEK Learning Pty Ltd

Note 1: C M T Eaton was appointed to Chief Information Officer on 1 September 2008 and prior to this time was not included as a member of key management personnel.

(c) Key management personnel compensation

	Consolidated	
	2010	2009
	\$	\$
Short-term employee benefits	4,027,045	3,565,450
Post-employment benefits	222,279	275,370
Long-term employee benefits	64,529	68,705
Share-based employee benefits	1,494,420	759,775
Cash LTI	193,507	-
Termination benefits	-	90,798
	6,001,780	4,760,098

Detailed remuneration disclosures are provided in sections pages 12 to 25 of the Remuneration report.

(d) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in pages 18 to 25 of the Remuneration report.

Notes to the Financial Statements

21. Key management personnel disclosures continued

(ii) Option holdings and Performance Rights

The numbers of options over ordinary shares in the company held during the financial year by each director of SEEK Limited and other key management personnel of the Group and the company, including their personally related parties, are set out below:

2010	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Forfeited during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year	Unvested options at the end of the year
Executive directors								
P M Bassat	1,636,993	559,212	(787,500)	(130,691)	13,592	1,291,606	209,629	1,081,977
A R Bassat	1,636,993	559,212	(787,500)	(130,691)	13,592	1,291,606	209,629	1,081,977
Other key management personnel								
J A Armstrong	116,325	-	(7,018)	(8,578)	-	100,729	-	100,729
C M T Eaton	96,916	-	(5,171)	(6,321)	-	85,424	-	85,424
J S Powell	215,348	-	(9,529)	(11,647)	-	194,172	-	194,172
J S Lenga	199,833	-	(67,512)	(9,029)	-	123,292	-	123,292
P D Everingham	109,490	-	(66,797)	(8,307)	-	34,386	10,000	24,386
2009								
2009	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Forfeited during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year	Unvested options at the end of the year
Executive directors								
P M Bassat	787,500	1,045,530	-	(196,037)		1,636,993	852,845	784,148
A R Bassat	787,500	1,045,530	-	(196,037)		1,636,993	852,845	784,148
Other key management personnel								
J A Armstrong	37,536	100,729	(12,716)	(9,224)		116,325	-	116,325
C M T Eaton (1)	-	68,354	(2,643)		31,205	96,916	-	96,916
J S Powell	46,407	194,172	(14,624)	(10,607)		215,348	-	215,348
J S Lenga	246,304	123,292	(155,476)	(14,287)		199,833	60,125	139,708
P D Everingham	146,546	24,386	(57,052)	(4,390)		109,490	60,000	49,490
T K Vu	185,135	-	(103,345)		(81,790)	-	-	-

Note 1: C M T Eaton granted and exercised options and performance rights are included from the date of appointment of 1 September 2008. The balance of options and performance rights is included within 'other changes during the year'.

Notes to the Financial Statements

21. Key management personnel disclosures continued

(iii) Share holdings

The numbers of ordinary shares in the company held during the financial year by each director of SEEK Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2010	Balance at the start of the year	Received during the year on exercise of options	Purchase of shares	Sale of shares	Other changes during the year (2)	Balance at the end of the year
Non executive directors						
R C G Watson	4,238,648	-	-	-	-	4,238,648
C B Carter	94,458	-	-	-	-	94,458
N G Chatfield	32,656	-	-	-	-	32,656
D I Bradley	-	-	-	-	-	-
J D Packer (1)	87,243,981	-	-	(87,243,981)	-	-
J H Alexander (1)	87,276,367	-	-	(87,243,981)	(32,386)	-
Executive directors						
P M Bassat	12,712,613	787,500	-	(787,500)	-	12,712,613
A R Bassat	12,712,613	787,500	-	-	-	13,500,113
Other key management personnel						
J A Armstrong	85,258	7,018	-	-	-	92,276
C M T Eaton	25,703	5,171	846	(11,373)	-	20,347
J S Powell	33,854	9,529	-	(26,000)	-	17,383
J S Lenga	292,414	67,512	-	(60,000)	-	299,926
P D Everingham	170,651	66,797	-	(100,000)	-	137,448

Notes to the Financial Statements

21. Key management personnel disclosures continued

2009	Balance at the start of the year	Received during the year on exercise of options	Purchase of shares	Sale of shares	Other changes during the year (2)	Balance at the end of the year
Non executive directors						
R C G Watson	4,238,648	-	-	-	-	4,238,648
C B Carter	83,333	-	11,125	-	-	94,458
N G Chatfield	28,809	-	3,847	-	-	32,656
J D Packer (1)	76,968,490	-	10,275,491	-	-	87,243,981
J H Alexander (1)	-	-	10,279,306	-	76,997,061	87,276,367
C J Anderson (1)	77,016,109	-	-	-	(77,016,109)	-
Executive directors						
P M Bassat	11,215,337	-	1,497,276	-	-	12,712,613
A R Bassat	11,215,337	-	1,497,276	-	-	12,712,613
Other key management personnel						
J A Armstrong	313,660	12,716	10,042	(251,160)	-	85,258
C M T Eaton	-	2,643	21,027	-	2,033	25,703
J S Powell	-	14,624	19,230	-	-	33,854
J S Lenga	352,497	155,476	34,441	(250,000)	-	292,414
P D Everingham	93,500	57,052	20,099	-	-	170,651
T K Vu	222,476	103,345	-	-	(325,821)	-

Note 1: Includes shareholding of Windfyr Pty Ltd

Note 2: Represents balance held at time of appointment or resignation

(e) Loans to key management personnel

There have been no loans to directors or executives during the financial year (2009: Nil)

(f) Other transactions with key management personnel

Directors of SEEK Limited

Mr James Packer and Mr John Alexander (appointed 17 April 2009) are directors of Consolidated Media Holdings Limited which owned 25.98% of SEEK Limited through its wholly owned company, Windfyr Pty Ltd sold its interest in SEEK on 26 August 2009. For relevant related party transactions refer to note 26 (d).

Notes to the Financial Statements

22. Remuneration of auditors

During the year the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated	
	2010	2009
	\$	\$
(a) PricewaterhouseCoopers Australia		
Audit and other assurance services		
Audit and review of financial reports	655,506	592,718
Other assurance services:		
Due diligence services	240,544	583,905
Other	8,893	15,290
Total remuneration for audit and other assurance services	904,943	1,191,913
Taxation Services		
Tax compliance services, including review of company income tax returns	81,735	107,130
Tax related due diligence services	-	396,660
Tax consulting	220,122	175,412
Total remuneration for taxation services	301,857	679,202
Other services		
Employee remuneration structure advice	-	20,050
Education awards project	129,383	-
Executive team benchmarking	48,000	-
Other services	17,450	-
Total remuneration for other services	194,833	20,050
Total remuneration of PricewaterhouseCoopers Australia	1,401,633	1,891,165
(b) Related Practices of PricewaterhouseCoopers Australia		
Audit and other assurance services		
Audit and review of financial reports	18,280	-
Total remuneration for audit and other assurance services	18,280	-
Taxation Services		
Tax compliance services, including review of company income tax returns	11,869	13,286
Total remuneration for taxation services	11,869	13,286
Total remuneration of Non-PricewaterhouseCoopers Australia	30,149	13,286
(c) Non- PricewaterhouseCoopers Australia ⁽¹⁾		
Audit and other assurance services		
Audit and review of financial reports	-	218,996
Other assurance services:		
Due diligence services	-	107,994
Other	-	52,390
Total remuneration for audit and other assurance services	-	379,380
Taxation Services		
Tax compliance services, including review of company income tax returns	-	97,260
Total remuneration for taxation services	-	97,260
Other services		
Executive share options valuation	-	15,750
Total remuneration for other services	-	15,750
Total remuneration of Non-PricewaterhouseCoopers Australia	-	492,390

Note 1: Non-PricewaterhouseCoopers audit firm's fees represent audit fees paid by Think: Education Group Pty Ltd and subsidiaries for the year to 30 June 2009 (refer to note 28 for details of the acquisition)

It is the Group's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers' expertise and experience with the Group are important. These assignments are principally tax advice and due diligence reporting on acquisitions, or where PricewaterhouseCoopers is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects.

Notes to the Financial Statements

23. Contingent liabilities

At balance date, the Group had no contingent liabilities.

24. Commitments for expenditure

Capital commitments

At 30 June 2010 the Group and the parent entity had no capital commitments (2009: nil).

Other commitments

Commitments for the payment of IT, advertising and promotions under long-term contracts in existence at the reporting date but not recognised as liabilities payable as follows:

	Consolidated	
	2010	2009
	\$'000	\$'000
Within one year	4,344	7,211
Later than one year but not later than five years	2,033	1,411
More than five years	-	-
Total	6,377	8,622

Lease commitments

Operating leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	Consolidated	
	2010	2009
	\$'000	\$'000
Within one year	10,883	7,794
Later than one year but not later than five years	18,462	19,648
More than five years	2,862	1,258
Total	32,207	28,700

The Group leases various offices under non-cancellable operating leases expiring within one to six years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the lease are negotiated.

Notes to the Financial Statements

25. Share-based payments

Expenses arising from share-based payments transactions

Total expenses arising from share-based payments transactions recognised during the period as part of employee benefits expense are disclosed in note 7.

Option plans

Options granted during the year were solely to key management personnel under the Executive Director Option Plan. For details of all option and Performance Rights Plans, refer to the page 18 to 25 of the Remuneration report contained in the Directors' Report.

Set out below are summaries of options granted under the plans for the Group:

2010 Grant date	Expiry date (years)	Exercise price	Number of options					Closing balance	Number of options vested and exercisable at the end of the year				
			Opening balance	Granted during the year	Exercised during the year	Forfeited during the year	Other Changes						
SEEK Limited Staff Option Plan													
22/02/2000 - 08/09/2003	6	\$ 0.33	9,843	-	(9,843)	-	-	-	-				
09/09/2003 - 03/05/2004	6	\$ 0.46	9,088	-	(9,088)	-	-	-	-				
17/05/2004 - 15/07/2005	6	\$ 0.58	17,398	-	(17,398)	-	-	-	-				
Total			36,329	-	(36,329)	-	-	-	-				
Senior Executive Option Plan													
08/07/2005	6	\$ 2.32	94,125	-	(94,125)	-	-	-	-				
15/08/2005	6	\$ 2.48	70,000	-	(60,000)	-	-	10,000	10,000				
02/11/2005	6	\$ 2.78	33,333	-	(25,000)	(1,250)	-	7,083	7,083				
11/11/2005	6	\$ 2.78	73,000	-	(55,000)	-	-	18,000	18,000				
11/11/2005	6	\$ 2.34	47,000	-	(1,400)	-	-	45,600	45,600				
21/06/2006	6	\$ 4.69	23,333	-	-	(23,333)	-	-	-				
Total			340,791	-	(235,525)	(24,583)	-	80,683	80,683				
Executive director options													
22/03/2005	6	\$ 2.10	1,575,000	-	(1,575,000)	-	-	-	-				
01/07/2008	6	\$ 5.29	1,698,986	-	-	(261,382)	27,184	1,464,788	419,257				
30/11/2009	5	\$ 4.10	-	1,118,424	-	-	-	1,118,424	-				
Total			3,273,986	1,118,424	(1,575,000)	(261,382)	27,184	2,583,212	419,257				
Performance Rights and Options Plan													
01/07/2007	3.5	\$ -	175,758	-	(72,686)	(103,072)	-	-	-				
01/07/2008	4	\$ -	284,336	-	-	(35,434)	-	248,902	-				
30/06/2009	5	\$ 4.10	884,341	12,026	-	(49,017)	-	847,350	-				
Total			1,344,435	12,026	(72,686)	(187,523)	-	1,096,252	-				
Total Plans			4,995,541	1,130,450	(1,919,540)	(473,488)	27,184	3,760,147	499,940				
Weighted average exercise price		\$	3.37	\$	4.10	\$	2.04	\$	3.59	\$	5.29	\$	4.26

Notes to the Financial Statements

25. Share-based payments continued

2009 Grant date	Expiry date (years)	Exercise price	Opening balance	Granted during the year	Number of options Exercised during the year	Forfeited during the year	Other Changes	Closing balance	Number of options vested and exercisable at the end of the year
SEEK Limited Staff Option Plan									
22/02/2000 - 08/09/2003	6	\$ 0.33	18,926	-	(9,083)	-	-	9,843	9,843
09/09/2003 - 03/05/2004	6	\$ 0.46	27,342	-	(18,254)	-	-	9,088	9,088
17/05/2004 - 15/07/2005	6	\$ 0.58	66,141	-	(48,743)	-	-	17,398	17,398
Total			112,409	-	(76,080)	-	-	36,329	36,329
Senior Executive Option Plan									
13/12/2004	6	\$ 0.83	144,000	-	(91,000)	(53,000)	-	-	-
08/07/2005	6	\$ 2.32	102,000	-	-	(7,875)	-	94,125	94,125
15/08/2005	6	\$ 2.48	121,000	-	(51,000)	-	-	70,000	60,000
02/11/2005	6	\$ 2.78	54,583	-	(21,250)	-	-	33,333	25,000
11/11/2005	6	\$ 2.78	73,000	-	-	-	-	73,000	66,333
11/11/2005	6	\$ 2.34	50,000	-	-	(3,000)	-	47,000	47,000
21/06/2006	6	\$ 4.69	54,000	-	-	(30,667)	-	23,333	23,333
Total			598,583	-	(163,250)	(94,542)	-	340,791	315,791
Selfcert Options Agreement									
01/07/2004	6	\$ 0.58	184,500	-	(184,500)	-	-	-	-
Executive director options									
22/03/2005	6	\$ 2.10	1,575,000	-	-	-	-	1,575,000	-
01/07/2008	6	\$ 5.29	-	2,091,060	-	(392,074)	-	1,698,986	-
Total			1,575,000	2,091,060	-	(392,074)	-	3,273,986	-
Performance Rights and Options Plan									
01/07/2006	3	\$ -	186,789	-	(108,261)	(78,528)	-	-	-
01/07/2007	3.5	\$ -	203,426	-	-	(27,668)	-	175,758	-
01/07/2008	4	\$ -	-	331,313	-	(46,977)	-	284,336	-
30/06/2009	5	\$ 4.10	-	884,341	-	-	-	884,341	-
Total			390,215	1,215,654	(108,261)	(153,173)	-	1,344,435	-
Total Plans			2,860,707	3,306,714	(532,091)	(639,789)	-	4,995,541	352,120
Weighted average exercise price			\$ 1.70	\$ 4.44	\$ 0.77	\$ 3.58		\$ 3.37	

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2010 was \$7.02 (2009: \$5.78).

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.91 years (2009: 2.76 years).

Notes to the Financial Statements

25. Share-based payments continued

Fair value of options and Performance Rights granted

The fair value of options and Performance Rights at grant date is independently determined using a Black-Scholes or similar option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Refer to page 22 of the Remuneration report contained within the Directors' Report, for details on the fair value of options and Performance Rights issued during the financial year.

26. Related party transactions

(a) Interests in controlled entities

Interests in controlled entities are set out in note 29.

(b) Transactions with associates

The following transactions occurred with associates:

	Consolidated	
	2010	2009
	\$	\$
Sales to associates	-	223,266
Dividends received from associates	3,199,000	5,000,000
Directors fees and other personnel costs charged to associates	203,445	344,568

Further details of investments in associates are set out in note 11.

(c) Transactions with key management personnel

Disclosures relating to key management personnel are set out in note 21.

(d) Transactions with other related parties

Other related parties comprise transactions with entities associated with key management personnel.

The nature of the relationship with related parties includes the supply of advertising services and use of facilities between the related parties.

Aggregate amounts that resulted from transactions with other related parties:

	Consolidated	
	2010	2009
	\$	\$
Sales to other related parties	20,793	206,379
Purchases from other related parties	24,941	42,773

SEEK Limited provides recruitment advertising to Consolidated Media Holdings Ltd on standard terms and conditions. Crown Melbourne Casino (part of the Crown Limited Group), provides conference and training facilities to SEEK Limited based on a contract that was agreed on normal commercial terms and conditions. These companies ceased to be related parties on 26 August 2009.

Notes to the Financial Statements

26. Related parties transactions continued

Aggregate amounts receivable / payable to other related parties at balance date:

	Consolidated	
	2010	2009
	\$	\$
Other payables	-	-
Trade receivables	-	10,218

(e) Terms and Conditions

Transactions with controlled entities include income tax payable/receivable.

An intercompany loan to Think has been made on an interest free basis. The current balance of the loan account is \$22,377,000. All other transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of loans between controlled entities. The average rate of interest on loans during the year was 5.5% (2009: 5.5%)

27. Deed of cross guarantee

The following controlled entities have entered into a deed of cross guarantee:

Company	Financial year entered into agreement
SEEK Limited	30 June 2006
SEEK Learning Pty Ltd	30 June 2006
Dynamic Web Training Pty Ltd	30 June 2006
SEEK Campus Pty Ltd	30 June 2006
SEEK Commercial Pty Ltd	30 June 2007
SEEK Investments Pty Ltd	30 June 2007
SEEK International Investments Pty Ltd	30 June 2007
Think: Education Group Pty Limited	30 June 2010
Think: Colleges Pty Limited	30 June 2010
Think: Education Services Pty Limited	30 June 2010
APM Training Institute Pty Limited	30 June 2010
Australasian College of Natural Therapies (Holdings) Pty Limited	30 June 2010
Jansen Newman Institute Pty Limited	30 June 2010
Graduate Institute of Management and Technological Pty Limited	30 June 2010
Billy Blue English School Pty Limited	30 June 2010
Billy Blue Catering Pty Limited	30 June 2010
Commercial Arts Training College Pty Limited	30 June 2010
GMM Projects Pty Limited	30 June 2010

The companies that are party to this deed guarantee the debts of the others and represent the 'Closed Group' from the date of entering into the agreement.

These wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

Notes to the Financial Statements

27. Deed of cross guarantee continued

(a) Consolidated income statement, statement of comprehensive income and a summary of movements in consolidated retained profits

Since there are no other parties to the Deed of Cross Guarantee that are controlled by SEEK Limited the companies detailed on page 90 also represent the 'Extended Closed Group'.

Statement of Comprehensive Income	2010	2009
	\$'000	\$'000
Income Statement		
Revenue from continuing operations	266,970	183,430
Other income	6,417	-
Operations expenses		
Direct cost of services	(22,188)	(4,419)
Sales and marketing	(70,962)	(46,641)
Business development	(19,531)	(17,145)
Operations and administration	(47,492)	(30,083)
Finance costs	(6,168)	(7,869)
Expenses from continuing operations	(166,341)	(106,157)
Share of (losses) / profits of associates accounted for using the equity method	11,427	(1,436)
Profit from continuing operations before related income tax expense	118,473	75,837
Income tax expense	(29,437)	(24,907)
Profit from continuing operations after related income tax expense	89,036	50,930
Other comprehensive income		
Exchange differences on translation of foreign controlled operations	-	-
Exchange differences on translation of foreign associates	7,246	2,690
Gains on hedge contracts of controlled entities	121	12,876
Gain on hedge contracts of associates (net of tax)	(173)	-
Mark-to-market revaluation	(30)	30
Income tax relating to other comprehensive income	2,429	(3,822)
Other comprehensive income for the year	9,593	11,774
Total comprehensive income for the year	98,629	62,704
Summary of movements in consolidated retained profits		
Balance 1 July	83,704	75,805
Balance 1 July - Think entered into Deed	3,774	-
Net profit for the year	89,036	50,930
Tax credited directly to retained profits – share-based payments	2,386	662
Purchase of shares on-market on exercise of employee share options	(3,773)	(2,208)
Dividends paid	(33,283)	(41,485)
Balance 30 June	141,844	83,704

Notes to the Financial Statements

27. Deed of cross guarantee continued

(b) Consolidated balance sheet

Set out below is a consolidated balance sheet as at 30 June 2010 of the Closed Group.

Consolidated Balance Sheet	2010 \$'000	2009 \$'000
Current assets		
Cash and cash equivalents	38,718	39,819
Trade and other receivables	34,141	16,131
Current tax asset	1,128	-
Total current assets	73,987	55,950
Non-current assets		
Investments in controlled entities	616	81,080
Investments accounted for using the equity method	283,369	223,233
Financial assets	121	12,551
Plant and equipment	14,243	6,207
Intangible assets	124,018	14,602
Deferred tax assets	10,300	6,468
Loans with controlled entities	1,066	16,890
Total non-current assets	433,733	361,031
Total assets	507,720	416,981
Current liabilities		
Trade and other payables	25,236	10,696
Unearned income	21,051	6,026
Current tax liabilities	-	5,324
Deferred tax liabilities	-	63
Provisions	2,026	1,000
Total current liabilities	48,313	23,109
Non-current liabilities		
Borrowings	99,642	111,289
Deferred tax liabilities	6,694	
Provisions	3,927	1,129
Total non-current liabilities	110,263	112,418
Total liabilities	158,576	135,527
Net assets	349,144	281,454
Equity		
Contributed equity	183,950	182,179
Reserves	23,350	15,571
Retained profits	141,844	83,704
Total equity	349,144	281,454

Notes to the Financial Statements

28. Business Combinations

Think: Education Group Pty Ltd

On 12 May 2009 SEEK Limited acquired the remaining 50% of the issued shares in Think: Education Group Pty Limited (Think), a provider of high quality education services, for cash consideration of \$42,552,000. The acquisition brings SEEK's ownership of issued share capital to 100% and is expected to increase the Group's exposure to the fast growing domestic education market. SEEK Learning and Think are pursuing integration and synergy opportunities between the two businesses.

From the date of acquisition this investment has been accounted for as a controlled entity and fully consolidated into the SEEK Group. Prior to this the 50% ownership was equity accounted (refer to note 11) and recorded as an associate in the results of the Group.

Prior to the current reporting period, the Think Group had a 31 December year end. The year end has been aligned with that of SEEK during the current financial year. The results of the Think Group are reflected in the results of the SEEK Group in the 2009 Annual report for the period from 1 July 2008 to 11 May 2009 (as an associate) and from 12 May 2009 to 30 June 2009 (as a fully controlled entity).

Details of net assets acquired and goodwill are as follows:

	\$'000
Purchase consideration - cash paid	42,552
Fair value of pre-existing interest	42,552
	85,104

The fair value of the assets and liabilities arising from the acquisition are as follows:

	Final Fair Value \$'000	Preliminary Fair value \$'000
Cash and cash equivalents	4,156	4,156
Trade and other receivables	11,419	14,719
Plant and equipment	7,621	7,621
Intangible assets		
Brands and licences	19,439	18,437
Course development and accreditation	3,420	3,397
Customer relationships	3,300	1,068
Computer software and website development	320	634
Deferred tax assets	6,677	5,687
Bank overdraft	(2,138)	(2,138)
Trade and other payables	(4,381)	(4,381)
Unearned income	(19,577)	(19,577)
Borrowings	(14,235)	(14,235)
Current tax liabilities	(1,788)	(1,788)
Provision - current	(1,518)	(745)
Provisions - non current	(1,571)	(1,571)
Deferred tax liability	(7,158)	-
Net identifiable assets	3,986	11,284
Add goodwill acquired	81,118	73,820
	85,104	85,104

Refer to note 29 for a list of all subsidiaries of the Think Group acquired as part of this business combination.

Notes to the Financial Statements

28. Business combination continued

The goodwill is attributable to Think's strong position in the market for the provision of education services and synergies expected to arise after the integration of Think into the SEEK Group. None of the goodwill is expected to be deductible for tax purposes.

Restatement of comparatives

As required by the Group's accounting policy, the provisional accounting for the acquisition of Think was finalised during the year. Preliminary fair values have been updated and comparatives have been restated accordingly. The restatement is set out in the table above.

Acquired receivables

The fair value of trade and other receivables is \$11,419,000 and includes trade receivables with a fair value of \$9,124,000. The gross contractual amount of trade receivables due is \$12,714,000, of which \$3,590,000 is expected to be uncollectible.

Revenue and profit contribution

The acquired business contributed revenues of \$9,929,000 and a net loss of \$866,000 to the Group for the period from 12 May 2009 to 30 June 2009. If the acquisition had occurred on 1 July 2008, consolidated revenue and consolidated profit for the SEEK Group for the year ended 30 June 2009 would have been \$244,344,000 and \$55,277,000 respectively.

Business combinations acquired in stages

The Group early adopted AASB 3 (Revised): *Business Combinations* from 12 May 2009. In accordance with this accounting standard, for business combinations achieved in stages the Group has remeasured its previously held equity interest (50%) in Think at its acquisition-date fair value immediately prior to the business combination and recognised a resulting gain of \$4,642,000 in 'other income' in the Income Statement in the 2009 Annual Report (refer to note 6).

	\$'000
Carrying value of investment in Think at 12 May 2009 (note 11)	37,910
Fair value gain recognised in the Income Statement (note 6)	4,642
	42,552

Acquisition related costs

Costs related to the acquisition were \$510,000 and in accordance with AASB 3 (Revised): *Business Combinations* have been transferred to the Income Statement and are included in 'operations and administration' expenses in the 2009 Annual Report.

Other acquisitions

During the period the following cash payments were made by the SEEK Group in relation to minor acquisitions:

	Australian National College of Beauty	THINK Colleges Pty Limited (formerly Billy Blue Colleges)	Southern Schools of Natural Therapies
Date acquired	11 Sep 2009	30 Sep 2009	25 Feb 2010
	\$'000	\$'000	\$'000
Purchase consideration	637	250	2,412
Total assets acquired	790	-	5,136
Total liabilities acquired	(465)	-	(3,293)
Net assets acquired	325	-	1,843
Goodwill on acquisition	312	250	569

Notes to the Financial Statements

28. Business combination continued

Transaction costs related to these acquisitions were \$411,000 and have been included in operations and administration' expenses in the Income Statement.

These acquisitions have all been in relation to the THINK segment of the Education business and will provide access to geographical area and courses not previously available.

Australian National College of Beauty

The payment to Australian National College of Beauty was to acquire the trade and assets of this business.

THINK Colleges Pty Limited (formerly Billy Blue College)

The cash consideration paid by SEEK for Billy Blue Colleges (Billy Blue College of Design, William Blue College of Hospitality and Tourism and Billy Blue College of English) was in relation to deferred consideration set out in the purchase agreement for this business, which forms part of the Think Group. This liability was brought to account as part of the liabilities acquired on acquisition of Think set out above.

Southern Schools of Natural Therapies

The payment to Southern Schools of Natural Therapies was to acquire the trade and assets of this business.

29. Interests in controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following consolidated entities in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2010 %	2009 %
SEEK Campus Pty Ltd	Australia	Ordinary	100	100
SEEK NZ Limited ⁽¹⁾	New Zealand	Ordinary	100	100
SEEK Learning Pty Ltd	Australia	Ordinary	100	100
Dynamic Web Training Pty Ltd	Australia	Ordinary	100	100
SEEK Learning UK Limited ⁽¹⁾	United Kingdom	Ordinary	100	100
SEEK Commercial Pty Ltd	Australia	Ordinary	100	100
SEEK Investments Pty Ltd	Australia	Ordinary	100	100
SEEK International Investments Pty Ltd	Australia	Ordinary	100	100
Think: Education Group Pty Limited ^{(1) (3)}	Australia	Ordinary	100	100
Think: Colleges Pty Limited	Australia	Ordinary	100	100
Think: Education Services Pty Limited	Australia	Ordinary	100	100
APM Training Institute Pty Limited	Australia	Ordinary	100	100
Australasian College of Natural Therapies (Holdings) Pty Limited	Australia	Ordinary	100	100
Jansen Newman Institute Pty Limited	Australia	Ordinary	100	100
Graduate Institute of Management and Technology Pty Limited	Australia	Ordinary	100	100
Billy Blue English School Pty Limited	Australia	Ordinary	100	100
Billy Blue Catering Pty Limited	Australia	Ordinary	100	100
Commercial Arts Training College Pty Limited	Australia	Ordinary	100	100
GMM Projects Pty Limited	Australia	Ordinary	100	100
SEEK Deferred Share Plan Trust ⁽²⁾	Australia	n/a	n/a	n/a
SEEK Exempt Share Plan Trust ⁽²⁾	Australia	n/a	n/a	n/a

Note 1: All subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission apart from SEEK NZ Limited and SEEK Learning UK Limited.

Note 2: The Trusts are included within the consolidated group as the Group has the power to govern the financial and operating policies of these entities

Note 3: On 12 May 2009 the Group acquired the remaining 50% of the issued shares in Think: Education Group Pty Limited bringing the Group's ownership to 100%.

Notes to the Financial Statements

30. Events occurring after balance date

Debt refinancing

On 21 July 2010 the Group re-financed its debt facility. The facility was increased from \$200,000,000 to \$250,000,000. The two tranches in the original facility maturing in August 2010 and August 2011 have been combined into one tranche with a three year term, maturing in July 2013. The facility is structured as a revolving unsecured syndicated senior debt facility and is supported by four domestic banks

Acquisitions

On 11 August 2010 SEEK announced that it had acquired a 40% interest in Online Career Center Mexico SA de CV (OCC) for US\$40,000,000. OCC is the leading employment website in Mexico. SEEK will take two of five board seats and will play an active role in driving the strategic and growth agenda. The investment was financed through the syndicated debt facility and will be accounted for using the equity method.

Zhaopin CEO

On 23 July 2010 SEEK announced that Board had terminated the CEO and was putting in place transitional management arrangements. Zhaopin continues to experience strong operating momentum at both revenue and EBITDA level. SEEK and co-shareholder Macquarie Group are putting in place appropriate structures and process to maintain that momentum.

Change in key management personnel

On 22 July 2010 it was announced that the executive management group has enlarged to reflect the increased roles and responsibilities of certain staff members. From this date the executive management group consists of:

Name	Position	Employer
J A Armstrong	Chief Financial Officer	SEEK Limited
C M T Eaton	Chief Information Officer	SEEK Limited
J S Powell	Managing Director (SEEK Employment)	SEEK Limited
J S Lenga	Director of Corporate Strategy	SEEK Limited
P D Everingham	Managing Director (SEEK Education)	SEEK Learning Pty Ltd
M Callaghan	Human Resources Director	SEEK Limited
H Souness	Marketing Director	SEEK Limited
M Ilczynski	Strategy Director, Education & Learning	SEEK Limited

Performance rights and options issue

On 1 July 2010 1,894,348 performance rights were issued to executive directors, senior managers and employees of the Group.

Notes to the Financial Statements

31. Reconciliation of operating profit after income tax to net cash inflow from operating activities

	Consolidated	
	2010	2009
	\$'000	\$'000
Profit from ordinary activities after income tax	89,521	55,301
Non-cash items		
Depreciation and amortisation	9,615	5,872
Amortisation of share based payments	1,321	1,372
Net loss on disposal of plant & equipment	46	-
Net foreign exchange differences	110	107
Amortisation of syndicated loan transaction costs	353	348
(Fair value gain) / Impairment on non-current assets	(6,417)	7,425
Fair value gain on financial asset	-	(4,642)
Aggregated tax amounts arising in the reporting period recognised directly in equity	2,553	(3,120)
Share of (profits) / losses of associates not received as dividends or distributions	(11,427)	1,436
Classified as financing and investing activities		
Dividend income received	(154)	(428)
Transaction costs on acquisition of subsidiary	411	510
Change in operating assets and liabilities:		
Decrease / (increase) in trade and other receivables	(7,188)	13,413
Increase in deferred tax asset	2,952	1,146
(Decrease) / increase in trade and other payables	6,032	(8,795)
Increase in other provisions	300	870
(Increase) in deferred tax liability	(527)	-
(Increase) in current tax asset	(1,067)	(6,573)
(Decrease) in current tax liabilities	(5,995)	-
Net cash inflow from operating activities	80,439	64,242

Notes to the Financial Statements

32. Earnings per share

	Consolidated	
	30 Jun 2010	30 Jun 2009
	cents	cents
Basic Earnings per share (EPS)	26.6	18.8
Diluted earnings per share (EPS)	26.5	18.7

Weighted average number of shares used as the denominator

	Consolidated	
	30 Jun 2010	30 Jun 2009
	number	number
Weighted average number of shares used as the denominator in calculating basic earnings per share	335,992,316	294,331,141
Weighted average number of options and performance rights	1,872,383	1,411,240
Weighted average number of shares used as the denominator in calculating diluted earnings per share	337,864,699	295,742,381

Reconciliation of earnings used in calculating earnings per share

	Consolidated	
	30 Jun 2010	30 Jun 2009
	\$'000	\$'000
Basic earnings per share		
Earnings used in calculating basis earnings per share	89,521	55,301
Diluted earnings per share		
Earnings used in calculating basis earnings per share	89,521	55,301

Information concerning the classification of securities

(a) Fully paid ordinary shares

All shares are fully paid and have been included in both the basic earnings per share and the diluted earnings per share.

(b) Options

Options granted to employees under the SEEK Limited Option Plans are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share. The options have not been included in the determination of basic earnings per share. Details relating to these options are set out in note 25.

Notes to the Financial Statements

33. Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity show the follow aggregate amounts:

	2010	2009
	\$'000	\$'000
Balance sheet		
Current assets	217,805	196,794
Total assets	427,030	407,297
Current liabilities	23,239	19,140
Total liabilities	124,727	131,483
Net assets	302,303	275,814
<i>Shareholders' equity</i>		
Issued capital	183,950	182,179
Reserves		
Cash flow hedges	8,328	8,207
Share-based payments	7,493	7,115
Retained earnings	102,532	78,313
	302,303	275,814
Profit or loss for the year	58,889	55,741
Total comprehensive income	59,010	64,795

(b) Guarantees entered into by the parent entity

The parent entity has not provided any financial guarantees. The parent entity has given unsecured guarantees in respect of the syndicated loan \$100,000,000.

In addition, there are cross guarantees given by SEEK Limited, as described in note 27. No deficiencies of assets exist in any of these entities. The parent entity has further provided a guarantee in respect of obligations for rental commitments, as described in note 24.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2010 or 30 June 2009.

(d) Contractual commitments

As at 30 June 2010, the parent entity had contractual commitments for minimum lease payments in relation to non-cancellable operating leases totalling \$3,704,000 (2009: \$5,816,000). Other commitments for the payment of IT, advertising and promotions under long-term contracts in existence totalled \$2,725,000 (2009 : \$2,681,000).

Directors' Declaration

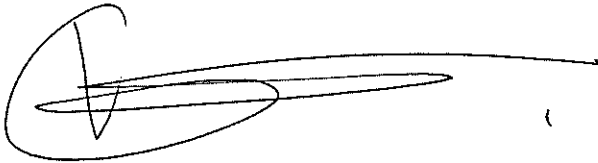
In the directors' opinion:

- (a) the financial statements and notes set out on pages 37 to 99 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 30 June 2010 and of their performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (c) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in note 27 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 27.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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.

A handwritten signature in black ink, appearing to be 'Bob Watson', written over a horizontal line. The signature is stylized and extends to the right.

Bob Watson
Chairman

Melbourne
24 August 2010

Independent auditor's report to the members of Seek Limited

Report on the financial report

We have audited the accompanying financial report of SEEK Limited (the company), which comprises the balance sheet as at 30 June 2010, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other 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 at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

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

Auditor's opinion

In our opinion:

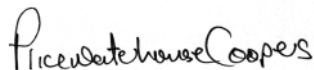
- (a) the financial report of SEEK Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

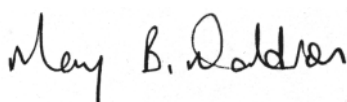
We have audited the remuneration report included in pages 12 to 26 of the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Seek Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.



PricewaterhouseCoopers



Mary Waldron
Partner

Melbourne
24 August 2010

Corporate directory

Directors

Robert (Bob) C G Watson
Chairman

Paul M Bassat
Joint Chief Executive Officer

Andrew R Bassat
Joint Chief Executive Officer

Colin B Carter

Neil G Chatfield

Denise I Bradley

Secretary

Ian J McAuliffe

Notice of Annual General Meeting

The Annual General Meeting of SEEK Limited will be held at;
Crown Melbourne Limited
8 Whiteman Street
Southbank, Victoria 3006

Time: 3.00pm

Date: 30 November 2010

Principal registered office in Australia

Level 6
541 St Kilda Road
Melbourne, Victoria 3004
(03) 8517 4100

Share register

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford, Victoria 3067
(03) 9415 4000

Auditor

PricewaterhouseCoopers
Freshwater Place
2 Southbank Boulevard
Southbank, Victoria 3006

Solicitors

Arnold Bloch Leibler
Level 21
333 Collins Street
Melbourne, Victoria 3000

Bankers

Westpac Banking Corporation

Stock exchange listings

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

Website address

www.seek.com.au