Annual Report 2011

SEEK Limited ABN 46 080 075 314

Contents

Notice of Annual General Meeting

The Annual General Meeting will be held at:
Sofitel Melbourne
The Fitzroy Ballroom
Level 1
25 Collins Street
Melbourne, Victoria 3000

Time: 3:00pm
Date: 21 November 2011

SEEK & you shall find


SOFITEL

Chairman's Letter

Dear fellow Shareholder,

I am very pleased to report that SEEK achieved another year of record financial results, maintaining its long-term growth trajectory and strengthening its strategic position.

There were a number of factors which contributed to the strong performance in 2011. The key however has been the continued successful implementation of our strategic agenda. This agenda has ensured that we keep enhancing our service offerings domestically in Australia and New Zealand, and expanding our footprint across South East Asia, China, Brazil and Mexico. The successful execution of this strategy means that our services now have exposure to over 2 billion people.

On a 'look through' basis[1] we are now a significant Group with revenue in excess of $557.6 million, EBITDA of $187.5 million and we have more than doubled in size over the period 2007 to 2011. This has been achieved as a result of the extensive investment we have made in our brand, our product and service offering to customers and students, our operational systems and our people. The careful planning and execution of our international investment objectives has also been integral to our success.

Our core business remains domestic Employment. While still fragile following the global financial crisis, the global economic outlook showed some signs of improvement during 2011. As a result our domestic Employment business delivered solid financial results, increased its market leadership and achieved impressive results in key jobseeker audience and advertiser metrics. Our domestic Employment business is the number one online employment website in Australia and New Zealand, and as a result will benefit from the ongoing structural migration of employment advertising from print to online. The share of job ad spend currently residing in print is estimated to be in the range of $200–250 million.[2]

As part of our strategy we actively assess investment opportunities which will be value accretive to the Group. During 2011 we identified two such targets. Our investment in the first of these was announced on 11 August 2010, and was the acquisition of a 40% stake in Online Career Centre Mexico SA de CV (OCC), the number one job board in the early stage Mexican market. OCC has delivered sound underlying results since acquisition.

During the 2011 financial year, SEEK, together with Consolidated Media Holdings Limited, Macquarie Capital and Tiger Global, formed a new subsidiary, SEEK Asia Limited (SEEK Asia), with ownership interests of 68.96%, 12.08%, 6.88% and 12.08% respectively. On 23 December 2010 we announced the Group's second acquisition of 2011, being SEEK Asia's purchase of a 40% interest in JobsDB Inc (JobsDB) the number one job advertisement board in key markets throughout South East Asia. SEEK Asia's interest in JobsDB was increased to 60% on 5 May 2011 and then subsequently increased to 80% on 30 June 2011. We are very pleased with the relationships we have established with JobsDB management and we are keen to invest further in the early stage markets in which JobsDB operates.

The acquisitions during 2011 increased our International portfolio to interests in five international employment businesses and exposure in some of the world's largest emerging markets. Zhaopin, the Chinese Employment business in which we hold a 56.1% equity interest, achieved a very strong 2011 result and it was very pleasing to see it move to profit. The remaining two businesses in the International portfolio, Brasil Online and JobStreet, also continue to perform well. In total our International portfolio contributed an impressive $17.0 million to the Group's 2011 NPAT (2010: $1.6 million) and dividends of $7.6 million (2010: $0.9 million) were received from these investments.

Our International investments own and operate number one or number two online employment websites across a number of countries. These countries generally have low but increasing levels of internet penetration, fast urbanisation of labour forces, and are experiencing rapidly growing economies. The market opportunities in many of these countries are multiple times larger than Australia and New Zealand and will benefit from leveraging the expertise which SEEK has developed over the last decade.

We have also been actively developing our Education business during 2011, with SEEK entering into a joint venture agreement with Swinburne University to deliver online tertiary courses specifically designed to meet the educational needs of working Australians. The two parties formed a new entity, Online Education Services Pty Ltd (Swinburne Online) and each hold 50% of the equity and voting rights. The first student intake is expected in the second half of financial year 2012. We believe that Swinburne Online will complement our existing SEEK Education businesses.

The 2011 financial year presented challenges for each of SEEK Learning and THINK. However, we are confident that the operational improvements made in SEEK Learning and the time invested in building the capability and operations of THINK will deliver the growth profile we believe these businesses are capable of providing.

The successful execution of our long-term strategy means that our services now have exposure to over 2 billion people.

Our 50% interest in IDP Education Pty Ltd (IDP) provided us with a creditable result for the 12 months to 30 June 2011 in what were very tough regulatory and market conditions. IDP continues to actively pursue its multi-destination strategy, with sizeable investment in the US tertiary market. We expect to see the benefits of this strategy in the near term.

The Group's SEEK Learning and THINK Education businesses are positioned to capture the market opportunity arising from the large gap between the supply of a skilled, qualified workforce and the inherent demand. IDP is also likely to benefit from the forecast growth in student mobility (expected to grow by 2.5 times from 2008 to 2025).

Management

During the year Paul Bassat, Joint CEO and co-founder of SEEK retired from the Board. Andrew Bassat, co-founder and the other Joint CEO at that time, was appointed sole CEO and Managing Director of the Group. I take this opportunity to recognise the enormous contribution Paul has made to SEEK over the past 13 years – we would not be where we are today without his vision, commitment and leadership.

Our local management team has provided significant support and assistance to our International associates to build their senior management capability and strategy, ensuring the international businesses have a stable platform for rapid future growth.

Financial overview

SEEK achieved record financial results in the 2011 financial year, with sales revenue of $343.1 million (2010: $280.7 million), EBITDA excluding abnormal items[3] of $143.6 million (2010: $117.4 million) and net profit after tax (NPAT) excluding abnormal items of $104.6 million (2010: $83.1 million).

Our existing debt facility was increased from $200 million to $250 million in July 2010 before being extinguished and replaced by a new three year facility of $340 million in December 2010. The increased debt level was used to help settle our obligations arising from the acquisition of OCC and JobsDB throughout 2011.

The Group continued to generate strong cash flows from operating activities and rewarded shareholders by paying a fully franked final dividend of 7.5 cents (equivalent to 50% of cash NPAT), resulting in total dividends of 14.3 cents for the financial year (2010: 11.9 cents).

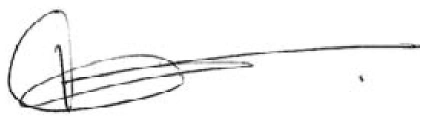
Outlook

We look forward to 2012 being another year of growth for SEEK. Whilst the macro-economic environment is uncertain and may have some bearing on the results, we expect that our domestic Employment classifieds business will continue to contribute to the Group's growth during 2012. The extent of this growth is dependent on key employment indicators and structural migration of employment advertising from print to online.

Our Education businesses tend to be counter-cyclical relative to domestic Employment. We anticipate stronger results during 2012 from our Education businesses arising from the operational improvements undertaken in SEEK Learning and THINK, plus IDP's investment in the multi-destination strategy.

Our International investments are less susceptible to macro-economic variability due to the expected growth in internet penetration and the labour markets in which they operate. As a result we anticipate sustained improvement in the results they derive in their local currencies.

Finally, I would like to take this opportunity to congratulate the SEEK team on delivering another record result and continuing to deliver a first class service for customers, jobseekers and students. On behalf of the Board I thank our team for their energy, commitment and passion for the business. I also thank our shareholders for their ongoing support of SEEK.



Bob Watson
Chairman

1. The 'look through' basis captures SEEK's proportionate share of revenue and earnings before interest, depreciation and tax (EBITDA) from associates plus 100% owned core businesses.
2. Based on analysts' reports, marketing research and internal analysis.
3. Abnormal items relate to one-off and non-recurring items.

CEO's Review

I am pleased to announce that SEEK has maintained its track record of consistent growth, with the achievement of record financial results in the 2011 financial year. The result was delivered by growth in diverse earning streams driven in particular by continued recovery in the SEEK Employment business and solid expansion of our International investments, most notably from Zhaopin, which moved from losses in 2010 to profit in 2011.

The results of SEEK Education have been weaker in 2011, but we have made a number of fundamental changes in the operations of each of the Education businesses which we believe will lead to improved financial and operating results during 2012.

Overall, SEEK's continued growth reflects our consistent strategy and focused execution, which has yielded consistent revenue and earnings growth over a sustained period.

SEEK Employment

It has been a fantastic year for our domestic Employment business, with revenue growth of 30%, solid EBITDA growth of 43% to $133.5 million (2010: $93.4 million) and a reasonable improvement in EBITDA margins to 60% (2010: 54%). All of this has been achieved despite our volume remaining 18% below its December 2007 peak prior to the global financial crisis.

SEEK Employment continues to be the number one brand in online job ads in Australia and New Zealand. Our Australian business has seen another strong 12 months, with 70% plus market share on each of ads, visits, total time on site and market reach.[1] During 2011 we extended the gap on our closest competitor, on both ads and monthly visits. As at July 2011, SEEK had over 150,000 jobs on its Australian website, which was nearly four times more than that of its nearest competitor.

In New Zealand, although the market is much tighter between SEEK and Trade Me, we remain the number one brand in online job ads.

Market statistics indicate that over 80%[2] of Australian job ads reside online rather than print and 77% of jobseekers prefer online to print, but approximately half of the job ad spend still resides in print. The US has experienced the transition from print to online, with closer to 80% of job ad spend now captured by the online market. We believe that Australia is following the US trend of print to online migration with approximately a two year lag. The share of Australia's job ad spend currently residing in print is estimated to be in the range of $200–250 million. We should be the primary beneficiary of the continuous structural migration, due to our leading market position.

Looking ahead, the long-term growth strategy for the SEEK Employment business remains consistent:

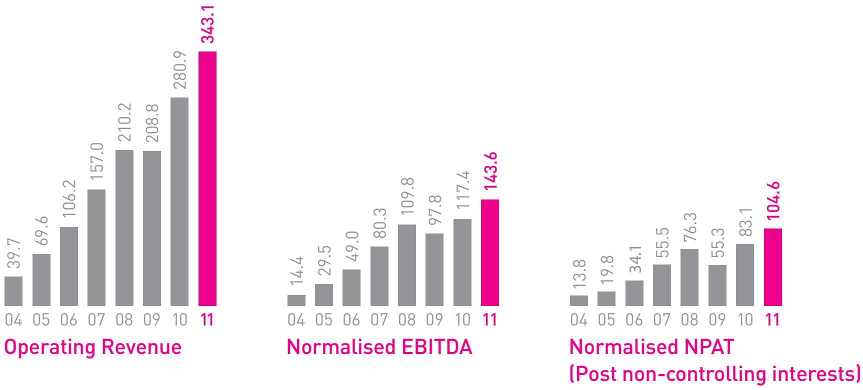
- Volume: We expect increased penetration amongst industry segments and remaining job ad volumes to continue migrating over the medium term from print to online;
- Yield: SEEK announced a 9% price increase effective 1 July 2011, and we expect further growth from (i) increased usage of Standout and Premium ads; (ii) changes to Executive offerings; (iii) increased penetration in areas which deliver higher average yields; and
- Product Extension: SEEK has recently launched and will continue to roll out numerous new products and initiatives in the next 12 months.

We look forward to another year of growth for SEEK Employment in 2012, however, we remain cautious on the extent to which uncertainty in the macro-economic environment will impact the local economy and general business confidence. As a result, the extent of SEEK Employment's growth is largely dependent on key employment indicators and the continued structural migration of employment advertising from print to online.

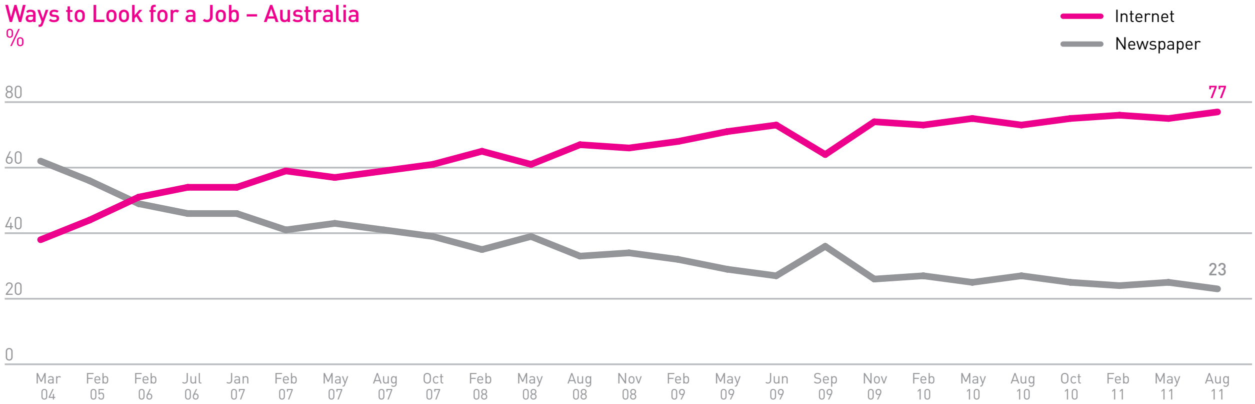
1. Source: July 2011 Nielsen NetRatings, SEEK count of websites.
2. Source: ANZ Advertisement Series for July 2011.

SEEK's continued growth reflects our consistent strategy and focused execution, which has yielded consistent revenue and earnings growth over a sustained period.

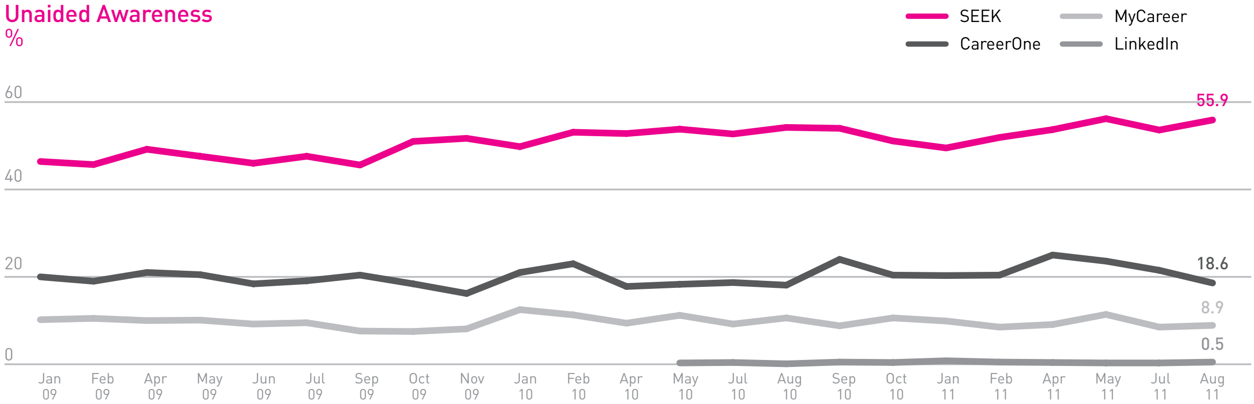
Group Financial Results – Eight Year Trend
$ million



Ways to Look for a Job – Australia
%



Unaided Awareness
%



CEO's Review (continued)

International Employment

We continued to pursue our strategy of identifying opportunities to leverage our online employment expertise in international markets. During 2011, we identified a number of potential targets and actively pursued two of these businesses. As a result, we acquired a 40% interest in Online Career Centre Mexico SA de CV (OCC), and SEEK Asia (a company jointly owned by SEEK, Consolidated Media Holdings Limited, Macquarie Capital and Tiger Global) acquired an initial interest of 40% in JobsDB Inc (JobsDB). SEEK Asia subsequently increased its stake in JobsDB to 80% via the acquisition of an additional 40% over the course of May and June 2011.

SEEK now holds five significant international investments:

- JobsDB: A leading provider of online employment websites throughout South East Asia (number one market position in Hong Kong, Singapore, Indonesia and Thailand);
- Zhaopin: A leading employment website in China (number two market position);
- JobStreet: A leading provider of online employment websites in South East Asia (number one market position in Malaysia and Philippines);
- Brasil Online Holdings: Owner of the two leading employment websites in Brazil; and
- OCC: The leading employment website in Mexico.

During the 2011 financial year SEEK, together with Consolidated Media Holdings Limited, Macquarie Capital and Tiger Global, formed a new subsidiary, SEEK Asia Limited (SEEK Asia), with ownership interests of 68.96%, 12.08%, 6.88% and 12.08% respectively. On 23 December 2010 we announced SEEK Asia's purchase of a 40% interest in JobsDB. SEEK Asia's interest in JobsDB was increased to 60% on 5 May 2011 and then subsequently increased to 80% on 30 June 2011. JobsDB has had a very solid start to our ownership.

In addition, we are very pleased with the relationships we have established with JobsDB management and we are keen to invest further in the early stage markets in which JobsDB operates.

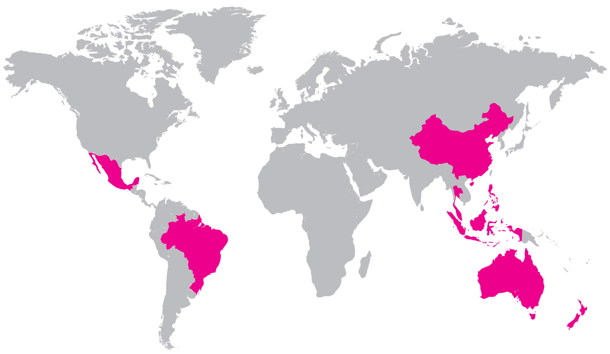
Zhaopin achieved a very strong result in 2011 and it has been very pleasing to see it move to a profit. Zhaopin had very impressive growth in revenue, particularly online revenue which increased 73% (total revenue grew 62%), and substantial EBITDA growth on 2010. We believe that Zhaopin is very well placed on competitive metrics to continue to close the gap with the number one player in China.

JobStreet continues to perform well in the fast growing South East Asian markets and its latest quarterly financial results for the period ended 30 June 2011 showed record revenue and operating profit, along with strong cash flows.

Brasil Online continues its strong underlying performance, with a 16% growth in revenue and 23% growth in normalised[1] EBITDA from the prior corresponding period. Brasil Online is well positioned to continue recording strong financial results whilst also continuing to invest in the migration from a purely jobseeker paid model to an advertiser paid model.

In August 2010 SEEK announced the acquisition of a 40% stake in OCC, the number one job board in Mexico. OCC performed well in the early stage Mexican market, with 23% growth in revenue and 25% growth in EBITDA from the prior corresponding period. OCC has an experienced management team and strong market leadership which position it well to benefit from increased internet penetration, increased labour force participation and general expansion of the Mexican economy.

SEEK International now has exposure to over ~2 billion people and ~20% of Global GDP.



1. Normalised EBITDA comprises: EBITDA normalised for one-off and non-recurring items.

CEO's Review (continued)

SEEK Education

We now have a complementary portfolio of businesses in our SEEK Education group, comprising 100% owned subsidiaries (SEEK Learning and THINK), 50% owned IDP Education and our 50% interest in the newly formed joint venture with Swinburne University (Swinburne Online). These businesses provide SEEK with substantial exposure to the training and education market for domestic students, exposure in the delivery of distance and classroom-based courses in the private education sector, and placement of international students in education institutions throughout Australia and in a number of other countries.

On a 'look through' basis[1] SEEK Education took a step backwards during 2011, with a 1% reduction in revenue to $205.3 million (2010: $207.8 million) and an EBITDA decline to $18.4 million (2010: $39.7 million). I am confident that we can improve on the 2011 financial performance as a result of the operational improvements SEEK Learning has executed in marketing and sales, the investment made in THINK to rebuild capability and implement various turn-around strategies, plus the significant progress made by IDP in its multi-destination strategy across the USA, UK and Canada.

We have been transparent in relation to the operational challenges experienced by SEEK Learning during the first half of 2011. I am pleased to note that we have managed to reverse a lot of those challenges during the second half of the year and I am confident that SEEK Learning is now better positioned for 2012.

THINK had a very challenging 12 months but our team has performed a tremendous job of rebuilding the capability and operations, as well as getting on top of some of the other challenges that faced the business. I now believe that cautiously and modestly, we are going to start taking the business forward to the growth profile that it is capable of delivering.

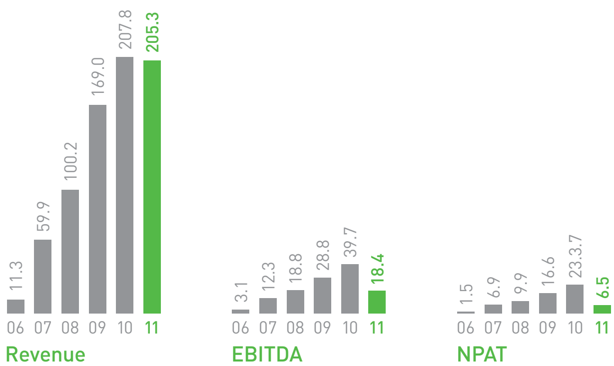
IDP has achieved a creditable result in tough conditions with regulatory and a range of other changes in addition to substantial investments in overseas expansion. Broadly there has been decline in revenue to $189.8 million (2010: $196.6 million) and decline in EBITDA to $25.7 million (2010: $31.4 million), but given the challenges the business is facing, plus some of the results by other organisations in the same space, I have been pleased with the way in which management has responded at an operating level and by their cost control initiatives.

SEEK Education experienced a challenging 12 months, however as a result of our investment in rebuilding capability and implementation of operational improvements, we are now better placed for 2012 and beyond.

IDP has made significant progress with its multi-destination strategy with over 80 universities signed in the USA, 12 in the UK and five universities in Canada. Whilst we anticipate some revenue coming through in 2012, we feel that the true benefit will be felt in 2013.

During 2011 we entered a joint venture agreement with Swinburne University to deliver online tertiary courses specifically designed to meet the educational needs of working Australians. The first student intake is expected in the second half of the 2012 financial year. We believe that Swinburne Online will complement our existing SEEK Learning and THINK businesses.

Education Financial Results
Prepared on a 'look through' basis
$ million



1. The 'look through' basis captures SEEK's proportionate share of Revenue and EBITDA from associates plus 100% owned core businesses.

CEO's Review (continued)

Our strength is a mixture of our brand, our product and service offering to customers and students, our operational systems, and most importantly our people.

Culture, people and sustainability

We have always been focused on making SEEK an inspiring and energising place to work – it is integral to our culture and our success.

Our strength is a mixture of our brand, our product and service offering to customers and students, our operational systems, and most importantly our people. Our community and sustainability agenda is principally an employee focused initiative. Part of our ongoing commitment is to make SEEK an outstanding place to work by tackling issues that we know are important to our people.

Our high levels of Employee Engagement and focus on maintaining the innovative people practices that we have in place have helped us maintain a consistently high ranking in the Hewitt Best Employer Awards over the past eight years.

Being a responsible corporate citizen is part of this commitment and we have a formalised Corporate Social Responsibility (CSR) program in place known internally as 'SEEK Village'. SEEK's CSR program has continued successfully this year through our volunteering program which sees employees spend one day per year volunteering in the community, our 'Bright Futures' workplace giving program and 'SEEK Green' which focuses on sustainability and minimising our environmental impact.

The future

We now operate a broad range of complementary businesses across Employment and Education, which we feel have a strong reason for being together. This portfolio provides us with a solid platform for growth and we are optimistic as well as excited about the long-term prospects for the Group as we continue to implement our strategic agenda.

I would like to take the opportunity to recognise the major contribution by the Board to the improved performance of the group and specifically acknowledge the contribution of my brother, Paul, who stepped down during the financial year. As co-founder and former Joint CEO, Paul has been critical to all aspects

of the development of SEEK from an idea he had over 13 years ago into the business it is today. Paul has been an inspiring leader throughout this period. I am enormously appreciative of what Paul has done and I wish him the very best with the next stage.

Finally, I would like to thank the fantastic team at SEEK for their commitment, enthusiasm and terrific efforts throughout the year. I would also like to thank our customers, jobseekers and fellow shareholders for their ongoing support. I look forward to the challenges and opportunities which 2012 will no doubt present, but most of all I look forward to delivering another successful year for SEEK.

Andrew Bassat
CEO

Our portfolio of complementary businesses provides us with a solid platform for growth and we are optimistic as well as excited about the long-term prospects for the Group as we continue to implement our strategic agenda.

Contents

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 2011.

Directors

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

R C G Watson	Chairman, non-executive director
P M Bassat	Former Joint Chief Executive Officer (resigned 1 July 2011)
A R Bassat	Managing Director (MD) and Chief Executive Officer (CEO)
C B Carter	Non-executive director
N G Chatfield	Non-executive director
D I Bradley	Non-executive director

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 2010				
2009 final dividend	16 October 2009	4.7 cents	4.7 cents	$15,781
2010 interim dividend	23 April 2010	5.2 cents	5.2 cents	$17,502
				$33,283
Year 2011				
2010 final dividend	**15 October 2010**	**6.7 cents**	**6.7 cents**	**$22,550**
2011 interim dividend	**19 April 2011**	**6.8 cents**	**6.8 cents**	**$22,889**
				$45,439
Dividends paid or declared by the Company after year end (to be paid out of retained profits at 30 June 2011):				
2011 final dividend	**12 October 2011**	**7.5 cents**	**7.5 cents**	**$25,244**

The total dividend for the year is 14.3 cents.

Directors' Report

Review of operations

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

	Notes	2011 $'000	2010 $'000
Operating revenue	5	**343,054**	280,732
Interest revenue	5	**1,681**	906
Dividend income	5	**–**	154
Revenue from continuing operations		**344,735**	281,792
Adjusted EBITDA[1]	4	**135,636**	117,365
Depreciation and amortisation		**(12,595)**	(9,615)
Amortisation of share-based payments and other long-term incentive schemes		**(999)**	(2,253)
Interest expense	7	**(14,588)**	(5,219)
Interest income	5	**1,681**	906
Fair value gain/(loss) on acquisition		**(811)**	6,417
Dividend income	5	**–**	154
Share of net profits of associates and jointly controlled entities accounted for using the equity method	11(b)	**24,685**	11,427
Profit from continuing operations before income tax		**133,009**	119,182
Income tax expense	8(a)	**(36,295)**	(29,661)
Profit for the year		**96,714**	89,521
Non-controlling interests	20	**974**	–
Profit for the year attributable to owners of SEEK Limited		**97,688**	89,521

1. Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation and excluding share of net profits of associates and jointly controlled entities accounted for using the equity method, fair value gain/(loss) on acquisition, dividend income and amortisation of share-based payments and long-term incentives.

Growth from diverse earnings streams underpinned a record full year financial result with profit for the year (SEEK Limited's share) of $97,688,000 (2010: $89,521,000) up 9% on the prior year. The strong result was achieved due to continued growth in the domestic Employment business, strong growth in Zhaopin and solid performance in SEEK Learning.

Excluding the impact of a number of one-off items 'normalised' profit[1] for the year was $104,611,000 (2010: $83,104,000), up 26% on the prior year.

Further information on segment results is provided below:

SEEK Employment

	2011 $'000	2010 $'000	Growth $'000	Growth %
Operating revenue	**224,005**	171,167	52,838	31%
Employment	**224,037**	172,685	51,352	30%
Inter-segment revenue	**(32)**	(1,518)		
Adjusted EBITDA	**133,517**	93,388	40,129	43%
EBITDA (%)	***60%***	*55%*		

SEEK's Employment business achieved a strong revenue result of $224,037,000, an increase of 30% with an Adjusted EBITDA margin of 60%.

Key highlights:

- Prime beneficiary of continued structural migration from print to online;
- SEEK continues to be the leader in market share and jobseeker metrics;
- SEEK is well positioned for future growth given its strong market position and exposure to favourable structural trends.

1. Normalised profit excludes the impact of borrowing costs associated with the write back of SEEK's syndicated loan established in July 2010 ($1,834,000), transaction costs incurred on the acquisition of JobsDB (SEEK's share $4,278,000) and fair value loss on JobsDB ($811,000). In the prior year normalised profit excluded fair value gain on acquisition of JobStreet.

Review of operations continued

SEEK Education

SEEK's Education segment includes SEEK Learning, Think and share of profits from IDP (50%) and Swinburne Online (50%).

	2011 $'000	2010 $'000	Growth $'000	Growth %
Operating revenue	**110,322**	109,565	757	1%
SEEK Learning	**44,466**	43,628	838	2%
Think	**69,078**	69,558	(480)	(1%)
Inter-segment revenue	**(3,222)**	(3,621)		
Adjusted EBITDA	**5,549**	24,019	(18,470)	(77%)
SEEK Learning	**13,046**	16,733	(3,687)	(22%)
Think	**(7,497)**	7,286	(14,783)	n/a
EBITDA (%)	***5%***	*22%*		
Share of profits of associates and jointly controlled entities				
IDP	**7,742**	9,795	(2,053)	(21%)
Swinburne Online	**(46)**	–	(46)	n/a

SEEK's Education businesses have experienced a challenging year. SEEK Learning achieved a 2% revenue growth increase to $44,466,000 and Think's revenue decreased by 1% from the previous year to $69,078,000.

Key highlights:

- Operational plans implemented in SEEK Learning have contributed to a robust performance in the second half of the financial year;
- The turn-around plan at Think continues to be executed;
- Think and IDP investing for the medium term to capitalise on large growth opportunities in their respective markets;
- The strategic logic and growth profile of SEEK Education remains intact.

International Employment

SEEK's International segment includes JobsDB (consolidated from 5 May 2011), other operating costs from the International segment and share of profits from International associates.

	2011 $'000	2010 $'000	Growth $'000	Growth %
International (including JobsDB)				
Operating revenue	**8,727**	n/a	8,727	n/a
Adjusted EBITDA	**(3,430)**	n/a	(3,430)	n/a

Key highlights:

- JobsDB is performing ahead of expectations with strong revenue and profit growth in all key markets;
- The Adjusted EBITDA result includes transaction costs incurred on the acquisition of JobsDB of $6,203,000 (before adjusting for non-controlling interests).

Share of profits/(losses) of International associates

	2011 $'000	2010 $'000	Growth $'000
Zhaopin	**8,702**	(3,764)	12,466
Brasil Online	**4,144**	4,374	(230)
JobStreet	**2,679**	1,022	1,657
OCC	**749**	–	749
JobsDB[1]	**715**	–	715
Share of profits/(losses) of International associates	**16,989**	1,632	15,357

1. Results included as an associate from 23 December 2010 to 5 May 2011.

Profit from our share of International associates grew to $16,989,000 (2010: $1,632,000). Dividends of $7,562,000 (2010: $853,000) were received or declared from these investments during the year.

Key highlights:

- Continuation of strong revenue and profit growth for Zhaopin;
- JobsDB achieved strong underlying revenue and earnings growth;
- JobStreet is performing well in fast-growing South East Asian markets;
- Brasil Online achieved a solid result;
- Strong growth by OCC in the early stage and fast-growing Mexico market.

Directors' Report

Significant changes in the state of affairs

Business combinations and new investments

JobsDB Inc

During the year the Group, together with Consolidated Media Holdings Limited, Macquarie Capital and Tiger Global, formed a new subsidiary, SEEK Asia Limited, to acquire a controlling interest in JobsDB Inc (JobsDB), over three stages. This transaction builds upon SEEK's existing international footprint and increases its exposure to the high growth potential for online employment advertising in emerging regions. Refer to note 29 in the Financial Report for further details.

To help fund this acquisition, during December 2010 the Group refinanced its debt facility and entered into a new three year facility of $340,000,000. Refer to note 16 in the Financial Report for further details.

Online Career Center Mexico SA de CV

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

Online Education Services Pty Ltd

On 12 January 2011, SEEK entered into a joint venture agreement with Swinburne University to deliver online tertiary courses specifically designed to meet the educational needs of working Australians. The two parties formed a new entity, Online Education Services Pty Ltd (Swinburne Online). Both SEEK and Swinburne each hold 50% of the equity of the entity and 50% of the voting rights, and each has three Board seats and is entitled to 50% of the profits and losses of the entity. The first student intake is expected in the second half of financial year 2012.

Refer to note 11 in the Financial Report for further information in relation to OCC and Swinburne Online.

Changes in key management personnel

During the year Paul Bassat advised of his intention to resign as Joint CEO at the end of the 2011 financial year. The Board subsequently advised that Joint CEO and co-founder Andrew Bassat would be appointed sole CEO following Paul's departure.

On 22 July 2010 it was announced that the executive management group had been expanded to reflect the increased roles and responsibilities of certain staff members.

For further information on these changes refer to the Remuneration Report.

Matters subsequent to the end of the financial year

On 2 August 2011 SEEK announced the appointment of David Gibbons as Chief Information Officer (CIO) effective 1 October 2011.

No other matters or circumstances have arisen since 30 June 2011 that have significantly affected, or may significantly affect the Group's operations in future financial years, the results of those operations in future financial years, or 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 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.

Sustainability

SEEK is committed to being a corporate citizen of good standing, including implementing sustainability programs and acting to reduce its corporate carbon footprint.

SEEK is compliant with environmental legislative requirements

During the financial year SEEK commissioned a review by external consultants on its sustainability and climate change programs, focusing on its domestic online employment and SEEK Learning businesses. The external consultants confirmed that while SEEK is subject to certain environmental legislative requirements, National Greenhouse and Energy Reporting (NGER) and Energy Efficiency Opportunities (EEO) Acts as well as waste legislation, due to the Company's low greenhouse gas emissions and energy consumption and waste management program, SEEK is compliant with environmental legislative requirements.

SEEK's sustainability programs

SEEK maintains a number of sustainability programs as follows:

SEEK Green

SEEK has implemented a voluntary program focused on sustainability and minimising SEEK's environmental impact. SEEK Green identifies SEEK behaviours, work practices and in-house initiatives associated with carbon reduction, and implements improvements in the areas of energy, waste reduction and recycling, consumables, cleaning and water.

Carbon offsets

Since November 2007, SEEK has collected energy consumption and travel data and engaged an external consultant to calculate its greenhouse gas emissions for its domestic online employment business and SEEK Learning. From November 2007, SEEK has offset greenhouse gas emissions associated with its electricity and natural gas consumption and business air travel through the purchase of offsets from Origin Energy's Carbon Reduction Scheme.

Corporate Social Responsibility

SEEK has a Corporate Social Responsibility (CSR) plan known as SEEK Village. SEEK Village has continued this year with its ongoing support of Volunteering Australia through the SEEK Volunteer website. Other areas focused on during the year were formulating an Indigenous Employment Plan and continuing to support selected charities through a workplace giving program called Bright Futures.

Directors' Report

Information on directors

	Robert (Bob) C G Watson	Paul M Bassat	Andrew R Bassat
Position	Chairman Independent non-executive director	Former Joint Chief Executive Officer Co-founder	Chief Executive Officer Co-founder
Age	55	43	45
Appointed	February 1999, Chairman since August 2009	September 1997 (resigned 1 July 2011)	September 1997
Other current directorships	None.	None.	None.
Former directorships in last three years	Cytopia Limited (non-executive) June 2003 to February 2010. Cytopia was acquired in 2010 by YM Biosciences Inc (incorporated in Canada). Removed from the ASX in February 2010.	None.	None.
Special responsibilities	Chairman of the Board. Chairman of the Remuneration Committee. Member of the Audit and Risk Management Committee. Chairman of the Nomination Committee.	Former Joint Chief Executive Officer.	Chief Executive Officer. Managing Director.
Interests in shares and options	4,238,648 shares, representing 1.26% of issued capital.	12,712,613 shares, representing 3.78% of issued capital and 471,011 options.	13,500,113 shares, representing 4.01% of issued capital and 2,688,292 options.
Experience and expertise	Bob Watson has 25 years at CEO and director level in the information technology, internet, recruitment and labour hire industries. His Chief Executive roles have included Mayne Nickless Computer Services, Data Sciences International (in the UK) and Lend Lease Employer Systems. Bob founded and developed several private technology businesses, including Australia's largest IT labour contracting business which was sold to Adecco where Bob was subsequently appointed Australasian CEO.	Paul Bassat resigned, effective 1 July 2011. His responsibilities during the year were consistent with those in the prior year.	Andrew Bassat is the CEO and Managing Director of SEEK, and co-founded SEEK in 1997. He has been involved in all stages of the development of the business since then. Andrew is an Executive Director of SEEK Limited. He is also a Director of a number of the Group's fully owned Australian subsidiaries as well as a director on the majority of the Group's International investments and holding companies. He 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 Chambers 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.

Colin B Carter	Neil G Chatfield	Denise I Bradley
Independent non-executive director	Independent non-executive director	Independent non-executive director
68	57	69
March 2005	June 2005	February 2010
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.
Origin Energy Limited (non-executive), February 2000 to April 2007. Foster's Group Limited (non-executive), March 2007 to September 2007.	Toll Holdings Limited (executive director) July 1998 to 18 September 2008.	None.
Member of the Remuneration Committee. Member of the Audit and Risk Management Committee (appointed November 2009). 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.
94,458 shares, representing 0.03% of issued capital.	32,656 shares, representing 0.01% of issued capital.	1,000 shares, representing 0.0003% of issued capital.

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 President of the Geelong Football Club. He is also a director of the Cape York Institute and The Ladder Project (for youth homelessness). 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, and a non-executive director of Whitehaven Coal, Transurban Group and Grange Resources, all ASX-listed companies.

Neil's most recent executive role was Executive Director and Chief Financial Officer of ASX-listed Toll Holdings, 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 Pty Ltd, in which SEEK has a 50% investment in partnership with Australian Universities.

Professor Bradley is currently 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. Interim Chair of the Tertiary Education Quality and Standards Agency, Substantive Chair of the Australian Health Workforce Advisory Council.

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 Moana Weir. Moana was appointed General Counsel and Company Secretary of SEEK in December 2010. Moana has 10 years senior management experience in listed online companies, having previously been the Company Secretary and General Counsel at both REA Group Ltd (realestate.com.au) and Melbourne IT Ltd.

Moana was appointed as a non-executive director of V/Line Corporation in October 2010 and is the Chair of the V/Line Remuneration Committee. She is an independent director with a school not-for-profit organisation. She holds a BA, LLB (Hons) and is a Graduate member of the Australian Institute of Company Directors (GAICD).

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	10	10	4	4	4	4	2	2
P M Bassat	8	10	–	–	–	–	–	–
A R Bassat	10	10	–	–	–	–	–	–
C B Carter	9	10	4	4	3	4	2	2
N G Chatfield	10	10	4	4	–	–	2	2
D I Bradley	9	10	–	–	4	4	2	2

Retirement, election and continuation in office of directors

Under the SEEK constitution, the following director will seek re-election at the 2011 Annual General Meeting (AGM):

– Neil Chatfield, 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.

Andrew Bassat, who is Managing Director and Chief Executive Officer, is not required to be re-elected while he holds the position of MD.

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 23.

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 42.

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	
	2011 $	2010 $
(a) Other assurance services		
PricewaterhouseCoopers Australian firm:		
Due diligence services	**1,345,462**	240,544
Other services	**–**	8,893
Total remuneration for other assurance services	**1,345,462**	249,437
(b) Taxation services		
PricewaterhouseCoopers Australian firm:		
Tax compliance services and consulting	**553,676**	–
Tax related due diligence services	**55,195**	220,122
Tax consulting	**71,935**	81,735
Related Practices of PricewaterhouseCoopers Australia:		
Tax Compliance services, including review of company tax returns	**8,981**	11,869
Total remuneration for taxation services	**689,787**	313,726
(c) Other advisory services		
PricewaterhouseCoopers Australian firm:		
Education awards project	**30,132**	129,383
Executive team benchmarking	**49,900**	48,000
Other services	**16,058**	17,450
Total remuneration for other advisory services	**96,090**	194,833
Total remuneration for non-audit services	**2,131,339**	757,996

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

This Remuneration Report sets out remuneration information for SEEK Limited's non-executive directors, executive directors, other key management personnel (which include the five highest remunerated executives) of the Group and the Company.

Directors and executives disclosed in this report

Name	Position
Non-executive directors	
R C G Watson	Chairman, non-executive director
C B Carter	Non-executive director
N G Chatfield	Non-executive director
D I Bradley	Non-executive director
Executive directors	
P M Bassat	Former Joint Chief Executive Officer (resigned 1 July 2011)
A R Bassat	Managing Director and Chief Executive Officer
Other key management personnel	
J A Armstrong	Chief Financial Officer
C M T Eaton	Chief Information Officer (resigned 1 July 2011)
J S Powell	Managing Director (SEEK Employment (Australia & New Zealand))
J S Lenga	Managing Director (SEEK International)
P D Everingham	Managing Director (SEEK Education)
M Callaghan [1]	Human Resources Director
H Souness [1]	Marketing Director
M Ilczynski [1]	Strategy Director, Education and Learning

1. On 22 July 2010 it was announced that the executive management group had been expanded to reflect the increased roles and responsibilities of certain staff members.

Remuneration Committee

The Board has established a Remuneration Committee which provides oversight of the Company remuneration and incentive policies and practices, and specific recommendations to the Board on remuneration packages and other terms of appointment for executive directors, other senior executives and non-executive directors. The Corporate Governance Statement on pages 43 to 51 provides further information on the role of this committee.

Principles used to determine the nature and amount of remuneration

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 has obtained the advice of independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with market trends and shareholder expectations. The Chairman's fees are determined as a separate exercise to the determination of other non-executive directors' fees. 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 directors' fees to ensure SEEK's policy reflected market trends and shareholder expectations. Following recommendations received from the remuneration consultants, 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 and Risk Management Committee Chair, which 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 $1,000,000 per annum, covering all non-executive directors.

Shareholders approved the directors' fees pool of $1,000,000 per annum at the 2010 Annual General Meeting (AGM).

The non-executive directors' fees for 2011 are:

R C G Watson, Chairman	$240,000
C B Carter	$105,000
N G Chatfield	$145,000
D I Bradley	$105,000

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 financial results release, to the value of 20% of their gross annual fee after tax. Directors may opt into a greater amount than 20% if they wish. When the non-executive director reaches the required shareholding, they can opt to end the arrangement and receive their full annual fee as cash.

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

Executive 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 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.

Remuneration Report continued

Base pay

Base pay is 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 executive contracts.

During the financial year Paul Bassat declared his intention to resign as Joint CEO at the end of the 2011 financial year. The Board subsequently determined that Joint CEO and co-founder Andrew Bassat would be appointed sole CEO following Paul's departure. Effective 1 January 2011, Andrew's base salary was increased from $650,000 to $770,000 and additional options may be granted (subject to shareholder approval), as noted on page 30 to reflect increased responsibilities as sole CEO and to reflect the market rate for a comparable role.

Executive directors' remuneration is usually reviewed on 1 July each year through the use of external remuneration consultants. Given the change in CEO structure during the year, for certain executive roles that report directly to Andrew Bassat as sole CEO, salaries were reviewed effective 1 January 2011 to reflect increased responsibilities. For further information regarding executive base pay and other remuneration, refer to pages 30 to 38.

Benefits

Executives 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 and executives may be provided directly by the Company if the benefit is within statutory limits or is approved by shareholders.

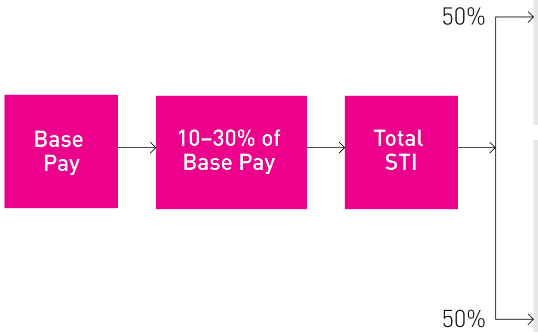
Short-Term Incentive (STI) Plans

Executives 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.

STI is calculated using the following method:



Individual Performance

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

- individual specific objectives;
- SEEK 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 EBITDA targets for the year:

EBITDA	STI
Below 90% of target	No STI payable
90–99% 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 Incentive (LTI) Plans

Provided through equity based plans
Similar to STIs, this is based on a maximum value calculated as a percentage of base pay, ranging from 10% to 50%.

The Group 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 31 to 38.

Executive directors
The shareholders approved a maximum Long-Term Incentive award of 800,000 options to a maximum value of $1,004,000 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, measured 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 business. The expected incentive payment amounts may fluctuate over the life of the plans. 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 listed on page 24 and the following executive officers, who also include the five highest paid executives.

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 2011 are set out in the tables on pages 28 and 29.

Remuneration Report continued

2011	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Non-monetary benefits $	Post-employment benefits: Super-annuation $	Post-employment benefits: Retirement benefits $	Subtotal $	Long-term benefits: Long service leave $	Long-term benefits: Share-based payments[7] $	Long-term benefits: Education LTI[8] $	Total $	Percentage of remuneration that consists of: Fixed[6] %	At risk STI %	At risk LTI %
Non-executive directors													
R C G Watson	240,000	–	–	21,600	–	261,600	–	–	–	261,600			
C B Carter	105,000	–	–	9,450	–	114,450	–	–	–	114,450			
N G Chatfield	145,000	–	–	13,050	–	158,050	–	–	–	158,050			
D I Bradley	105,000	–	–	9,450	–	114,450	–	–	–	114,450			
Executive directors													
P M Bassat[3]	683,500	–	5,222	25,000	–	713,722	26,725	(691,018)	–	49,429	100%	n/a	n/a
A R Bassat	748,900	–	5,222	25,000	–	779,122	54,290	1,494,674	–	2,328,086	36%	0%	64%
Other key management personnel[4]													
J A Armstrong	420,219	56,100	5,222	25,000	–	506,541	18,793	64,115	–	589,449	80%	10%	10%
C M T Eaton	348,204	45,900	5,317	25,000	–	424,421	24,503	62,182	–	511,106	79%	9%	12%
J S Powell	578,312	86,250	5,464	25,000	–	695,026	19,671	116,685	–	831,382	76%	10%	14%
J S Lenga	541,474	85,500	5,464	25,000	–	657,438	40,264	94,310	–	792,012	77%	11%	12%
P D Everingham	495,906	61,200	4,738	25,000	–	586,844	14,106	(26,703)	(162,514)	411,733	131%	15%	(46%)
M Callaghan[5]	216,699	31,684	5,207	22,354	–	275,944	(6,504)	68,879	–	338,319	69%	10%	20%
H Souness[5]	221,981	35,775	5,018	22,185	–	284,959	9,952	62,994	–	357,905	73%	9%	18%
M Ilczynski[5][9]	469,190	58,500	5,283	23,580	–	556,553	21,378	–	(511,912)	66,019	787%	89%	(775%)
Total	5,319,385	460,909	52,157	296,669	–	6,129,120	223,178	1,246,118	(674,426)	6,923,990			

2010	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Non-monetary benefits $	Post-employment benefits: Super-annuation $	Post-employment benefits: Retirement benefits $	Subtotal $	Long-term benefits: Long service leave $	Long-term benefits: Share-based payments[7] $	Long-term benefits: Education LTI[8] $	Total $	Percentage of remuneration that consists of: Fixed[6] %	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[4]													
J A Armstrong	306,375	128,834	4,087	25,818	–	465,114	14,443	25,556	–	505,113	69%	26%	5%
C M T Eaton	270,000	113,538	4,087	24,120	–	411,745	–	64,437	–	476,182	63%	24%	14%
J S Powell	475,000	199,743	4,329	34,059	–	713,131	28,163	70,701	–	811,995	67%	25%	9%
J S Lenga	375,000	166,129	4,329	29,932	–	575,390	5,757	37,914	–	619,061	67%	27%	6%
P D Everingham	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			

1. Directors resigned 23 August 2009.
2. Director appointed 15 February 2010.
3. Paul Bassat resigned 1 July 2011. Refer to page 30 for further details.
4. Denotes the highest remunerated executives of the Group and Company, as required to be disclosed under the *Corporations Act 2001*.
5. Appointed to executive management group from 22 July 2010.
6. Fixed remuneration includes all superannuation benefits, long service leave and termination payments. For the non-executive directors 100% of the remuneration is fixed. In the 2011 financial year table, Paul Bassat's percentages have been adjusted to reflect his resignation.
7. Amounts disclosed reflect the value of remuneration consisting of options, based on the value of options expensed during the year. Negative amounts indicate expenses reversed during the year due to a failure to satisfy the vesting conditions.
8. Represents estimate of amounts that may be paid in the future. Negative amounts indicate expenses reversed during the year due to lower than expected performance for the Education business across the remaining LTI forecast periods.
9. On 30 June 2011, the 2008-2011 Education LTI plan vested and resulted in an entitlement of $151,961 to Michael Ilczynski.

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 Former Joint Chief Executive Officer (resigned 1 July 2011)[1]	A R Bassat Managing Director and Chief Executive Officer[1]
Base salary	$650,000	$770,000[1]
Salary review	Not applicable[1]	1 July 2011 and 1 July each following year
Participation in option plans	Executive Director Option Plans SEEK Performance Rights and Options Plans	Executive Director Option Plans SEEK Performance Rights and Options Plans
Termination notice period	Paul Bassat resigned, 1 July 2011[1]	Six months. The company can terminate employment with a payment in lieu of notice.
Non-competition period	From termination date, maximum of three months within Australia	From termination date, maximum of three months within Australia

1. Paul Bassat resigned 1 July 2011 and from this date Andrew Bassat assumed the role of sole CEO. Andrew Bassat entered a new Employment Agreement on 1 January 2011 for a minimum two year period ending 1 January 2013.

Resignation of Paul Bassat

During the year Paul Bassat resigned as Joint CEO and as director, effective 1 July 2011. As a result of Paul's resignation Andrew Bassat was appointed as sole CEO and from 1 January 2011 his base salary increased from $650,000 to $770,000 and additional options may be granted (subject to shareholder approval) to reflect increased responsibilities and to bring his remuneration into line with market for comparable roles.

On 30 June 2011 Paul had 261,383 options lapse due to failure to meet hurdles. 471,011 options vested on 1 July 2011 and were exercised on 1 July 2011 with an exercise price of $5.29. This exercise was satisfied by the issue of new shares. The remaining 1,061,212 options lapsed on Paul's resignation. An amount was credited to the Consolidated Income Statement in 2011 through 'operations and administration expenses' to reflect this event.

No termination payment was made to Paul.

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 by the Remuneration Committee.

	J A Armstrong	C M T Eaton	J S Powell	J S Lenga	P D Everingham	M Callaghan[2]	H Souness[2]	M Ilczynski
	Chief Financial Officer	Former Chief Information Officer (resigned 1 July 2011)	Managing Director (SEEK Employment (Australia & NZ))	Managing Director (SEEK International)	Managing Director (SEEK Education)	Human Resources Director	Marketing Director	Strategy Director, Education and Learning
Base salary[1]	$440,000	$360,000	$575,000	$570,000	$520,000	$355,000	$265,000	$480,000
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	Senior Executive Bonus Plan	Senior Executive Bonus Plan	Senior Executive Bonus Plan
Participation in LTI plans	Performance Rights and Options Plan	Performance Rights and Options Plan	Performance Rights and Options Plan	Performance Rights and Options Plan	Performance Rights and Options Plan and Education LTI	Performance Rights and Options Plan	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	Three months by either party	Three months by either party	Four weeks 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	Three months from termination date	Three months from termination date	Three months from termination date

1. Base full-time salary as at 30 June 2011 excluding superannuation. Key management personnel received a salary increase on 1 January 2011.
2. At 30 June 2011 employed on a part-time basis.

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 Directors 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.

Remuneration Report continued

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	25.0%	25.0%

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.

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.

Issued 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 previously.

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.

Issued 1 January 2011 (CEO Jan 2011 Options Plan)
Subject to shareholder approval at the 21 November 2011 Annual General Meeting, Andrew Bassat has been issued a total of 1,156,069 options. Under this plan, 50% of the total number of options will vest on 31 December 2011 and 50% on 31 December 2012, subject to Andrew Bassat remaining as CEO. The options will have an exercise price of $6.80 per share and will expire on 31 December 2014.

SEEK Limited Staff Option Plan
The final issue of options was in February 2005. As at 30 June 2011 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 was 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 vested proportionately over three to four years from the date of commencement of full-time employment except that no options vested until the end of the first year of employment.

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. 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 was open to eligible senior executives of SEEK Limited and its controlled entities, as determined by the Board.

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, 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 were based on the weighted average price at which the Company's shares were traded on the ASX, during the five trading days immediately before the options are granted.

Remuneration Report continued

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.

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

					Exercise price		Fair value (at grant date)		Target achieved (% vested)	
Grant date	Vesting period[2]	Vest date	Percentage with RSTR hurdle[1]	Percentage with EPS hurdle[1]	Option plan	Performance rights	RTSR	EPS	RTSR	EPS
1 July 2007	2.5 years	1 January 2010	50%	50%	–	Nil	$3.12	$6.92	90%	0%
1 July 2008	3 years	1 July 2011	50%	50%	–	Nil	$1.85	$4.21	100%	0%
30 June 2009	3 years	30 June 2012	50%	50%	$4.10	–	$1.49	$1.64	*	*
1 July 2010	3 years	30 June 2013	50%	50%	$7.39	–	$1.89	$2.11	*	*

1. 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.
2. 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.

* To be assessed on future vest date.

RTSR and EPS are assessed under the same principles as the Executive Director Options Plan. Refer to pages 31 to 33 for further details.

1 July 2011 options

For the service period commencing 1 July 2011 SEEK Limited intends to issue options, however, the terms and conditions of this scheme have not yet been approved by the Remuneration Committee.

Plan	Grant date	Expiry date	Exercise price	Fair value per option at grant date	Date exercisable
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 Option 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: RTSR $0.26 EPS $0.59 Tranche 2: RTSR $0.36 EPS $0.81 Tranche 3: RTSR $0.43 EPS $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	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 Directors 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.
CEO Jan 2011 Options Plan [1]	01/01/2011	31/12/2014	$6.80	Tranche 1: $1.62 Tranche 2: $1.78	First tranche (50% of total options) 1 January 2012. Second tranche (50% of total options) 1 January 2013. Exercise dependent upon retention.

1. Options to be approved and granted at AGM to be held on 21 November 2011.

Remuneration Report continued

Options granted under these 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.

The plan rules contain a restriction on moving the 'at risk' aspect of the instruments granted to executives. Plan participants may not enter into transaction designed to remove the 'at risk' aspect of an instrument before it vests.

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 options and Performance Rights granted during the year ended 30 June 2011 included:

Input	1 July 2010	1 January 2011
Exercise price	$7.39	$6.80
Issue date	1 July 2010	1 January 2011
Grant date	1 July 2010	21 November 2011[1]
Expiry date	1 July 2015	31 December 2014
Share price at grant date	$6.88	$6.52
Expected price volatility	40%	40%
Dividend yield	1.6%	2.1%
Risk free rate	4.5%	Tranche 1: 5.2% Tranche 2: 5.3%
Vest period	3 years	Tranche 1: 1 year Tranche 2: 2 years
Vesting conditions	RTSR, EPS and individual performance rating	CEO retention
Fair value	RTSR $1.89 EPS $2.11	Tranche 1: $1.62 Tranche 2: $1.78

1. Options to be approved and granted at AGM to be held on 21 November 2011.

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.

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 on page 37. When exercisable, each option is convertible into one ordinary share of SEEK Limited. Further information on options is set out in note 26 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[4]	502,000	1,004,000	261,383	1,322,595	1,132,246
A R Bassat[3]	1,658,069	2,968,739	261,383	261,383	300,590
Other key management personnel					
J A Armstrong	73,530	147,060	–	–	–
C M T Eaton	63,180	126,360	–	–	–
J S Powell	129,438	258,876	–	–	–
J S Lenga	113,750	227,500	–	–	–
M Callaghan	60,000	120,000	–	–	–
H Souness	53,000	106,000	–	–	–

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.
2. The value at lapse date of options that were granted as part of remuneration and that lapsed during the year were due to Paul Bassat's cessation of employment and due to failure to meet performance hurdles. The value is determined at the time of lapsing.
3. 1,156,069 options to be approved and granted at AGM to be held on 21 November 2011.
4. Paul Bassat's options lapsed on 30 June 2011. Refer to page 30 for Paul's resignation details.

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.

	Date of exercise	Number of ordinary shares issued on exercise of options during the year	Weighted average exercise price $	Value at exercise date[1] $	Options fulfilment
Other key management personnel					
P D Everingham	7 September 2010	10,000	2.48	51,785	Shares purchased on market
M Callaghan	7 September 2010	7,083	2.78	34,555	Shares purchased on market

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.

On 1 July 2011 Paul Bassat exercised 471,011 options and Carey Eaton exercised 10,208 options, which were satisfied by the issue of new shares.

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

For each cash bonus and grant of options, included in the tables on pages 28, 29 and 35, 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 on page 38. 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 the Group's accounting policy as discussed in note 1(s)(iv).

Remuneration Report continued

Share-based payments

Year 2011	Cash bonus		Options and Cash LTI				
Name	Paid %	Forfeited %	Grant date	Vested[2] %	Forfeited[2] %	Financial years in which options may vest	Maximum total value of grant yet to vest $
A R Bassat[1]	–	–	1/07/2008	50%	50%	2011	–
			30/11/2009	–	–	2012	562,940
			1/07/2010	–	–	2013	669,333
			1/01/2011	–	–	2012-2013	1,239,595
							2,471,868
J A Armstrong	43%	57%	1/07/2008	50%	50%	2011	–
			30/06/2009	–	–	2012	40,462
			1/07/2010	–	–	2013	98,040
							138,502
C M T Eaton	43%	57%	1/07/2008	50%	50%	2011	–
			30/06/2009	–	–	2012	35,658
			1/07/2010	–	–	2013	84,240
							119,898
J S Powell	50%	50%	1/07/2008	50%	50%	2011	–
			30/06/2009	–	–	2012	78,415
			1/07/2010	–	–	2013	172,584
							250,999
J S Lenga	50%	50%	1/07/2008	50%	50%	2011	–
			30/06/2009	–	–	2012	49,525
			1/07/2010	–	–	2013	151,667
							201,192
P D Everingham	38%	62%	1/07/2008	50%	50%	2011	–
			1/07/2009[3]			2012	–
			1/07/2010[3]			2013	172,645
							172,645
M Callaghan	43%	57%	1/07/2008	50%	50%	2011	–
			30/06/2009	–	–	2012	33,096
			1/07/2010	–	–	2013	80,000
							113,096
H Souness	50%	50%	1/07/2008	50%	50%	2011	–
			30/06/2009	–	–	2012	31,518
			1/07/2010	–	–	2013	70,667
							102,185
M Ilczynski	43%	57%	1/07/2009[3]			2012	–
			1/07/2010[3]			2013	172,645
							172,645

1. Executive Directors do not receive cash bonuses.
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.
3. Amounts included for Education LTI are a current estimate of future awards amounts.

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			
11 November 2005	11 November 2011	$2.34	22,100
Executive Director Options			
1 July 2008	1 July 2012	$5.29	471,011
30 November 2009	30 November 2014	$4.10	559,212
1 January 2011	31 December 2014	$6.80	1,156,069
Performance Rights and Options Plan			
1 July 2008	1 July 2012	–	119,550
30 June 2009	1 July 2014	$4.10	712,686
1 July 2010	1 July 2015	$7.39	1,378,849
Total Options and Performance Rights			4,419,477

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 below sets out summary information about the Group's earnings and movements in shareholders' wealth for the past five years up to and including the current financial year and shows movements between executives' compensation and SEEK's performance.

	Balances					Movement				
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
Total Executive remuneration ($'000)[1]	**6,275**	5,567	4,241	4,430	4,501	**12.7%**	31.3%	(4.3%)	(1.6%)	2.0%
Revenue ($'000)	**344,735**	281,792	209,778	211,488	158,897	**22.3%**	34.3%	(0.8%)	33.1%	45.4%
'Look through' revenue ($'000)[2]	**557,642**	454,272	399,422	304,388	206,100	**22.8%**	13.7%	31.2%	47.7%	88.5%
Adjusted EBITDA ($'000)	**135,636**	117,365	97,767	109,809	80,317	**15.6%**	20.0%	(11.0%)	36.7%	63.7%
'Look through' Adjusted EBITDA ($'000)[2]	**187,533**	142,281	111,088	118,804	85,984	**31.8%**	28.1%	(6.5%)	38.2%	75.3%
Net profit after tax attributable to SEEK Limited ($'000)	**97,688**	89,521	55,301	76,280	55,515	**9.1%**	61.9%	(27.5%)	37.4%	62.5%
Share price at year end ($)	**6.44**	7.01	4.17	5.00	7.38	**(8.1%)**	68.1%	(16.6%)	(32.2%)	37.9%
Weighted average share price ($)	**6.86**	6.30	3.86	6.60	6.17	**8.8%**	63.1%	(41.5%)	7.0%	77.0%
Basic EPS (cents)	**29.0**	26.6	18.8	26.6	19.6	**9.1%**	41.5%	(29.3%)	35.7%	62.0%
Diluted EPS (cents)	**28.9**	26.5	18.7	26.3	19.3	**9.2%**	41.7%	(28.9%)	36.3%	62.2%
Interim dividend (cents per share)	**6.8**	5.2	4.5	8.7	6.0	**30.8%**	15.6%	(48.3%)	45.0%	62.2%
Final dividend (cents per share)	**7.5**	6.7	4.7	9.9	7.7	**12.8%**	41.5%	(52.5%)	28.6%	60.4%

1. Excludes non-executive directors.
2. 'Look through' revenue and Adjusted EBITDA presented for investments have been calculated for each respective financial year based on SEEK's closing proportional ownership interest at the end of each financial year. As such, SEEK's look through interest is not necessarily reflective of the prorata basis revenue and EBITDA over the period which that interest was held.

As set out on page 24, during the year the executive management team was expanded to reflect the increased roles and responsibilities of certain staff members, increasing the executive management team from seven to 10 members.

Total executive remuneration for the year is $6,275,000, which is 6.4% of net profit after tax attributable to SEEK Limited and despite the changes in the executive management team, the portion of remuneration to profit after tax has remained constant on the prior year. Compared to the prior period, basic EPS increased by 9.1% (2010: 41.5%).

Given the growth in the International business during the year, executive remuneration has been assessed against results on a 'look through' basis, as presented in the graph below. Compared to the prior period, look through Adjusted EBITDA increased by 31.8% (2010: 28.1%).

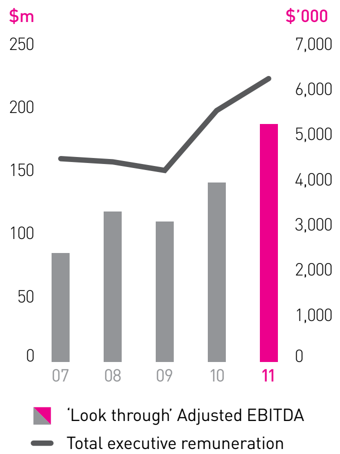
In order to tie executive remuneration to business performance, at-risk short-term incentives have been an increasing proportion of the executive remuneration.

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.

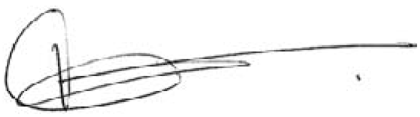
The short-term incentive plan is payable to senior executives based on company and individual performance. The STI has fluctuated with the level of profit after tax attributable to SEEK Limited over the past five years with higher STIs payable in the stronger years. The at risk STI is currently 7.3% (2010: 13.5%) of executive remuneration.

The short-term incentive paid to senior executives over the past five years has been less than 1% of profit before tax.

'Look through' Adjusted EBITDA



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



Bob Watson
Chairman

Melbourne
23 August 2011

Auditor's Independence Declaration

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

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2 Southbank Boulevard
SOUTHBANK VIC 3006
GPO Box 1331
MELBOURNE VIC 3001
DX 77
Telephone 61 3 8603 1000
Facsimile 61 3 8603 1999
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Auditor's Independence Declaration

As lead auditor for the audit of SEEK Limited for the year ended 30 June 2011, 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 B. Waldron

Mary Waldron
Partner
PricewaterhouseCoopers

Melbourne
23 August 2011

Corporate Governance Statement

The Board of SEEK considers that high standards of corporate governance are a cornerstone to creating long-term and sustainable shareholder value. It is also a key element in ensuring that the Company workplace is fair, equitable and respectful of its employees, and protects the interests of other stakeholders.

Features of the SEEK corporate governance regime are summarised below. Further details on the Company corporate governance codes, policies and charters are available from the About SEEK/Corporate Governance section on the SEEK website – www.seek.com.au (the "Company website").

SEEK has adopted the revised ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd Edition) issued on 30 June 2010. SEEK considers that its governance systems were consistent with these Principles throughout the reporting period.

Board and Senior Management Functions

(Corporate Governance Principles and Recommendations: 1.1, 2.3)

The Board operates in accordance with the SEEK Board Charter, which is available from the Company website and sets out the functions reserved to the Board. The Board reviews and approves the Board Charter on an annual basis.

Responsibilities

The responsibilities of the Board as set out in the Board Charter include:

1. Strategy

- Providing input 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.

2. 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.

3. 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.

4. Management

- Appointment and terms of engagement of the CEO.
- 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 CEO.

5. Performance

- Evaluating the CEO's 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.
- Establishing and reviewing succession plans for Board membership.

6. 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.

Board and Senior Management Functions continued

The SEEK Board Charter delegates authority to the Managing Director (MD) and CEO for management of the Company. The role has overall responsibility for the operational, financial and business performance of SEEK and the SEEK Group of companies, while also managing the organisation in accordance with the strategy and policies approved by the Board. Executives reporting to the CEO have their roles and responsibilities defined in specific position descriptions.

The roles of Chairman and CEO are not exercised by the same individual.

Board Composition and Size

(Corporate Governance Principles and Recommendations: 2.1, 2.2, 2.6)

The SEEK Board comprises the following directors at the date of this Report:

Name	Position	Appointed
Mr Bob Watson	Chairman, independent and non-executive director	Feb 1999
Mr Andrew Bassat	MD and CEO, executive director	Sep 1997
Mr Neil Chatfield	Independent and non-executive director	Jun 2005
Mr Colin Carter	Independent and non-executive director	Mar 2005
Ms Denise Bradley	Independent and non-executive director	Feb 2010

The directors determine the size of the Board with reference to the SEEK Constitution and SEEK Board Charter, which provides that there will be a minimum of three directors. The SEEK Board currently comprises four non-executive directors and the Managing Director. Mr Paul Bassat, MD and joint CEO, resigned on 1 July 2011.

The Board considers that the directors bring professional skills, knowledge and experience as well as personal attributes which enable the Board to operate effectively and meet its responsibilities to the Company, its shareholders and other stakeholders.

The professional experience of the Board members cover diverse areas across a broad range of industries such as Employment, Transport and Logistics, and Education. For further information on the directors, please refer to the Information on Directors section of the Directors' Report.

Director Independence

(Corporate Governance Principles and Recommendations: 2.1, 2.6)

The Board confirms that all current serving non-executive directors are independent. Mr Andrew Bassat, by virtue of his executive office as MD and CEO, is not considered to be independent.

The Board has determined that none of its independent directors hold relationships which could reasonably be perceived to materially interfere with or compromise their independent judgement.

The Board tables individual director interests at every SEEK Board meeting.

Access to Information

(Corporate Governance Principles and Recommendations: 2.6)

Directors are able to access members of senior management to request relevant information in their role as a non-executive director.

Directors are entitled to seek independent professional advice at the Company's expense relating to their role as a SEEK director, subject to the prior written approval of the Chairman.

Board Remuneration and Performance Review

(Corporate Governance Principles and Recommendations: 2.5, 2.6, 8.2, 8.3)

The Board reviews its performance internally, from FY11, on an annual basis. Previously, Board performance reviews were conducted every two years. From FY11 the Board will use surveys for this purpose which are prepared and collated externally to ensure that individual directors and the Board as a whole work effectively in meeting their responsibilities as described in the Board Charter. The Chairman will meet annually with each non-executive director to discuss individual performance. The Chair of the Audit Committee will meet annually with the Chairman to discuss the Chair's performance.

Commencing in FY12, the Board will conduct externally facilitated performance reviews on a periodic basis, with the aim to conduct such reviews in every third year. These reviews will incorporate feedback from Executives and stakeholders beyond the Board.

All directors receive copies of all Committee Board packs, including the minutes for each Committee meeting. In addition, the Committee Chair provides an update at the following Board meeting on the activities of the Committee. The Board reviews and approves the Charters of each committee on an annual basis.

The maximum aggregate amount of fees that may be paid to all SEEK non-executive directors each year is capped at $1 million, which was approved by shareholders at the 2010 AGM. The total fees (including superannuation) paid to non-executive directors during the reporting period was $648,550.

Further details on directors' remuneration are disclosed in the Remuneration Report.

Executive Remuneration and Performance Review

(Corporate Governance Principles and Recommendations: 1.2, 1.3, 8.3)

The performance of the Executive team including the CEO is assessed annually, in June. Assessment is measured against the Company's performance rating system (SEEK Synergy), which is applied in relation to all SEEK employees. The performance of the Executive team is measured against quantifiable goals and objectives set at the start of the financial year, including the performance of the Group, the performance of the relevant function or business, and the individual performance of the executive. Performance is also assessed as for all Company employees against the executive's fulfilment of the Company values.

In addition to this, the performance of the CEO is reviewed by the Board. The Chairman meets annually with the CEO to discuss individual performance.

Further details on CEO and Executive remuneration are disclosed in the Remuneration Report.

Diversity

(Corporate Governance Principles and Recommendations: 3.2, 3.3, 3.4)

SEEK recognises the great value contributed to the organisation by the talent and diversity of its employees, bringing varied skills, cultural backgrounds and experience.

The Company's success is a reflection of the quality and skill of its people. SEEK has an energetic and dynamic workforce with passion and fresh ideas, able to innovate and produce strong business performance results – a key competitive advantage. SEEK is committed to fostering this diversity by providing a work environment and culture in which all its employees are valued and treated with respect, and provided with equal access to opportunities.

SEEK values gender diversity in its workforce, as is evident from the strong female representation in the Company, with women comprising 48% of its employees, and 35% of its senior management team in June 2011. As of 1 July 2011, at the Board level, SEEK has one female director, which comprises 25% of non-executive Board representation, while in the Executive team, women comprise 22%.

SEEK is committed to broader diversity principles. It has initiated a number of programs in areas such as Indigenous engagement. An example of this is SEEK's program to identify training and employment opportunities for Indigenous jobseekers.

Diversity continued

SEEK's approach to diversity is stated in the Company Diversity Policy which is available on the employee intranet. The policy is focused on providing flexible work practices to all its employees male or female to assist in the balancing of work and family responsibilities, and to assist employees in pursuing their personal as well as professional development goals. These include the following, which are summarised from the Diversity Policy:

- Flexible working time arrangements;
- Employee education assistance;
- Employee network and support groups;
- Mentor program;
- Flexible policies including unlimited access to sick and carer's leave;
- Appointment of a Diversity and EEO Contact Officer to whom employees may make suggestions and complaints;
- SEEK Connect – an internal program designed to ensure that employees meet with a wide range of people within the business with whom they might otherwise not interact on a regular basis.

SEEK is working on a Diversity Project endorsed by the Board in October 2010 to deliver on agreed organisational goals and objectives. The Board will review this work and develop measurable diversity objectives which will be added to the Company Diversity Policy, and be disclosed in the SEEK FY12 Annual Report in compliance with the ASX Corporate Governance Principles and Recommendations.

Once in place, the Remuneration Committee will review progress towards these measurable objectives on a regular basis. The Board will report on the Company's achievement of its measurable objectives in the SEEK Annual Report.

Share Trading Policy

SEEK's Share Trading Policy governs when its officers, defined as its directors, executives or senior managers, may deal in SEEK securities and the process which must be followed in respect of such dealings.

Trading by officers in SEEK securities is only permitted during the trading windows set out in the policy, which is at a high level six weeks immediately following the release of each of the half year or full year financial results. Directors must seek the prior written approval of the Chairman to deal in SEEK securities, while other officers must seek the prior written approval of the CFO or Company Secretary.

SEEK directors, executives or their associates are prohibited from entering into transactions in associated products which operate to limit the economic risk of security holdings in the Company over unvested entitlements.

SEEK officers are only permitted to enter margin loans with the prior written approval of the Chairman. If approval is granted, the Continuous Disclosure Committee (comprising the CEO, CFO and Company Secretary) will review the terms of the margin loan to determine whether there are any material terms requiring disclosure to the market.

Board Committees

The Board is supported by a Remuneration Committee, Audit and Risk Management Committee and Nomination Committee. The Committees are comprised of independent non-executive directors. The members of these Committees at the date of this Report are:

	Board	Audit and Risk Management Committee	Remuneration Committee	Nomination Committee
R C G Watson	✓	✓	✓	✓
A R Bassat	✓	–	–	–
C B Carter	✓	✓	✓	✓
N G Chatfield	✓	✓	–	✓
D I Bradley	✓	–	✓	✓

For information on the skills, experience and expertise of the Committee members, please refer to pages 20 to 21 of the Directors' Report. In relation to the number of meetings and attendance of members at the Committee meetings, please refer to page 22 of the Directors' Report.

Remuneration Committee

(Corporate Governance Principles and Recommendations: 8.1, 8.2)

The Remuneration Committee comprises three members, all of whom are independent non-executive directors. It is chaired by the Chairman of the SEEK Board. Other directors that are not members of the Committee and executives attend by invitation.

The Remuneration Committee Charter, which is available from the Company website, sets out its role and responsibilities. In summary, the Committee has the delegated responsibility from the SEEK Board to conduct detailed examination of the following matters:

- Remuneration packages and policies applicable to the CEO, non-executive directors, and where considered appropriate, Executives.
- Compliance with statutory responsibilities relating to remuneration disclosure.
- Review and approval of the design of equity-based plans including eligibility criteria, performance hurdles and proposed awards.
- Review and approval of budget and guidelines each year for annual performance review and salary review processes.
- Review and approval of decisions regarding where to position the Company relative to market remuneration levels and composition.
- Review policies relating to employee share and option plans.
- Review the Company's superannuation plan and compliance with relevant laws and regulations.
- Review executive and director retirement and termination payments.
- Review and monitor fringe benefits.
- Monitor effective succession planning for the positions of CEO, non-executive directors and Executives.

Audit and Risk Management Committee

(Corporate Governance Principles and Recommendations: 4.1, 4.2, 4.3,4.4)

The Audit and Risk Management Committee consists of three members, all of whom are independent non-executive directors. It is chaired by an independent non-executive director. Other directors that are not members of the Committee, the external auditor and executives attend meetings by invitation.

The Audit and Risk Management Committee Charter, which is available from the Company website, sets out its role and responsibilities. In summary, the Committee has the delegated responsibility from the SEEK Board to conduct detailed examination of the following matters:

Financial Reporting

- The primary responsibility of the Committee is to oversee the financial reporting process on behalf of the Board and to recommend to the Board appropriate actions in the interests of the integrity of financial reporting.

Statutory Financial Reports

- Review the statutory financial reports of the SEEK Group and become satisfied that the reports provide a true and fair view of the financial affairs of the SEEK Group.

Audit and Risk Management Committee continued

Assessment of Systems of Financial Risk Management and Internal Control

- Discuss with management and the external auditor the SEEK Group's accounting and financial controls, for the purpose of forming a view as to the effectiveness of these controls, policies, procedures and programs.
- In co-operation with management and the external auditor, recommend improvements to the SEEK Group's accounting and financial controls.
- Discuss with management and the external auditor the SEEK Group's accounting policies and methods for the purpose of forming a view as to the appropriateness (as opposed to the acceptability) of these policies and methods.
- In co-operation with management, and the external auditor, recommend changes to the SEEK Group's accounting policies and methods.
- Review all related party transactions involving the SEEK Group.
- May request reports from SEEK Management on the risk frameworks and controls within entities in which SEEK holds equity but not a controlling interest.

External Audit

- Recommend to the Board the appointment and remuneration (and, where appropriate, replacement) of the external auditor and the terms of their engagement.
- Agree with the external auditor the overall scope of the external audit, including identified risk areas and any additional procedures considered necessary.
- Monitor and periodically evaluate the effectiveness of the external auditor.

Independence of the External Auditor and Provision of Non-audit Services

- Periodically (at least once per annum) assess the independence of the external auditor by considering the relationships and services provided by the external auditor that may lead to an actual or perceived lack of independence.
- Approve and review the External Auditor Independence Policy (refer to the separate policy available on the Company website) which regulates the provision of services by the external auditor, and monitor compliance with that policy.
- Recommend to the Board the appropriate disclosure in each year's Financial Report of the full details of fees paid to the external auditor, including an analysis of non-audit services.
- Require that the lead external audit engagement partner be rotated every five years at a minimum.

Risk Profile Oversight

Financial Reporting

- Review the SEEK Group's assessment of material risks and form an opinion on the adequacy and effectiveness of the risk assessment based on an evaluation of the rigour and suitability of the process undertaken.
- Consider the processes that management uses to design and assure controls and to measure their effectiveness together with reports from the Group Risk Manager to form an opinion on the reliability of the risk assessment.
- Review the SEEK Group's risk profiles as developed by management and monitor emerging risks and changes in the SEEK Group's risk profile.

Effectiveness of the Risk Management Framework

- Review, recommend to the Board, and oversee the operation of, risk management policies and procedures, so that there is, amongst other things.
  - A procedure for identifying risks relevant to the SEEK Group's businesses and controlling their financial or non-financial impacts on the SEEK Group.
  - An adequate system of internal control, risk management and safeguarding of assets.
  - A system of reporting and investigating breaches of risk management policies and procedures.
  - A review of internal control systems and the operational effectiveness of risk management policies and procedures.
  - A culture of risk management and compliance throughout the SEEK Group.
  - Adequate resources to support the risk management function and enable proper remedial action to be taken to address areas of weakness.
- Review, recommend to the Board, and monitor the SEEK Group's Whistleblower Policy.
- Review and monitor the SEEK Group's risk management performance, including conducting specific investigations where necessary.
- Review and provide oversight on the Group's insurance policies.

Nomination Committee

(Corporate Governance Principles and Recommendations: 2.4, 2.6)

The Nomination Committee consists of all of the independent non-executive directors of the SEEK Board, comprising four members. It is chaired by the Chairman of the SEEK Board. The CEO and MD, who is not a member of the Committee, and other executives attend meetings by invitation.

The Nomination Committee Charter, which is available from the Company website, sets out its role and responsibilities. The Committee has the delegated responsibility from the SEEK Board to conduct detailed examination of the following matters:

- Assessing and enhancing the necessary and desirable competencies of the Board and Chairman.
- Reviewing the size and composition of the Board, including succession plans to enable an appropriate balance of skills, experience and expertise to be maintained.
- Making recommendations to the Board on the appointment and removal of Directors.
- Developing and reviewing the process for the evaluation of the performance of the Board, the Chairman and individual Directors.
- Evaluating the performance of the Board, its Committees and Directors.
- Ensuring that there is an appropriate induction process in place for new Directors and reviewing its effectiveness.
- Reviewing the process for the selection and removal of Directors and assessing its effectiveness; and
- Ensuring there is a continuing education program for directors in respect to compliance and governance issues.

When a new director is to be appointed, the Nomination Committee under delegation from the Board, reviews the range of skills, experience, expertise and diversity on the Board, identifies the requirements of the Board and the Company, and prepares a short-list of candidates with appropriate skills and experience. Where necessary, advice is sought from independent search consultants. The Nomination Committee will recommend to the Board the most suitable candidate, who, if selected by the Board, must stand for election at the next Annual General Meeting of the Company.

The Board's nomination of existing directors for re-appointment is not automatic and is contingent on their past performance, contribution to the Company, and the current and future needs of the Board and the Company.

Corporate Governance Statement

Recognise and Manage Risk
(Corporate Governance Principles and Recommendations: 7.1, 7.2, 7.3, 7.4)

The Board is responsible for approving and reviewing the SEEK risk management strategy and policy, with the Audit and Risk Management Committee having delegated responsibility to conduct detailed review in a number of key risk areas as outlined in the A&RMC Charter (and set out above). The active identification of risks and implementation of appropriate controls and mitigation measures are the responsibilities of Management.

SEEK's enterprise risk management framework is based on the international standard (AS/NZS ISO 31000:2009) for risk management.

Management has established a group risk framework, and within this each business unit/department is required to profile its risk environment, control identification and operation. The outcomes of the risk profile across the Group are aggregated for reporting to the Executive and the Audit and Risk Management Committee.

During 2011 SEEK appointed a Group Risk Manager whose responsibilities include the monitoring and review of the Company's internal control systems and procedures. The Group Risk Manager will provide reports to the Audit and Risk Management Committee. The Audit and Risk Management Committee provides oversight on the risk framework and aggregated risk profiles at the Group level, and monitors Management's response to internal risk and assurance reviews. The Group risk function is independent of the external audit, has access to the Audit and Risk Management Committee and also has access to the Company executives and employees.

When considering the Audit and Risk Management Committee's review of financial reports, the Board receives a written statement signed by the CEO and MD, and the CFO, affirming that SEEK's financial reports give a true and fair view in all material respects of the Company's financial position and comply in all material respects with relevant accounting standards. The statement also confirms that the Company's financial reports are founded on a sound system of risk management and internal control and that the system is operating effectively in relation to the financial reporting risks.

SEEK's risk management policy is available on the Company website.

Continuous Disclosure
(Corporate Governance Principles and Recommendations: 5.1, 5.2)

SEEK's Continuous Disclosure Policy sets out the key responsibilities for the Company employees in relation to continuous disclosure. The Policy is reviewed annually by the Board.

The Policy sets out SEEK's obligations under the ASX Listing Rules and the *Corporations Act 2001*. It refers to the type of information that requires disclosure. The policy also provides procedures for internal notification and external disclosure.

The Board is responsible for ensuring that SEEK complies with its continuous disclosure obligations. The CEO, CFO and Company Secretary (the Continuous Disclosure Committee) are responsible for determining what matters might be considered to be price sensitive and whether or not disclosure is required under the ASX Listing Rules.

A copy of the Company's Continuous Disclosure Policy is available on the Company website.

Communication with Shareholders
(Corporate Governance Principles and Recommendations: 6.1, 6.2)

SEEK is committed to transparency and openness in its communication with its shareholders. It works to keep shareholders fully informed regarding developments and important information affecting the Company.

The key channels currently utilised by SEEK to distribute information to shareholders include:

1. the SEEK website;
2. the Notice of AGM and explanatory memoranda;
3. the Annual Report;
4. Financial statements and accompanying presentations to the market; and
5. ASX announcements.

Annual General Meeting (AGM)

The AGM is a key opportunity for shareholders to hear the CEO and Chairman provide updates on Company performance, ask questions of the Board, and to express a view and vote on the various matters of Company business on the agenda. Shareholders may also ask questions of the Company's external auditors at the meeting.

SEEK encourages its shareholders to attend its AGM. SEEK also commits to deal with shareholder queries in a respectful and timely manner whenever they are received by the Company.

Communications with Analysts

The Company communication framework includes the following to ensure provision of equal access to material information:

1. All discussions with analysts are conducted by or with the sanction of the CEO or the CFO, and are limited to explanation of previously disclosed material.
2. Where information is likely to be price sensitive, in line with its legal obligations and Continuous Disclosure Policy, SEEK immediately discloses the information to the market.
3. All formal SEEK analyst presentations are released to the market.
4. Generally speaking, meetings with analysts to discuss financial results are not held from 1 January to release of the half year results, or from 1 July to release of the full year results.

Code of Conduct

(Corporate Governance Principles and Recommendations: 3.1, 3.5)

SEEK prides itself on creating and maintaining a vibrant and transparent employee culture which demonstrates the Company values of Honesty, Ownership, Teamwork and Passion. The SEEK values form an integral part of the Company performance review and reward process (SEEK Synergy). All SEEK employees including executives are required to meet both their professional KPIs and a minimum performance rating evidencing their demonstration of the SEEK values for the relevant review period.

The SEEK code of conduct is available on the employee intranet. The SEEK code of conduct reflects the SEEK values to ensure a work environment and culture that complies with the law, is honest, respectful, equitable and professional.

Ethical and responsible decision making at SEEK is also promoted by an additional code of conduct for directors and executives, based on a code of conduct for directors prepared by the Australian Institute of Company Directors (AICD). The code of conduct for directors and executives is found on the Company website.

SEEK has a Whistleblowers Policy available on the employee intranet which is designed to support and protect employees who properly report non-compliant, illegal or unethical conduct by other employees. The aim of the Policy is to protect the confidentiality and position of employees wishing to raise matters which affect the fairness, legality or integrity of the Company.

Contents
Financial Report for 30 June 2011

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 23 August 2011. 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 13 to 41, 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.

Consolidated Income Statement
For the year ended 30 June 2011

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000
Revenue from continuing operations	5	**344,735**	281,792
Other income	6	**–**	6,417
Operating expenses			
Direct cost of services		**(30,141)**	(23,158)
Sales and marketing		**(103,874)**	(81,079)
Business development		**(19,963)**	(19,531)
Operations and administration		**(66,020)**	(50,458)
Finance costs	7	**(16,413)**	(6,228)
Total operating expenses		**(236,411)**	(180,454)
Share of profits of associates and jointly controlled entity accounted for using the equity method	11(b)	**24,685**	11,427
Profit before income tax expense		**133,009**	119,182
Income tax expense	8(a)	**(36,295)**	(29,661)
Profit for the year		**96,714**	89,521
Profit is attributable to:			
Owners of SEEK Limited		**97,688**	89,521
Non-controlling interests	20	**(974)**	–
		96,714	89,521
Earnings per share for profit attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic earnings per share	33	**29.0**	26.6
Diluted earnings per share	33	**28.9**	26.5

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

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2011

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000
Profit for the year		**96,714**	89,521
Other comprehensive income			
Exchange differences on translation of foreign controlled operations	20	**(6,876)**	153
Exchange differences on translation of foreign associates	11(c)	**(38,879)**	7,246
(Losses)/gains on hedge contracts of controlled entities	20	**(2,705)**	121
(Losses) on hedge contracts of associates (net of tax)	20	**(262)**	(173)
(Loss) on available-for-sale financial asset	20	**–**	(30)
Income tax recognised in other comprehensive income	8(c)	**490**	2,429
Other comprehensive income for the year		**(48,232)**	9,746
Total comprehensive income for the year for SEEK Limited	20	**48,482**	99,267
Total comprehensive income for the year attributable to:			
Owners of SEEK Limited		**54,678**	99,267
Non-controlling interest	20	**(6,196)**	–
		48,482	99,267

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

Consolidated Balance Sheet
As at 30 June 2011

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000
Current assets			
Cash and cash equivalents	9	**98,291**	39,731
Trade and other receivables	10	**44,890**	35,674
Other financial assets	12	**17,379**	121
Current tax assets		**–**	1,067
Total current assets		**160,560**	76,593
Non-current assets			
Investments accounted for using the equity method	11(b)	**315,930**	283,369
Plant and equipment	13	**19,201**	14,289
Intangible assets	14	**463,308**	128,974
Deferred tax assets	8(d)	**11,397**	10,421
Total non-current assets		**809,836**	437,053
Total assets		**970,396**	513,646
Current liabilities			
Trade and other payables	15	**43,606**	26,436
Unearned income		**38,366**	21,964
Other financial liabilities	17	**147,887**	–
Current tax liabilities		**5,385**	–
Provisions	18	**1,923**	2,026
Total current liabilities		**237,167**	50,426
Non-current liabilities			
Borrowings	16	**275,281**	99,642
Deferred tax liabilities	8(e)	**19,087**	6,694
Provisions	18	**4,781**	3,927
Total non-current liabilities		**299,149**	110,263
Total liabilities		**536,316**	160,689
Net assets		**434,080**	352,957
Equity			
Contributed equity	19	**183,950**	183,950
Reserves	20	**(71,208)**	22,668
Retained profits	20	**198,474**	146,339
Non-controlling interests	20	**122,864**	–
Total equity		**434,080**	352,957

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

Consolidated Statement of Changes in Equity
For the year ended 30 June 2011

Consolidated	Notes	Contributed equity $'000	Reserves $'000	Retained profits $'000	Non-controlling interests $'000	Total $'000
Balance at 1 July 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	20	–	9,746	89,521	–	99,267
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs and tax	19	1,771	–	–	–	1,771
Dividends provided for or paid	20	–	–	(33,283)	–	(33,283)
Employee share option scheme	20	–	1,321	–	–	1,321
Purchase of shares-on-market for employee share option scheme	20	–	(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
Profit for the year		–	–	97,688	(974)	96,714
Other comprehensive income		–	(43,010)	–	(5,222)	(48,232)
Total comprehensive income for the year	20	**–**	**(43,010)**	**97,688**	**(6,196)**	**48,482**
Transactions with owners in their capacity as owners:						
Dividends provided for or paid	20	–	–	(45,439)	–	(45,439)
Employee share options scheme	20	–	1,504	–	–	1,504
Purchase of shares-on-market for employee share option scheme	20	–	(38)	(163)	–	(201)
Tax associated with employee share option schemes	8(c)	–	(49)	49	–	–
JobsDB related items:						
Non-controlling interest at fair value arising on acquisition	29	–	–	–	64,624	64,624
Non-controlling interest acquired on acquisition	29	–	–	–	600	600
Put option provided to vendor of JobsDB	20	–	(50,629)	–	(22,788)	(73,417)
Transactions with non-controlling interests	29	–	–	–	87,969	87,969
Acquisition of non-controlling interest in CJOL	20(b)	–	(1,654)	–	(1,345)	(2,999)
Balance at 30 June 2011		**183,950**	**(71,208)**	**198,474**	**122,864**	**434,080**

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

Consolidated Statement of Cash Flows
For the year ended 30 June 2011

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**383,355**	296,204
Payments to suppliers and employees (inclusive of goods and services tax)		**(230,270)**	(180,000)
		153,085	116,204
Interest received		**1,418**	898
Interest paid		**(14,167)**	(4,950)
Income taxes paid		**(32,150)**	(31,713)
Net cash inflow from operating activities	32	**108,186**	80,439
Cash flows from investing activities			
Payments for acquisition of interests in associates and jointly controlled entities	11(b)	**(49,512)**	(25,897)
Payments for investments in subsidiary, net of cash acquired	29	**(186,134)**	(3,299)
Payments for transaction costs on investments	29	**(6,203)**	(411)
Dividends received		**9,841**	3,353
Payments for plant and equipment		**(8,375)**	(4,723)
Proceeds from the sale of plant and equipment		**–**	95
Payments for intangible assets		**(3,692)**	(2,861)
Net cash (outflow) from investing activities		**(244,075)**	(33,743)
Cash flows from financing activities			
Proceeds from borrowings		**406,704**	20,000
Repayment of borrowings		**(228,000)**	(32,000)
Transaction costs on syndicated debt facility		**(5,584)**	–
Purchase of shares for employee share options plans	20	**(201)**	(4,759)
Proceeds from issues of shares	19	**–**	1,767
Capital raising costs	19	**–**	(122)
Dividends paid	20	**(45,439)**	(33,283)
Payment for additional interest in subsidiary	20(b)	**(3,857)**	–
Contributions from non-controlling interests – transaction costs	29	**1,925**	–
Contributions from non-controlling interests – purchase consideration	29	**68,648**	–
Net cash inflow/(outflow) from financing activities		**194,196**	(48,397)
Net increase in cash and cash equivalents		**58,307**	(1,701)
Cash and cash equivalents at the beginning of the financial year		**39,731**	41,432
Effect of exchange rate changes on cash and cash equivalents		**253**	–
Cash and cash equivalents at the end of the financial year	9	**98,291**	39,731

The above Consolidated Statement of Cash Flows 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

These general purpose financial statements have 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*.

At 30 June 2011 the Group's current liabilities exceed its current assets by $76,607,000. The financial report has been prepared on a going concern basis as this deficiency is principally due to the timing of settlement of the remaining purchase price of a recent acquisition which was funded partly out of available non-current borrowings facilities on 7 July 2011.

(i) Compliance with IFRS

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

(ii) 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.

(iii) Critical accounting estimates

The preparation of financial statements 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.

(b) Principles of consolidation

(i) Subsidiaries

The Consolidated Financial Statements incorporate the assets and liabilities of all subsidiaries of SEEK Limited ('company' or 'parent entity') as at 30 June 2011 and the results of all subsidiaries for the year then ended. SEEK Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all 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 de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations made 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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet and Consolidated Statement of Changes in Equity respectively.

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

(ii) Associates
Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for after initially being recognised at cost using the equity method of accounting.

The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Consolidated Income Statement and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as a reduction in 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 associate. 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.

(iii) Joint venture entities
The interest in a joint venture entity is accounted for using the equity method after initially being recognised at cost. Under the equity method, the share of the profits or losses of the entity is recognised in the Consolidated Income Statement, and the share of the post-acquisition movement in reserves is recognised in other comprehensive income. Any cash contributions made to the jointly controlled entity are recognised in the Group's financial statements as an investment in the jointly controlled entity. Details relating to the Group's joint venture entity are set out in note 11(e).

(iv) Changes in ownership interests
The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of SEEK Limited.

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

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

1. Summary of significant accounting policies continued

(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 profit or loss, 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 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 presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement and statement of comprehensive income 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. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange difference is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(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 the major business activities as follows:

(i) Job advertisements
Revenues from the provision of job advertisements on the Group's websites are recognised in the period over which the advertisements are placed.

(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 prorata basis over the duration of the relevant teaching period.

(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 providing 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).

(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 and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1. Summary of significant accounting policies continued

(g) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interests proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

In a business combination achieved in stages, the Group re-measures its previously held equity interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss, if any, in profit or loss.

Acquired deferred tax assets recognised after the initial acquisition accounting will increase the Group's net profit after tax.

(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 tested 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 Consolidated 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 borrowings in current liabilities in the balance sheet.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, 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.

Collectibility 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 Consolidated Income Statement in 'operations and administration' expense. The amount of the provision for amounts that are expected to be credited is recognised in the Consolidated 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 Consolidated Income Statement.

(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. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current.

(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 Consolidated Balance Sheet (note 10).

(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. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

(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 end of the reporting period. 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 de-recognition

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 Consolidated Income Statement. Financial assets are de-recognised 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.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

1. Summary of significant accounting policies continued

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 Consolidated Income Statement as gains and losses from investment securities.

Details on how the fair value of financial instruments is determined are disclosed in note 2.

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 each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(l) Derivatives and hedging activities
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured 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), (2) hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges) or (3) hedges of a net investment in a foreign operation (net investment 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 equity are shown in note 20. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(i) Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, 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 profit or loss 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 Consolidated Income Statement within 'other income' or 'operating and administration 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 Consolidated Income Statement within 'other income' or 'operating and administration' expenses.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance costs'.

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 Consolidated 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 profit or loss.

(iii) Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge 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 profit or loss within 'other income' or 'operating and administration' expenses. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

(iv) 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 profit or loss and are included in 'other income' or 'operating and administration' expenses.

(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 Consolidated 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 Consolidated Income Statement.

(n) Intangible assets

(i) Goodwill

Goodwill is measured as described in note 1(g). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised but it 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 for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments (refer to note 14).

1. Summary of significant accounting policies continued

(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
These amounts 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. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(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 Consolidated 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 Consolidated 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 period.

(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 Consolidated Income Statement over the life of the lease.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(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 26.

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-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 Consolidated Income Statement with a corresponding adjustment to equity. The employee benefit expense recognised each period takes into account the most recent estimate.

1. Summary of significant accounting policies continued

(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 Consolidated 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 flows.

(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 34 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.

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 2011 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:

AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9*	Effective 1 January 2013
Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to Australian Accounting Standards*	Effective 1 January 2011
AASB 2010-4 *Further amendments to Australian Accounting Standards arising from the Annual Improvements Process*	Effective 1 January 2011
AASB 2010-5 *Amendments to Australian Accounting Standards*	Effective 1 January 2011
Revised AASB 9 *Financial Instruments* and *AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9*	Effective 1 January 2013
IFRS 10 *Consolidated financial statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of interests in other entities* and revised IAS 27 *Separate financial statements* and IAS 28 *Investments in Associates and Joint Ventures*	Effective 1 January 2013
IFRS 13 *Fair value measurement*	Effective 1 January 2013
Revised IAS 1 *Presentation of Financial Statements*	Effective 1 July 2012
AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements*	Effective 1 July 2013

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 Chief Financial Officer (CFO) and follows policies approved by the Board of Directors. The CFO identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

As detailed in note 29, on 5 May 2011 the Group acquired a controlling interest in JobsDB, a provider of online employment websites in South East Asia. Given the timing of the acquisition SEEK is currently reviewing the financial risk policies in JobsDB and during the next financial year will align their policies with the rest of the Group.

The Group holds the following financial instruments:

		Consolidated	
	Notes	**2011 $'000**	2010 $'000
Financial assets			
Cash and cash equivalents	9	**98,291**	39,731
Trade and other receivables[1]	10	**42,699**	35,674
Other financial assets	12	**17,379**	121
Financial liabilities			
Trade and other payables	15	**43,606**	26,436
Unearned income		**38,366**	21,964
Other financial liabilities	17	**147,887**	–
Borrowings (principal)	16	**278,704**	100,000

1. Trade and other receivables in the table exclude prepayments which are not classified at financial instruments.

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 (refer to note 9) attract interest at variable interest rates. All other financial assets and liabilities are non-interest bearing.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, predominately the US dollar (USD), Singapore dollar (SGD), Hong Kong dollar (HKD), New Zealand dollar (NZD) and British pound (GBP). The Group's exposure to these and other key currencies is detailed on page 71.

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 CFO is responsible for managing exposures by using external forward currency contracts, for example for one-off significant transactions.

The Group's foreign exchange risk management policy is to hedge up to 50% of anticipated significant cash flows in foreign currencies for up to a six month period. The forward foreign currency exchange contracts taken up by the Group are regularly reassessed.

As discussed in note 17, to reduce foreign currency risk on 30 June 2011 SEEK Limited hedged Stage 3 of the JobsDB acquisition (note 29). The hedge was settled on 5 July 2011.

Group

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

	AUD Denominated					HKD Denominated							
2011	NZD 000's	GBP 000's	MYR 000's	USD 000's	HKD 000's	PHP 000's	THB 000's	NTD 000's	IDR 000's	MYR 000's	SGD 000's	INR 000's	RMB 000's
Cash and cash equivalents	–	536	3,768	1	–	–	–	–	–	–	–	–	–
Trade and other receivables	–	832	–	–	–	–	–	–	8,921,984	–	6,213	–	–
Financial assets	–	–	–	–	–	–	–	–	–	–	–	–	–
Current tax assets	1,790	–	–	–	–	–	–	–	–	–	–	–	–
Trade and other payables	4,083	50	–	1,124	51,112	9,396	22,388	3,113	–	7,790	–	6,134	9,624
Unearned income	–	19	–	–	–	–	–	–	–	–	–	–	–
Borrowings (principal)	–	–	–	–	–	–	–	–	–	–	–	–	–

	AUD Denominated					HKD Denominated							
2010	NZD 000's	GBP 000's	MYR 000's	USD 000's	HKD 000's	PHP 000's	THB 000's	NTD 000's	IDR 000's	MYR 000's	SGD 000's	INR 000's	RMB 000's
Cash and cash equivalents	–	161	487	–	–	–	–	–	–	–	–	–	–
Trade and other receivables	–	77	–	–	–	–	–	–	–	–	–	–	–
Financial assets	–	–	–	–	–	–	–	–	–	–	–	–	–
Trade and other payables	1,937	1,534	–	–	–	–	–	–	–	–	–	–	–
Unearned income	–	1	–	–	–	–	–	–	–	–	–	–	–
Borrowings (principal)	–	–	–	–	–	–	–	–	–	–	–	–	–
Current tax liabilities	–	6	–	–	–	–	–	–	–	–	–	–	–

The analysis on page 72 reflects management's view of possible movements in relevant foreign currencies against the Australian dollar in the short term subsequent to 30 June 2011. 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.

2. Financial risk management continued

The impact of reasonably possible movements in exchange rates is as follows:

	Profit or Loss			
	2011 $'000		2010 $'000	
	High	Low	High	Low
AUD to NZD (Range -5% to +5%)	**84**	**(93)**	75	(83)
AUD to GBP (Range -5% to +5%)	**(93)**	**103**	109	(121)
AUD to MYR (Range -5% to +5%)	**59**	**(65)**	(8)	9
AUD to HKD (Range -5% to +5%)	**291**	**(322)**	–	–
AUD to USD (Range -5% to +5%)	**50**	**(55)**	–	–
HKD to PHP (Range -5% to +5%)	**10**	**(11)**	–	–
HKD to THB (Range -5% to +5%)	**32**	**(36)**	–	–
HKD to NTD (Range -5% to +5%)	**5**	**(5)**	–	–
HKD to IRD (Range -5% to +5%)	**(46)**	**51**	–	–
HKD to SGD (Range -5% to +5%)	**(224)**	**248**	–	–
HKD to INR (Range -5% to +5%)	**6**	**(7)**	–	–
HKD to RMB (Range -5% to +5%)	**66**	**(73)**	–	–
Net increase/(decrease)	**240**	**(265)**	176	(195)

(ii) Price risk
The Group is not exposed to significant equities price risk.

(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.

As part of its capital risk management policy the Group protects part of its borrowings from exposure to fluctuations in interest rates. The Group has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

Swaps currently in place cover approximately 11% (2010: 30%) of the variable loan principal outstanding and are timed to expire as each loan repayment falls due. Refer to note 12 for further details.

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

	2011 $'000		2010 $'000	
	Weighted average interest rate %	$'000	Weighted average interest rate %	$'000
Bank loans – principal (note 16)	**7.1%**	**278,704**	5.3%	100,000
Less amounts covered by interest rate swaps	**4.5%**	**(30,000)**	4.5%	(30,000)
		248,704		70,000

The interest rate and term for bank borrowings is determined at the date of each draw-down. The weighted average interest rate for the year ended 30 June 2011 was 7.1% (2010: 5.3%). At 30 June 2011 if the weighted average interest rate of the facility had been 10% higher or 10% lower, interest expense would increase/decrease by $1,429,000.

Cash balances

As at 30 June 2011 there were no cash balances on term deposits. In the prior year 45% of cash balances were on term deposit attracting higher rates of interest.

The Group's 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 2011, if the interest rates on interest bearing cash balances were to move 10% higher or 10% lower than the weighted average rate of 4.4%, annual interest income would increase/decrease by $167,000 respectively.

(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 2011 is $36,686,000 (note 10).

The domestic Employment business accounts for 71% of gross trade receivables with a customer base comprising of agencies, national/major accounts and SMEs. Credit risk assessments are conducted on new and renegotiated contracts to evaluate each customer's credit worthiness.

The Education business accounts for 20% of gross trade receivables and their customer base is made up predominantly of full- and part-time students. A majority of these students obtain finance or receive FEE-HELP and the risk of default is relatively low. The remainder are self-funded and whilst individual debtors are relatively low, collectively they represent a higher credit risk. Going forward, the proportion of FEE-HELP students as a percentage of total students is anticipated to increase, which would reduce the credit risk exposure in the Education business.

The International business represents 9% of gross trade receivables and the exposure to credit risk is relatively low due to the credit terms provided and the large and diverse customer base.

Credit risk is managed in the following ways:

- The provision of credit is covered by a risk assessment process for all customers (e.g. 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 CFO aims at maintaining flexibility in funding by keeping accessible the cash reserves of the business. A borrowing facility of $340,000,000 was set up to enable the Group to borrow cash when necessary, repayable during December 2013 (refer to note 16).

At 30 June 2011 the Group recognised a financial liability of A$74,630,000, which represents the net present value of the expected cash consideration to be paid to the vendor of JobsDB for the remaining 20% ownership. The vendor has been granted the option to exercise between 23 June 2012 and 23 June 2014 and the selling price is dependent on future earnings but capped at HK$640,000,000.

Included within financial liabilities there is an amount of $1,198,000, which is required to be paid to the vendor of JobsDB at a future date to be agreed with the vendor. Refer to notes 17 and 29 for further information on the JobsDB acquisition.

All other financial liabilities are current and anticipated to be repaid over the normal credit terms, usually 30 days.

2. Financial risk management continued

(i) Financing arrangements

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

	Drawn		Undrawn		Total	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000	**2011 $'000**	2010 $'000
Floating rate						
Expiring within one year	**–**	–	–	100,000	**–**	100,000
Expiring beyond one year	**278,704**	100,000	**61,296**	–	**340,000**	100,000
	278,704	100,000	**61,296**	100,000	**340,000**	200,000

Subject to the continuance of meeting certain financial covenants, the bank loan facilities may be drawn down at any time. Refer to note 16 for further details of the borrowing arrangements.

(d) Fair value measurements

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

SEEK Limited is required to disclose 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 2011 the Group held at fair value the following level 2 financial assets and liabilities:

- Other financial assets: interest rate swaps $37,000 (note 12);
- Other financial liabilities: foreign exchange contract – cash flow hedge $299,000 (note 17).

At 30 June 2011 the Group held at fair value a put option, classified as a level 3 financial liability. The fair value of the put option is determined based on the net present value of anticipated future cash outflows. These cash outflows are dependent on a multiple of future earnings, capped at HK$640,000,000. The discount rate used to determine the present value of the net cash outflows is based on market interest rates of 2.5%. Refer to note 17 for further details.

(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 Group 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;
- A capital structure that provides adequate funding for the Group'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 Group'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.

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) Estimated impairment of goodwill

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 or fair value calculations. These calculations require the use of assumptions. Please refer to note 14 for details of these assumptions and the potential impact of changes to these assumptions.

(ii) Income taxes

The Group is subject to income taxes in Australia and in a number of overseas jurisdictions. Judgement is required in determining the Group provision for income taxes.

- There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on its current understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the future period in which such determination is made.
- 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.

Please refer to note 8 for further details on the Group's income tax balances.

(iii) Amortisation of unearned income for advertising packages

Unearned income for advertising packages in the domestic Employment business 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 $17,001,000 (2010: $11,829,000). An increase/decrease in the amortisation period by one month would decrease/increase the amortisation amount in the Consolidated Income Statement by an estimated $3,500,000.

(iv) 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, which stipulates that dividends will be fully franked, and the directors consider that this gives them the ability to control the timing and reversal of the temporary differences.

(v) Provision for credit notes – Think: Education Group Pty Limited (Think)

A provision is raised at Think 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 is an estimation based on revenue recognised prior to the date that a student can legally withdraw from the course and be entitled to a refund and has been calculated based on historic proportions of such credit notes. The credit note provision relating to Think at reporting date is $1,424,000 (2010: $2,849,000).

3. Critical accounting estimates and judgements continued

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

(i) Significant influence over associates

The Group follows the guidance in AASB 128: *Investments in Associates* to determine its level of control and influence over its investments in associates. This determination can require judgement particularly around voting rights and participation in the financial and operating activities of the investee. If the Group's influence increased such that the Group has the power to govern the financial and operating activities of the associate, then its results would have to be fully consolidated. Conversely, if the Group's influence reduced and the Group did not have the power to participate in the financial and operating activities of the associate then it would need to account for its interest in the associate as an available-for-sale financial asset.

The key judgemental areas are as follows:

Zhaopin Limited (Zhaopin)

The Group owns 56.1% of Zhaopin. Although SEEK's equity interest is more than 50%, the terms of a shareholders' 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.

IDP Education Pty Ltd (IDP)

The Group owns 50% of the voting rights in IDP. The Group does not have control over the investment as its voting rights and board seats are equal to its co-investors. 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.

JobStreet Corporation Berhad (JobStreet)

The group owns 22.0% of the voting rights in JobStreet and management has determined that this ownership provides it with significant influence over JobStreet. If this situation were to change and the group did not have the power to participate in the financial and operating policy decision of JobStreet, then it would need to account for its interest in JobStreet as an available-for-sale financial asset at fair value and would no longer equity account for its share of profit.

(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 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.

4. Segment information

(a) Description of segments

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

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

- The Employment business is considered as one reporting segment which provides online employment classified advertising services through the SEEK website. It sells these services in Australia, New Zealand and the 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 (predominantly through online channels) vocational training and education training courses in Australia. These courses are developed and delivered by outside providers (including Think). It also holds the Group's investment in IDP.
  - Think is a provider of vocational training and higher education courses, including classroom-based and distance learning courses and operates solely in Australia.
- The International segment is now reported as a separate segment (previously part of Employment) due to the increase and growth in international investments in leading online employment websites across a number of fast growing economies. SEEK now has a presence in China, South East Asia, Brazil and Mexico.

Adjusted EBITDA is the measure utilised by the CODM to measure the businesses' profitability. Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of net profits from associates and jointly controlled entities accounted for using the equity method, fair value gain/loss on acquisition, 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 by the Group.

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, other financial assets, 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, other financial liabilities 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 CODM

Profit and loss information

30 June 2011	Notes	Employment $'000	Education Learning $'000	Education Think $'000	International $'000	Eliminations $'000	Consolidated $'000
Revenue							
Segment revenue from external customers	5	224,005	41,244	69,078	8,727	–	343,054
Inter-segment revenue		32	3,222	–	–	(3,254)	–
Total segment revenue		224,037	44,466	69,078	8,727	(3,254)	343,054
Interest revenue	5						1,681
Consolidated revenue	5						344,735
Adjusted EBITDA		133,517	13,046	(7,497)	(3,430)	–	135,636
Depreciation and amortisation		(4,505)	(812)	(6,208)	(1,070)	–	(12,595)
Share of profits from associates and jointly controlled entities accounted for using the equity method	11	–	7,696	–	16,989	–	24,685
Fair value (loss) on acquisition	29	–	–	–	(811)	–	(811)
Segment result		129,012	19,930	(13,705)	11,678	–	146,915
Amortisation of share-based payments and other long-term incentive schemes							(999)
Interest revenue	5						1,681
Interest expense	7						(14,588)
Profit before tax							133,009
Income tax expense	8						(36,295)
Profit for the year							96,714
Non-controlling interests	20						974
Profit for the year attributable to the owners of SEEK Limited							97,688

30 June 2010 (restated[1])	Notes	Employment $'000	Education Learning $'000	Education Think $'000	International $'000	Eliminations $'000	Consolidated $'000
Revenue							
Segment revenue from external customers	5	171,167	40,007	69,558	–	–	280,732
Inter-segment revenue		1,518	3,621	–	–	(5,139)	–
Dividends			–	–	154	–	154
Total segment revenue		172,685	43,628	69,558	154	(5,139)	280,886
Interest revenue	5						906
Consolidated revenue	5						281,792
Adjusted EBITDA		93,388	16,733	7,286	(42)	–	117,365
Depreciation and amortisation		(4,429)	(559)	(4,627)	–	–	(9,615)
Share of profits/(losses) from associates accounted for using the equity method	11	–	9,795	–	1,632	–	11,427
Dividends	5	–	–	–	154	–	154
Fair value gain on acquisition	6	–	–	–	6,417	–	6,417
Segment result		88,959	25,969	2,659	8,161	–	125,748
Amortisation of share-based payments and other long-term incentive schemes							(2,253)
Interest revenue	5						906
Interest expense	7						(5,219)
Profit before tax							119,182
Income tax expense	8						(29,661)
Profit for the year							89,521
Non-controlling interests	20						–
Profit for the year attributable to the owners of SEEK Limited							89,521

1. As discussed in note 4(a), the International segment is now reported as a separate segment (previously part of Employment) and the segment information in the above table has been restated to reflect this change.

Notes to the Financial Statements

4. Segment information continued

Balance Sheet information

30 June 2011	Employment $'000	Education Learning $'000	Education Think $'000	International $'000	Consolidated $'000
Assets					
Total segment assets	99,437	96,844	124,250	638,468	958,999
Unallocated:					–
Deferred tax assets					11,397
Total assets	–	–	–	–	970,396
Total assets include:					
Capital expenditure on plant and equipment	899	3,540	5,399	91	9,929
Capital expenditure on intangible assets	1,667	581	3,282	9	5,539
Carrying value of investments in associates and jointly controlled entity	–	73,630	–	242,300	315,930
Liabilities					
Total segment liabilities	38,008	5,029	23,628	169,898	236,563
Unallocated:					
Non-current borrowings					275,281
Current tax liabilities					5,385
Deferred tax liabilities					19,087
Total liabilities					536,316

30 June 2010 (restated[1])	Employment $'000	Education Learning $'000	Education Think $'000	International $'000	Consolidated $'000
Assets					
Total segment assets	70,488	83,144	131,010	217,516	502,158
Unallocated:					
Deferred tax assets					10,421
Current tax assets					1,067
Total assets					513,646
Total assets include:					
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 and jointly controlled entity	–	66,734	–	216,635	283,369
Liabilities					
Total segment liabilities	31,892	2,345	20,116	–	54,353
Unallocated:					
Non-current borrowings					99,642
Deferred tax liabilities					6,694
Total liabilities					160,689

1. As discussed in note 4(a), the International segment is now reported as a separate segment (previously part of Employment) and the segment information in the above table has been restated to reflect this change.

(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.

	2011		2010	
	Revenue[1] $'000	Non-current assets[2] $'000	Revenue[1] $'000	Non-current assets[2] $'000
Australia	**318,577**	**215,755**	265,252	206,542
New Zealand	**15,073**	**4,730**	12,951	3,441
United Kingdom	**676**	**–**	2,529	14
Brazil	**–**	**101,028**	–	110,241
Mexico	**–**	**40,944**	–	–
China	**1,679**	**60,245**	–	57,221
Hong Kong	**3,290**	**311,809**	–	–
Singapore	**1,519**	**10,244**	–	–
Malaysia	**152**	**43,724**	–	49,173
Other	**2,088**	**9,960**	–	–
Total	**343,054**	**798,439**	280,732	426,632
Unallocated:				
Dividends	**–**	**–**	154	–
Interest revenue	**1,681**	**–**	906	–
Deferred tax assets	**–**	**11,397**	–	10,421
	344,735	**809,836**	281,792	437,053

1. Amounts allocated represent segment revenue from external customers.
2. Amounts allocated represent non-current assets excluding financial instruments and deferred tax assets.

5. Revenue

	Consolidated 2011 $'000	Consolidated 2010 $'000
Revenue from continuing operations		
Sales revenue		
Employment – job and banner advertising	**224,005**	171,167
Education – commission revenue	**41,244**	40,007
Education – classroom-based training	**69,078**	69,558
International – job and banner advertising	**8,727**	–
Total sales revenue	**343,054**	280,732
Other revenue		
Interest	**1,681**	906
Dividends	**–**	154
Total revenue from continuing operations	**344,735**	281,792

6. Other income

	Consolidated 2011 $'000	Consolidated 2010 $'000
Fair value gain on acquisition – JobStreet (note 11(c))	**–**	6,417

7. Expenses

Net losses and expenses

Profit before income tax expense includes the following specific net losses and expenses:

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000
Expenses			
Depreciation of plant and equipment	13	**6,203**	4,845
Amortisation of intangible assets	14	**6,392**	4,770
Rental expense relating to operating leases:			
Minimum lease payments		**10,656**	8,595
Net foreign exchange losses recognised in profit before income tax expense		**614**	443
Net loss on disposal of plant and equipment		**–**	46
Fair value loss on acquisition of subsidiary	29	**811**	–
Finance costs			
Interest expense		**14,588**	5,219
Other finance charges paid/payable		**1,825**	1,009
		16,413	6,228
Employee benefits			
Share-based payments and other long-term incentives		**999**	2,253
Salary costs		**78,394**	67,241
Superannuation costs		**6,517**	5,120
Total employee benefits		**85,910**	74,614

8. Income tax

(a) Income tax expense

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000
Current tax		**36,981**	28,126
Deferred tax		**(797)**	2,382
Under/(over) provision in prior years		**111**	(847)
Income tax expense	8(b)	**36,295**	29,661

The entire income tax expense relates to profit from continuing operations.

	2011 $'000	2010 $'000
Deferred income tax expense included in income tax expense comprises:		
(Increase)/decrease in deferred tax assets	**(1,345)**	2,909
Increase/(decrease) in deferred tax liability	**548**	(527)
	(797)	2,382

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

	Consolidated 2011 $'000	Consolidated 2010 $'000
Profit from ordinary activities before income tax expense	**133,009**	119,182
Income tax calculated @ 30% (2010: 30%)	**39,903**	35,755
Tax effect of amounts that are not deductible/(taxable) in calculating income tax:		
Fair value gain on financial assets	**243**	(1,925)
Investment allowance	**–**	(7)
Research and development claim	**(225)**	(358)
Share of net profit of associates and jointly controlled entities	**(7,406)**	(3,428)
Non-assessable dividend income	**197**	(46)
Non-deductible expenses:		
Entertainment	**148**	88
Legal fees and acquisition costs	**2,261**	383
Share-based payments	**802**	–
Other non-deductible expenses	**446**	49
	36,369	30,511
Income tax adjusted for permanent differences:		
Effect of different rates of tax on overseas income	**(185)**	(3)
Under/(over) provision in prior year	**111**	(847)
Income tax expense attributable to profit from ordinary activities	**36,295**	29,661

8. Income tax continued

(c) Amounts recognised directly in equity

Tax expense relating to items of other comprehensive income

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000
Current tax (debited)/credited directly to hedge reserve	20(a)	**716**	–
Deferred tax (debited)/credited directly to hedge reserve	20(a)	**90**	–
Deferred tax (debited)/credited associated with share-based payment schemes	20(a)	**(316)**	2,429
		490	2,429

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

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000
Current tax credited directly to share-based payment reserves	20(a)	**38**	–
Deferred tax credited directly to share-based payment reserves	20(a)	**49**	1,132
Deferred tax credited directly to retained profits – new issue of shares		**–**	1,254
		87	2,386
Tax credited directly to contributed equity	19(b)	**–**	126
		87	2,512

(d) Deferred tax assets

The balance comprises temporary differences attributable to:

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000
Amounts recognised in profit or loss:			
Provision for impairment of trade receivables		**1,672**	490
Employee benefits		**3,996**	4,041
Provision for credit notes		**563**	992
Fringe benefits tax		**50**	(84)
Share-based payments		**580**	943
Accounting fees		**240**	178
Plant and equipment and intangible assets		**2,240**	891
Deferred expenditure – other		**1,098**	1,212
Foreign exchange gains/(losses)		**(124)**	283
Commissions – non-employee benefits		**241**	206
		10,556	9,152
Amounts recognised directly in equity:			
Share-based payments		**413**	775
Hedge on acquisition of JobsDB		**90**	–
Capital raising costs		**338**	504
		841	1,279
Set-off of deferred tax liabilities of parent entity pursuant to set-off provisions:			
Interest receivable	8(e)	**–**	(10)
Net deferred tax assets		**11,397**	10,421
Movements:			
Opening balance at 1 July		**10,421**	13,373
Credited/(charged) to the Consolidated Income Statement		**1,345**	(2,909)
Credited to equity		**(275)**	(15)
Other movements		**(7)**	12
Unders/(overs) in the prior year		**(87)**	(40)
Closing balance at 30 June		**11,397**	10,421
Deferred tax assets to be recovered within 12 months		**8,876**	8,473
Deferred tax assets to be recovered after more than 12 months		**2,521**	1,948
		11,397	10,421

8. Income tax continued

(e) Deferred tax liabilities

	Notes	Consolidated 2011 $'000	2010 $'000
The balance comprises temporary differences attributable to:			
Intangible assets		**18,060**	6,694
Borrowing costs		**1,027**	–
Interest receivable		**–**	10
Set-off of deferred tax liabilities of parent entity pursuant to set off provisions		**–**	(10)
Net deferred tax liabilities		**19,087**	6,694
Movements:			
Opening balance at start of year		**6,694**	7,221
(Credited)/charged to the Consolidated Income Statement		**548**	(527)
Acquisition of subsidiaries	29	**11,845**	–
Closing balance at end of year		**19,087**	6,694
Deferred tax liabilities expected to be recovered within 12 months		**1,413**	–
Deferred tax liabilities expected to be recovered after more than 12 months		**17,674**	6,694
Closing balance at end of year		**19,087**	6,694

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.

9. Cash and cash equivalents

	Consolidated 2011 $'000	Consolidated 2010 $'000
Cash at bank and on hand	**98,291**	21,805
Short-term investments	**–**	17,926
	98,291	39,731

(a) 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.

(b) Restricted cash in the People's Republic of China
At 30 June 2011 there was RMB37,691,000 (A$5,429,000) of cash held by local subsidiaries in the People's Republic of China. This cash can be used in the People's Republic of China, but is not freely convertible into other currencies for transfer around the Group.

10. Trade and other receivables

	Consolidated 2011 $'000	Consolidated 2010 $'000
Trade receivables	**36,686**	30,719
Less: provision for impairment of receivables (note a)	**(7,642)**	(5,181)
	29,044	25,538
Other receivables (note c)	**13,655**	8,457
Prepayments	**2,191**	1,679
	44,890	35,674

(a) Impaired trade receivables
As at 30 June 2011 the amount of the provision for current trade receivables was $7,642,000 (2010: $5,181,000) with $5,758,000 (2010: $1,868,000) being provision for doubtful debts and $1,884,000 (2010: $3,313,000) being credit note provisions. The Group has recognised a loss of $15,037,000 (2010: $4,321,000) in respect of impaired trade receivables during the year ended 30 June 2011.

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

	Consolidated 2011 $'000	Consolidated 2010 $'000
Opening balance	**5,181**	7,865
Provision for impairment recognised during the year	**15,037**	4,321
Utilisation of provision for credit notes and receivables written off	**(12,485)**	(5,949)
Unused amount reversed	**(50)**	(1,065)
Acquisition of subsidiaries	**–**	55
Exchange differences	**(41)**	(46)
Closing balance	**7,642**	5,181

The creation or release of the doubtful debts provision has been included in 'operations and administration' expense in the Consolidated Income Statement and the creation or the release of the credit note provision has been included within revenue. Amounts charged to the provision are generally written off when there is no expectation of recovering additional cash.

10. Trade and other receivables continued

(b) Ageing of net trade receivables from due date

	Consolidated	
	2011 $'000	2010 $'000
Current–30 days	**24,623**	19,734
30–60 days[1]	**3,259**	3,813
60–90 days[1]	**773**	1,029
90–120 days[1]	**217**	369
120+ days[1]	**172**	593
Total	**29,044**	25,538

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 balance 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.

11. Investments accounted for using the equity method

The results of associates and the jointly controlled entity are reflected in the results of the Group for the period from the later of the date of SEEK's investment or 1 July 2010 to the earlier of the date the investment ceased to be an associate or jointly controlled entity or 30 June 2011.

(a) Details of associates and jointly controlled entity

Information relating to associates and the jointly controlled entity is set out below:

	Country of incorporation	Ownership interest %		Year end	Principal activities
		2011	2010		
Associates					
IDP Education Pty Ltd (IDP)	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 (Zhaopin)	The Cayman Islands	**56.1**	56.1	31 December	Provides both online and print employment classified advertising services in China
Brasil Online Holdings Coöperatief U.A. (Brasil Online)	The Netherlands	**30.0**	30.0	31 December	Owns Catho Online and Manager Online, two leading employment websites in the Brazilian market
JobStreet Corporation Berhad (JobStreet) (note c (i))	Malaysia	**22.0**	22.4	31 December	Provider of online employment websites in South East Asia (listed in Malaysia)
Online Career Center Mexico SA de CV (OCC) (note c (ii))	Mexico	**40.0**	–	31 December	Leading provider of online employment websites in Mexico
JobsDB Inc (JobsDB) (note c (iii))	British Virgin Islands	**60.0**	–	31 December	Provider of online employment websites in South East Asia. Operates across nine countries throughout South East Asia primarily under the JobsDB banner
Jointly controlled entity					
Online Education Services Pty Ltd (Swinburne Online) (note e)	Australia	**50.0**	–	30 June	A jointly controlled entity between SEEK and Swinburne University of Technology to deliver online learning to students

(b) Investments in associates and jointly controlled entity

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000
Carrying amount			
Investments in associates	11(c)	**313,476**	283,369
Investment in jointly controlled entity	11(e)	**2,454**	–
Total investments accounted for using the equity method		**315,930**	283,369
Share of profits/(losses) after income tax			
Investments in associates	11(c)	**24,731**	11,427
Investment in jointly controlled entity	11(e)	**(46)**	–
Total investments accounted for using the equity method		**24,685**	11,427

During the year the Group's cash outflow for additional investments in associates and jointly controlled entities was $49,512,000 (2010: $25,897,000) relating to OCC $47,012,000 (11(c)(ii)) and Online Education Services $2,500,000 (11(e)).

11. Investments accounted for using the equity method continued

(c) Movements in carrying amounts – associates

	Notes	IDP $'000	Zhaopin $'000	Brasil Online $'000	JobStreet $'000	OCC $'000	JobsDB $'000	Total $'000
Carrying amount as at 1 July 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		–	–	–	18,938	–	–	18,938
Dividends received or declared 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	20	(59)	(2,885)	6,133	4,057	–	–	7,246
Movements in hedge reserve – cash flow hedges	20	(173)	–	–	–	–	–	(173)
Carrying amount as at 30 June 2010		66,734	57,221	110,241	49,173	–	–	283,369
Investments during the year at cost		**–**		**–**	**–**	**44,696**	**144,713**	**189,409**
Dividends received or declared in the year		**(2,500)**	**–**	**(4,378)**	**(1,519)**	**(1,665)**	**–**	**(10,062)**
Share of profits after income tax		**7,742**	**8,702**	**4,144**	**2,679**	**749**	**715**	**24,731**
Elimination recognised against redemption reserve	27(b)(i)	**–**	**634**	**–**	**–**	**–**	**–**	**634**
Movements in foreign currency translation reserve	20	**(539)**	**(9,913)**	**(8,979)**	**(6,648)**	**(2,836)**	**(9,964)**	**(38,879)**
Movements in hedge reserve – cash flow hedges	20	**(262)**	**–**	**–**	**–**	**–**	**–**	**(262)**
Acquisition of additional controlling interest	29	**–**	**–**	**–**	**–**	**–**	**(128,450)**	**(128,450)**
Loss on step acquisition	29	**–**	**–**	**–**	**–**	**–**	**(7,014)**	**(7,014)**
Carrying amount as at 30 June 2011		**71,175**	**56,644**	**101,028**	**43,685**	**40,944**	**–**	**313,476**

(i) JobStreet

On 10 March 2010 significant influence was obtained over JobStreet and from this date the investment has been accounted for using the equity method. Prior to this it was accounted for as an available-for-sale financial asset. In the prior year this transaction resulted in a one-off gain of $6,417,000 recorded in the Consolidated Income Statement within 'other income' (refer to note 6).

On 25 March 2011 and 9 June 2011, JobStreet announced the issue of 1,258,000 and 2,520,000 ordinary shares respectively following the exercise of its employee share options scheme. This diluted the Group's shareholding from 22.4% to 22.0%. SEEK has accounted for this dilution as a deemed disposal and recognised a loss of $152,000 in the Consolidated Income Statement through 'share of profits from associates and jointly controlled entities accounted for using the equity method'.

JobStreet is listed in Malaysia and releases its results quarterly. SEEK does not have access to any JobStreet financial information that is not otherwise publicly available. SEEK developed an internal estimate for JobStreet, using publicly available information, and did not receive any input or guidance from JobStreet in its development. As JobStreet is due to release its April to June 2011 quarter results on 23 August 2011, the JobStreet result for 30 June 2011 represented in the SEEK financial statements comprises actual released results for July 2010 to March 2011, and SEEK's internal estimate for the April 2011 to June 2011 quarter.

At 30 June 2011, the market value of the Group's investment in JobStreet was $63,725,000 (2010: $50,650,000), based on the published share price as at that date.

(ii) OCC

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

To reduce the impact of foreign exchange, SEEK entered into foreign currency exchange contracts. These increased the net cash payment for the acquisition to A$47,012,000. The pre-tax loss of A$2,316,000 arising on these contracts has been recognised through equity reserves. Refer to note 20 for further details.

(iii) JobsDB

During the year SEEK together with certain co-investors (refer to note 29) formed a new subsidiary, SEEK Asia, to acquire a controlling interest in JobsDB over three stages. On 23 December 2010, SEEK Asia acquired 40% of the shares in JobsDB Inc for HK$1,070,000,000 (A$144,713,000 including capitalised transaction costs and foreign exchange translation differences).

SEEK Limited through its controlled entity SEEK Asia exercised significant influence over JobsDB from 23 December 2010 to 5 May 2011 and accounted for its share of profits using the equity method. On 5 May 2011, SEEK increased its ownership to 60%, at which point it began accounting for JobsDB as a subsidiary and the original ownership of JobsDB was reclassified at fair value to goodwill and intangible assets. Refer to note 29 for additional information.

(d) Summarised financial information of associates

(i) Group's share of the results and aggregated assets (including goodwill) and liabilities of its associates

		Group's share of			
	Ownership %	Assets $'000	Liabilities $'000	Revenues $'000	Profit/(loss) $'000
Year 2011					
IDP	**50.0%**	**60,266**	**11,682**	**94,898**	**7,742**
Zhaopin	**56.1%**	**37,666**	**29,550**	**54,594**	**8,702**
Brasil Online	**30.0%**	**38,477**	**19,162**	**36,645**	**4,144**
JobStreet	**22.0%**	**15,256**	**2,943**	**9,411**	**2,679**
OCC	**40.0%**	**4,918**	**2,940**	**6,079**	**749**
JobsDB[1]					**715**
Total		**156,583**	**66,277**	**201,627**	**24,731**
Year 2010 (restated)[2]					
IDP	50.0%	64,440	20,298	98,282	9,795
Zhaopin	56.1%	20,123	17,342	36,978	(3,764)
Brasil Online[2]	30.0%	43,267	20,390	34,210	4,374
JobStreet	22.4%	14,590	2,659	2,795	1,022
Total		142,420	60,689	172,265	11,427

1. Represents profit as an associate from 23 December 2010 until 5 May 2011 when JobsDB became a subsidiary. Refer to note 29 for further information.
2. Restated to include goodwill recognised in consolidated accounts.

11. Investments accounted for using the equity method continued

(ii) Contingent assets and liabilities of associates

Zhaopin

Zhaopin has unrecognised deferred tax assets relating to tax losses and other unrecognised deferred tax balances at 30 June 2011. SEEK's share of these assets is A$3,630,000.

Brasil Online

In May 2002, one of Brasil Online's competitors, Curriculum Tecnologia Ltda ('Curriculum'), initiated a lawsuit against Catho Online (a subsidiary of Brasil Online). On 25 July 2011, a judgement was rendered against Catho Online ordering it to pay damages amounting to BRL$21,800,000 (A$13,023,000), which including inflation, interest and costs amounts to BRL$101,000,000 (A$60,300,000). On 8 August 2011, Brasil Online filed a motion for clarification requiring the judge to clarify the legal grounds for the calculation of the amount of the indemnification and for classification of Catho Online's conduct as unlawful, and may look to appeal the decision. Brasil Online management has estimated the potential penalty payable including damages, interest and costs to be BRL$2,800,000 (A$1,653,000).

A similar legal case was brought by another competitor, Gelre Informatica S/C Ltda in March 2003. In September 2009 a judgement was rendered by the same judge against Catho Online (a subsidiary of Brasil Online) ordering it to pay damages, interest and costs amounting to BRL$25,800,000 (A$15,413,000). Catho Online is currently appealing the decision and Brasil Online management have estimated the potential penalty payable including damages, interest and costs to be BRL$4,922,000 (A$2,940,000).

Brasil Online's subsidiaries are party to several legal proceedings involving labour claims. Brasil Online management has estimated the potential penalty payable including damages, interest and costs to be BRL$2,212,000 (A$1,321,000).

SEEK's share of the contingent liabilities for these cases is A$21,882,000. These cases may take a number of years to come to conclusion and the difference between the settlement amounts and the amount provided for may be material.

(iii) Commitments

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

- IDP $6,980,000 (2010: $8,868,000)
- Zhaopin $5,139,000 (2010: $5,430,000)
- JobStreet $155,000 (2010: $222,000)
- Brasil Online $5,395,000
- OCC $1,006,000.

(e) Jointly controlled entity – Swinburne Online

On 12 January 2011, SEEK entered into a joint venture agreement with Swinburne University to deliver online tertiary courses specifically designed to meet the educational needs of working Australians. The two parties formed a new entity, Online Education Services Pty Ltd (Swinburne Online). Both SEEK and Swinburne each hold 50% of the equity of the entity, 50% of the voting rights and each has three Board seats and is entitled to 50% of the profits and losses of the entity. The first student intake is expected in the second half of 2012.

In March 2011 each party contributed cash of $2,500,000 to the joint venture and the Group has recognised this contribution as an investment in Swinburne Online. Each venturer has committed to contribute another $2,500,000 when this is required by the joint venture entity.

In accordance with the accounting policy described in note 1(b), the Group's interest in Swinburne Online is accounted for in its consolidated financial statements using the equity method of accounting.

Further information relating to the joint venture is set out below.

	Consolidated	
	2011 $'000	2010 $'000
Carrying value		
Investments during the year at cost	2,500	–
Share of (losses) after income tax	(46)	–
	2,454	
Group share of:		
Assets	2,512	–
Liabilities	57	–
Revenues	–	–
Share of (losses) after income tax	(46)	–

12. Other financial assets

	Consolidated	
	2011 $'000	2010 $'000
Interest rate swap contracts (i)	37	121
Amounts due from co-investors (ii)	17,342	–
	17,379	121

(i) Interest rate swap contracts – cash flow hedge

The Group's capital risk management policy is discussed in note 2.

The Group has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates. 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.

In accordance with the Group's accounting policy detailed in note 1(l), the gain or loss from re-measuring 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 Consolidated Income Statement when the hedged interest expense is recognised. The net impact on the Consolidated Income Statement arising during the year as a result of implementing the swap contracts is a gain of $119,000 (2010: $64,000 loss). There was no hedge ineffectiveness in the current year.

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.

Subsequent to the reporting date, the Group increased their interest rate swap coverage to 27.5% of the variable loan principal.

12. Other financial assets continued

(ii) Amounts due from co-investors
During the year SEEK Limited together with certain co-investors formed a new subsidiary, SEEK Asia, to acquire a controlling interest in JobsDB. Refer to note 29 for additional information on the JobsDB acquisition.

The consideration for the third stage of the investment in JobsDB (additional 20%) is HK$600,000,000, of which the co-investor's contribution is HK$186,253,000 (A$22,276,000). The payment by SEEK Asia to the vendor has been recognised as a financial liability on the Group's balance sheet (refer to note 17) and the outstanding contribution from the co-investors has been recognised as a financial asset (A$17,342,000 outstanding at 30 June 2011 with A$4,934,000 received prior to reporting date).

During July 2011, the remaining cash consideration due from the co-investors was received.

13. Plant and equipment

		Consolidated	
	Notes	2011 $'000	2010 $'000
Opening at 1 July			
Cost		**33,218**	27,217
Accumulated depreciation		**(18,929)**	(13,276)
Net book amount 1 July		**14,289**	13,941
Carrying amount at 1 July		**14,289**	13,941
Additions		**9,929**	4,514
Disposals		**–**	(141)
Acquisition of subsidiaries	29	**1,167**	820
Exchange differences		**19**	–
Depreciation expense	7	**(6,203)**	(4,845)
Carrying amount at 30 June		**19,201**	14,289
Closing at 30 June			
Cost		**50,863**	33,218
Accumulated depreciation		**(31,662)**	(18,929)
Net book amount at 30 June		**19,201**	14,289

14. Intangible assets

Consolidated	Notes	Goodwill $'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
At 1 July 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
Exchange differences		48	–	–	–	–	–	48
Additions		–	–	1,089	–	1,772	229	3,090
Disposals		–	–	–	–	(40)	–	(40)
Acquisition of subsidiary		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**
Year ended 30 June 2011								
Opening net book amount		93,052	20,889	4,332	2,324	8,148	229	128,974
Exchange differences		(298)	421	–	230	15	–	368
Additions		–	–	2,194	–	1,005	2,340	5,539
Transfers		–	–	–	–	686	(686)	–
Acquisition of subsidiaries[2]	29	274,756	40,133	–	19,471	459	–	334,819
Amortisation charge[1]	7	–	–	(1,163)	(1,949)	(3,280)	–	(6,392)
Closing net book amount		**367,510**	**61,443**	**5,363**	**20,076**	**7,033**	**1,883**	**463,308**
At 30 June 2011								
Cost		**367,510**	**61,443**	**7,313**	**23,561**	**17,031**	**1,883**	**478,741**
Accumulated amortisation		**–**	**–**	**(1,950)**	**(3,485)**	**(9,998)**	**–**	**(15,433)**
Net book amount		**367,510**	**61,443**	**5,363**	**20,076**	**7,033**	**1,883**	**463,308**

1. Amortisation charges have been included within 'operations and administration' expenses in the Consolidated Income Statement.
2. Includes identifiable intangible assets acquired through the purchase of JobsDB (refer to note 29).

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

- Goodwill, brands and licences – indefinite life 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.

14. Intangible assets continued

(a) Cash-generating units (CGUs)

For the purpose of undertaking impairment testing, the Group has determined its CGUs as the smallest group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. This assessment is usually determined by considering business and operating segments and areas of operation.

A segment level summary of the carrying amount of goodwill and intangible assets with indefinite useful lives is detailed below:

		2011		2010	
Business segment	CGU	Goodwill $'000	Intangible assets with indefinite useful lives $'000	Goodwill $'000	Intangible assets with indefinite useful lives $'000
Employment	SEEK New Zealand	**4,709**	**–**	4,957	–
Education	DWT	**2,140**	**–**	2,140	–
Education	SEEK Learning	**3,666**	**–**	3,666	–
Education	Think	**82,289**	**20,889**	82,289	20,889
International	JobsDB	**274,706**	**40,554**	–	–
Total		**367,510**	**61,443**	93,052	20,889

For both Think and JobsDB, the goodwill balance has been assessed across the group of CGUs that comprise these businesses, as the goodwill balance contributes to the generation of cash flows across the whole of these businesses. All other goodwill balances have been allocated to a single CGU (or business). This approach and the impact on impairment is discussed in more detail below.

(b) Impairment testing and key assumptions

The Group tests whether goodwill and other intangible assets have suffered any impairment in accordance with the accounting policy stated in note 1 (h). The recoverable amount of assets and CGUs have been determined based on the higher of value-in-use and fair value less costs to sell. These calculations require the use of key assumptions including student numbers, course price and the cost base of the business in the Education segment, and advertising volumes and price in the Employment and International businesses, as well as discount rates.

The table below shows the pre-tax discount rates for each CGU:

	Pre-tax discount rate	
	2011 %	2010 %
Employment – SEEK New Zealand	**14.0**	14.7
Education – Classroom (DWT)	**14.0**	14.4
Education – Online (SEEK Learning)	**14.0**	14.4
Education – Classroom and Online (Think)	**16.0**	15.3

(i) SEEK New Zealand, DWT and SEEK Learning

The goodwill balances for SEEK New Zealand, DWT and SEEK Learning are all relatively small amounts in the Consolidated Balance Sheet and have been held for several years. Given the headroom available, five year cash flow forecasts have been based on next year's budgeted result, with the remaining years applying a real growth rate of 0% to budgeted Adjusted EBITDA and using a terminal value cash flow beyond five years with a real growth rate of 0%. The pre-tax discount rate applied to these CGUs is 14.0% (2010: 14.4%). For these businesses any reasonable possible change in assumptions would still not result in any impairment.

(ii) Think

The goodwill balance for THINK is a larger component of the Consolidated Balance Sheet and the business is 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 a pre-tax discount rate of 16.0% (2010: 15.3%).

Future net cash flows of the Think business are based on the key assumptions noted above, each of which are subject to some uncertainty. Any reasonable change in these key assumptions could have a significant impact on the valuation of the business and its recoverable amount. The value-in-use calculation that has been completed at 30 June 2011 has indicated only a small difference between recoverable amount and the carrying value of assets for this business.

If net cash flows over the five year period decreased by 4%, the carrying value would equal the recoverable amount. The pre-tax discount rate of 16.0% reflects the higher risk profile of these assets compared to the Group's other Australian businesses.

(iii) International business – JobsDB

JobsDB is a leading provider of online employment websites and operates across nine countries throughout South East Asia. Each key region has been determined as a CGU. As discussed above in (a), for the purpose of impairment testing, goodwill is tested across this group of CGUs.

JobsDB was consolidated into the SEEK Group when control was gained on 5 May 2011. At 30 June 2011 the recoverable amount of the asset is based on fair value less costs to sell, determined with reference to the recent purchase price of the acquired interest. There are no indicators to suggest that the fair value has changed since acquisition.

15. Trade and other payables

	Consolidated	
	2011 $'000	2010 $'000
Trade and other payables	40,335	24,926
GST payable	3,271	1,510
	43,606	26,436

16. Borrowings

(a) Non-current borrowings

	Consolidated	
	2011 $'000	2010 $'000
Bank borrowings – principal	278,704	100,000
Less: transaction costs capitalised	(3,423)	(358)
Total non-current borrowings	275,281	99,642

Syndicated loan agreements (unsecured)

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

At 30 June 2011, $278,704,000 principal had been drawn down against this facility. Transaction costs of $4,108,000 were incurred in relation to the new facility and have been capitalised on the Balance Sheet of which $3,423,000 has not yet been amortised through the Consolidated Income Statement.

At the date of this report the syndicated loan balance was $290,487,000.

The interest rate on bank borrowings has varied during the year from 6.2% to 7.6%. 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.

16. Borrowings continued

(b) Risk exposure
Details of the Group exposure to risks arising from borrowings are set out in note 2.

17. Other financial liabilities

		Consolidated	
	Notes	2011 $'000	2010 $'000
Put option (i)		**74,630**	–
Foreign exchange contract – cash flow hedge (iv)		**299**	–
Payment due to vendor on acquisition (ii)	29	**71,760**	–
Deferred consideration (iii)	29	**1,198**	–
Total financial liabilities		**147,887**	–

JobsDB acquisition
During the year SEEK Limited together with its co-investors formed a new subsidiary, SEEK Asia Ltd (SEEK Asia), to acquire a controlling interest in JobsDB. On 30 June 2011, SEEK Asia became contractually committed to purchase an additional 20% interest in JobsDB taking SEEK Asia's holding to 80%.

Refer to note 29 for additional information on the JobsDB acquisition.

(i) Put option
In relation to the remaining ownership of JobsDB held by the vendor, between 23 June 2012 and 23 June 2014 the vendor has been granted the option to sell up to 20% of its remaining interest in JobsDB to SEEK Asia. The selling price is dependent on future earnings but capped at HK$640,000,000. At 30 June 2011 the SEEK Group has recognised a financial liability of A$74,630,000, which represents the net present value of the expected cash consideration to be paid to the vendor should the option be exercised. A corresponding amount has been recognised through equity (refer to note 20) in the Redemption Reserve (A$73,417,000 excluding foreign exchange translation differences).

In accordance with accounting standards, SEEK will recognise an expense through 'finance costs' in the Consolidated Income Statement for the difference between the net present value of the option and the expected cash consideration. The charge for the current year was $242,000.

The co-investors have contractually agreed to fund their share should the put option be exercised.

(ii) Payment due to vendor on acquisition
The consideration for the third stage of the investment in JobsDB (detailed in note 29) was HK$600,000,000 (A$71,760,000). In line with its ownership interest of 68.96% in SEEK Asia, SEEK Limited will contribute HK$413,748,000 (A$49,484,000) and the co-investors will contribute a total of HK$186,253,000 (A$22,276,000). The co-investors' share has been recognised as a financial asset (note 12).

On 7 July 2011, the cash consideration for the additional 20% interest in JobsDB was settled.

(iii) Deferred consideration
This balance represents amounts which are required to be paid to the vendor of JobsDB at a future date to be agreed with the vendor. Refer to note 29 for additional information on the JobsDB acquisition.

The payment due to vendor on acquisition (ii) of $71,760,000 and the deferred consideration of $1,198,000 total $72,958,000 and represent amounts outstanding at 30 June 2011, as discussed in note 29(a).

(iv) Foreign exchange contract – cash flow hedge
The additional 20% interest in JobsDB (refer to (ii)) was funded by a combination of the existing Group debt facility and cash. To reduce the foreign currency risk, SEEK Limited hedged the transaction amount on 30 June 2011. The hedge was settled on 5 July 2011 and increased the cash payment made by SEEK Limited by A$299,000 to A$49,783,000.

18. Provisions

(a) Current provisions

	Consolidated	
	2011 $'000	2010 $'000
Employee benefits provision[1]	**1,340**	1,675
Lease incentives	**583**	351
	1,923	2,026

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

Movement in provisions

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

	Consolidated	
	2011 $'000	2010 $'000
Lease incentives		
Carrying amount at start of year	**351**	338
Additional provision recognised in the year	**382**	–
Transferred from non-current provisions	**89**	157
Credited to the Consolidated Income Statement	**(239)**	(144)
Carrying amount at end of year	**583**	351
Other provisions		
Carrying amount at start of year	**–**	106
Utilised during the year	**–**	(106)
Carrying amount at end of year	**–**	–

(b) Non-current provisions

	Consolidated	
	2011 $'000	2010 $'000
Employee benefits provision[1]	**1,793**	2,247
Lease incentives	**1,365**	144
Make-good provisions	**1,623**	1,536
	4,781	3,927

1. Includes long service leave and cash long-term incentive.

18. Provisions continued

Movement in provisions

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

	Consolidated	
	2011 $'000	2010 $'000
Lease incentives		
Carrying amount at start of year	**144**	395
Additional provision recognised in the year	**1,339**	(37)
Transferred to current provisions	**(89)**	(157)
Credited to the Consolidated Income Statement	**(29)**	–
Transfer	**–**	(57)
Carrying amount at end of year	**1,365**	144
Make-good provisions		
Carrying amount at start of year	**1,536**	1,230
Additional provision recognised in the year	**87**	249
Transfer	**–**	57
Carrying amount at end of year	**1,623**	1,536

19. Contributed equity

(a) Share capital

	Consolidated and parent entity			
	2011 Shares	2010 Shares	**2011 Shares**	2010 Shares
Ordinary shares				
Issued and fully paid	**336,584,488**	336,584,488	**183,950**	183,950

(b) Movements in ordinary share capital

Date	Details	Number of shares	Average issue price	$'000
1 July 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
30 June 2011	**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
During financial year 2009, the Group raised additional capital through a share placement together with further funds through a share purchase plan and top-up offer. During financial year 2010 additional shares of 11,522 were issued as part of this process and transactions costs after tax of $85,000 were incurred. No shares have been issued in the current financial year.

(e) Exercise of staff options
During the year no new shares were issued under this plan and 45,083 shares were acquired on market in relation to exercised employee share options.

20. Equity

(a) Reconciliation of movement in equity

2011	Notes	Contributed equity $'000	Reserves: Share-based payments reserve $'000	Reserves: Foreign currency transaction reserve $'000	Reserves: Hedging reserve – cash flow hedge reserve $'000	Reserves: Available-for-sale financial asset revaluation reserve $'000	Reserves: Redemption reserve $'000	Reserves: Total reserves $'000	Retained profits $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2010		**183,950**	**7,493**	**7,020**	**8,155**	**–**	**–**	**22,668**	**146,339**	**–**	**352,957**
Profit for the year		–	–	–	–	–	–	–	97,688	(974)	96,714
Exchange differences on translation of foreign controlled operations		–	–	(4,732)	–	–	–	(4,732)	–	(2,144)	(6,876)
Exchange differences on translation of foreign associates	11(c)	–	–	(35,801)	–	–	–	(35,801)	–	(3,078)	(38,879)
(Losses) on hedge contracts of controlled entities		–	–	–	(2,705)	–	–	(2,705)	–	–	(2,705)
(Losses) on hedge contracts of associates (net of tax)	11(c)	–	–	–	(262)	–	–	(262)	–	–	(262)
Income tax recognised in other comprehensive income		–	(316)	–	806	–	–	490	–	–	490
Total comprehensive income for the year		–	(316)	(40,533)	(2,161)	–	–	(43,010)	97,688	(6,196)	48,482
Transactions with owners in their capacity as owners:											
Dividends provided for or paid	21	–	–	–	–	–	–	–	(45,439)	–	(45,439)
Employee share options scheme		–	1,504	–	–	–	–	1,504	–	–	1,504
Purchase of shares-on-market for employee share option scheme		–	(38)	–	–	–	–	(38)	(163)	–	(201)
Tax associated with employee share schemes	8(c)	–	(49)	–	–	–	–	(49)	49	–	–
JobsDB related items:											
Non-controlling interest at fair value arising on acquisition	29	–	–	–	–	–	–	–	–	64,624	64,624
Non-controlling interest acquired on acquisition	29	–	–	–	–	–	–	–	–	600	600
Put option provided to vendor of JobsDB	17	–	–	–	–	–	(50,629)	(50,629)	–	(22,788)	(73,417)
Non-controlling interest on initial investment by co-investors in SEEK Asia		–	–	–	–	–	–	–	–	87,969	87,969
Acquisition of non-controlling interest in CJOL	20(b)	–	–	–	–	–	(1,654)	(1,654)	–	(1,345)	(2,999)
Balance at 30 June 2011		**183,950**	**8,594**	**(33,513)**	**5,994**	**–**	**(52,283)**	**(71,208)**	**198,474**	**122,864**	**434,080**

2010	Notes	Contributed equity $'000	Reserves: Share-based payments reserve $'000	Reserves: Foreign currency transaction reserve $'000	Reserves: Hedging reserve – cash flow hedge reserve $'000	Reserves: Available-for-sale financial asset revaluation reserve $'000	Reserves: Redemption reserve $'000	Reserves: Total reserves $'000	Retained profits $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 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(c)	–	–	7,246	–	–	–	7,246	–	–	7,246
Gains on hedge contracts of controlled entities	12	–	–	–	121	–	–	121	–	–	121
Gains/(losses) on hedge contracts of associates (net of tax)	11(c)	–	–	–	(173)	–	–	(173)	–	–	(173)
(Loss) on available-for-sale financial asset		–	–	–	–	(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	19	1,771	–	–	–	–	–	–	–	–	1,771
Dividends provided for or paid	21	–	–	–	–	–	–	–	(33,283)	–	(33,283)
Employee share options scheme		–	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**

20. Equity continued

(b) JobsDB acquisition of non-controlling interest in CJOL

During the year JobsDB purchased an additional 23.7% interest in CJOL from SEEK's associate Zhaopin (note 11), taking their total interest to 75.58%. The carrying amount of the non-controlling interest acquired was A$224,000 and the consideration paid to the non-controlling interest was A$3,857,000. The excess of the consideration paid was A$3,633,000 and of this A$634,000 was eliminated on consolidation in relation to SEEK's share of Zhaopin's profit on sale (refer to note 27(b)(i)). The net amount of A$2,999,000 has been recognised in the redemption reserve and non-controlling interest within equity.

(c) 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 Consolidated 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 Consolidated Income Statement when the associated hedged transaction affects the profit or loss 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 or credited to the available-for-sale financial assets revaluation reserve, as described in note 1(k). Amounts are recognised in the Consolidated Income Statement when the associated assets are sold or impaired.

Redemption reserve

The redemption reserve is used to record the excess of the purchase price of non-controlling interest above the amount carried in the accounts and the reserve for future contractual purchases of non-controlling interests where the risks and rewards of ownership have not yet passed to the Group.

21. Dividends

Dividend	Payment date	Amount per share	Franked amount per share	Total dividend $'000
Year 2010				
2009 final dividend	16 October 2009	4.7 cents	4.7 cents	$15,781
2010 interim dividend	23 April 2010	5.2 cents	5.2 cents	$17,502
				$33,283
Year 2011				
2010 final dividend	**15 October 2010**	6.7 cents	6.7 cents	$22,550
2011 interim dividend	**19 April 2011**	6.8 cents	6.8 cents	$22,889
				$45,439

Dividends paid or declared by the Company after year end (to be paid out of retained profits at 30 June 2011):

2011 final dividend	**12 October 2011**	**7.5 cents**	**7.5 cents**	**$25,244**

The franked portion of final dividends for the financial year paid after 30 June 2011 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 2011. The dividend payment on 12 October 2011 will reduce the franking credits available by $10,819,000 for the consolidated Group. At 30 June 2011 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	
	2011 $'000	2010 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	**72,158**	56,693

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.

22. 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	Former Chief Executive Officer	Resigned 1 July 2011
A R Bassat	Managing Director and Chief Executive Officer	
C B Carter	Non-executive director	
N G Chatfield	Non-executive director	
D I Bradley	Non-executive director	

22. Key management personnel disclosures continued

(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 (Australia and NZ))	SEEK Limited
J S Lenga	Managing Director (SEEK International)	SEEK Limited
P D Everingham	Managing Director (SEEK Education)	SEEK Learning Pty Ltd
M Callaghan[2]	Human Resources Director	SEEK Limited
H Souness[2]	Marketing Director	SEEK Limited
M Ilczynski[2]	Strategy Director, Education and Training	SEEK Limited

1. C M T Eaton resigned 1 July 2011.
2. Included in key management personnel from 22 July 2010 at which time the executive management group was expanded to reflect the increased roles and responsibilities of certain staff members (refer to Remuneration Report for further details).

(c) Key management personnel compensation

	Consolidated and parent entity	
	2011 $'000	2010 $'000
Short-term employee benefits	**5,832,451**	4,027,045
Post-employment benefits	**296,669**	222,279
Long-term employee benefits	**223,178**	64,529
Share-based employee benefits	**1,246,118**	1,494,420
Cash LTI	**(674,426)**	193,507
	6,923,990	6,001,780

Detailed remuneration disclosures are provided on pages 24 to 41 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 31 to 39 of the Remuneration Report.

(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:

2011	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[2]	1,291,606	502,000	–	(1,322,595)	–	471,011	471,011	–
A R Bassat	1,291,606	1,658,069	–	(261,383)	–	2,688,292	471,011	2,217,281
Other key management personnel								
J A Armstrong	100,729	73,530	–	–	–	174,259	–	174,259
C M T Eaton[3]	85,424	63,180	–	–	3,346	151,950	–	151,950
J S Powell	194,172	129,438	–	–	–	323,610	–	323,610
J S Lenga	123,292	113,750	–	–	–	237,042	–	237,042
P D Everingham	34,386	–	(10,000)	–	–	24,386	–	24,386
M Callaghan[1]	–	60,000	(7,083)	–	89,475	142,392	–	142,392
H Souness[1]	–	53,000	–	–	78,463	131,463	–	131,463
M Ilczynski[1]	–	–	–	–	–	–	–	–

1. Granted and exercised options and Performance Rights are included from 22 July 2010. The balance of options and Performance Rights is included within 'other changes during the year'.
2. 471,011 options exercised on 1 July 2011.
3. 10,208 options exercised on 1 July 2011.

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

22. 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.

2011	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[1]	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	–	–	1,000	–	–	1,000
Executive directors						
P M Bassat	12,712,613	–	–	–	–	12,712,613
A R Bassat	13,500,113	–	–	–	–	13,500,113
Other key management personnel						
J A Armstrong	92,276	–	–	–	–	92,276
C M T Eaton	20,347	–	–	–	–	20,347
J S Powell	17,383	–	–	(13,000)	1,953	6,336
J S Lenga	299,926	–	–	(50,000)	–	249,926
P D Everingham	137,448	10,000	–	–	–	147,448
M Callaghan[1]	–	7,083	–	–	26,411	33,494
H Souness[1]	–	–	–	(11,000)	22,233	11,233
M Ilczynski[1]	–	–	2,000	–	12,777	14,777

1. Granted and exercised options and Performance Rights are included from 22 July 2010. The balance of shares is included within 'other changes during the year'.

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[1]	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

1. Includes shareholding of Windfyr Pty Ltd.

(e) Loans to key management personnel
There have been no loans to directors or executives during the financial year (2010: nil).

(f) Other transactions with key management personnel

Directors of SEEK Limited
During the year there were no other transactions with key management personnel. For details of related party transactions in the prior year, refer to note 27(d).

23. 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 2011 $	Consolidated 2010 $
(a) PricewaterhouseCoopers Australia		
Audit and other assurance services		
Audit and review of financial reports	**861,671**	655,506
Other assurance services:		
Due diligence services	**1,345,462**	240,544
Other	**–**	8,893
Total remuneration for audit and other assurance services	**2,207,133**	904,943
Taxation services		
Tax consulting – international	**553,676**	–
Tax consulting – domestic	**55,195**	220,122
Tax compliance	**71,935**	81,735
Total remuneration for taxation services	**680,806**	301,857
Other services		
Education awards project	**30,132**	129,383
Executive team benchmarking	**49,900**	48,000
Other services	**16,058**	17,450
Total remuneration for other services	**96,090**	194,833
Total remuneration of PricewaterhouseCoopers Australia	**2,984,029**	1,401,633
(b) Related Practices of PricewaterhouseCoopers Australia		
Audit and other assurance services		
Audit and review of financial reports	**10,342**	18,280
Total remuneration for audit and other assurance services	**10,342**	18,280
Taxation services		
Tax compliance services, including review of company income tax returns	**8,981**	11,869
Total remuneration for taxation services	**8,981**	11,869
Total remuneration of Related Practices of PricewaterhouseCoopers Australia	**19,323**	30,149

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.

24. Contingent liabilities

At balance date, the Group had no contingent liabilities (2010: nil).

25. Commitments for expenditure

Capital commitments

At 30 June 2011 the Group had no capital commitments (2010: nil).

Other commitments

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

	Consolidated	
	2011 $'000	2010 $'000
Within one year	**6,548**	4,344
Later than one year but not later than five years	**268**	2,033
More than five years	**–**	–
Total	**6,816**	6,377

Lease commitments

Operating leases

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

	Consolidated	
	2011 $'000	2010 $'000
Within one year	**12,295**	10,883
Later than one year but not later than five years	**25,328**	18,462
More than five years	**2,772**	2,862
Total	**40,395**	32,207

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.

26. 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 $1,504,000 (2010: $1,321,000).

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 pages 31 to 39 of the Remuneration Report contained in the Directors' Report.

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

			Number of options						
2011 Grant date	Expiry date (years)	Exercise price	Opening balance	Granted during the year	Exercised during the year	Forfeited during the year	Other changes	Closing balance	Options vested and exercisable at the end of the year
Senior Executive Option Plan									
15/08/2005	6	$2.48	10,000	–	(10,000)	–	–	–	–
02/11/2005	6	$2.78	7,083	–	(7,083)	–	–	–	–
11/11/2005	6	$2.78	18,000	–	(18,000)	–	–	–	–
11/11/2005	6	$2.34	45,600	–	(10,000)	–	–	35,600	35,600
Total			80,683	–	(45,083)	–	–	35,600	35,600
Executive Director Options									
1/07/2008[1]	5	$5.29	1,464,788	–	–	(522,766)	–	942,022	942,022
30/11/2009[3]	5	$4.10	1,118,424	–	–	(559,212)	–	559,212	–
21/11/2011[5]	4	$6.80	–	1,156,069	–	–	–	1,156,069	–
Total			2,583,212	1,156,069	–	(1,081,978)	–	2,657,303	942,022
Performance Rights and Options Plan									
1/07/2008[2][4]	4	–	248,902	–	–	(13,149)	3,346	239,099	–
30/06/2009	5	$4.10	847,350	–	–	(66,310)	–	781,040	–
01/07/2010	5	$7.39	–	2,053,751	–	(611,722)	–	1,442,029	–
Total			1,096,252	2,053,751	–	(691,181)	3,346	2,462,168	–
Total Plans			3,760,147	3,209,820	(45,083)	(1,773,159)	3,346	5,155,071	977,622
Weighted average exercise price			$4.26	$7.18	$2.62	$5.56	$0.00	$5.64	

1. 471,011 options exercised on 1 July 2011.
2. 10,208 options exercised on 1 July 2011.
3. Options approved at AGM on 30 November 2009 (issue date was 1 July 2009).
4. Options vesting on 1 July 2011.
5. Options issued 1 January 2011 to be approved and granted at AGM on 21 November 2011.

2010 Grant date	Expiry date (years)	Exercise price	Number of options Opening balance	Granted during the year	Exercised during the year	Forfeited during the year	Other changes	Closing balance	Options vested and exercisable at the end of the year
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	5	$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	–

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2011 was $4.46 (2010: $7.02).

The weighted average remaining contractual life of share options outstanding at the end of the year was 2.72 years (2010: 1.91 years).

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 36 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.

27. Related party transactions

(a) Interests in controlled entities

Interests in controlled entities are set out in note 30.

(b) Transactions with associates

The following transactions occurred with associates:

	Consolidated 2011 $	Consolidated 2010 $
Sale and purchase of investment (i)	**633,750**	–
Dividends received from associates	**10,060,342**	3,199,000
Directors' fees and other personnel costs charged to associates	**195,000**	203,445

(i) Sale and purchase of investment

As discussed in note 20(b), our associate, Zhaopin, completed the disposal of its investment in CJOL to JobsDB, who is the majority shareholder of CJOL. Zhaopin recognised a gain on sale of RMB7,845,000 (A$1,129,680) through profit and loss. The terms of this transaction were agreed on an arm's-length basis. We have eliminated SEEK's share of the profit recognised on the sale of CJOL of A$633,750 in the Consolidated Income Statement through 'share of net profits of associates and jointly controlled entities' and also from the redemption reserve (note 20(b)). Further details are set out in note 11.

(c) Transactions with key management personnel

Disclosures relating to key management personnel are set out in note 22.

(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 2011 $	Consolidated 2010 $
Sales to other related parties	**–**	20,793
Purchases from other related parties	**201,000**	24,941

At 30 June 2011 A R Bassat individually holds an investment in Career FAQ with a value of $349,558. During the year, SEEK Learning paid an amount of $201,000 to Career FAQ in a lead generation deal on an arm's-length basis.

During the prior year SEEK Limited provided recruitment advertising to Consolidated Media Holdings Ltd on standard terms and conditions. Crown Melbourne Casino (part of the Crown Limited Group), provided 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.

Some of the Group's independent non-executive directors are also non-executive directors for other companies. SEEK Limited, from time to time, may provide or receive services from these companies on an arm's-length basis.

28. 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 Technology 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.

28. 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 115 also represent the 'Extended Closed Group'.

Statement of Comprehensive Income	2011 $'000	2010 $'000
Income Statement		
Revenue from continuing operations	**320,878**	266,970
Other income	**–**	6,417
Operating expenses		
Direct cost of services	**(29,981)**	(22,188)
Sales and marketing	**(90,562)**	(70,962)
Business development	**(20,379)**	(19,531)
Operations and administration	**(55,665)**	(47,492)
Finance costs	**(16,105)**	(6,168)
Expenses from continuing operations	**(212,692)**	(166,341)
Share of net profits of equity accounted investments	**23,967**	11,427
Profit from continuing operations before related income tax expense	**132,153**	118,473
Income tax expense	**(35,428)**	(29,437)
Profit from continuing operations after related income tax expense	**96,725**	89,036
Other comprehensive income		
Exchange differences on translation of foreign associates	**(19,936)**	7,246
(Losses)/profits on hedge contracts of controlled entities	**(2,705)**	121
(Losses) on hedge contracts of associates (net of tax)	**(262)**	(173)
Mark-to-market revaluation	**–**	(30)
Income tax relating to other comprehensive income	**490**	2,429
Other comprehensive income for the year	**(22,413)**	9,593
Total comprehensive income for the year	**74,312**	98,629
Summary of movements in consolidated retained profits		
Balance 1 July	**141,844**	83,704
Balance 1 July – Think entered into deed of cross guarantee	**–**	3,774
Profit for the year	**96,725**	89,036
Tax credited directly to retained profits – share-based payments	**49**	2,386
Purchase of shares on-market on exercise of employee share options	**(163)**	(3,773)
Dividends paid	**(45,439)**	(33,283)
Balance 30 June	**193,016**	141,844

(b) Consolidated balance sheet

Set out below is a consolidated balance sheet as at 30 June 2011 of the Closed Group.

Consolidated Balance Sheet	2011 $'000	2010 $'000
Current assets		
Cash and cash equivalents	**60,463**	38,718
Trade and other receivables	**36,094**	34,141
Financial assets	**31**	121
Current tax asset	**–**	1,128
Total current assets	**96,588**	74,108
Non-current assets		
Investments in controlled entities	**297,132**	616
Investments accounted for using the equity method	**214,268**	283,369
Plant and equipment	**18,048**	14,243
Intangible assets	**124,077**	124,018
Deferred tax assets	**11,102**	10,300
Loans with controlled entities	**–**	1,066
Total non-current assets	**664,627**	433,612
Total assets	**761,215**	507,720
Current liabilities		
Trade and other payables	**31,808**	25,236
Unearned income	**25,579**	21,051
Financial liabilities	**299**	–
Current tax liabilities	**2,827**	–
Provisions	**1,923**	2,026
Loans with controlled entities	**41,160**	–
Total current liabilities	**103,596**	48,313
Non-current liabilities		
Borrowings	**275,281**	99,642
Deferred tax liabilities	**7,324**	6,694
Provisions	**4,781**	3,927
Total non-current liabilities	**287,386**	110,263
Total liabilities	**390,982**	158,576
Net assets	**370,233**	349,144
Equity		
Contributed equity	**183,950**	183,950
Reserves	**(6,733)**	23,350
Retained profits	**193,016**	141,844
Total equity	**370,233**	349,144

29. Business combinations

(a) Background to the acquisition of JobsDB Inc

During the year SEEK Limited together with Consolidated Media Holdings Limited, Macquarie Capital and Tiger Global (together referred to as the "co-investors") formed a new subsidiary, SEEK Asia Limited (SEEK Asia), to acquire a controlling interest in JobsDB Inc (JobsDB), over three stages. This transaction builds upon SEEK's existing international footprint and increases its exposure to the high growth potential for online employment advertising in emerging regions.

The stages of this acquisition and cash consideration are summarised in the tables and information below:

Purchase consideration

	Notes	Additional investment	HKD $'000	AUD $'000
Stage 1 – transferred from investment in associate	11(c)	40%	1,070,000	128,450
Stage 2		20%	517,294	61,998
Stage 3 – payment outstanding at 30 June 2011		20%	600,000	70,821
Add: Deferred consideration	17		10,013	1,198
Total purchase consideration – SEEK Asia		**80%**	**2,197,307**	**262,467**
Add: Non-controlling interest recognised on acquisition	20(a)		547,500	64,624
Total purchase consideration (note 29(b))			**2,744,807**	**327,091**

Cash consideration

	Notes	AUD $'000
Total purchase consideration – SEEK Asia		262,467
Exchange differences[1] and preliminary Net Asset Valuation adjustment		15,743
Outflow of cash net of proceeds from co-investors		278,210
Less: amounts outstanding at 30 June 2011	17	(72,958)
Less: balances acquired	29(b)	(19,118)
Outflow of cash – investing activities		**186,134**
Inflow of cash from co-investors		85,990
Less: amounts outstanding at 30 June 2011	12	(17,342)
Inflow of cash from co-investors – financing activities		**68,648**
Net outflow of cash		**117,486**

1. Exchange differences relate to movements in the HKD/AUD between acquisition date and cash payment date and currency movements while the investment was an associate which have been recorded in the foreign currency translation reserve.

Stage 1
On 23 December 2010, SEEK Asia acquired 40% of the shares in JobsDB for HK$1,070,000,000. At this stage the acquisition was treated as an associate, as shown in note 11.

Stage 2
On 5 May 2011, SEEK Asia acquired an additional 20% of JobsDB for a further HK$520,000,000 totalling an investment of HK$1,590,000,000 and ownership of 60%. SEEK Limited's share of the second tranche was HK$358,581,000 and in order to protect against exchange rate movements, the Group entered into forward exchange contracts to fix the AUD/HK exchange rate. The pre-tax loss of $71,000 arising on this contract was recognised through the hedging reserve. The acquisition has been reduced by HK$2,706,000 due to the calculation of the preliminary Net Asset Valuation adjustment as set out in the share and purchase agreement.

From 5 May 2011, the investment has been accounted for as a controlled entity and fully consolidated into the SEEK Group.

Stage 3
On 30 June 2011, SEEK Asia became contractually committed to purchase a further 20% interest in JobsDB and take SEEK Asia's total holding to 80%. The consideration for this purchase is HK$600,000,000, of which SEEK Ltd contribution is HK$413,748,000, in line with its ownership interest in SEEK Asia of 68.96%. The financial liability for the total purchase consideration is $71,760,000 (refer to note 17) and a financial asset of $17,342,000 for the amounts due from co-investors (with a further A$4,934,000 received prior to 30 June 2011) has been recognised (refer to note 12).

Business combinations acquired in stages
In accordance with the accounting policy set out in note 1(g) for a business combination achieved in stages the Group has re-measured its previously held equity interest (shown as stage 1 in the table above) in JobsDB at its acquisition-date fair value immediately prior to the business combination and recognised a resulting loss of $811,000 in 'operating and administration' expenses in the Consolidated Income Statement (refer to note 7). The Group also expensed the acquisition costs of $6,203,000 capitalised on the acquisition of the associate interest (as detailed in the paragraph below) bringing the total 'loss on step acquisition' to $7,014,000 (refer to note 11(c)).

Acquisition related costs
Transaction costs relating to the acquisition of JobsDB were $6,203,000 and have been transferred to the Consolidated Income Statement in 'operations and administration' expenses. SEEK Limited's share of these costs was $4,278,000 and the co-investors contribution was $1,925,000.

29. Business combinations continued

(b) Details of assets and liabilities acquired

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

	Notes	Preliminary fair value $'000
Cash and cash equivalents		19,118
Trade and other receivables		7,449
Plant and equipment		1,167
Intangible assets		
Brands and licences	14	40,133
Customer relationships	14	19,471
Computer software and website development	14	459
Trade and other payables		(9,359)
Unearned income		(11,338)
Current tax liabilities		(2,320)
Deferred tax liability	8(e)	(11,845)
Non-controlling interests in JobsDB subsidiaries	20	(600)
Net identifiable assets		**52,335**
Add goodwill acquired	14	274,756
		327,091

The goodwill is attributable to JobDB's strong position across key markets throughout South East Asia and the high growth potential in these emerging markets. Goodwill is not expected to be deductible for tax purposes.

Given that the acquisition occurred close to year end, the final net asset valuation work and allocation of the purchase price to acquired assets are still preliminary. In particular, the final net asset value, adjusted acquisition price and fair values assigned to intangible assets are still being assessed and may be subject to change.

Acquired receivables

The fair value of trade and other receivables is $7,449,000 and includes trade receivables with a fair value of $3,620,000. The gross contractual amount of trade receivables due is $4,480,000, of which $860,000 is expected to be uncollectible.

Acquired indemnification assets and liabilities

An indemnification asset of $961,000 has been recognised in relation to certain pre-acquisition liabilities. Should these liabilities be required to be settled, then the vendor has agreed to reimburse SEEK Asia for any loss. The indemnification asset has been calculated as SEEK Asia's proportion of the related liability and is a fixed proportion of this related liability. This amount is included within 'other receivables.'

In calculating the acquisition price, certain liabilities have been identified and recorded. If these liabilities are not required to be paid, then SEEK Asia is required to refund a proportion of these amounts to the vendor. Given that these are expected to be paid, no indemnification liability has been recorded.

Non-controlling interests

In accordance with the accounting policy set out in note 1(g), the group elected to recognise the non-controlling interests in JobsDB at fair value rather than at the proportionate share of the net identifiable assets. The fair value of the non-controlling interest in JobsDB has been determined with reference to the purchase price of the acquired interest.

The current ownership structure of SEEK Asia in JobsDB is as follows:

Investor	Ownership in SEEK Asia
SEEK Limited	68.96%
Non-controlling interest	
Consolidated Media Holdings Limited	12.08%
Macquarie Capital	6.88%
Tiger Global	12.08%
Total non-controlling interest	**31.04%**

At 30 June 2011 SEEK Limited's ultimate controlling interest in JobsDB was 55.2% (after Stage 3). From 5 May 2011, the Group has accounted for JobsDB as a controlled entity and recognised the relevant non-controlling interests in the Group financial statements. SEEK Limited holds the majority of Board seats in SEEK Asia and SEEK Asia holds the majority of Board seats in JobsDB and will play an active role in driving the strategic growth agenda of JobsDB.

Revenue and profit contribution

JobsDB contributed revenues of $8,727,000 and net profit of $1,868,000 before non-controlling interests for the SEEK Group for the period from 5 May 2011 to 30 June 2011. If the acquisition occurred on 1 July 2010, consolidated revenue and consolidated profit before non-controlling interests for the SEEK Group for the year ended 30 June 2011 would have been $385,424,000 and $101,238,000 respectively. These amounts have been calculated using the Group's accounting policies and by adjusting the results of JobsDB to reflect the additional amortisation that would have been charged assuming the fair value adjustments to intangible assets had applied from 1 July 2010, together with any tax effects.

Year end

The JobsDB Group has a 31 December year end. Due to local statutory requirements, the year end will not be aligned to the SEEK Group. For group reporting purposes, the financial year end has been aligned to that of the SEEK Group.

Acquisitions made in the prior year

In the prior year, a number of minor acquisitions were made by the SEEK Group in the Education segment. Purchase consideration totalled $3,299,000 and the related transaction costs were $411,000.

30. 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 2011 %	Equity holding 2010 %
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 II Coöperatief U.A.	Netherlands	n/a	**100**	–
Think: Education Group Pty Limited	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
The Trustee for the CATC Trust	Australia	Ordinary	**100**	100
The CATC Trust	Australia	n/a	**n/a**	n/a

Name of entity	Country of incorporation	Class of shares	Equity holding 2011 %	Equity holding 2010 %
SEEK International Investments Pty Ltd	Australia	Ordinary	**100**	100
SEEK Asia Ltd	Cayman Islands	Ordinary	**69**	–
JobsDB Inc[2]	British Virgin Islands	Ordinary	**60**	–
Jobs DB Hong Kong Limited	Hong Kong	Ordinary	**100**	–
Jobs DB Singapore Pte Limited	Singapore	Ordinary	**100**	–
Jobs DB Taiwan Limited	Taiwan	Ordinary	**100**	–
Jobs DB Australia Pty Limited	Australia	Ordinary	**100**	–
Jobs DB India Private Limited	India	Ordinary	**100**	–
Jobs DB Recruitment (Thailand) Limited	Thailand	Ordinary	**49**[3]	–
Jobs DB Malaysia Sdn Bhd	Malaysia	Ordinary	**49**[3]	–
PT. Jobs DB Indonesia	Indonesia	Ordinary	**90**	–
PT. Prestige Indonesia	Indonesia	Ordinary	**100**	–
Jobs DB Philippines Inc.	Philippines	Ordinary	**100**	–
Jobs DB China Investments Limited	Hong Kong	Ordinary	**100**	–
Ezyjobs (Thailand) Limited	Thailand	Ordinary	**49**[3]	–
Job88 (BVI) Inc.	British Virgin Islands	Ordinary	**100**	–
Job88.com Limited	Hong Kong	Ordinary	**100**	–
就業網絡信息技術(深圳)有限公司	People's Republic of China	Ordinary	**100**	–
廣州厚博信息科技有限公司	People's Republic of China	Ordinary	**100**	–
深圳市希捷爾人力資源有限公司	People's Republic of China	Ordinary	**75.58**	–
東莞市希捷爾人力資源有限公司	People's Republic of China	Ordinary	**75.58**	–
深圳市富才信息咨詢有限公司	People's Republic of China	Ordinary	**100**	–
東莞市富才信息咨詢有限公司	People's Republic of China	Ordinary	**100**	–
Jobs DB Assets (Thailand) Limited	Thailand	Ordinary	**40**[3]	–
Jobs.DB Prestige Inc.	Philippines	Ordinary	**25**[3]	–
Sure Luck Invest Limited	British Virgin Islands	Ordinary	**100**	–
SEEK Deferred Share Plan Trust[4]	Australia	n/a	**n/a**	n/a
SEEK Exempt Share Plan Trust[4]	Australia	n/a	**n/a**	n/a

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, SEEK Learning UK Limited, SEEK Asia Ltd, JobsDB Inc and SEEK International Investments II Coöperatief U.A.
2. At 30 June 2011 the equity holding in JobsDB was 60%, however SEEK Asia was contractually committed to purchase an additional 20% interest in JobsDB on 7 July 2011 bringing the total holding to 80% at that date.
3. At 30 June 2011 the Group has fully consolidated these entities because JobsDB Inc has the ability to control their financial and operating policies despite not holding a majority of equity as required by local regulations.
4. The Trusts are included within the consolidated group as the Group has the power to govern the financial and operating policies of these entities.

31. Events occurring after balance date

On 2 August 2011, SEEK announced the appointment of David Gibbons as Chief Information Officer (CIO) effective 1 October 2011.

There have not been any other significant events subsequent to 30 June 2011.

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

		Consolidated	
	Notes	2011 $'000	2010 $'000
Profit from ordinary activities after income tax		**96,714**	89,521
Non-cash items			
Depreciation and amortisation		**12,595**	9,615
Amortisation of share-based payments and other long-term incentive schemes	7	**999**	1,321
Net loss on disposal of plant and equipment		**–**	46
Unrealised exchange differences		**614**	110
Amortisation of syndicated loan transaction costs		**2,518**	353
Fair value loss/(gain) on acquisition	29	**811**	(6,417)
Aggregated tax amounts arising in the reporting period recognised directly in equity		**452**	2,553
Share of profits of equity accounted investments not received as dividends or distributions	11(b)	**(24,685)**	(11,427)
Classified as financing and investing activities			
Dividend income received		**–**	(154)
Transaction costs on acquisition of subsidiary	29	**6,203**	411
Change in operating assets and liabilities:			
(Increase) in trade and other receivables		**(1,549)**	(7,188)
(Increase)/decrease in deferred tax asset		**(976)**	2,952
Increase in trade and other payables		**9,468**	6,032
Increase in other provisions		**1,255**	300
Increase/(decrease) in deferred tax liability		**547**	(527)
Decrease/(increase) in current tax asset		**1,067**	(1,067)
Increase/(decrease) in current tax liabilities		**3,065**	(5,995)
Exchange (loss) on translation of foreign operations		**(912)**	–
Net cash inflow from operating activities		**108,186**	80,439

33. Earnings per share

	Consolidated	
	2011 cents	2010 cents
Basic earnings per share (EPS)	**29.0**	26.6
Diluted earnings per share (EPS)	**28.9**	26.5

Weighted average number of shares used as the denominator

	Consolidated	
	2011 number	2010 number
Weighted average number of shares used as the denominator in calculating basic earnings per share	**336,584,488**	335,992,316
Weighted average number of options and performance rights	**974,089**	1,872,383
Weighted average number of shares used as the denominator in calculating diluted earnings per share	**337,558,577**	337,864,699

Reconciliation of earnings used in calculating earnings per share

	Consolidated	
	2011 $'000	2010 $'000
Basic earnings per share		
Earnings used in calculating basis earnings per share	**97,688**	89,521
Diluted earnings per share		
Earnings used in calculating basis earnings per share	**97,688**	89,521

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 26.

34. Parent entity financial information

(a) Summary financial information

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

	2011 $'000	2010 $'000
Balance sheet		
Current assets	**79,528**	217,805
Total assets	**651,885**	427,030
Current liabilities	**37,773**	23,239
Total liabilities	**315,189**	124,727
Net assets	**336,696**	302,303
Equity		
Issued capital	**183,950**	183,950
Reserves		
Cash flow hedges	**8,050**	8,328
Foreign currency	**(166)**	–
Share-based payments	**8,594**	7,493
Retained earnings	**136,268**	102,532
	336,696	302,303
Profit or loss for the year	**78,295**	58,889
Total comprehensive income	**78,394**	59,010

(b) Guarantees entered into by the parent entity

The parent entity has given unsecured guarantees along with its Australian subsidiaries in respect of the syndicated loan facility of $340,000,000, of which $278,704,000 has been drawn. Refer to note 16.

In addition, there are cross guarantees given by SEEK Limited, as described in note 28. 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 25.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2011 or 30 June 2010.

(d) Contractual commitments

As at 30 June 2011, the parent entity had contractual commitments for minimum lease payments in relation to non-cancellable operating leases totalling $10,545,000 (2010: $3,704,000). Other commitments for the payment of IT services, advertising and promotions under long-term contracts in existence totalled $5,694,000 (2010: $2,725,000).

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 53 to 126 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 2011 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 28 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 28.

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.

Bob Watson
Chairman

Melbourne
23 August 2011

Independent Auditor's Report
to the Members of SEEK Limited

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
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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 consolidated balance sheet as at 30 June 2011, and the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. 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 controls. 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.

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

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

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 2011 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 24 to 41 of the directors' report for the year ended 30 June 2011. 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 2011, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Mary Waldron

Mary Waldron
Partner

Melbourne
23 August 2011

Shareholder Information

The shareholder information set out below was applicable as at 9 September 2011.

A. Distribution of shareholders

Analysis of numbers of ordinary shareholders by size of holding:

Size of holding	Number of shareholders	Shares	% of Issued Capital
1–1,000	4,273	2,209,732	0.66
1,001–5,000	5,833	14,890,106	4.42
5,001–10,000	1,349	9,793,096	2.91
10,001–100,000	777	17,114,004	5.08
100,001+	96	293,072,269	86.93
Total	12,328	337,079,207	100.00

There were 449 holders of less than a marketable parcel of ordinary shares.

B. Twenty largest quoted equity security holders

The names of the twenty largest registered holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	Percentage of issued shares
National Nominees Limited	72,300,140	21.45
JP Morgan Nominees Australia Limited	60,184,134	17.85
HSBC Custody Nominees (Australia) Limited	38,563,644	11.44
UBS Nominees Pty Ltd	19,515,000	5.79
Kiteford Pty Ltd (Andrew Bassat Family Trust)	11,250,113	3.34
Cogent Nominees Pty Limited	11,226,670	3.33
Citicorp Nominees Pty Limited	9,973,165	2.96
Netherlane Pty Ltd (Paul Bassat Family Trust)	9,752,837	2.89
UBS Wealth Management Australia Nominees Pty Ltd	5,072,316	1.50
Australian Reward Investment Alliance	4,524,763	1.34
Daleford Way Pty Ltd	4,238,648	1.26
RBC Dexia Investor Services Australia Nominees Pty Limited (GSAM Account)	3,469,388	1.03
JP Morgan Nominees Australia Limited (Cash Income Account)	2,820,196	0.84
UBS Nominees Pty Ltd	2,545,561	0.76
Citicorp Nominees Pty Ltd (Commonwealth Bank Off Super Account)	2,408,443	0.71
Mr Andrew Reuven Bassat	2,250,000	0.67
Mr Paul Moss Bassat	1,933,511	0.57
Jonstead Pty Ltd (Matrock Finance Trust)	1,877,104	0.56
Smallco Investment Manager Ltd (The Cut Account)	1,600,000	0.47
Warbont Nominees Pty Ltd (Settlement Entrepot Account)	1,390,145	0.41
Top 20 holders of ordinary fully paid shares (total)	266,895,778	79.18
Other shareholders	70,183,429	20.82
	337,079,207	**100.00**

Unquoted equity securities

Options issued to take up ordinary shares under the:

	Number held	Number of holders
Performance Rights and Options Plans	3,253,199[1]	31

1. The following persons hold 20% or more of these securities:
   Andrew Bassat 47.21%

C. Substantial holders

Substantial holders in the company are set out below:

	Number held	Percentage
Ordinary shares		
Hyperion Asset Management	36,518,049	10.83
Fidelity international Group	33,047,992	9.80

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

No voting rights.

Five Year Financial Summary

	2007 $'000	2008 $'000	2009 $'000	2010 $'000	**2011 $'000**
Operating Results					
Sales revenue					
Employment	140,206	188,815	170,464	172,685	**224,037**
Education – Learning	16,785	21,350	30,051	43,628	**44,466**
Education – Think	–	–	9,929	69,558	**69,078**
International	–	–	–	–	**8,727**
Eliminations – intercompany transactions	–	–	(2,099)	(5,139)	**(3,254)**
Total sales revenue[1]	156,991	210,165	208,345	280,732	**343,054**
Adjusted EBITDA[2]	80,317	109,809	97,767	117,365	**135,636**
Adjusted EBITDA to sales (%)	51.2%	52.2%	46.9%	41.8%	**39.5%**
Share of net (losses)/profits of associates[3]	2,020	2,718	(1,436)	11,427	**24,685**
Net profit after tax (NPAT)	55,515	76,280	55,301	89,521	**96,714**
Non-controlling interests	–	–	–	–	**974**
Profit for the year attributable to owners of SEEK Limited	55,515	76,280	55,301	89,521	**97,688**
SEEK's share of associates' and jointly controlled entities' NPAT[3]					
IDP	5,282	9,075	13,835	9,795	**7,742**
Zhaopin	(3,262)	(6,231)	(17,254)	(3,764)	**8,702**
Think	–	(126)	(39)	–	**–**
Brasil Online Holdings	–	–	2,022	4,374	**4,144**
JobStreet	–	–	–	1,022	**2,679**
OCC	–	–	–	–	**749**
JobsDB	–	–	–	–	**715**
Swinburne Online	–	–	–	–	**(46)**
Total SEEK's share of associates' and jointly controlled entities' NPAT[3]	2,020	2,718	(1,436)	11,427	**24,685**
Balance Sheet					
Current assets	49,435	60,504	70,164	76,472	**160,560**
Non-current assets	86,889	149,267	390,471	437,174	**809,836**
Total assets	136,324	209,771	460,635	513,646	**970,396**
Current liabilities	30,658	36,523	50,775	50,426	**237,167**
Non-current liabilities	276	30,771	121,220	110,263	**299,149**
Total liabilities	30,934	67,294	171,995	160,689	**536,316**
Net assets	105,390	142,477	288,640	352,957	**434,080**
Equity	105,390	142,477	288,640	352,957	**434,080**
Gearing (debt/debt+equity)	0.0%	17.4%	28.0%	22.1%	**39.1%**
Per ordinary share (cents) (from continuing operations)					
Dividends – interim	6.0	8.7	4.5	5.2	**6.8**
Dividends – final	7.7	9.9	4.7	6.7	**7.5**
Dividends – total	13.7	18.6	9.2	11.9	**14.3**
Basic earnings per share	19.6	26.6	18.8	26.6	**29.0**
Diluted earnings per share	19.3	26.3	18.7	26.5	**28.9**

1. Sales revenue is revenue excluding interest, dividend, other revenue and other income from fair value gains on acquisitions.
2. 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, fair value gain/loss on acquisition, dividend income and amortisation of share-based payments and long-term incentives.
3. Share of net (losses)/profits of associates accounted for using the equity method.

Corporate Directory

Directors
Robert (Bob) C G Watson
Chairman

Andrew R Bassat
Managing Director and
Chief Executive Officer

Colin B Carter
Neil G Chatfield
Denise I Bradley

Secretary
Moana Weir

Notice of Annual General Meeting
The Annual General Meeting will be held at:
Sofitel Melbourne
The Fitzroy Ballroom
Level 1
25 Collins Street
Melbourne, Victoria 3000

Time: 3:00pm
Date: 21 November 2011

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

SEEK would like to thank its staff members for taking part in the 'SEEK & you shall find' photo shoot featured in this report.

seek.com.au
seek.co.nz
seekvolunteer.com.au
seeklearning.com.au
seekcommercial.com.au

jobsdb.com

think.edu.au
dynamicwebtraining.com.au
apm.edu.au
billyblue.edu.au
catc.edu.au
williamblue.edu.au
acnt.edu.au
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