

seek

Annual Report 2009

SEEK Limited ABN 46 080 075 314

Contents

2 Chairman's Letter
4 Joint CEOs' Review
12 Financial Report for 2009
13 Directors' Report
38 Auditor's Independence Declaration
39 Corporate Governance Statement
47 Annual Financial Report
48 Income Statements
49 Balance Sheets
50 Statements of Changes in Equity
51 Cash Flow Statements
52 Notes to the Financial Statements
108 Directors' Declaration
109 Independent Auditor's Report to the Members of SEEK Limited
111 Shareholder Information
IBC Corporate Directory

Notice of Annual General Meeting

The Annual General Meeting will be held at
Crown Melbourne Limited
8 Whiteman Street
Southbank, Victoria 3006
Time: 3:00pm
Date: 30 November 2009
A formal notice of meeting is enclosed.





Despite a challenging environment, SEEK's focused growth agenda and diligent execution resulted in a strong performance in the 2009 financial year. This is testament to the strong business fundamentals of SEEK's online classified and education businesses.

The 2009 financial year has seen SEEK deliver a strong financial performance, during a period of worldwide economic downturn and a weaker recruitment advertising market. The long-term strategy of diversifying into the education sector saw an increased financial contribution this year.

Chairman's Letter

A highlight of the year was a major expansion in both the international online employment market and the Australian education sector, which has significantly strengthened the combined operating assets of the Group.

SEEK's focused and consistent strategic agenda has enabled the company to retain its strong market leadership in the online employment sector. The continued structural migration of employment advertising from print to online has been central to SEEK's historical growth and has contributed to the current resilience in the online job market.

Over the past decade we have developed organisational capabilities in our online classifieds business that continue to be expanded in other markets, namely education and the international online classifieds market.

We have made significant progress this year in developing and growing our Education business, and we now have a robust set of assets including SEEK Learning, the Think Group and a 50% stake in IDP Education.

SEEK Learning's strategy is to become the first and best place to go for career-related education and training by leveraging our competencies in sales, marketing and distribution and through cross-promotion to the large audience of jobseekers that we attract through our Employment business.

During the 2009 financial year SEEK invested a further $42.6m to take our 50% stake in the Think Group to 100% ownership and control. The Think Group is a leading Australian education group which owns several private tertiary colleges providing over 80 qualifications.

IDP continues to perform very well, delivering results ahead of expectations and paying SEEK its first dividend of $5.0m since our initial investment.

We continue to see great opportunities for growth in the international online employment market and during the year we made three investments in overseas markets. Firstly, we increased our stake in Zhaopin, a leading Chinese online employment business, to 56.1%. Our investment in the Zhaopin business and brand has delivered strong growth in market share and jobseeker metrics, and we are seeing an improved financial position from this early stage market business.

We also acquired a 30.0% stake in Brasil Online Holdings, the owner of the two leading online employment websites in the Brazilian market. In conjunction with the major shareholder, we are actively involved in the future strategic direction of the business.

Our third investment was the purchase of a 10.1% stake in JobStreet Corporation Berhad (listed in Malaysia), which is a leading online employment website in South East Asia.

Our combined international investments now give us a significant footprint in several of the world's largest emerging markets, which provides a substantial growth platform for the future.

Financial overview

Group sales revenue declined marginally by 0.9% to $208.3m. In a slowing job market, employment revenue decreased by 10.6% to $168.9m. However, revenue from the Education business increased by 84.8% from $21.4m to $39.5m. Reductions in discretionary costs were also implemented during the year. Earnings before interest, tax, depreciation, amortisation and share-based payments (EBITDA) declined by 11.0% to $97.8m and EBITDA margins declined from 51.9% to 46.6%.

SEEK continued to generate strong cash flows, with EBITDA to operating cash flows before interest and income conversion of 106% (2008: 96%). A capital raising of $121.7m, strong cash generation, and an increased bank loan facility enabled us to make the local and international investments previously mentioned. SEEK continues to maintain a conservative debt position. The Board has declared a final dividend of 4.7 cents per share fully franked, giving a dividend for the full year of 9.2 cents per share fully franked.

Outlook

While the global financial crisis still affects the Australian, New Zealand and world economies, there are signs of stabilisation. However, it is difficult to forecast at what stage significant economic growth will return. Our employment classifieds business will continue to be the largest component of the Group's profit, but we expect an increasing contribution from our Education business and a further expansion of the financial contribution from our international investments.

Our employment classifieds business will continue to be supported by the ongoing structural migration from print to online. We continue to see opportunities to increase our market share through ongoing investment in our brand, the introduction of product extensions and a growing presence in traditional print employment categories such as Government, Healthcare and Education.

In the coming year with the addition of a full year of the Think Group and expected growth in the SEEK Learning business, we expect the Education business to continue the trend of increased profitability.

The combined Employment and Education businesses are leveraged to favourable industry trends, which bodes well for future growth.

Our conservative capital structure and strong operating cash flow position us well in the current market environment.

I would like to take this opportunity to congratulate the SEEK team on delivering a strong result in difficult times, and continuing to deliver a first class service for customers and jobseekers as well as creating an exciting and dynamic environment in which to work. On behalf of the Board I would like to extend our thanks for the team's ongoing energy, commitment and passion for the business.



Bob Watson
Chairman

Joint CEOs' Review

Consistent strategy and focused execution enabled SEEK to deliver strong results in a challenging environment during the 2009 financial year.

This is reflected in SEEK's position as the leading online employment classifieds business in Australia and New Zealand and a leading provider of education services in Australia.

SEEK Employment

Tougher employment market conditions in Australia and New Zealand resulted in lower ad volumes and revenues in 2009 compared to last financial year.

However, the market fundamentals underpinning our business remain robust, and the core employment business continues to benefit from the ongoing structural migration of advertising from print to online, with approximately 79% of job ads now online. Jobseekers are also migrating to online, with an historic record of approximately 73% of jobseekers now preferring to search for a job online (up from 62% last year).

Our market share remains strong. In June 2009, SEEK had nearly three times more jobs on its Australian website and twice as many jobseekers visiting the SEEK site than its nearest competitor.[1]

During the year, SEEK continued its focus on the early stage markets of Healthcare, Education and Government, where good progress is being made in establishing the SEEK brand and identifying opportunities for continuing structural growth.

Product extensions including Standout Ads and Premium Ads, performed well during the year and are poised for further growth. SEEK also launched the 'Great Australian Pay Check' survey, which improved the jobseeker and advertiser experience alike.

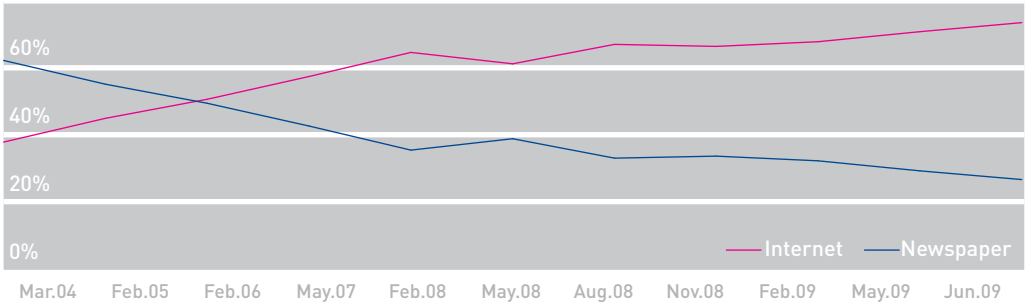
In Australia, our ongoing investment in the SEEK brand reaped results. Unaided awareness of the SEEK brand continues to grow and is now almost three times that of our nearest competitor, and all jobseeker metrics showed strong improvement. Of the total amount of time spent on the three leading Australian employment websites, nearly 80% was spent on seek.com.au, a key indicator of user satisfaction.

In New Zealand the business performed well in very challenging employment market conditions. While ad volumes and revenues were down, SEEK continued to enjoy a strong market leadership position in the New Zealand market.

Looking ahead, our focus remains on maintaining our leadership position in the online employment classifieds market and continuing to drive the migration of the market from print to online. When job markets improve, SEEK is well placed to capture a disproportionate share of the rebound in ad volumes and revenues, given its strong market position and exposure to structural migration trends.

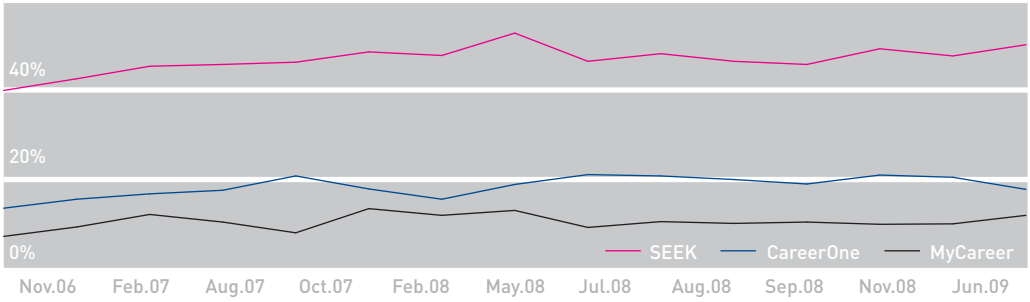
1. Source: Nielsen NetRatings.

Ways to Look for a Job
Q: If you were looking for a job and could use only one way to find a job, in what way would you choose to look for a job?

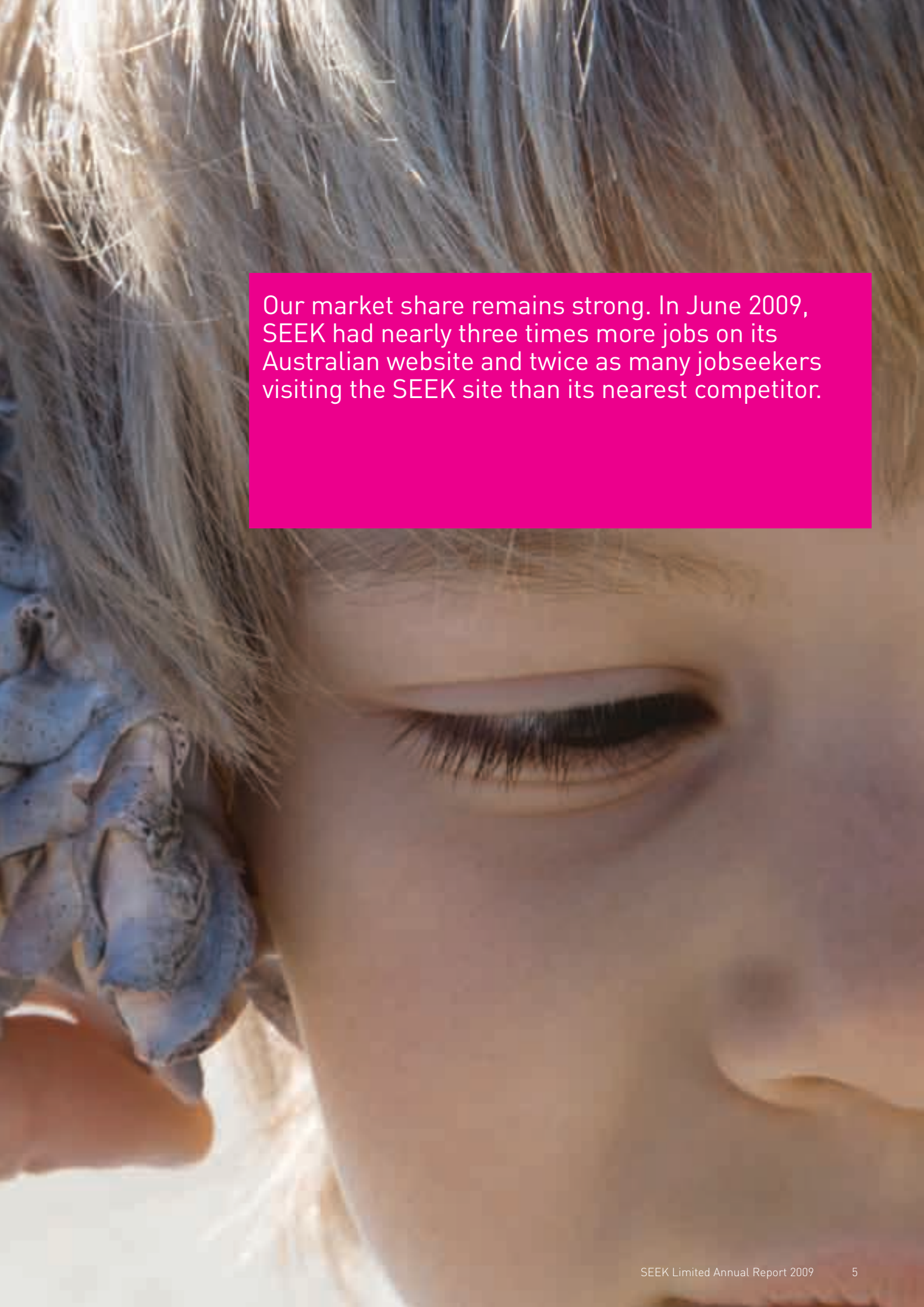


Source: Newspoll. Jobseeker preferences consider online and print methods of finding a job only (represents approximately 70% of total methods of finding a job).

Unaided Awareness



Source: Newspoll.



Our market share remains strong. In June 2009, SEEK had nearly three times more jobs on its Australian website and twice as many jobseekers visiting the SEEK site than its nearest competitor.

Joint CEOs' Review

SEEK Education

SEEK Education now has a strong group of assets, comprising 100% owned subsidiaries SEEK Learning, Dynamic Web Training (DWT), the Think Group and 50% owned IDP Education. Consistent with our long-term strategy, in May 2009 we took our ownership in the Think Group from 50% to 100%. These businesses together provide SEEK with substantial exposure across the sales and marketing of training and education to domestic students, the delivery of distance and classroom-based courses in the private education sector which operate across multiple sectors of the education industry and placement of international students in Australian education institutions.

Our Education business delivered a strong financial result in 2009, and we are now achieving 'look through'[1] revenue of $152.5m (2008: $101.4m) up 50.4% and EBITDA of $28.2m (2008: $18.9m) up 49.2%, driven by growth in both the IDP business and the Think Group, as well as improved conversion rates and the signing of new partners within SEEK Learning.

SEEK Learning partners with organisations on a best-of-breed basis offering visitors to the website a comprehensive range of courses. Current partner providers include Open Universities Australia, Open Training & Education Network (TAFE NSW) and SkillSoft. Our UK operation offers SkillSoft IT certification courses in the UK and Ireland.

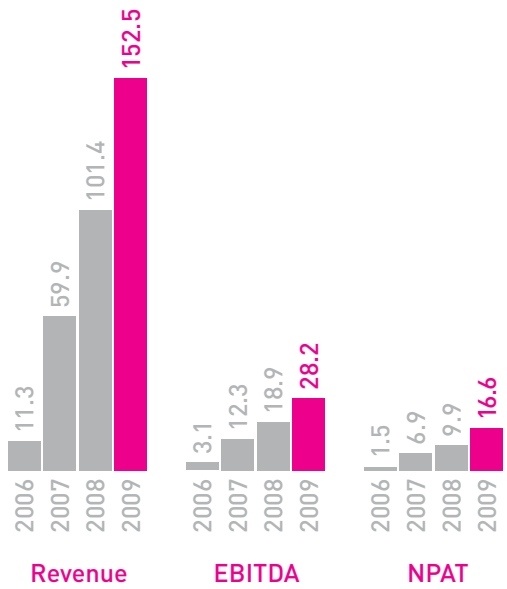
The Think Group has the broadest group of private colleges in Australia spanning across Hospitality & Tourism, Creative, Media & Communications, Business and Healthcare & Wellness. The Think Group has campuses in Sydney, Brisbane, Gold Coast and Melbourne and flexible and online learning capabilities. During 2009 the Think Group expanded its course offering with the purchase of the Commercial Arts & Training College which has campuses in Sydney, Queensland and Melbourne.

DWT provides short classroom-based courses for popular software applications including Adobe, Microsoft and MYOB through facilities in Sydney, Melbourne and Brisbane.

Our 50% stake in IDP Education partners SEEK with Australia's 38 universities in the provision of English language testing and enrolment services to international students for study in Australia. IDP continued its growth trajectory and is providing SEEK with an excellent return on its investment. SEEK's share of IDP net profit increased 52.5% year-on-year. IDP is now expanding into the USA student placement market which is a large and underpenetrated market for international students.

1. 'Look through' numbers include the Group's share of revenue and EBITDA for associates.

SEEK Learning and associates' revenue and EBITDA ($m)
Prepared on 'look through' basis.





SEEK Education now has a strong group of assets, comprising 100% owned subsidiaries SEEK Learning, Dynamic Web Training (DWT), the Think Group and 50% owned IDP Education.



Joint CEOs' Review

International Employment

We continued to pursue opportunities to leverage our expertise in the employment space in international markets. During 2009 we made three significant international investments: we increased our shareholding in Zhaopin (a leading employment website in China); made an investment in Brasil Online Holdings (owner of the two leading employment websites in Brazil); and made an investment in JobStreet Corporation Berhad (the leading provider of online employment websites in South East Asia).

The Chinese market is at an early stage of its development and provides significant growth opportunities. In July 2008, we increased our shareholding in Zhaopin from 34.7% to 56.1% on an undiluted basis.

Since our initial investment in 2006, Zhaopin has made excellent progress across all metrics we consider critical to long-term success in the online classifieds space. While China experienced a decline in economic conditions this year, it is expected that the 2010 financial year results will see reduced losses for Zhaopin.

After identifying opportunities that met our strategic criteria, we made investments in the Brazilian and South East Asian employment markets in the first half of the 2009 financial year. Both are large markets that stand to enjoy significant growth through future economic development and the migration from print to online.



- We acquired a 30.0% interest in Brasil Online Holdings, the owner of Catho Online and Manager Online, the two leading employment websites in the Brazilian market. Catho and Manager are very strong brands with excellent management teams. SEEK's investment in Brasil Online has been very encouraging, with its 'jobseeker pays' model performing well in the economic downturn to date. We have a seat on the board and play an active role in driving the strategic agenda by partnering with Tiger Global Management, the majority shareholder.
- We purchased a 10.1% interest in JobStreet Corporation Berhad. JobStreet is a leading provider of employment websites in South East Asia with strong market positions in Malaysia, Singapore and the Philippines, and an active presence in Indonesia, India and Thailand, among other countries. Together with our investment in Zhaopin, this investment now positions SEEK strongly across the Asian region.

Joint CEOs' Review

Culture, people and sustainability

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

Our strength is our people, and we have consistently ranked highly in the Hewitt Best Employer Awards over the past six years. In September 2008 we were ranked as runner-up Best Employer in Australia and New Zealand and this year we were also ranked as one of the eight best companies to work for in Australia by the Great Place to Work Institute®.

Being a responsible corporate citizen is part of this commitment and last year we established a formalised Corporate Social Responsibility (CSR) program known internally as the 'SEEK Village'. SEEK's CSR program has continued successfully this year with standout areas being our support of the bushfire relief effort, the launch of a new zone on the SEEK Volunteer website and our continued efforts to 'green' SEEK. SEEK's support of the bushfire response in Victoria helped provide our partner, Volunteering Australia, with the details of over 20,000 individuals and more than 250 corporations interested in volunteering their time. A new zone on SEEK Volunteer was launched, which captured the stories of young volunteers helping to break down preconceptions about volunteering. SEEK staff are also involved in SEEK's community efforts with more than a quarter of staff using their volunteer day.

The future

We remain confident that SEEK is well positioned to grow strongly through the economic cycle and take advantage of a future rebound in the employment market, given its favourable exposure to structural trends and a strong market position. The key drivers of future growth in the Employment business will be the continued migration of revenue from print to online and a growing presence in new early stage markets.

Similarly, we believe that SEEK Education can achieve significant growth in the large and highly fragmented education market. We expect SEEK Learning to continue its growth trajectory and maintain its position as the number one online destination for education and training. We believe that the Think Group is well positioned to continue its rapid growth and expect the business to make strategic acquisitions and geographic expansion in the fast growing post-secondary education market. In the 2010 financial year, IDP will make significant investments in infrastructure to expand into the US student placement services and improve operational efficiency in the Australian student placement services.

We are excited by the potential of our international investments, which are now a substantial part of our business, to be a key driver of future growth and believe that Zhaopin, Brasil Online and JobStreet are all well positioned for rapid growth in their respective markets.

Finally, on behalf of the management team we'd like to thank the SEEK team for their tireless enthusiasm and hard work throughout a very challenging year. We would also like to thank our customers and jobseekers for their ongoing support. We are confident that, as a team, we can make 2010 another great year for SEEK.

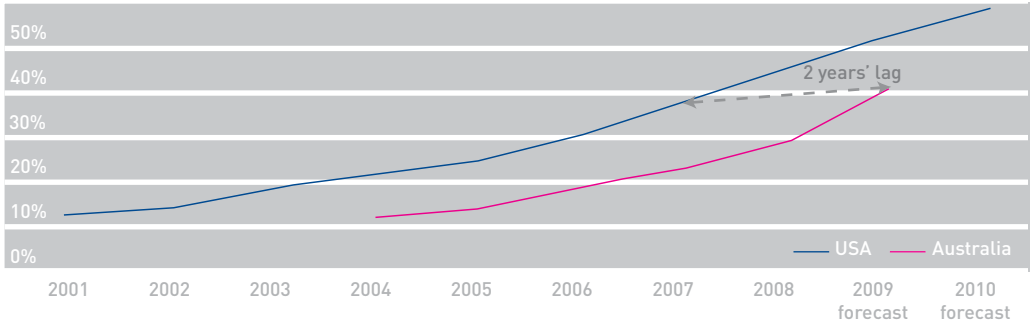


Andrew Bassat
Joint CEO



Paul Bassat
Joint CEO

Revenue Penetration USA Versus Australia
Migration of jobs classifieds revenue from print to online (2001–2010)



Source: Corzen, WARC, WAN, IAB, Classifieds Intelligence, analyst reports, market research and internal analysis.



Contents
Financial Report for 2009

13 Directors' Report
38 Auditor's Independence Declaration
39 Corporate Governance Statement
47 Annual Financial Report
48 Income Statements
49 Balance Sheets
50 Statements of Changes in Equity
51 Cash Flow Statements
52 Notes to the Financial Statements
108 Directors' Declaration
109 Independent Auditor's Report to the Members of SEEK Limited
111 Shareholder Information
IBC Corporate Directory

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 2009.

Directors

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

J D Packer
P M Bassat
A R Bassat
R C G Watson
C B Carter
N G Chatfield

C J Anderson was a director from the beginning of the financial year until his resignation on 8 April 2009.

M P Dalgleish was an alternate director to J D Packer and C J Anderson from the beginning of the financial year until his resignation on 10 December 2008.

J H Alexander was appointed as an alternate director for J D Packer and C J Anderson from 23 January 2009. He was appointed as a director on 17 April 2009 and continued in office until the date of this report.

G Jalland was appointed as an alternate director to J D Packer and J H Alexander, effective from 21 April 2009.

Principal activities

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

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

Dividends

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

	2009 $'000	2008 $'000
Final ordinary dividend for the year ended 30 June 2008 of 9.9 cents (2007: 7.7 cents) per fully paid ordinary share paid on 17 October 2008 (2007: 28 September 2007)	**28,521**	22,032
Interim ordinary dividend for the year ended 30 June 2009 of 4.5 cents (2008: 8.7 cents) per fully paid ordinary share paid on 28 April 2009 (2008: 14 March 2008).	**12,964**	25,060
	41,485	47,092

In addition to the above dividends, since the end of the financial year the directors have recommended the payment of a final ordinary dividend of 4.7 cents (2008: 9.9 cents) per fully paid share to be paid on 16 October 2009 out of retained profits at 30 June 2009. The total dividend for the year is 9.2 cents per share.

Directors' Report

Review of operations

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

	2009 $'000	2008 $'000
Sales revenue		
Employment	**168,891**	188,815
Education	**39,454**	21,350
Total	**208,345**	210,165
Interest revenue	**1,005**	1,323
Dividend income	**428**	–
Total revenue from continuing activities	**209,778**	211,488
Adjusted EBITDA[1]	**97,767**	109,809
Depreciation and amortisation	**(5,872)**	(4,536)
Amortisation of share-based payments and long-term incentives	**(1,650)**	(1,037)
Interest expense	**(7,280)**	(1,716)
Interest income	**1,005**	1,323
Impairment of non–current asset	**(7,425)**	–
Fair value gain on financial asset	**4,642**	–
Dividend income	**428**	–
Share of net (losses)/profits of associates accounted for using the equity method	**(1,436)**	2,718
Profit from continuing operations before income tax	**80,179**	106,561
Income tax attributable to operating profit	**(24,878)**	(30,281)
Net profit attributable to members of SEEK Limited	**55,301**	76,280

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

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

Explanation of revenue

Consolidated operating revenue for the year to 30 June 2009 was $209,778,000 (2008: $211,488,000).

- The Employment business held up well in a tough economic environment that resulted in increased unemployment. Revenue decreased by 10.6% to $168,891,000 (2008: $188,815,000);
- The Education business performed extremely well with revenue of $39,454,000 (2008: $21,350,000), an increase of 84.8%, driven by organic growth, the appointment of new partners and the acquisition of the remaining 50% of Think: Education Group Pty Limited (refer to page 15 for further details); and
- Interest revenue was $1,005,000 (2008: $1,323,000) and dividend income of $428,000 (2008: nil) was received from JobStreet Corporation Berhad (JobStreet).

Explanation of net profit

Consolidated net profit for the year was $55,301,000 (2008: $76,280,000). This represents a decrease of 27.5% compared to the prior period due to:

- An 11.0% decrease in adjusted EBITDA driven by the reduction in revenue in the Employment business;
- The increase in interest expense of $5,564,000 as a result of the acquisitions in the year (discussed further on page 15);
- A net loss of $2,783,000 resulting from the change in the carrying value of certain assets (impairment loss on JobStreet of $7,425,000 partly offset by fair value gain on Think acquisition of $4,642,000); and
- Our share of losses from additional investments in associates over the period. In the Education business, the share of associates profit was $13,796,000 and in the Employment business, associates generated losses of $15,232,000 (net loss for the Group $1,436,000). Refer to note 12 in the annual report for further details of associates.

Significant changes in the state of affairs

Think: Education Group Pty Limited (Think)

On 12 May 2009 SEEK Limited acquired the remaining 50% of the issued shares in Think: Education Group Pty Limited, a provider of high quality education services, for cash consideration of $42,552,000. The acquisition brings SEEK's ownership of issued share capital to 100% and is expected to increase the Group's exposure to the fast growing domestic education market. SEEK Learning and Think will also pursue integration and synergy opportunities between the two businesses. From the date of acquisition, this investment has been accounted for as a controlled entity and fully consolidated into the SEEK Group. Prior to this, the 50% ownership was equity accounted and recorded as an associate in the results of the Group.

JobStreet Corporation Berhad (JobStreet)

During the period SEEK acquired a 10.1% equity interest in JobStreet for MYR55,643,000 (A$19,946,000). JobStreet is listed in Malaysia and is a leading provider of online employment websites in South East Asia. This investment was financed through the syndicated debt facility.

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

On 17 November 2008 SEEK acquired a 30% equity interest in Brasil Online Holdings, owner of Catho Online and Manager Online, two leading employment websites in the South American market for A$105,882,000. The company provides advertising of employment classifieds and related services on the internet in the South American market, and increases SEEK's international presence in online employment classifieds. This investment was financed through the syndicated debt facility.

Zhaopin Ltd (Zhaopin)

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

Syndicated Debt Facility

During August 2008 the Group entered into a syndicated revolving debt facility with a limit of $200,000,000 (unsecured). This debt is a three-year facility with $100,000,000 repayable on 21 August 2010 and $100,000,000 repayable on 21 August 2011. At 30 June 2009, $112,000,000 principal had been drawn down against this facility.

Share Placement

On 23 April 2009 the SEEK Group announced its intention to raise additional capital through a share placement, together with further funds through a share purchase plan and top-up offer. A total of 47,659,602 shares were issued for $2.60 each, resulting in an increase in contributed equity of $121,689,000 (net of transaction costs and tax). The funds were used to purchase the remaining 50% of Think (as discussed above) and to pay down debt.

Matters subsequent to the end of the financial year

Further to the announcement on 23 April 2009, SEEK Limited advised on 17 August 2009 that it has withdrawn its offer to purchase up to an additional 10% of IDP Education Pty Ltd. SEEK will continue to work closely with the IDP management team in pursuing the strong growth potential of IDP.

No other matters or circumstances have arisen since 30 June 2009 that have significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Group's state of affairs in future financial years.

Likely developments and expected results of operations

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

Directors' Report

Environmental regulation

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

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

SEEK will continue to review its environmental issues.

Corporate Social Responsibility

SEEK has implemented a Corporate Social Responsibility (CSR) plan known as SEEK Village. SEEK Village has continued successfully this year with standout areas being our support of the bushfire relief effort, the launch of a new zone on the SEEK Volunteer website and our continued efforts to 'green' SEEK. SEEK's support of the bushfire response in Victoria helped to provide our partner, Volunteering Australia, with the details of over 20,000 individuals and more than 250 corporations interested in volunteering their time. A new zone on SEEK Volunteer was launched to coincide with National Volunteer Week in May, which captured the stories of young volunteers helping to break down preconceptions about volunteering. SEEK staff are also involved in SEEK's community efforts with more than a quarter of staff using their volunteer day.

Information on directors

James D Packer – Chairman, non-independent non-executive director
Appointed October 2003. Age 42.

Experience and expertise

James D Packer is the Executive Chairman of Crown Limited and Executive Deputy Chairman of Consolidated Media Holdings Limited (previously Publishing and Broadcasting Limited (PBL)). James was Executive Chairman of PBL from May 1998 to 30 November 2007. Prior to that period, he was the Chief Executive Officer of PBL from March 1996 to May 1998. James is also the Executive Chairman of Consolidated Press Holdings Limited and a director of the ASX-listed company Challenger Financial Services Group Limited.

Martin Dalgleish acted as an alternate director for James Packer since his appointment on 18 December 2006 until 10 December 2008.

John H Alexander was appointed as an alternate director for James Packer on 23 January 2009. John was then appointed as a director on 21 April 2009 and was replaced as an alternate director by Guy Jalland. Guy is a non-executive director of Consolidated Media Holdings Limited and an executive with Consolidated Press Holdings Limited.

Other current directorships

Consolidated Media Holdings Limited – executive director since April 1992, Executive Chairman from May 1998 to November 2007, Executive Deputy Chairman since November 2007.

Challenger Financial Services Group Limited (non-executive) since November 2003.

Crown Limited (executive director) since July 2007.

Ellerston Capital Limited (Manager and Responsible Entity of Ellerston GEMS Fund (EGF)), non-executive director since 6 August 2004. The company was admitted to the Official List of ASX Limited on 29 June 2007 and delisted on 4 November 2008.

Former directorships in last three years

Qantas Airways Limited (independent non-executive) from March 2004 to 31 August 2007.

Sunland Group Limited (non-executive) from July 2006 (resigned 13 August 2009).

Special responsibilities

Chairman.

Interests in shares and options

Deemed interest in SEEK Limited through Consolidated Media Holdings Limited's subsidiary Windfyr Pty Ltd which holds 87,243,981 shares in SEEK Limited, representing 25.98% of the issued capital.

Robert C Watson – Deputy Chairman, independent non-executive director
Appointed February 1999. Age 53.

Experience and expertise
Bob Watson has more than 20 years of experience at CEO and board level in the Information Technology industry. He has been the Chief Executive Officer of Mayne Nickless Computer Services, Data Sciences International (in the UK) and Lend Lease Employer Services. Bob has significant experience in mergers and acquisitions and capital raising.

Bob was also the Australasian CEO for Adecco, the world's (and Australia's) largest recruitment and labour contracting agency. In addition, Bob has founded and developed several very successful private businesses.

Other current directorships
Chairman of Cytopia Limited (non-executive) since June 2003 and prior Executive Chairman.

Former directorships in last three years
Virgin Blue Holdings Limited (non-executive) September 2006 to July 2008.

Special responsibilities
Deputy Chairman of the Board.

Chairman of the Remuneration Committee.

Member of the Audit and Risk Management Committee.

Interests in shares and options
Bob Watson has interests in 4,238,648 shares, representing 1.26% of issued capital.

Paul M Bassat – Joint Chief Executive Officer and Co-founder
Appointed November 1997. Age 41.

Experience and expertise
As part of Paul's role at SEEK, he has overall responsibility for SEEK's online employment business in Australia and New Zealand as well as SEEK's shared services functions of Finance, IT and HR. Paul is a director of Zhaopin Ltd in China, in which SEEK is a substantial shareholder.

Prior to co-founding SEEK, Paul was a lawyer for six years with one of Australia's leading corporate and commercial law firms. Paul is involved in a number of community and charitable organisations. He holds Bachelor of Laws and Bachelor of Commerce degrees from the University of Melbourne.

Other current directorships
None.

Former directorships in last three years
None.

Special responsibilities
Joint Chief Executive Officer.

Interests in shares and options
Paul Bassat has interests in 12,712,613 shares, representing 3.79% of issued capital and has 1,636,993 share options (excluding proposed issue of 599,212 options subject to shareholder approval at the 30 November 2009 Annual General Meeting).

Andrew R Bassat – Joint Chief Executive Officer and Co-founder
Appointed November 1997. Age 43.

Experience and expertise

Andrew Bassat leads SEEK's strategy and business development team. He is responsible for overall strategic direction, including progress of expansion opportunities and acquisitions. Andrew is also responsible for the Education business (SEEK Learning, Think, IDP) and SEEK's Brazil and South East Asia investments.

Prior to co-founding SEEK, Andrew was a management consultant with Booz Allen and Hamilton where he was involved in a wide range of strategic assignments for major Australian and international corporations and prior to that worked as a solicitor for 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.

Andrew is also a director of the Shane Warne Foundation.

Other current directorships

None.

Former directorships in last three years

None.

Special responsibilities

Joint Chief Executive Officer.

Interests in shares and options

Andrew Bassat has interests in 12,712,613 shares, representing 3.79% of issued capital and has 1,636,993 share options (excluding proposed issue of 599,212 options subject to shareholder approval at the 30 November 2009 Annual General Meeting).

John H Alexander – Non-independent non-executive director
Appointed April 2009. Age 58.

Experience and expertise

John H Alexander is the Executive Chairman of Consolidated Media Holdings Limited (CMH) and is Executive Deputy Chairman of Crown Limited. Prior to November 2007, John was Chief Executive Officer and Managing Director of Consolidated Media Holdings Limited (previously Publishing and Broadcasting Limited (PBL)), having commenced that role in June 2004. John joined ACP Magazines, then a subsidiary of PBL, as Group Publisher in 1998 and was appointed Chief Executive Officer of that division in March 1999, a position he held until April 2006. In January 2002, he was appointed Chief Executive Officer of PBL's media businesses which included ACP Magazines and Nine Network (then owned by PBL). Prior to joining the CMH Group, Mr Alexander was the Editor-in-Chief, Publisher and Editor of the *Sydney Morning Herald*, and Editor-in-Chief of *The Australian Financial Review*.

Other current directorships

Consolidated Media Holdings Limited, non-executive director since 16 December 2002, Executive Chairman since November 2007.

Crown Limited, non-executive since 6 July 2007, Executive Deputy Chairman since 1 December 2007.

Former directorships in last three years

None.

Special responsibilities

Member of the Audit and Risk Management Committee.

Interests in shares and options

Deemed interest in SEEK Limited through Consolidated Media Holdings Limited's subsidiary Windfyr Pty Ltd, which holds 87,243,981 shares in SEEK Limited, representing 25.98% of the issued capital. John H Alexander also has direct interests in 32,386 shares representing 0.01% of issued capital.

Colin B Carter – Independent non-executive director
Appointed March 2005. Age 66.

Experience and expertise
Colin Carter has an extensive consulting background in organisational and business strategy. He is a former Senior Vice-President of, and a current senior adviser to, The Boston Consulting Group. His interests include corporate governance issues and in recent years Colin has carried out board performance reviews for a number of companies as well as co-authoring a top-selling book on boards, *Back To The Drawing Board*.

Colin is a non-executive director of ASX-listed company Wesfarmers Limited and a director of World Vision Australia. He is Chairman of the AFL Foundation and a director of Indigenous Enterprise Partnerships and The Geelong Football Club.

Colin has a Bachelor of Commerce degree from Melbourne University and an MBA from Harvard Business School.

Other current directorships
Wesfarmers Limited (non-executive) since October 2002.

Former directorships in last three years
Origin Energy Limited (non-executive).

Fosters Group Limited (non-executive).

Special responsibilities
Member of the Remuneration Committee.

Interests in shares and options
Colin Carter has interests in 94,458 shares representing 0.03% of issued capital.

Neil G Chatfield – Independent non-executive director
Appointed June 2005. Age 55.

Experience and expertise
Neil Chatfield is an established executive and non-executive director with experience across a range of industries and has extensive experience in financial management, capital markets, mergers and acquisitions and risk management.

Neil was most recently an Executive Director and Chief Financial Officer of ASX listed Toll Holdings Limited, 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 a Fellow of the Australian Institute of Company Directors (FAICD).

Other current directorships
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.

Former directorships in last three years
Toll Holdings Limited (executive director) since July 1998 (resigned 18 September 2008).

Special responsibilities
Chairman of the Audit and Risk Management Committee.

Interests in shares and options
Neil Chatfield has interests in 32,656 shares representing 0.01% of issued capital.

Directors' Report

Company Secretary

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

Meetings of directors

	Board		Audit and Risk Management Committee		Remuneration Committee	
	Attended[1]	Held	Attended	Held	Attended	Held
J D Packer	10	11	–	–	–	–
R C G Watson	11	11	4	4	3	3
P M Bassat	10	11	–	–	–	–
A R Bassat	10	11	–	–	–	–
C J Anderson	6	6	3	3	–	–
J H Alexander	4	5	1	1	–	–
C B Carter	10	11	–	–	3	3
N G Chatfield	9	11	4	4	–	–

Note: 1. One board meeting was held during the year at which several directors did not attend due to conflicts of interest.
For directors who were appointed or who resigned during the year, only those board meetings held whilst a director have been presented in the table.

Retirement, election and continuation in office of directors

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

The following directors are required to be re-elected and being eligible, will seek re-election at the next Annual General Meeting:

- James Packer
- John Alexander (appointed as a director on 17 April 2009 and is required to be elected at the AGM).

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

Remuneration report

The Remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration

B Details of remuneration

C Service agreements

D Share-based compensation

E Additional information

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

A. Principles used to determine the nature and amount of remuneration

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

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation;
- transparency; and
- capital management.

In consultation with external remuneration consultants, the company has structured the executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation. It has the following characteristics:

Alignment to shareholder's interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high-calibre executives.

Alignment to program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

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

The Board has established a remuneration committee which provides advice on remuneration and incentive policies and practices and specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors. The Corporate Governance Statement on page 39 provides further information on the role of this committee.

The overall level of executive reward takes into account the performance of the Group over a number of years, as discussed in Section E: Additional Information.

Non-executive directors' remuneration

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

Non-executive directors' fees

The current base remuneration was reviewed on 1 July 2009 and there were no increases in non-executive directors' fees. Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $750,000 per annum, covering all non-executive directors. Statutory superannuation payments are in addition to the directors' fee pool limit. Shareholders approved the directors' fees pool of $750,000 per annum at the 2007 Annual General Meeting.

Remuneration report continued

Executive remuneration

The executive pay and reward framework has four components:

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

The combination of these comprises the executive's total remuneration.

Base pay

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

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

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

Executive directors' remuneration was reviewed on 1 July 2009 and there were no increases in executive directors' base pay.

Benefits

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

Retirement benefits

Retirement benefits are delivered under the Statutory Guarantee Charge (SGC). Under current legislation, SEEK Limited provides choice of superannuation funds. The SEEK Limited default fund is SEEK Limited Superannuation fund. This fund is an accumulation fund. Other retirement benefits may be provided directly by the company if approved by shareholders.

Short-term incentives

Executives participate in an executive cash bonus plan, combining the company's annual profit performance and the individual's personal performance. Bonuses are aligned with the company's target profit for the year, and will increase or decrease depending on actual profit performance for the year. The individual executive's performance component of the bonus is assessed through the SEEK internal performance management program. This program has been in operation since December 2000 and is based on individual performance against individual specific objectives, as well as individual performance against company specific core values. Each executive's performance is assessed via a 360° feedback tool by their immediate manager, peers and direct staff reporting to them.

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 executive performance. The bonus payment is calculated on the executive's base pay. Executives can receive a bonus up to a maximum individual amount, and any executive not achieving the maximum bonus, forfeits the difference between the amount paid and the maximum bonus. Bonuses are usually paid annually, after the release of the company's annual results.

Long-term incentives

Executives participate in the SEEK Staff Option Plan, which is a service based plan, and the SEEK Senior Executive Option Plan, which is a performance based plan. Since July 2004, any executive options granted have only been issued in the SEEK Senior Executive Option Plan. The company does not intend to issue any further options in the SEEK Staff Option Plan, or the SEEK Senior Executive Option Plan.

The directors have resolved that options outstanding under all SEEK options plans cannot exceed 10% of the issued shares in the company.

From 1 July 2006, senior executives have participated in the SEEK Performance Rights and Options Plan, which is a performance based plan. Refer to note 26 for details of options on issue under all SEEK Option Plans.

Details of options plans

Executive Director Options Plan

Issued March 2005

SEEK entered into separate employment and options agreements, dated 22 March 2005, with the executive directors, on the same terms and conditions. As part of these agreements each executive director was issued with 2,250,000 options. 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.

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.

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%

Issued July 2009

Subject to shareholder approval at the 30 November 2009 Annual General Meeting, the executive directors have each been issued 599,212 options, 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. Minimum targets have to be achieved before any options vest and the number of options vesting will increase incrementally until the stretch target is achieved, at which time all options available in that period will vest.

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.

Remuneration report continued

This issue of options will align the executive directors with the other senior management performance rights and options plans, setting common targets, vesting dates and performance hurdles.

SEEK Limited Staff Option 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.

The directors have resolved that options outstanding under all SEEK share plans cannot exceed 10% of the issued shares in the company.

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

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

The SEEK Limited Staff Option Plan was implemented in 2000, when SEEK was a private company. This plan was chosen at the time to attract good staff and retain their services during a strong growth phase in the business and a general shortage of quality people in the market. It was also similar to plans offered by other internet and technology companies at the time. As the company grew its profits, balance sheet and market share, the use of service based incentives was phased out, with the final issue of options being February 2005. The company does not intend issuing any more options from this plan.

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

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

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

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

There was only one issue of options under this agreement and all options under this plan have been exercised.

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

Options are granted for no consideration. Each option is convertible to one ordinary share, subject to vesting and exercise rules, within six years of the grant date, at the specified exercise price. The directors have resolved that options outstanding under all SEEK options plans, including the SEOP, cannot exceed 10% of the issued shares in the company.

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

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

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. The quantum of options issued was considered large enough to give senior managers incentive to stay at SEEK, but vesting of options depended on their individual performance as assessed by the SEEK internal performance management program, detailed above. Employees have to achieve high performance ratings to achieve maximum options, with the number of options vesting decreasing as ratings drop. Unsatisfactory performance yields no vested options. Options not vested in a particular year are forfeited.

This plan has been phased out and it is unlikely that any further options will be issued under this plan.

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 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 received at no cost and Options are issued at the weighted average market price of the shares in the 28 days prior to the issue.

				Exercise price	
Grant date	Vesting date	Percentage with RTSR hurdle	Percentage with EPS hurdle	Options Plan	Performance Rights
1 July 2006	1 July 2008	100%	–	–	Nil
1 July 2007	1 January 2009	50%	50%	–	Nil
1 July 2008	1 July 2011	50%	50%	–	Nil
30 June 2009	30 June 2012	50%	50%	$4.10	–

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.

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

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 Relative Total Shareholder Return (RTSR) target and 50% is subject to achieving an Earnings Per Share (EPS) target.

Options issued on 30 June 2009 were issued with an exercise price of $4.10.

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.

Remuneration report continued

B. Details of remuneration

Amounts of remuneration

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

The key management personnel of SEEK Limited includes the directors as per pages 16–19 above and the following executive officers, who are also the highest paid executives of the parent entity and the Group:

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

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 2009, are set out in the following tables:

	Short-term benefits			Post-employment benefits		Long-term benefits	Share-based payments		
2009	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Retirement benefits $	Long service leave $	Options $	Term-ination payments $	Total $
Non-executive directors									
J D Packer[1]	106,480	–	–	9,583	–	–	–	–	116,063
R C G Watson	133,100	–	–	11,979	–	–	–	–	145,079
C J Anderson[6]	55,458	–	–	4,991	–	–	–	–	60,449
J H Alexander[1]	13,651	–	–	1,229	–	–	–	–	14,880
C B Carter	66,550	–	–	5,990	–	–	–	–	72,540
N G Chatfield	100,767	–	–	9,069	–	–	–	–	109,836
Executive directors									
P M Bassat	550,000	–	5,162	40,561	–	10,486	230,670	–	836,879
A R Bassat	550,000	–	5,162	40,561	–	10,488	230,670	–	836,881
Other key management personnel									
J A Armstrong[4,5]	306,375	39,063	4,402	27,632	–	10,549	54,714	–	442,735
C M T Eaton[2,4,5]	223,269	28,350	3,534	19,353	–	–	33,597	–	308,103
T K Vu[3]	30,209	–	372	2,719	–	–	–	90,798	124,098
J S Powell[4,5]	475,000	60,563	5,108	40,949	–	–	86,816	–	668,436
J S Lenga[4,5]	375,000	47,813	4,690	31,754	–	19,584	61,047	–	539,888
P D Everingham[5]	322,500	48,375	4,497	29,000	–	17,598	62,261	–	484,231
Total	3,308,359	224,164	32,927	275,370	–	68,705	759,775	90,798	4,760,098

Notes:
1. J D Packer and J H Alexander – the company has been advised that in relation to the directors' fees disclosed above for these directors, they intend to reimburse Consolidated Media Holdings Limited for the after-tax amount of these fees.
2. C M T Eaton was appointed to Chief Information Officer on 1 September 2008. Prior to this time he was not included as a member of key management personnel.
3. T K Vu resigned 1 August 2008.
4. Denotes one of the four highest remunerated executives of the company, as required to be disclosed under the *Corporations Act 2001*. There are no other key management personnel for the company.
5. Denotes one of the five highest remunerated executives of the Group, as required to be disclosed under the *Corporations Act 2001*.
6. C J Anderson resigned 8 April 2009.

2008	Short-term benefits			Post-employment benefits		Long-term benefits	Share-based payments	
	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Retirement benefits $	Long service leave $	Options $	Total $
Non-executive directors								
J D Packer[1]	96,800	–	–	8,712	–	–	–	105,512
C J Anderson	60,500	–	–	5,445	–	–	–	65,945
C B Carter	60,500	–	–	5,445	–	–	–	65,945
N G Chatfield	71,500	–	–	6,435	–	–	–	77,935
R C G Watson	121,000	–	–	10,890	–	–	–	131,890
Executive directors								
P M Bassat	525,000	–	2,000	47,250	–	19,079	251,261	844,590
A R Bassat	525,000	–	2,000	47,250	–	18,946	251,261	844,457
Other key management personnel								
J A Armstrong[2,3]	285,000	79,857	1,000	32,837	–	38,674	62,580	499,948
T K Vu[2,3]	362,500	93,416	2,000	41,032	–	18,622	81,985	599,555
J S Powell[2,3]	387,000	117,144	2,000	45,373	–	–	78,476	629,993
J S Lenga[2,3]	300,000	90,810	1,000	35,173	–	11,199	81,472	519,654
P D Everingham[2]	300,000	84,060	1,000	34,565	–	–	71,828	491,453
Total	3,094,800	465,287	11,000	320,407	–	106,520	878,863	4,876,877

Notes:
1. J D Packer – the company has been advised that in relation to the director's fees disclosed above for Mr Packer, he intends to reimburse Consolidated Media Holdings Limited for the after-tax amount of those fees.
2. Denotes one of the five highest remunerated executives of the Group, as required to be disclosed under the *Corporations Act 2001*.
3. Denotes one of the four highest remunerated executives of the company.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed[1]		At risk – STI		At risk – LTI	
	2009	2008	**2009**	2008	**2009**	2008
Executive directors						
P M Bassat	**72%**	70%	**–**	–	**28%**	30%
A R Bassat	**72%**	70%	**–**	–	**28%**	30%
Other key management personnel						
J A Armstrong	**79%**	72%	**9%**	16%	**12%**	12%
C M T Eaton (appointed 1 September 2008)	**80%**	–	**9%**	–	**11%**	–
T K Vu (resigned 1 August 2008)	**100%**	71%	**0%**	15%	**0%**	14%
J S Powell	**78%**	69%	**9%**	18%	**13%**	13%
J S Lenga	**80%**	67%	**9%**	17%	**11%**	16%
P D Everingham	**77%**	68%	**10%**	17%	**13%**	15%

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

Remuneration report continued

C. 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 cash salary, performance based cash bonuses and share option agreements. The major provisions of the agreements relating to remuneration are set out below.

P M Bassat, Joint Chief Executive Officer

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

- Base salary from 1 July 2008 of $550,000.
- Base salary from 1 July 2009 through to 30 June 2010 of $550,000.
- Salary will be reviewed at 1 July 2010 and thereafter at 1 July each year.
- Participation in the Executive Director Options Plan and the Performance Rights and Options Plan.
- Termination notice period: six months by either party. However, Paul Bassat cannot resign within six months of the other Joint CEO, Andrew Bassat, resigning. The company can terminate his employment with a payment in lieu of notice.
- If there is a change of control at SEEK, only the six months termination notice is required. There is no restriction on resigning within six months of the other Joint CEO.
- Non-competition period: from termination date, maximum of three months within Australia.

A R Bassat, Joint Chief Executive Officer

Andrew Bassat entered into a new employment contract on 1 July 2008, to align his employment terms with similar terms applicable to other senior executives

- Base salary from 1 July 2008 of $550,000.
- Base salary from 1 July 2009 through to 30 June 2010 of $550,000.
- Salary will be reviewed at 1 July 2010 and thereafter at 1 July each year.
- Participation in the Executive Director Options Plan and the Performance Rights and Options Plan.
- Termination notice period: six months by either party. However, Andrew Bassat cannot resign within six months of the other Joint CEO, Paul Bassat, resigning. The company can terminate his employment with a payment in lieu of notice.
- If there is a change of control at SEEK, only the six months termination notice is required. There is no restriction on resigning within six months of the other Joint CEO.
- Non-competition period: from termination date, maximum of three months within Australia.

Other key management personnel

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

J A Armstrong, Chief Financial Officer

- Base salary for the year ended 30 June 2009 of $306,375.
- Participation in the senior executive bonus plan.
- Participation in the Performance Rights and Options Plan.
- Termination notice period: three months by either party.
- Non-competition period: 12 months from termination date.

C M T Eaton, Chief Information Officer
- Base salary per annum from the date of appointment of $270,000.
- Participation in the senior executive bonus plan.
- Participation in the Performance Rights and Options Plan.
- Termination notice period: three months by either party.
- Non-competition period: three months from termination date.

J S Powell, Managing Director – SEEK Employment
- Base salary for the year ended 30 June 2009 of $475,000.
- Participation in the senior executive bonus plan.
- Participation in the Performance Rights and Options Plan.
- Termination notice period: three months by either party.
- Non-competition period: three months from termination date.

J S Lenga, Director of Corporate Strategy
- Base salary for the year ended 30 June 2009 of $375,000.
- Participation in the senior executive bonus plan.
- Participation in the Senior Executive Option Plan and Selfcert Option Agreement (exercised last option September 2008).
- Participation in the Performance Rights and Options Plan.
- Termination notice period: three months by either party.
- Non-competition period: three months from termination date.

P D Everingham, Managing Director – SEEK Learning
- Base salary for the year ended 30 June 2009 of $322,500.
- Participation in the senior executive bonus plan.
- Participation in the Senior Executive Option Plan.
- Participation in the Performance Rights and Options Plan.
- Termination notice period: three months by either party.
- Non-competition period: three months from termination date.

D. Share-based compensation

Options

Non-executive directors do not receive options. Executive directors participate in the Executive Director Options Plan. Other key management personnel participate in the SEEK Limited Staff Option Plan, Senior Executive Option Plan, Selfcert Option Agreement and Performance Rights and Options Plan, depending upon their commencement date with SEEK. Refer to Section A in the Remuneration report for details of all option plans.

Remuneration report continued

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

Plan	Grant date	Expiry date	Exercise price	Fair value per option at grant date	Date exercisable
Staff Option Plan	15/04/2002	15/04/2008	$0.33	$0.23	25% exercisable after initial 12 months service, monthly thereafter.
Staff Option Plan	15/05/2002	15/05/2008	$0.33	$0.23	25% exercisable after initial 12 months service, monthly thereafter.
Staff Option Plan	31/03/2003	31/03/2009	$0.33	$0.23	25% exercisable after initial 12 months service, monthly thereafter.
Selfcert Option Agreement	25/08/2004	25/08/2010	$0.58	$0.22	Exercisable monthly subject to individual performance hurdle.
Senior Executive Option Plan	13/12/2004	13/12/2010	$0.83	$1.04	First maximum 25%, exercisable 13 December 2005. The maximum 25% p.a. exercisable each 1 July commencing 1 July 2006.
Executive Director 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 Director 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 Plan	30/06/2009	01/07/2014	$4.10	RTSR $1.49 EPS $1.64	Exercisable 1 July 2012, dependent on achieving Relative Total Shareholder Return, Earnings Per Share and individual performance hurdles.

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

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

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 Group are set out below. Further information on the options is set out in note 26 to the financial statements.

	Number of options and Performance Rights granted during the year		Number of options and Performance Rights vested during the year	
	2009	2008	**2009**	2008
Executive directors of SEEK Limited				
P M Bassat	**1,045,530**	–	**852,845**	787,500
A R Bassat	**1,045,530**	–	**852,845**	787,500
Other key management personnel				
J A Armstrong	**100,729**	15,596	**12,716**	–
C M T Eaton (appointed 1 September 2008)	**68,354**	–	**2,643**	–
T K Vu (resigned 1 August 2008)	**–**	19,836	**19,345**	84,000
J S Powell	**194,172**	21,176	**14,624**	–
J S Lenga	**123,292**	16,416	**40,601**	182,500
P D Everingham	**24,386**	15,104	**66,052**	51,000

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. 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.

Remuneration report continued

The model inputs for Performance Rights granted during the year ended 30 June 2009 included:

	Grant date	
Input	30 June 2009	1 July 2008
Exercise price	**$4.10**	**Nil**
Expiry date	**1 July 2014**	**1 July 2012**
Share price at grant date	**$4.17**	**$5.08**
Expected price volatility	**50%**	**35%**
Dividend yield	**2.10%**	**6.50%**
Risk-free rate	**4.97%**	**6.75%**
Vest period	**3 years**	**3 years**
Vest conditions based on	**RTSR and EPS**	**RTSR and EPS**

Shares provided on exercise of remuneration options

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

	Number of ordinary shares issued on exercise of options during the year		Amount paid per share on exercise of options during the year	
	2009[1]	2008	**2009**	2008
Executive directors of SEEK Limited				
P M Bassat	**–**	1,462,500	**–**	$2.10
A R Bassat	**–**	1,462,500	**–**	$2.10
Other key management personnel				
J A Armstrong	**12,716**	–	**–**	–
C M T Eaton (appointed 1 September 2008)	**2,643**	–	**–**	–
T K Vu (resigned 1 August 2008)	**103,345**	102,000	**$0.73**	$0.83
J S Powell	**14,624**	–	**–**	–
J S Lenga	**155,476**	197,375	**$0.53**	$0.84
P D Everingham	**57,052**	42,500	**$2.22**	$2.48

Note: 1. During the year to 30 June 2009, all shares provided under employee share option plans were purchased on-market. No new shares have been issued during the period. No amounts are unpaid on any shares issued on the exercise of options.

E. Additional information

Principles used to determine the nature and amount of remuneration: relationship between remuneration and company performance

The overall level of executive reward 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 reward.

The following table reviews the growth rates in key business indicators compared to executive remuneration. Compound Annual Growth Rates over the last five years are as follows:

Revenue from continuing operations	31%
Adjusted EBITDA[1]	35%
Net profit after tax	30%
Total executive remuneration	15%

SEEK's share price at Listing date April 2005 was $2.10.

SEEK's share price at 30 June 2009 was $4.17.

The table below sets out summary information about the Group's earnings and movements in shareholder wealth for the past five years up to and including June 2009.

	2009	2008	2007	2006	2005
Revenue from continuing operations ($000's)	**209,778**	211,488	158,897	109,317	71,332
Adjusted EBITDA ($000's)[1]	**97,767**	109,809	80,317	49,052	27,555
Net profit before tax ($000's)	**80,179**	106,561	79,538	48,869	29,280
Net profit after tax ($000's)	**55,301**	76,280	55,515	34,157	20,447
Share price at end of year ($)	**4.17**	5.00	7.38	5.35	2.38
Interim dividend (cents per share)	**4.5**	8.7	6.0	3.7	–
Final dividend (cents per share)	**4.7**	9.9	7.7	4.8	0.01
Basic earnings per share (cents per share)	**18.8**	26.6	19.6	12.1	7.6
Diluted earnings per share (cents per share)	**18.7**	26.3	19.3	11.9	7.3

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

The Group listed on the ASX for the year ended 30 June 2005. Information in the above table covers audited information from the financial year of admission to the ASX.

Cash bonuses and options

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

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

Remuneration report continued

Year 2009	Cash bonus		Options					
Name	Paid %	Forfeited %	Grant date	Vested[2] %	Forfeited[2] %	Financial years in which options may vest	Minimum total value of grant yet to vest $	Maximum total value of grant yet to vest $
P M Bassat[1]	–	–	22/03/2005	100	–	2009	–	–
			01/07/2008	25	75	2010–2011	–	316,926
								316,926
A R Bassat[1]	–	–	22/03/2005	100	–	2009	–	–
			01/07/2008	25	75	2010–2011	–	316,926
								316,926
J A Armstrong	42	58	01/07/2006	58	42	2009	–	–
			01/07/2007	–	–	2010	–	15,658
			01/07/2008	–	–	2011	–	46,795
			30/06/2009	–	–	2012	–	121,165
								183,618
C M T Eaton	35	65	01/07/2007	–	–	2010	–	11,538
			01/07/2008	–	–	2011	–	34,481
			30/06/2009	–	–	2012	–	106,780
								152,799
J S Powell	42	58	01/07/2006	58	42	2009	–	–
			01/07/2007	–	–	2010	–	21,261
			01/07/2008	–	–	2011	–	88,589
			30/06/2009	–	–	2012	–	234,816
								344,666
J S Lenga	42	58	08/07/2005	85	15	2009	–	–
			01/07/2006	58	42	2009	–	–
			01/07/2007	–	–	2010	–	16,482
			01/07/2008	–	–	2011	–	57,277
			30/06/2009	–	–	2012	–	148,305
								222,064
P D Everingham	50	50	15/08/2005	100	–	2010	–	660
			01/07/2006	58	42	2009	–	–
			01/07/2007	–	–	2010	–	15,164
			01/07/2008	–	–	2011	–	49,260
								65,084

Notes: 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.

Further details relating to options are set out below.

Name	A Remuneration consisting of options	B Value at grant date $	C Value at exercise date $	D Value at lapse date $
P M Bassat	28%	624,704	–	–
A R Bassat	28%	624,704	–	–
J A Armstrong	12%	191,358	75,024	46,858
C M T Eaton	11%	158,502	15,594	9,738
T K Vu (resigned 1 August 2008)	–	–	533,905	45,486
J S Powell	13%	367,700	86,282	53,884
J S Lenga	11%	234,221	834,188	56,832
P D Everingham	13%	73,890	210,127	22,301

Notes: A = The percentage of the value of remuneration consisting of options, based on the value of options expensed during the current year.
B = The value at grant date calculated in accordance with AASB 2: *Share-based Payment* of options granted during the year as part of remuneration.
C = The value at exercise date of options that were granted as part of remuneration and were exercised during the year. Value of options exercised during the year is calculated as the market price of shares of the company on the ASX as at close of trading on the date the options were exercised, after deducting the price paid to exercise the option.
D = The value at lapse date of options that were granted as part of remuneration and that lapsed during the year because a vesting condition was not satisfied. The value is determined at the time of lapsing, but assuming the condition was satisfied.

Loans to directors and executives

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

Shares under option

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

Date granted	Expiry date	Issue price of shares	Number
Staff Option Plan			
22/02/2000 – 08/09/2003	6 years	$0.33	9,843
09/09/2003 – 03/05/2004	6 years	$0.46	9,088
17/05/2004 – 15/07/2005	6 years	$0.58	17,398
Senior Executive Option Plan			
08/07/2005	6 years	$2.32	60,125
15/08/2005	6 years	$2.48	70,000
08/07/2005	6 years	$2.32	34,000
02/11/2005	6 years	$2.78	33,333
11/11/2005	6 years	$2.78	73,000
11/11/2005	6 years	$2.34	47,000
21/06/2006	6 years	$4.69	23,333
Executive Director Options Plan			
22/03/2005	3 years	$2.10	1,575,000
01/07/2008	5 years	$5.29	1,698,986
Performance Rights & Options Plan			
01/07/2007	3.5 years	Nil	175,758
01/07/2008	4 years	Nil	284,336
30/06/2009	5 years	$4.10	884,341
Total Options and Performance Rights			**4,995,541**

Remuneration report continued

On 11 March 2005, SEEK Limited subdivided its ordinary shares on the basis of three shares for every one share held. The option numbers and exercise prices disclosed above are shown on an after subdivision basis. No option holder has any right under the options to participate in any other share issue of the company or of any other entity.

Shares issued on the exercise of options

During the year to 30 June 2009, all shares provided under employee share option plans were purchased on-market. No new shares have been issued during the period.

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 below.

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 38.

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	
	2009 $	2008 $
(a) Other assurance services		
Audit services		
PricewaterhouseCoopers Australian firm:		
Due diligence services	**583,905**	287,846
SAP implementation reviews	**–**	34,000
Other services	**15,290**	4,000
Total remuneration for other assurance services	**599,195**	325,846
(b) Taxation services		
PricewaterhouseCoopers Australian firm:		
Tax compliance services	**107,130**	135,685
Tax related due diligence services	**396,660**	85,500
Tax consulting	**175,412**	287,528
Total remuneration for taxation services	**679,202**	508,713
(c) Other advisory services		
PricewaterhouseCoopers Australian firm:		
Employee remuneration structure advice	**20,050**	65,217
Total remuneration for non-audit services	**1,298,447**	899,776

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*.

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



James Packer
Chairman

Melbourne
25 August 2009

Auditor's Independence Declaration

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

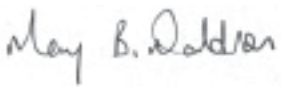
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Auditor's Independence Declaration

As lead auditor for the audit of SEEK Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
b) no contraventions of any applicable code of professional conduct in relation to the audit.

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



Mary Waldron
Partner
PricewaterhouseCoopers

Melbourne
25 August 2009

Liability limited by a scheme approved under Professional Standards Legislation

Corporate Governance Statement

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

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

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

Principle 1: Lay solid foundations for management and oversight

The Board of directors

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

Responsibilities

The responsibilities of the Board include:

(a) Strategy

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

(b) Risk management

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

(c) Reporting and disclosure

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

(d) Management

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

(e) Performance

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

(f) Corporate governance

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

(g) Board committees

- Establishing the following Board committees:
  i. Audit and Risk Management Committee
  ii. Remuneration Committee
- Adopting Charters for each committee.

(h) Delegation of authority to management

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

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

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

The performance of the Joint CEOs and executive management team are formally assessed in June of each year, with June 2009 being the last assessment. The Joint CEOs and the executive management team are assessed using the company's performance rating system (SEEK Synergy). The process applies equally to all SEEK employees. Each CEO assesses the executive team members who report directly to them, against predetermined goals and objectives set at the start of the year. The CEOs also receive comprehensive feedback from the employees who report directly to the executive team member. Using this method, a performance rating is derived. The Joint CEOs also participate in the same SEEK Synergy process and the Board receives feedback from the executive team members before conducting their annual performance review of the Joint CEOs.

Principle 2: Structure the Board to add value

Directors' independence

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

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

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

Board members

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

- five non-executive directors, including the chairman; and
- two executive directors.

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

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

Chairman James Packer and director John Alexander are considered to be non-independent through their relationship with Consolidated Media Holdings Ltd (CMH), which is a significant shareholder of SEEK Limited. ASX Principle 2 requires the Chairman of the Board to be an independent non-executive director. SEEK does not comply with this Principle, however, the Board considers that the Chairman brings the required skills and ability to effectively and independently chair the Board.

SEEK has a majority of non-independent directors which is non-compliant with Principle 2 of Corporate Governance best practice. Although there is not a majority of non-independent directors, for all Board discussions where a director's independence is compromised or is seen to be compromised those directors will abstain from such decisions. Therefore, decisions undertaken by the Board can be considered to be independent.

The Board seeks to ensure that:

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

Non-executive directors

The non-executive directors meet annually without the presence of the executive directors and management, to discuss the operation of the Board and will report back those findings to the full Board. The non-executive directors met in June 2009 and assessed the performance of the executive directors in conjunction with their SEEK annual performance rating review. Relevant matters arising from the meeting were shared with the full Board.

(a) Term of office

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

(b) Commitment

The number of meetings of the company's Board of directors and of each Board committee held during the year ended 30 June 2009 and the number of meetings attended by each director is disclosed on page 20.

It is the company's practice to allow its executive directors to accept appointments outside the company, with the approval of the Chairman. Details of current directorships are noted in the Directors Report 'Information on directors' section on pages 16–19.

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

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

Conflicts of interest

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

Entities connected with Mr J D Packer, Mr J H Alexander and Mr C J Anderson had arm's length business dealings with the consolidated entity during the year, as described in note 27 to the financial statements. In accordance with the Board charter the directors concerned declared their interests in those dealings to the company and took no part in decisions relating to them or the preceding discussions. In addition, those directors did not receive any papers from the Group pertaining to those dealings.

Corporate Governance Statement

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

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

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

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

Each committee has its own written charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the committee is to operate. All of these charters are reviewed on an annual basis and are available on the company website. All matters determined by committees are submitted to the full Board as recommendations for Board decision.

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

Board nominations
Principle 2 of Corporate Governance best practice suggests that a nomination committee should be formed of at least three members with a majority of independent directors. Given the size of the SEEK Group and the SEEK Board it was felt appropriate that the full Board would consider all future applicants for any vacant Board positions and for all new directors to be ratified at the next Annual General Meeting.

When a new director is to be appointed, the Board reviews the range of skills, experience and expertise on the Board, identifies its needs and prepares a short-list of candidates with appropriate skills and experience. Where necessary, advice is sought from independent search consultants.

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

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

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

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

Principle 3: Promote ethical and responsible decision making

Code of Conduct

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

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

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

Share Trading Policy and Ethical standards

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

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

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

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

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

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

Principle 4: Safeguard integrity in financial reporting

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

- Monitor any matters outstanding with auditors, Australian Taxation Office, Australian Securities & Investments Commission, the Australian Securities Exchange and financial institutions and monitor compliance with the *Corporations Act 200*1 and ASX Listing Rules;
- Monitor corporate risk assessment and internal controls;
- Review and monitor compliance with the company's Auditor Independence Policy;
- Liaise with external auditors;
- Review the annual audit plan with the auditors;
- Review information derived from the audit;
- Review interim financial information;
- Review accounting policies;
- Monitor risks relating to business continuity, disaster recovery, reputation, currency exposure and interest rate exposure;
- Review compliance with relevant government regulations;
- Assess the performance of financial management;
- Review adequacy of insurance coverage;
- Recommend to the Board the appointment, re-appointment or replacement of the external auditors;
- Review performance and compensation of the external auditors; and
- Supervise special investigations as directed by the Board.

Corporate Governance Statement

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

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

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

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

- N G Chatfield (Chairman) Independent
- R C G Watson Independent
- J H Alexander (appointed 5 May 2009)
- C J Anderson (resigned 8 April 2009)

Details of these directors' qualifications and attendance at Audit and Risk Management Committee meetings are set out in the Directors' Report on pages 16–20.

The Audit and Risk Management Committee has appropriate financial expertise and all members are financially literate and have an appropriate understanding of the industries in which the Group operates. ASX Listing rule 12.7 requires companies that are included in the ASX 300 index, at the start of their financial year, to comply with best practice governance guidelines for audit committees. The guideline states that best practice audit committees require a minimum of three non-executive directors with a majority being independent. SEEK complies with this requirement.

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

External auditors

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

An analysis of fees paid to the external auditors, including a breakdown of fees for non-audit services, is provided in the Directors' Report and note 23 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Audit and Risk Management Committee.

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

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

Continuous disclosure and shareholder communication

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

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

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

Principle 7: Recognise and manage risk

Risk assessment and management

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

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

- There is an organisation structure with clearly drawn lines of accountability and delegation of authority.
- Adherence to the Code of Conduct is required at all times and the Board actively promotes a culture of quality and integrity.
- Board approved annual budgeting and monthly reporting processes for all business units, to monitor the progress of each business against budget, key performance indicators and trend analysis.
- Regular planned strategy meetings are held to develop forward strategic plans for all businesses and ongoing review of these strategies.
- Capital expenditure guidelines and approval limits are in place. In addition, the Board requires that each major proposal submitted to the Board for decision is accompanied by a comprehensive risk assessment and, where required, management's proposed mitigation strategies.
- A treasury policy has been developed to monitor and assess financial risks associated with treasury management including business financing, interest rate and foreign currency risks.
- A risk management process is in place, to identify, assess and deal with material business risks. The program is managed by the Company Secretary in liaison with business departments, including the maintenance of a risk register. The Audit and Risk Management Committee is advised of the assessed major risks at Audit and Risk Management Committee meetings.

Corporate reporting

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

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

Corporate Governance Statement

Principle 8: Remunerate fairly and responsibly

Remuneration Committee

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

- R C G Watson (Chairman), and
- C B Carter.

Details of these directors' attendance at Remuneration Committee meetings are set out in the Directors' Report on page 20.

The Remuneration Committee operates in accordance with its charter which is available on the company website. The Remuneration Committee advises the Board on remuneration and incentive policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors. SEEK does not comply with best practice corporate governance Principle 8 which suggests that the Remuneration Committee should consist of a minimum of three members; here the Board considered it appropriate that two non-executive directors would be sufficient to form a Remuneration Committee given the size of the Group.

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

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

Further information on directors' and executives' remuneration is set out in the Directors' Report and note 22 to the financial statements.

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

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

SEEK Limited
Annual Financial Report – 30 June 2009

Contents to the Annual Financial Report

48 Income Statements
49 Balance Sheets
50 Statements of Changes in Equity
51 Cash Flow Statements
52 Notes to the Financial Statements

52 Note 1. Summary of significant accounting policies
63 Note 2. Financial risk management
67 Note 3. Critical accounting estimates and judgements
69 Note 4. Segment information
71 Note 5. Revenue
72 Note 6. Other income
72 Note 7. Expenses
72 Note 8. Income tax
76 Note 9. Cash and cash equivalents
76 Note 10. Trade and other receivables
78 Note 11. Investments in controlled entities
78 Note 12. Investments accounted for using the equity method
81 Note 13. Available-for-sale financial assets
81 Note 14. Plant and equipment
82 Note 15. Intangible assets
85 Note 16. Trade and other payables
85 Note 17. Borrowings
86 Note 18. Provisions
88 Note 19. Contributed equity
89 Note 20. Reserves and retained profits
91 Note 21. Dividends
92 Note 22. Key management personnel disclosures
95 Note 23. Remuneration of auditors
96 Note 24. Contingent liabilities
97 Note 25. Commitments for expenditure
97 Note 26. Share-based payments
99 Note 27. Related party transactions
101 Note 28. Deed of cross guarantee
103 Note 29. Business combinations
105 Note 30. Interests in controlled entities
105 Note 31. Events occurring after balance date
106 Note 32. Reconciliation of operating profit after income tax to net cash inflow from operating activities
107 Note 33. Earnings per share

108 Directors' Declaration
109 Independent Auditor's Report
111 Shareholder Information
IBC Corporate Directory

This financial report covers both SEEK Limited as an individual entity and the 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 25 August 2009. 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 37, which are not part of this financial report.

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

Income Statements
For the year ended 30 June 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Revenue from continuing operations	5	**209,778**	211,488	**162,557**	181,104
Other income	6	**4,642**	–	**–**	–
Operating expenses					
Direct cost of services		**(8,081)**	(4,057)	**–**	–
Sales and marketing		**(62,560)**	(56,072)	**(31,114)**	(34,526)
Business development		**(17,145)**	(18,814)	**(17,145)**	(18,814)
Operations and administration		**(37,004)**	(26,404)	**(27,386)**	(25,301)
Finance costs	7	**(8,015)**	(2,298)	**(7,769)**	(2,171)
Expenses from continuing operations	7	**(132,805)**	(107,645)	**(83,414)**	(80,812)
Share of (losses)/profits of associates accounted for using the equity method	12	**(1,436)**	2,718	**–**	(126)
Profit from continuing operations before related income tax expense		**80,179**	106,561	**79,143**	100,166
Income tax expense	8	**(24,878)**	(30,281)	**(23,276)**	(29,117)
Profit from continuing operations after related income tax expense		**55,301**	76,280	**55,867**	71,049
Profit attributable to ordinary equity holders of the company		**55,301**	76,280	**55,867**	71,049

Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:		Cents	Cents
Basic earnings per share	33	**18.8**	26.6
Diluted earnings per share	33	**18.7**	26.3

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

Balance Sheets
As at 30 June 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Current assets					
Cash and cash equivalents	9	**43,617**	31,963	**39,151**	30,119
Trade and other receivables	10	**29,847**	28,541	**157,643**	97,086
Total current assets		**73,464**	60,504	**196,794**	127,205
Non-current assets					
Investments in controlled entities	11	**–**	–	**84,703**	4,076
Investments accounted for using the equity method	12	**223,233**	111,649	**105,882**	37,847
Available-for-sale financial assets	13	**12,551**	–	**–**	–
Plant and equipment	14	**13,941**	9,241	**5,458**	7,790
Intangible assets	15	**117,132**	20,535	**8,586**	9,682
Deferred tax assets	8(d)	**12,383**	7,842	**5,874**	7,224
Total non-current assets		**379,240**	149,267	**210,503**	66,619
Total assets		**452,704**	209,771	**407,297**	193,824
Current liabilities					
Trade and other payables	16	**17,106**	16,007	**7,936**	12,655
Unearned income		**22,738**	8,942	**5,252**	7,202
Borrowings	17	**2,185**	–	**–**	–
Current tax liabilities		**5,995**	10,780	**4,952**	10,517
Deferred tax liabilities	8(e)	**63**	63	**–**	–
Provisions	18	**1,978**	731	**1,000**	731
Total current liabilities		**50,065**	36,523	**19,140**	31,105
Non-current liabilities					
Borrowings	17	**111,289**	30,000	**111,289**	30,000
Provisions	18	**2,710**	771	**1,054**	736
Total non-current liabilities		**113,999**	30,771	**112,343**	30,736
Total liabilities		**164,064**	67,294	**131,483**	61,841
Net assets		**288,640**	142,477	**275,814**	131,983
Equity					
Contributed equity	19	**182,179**	60,490	**182,179**	60,490
Reserves	20(a)	**14,973**	2,769	**15,322**	6,016
Retained profits	20(b)	**91,488**	79,218	**78,313**	65,477
Total equity		**288,640**	142,477	**275,814**	131,983

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

Statements of Changes in Equity
For the year ended 30 June 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Total equity at the beginning of the financial year		**142,477**	105,390	**131,983**	98,521
Exchange differences on translation of foreign operations	20(a)	**2,868**	(1,606)	**–**	–
Employee share options expense	20(a)	**1,372**	1,037	**1,372**	1,037
Purchase of shares on-market for employee share options		**(2,666)**	–	**(2,666)**	–
Tax credited directly to equity	8(c)	**41**	1,691	**41**	1,691
Gains/(losses) on hedges relating to investments accounted for using the equity method, net of tax	20(a)	**9,013**	(403)	**9,013**	(403)
Available-for-sale financial assets revaluation reserve	20(a)	**30**	–	**–**	–
Net income recognised directly in equity		**10,658**	719	**7,760**	2,325
Profit for the year		**55,301**	76,280	**55,867**	71,049
Total recognised income and expense for the year		**65,959**	76,999	**63,627**	73,374
Transactions with equity holders in their capacity as equity holders:					
Contributions of equity, net of transaction costs	19(b)	**120,987**	7,180	**120,987**	7,180
Recognition of current tax and deferred tax asset in relation to capital raising costs	8(c)	**702**	–	**702**	–
Dividends paid	21	**(41,485)**	(47,092)	**(41,485)**	(47,092)
		80,204	(39,912)	**80,204**	(39,912)
Total equity at the end of the financial year		**288,640**	142,477	**275,814**	131,983
Total recognised income and expense for the year is attributable to: Members of SEEK Limited		**65,959**	76,999	**63,627**	73,374

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

Cash Flow Statements
For the year ended 30 June 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		**235,935**	221,847	**175,948**	187,933
Payments to suppliers and employees (inclusive of goods and services tax)		**(131,985)**	(116,640)	**(93,449)**	(88,580)
		103,950	105,207	**82,499**	99,353
Interest received		**1,109**	1,271	**1,065**	1,163
Interest paid		**(7,526)**	(1,343)	**(7,381)**	(1,297)
Income taxes paid		**(33,291)**	(32,483)	**(31,382)**	(31,935)
Net cash inflow from operating activities	32	**64,242**	72,652	**44,801**	67,284
Cash flows from investing activities					
Payments for acquisition of interest in associates	12	**(139,361)**	(53,106)	**(92,231)**	(37,973)
Payments for investments in subsidiary, net of cash acquired	29	**(40,534)**	–	**(42,552)**	–
Payments for transaction costs on investments	29	**(510)**	–	**(510)**	–
Dividends received		**5,428**	–	**–**	–
Purchase of available-for-sale financial asset	13	**(19,946)**	–	**–**	–
Payments for plant and equipment		**(1,248)**	(5,013)	**(757)**	(4,496)
Payments for intangible assets		**(2,144)**	(3,489)	**(1,667)**	(3,433)
Loans advanced to subsidiaries		**–**	–	**(81,437)**	(15,133)
Repayment of loans by related parties	27(b)	**–**	–	**25,608**	4,772
Net cash (outflow) from investing activities		**(198,315)**	(61,608)	**(193,546)**	(56,263)
Cash flows from financing activities					
Proceeds from borrowings		**167,000**	30,000	**167,000**	30,000
Repayment of borrowings		**(99,235)**	–	**(85,000)**	–
Transaction costs on syndicated debt facility	17	**(1,059)**	–	**(1,059)**	–
Purchase of shares for employee share options plans		**(2,666)**	–	**(2,666)**	–
Proceeds from issues of shares	19	**123,915**	7,180	**123,915**	7,180
Capital raising costs	19	**(2,928)**	–	**(2,928)**	–
Dividends paid	21	**(41,485)**	(47,092)	**(41,485)**	(47,092)
Net cash inflow/(outflow) from financing activities		**143,542**	(9,912)	**157,777**	(9,912)
Net increase in cash and cash equivalents		**9,469**	1,132	**9,032**	1,109
Cash and cash equivalents at the beginning of the financial year		**31,963**	30,831	**30,119**	29,010
Cash and cash equivalents at the end of the financial year	9(a)	**41,432**	31,963	**39,151**	30,119

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

1. Summary of significant accounting policies

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

(a) Basis of preparation

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

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of SEEK Limited complies with International Financial Reporting Standards (IFRS).

Early adoption of standards

The Group has elected to apply AASB 3 (Revised): *Business Combinations* from 12 May 2009. None of the items in the financial statements had to be restated as a result of applying this accounting standard. Refer to note 29 for details of how this standard has been applied in this financial year.

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.

Restatement of prior year comparatives

During the period the Group has reviewed the classification of its expenses by function as shown on the face of the Income Statement. The Group is of the view that reclassification of certain expenses more closely aligns with the nature of the business and provides more accurate and relevant information to the users of these financial statements. To ensure comparability with current period information, the prior period comparatives have been restated to align with the new classification.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS 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

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of SEEK Limited ('company' or 'parent entity') as at 30 June 2009 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 those entities over which the Group has the power to govern the financial and operating policies of those subsidiaries. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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

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

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

Investments in subsidiaries are accounted for at cost in the individual financial statements of SEEK Limited.

Associates

Associates are all entities over which the Group has significant influence but not control. Investments in associates are accounted for in the investing entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after being initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss if it were to arise) identified on acquisition.

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

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

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

(c) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

(d) Foreign currency translation and transactions

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(iii) Group companies

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

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

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 transferred to the foreign currency translation reserve.

1. Summary of significant accounting policies continued

(e) Revenue recognition

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

(i) Job advertisements

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

(ii) Banner advertising

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

(iii) Education: classroom-based training

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

(iv) Education: distance learning

Revenues from distance learning are apportioned between an amount recognised on receiving the course materials and an amount on receiving a certificate of completion based on the proportion of costs incurred upfront to the total estimated cost of provisioning the services.

(v) Education: commission revenue

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

(vi) Interest income

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

(vii) Dividends

Dividends are recognised as revenue when the right to receive payment is established.

(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 national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not provided for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted by the balance sheet date 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 balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation legislation

SEEK Limited, the head entity, and its wholly-owned Australian entities are members of the SEEK Limited tax consolidated group. These entities continue to 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 asset arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Details about the tax funding agreement are disclosed in note 8.

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.

(g) Business combinations

As explained in note 1(a), the Group early adopted AASB 3 (Revised): *Business Combinations* from 12 May 2009.

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

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

AASB 3 (Revised) continues to apply the purchase method to business combinations, but with some significant changes. From the date of adoption of the standard, acquisition-related costs are expensed as incurred. Previously, they were recognised as part of the cost of acquisition and therefore included in goodwill. If the Group recognises acquired deferred tax assets after the initial acquisition accounting there will no longer be any adjustment to goodwill. As a consequence, the recognition of the deferred tax asset will increase the Group's net profit after tax. All payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt and subsequently remeasured through the Income Statement. In a business combination achieved in stages, the acquirer remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss, if any, in the Income Statement.

1. Summary of significant accounting policies continued

(h) Impairment of assets

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

(i) Cash and cash equivalents

For cash flow statement presentation purposes, 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.

(j) Trade receivables

Trade receivables are recognised initially at fair value, less provision for impairment. This provision includes amounts that are not considered to be recoverable from debtors and amounts that are expected to be credited to debtors. Trade receivables are 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 Income Statement in 'operations and administration' expense. The amount of the provision for amounts that are expected to be credited is recognised in the Income Statement in 'revenue from continuing operations'. Trade receivables which are known to be uncollectible are written off against the provision for impairment. Subsequent recoveries of amounts previously written off to the provision for impairment are credited against 'operations and administration' expense in the Income Statement.

(k) Investments and other financial assets

Classification

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

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

Recognition and derecognition

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

Subsequent measurement

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

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

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

Fair value

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

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss) is removed from equity and recognised in the Income Statement. Impairment losses recognised in the Income Statement on equity instruments classified as available-for-sale are not reversed through the Income Statement.

1. Summary of significant accounting policies continued

(l) Derivatives and hedging activities

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

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

Movements in the hedging reserve in shareholders equity are shown in note 20.

(i) Fair value hedge

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

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

(ii) Cash flow hedge

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

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

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

(iii) Derivatives that do not qualify for hedge accounting

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

(m) Plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item

can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

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

– Plant and equipment three to seven years

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

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

(n) Intangible assets

(i) Goodwill

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

Goodwill is allocated to cash generating units (CGUs) for the purpose of impairment testing. Each of these CGUs represents the smallest identifiable group of cash inflows that are largely independent of the cash inflows from other assets or groups of assets (refer to note 15 for details of the Group's CGUs).

(ii) Brand and licences

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

(iii) Course development and accreditation

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

(iv) Customer relationships

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

(v) Computer software and website development

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

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

(vi) Work in progress

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

1. Summary of significant accounting policies continued

(o) Trade and other payables

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

(p) Leases

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

(q) Borrowings

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

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

(r) Provisions

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

(s) Employee benefits

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

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

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

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

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

The fair value of options granted under the SEEK Option Plans is recognised as an employee benefit expense with a corresponding increase in equity. The 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 become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the Income Statement with a corresponding adjustment to equity.

(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 the time of completion of the financial report.

(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 balance date.

(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.

1. Summary of significant accounting policies continued

(w) Goods and Services Tax (GST)

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

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

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

(x) Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities & Investments Commission, relating to the ''rounding off'' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(y) Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, the Standards and Interpretations listed below were in issue but not yet effective.

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

Revised AASB 101: *Presentation of Financial Statements* (revised September 2007) and AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101*	Effective for annual reporting periods beginning on or after 1 January 2009
AASB 8: *Operating Segments* AASB 2007-3: *Amendments to Australian Accounting Standards arising from AASB 8*	Effective for annual reporting periods beginning on or after 1 January 2009
Improvements to Australian Accounting Standards: AASB 2008-5 and AASB 2008-6	Effective for annual reporting periods beginning on or after 1 January 2009 and 1 July 2009 respectively

– Initial application of the following Standards and Interpretations is not expected to have any material impact on any of the amounts recognised in the financial report of the Group and the company:

AASB 2008-7: *Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*	Effective for annual reporting periods beginning on or after 1 July 2009
AASB Interpretation 16: *Hedges of a Net Investment in a Foreign Operation*	Effective for annual reporting periods beginning on or after 1 October 2008
AASB 2008-1: *Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations*	Effective for annual reporting periods beginning on or after 1 January 2009
Revised AASB 123: *Borrowing Costs* and AASB 2007-6: *Amendments to Australian Accounting Standards arising from AASB123 (AASB 1, AASB 101, AASB 107, AASB111, AASB 116 & AASB 138 and Interpretations 1 & 12)*	Effective for annual reporting periods beginning on or after 1 January 2009
AASB 2008-8 *Amendment to IAS 39: Financial Instruments: Recognition and Measurement*	Effective 1 July 2009
AASB Interpretation 17: *Distribution of Non-Cash Assets to Owners* and AASB 2008-13 *Amendment to Australia Accounting Standard arising from AASB Interpretation 17*	Effective 1 July 2009

– In addition, certain other Standards and Interpretations were issued during the period which either do not apply to the Group and the company or are not expected to have any material effect.

2. Financial risk management

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

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

The Group and the parent entity hold the following financial instruments:

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Financial assets				
Cash and cash equivalents	**43,617**	31,963	**39,151**	30,119
Trade and other receivables	**29,847**	28,541	**157,643**	97,086
Available-for-sale financial assets	**12,551**	–	**–**	–
Financial liabilities				
Trade and other payables	**17,106**	16,007	**7,936**	12,655
Unearned income	**22,738**	8,942	**5,252**	7,202
Borrowings (principal)	**114,185**	30,000	**112,000**	30,000

Borrowings are issued at variable interest rates (for details of the maturity of borrowings, refer to note 17) and cash and cash equivalents attract interest at variable interest rates (refer to note 9). All other financial assets and liabilities are non-interest bearing.

(a) Market risk

(i) Foreign exchange risk

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

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

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

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

2. Financial risk management continued

Group

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

	2009			2008	
	NZD 000's	GBP 000's	MYR 000's	NZD 000's	GBP 000's
Cash and cash equivalents	–	482	468	–	257
Trade and other receivables	–	307	–	–	358
Available-for-sale financial assets	–	–	35,860	–	–
Trade and other payables	3,872	45	–	4,266	31
Unearned income	–	3	–	–	9
Current tax liabilities	–	48	–	–	11

Parent entity

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

	2009			2008	
	NZD 000's	GBP 000's	MYR 000's	NZD 000's	GBP 000's
Cash and cash equivalents	–	482	–	–	257
Trade and other receivables	–	1,132	–	–	414
Trade and other payables	5,873	45	600	284	31
Unearned income	–	3	–	–	9
Current tax liabilities	–	48	–	–	11

The analysis below reflects management's view of possible movements in relevant foreign currencies against the Australian dollar in the short term subsequent to 30 June 2009. The table summarises the range of possible outcomes that would affect the Group and the parent entity's net profit and equity as a result of foreign currency movements:

	Profit or Loss				Equity			
Group	2009 $000's		2008 $000's		2009 $000's		2008 $000's	
Judgements of reasonably possible movements in exchange rates	Low	High	Low	High	Low	High	Low	High
AUD to NZD (Range –5% to +5%)	148	(164)	163	(181)	–	–	–	–
AUD to GBP (Range –5% to +5%)	(68)	75	(55)	61	–	–	–	–
AUD to MYR (Range –5% to +5%)	(8)	9	–	–	(598)	661	–	–
Net increase/(decrease)	72	(80)	108	(120)	(598)	661	–	–

Movements in the MYR currency are transferred to the available-for-sale financial assets revaluation reserve on consolidation as the underlying asset is held in MYR (refer to note 13).

	Profit or Loss				Equity			
Parent entity	2009 $000's		2008 $000's		2009 $000's		2008 $000's	
Judgements of reasonably possible movements in exchange rates	Low	High	Low	High	Low	High	Low	High
AUD to NZD (Range –5% to +5%)	225	(249)	11	(12)	–	–	–	–
AUD to GBP (Range –5% to +5%)	(148)	164	(61)	68	–	–	–	–
AUD to MYR (Range –5% to +5%)	10	(11)	–	–	–	–	–	–
Net increase/(decrease)	87	(96)	(50)	56	–	–	–	–

(ii) Price risk

The Group is exposed to equity securities price risk. This arises from the Group's investment in JobStreet Corporation Berhad (JobStreet) as detailed in note 13. This investment is sensitive to the prevailing market price listed on the Malaysian Stock Exchange as the underlying asset is held in Malaysian Ringgits. Movements in the MYR currency are transferred to the available-for-sale financial assets revaluation reserve (refer to note 20 (a)).

The quoted closing share price as at 30 June 2009 was MYR1.14. If the share price was to increase by 15% the carrying value of the investment would increase by MYR5,400,000. If the share price was to fall by 5% the carrying value would decrease by MYR1,800,000. Unless these movements were indicative of impairment they would be recognised within equity in the available-for-sale financial assets revaluation reserve.

(iii) Cash flow interest rate risk

The Group and the parent entity's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group and the parent entity to cash flow interest rate risk.

As at the reporting date, the Group had the following variable rate borrowings:

	30 June 2009		30 June 2008	
	Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Bank overdrafts (note 17)	**8.54%**	**2,185**	–	–
Bank loans[1] (note 17)	**5.52%**	**112,000**	7.77%	30,000
Net exposure to cash flow interest rate risk		**114,185**		30,000

Note: 1. Balance excludes capitalised transaction costs.

As at 30 June 2009, 62% (2008: 82%) of cash balances were on term deposit attracting higher rates of interest. Management ensure that funds at call (non-term deposit funds) are no greater than the short-term liquidity requirements of the business. At balance date, if the term cash deposits interest rate moves 10% higher than the weighted average rate of 4.02%, annual interest income would increase by $108,000. At balance date, if the term cash deposits interest rate moves 10% lower than the weighted average rate of 4.02%, annual interest income would be $108,000 lower.

The interest rate and term for bank borrowing is determined at the date of drawdown. The weighted average interest rate for the year ended 30 June 2009 was 5.52%. At balance date, if the weighted average interest rate of the facility had been 10% higher, interest expense would increase by $631,000. At balance date, if the weighted average interest rate of the facility had been 10% lower, interest expense would have been $631,000 lower.

(b) Credit risk

The Group's exposure to credit risk arises from the potential default of the Group and the parent entity'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 and the parent entity'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 2009 was $24,101,000. The Employment business accounts for 54% of the total 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 creditworthiness.

The Education business accounts for 46% of the total trade receivables and their customer base is made up predominantly of full-and part-time students. A large portion of these students obtain finance or receive FEE-HELP and the risk of default is relatively low.

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 by Standard and Poor's.

2. Financial risk management continued

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash flows and ensuring that all term deposits can be converted to funds at call. Due to the dynamic nature of the underlying businesses, the Company Secretary aims at maintaining flexibility in funding by keeping accessible the cash reserves of the business. A borrowing facility was set up to enable the Group and the parent entity to borrow cash when necessary (refer to note 17).

(i) Financing arrangements

The Group and the parent entity had access to the following undrawn borrowing facilities at the reporting date:

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Floating rate				
Expiring within one year	**29,437**	–	**–**	–
Expiring beyond one year	**88,000**	45,000	**88,000**	45,000
	117,437	45,000	**88,000**	45,000

The financing arrangements expiring within one year include the bank overdraft and the bank loan facility held by Think: Education Group Pty Limited (Think) with St. George Bank. The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of meeting certain financial covenants, the bank loan facilities may be drawn at any time. The closure of the Think facilities is currently in progress.

The financing arrangement expiring beyond one year is the Group's syndicated revolving debt facility.

For details of the amounts drawn down and the maturity of borrowings, refer to note 17.

(d) Fair value estimation

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

The fair value of the Group's available-for-sale financial asset in JobStreet (refer to note 13) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. The Group does not have any other financial instruments measured at fair value.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(e) Capital risk management

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

The ongoing maintenance of this policy is characterised by:

- Ongoing cash flow forecast analysis and detailed budgeting processes which, combined with continual development of banking relationships, is directed at providing a sound financial positioning for the Group's operations and financial management activities. Since 30 June 2008, the company has negotiated a $200,000,000 syndicated loan facility lead by the National Australia Bank and includes the other three major Australian banks, ANZ Banking Group, Commonwealth Bank of Australia and Westpac Banking Corporation. This facility merged the previous $75,000,000 NAB loan facility;

– A capital structure that provides adequate funding for the company's potential acquisition and investment strategies, building future growth in shareholder value. The syndicated loan facility will be partly used to fund significant investments as part of the company's growth strategy; and

– Investment criteria that consider earnings accretion and risk adjusted rate of return requirements based on the Group's weighted average cost of capital, and overall strategic goals.

Neither the parent entity nor any of its subsidiaries are subject to externally imposed capital requirements, other than normal banking covenants and obligations. The company has complied with all bank lending requirements during the year and at the date of this report.

During the year, the Group raised additional capital through a share placement plan together with a share purchase plan and top-up offer (refer to note 19 for further details).

3. Critical accounting estimates and judgements

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

(a) Critical accounting estimates and assumptions

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

(i) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use or fair value less costs to sell of the cash-generating units (CGUs) to which goodwill has been allocated. The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(h). The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require SEEK to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Refer to note 15 for details of these assumptions.

(ii) Income taxes

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

(iii) Amortisation of unearned income for advertising packages

Unearned income for advertising packages is amortised over a five-month period as this is management's best estimate of the current usage of the advertising packages to which this income relates. If usage changes, this would require a change in the amortisation period. The total unearned income of the advertising packages at balance date is $5,799,000 (2008: $8,147,000).

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

The share-based payments expense recognised by the business during the year has been calculated based on a probability that 100% of options vest. When staff leave, the calculation is adjusted and the expense is reduced accordingly. The estimates involved in assessing the fair value of the share-based payments has been discussed in note 26.

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

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

3. Critical accounting estimates and judgements continued

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

(i) Capitalisation of SAP implementation costs

Costs incurred on implementation of the SAP accounting software have been capitalised as they have a future value to the business. These costs are separately identifiable and are directly attributable to the project. Management have judged that the internal costs associated with the project meet the requirements of the Group's accounting policy (note 1(n)). The amount capitalised at 30 June 2009 in relation to this project is $11,388,000 (2008: $10,251,000).

(ii) Significant influence over associates

Zhaopin Limited (Zhaopin)

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

IDP Education Pty Ltd (IDP)

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

(iii) Impairment of the investment in associates

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

(iv) Impairment of JobStreet Corporation Berhad (JobStreet)

The Group has evaluated the share price decline of JobStreet over the period, a decision which requires significant judgement. The Group considers the decline to be both significant and prolonged. As a result, an amount of A$7,425,000 (being the share price decline) has been recognised in the Income Statement in 'operations and administration' expense as an impairment loss. Refer to note 13 for further details.

4. Segment information

Primary reporting format – business segments

The consolidated entity has two business segments, being online employment classified advertising ('Employment') and the other being the provision of training courses ('Education').

Year 2009	Employment $'000	Education $'000	Inter-segment eliminations $'000	Consolidated $'000
Sales to external customers	168,891	39,454	–	208,345
Inter-segment revenue	1,573	–	(1,573)	–
Total segment revenue	**170,464**	**39,454**	**(1,573)**	**208,345**
Interest revenue (unallocated)				1,005
Dividend income				428
Consolidated revenue				**209,778**
Adjusted EBITDA[1]	**90,855**	**6,912**	**–**	**97,767**
Depreciation and amortisation	(4,703)	(1,169)	–	(5,872)
Amortisation of share-based payments and other long-term incentive schemes	(1,650)	–	–	(1,650)
Share of net (losses)/profits of associates accounted for using the equity method	(15,232)	13,796	–	(1,436)
Segment result before interest and income tax	**69,270**	**19,539**	**–**	**88,809**
Interest expense (unallocated)				(7,280)
Interest revenue (unallocated)				1,005
Impairment of non-current assets (note 13)				(7,425)
Fair value gain on financial asset (note 6)				4,642
Dividend income				428
Profit from ordinary activities before income tax				**80,179**
Income tax expense				(24,878)
Net profit for the year				**55,301**
Segment assets	237,198	190,572	–	427,770
Unallocated assets			–	24,934
Total assets				**452,704**
Segment liabilities	16,941	29,590	–	44,531
Unallocated liabilities			–	119,533
Total liabilities				**164,064**
Capital expenditure on plant and equipment	784	398	–	1,182
Capital expenditure on intangible assets	1,654	570	–	2,224
Carrying value of investments in associates	163,563	59,670	–	223,233

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

4. Segment information continued

Year 2008	Employment $'000	Education $'000	Inter-segment eliminations $'000	Consolidated $'000
Sales to external customers	188,815	21,350	–	210,165
Inter-segment revenue	1,201	–	(1,201)	–
Total segment revenue	**190,016**	**21,350**	**(1,201)**	**210,165**
Interest revenue (unallocated)				1,323
Consolidated revenue				**211,488**
Adjusted EBITDA[1]	106,740	3,069	–	**109,809**
Depreciation and amortisation	(4,109)	(427)	–	(4,536)
Amortisation of share-based payments	(1,037)	–	–	(1,037)
Share of net profits/(losses) of associates accounted for using the equity method	(6,231)	8,949	–	2,718
Segment result before interest and income tax	**95,363**	**11,591**	**–**	**106,954**
Interest expense (unallocated)				(1,716)
Interest revenue (unallocated)				1,323
Profit from ordinary activities before income tax				**106,561**
Income tax expense				(30,281)
Net profit for the year				**76,280**
Segment assets	144,974	56,955	–	201,929
Unallocated assets			–	7,842
Total assets				**209,771**
Segment liabilities	25,316	1,136	–	26,452
Unallocated liabilities			–	40,842
Total liabilities				**67,294**
Capital expenditure on plant and equipment	4,779	1,074	–	5,853
Capital expenditure on intangible assets	4,336	50	–	4,386
Carrying value of investments in associates	23,096	88,553	–	111,649

Note: 1. Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation and excluding share of net profits/(losses) of associates accounted for using the equity method and amortisation of share-based payments.

Secondary reporting – geographic segments

The Group operates in two significant geographic segments being the Australian market and the New Zealand market. Australia is the home country of the parent entity and the main operations of the Group. SEEK also has a significant presence in New Zealand. 'Other' represents activity in the United Kingdom and other smaller operating geographic segments.

Year 2009	Australia $'000	New Zealand $'000	Other $'000	Inter-segment eliminations $'000	Consolidated $'000
Sales to external customers	**190,194**	**14,432**	**3,719**	**–**	**208,345**
Segment assets[1]	**418,393**	**7,077**	**2,300**	**–**	**427,770**
Capital expenditure on plant and equipment	**1,182**	**–**	**–**	**–**	**1,182**
Capital expenditure on intangible assets	**2,224**	**–**	**–**	**–**	**2,224**

Year 2008	Australia $'000	New Zealand $'000	Other $'000	Inter-segment eliminations $'000	Consolidated $'000
Sales to external customers	190,263	18,934	968	–	210,165
Segment assets[1]	192,701	8,054	1,174	–	201,929
Capital expenditure on plant and equipment	5,826	27	–	–	5,853
Capital expenditure on intangible assets	4,386	–	–	–	4,386

Note: 1. Investments accounted for using the equity method have been classified within Australia as the investing entity is based in Australia.

Notes to and forming part of the segment information

(a) Accounting policies

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in note 1(c) and accounting standard AASB 114: *Segment Reporting*.

Segment revenues, 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, property, 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 of usage. Segment liabilities consist primarily of trade and other creditors and employee entitlements.

(b) Inter-segment transfers

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

(c) Carrying value of investments in associates

The carrying value of investments in associates is detailed in note 12.

(d) Restatement of prior year comparatives

The prior year segment note assets and liabilities have been restated to better reflect the nature of the business.

5. Revenue

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Revenue from continuing operations				
Sales revenue				
Employment	**168,891**	188,815	**152,810**	168,149
Education	**39,454**	21,350	**–**	–
Total sales revenue	**208,345**	210,165	**152,810**	168,149
Other revenue				
Interest	**1,005**	1,323	**960**	1,214
Dividends	**428**	–	**–**	–
Intercompany management fee	**–**	–	**4,490**	4,348
Interest on loan to related party	**–**	–	**228**	287
Royalty income	**–**	–	**4,069**	7,106
Total revenue from continuing activities	**209,778**	211,488	**162,557**	181,104

6. Other income

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Fair value gain on financial asset (note 29)	**4,642**	–	**–**	–

7. Expenses

Net losses and expenses

Profit from continuing operations before related income tax expense includes the following specific net losses and expenses:

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Expenses				
Depreciation of plant and equipment	**3,470**	2,883	**2,456**	2,362
Amortisation of intangible assets	**2,402**	1,653	**2,149**	1,572
Rental expense relating to operating leases:				
Operating lease payments	**4,622**	3,253	**2,551**	2,226
Net foreign exchange losses recognised in profit from continuing operations	**281**	237	**219**	98
Impairment on non-current assets (notes 13, 20(a))	**7,425**	–	**–**	–
Finance costs				
Interest expense	**7,280**	1,716	**7,135**	1,670
Other finance charges paid/payable	**735**	582	**634**	501
Total finance costs	**8,015**	2,298	**7,769**	2,171
Employee benefits				
Share-based payments	**1,372**	1,037	**1,372**	1,037
Salary costs	**46,637**	42,430	**32,084**	33,623
Superannuation costs	**3,637**	3,041	**2,583**	2,407
Total employee benefits	**51,646**	46,508	**36,039**	37,067

8. Income tax

(a) Income tax expense

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Current tax	**24,588**	33,091	**22,644**	31,788
Deferred tax	**868**	(2,293)	**1,195**	(2,101)
Over provided in prior years	**(578)**	(517)	**(563)**	(570)
	24,878	30,281	**23,276**	29,117
The entire income tax expense relates to profit from continuing operations.				
Deferred income tax expense included in income tax expense comprises:				
Decrease/(increase) in deferred tax assets (note 8(d))	**868**	(2,293)	**1,195**	(2,101)

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

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Profit from ordinary activities before income tax expense		**80,179**	106,561	**79,143**	100,166
Income tax calculated at 30% (2008: 30%)		**24,054**	31,968	**23,743**	30,050
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:					
Fair value gain on financial asset	29	**(1,393)**	–	**–**	–
Investment allowance		**(22)**	–	**(22)**	–
Research and development claim		**–**	(30)	**–**	(30)
Share of net profit/(losses) of associates		**431**	(815)	**–**	38
Non-assessable dividend income		**(128)**	–	**–**	–
Impairment of available-for-sale financial asset	13	**2,228**	–	**–**	–
Non-deductible expenses:					
Entertainment		**95**	73	**66**	72
Other non-deductible expenses		**206**	–	**54**	–
Other deductible expenses – Share Trust		**–**	(440)	**–**	(440)
Income tax adjusted for permanent differences		**25,471**	30,756	**23,841**	29,690
Effect of higher/(lower) rates of tax on overseas income		**(15)**	42	**(2)**	(3)
Over-provision of tax in the prior year		**(578)**	(517)	**(563)**	(570)
Income tax expense attributable to profit from ordinary activities		**24,878**	30,281	**23,276**	29,117

(c) Amounts recognised directly in equity

Aggregate deferred tax arising in the reporting period and not recognised in net profit or loss but directly (debited)/credited to equity:

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Costs associated with capital raising:				
Current tax credited directly to contributed equity	**140**	–	**140**	–
Deferred tax credited directly to contributed equity	**562**	–	**562**	–
	702	–	**702**	–
Current tax (debited)/credited directly to reserves (note 20(a))	**(3,863)**	337	**(3,863)**	337
Deferred tax (debited)/credited directly to reserves (note 20(a))	**(621)**	1,354	**(621)**	1,354
Current tax credited directly to retained profits – on-market purchase of share options (note 20(b))	**662**	–	**662**	–
Total	**(3,120)**	1,691	**(3,120)**	1,691

8. Income tax continued

(d) Deferred tax assets

The balance comprises temporary differences attributable to:

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Amounts recognised in profit or loss:				
Provision for impairment of trade receivables	**836**	480	**638**	400
Unearned income	**4,369**	–	**–**	–
Employee benefits	**1,788**	2,118	**1,205**	1,957
Provision for credit notes	**397**	517	**389**	456
Fringe benefits tax	**66**	–	**66**	–
Share-based payments	**990**	751	**990**	751
Accounting fees	**160**	98	**157**	94
Deferred expenditure – professional fees	**203**	–	**203**	–
Plant and equipment and intangible assets	**809**	1,620	**797**	1,620
Deferred expenditure – other	**1,224**	739	**89**	572
Foreign exchange losses	**50**	–	**54**	–
Commissions – non-employee benefits	**205**	204	**–**	59
Accruals	**–**	–	**–**	–
	11,097	6,527	**4,588**	5,909
Amounts recognised directly in equity:				
Share-based payments	**733**	1,354	**733**	1,354
Capital raising costs	**562**	–	**562**	–
	1,295	1,354	**1,295**	1,354
Set-off of deferred tax liabilities of parent entity pursuant to set-off provisions:				
Interest receivable (note 8(e))	**(9)**	(39)	**(9)**	(39)
Net deferred tax assets	**12,383**	7,842	**5,874**	7,224
Movements:				
Opening balance at 1 July	**7,842**	4,195	**7,224**	3,769
Credited/(charged) to the Income Statement	**(868)**	2,293	**(1,195)**	2,101
Credited to equity	**(59)**	1,354	**(59)**	1,354
Other movements	**(10)**	–	**(2)**	–
Unders/overs in the prior year	**(209)**	–	**(94)**	–
Acquisition of subsidiary[1]	**5,687**	–	**–**	–
Closing balance at 30 June	**12,383**	7,842	**5,874**	7,224
Deferred tax assets to be recovered within 12 months	**10,482**	6,444	**3,986**	5,838
Deferred tax assets to be recovered after more than 12 months	**1,901**	1,398	**1,888**	1,386
	12,383	7,842	**5,874**	7,224

Note: 1. Includes provisions acquired through the acquisition of Think (refer to note 29 for details).

(e) Deferred tax liabilities

The balance comprises temporary differences attributable to:

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Amounts recognised in the Income Statement:				
Intangible assets	**63**	63	**–**	–
Interest receivable	**9**	39	**9**	39
Amount recognised in Balance Sheet:				
Set-off of deferred tax liabilities of parent entity pursuant to set-off provisions	**(9)**	(39)	**(9)**	(39)
Net deferred tax liabilities	**63**	63	**–**	–
Movements:				
Opening balance at start of year	**63**	63	**–**	–
Closing balance at end of year	**63**	63	**–**	–

Deferred tax liabilities are expected to be settled within 12 months.

Tax consolidation legislation

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

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.

Included within the parent entity's current tax liability is $1,600,000 (2008: $749,000) in relation to SEEK Learning, SEEK Commercial, Dynamic Web Training and Think: Education Group Pty Limited. Think: Education Group Pty Limited was added to the tax consolidation group at the date of acquisition (refer to note 29 for further details). SEEK Limited has not yet received payment for these amounts from its subsidiaries under the tax funding arrangement.

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		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Cash at bank and on hand	**16,685**	5,645	**12,219**	3,801
Short-term investments	**26,932**	26,318	**26,932**	26,318
	43,617	31,963	**39,151**	30,119

Short–term investments are available at call.

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

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

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Balance as above	**43,617**	31,963	**39,151**	30,119
Bank overdrafts (note 17)	**(2,185)**	–	**–**	–
Balance per cash flow statements	**41,432**	31,963	**39,151**	30,119

(b) Risk exposure

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

10. Trade and other receivables

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Trade receivables	**28,666**	29,186	**15,330**	24,791
Less: Provision for impairment of receivables (note a)	**(4,565)**	(3,325)	**(3,578)**	(2,878)
	24,101	25,861	**11,752**	21,913
Other receivables (note c)	**3,701**	2,071	**145,439**	74,695
Prepayments	**2,045**	609	**452**	478
	29,847	28,541	**157,643**	97,086

(a) Impaired trade receivables

As at 30 June 2009 the amount of the provision for current trade receivables was $4,565,000 (2008: $3,325,000). The Group has recognised a loss of $2,493,000 (2008: $2,092,000) in respect of impaired trade receivables during the year ended 30 June 2009.

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

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Opening balance	**3,325**	1,901	**2,878**	1,554
Provision for impairment recognised during the year	**2,493**	2,110	**2,000**	1,872
Receivables written off during the year as uncollectible	**(1,560)**	(628)	**(1,332)**	(528)
Unused amount reversed	**–**	(18)	**–**	–
Acquisition of subsidiary[1]	**290**	–	**–**	–
Other	**17**	(40)	**32**	(20)
Closing balance	**4,565**	3,325	**3,578**	2,878

Note: 1. Includes provisions acquired through the acquisition of Think (refer to note 29 for details).

The creation and release of the provision for impaired receivables has been included in 'operations and administration' expense in the Income Statement. Amounts charged to the provision are generally written off when there is no expectation of recovering additional cash.

(b) Ageing of net trade receivables since due date

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Current – 30 days	**18,671**	16,597	**8,868**	13,728
30–60 days[1]	**2,837**	3,738	**1,665**	3,355
60–90 days[1]	**1,011**	1,902	**602**	1,653
90–120 days[1]	**356**	748	**230**	243
120+ days[1]	**1,226**	2,876	**387**	2,934
Total	**24,101**	25,861	**11,752**	21,913

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

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

(c) Other receivables

In the Group the balance mainly represents accrued revenue in the Education business.

For the parent entity, the balance consists of receivables from tax consolidated entities under the tax funding agreement (refer to note 27(b)) and amounts provided for the acquisition of subsidiaries and associates. Interest may be charged on receivables from overseas subsidiaries and reflects commercial rates of interest.

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.

10. Trade and other receivables continued

(d) Foreign exchange and interest rate risk

Information about the Group and the parent entity'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 in controlled entities

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Investments in controlled entities	**–**	–	**84,703**	4,076

These financial assets are carried at cost. Refer to note 30 for a list of subsidiaries and details of subsidiaries acquired during the year

12. Investments accounted for using the equity method

The results of associates are reflected in the results of the Group for the period from the later of the date of SEEK's investment or 1 July 2008 to the earlier of the date the investment ceased to be an associate or 30 June 2009. All associates are unlisted investments.

(a) Details of associates

Information relating to associates is set out below:

		Ownership interest		
Name of company	Country of incorporation	2009 %	2008 %	Year end
IDP Education Pty Ltd	Australia	**50.0**	50.0	30 June
Zhaopin Ltd	The Cayman Islands	**56.1**	34.7	31 December
Think: Education Group Pty Limited (note b)	Australia	**100.0**	50.0	31 December
Brasil Online Holdings Coöperatief U.A.	The Netherlands	**30.0**	–	31 December

Principal activities

- IDP Education Pty Ltd provides services for international students wishing to study in Australian educational institutions and also provides International English Language Testing (IELTS);
- Zhaopin Ltd provides both online and print employment classified advertising services in China;
- Brasil Online Holdings Coöperatief U.A. owns Catho Online and Manager Online, two leading employment websites in the South American market.

(b) Movements in carrying amounts

Consolidated – investments accounted for using the equity method

	IDP Education Pty Ltd $'000	Zhaopin Ltd $'000	Think: Education Group Pty Limited $'000	Brasil Online Holdings Coöperatief U.A. $'000	Total $'000
Carrying amount as at 1 July 2007	41,724	16,286	–	–	58,010
Investments during the year at cost	5	13,997	37,973	–	51,975
Share of profits/(losses) after income tax	9,075	(6,231)	(126)	–	2,718
Movements in foreign currency translation reserve (note 20 (a))	(98)	(956)	–	–	(1,054)
Carrying amount as at 30 June 2008	50,706	23,096	37,847	–	**111,649**
Investments during the year at cost	–	47,256	102	105,882	**153,240**
Dividends received in the year	(5,000)	–	–	–	**(5,000)**
Share of profits/(losses) after income tax	13,835	(17,254)	(39)	2,022	**(1,436)**
Movements in foreign currency translation reserve (note 20 (a))	130	10,772	–	(8,212)	**2,690**
Reclassification to goodwill and intangible assets (note 29)	–	**–**	(37,910)	**–**	**(37,910)**
Carrying amount as at 30 June 2009	**59,671**	**63,870**	**–**	**99,692**	**223,233**

Parent entity – investments accounted for at cost

	Think: Education Group Pty Limited $'000	Brasil Online Holdings Coöperatief U.A. $'000	Total $'000
Carrying amount as at 1 July 2007	–	–	–
Investments during the year at cost	37,973	–	37,973
Share of losses after income tax	(126)	–	(126)
Carrying amount as at 30 June 2008	37,847	–	**37,847**
Investments during the year at cost	228	105,882	**106,110**
Reclassification to investments in controlled entities on acquisition	(38,075)	**–**	**(38,075)**
Carrying amount as at 30 June 2009	**–**	**105,882**	**105,882**

IDP Education Pty Ltd

On 27 March 2009, IDP Education Pty Ltd paid a fully franked interim dividend of $10,000,000, of which SEEK's share was $5,000,000.

Zhaopin Ltd (Zhaopin)

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

12. Investments accounted for using the equity method continued

Think: Education Group Pty Limited

On 12 May 2009 SEEK Limited acquired the remaining 50% of the issued shares in Think: Education Group Pty Limited (refer to note 29 for further details). From the date of acquisition this investment has been accounted for as a controlled entity and fully consolidated into the SEEK Group. Prior to this the 50% ownership was equity accounted and recorded as an associate in the results of the Group.

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

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

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

To reduce the impact of foreign exchange, SEEK entered into forward foreign currency exchange contracts. These reduced the net cash payment for the acquisition to $93,006,000. The pre-tax gain of $12,876,000 arising on these contracts has been recognised in equity reserves (note 20) and is included in the cost of $105,882,000.

(c) Summarised financial information of associates

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

	Ownership interest %	Group's share of Assets $'000	Liabilities $'000	Revenues $'000	Profit/(loss) $'000
Year 2009					
IDP Education Pty Ltd	**50.0**	**67,417**	**30,352**	**95,804**	**13,835**
Zhaopin Ltd	**56.1**	**17,726**	**10,885**	**33,665**	**(17,254)**
Think: Education Group Pty Limited[1]	**50.0**	**35,483**	**22,217**	**17,283**	**(39)**
Brasil Online Holdings Coöperatief U.A.	**30.0**	**14,951**	**21,357**	**18,324**	**2,022**
Total		**135,577**	**84,811**	**165,076**	**(1,436)**
Year 2008					
IDP Education Pty Ltd	50.0	55,783	27,721	68,027	9,075
Zhaopin Ltd	34.7	5,122	7,051	12,235	(6,231)
Think Education Group Pty Limited	50.0	24,443	11,040	11,988	(126)
Brasil Online Holdings Coöperatief U.A.	–	–	–	–	–
Total		85,348	45,812	92,250	2,718

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

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

- IDP Education Pty Ltd $3,156,000 (2008: $3,705,000).
- Zhaopin Ltd $3,486,000 (2008: $6,683,000).

13. Available-for-sale financial assets

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Shares – Malaysian listed				
Fair value as at 1 July	**–**	–	**–**	–
Investments during the year at cost	**19,946**	–	**–**	–
Mark-to-market revaluation (note 20(a))	**(7,395)**	–	**–**	–
Fair value as at 30 June	**12,551**	–	**–**	–

During the period, SEEK acquired a 10.1% equity interest in JobStreet Corporation Berhad (JobStreet) for MYR55,643,000 (A$19,946,000 including acquisition costs). JobStreet is listed in Malaysia and is a leading provider of online employment websites in South East Asia. The equity interest consists of investments in ordinary shares, and has no fixed maturity date or coupon rate. As discussed in note 2, the Malaysian listed securities expose the Group to foreign exchange risk as the underlying asset is held in Malaysian Ringgit.

The fair value of this investment at 30 June 2009 is $12,551,000 and has been determined directly by reference to published price quotations in an active market and is translated to Australian dollars at the reporting period's closing foreign exchange rate. The Group follows the guidance of AASB 139: *Financial Instruments: Recognition and Measurement* on determining if the financial asset is impaired.

The Group has evaluated the share price decline over the reporting period and considers it to be both significant and prolonged. As a result, an amount of $7,425,000 has been recognised in the Income Statement in 'operations and administration' expense as an impairment loss (refer to note 20(a)).

14. Plant and equipment

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Opening at 1 July				
Cost	**15,793**	13,526	**13,423**	12,263
Accumulated depreciation	**(6,552)**	(7,255)	**(5,633)**	(6,855)
Net book amount 1 July	**9,241**	6,271	**7,790**	5,408
Carrying amount at 1 July	**9,241**	**6,271**	**7,790**	**5,408**
Additions	**1,182**	5,853	**757**	4,744
Disposals	**–**	–	**–**	–
Transfers[1]	**(633)**	–	**(633)**	–
Acquisition of subsidiary[2]	**7,621**	–	**–**	–
Depreciation expense (note 7)	**(3,470)**	(2,883)	**(2,456)**	(2,362)
Carrying amount at 30 June	**13,941**	9,241	**5,458**	7,790
Closing at 30 June				
Cost	**27,217**	15,793	**13,696**	13,423
Accumulated depreciation	**(13,276)**	(6,552)	**(8,238)**	(5,633)
Net book amount at 30 June	**13,941**	9,241	**5,458**	7,790

Notes: 1. Includes $402,000 transferred to intangible assets.
2. Includes assets acquired through the purchase of Think (refer to note 29).

15. Intangible assets

Consolidated	Goodwill[2] $'000	Brands and licences $'000	Course development and accreditation $'000	Customer relationships $'000	Computer software and website development $'000	Work in progress $'000	Total $'000
As at 1 July 2007							
Cost	11,256	–	–	362	93	6,918	18,629
Accumulated amortisation	–	–	–	(134)	(82)	–	(216)
Net book amount	11,256	–	–	228	11	6,918	18,413
Year ended 30 June 2008							
Opening net book amount	11,256	–	–	228	11	6,918	18,413
Foreign currency effect	(611)	–	–	–	–	–	(611)
Additions	–	–	–	–	3,333	1,053	4,386
Transfers	–	–	–	–	6,918	(6,918)	–
Amortisation charge[1]	–	–	–	(72)	(1,581)	–	(1,653)
Closing net book amount	10,645	–	–	156	8,681	1,053	20,535
At 30 June 2008							
Cost	10,645	–	–	362	10,344	1,053	22,404
Accumulated amortisation	–	–	–	(206)	(1,663)	–	(1,869)
Net book amount	10,645	–	–	156	8,681	1,053	20,535
Year ended 30 June 2009							
Opening net book amount	10,645	–	–	156	8,681	1,053	**20,535**
Foreign currency effect	70	–	–	–	–	–	**70**
Additions	40	–	202	–	1,982	–	**2,224**
Transfers[3]	–	–	–	–	402	(1,053)	**(651)**
Acquisition of subsidiary[4]	73,820	18,437	3,397	1,068	634	–	**97,356**
Amortisation charge[1]	–	–	(51)	(92)	(2,259)	–	**(2,402)**
Closing net book amount	84,575	18,437	3,548	1,132	9,440	–	**117,132**
At 30 June 2009							
Cost	**84,575**	**18,437**	**3,599**	**1,430**	**13,362**	**–**	**121,403**
Accumulated amortisation	**–**	**–**	**(51)**	**(298)**	**(3,922)**	**–**	**(4,271)**
Net book value	**84,575**	**18,437**	**3,548**	**1,132**	**9,440**	**–**	**117,132**

Notes:
1. Amortisation charges have been included within 'operations and administration' expenses in the Income Statement.
2. Historical goodwill amortisation (that occurred before the introduction of Australian Equivalents to International Reporting Standards) that was previously separately reported is now included in the cost of goodwill.
3. $402,000 transferred from plant and equipment and $1,053,000 reclassified to 'investments accounted for using the equity method' as acquisition costs.
4. Includes identifiable intangible assets acquired through the purchase of Think (refer to note 29).

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

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

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

Parent	Computer software and website development $'000	Work in progress $'000	Total $'000
As at 1 July 2007			
Cost	–	6,918	6,918
Accumulated amortisation	–	–	–
Net book amount	–	6,918	6,918
Year ended 30 June 2008			
Opening net book amount	–	6,918	6,918
Additions	3,333	1,003	4,336
Transfers	6,918	(6,918)	–
Amortisation charge[1]	(1,572)	–	(1,572)
Closing net book amount	8,679	1,003	9,682
At 30 June 2008			
Cost	10,251	1,003	11,254
Accumulated amortisation	(1,572)	–	(1,572)
Net book amount	8,679	1,003	9,682
Year ended 30 June 2009			
Opening net book amount	8,679	1,003	**9,682**
Foreign currency effect	–	–	**–**
Additions	1,654	–	**1,654**
Transfers[2]	402	(1,003)	**(601)**
Amortisation charge[1]	(2,149)	–	**(2,149)**
Closing net book amount	8,586	–	**8,586**
At 30 June 2009			
Cost	**12,307**	**–**	**12,307**
Accumulated amortisation	**(3,721)**	**–**	**(3,721)**
Net book amount	**8,586**	**–**	**8,586**

Notes: 1. Amortisation charges have been included within 'operations and administration' expenses in the Income Statement.
2. $402,000 transferred from plant and equipment and $1,003,000 reclassified to 'investments accounted for using the equity method' as acquisition costs.

15. Intangible assets continued

(a) Impairment tests for goodwill

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

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

Year 2009	Australia $'000	New Zealand $'000	Total $'000
Employment – NZ Jobs	–	4,909	4,909
Education – Classroom (DWT)	2,140	–	2,140
Education – Online (SEEK Learning)	3,666	–	3,666
Education – Classroom and Online (Think)[1]	73,860	–	73,860
Total	79,666	4,909	84,575

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

Year 2008	Australia $'000	New Zealand $'000	Total $'000
Employment – NZ Jobs	–	4,839	4,839
Education – Classroom (DWT)	2,140	–	2,140
Education – Online (SEEK Learning)	3,666	–	3,666
Total	5,806	4,839	10,645

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

The recoverable amount of each CGU was determined based on value-in-use calculations. These calculations use cash flow projections for future years based on the results of that CGU. These cash flows were projected over a five year period using a real growth rate of 0% and the use of a terminal value cash flow beyond five years. These estimated future cash flows were then discounted to present value using the discount rates noted below. This approach showed no evidence of goodwill impairment at each period end and no impairment was indicated with any reasonably possible change in estimates.

	Margin[1]		Discount rate[2]	
	2009 %	2008 %	2009 %	2008 %
Employment – NZ Jobs	**21.6**	43.6	**14.8**	16.7
Education – Classroom (DWT)	**11.8**	16.0	**14.8**	16.7
Education – Online (SEEK Learning)	**20.6**	8.4	**14.8**	16.7

Notes: 1. The budgeted margin is the expected earnings of the business before interest income or expense, royalty income or expense or amortisation expense but after income taxes have been charged.
2. Pre-tax discount rate.

16. Trade and other payables

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Trade and other payables	**16,202**	14,587	**7,182**	11,659
GST payable	**904**	1,420	**754**	996
	17,106	16,007	**7,936**	12,655

17. Borrowings

(a) Current borrowings

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Bank overdraft	**2,185**	–	**–**	–

(b) Non-current borrowings

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Bank borrowings – principal	**112,000**	30,000	**112,000**	30,000
Less: transaction costs capitalised	**(711)**	–	**(711)**	–
Net non-current borrowings	**111,289**	30,000	**111,289**	30,000

Syndicated loan agreements (unsecured)

At 30 June 2008, the Group had a loan facility of $75,000,000 (unsecured) with the National Australia Bank. This facility expired during the current financial year and the principal of $30,000,000 was repaid in September 2008.

In August 2008, the Group entered into a syndicated revolving debt facility with a limit of $200,000,000. This debt is a three-year facility with $100,000,000 repayable on 21 August 2010 and $100,000,000 repayable on 21 August 2011. At 30 June 2009, $112,000,000 principal had been drawn down against this facility and $1,059,000 of transaction costs had been incurred of which $711,000 had not yet been amortised through the Income Statement.

The interest rate on bank borrowings has varied during the period from 4.37% to 8.52%. 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.

The syndicated revolving debt facility is unsecured.

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

On 12 May 2009 the Group acquired the remaining 50% of the issued shares in Think: Education Group Pty Limited (refer to note 29). At this time a loan of $14,235,000 had been taken out by the Think Group with St. George Bank. On 26 June 2009, the SEEK Group loaned to Think (refer to note 27(b)) an amount of $14,235,000 to repay the outstanding loan. The closure of the facility and cancellation of all security is currently in progress.

The fully repaid loan facility with St. George Bank Limited is secured by registered fixed and floating charges over the assets and undertakings of Think: Education Group Pty Limited and its subsidiaries. Unlimited cross guarantees have also been provided by Think: Education Group Pty Limited and its subsidiaries.

(c) Risk exposure

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

18. Provisions

(a) Current provisions

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Employee benefits provision – long service leave	**1,534**	574	**662**	574
Lease incentives	**338**	157	**338**	157
Other provisions[1]	**106**	–	**–**	–
	1,978	731	**1,000**	731

Note: 1. Other provisions are made up of provisions for repairs and maintenance of offices.

Movement in provisions

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

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Lease incentives				
Carrying amount at start of year	**157**	–	**157**	–
Additional provision recognised in the year	**181**	209	**181**	209
Transferred from non-current provisions	**157**	–	**157**	–
Credited to the Income Statement	**(157)**	(52)	**(157)**	(52)
Carrying amount at end of year	**338**	157	**338**	157
Other provisions				
Carrying amount at start of year	**–**	200	**–**	200
Utilised during the year	**–**	(30)	**–**	(30)
Unused provisions credited to the Income Statement	**–**	(170)	**–**	(170)
Charged to the Income Statement	**54**	–	**–**	–
Acquisition of subsidiary[2]	**52**	–	**–**	–
Carrying amount at end of year	**106**	–	**–**	–

Note: 2. Includes provisions acquired through the acquisition of Think (refer to note 29 for details).

(b) Non-current provisions

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Employee benefits – long service leave and long-term incentive	**1,085**	314	**754**	279
Lease incentives	**395**	457	**300**	457
Other provisions[1]	**1,230**	–	**–**	–
	2,710	771	**1,054**	736

Note: 1. Other provisions are made up of provisions for repairs and maintenance of offices.

Movement in provisions

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

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Lease incentives				
Carrying amount at start of year	**457**	–	**457**	–
Additional provision recognised in the year	**–**	457	**–**	457
Transferred to current provisions	**(157)**	–	**(157)**	–
Acquisition of subsidiary[2]	**95**	–	**–**	–
Carrying amount at end of year	**395**	457	**300**	457
Other provisions				
Carrying amount at start of year	**–**	–	**–**	–
Acquisition of subsidiary[2]	**1,230**	–	**–**	–
Carrying amount at end of year	**1,230**	–	**–**	–

Note: 2. Includes provisions acquired through the acquisition of Think (refer to note 29 for details).

19. Contributed equity

(a) Share capital

	Consolidated and parent entity		Consolidated and parent entity	
	2009 Shares	2008 Shares	**2009 $'000**	2008 $'000
Ordinary shares				
Issued and fully paid	**335,755,466**	288,095,864	**182,179**	60,490

(b) Movements in ordinary share capital

Date	Details	Number of shares	Average issue price	$'000
01/07/2007	**Balance**	**284,195,117**		**53,310**
24/08/2007	Exercise of staff options	449,468	1.04	466
06/09/2007	Exercise of staff options	1,350,000	2.10	2,835
13/09/2007	Exercise of staff options	29,479	3.99	118
13/09/2007	Exercise of staff options	102,000	0.83	85
09/11/2007	Exercise of staff options	199,594	0.90	181
25/02/2008	Exercise of staff options	1,575,000	2.10	3,308
28/02/2008	Exercise of staff options	139,612	0.76	106
04/04/2008	Exercise of staff options	16,042	3.69	59
16/06/2008	Exercise of staff options	39,552	0.57	22
	Movement	3,900,747		7,180
30/06/2008	**Balance**	**288,095,864**		**60,490**
30/04/2009	Share issue: placement shares	25,191,494	2.60	65,498
15/05/2009	Share issue: related party placement	13,270,043	2.60	34,502
16/06/2009	Share issue: SPP and top-up offer	9,198,065	2.60	23,915
	Share issue: transaction costs	–	–	(2,928)
	Share issue: tax effect of transaction costs (note 8 (c))	–	–	702
	Movement	47,659,602		121,689
30/06/2009	**Balance**	**335,755,466**		**182,179**

(c) Share issue

On 23 April 2009, the SEEK Group announced its intention to raise additional capital through a share placement, together with further funds through a share purchase plan and top-up offer. A total of 47,659,602 shares were issued for $2.60 each, resulting in an increase in contributed equity of $121,689,000 ($123,915,000 gross cash received and $120,987,000 net cash after transaction costs).

(d) 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.

(e) Exercise of staff options

During the year to 30 June 2009, all shares provided under employee share option plans were purchased on-market. No new shares with respect to employee share option plans have been issued in the period.

20. Reserves and retained profits

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
(a) Reserves				
Share-based payments reserve – unexercised	**4,116**	3,857	**4,116**	3,857
Share-based payments reserve – exercised	**2,999**	2,965	**2,999**	2,965
Foreign currency translation reserve	**(379)**	(3,247)	**–**	–
Hedging reserve – cash flow hedges	**8,207**	(806)	**8,207**	(806)
Available-for-sale financial assets revaluation reserve	**30**	–	**–**	–
	14,973	2,769	**15,322**	6,016
Movements:				
Share-based payments reserve – unexercised[1]				
Balance 1 July	**3,857**	4,431	**3,857**	4,431
Options expense for the year	**1,372**	1,037	**1,372**	1,037
Tax credited directly to share-based payments reserve	**(621)**	1,354	**(621)**	1,354
Fair value of share options purchased on-market	**(458)**	–	**(458)**	–
Transfer to share-based payments reserve – exercised	**(34)**	(2,965)	**(34)**	(2,965)
Balance 30 June	**4,116**	3,857	**4,116**	3,857
Share-based payments reserve – exercised				
Balance 1 July	**2,965**	–	**2,965**	–
Transfer from share-based payments reserve – unexercised	**34**	2,965	**34**	2,965
Balance 30 June	**2,999**	2,965	**2,999**	2,965
Foreign currency translation reserve				
Balance 1 July	**(3,247)**	(1,641)	**–**	–
Net exchange differences on translation of foreign controlled entities	**178**	(552)	**–**	–
Net exchange differences on translation of foreign associates	**2,690**	(1,054)	**–**	–
Balance 30 June	**(379)**	(3,247)	**–**	–
Hedging reserve – cash flow hedges				
Balance 1 July	**(806)**	(740)	**(806)**	(740)
Change in fair value	**–**	(403)	**–**	(403)
Hedge of purchase of foreign associate	**12,876**	–	**12,876**	–
Tax (debited)/credited directly to hedging reserve	**(3,863)**	337	**(3,863)**	337
Balance 30 June	**8,207**	(806)	**8,207**	(806)
Available-for-sale financial assets revaluation reserve				
Balance 1 July	**–**	–	**–**	–
Mark-to-market revaluation (note 13)	**(7,395)**	–	**–**	–
Recognised in the Income Statement – impairment loss (note 13)	**7,425**	–	**–**	–
Balance 30 June	**30**	–	**–**	–

Note: 1. During the period to 30 June 2009 all shares provided under employee share option plans were purchased on-market.

20. Reserves and retained profits continued

(b) Retained profits

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Balance 1 July		**79,218**	50,030	**65,477**	41,520
Net profit for the year		**55,301**	76,280	**55,867**	71,049
Tax credited directly to retained profits – share-based payments	8(c)	**662**	–	**662**	–
Purchase of shares on-market on exercise of employee share options		**(2,208)**	–	**(2,208)**	–
Dividends paid	21	**(41,485)**	(47,092)	**(41,485)**	(47,092)
Balance 30 June		**91,488**	79,218	**78,313**	65,477

(c) Nature and purpose of reserves

Share-based payments reserve – unexercised
The share-based payments reserve – unexercised is used to recognise the fair value of options issued but not exercised.

Share-based payments reserve – exercised
The share-based payments reserve – exercised is used to hold the fair value of options that have been exercised and options that have lapsed but are not required to be adjusted through the Income Statement.

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

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

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

21. Dividends

	Parent entity	
	2009 $'000	2008 $'000
Ordinary shares		
Final ordinary dividend for the year ended 30 June 2008 of 9.9 cents (2007: 7.7 cents) per fully paid ordinary share paid on 17 October 2008 (2007: 28 September 2007) Fully franked based on tax paid at 30% (2008: 30%)	**28,521**	22,032
Interim ordinary dividend for the year ended 30 June 2009 of 4.5 cents (2008: 8.7 cents) per fully paid ordinary share paid on 28 April 2009 (2008: 14 March 2008) Fully franked based on tax paid at 30% (2008: 30%)	**12,964**	25,060
	41,485	47,092
Dividends not recognised at year end		
In addition to the above dividends, since the end of the financial year the directors have recommended the payment of a final ordinary dividend of 4.7 cents (2008: 9.9 cents) per fully paid share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 16 October 2009 out of retained profits at 30 June 2009, but not recognised as a liability at year end, is:	**15,781**	28,521

The franked portion of final dividends for the financial year paid after 30 June 2009 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 2009. The dividend payment on 16 October 2009 will reduce the franking credits available by $6,763,000 for the consolidated Group. At 30 June 2009, 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	
	2009 $'000	2008 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	**31,975**	34,908

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:

Chairman – non-executive director
J D Packer

Executive directors
P M Bassat, Joint Chief Executive Officer
A R Bassat, Joint Chief Executive Officer

Other non-executive directors
R C G Watson, Deputy Chairman
C J Anderson (resigned 8 April 2009)
J H Alexander (appointed 17 April 2009)
C B Carter
N G Chatfield

(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
T K Vu[1]	Chief Information Officer	SEEK Limited
C M T Eaton[2]	Chief Information Officer	SEEK Limited
J S Powell	Managing Director – SEEK Employment	SEEK Limited
J S Lenga	Director of Corporate Strategy	SEEK Limited
P D Everingham	Managing Director – SEEK Learning	SEEK Learning Pty Ltd

Notes:
1. Key management personnel from 1 July 2006 to date of resignation on 1 August 2008.
2. C M T Eaton was appointed to Chief Information Officer on 1 September 2008 and prior to this time was not included as a member of key management personnel.

(c) Key management personnel compensation

	Consolidated		Parent entity	
	2009 $	2008 $	**2009 $**	2008 $
Short-term employee benefits	**3,565,450**	3,571,087	**3,190,078**	3,186,027
Post-employment benefits	**275,370**	320,407	**246,370**	285,842
Long-term employee benefits	**68,705**	106,520	**51,107**	106,520
Share-based employee benefits	**759,775**	878,863	**697,514**	807,035
Termination benefits	**90,798**	–	**90,798**	–
	4,760,098	4,876,877	**4,275,867**	4,385,424

Detailed remuneration disclosures are provided in sections A–C 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 section D 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:

Year 2009	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year[1]	Balance at the end of the year	Vested and exercisable at the end of the year	Unvested options at the end of the year
Executive directors							
P M Bassat	**787,500**	**1,045,530**	**–**	**(196,037)**	**1,636,993**	**852,845**	**784,148**
A R Bassat	**787,500**	**1,045,530**	**–**	**(196,037)**	**1,636,993**	**852,845**	**784,148**
Other key management personnel							
J A Armstrong	**37,536**	**100,729**	**(12,716)**	**(9,224)**	**116,325**	**–**	**116,325**
C M T Eaton[2]	**–**	**68,354**	**(2,643)**	**31,205**	**96,916**	**–**	**96,916**
T K Vu	**185,135**	**–**	**(103,345)**	**(81,790)**	**–**	**–**	**–**
J S Powell	**46,407**	**194,172**	**(14,624)**	**(10,607)**	**215,348**	**–**	**215,348**
J S Lenga	**246,304**	**123,292**	**(155,476)**	**(14,287)**	**199,833**	**60,125**	**139,708**
P D Everingham	**146,546**	**24,386**	**(57,052)**	**(4,390)**	**109,490**	**60,000**	**49,490**

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

Year 2008	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year[1]	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	2,250,000	–	(1,462,500)	–	787,500	–	787,500
A R Bassat	2,250,000	–	(1,462,500)	–	787,500	–	787,500
Other key management personnel							
J A Armstrong	21,940	15,596	–	–	37,536	–	37,536
T K Vu	303,299	19,836	(102,000)	(36,000)	185,135	84,000	101,135
J S Powell	25,231	21,176	–	–	46,407	–	46,407
J S Lenga	427,263	16,416	(197,375)	–	246,304	175,000	71,304
P D Everingham	182,942	15,104	(42,500)	(9,000)	146,546	51,000	95,546

Note: 1. Lapsed options.

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.

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

Notes: 1. Includes shareholding of Windfyr Pty Ltd.
2. Represents balance held at time of appointment or resignation.

Year 2008	Balance at the start of the year	Received during the year on the exercise of options	Purchase of shares	Sale of shares	Other changes during the year[2]	Balance at the end of the year
Directors						
J D Packer (Chairman)	76,968,490	–	–	–	–	76,968,490
C J Anderson	77,016,109	–	–	–	–	77,016,109
C B Carter	83,333	–	–	–	–	83,333
N G Chatfield	23,809	–	5,000	–	–	28,809
R C G Watson	4,238,648	–	–	–	–	4,238,648
P M Bassat	12,672,976	1,462,500	–	(2,920,139)	–	11,215,337
A R Bassat	12,672,976	1,462,500	–	(2,920,139)	–	11,215,337
Other key management personnel						
J A Armstrong	351,160	–	–	(37,500)	–	313,660
T K Vu	120,476	102,000	–	–	–	222,476
J S Powell	–	–	–	–	–	–
J S Lenga	305,122	197,375	–	(150,000)	–	352,497
P D Everingham	51,000	42,500	–	–	–	93,500

(e) Loans to key management personnel

There have been no loans to directors or executives during the financial year (2008: nil).

(f) Other transactions with key management personnel

Directors of SEEK Limited

Mr James Packer, Mr Chris Anderson (resigned 8 April 2009) and Mr John Alexander (appointed 17 April 2009) are directors of Consolidated Media Holdings Limited which owns 25.98% of SEEK Limited through its wholly owned company, Windfyr Pty Ltd. For relevant related party transactions refer to note 27(e).

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		Parent entity	
	2009 $	2008 $	**2009 $**	2008 $
(a) PricewaterhouseCoopers Australia				
Audit and other assurance services				
Audit and review of financial reports	**592,718**	509,990	**581,500**	509,990
Other assurance services				
Due diligence services	**583,905**	287,846	**447,014**	287,846
SAP implementation reviews	**–**	34,000	**–**	34,000
Other services	**15,290**	4,000	**15,290**	4,000
Total remuneration for audit and other assurance services	**1,191,913**	835,836	**1,043,804**	835,836
Taxation services				
Tax compliance services	**107,130**	135,685	**107,130**	106,405
Tax related due diligence services	**396,660**	85,500	**396,660**	85,500
Tax consulting	**175,412**	287,528	**175,412**	280,664
Total remuneration for taxation services	**679,202**	508,713	**679,202**	472,569
Other advisory services				
Employee remuneration structure advice	**20,050**	65,217	**20,050**	65,217
Total remuneration of PricewaterhouseCoopers Australia	**1,891,165**	1,409,766	**1,743,056**	1,373,622

23. Remuneration of auditors continued

	Consolidated		Parent entity	
	2009 $	2008 $	2009 $	2008 $
(b) Related practices of PricewaterhouseCoopers Australia				
Taxation services				
Tax compliance services	13,286	–	–	–
Total remuneration for taxation services	13,286	–	–	–
(c) Non-PricewaterhouseCoopers audit firms[1]				
Audit and other assurance services				
Audit and review of financial reports	218,996	–	–	–
Other assurance services				
Due diligence services	107,994	–	–	–
Other services	52,390	–	34,400	–
Total remuneration for audit and other assurance services	379,380	–	34,400	–
Taxation services				
Tax compliance services	97,260	–	–	–
Total remuneration for taxation services	97,260	–	–	–
Other services				
Executive share options valuation	15,750	–	15,750	–
Total remuneration	492,390	–	50,150	–

Note: 1. Non-PricewaterhouseCoopers audit firm's fees represent audit fees paid by Think: Education Group Pty Ltd and subsidiaries for the year to 30 June 2009 (refer to note 29 for details of the acquisition).

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

24. Contingent liabilities

At balance date, the Group and parent entity had no contingent liabilities.

25. Commitments for expenditure

Capital commitments

At 30 June 2009, the Group and the parent entity had no capital commitments (2008: nil).

Other commitments

Commitments for the payment of IT & SAP costs under long-term contracts in existence at the reporting date but not recognised as liabilities payable are as follows:

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Within one year	**7,211**	3,280	**2,681**	1,015
Later than one year but not later than five years	**1,411**	1,410	**–**	388
More than five years	**–**	–	**–**	–
Total	**8,622**	4,690	**2,681**	1,403

Lease commitments

Operating leases

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

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Within one year	**7,794**	2,333	**2,172**	1,858
Later than one year but not later than five years	**19,648**	5,696	**3,644**	4,462
More than five years	**1,258**	–	**–**	–
Total	**28,700**	8,029	**5,816**	6,320

The Group leases various offices under non-cancellable operating leases expiring within one to seven 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 disclosed in note 7.

Option plans

For details of all option and Performance Rights Plans, refer to the Remuneration report Section A contained in the Directors' Report.

26. Share-based payments continued

Set out below are summaries of options granted under the plans for the consolidated and parent entity:

			Number					
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at the end of the year	Vested and exercisable at the end of the year
SEEK Limited Staff Option Plan								
22/02/2000–08/09/2003	6 years	$0.33	18,926	–	(9,083)	–	9,843	9,843
09/09/2003–03/05/2004	6 years	$0.46	27,342	–	(18,254)	–	9,088	9,088
17/05/2004–15/07/2005	6 years	$0.58	66,141	–	(48,743)	–	17,398	17,398
Total			112,409	–	(76,080)	–	36,329	36,329
Senior Executive Option Plan								
13/12/2004	6 years	$0.83	144,000	–	(91,000)	(53,000)	–	–
08/07/2005	6 years	$2.32	65,000	–	–	(4,875)	60,125	60,125
15/08/2005	6 years	$2.48	121,000	–	(51,000)	–	70,000	60,000
08/07/2005	6 years	$2.32	37,000	–	–	(3,000)	34,000	34,000
02/11/2005	6 years	$2.78	54,583	–	(21,250)	–	33,333	25,000
11/11/2005	6 years	$2.78	73,000	–	–	–	73,000	66,333
11/11/2005	6 years	$2.34	50,000	–	–	(3,000)	47,000	47,000
21/06/2006	6 years	$4.69	54,000	–	–	(30,667)	23,333	23,333
Total			598,583	–	(163,250)	(94,542)	340,791	315,791
Selfcert Options Agreement								
01/07/2004	6 years	$0.58	184,500	–	(184,500)	–	–	–
Executive Director Options Plan								
22/03/2005	6 years	$2.10	1,575,000	–	–	–	1,575,000	–
01/07/2008	5 years	$5.29	–	2,091,060	–	(392,074)	1,698,986	–
Total			1,575,000	2,091,060	–	(392,074)	3,273,986	–
Performance Rights and Options Plan								
01/07/2006	3 years	–	186,789	–	(108,261)	(78,528)	–	–
01/07/2007	3.5 years	–	203,426	–	–	(27,668)	175,758	–
01/07/2008	4 years	–	–	331,313	–	(46,977)	284,336	–
30/06/2009	5 years	$4.10	–	884,341	–	–	884,341	–
Total			390,215	1,215,654	(108,261)	(153,173)	1,344,435	–
Total Plans			**2,860,707**	**3,306,714**	**(532,091)**	**(639,789)**	**4,995,541**	**352,120**
Weighted average exercise price			$1.70	$4.44	$0.77	$3.58	$3.37	–

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2009 was $5.78 (2008: $7.61).

The weighted average remaining contractual life of share options outstanding at the end of the year was 2.76 years (2008: 2.58 years).

Subject to shareholders' approval at the 30 November 2009 Annual General Meeting, the executive directors have each been issued 599,212 options, effective from 1 July 2009. For further details refer to the Remuneration report Section A contained in the Directors' Report.

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 the Remuneration report Section D 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 controlled entities

Transactions between SEEK Limited and related parties during the years ended 30 June 2009 and 30 June 2008 consisted of:

(a) loans advanced by SEEK Limited;

(b) loans repaid to SEEK Limited;

(c) the payment of interest on the above loans;

(d) intercompany management fees; and

(e) royalty fees.

The following balances were outstanding at the reporting date in relation to transactions with related parties:

	Parent entity	
	2009 $	2008 $
Balance as at 1 July	**74,364,538**	61,448,982
Amounts advanced to subsidiaries to fund investments	**67,202,136**	15,133,255
Amounts advanced to subsidiaries for financing arrangements (note 17)	**14,235,000**	–
Amounts paid by parent on behalf of subsidiaries	**14,784,974**	2,553,941
Amounts repaid by subsidiaries	**(25,608,092)**	(4,771,640)
Balance as at 30 June	**144,978,556**	74,364,538

	Parent entity	
	2009 $	2008 $
Aggregate amounts included in the determination of profit from ordinary activities before income tax that resulted from transactions with entities in the wholly-owned group:		
Interest revenue on loan	**228,263**	287,624
Intercompany management charges	**4,489,575**	4,348,255
Royalty income	**4,068,875**	7,105,766

No provision for impairment has been raised in relation to any outstanding balances and no expense has been recognised in respect of impaired debts due from related parties.

27. Related party transactions continued

(c) Transactions with associates

The following transactions occurred with associates:

	Consolidated		Parent entity	
	2009 $	2008 $	**2009 $**	2008 $
Sales to associates	**223,266**	19,284	**41,104**	19,284
Dividends received from associates	**5,000,000**	–	**–**	–
Directors fees and other personnel costs charged to associates	**344,568**	378,968	**344,568**	378,968

Further details of investments in associates are set out in note 12.

(d) Transactions with key management personnel

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

(e) 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		Parent entity	
	2009 $	2008 $	**2009 $**	2008 $
Sales to other related parties	**206,379**	231,996	**206,379**	216,173
Purchases from other related parties	**42,773**	284,934	**42,773**	265,535

- SEEK Limited provides recruitment advertising to Consolidated Media Holdings Ltd on standard terms and conditions.
- Crown Melbourne Casino (part of the Crown Limited Group), provides conference and training facilities to SEEK Limited based on a contract that was agreed on normal commercial terms and conditions.

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

	Consolidated		Parent entity	
	2009 $	2008 $	**2009 $**	2008 $
Other payables	**–**	8,404	**–**	8,404
Trade receivables	**10,218**	24,554	**10,218**	21,255

(f) Terms and conditions

Transactions with controlled entities include income tax payable/receivable. Details of the terms and conditions for the tax funding agreement are set out in note 8.

All other transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of loans between controlled entities. The average rate of interest on loans during the year was 5.5% (2008: 5.5%).

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

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 & Investments Commission.

(a) Consolidated Income Statement 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 above companies also represent the 'Extended Closed Group'.

	2009 $'000	2008 $'000
Income Statement		
Revenue from continuing operations	**183,430**	201,898
Direct cost of services	**(4,419)**	(3,984)
Sales and marketing	**(46,641)**	(49,384)
Business development	**(17,145)**	(18,814)
Operations and administration	**(30,083)**	(25,778)
Finance costs	**(7,869)**	(1,713)
Expenses from continuing operations	**(106,157)**	(99,673)
Share of (losses)/profits of associates accounted for using the equity method	**(1,436)**	2,718
Profit from continuing operations before related income tax expense	**75,837**	104,943
Income tax expense	**(24,907)**	(29,746)
Profit from continuing operations after related income tax expense	**50,930**	75,197
Summary of movements in consolidated retained profits		
Balance 1 July	**75,805**	47,700
Net profit for the year	**50,930**	75,197
Tax credited directly to retained profits – share-based payments	**662**	–
Purchase of shares on-market on exercise of employee share options	**(2,208)**	–
Dividends paid	**(41,485)**	(47,092)
Balance 30 June	**83,704**	75,805

28. Deed of cross guarantee continued

(b) Consolidated Balance Sheet

Set out below is a consolidated balance sheet as at 30 June 2009 of the Closed Group.

	2009 $'000	2008 $'000
Current assets		
Cash and cash equivalents	**39,819**	31,063
Trade and other receivables	**16,131**	26,147
Total current assets	**55,950**	57,210
Non-current assets		
Investments in controlled entities	**81,080**	–
Investments accounted for using the equity method	**223,233**	111,649
Available-for-sale financial assets	**12,551**	–
Plant and equipment	**6,207**	9,032
Intangible assets	**14,602**	15,697
Deferred tax assets	**6,468**	7,571
Loans with controlled entities	**16,890**	3,569
Total non-current assets	**361,031**	147,518
Total assets	**416,981**	204,728
Current liabilities		
Trade and other payables	**10,696**	14,968
Unearned income	**6,026**	7,996
Current tax liabilities	**5,324**	10,516
Deferred tax liabilities	**63**	63
Provisions	**1,000**	574
Total current liabilities	**23,109**	34,117
Non-current liabilities		
Borrowings	**111,289**	30,000
Provisions	**1,129**	771
Total non-current liabilities	**112,418**	30,771
Total liabilities	**135,527**	64,888
Net assets	**281,454**	139,840
Equity		
Contributed equity	**182,179**	60,489
Reserves	**15,571**	3,546
Retained profits	**83,704**	75,805
Total equity	**281,454**	139,840

29. Business combinations

On 12 May 2009, SEEK Limited acquired the remaining 50% of the issued shares in Think: Education Group Pty Limited[1] (Think), a provider of high quality education services, for cash consideration of $42,552,000. The acquisition brings SEEK's ownership of issued share capital to 100% and is expected to increase the Group's exposure to the fast growing domestic education market. SEEK Learning and Think will also pursue integration and synergy opportunities between the two businesses.

From the date of acquisition this investment has been accounted for as a controlled entity and fully consolidated into the SEEK Group. Prior to this, the 50% ownership was equity accounted (refer to note 12) and recorded as an associate in the results of the Group.

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

Details of net assets acquired and goodwill are as follows:

	$'000
Purchase consideration – cash paid	42,552
Fair value of pre-existing interest (refer to next table)	42,552
	85,104

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

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

Note: 1. Refer to note 30 for a list of all subsidiaries of the Think Group acquired as part of this business combination.

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

29. Business combinations continued

Initial accounting
Given the acquisition occurred close to year end, the allocation of the purchase price to acquired assets is still preliminary. In particular, the 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 $14,719,000 and includes trade receivables with a fair value of $12,424,000. The gross contractual amount of trade receivables due is $12,714,000, of which $290,000 is expected to be uncollectible.

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

Business combinations acquired in stages
As explained in note 1(g), the Group early adopted AASB 3 (Revised): *Business Combinations* from 12 May 2009. In accordance with this accounting standard, for business combinations achieved in stages, the Group has remeasured its previously held equity interest (50%) in Think at its acquisition date fair value immediately prior to the business combination and recognised a resulting gain of $4,642,000 in 'other income' in the Income Statement (refer to note 6).

	$'000
Carrying value of investment in Think at 12 May 2009 (note 12)	37,910
Fair value gain recognised in the Income Statement	4,642
Fair value of pre-existing interest	**42,552**

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

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):

			Equity holding	
			2009	2008
Name of entity	Country of incorporation	Class of shares	**%**	%
SEEK Campus Pty Ltd	Australia	Ordinary	**100**	100
SEEK NZ Limited[1]	New Zealand	Ordinary	**100**	100
SEEK Learning Pty Ltd	Australia	Ordinary	**100**	100
Dynamic Web Training Pty Ltd	Australia	Ordinary	**100**	100
SEEK Learning UK Limited[1]	United Kingdom	Ordinary	**100**	100
SEEK Commercial Pty Ltd	Australia	Ordinary	**100**	100
SEEK Investments Pty Ltd	Australia	Ordinary	**100**	100
SEEK International Investments Pty Ltd	Australia	Ordinary	**100**	100
Think: Education Group Pty Limited[1,3]	Australia	Ordinary	**100**	n/a
Think: Colleges Pty Limited	Australia	Ordinary	**100**	n/a
Think: Education Services Pty Limited	Australia	Ordinary	**100**	n/a
APM Training Institute Pty Limited	Australia	Ordinary	**100**	n/a
Australasian College of Natural Therapies (Holdings) Pty Limited	Australia	Ordinary	**100**	n/a
Jansen Newman Institute Pty Limited	Australia	Ordinary	**100**	n/a
Graduate Institute of Management and Technological Pty Limited	Australia	Ordinary	**100**	n/a
Billy Blue English School Pty Limited	Australia	Ordinary	**100**	n/a
Billy Blue Catering Pty Limited	Australia	Ordinary	**100**	n/a
Commercial Arts Training College Pty Limited	Australia	Ordinary	**100**	n/a
GMM Projects Pty Limited	Australia	Ordinary	**100**	n/a
SEEK Deferred Share Plan Trust[2]	Australia	n/a	**n/a**	n/a
SEEK Exempt Share Plan Trust[2]	Australia	n/a	**n/a**	n/a

Notes:
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 & Investments Commission apart from SEEK NZ Limited and SEEK Learning UK Limited. Think: Education Pty Limited has a 31 December year end and this relief is expected to be granted for the Think Group during the next financial year.
2. The Trusts are included within the consolidated group as the Group has the power to govern the financial and operating policies of these entities.
3. On 12 May 2009, the Group acquired the remaining 50% of the issued shares in Think: Education Group Pty Limited bringing the Group's ownership to 100%.

31. Events occurring after balance date

Further to the announcement on 23 April 2009, SEEK Limited advised on 17 August 2009 that it has withdrawn its offer to purchase up to an additional 10% of IDP Education Pty Ltd. SEEK will continue to work closely with the IDP management team in pursuing the strong growth potential of IDP.

There have not been any other significant events subsequent to 30 June 2009.

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

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Profit from ordinary activities after income tax	**55,301**	76,280	**55,867**	71,049
Non-cash items				
Depreciation and amortisation	**5,872**	4,536	**4,605**	3,934
Amortisation of share-based payments	**1,372**	1,037	**1,372**	1,037
Net foreign exchange differences	**107**	–	**(495)**	–
Amortisation of syndicated loan transaction costs	**348**	–	**348**	–
Impairment on non-current assets	**7,425**	–	**–**	–
Fair value gain on financial asset	**(4,642)**	–	**–**	–
Aggregated tax amounts arising in the reporting period recognised directly in equity	**(3,120)**	–	**(3,120)**	–
Share of (profits)/losses of associates not received as dividends or distributions	**1,436**	(2,718)	**–**	126
Classified as financing and investing activities				
Dividend income received	**(428)**	–	**–**	–
Transaction costs on acquisition of subsidiary	**510**	–	**510**	–
Change in operating assets and liabilities				
Decrease/(increase) in trade and other receivables	**13,413**	(9,939)	**10,551**	(7,926)
(Increase) in receivables from related parties	**–**	–	**(14,785)**	(2,281)
(Decrease)/increase in trade and other payables	**(8,795)**	5,025	**(6,424)**	2,768
Increase in other provisions	**870**	633	**587**	646
Decrease/(increase) in deferred tax asset	**1,146**	(2,293)	**1,350**	(2,101)
(Decrease)/increase in current tax liabilities	**(6,573)**	91	**(5,565)**	32
Net cash inflow from operating activities	**64,242**	72,652	**44,801**	67,284

33. Earnings per share

	Consolidated	
	2009 cents	2008 cents
Basic earnings per share	**18.8**	26.6
Diluted earnings per share	**18.7**	26.3

Weighted average number of shares used as the denominator

	Consolidated	
	2009 number	2008 number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**294,331,141**	286,509,151
Weighted average number of options and performance rights	**1,411,240**	3,325,977
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**295,742,381**	289,835,128

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.

	Consolidated	
	2009 $'000	2008 $'000
Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Earnings used in calculating basic earnings per share	**55,301**	76,280
Diluted earnings per share		
Earnings used in calculating diluted earnings per share	**55,301**	76,280

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 48 to 107 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 company's and consolidated entity's financial position as at 30 June 2009 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.

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.



James Packer
Chairman

Melbourne
25 August 2009

Independent Auditor's Report
to the Members of SEEK Limited

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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 comprise the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both SEEK Limited and 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/period.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

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

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

Liability limited by a scheme approved under Professional Standards Legislation

Independent Auditor's Report
to the Members of SEEK Limited

PRICEWATERHOUSECOOPERS

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 company's and consolidated entity's financial position as at 30 June 2009 and of their 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 also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 36 of the directors' report for the year ended 30 June 2009. 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 2009, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

Mary Waldron Melbourne

Partner 25 August 2009

Shareholder Information

The shareholder information set out below was applicable as at 11 September 2009.

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	2,628	1,343,568	0.40
1,001 – 5,000	4,364	11,248,579	3.35
5,001 – 10,000	1,189	8,524,312	2.54
10,001 – 100,000	774	17,810,138	5.30
100,001 and over	117	296,840,391	88.41
	9,072	335,766,988	100.00

There were no 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
JP Morgan Nominees Australia Limited	58,543,620	17.44
National Nominees Limited	51,007,463	15.19
HSBC Custody Nominees (Australia) Limited	46,213,666	13.76
ANZ Nominees Limited (Cash Income Account)	13,604,823	4.05
Cogent Nominees Pty Ltd	12,403,784	3.69
Netherlane Pty Ltd (Paul Bassat Family Trust)	11,250,113	3.35
Kiteford Pty Ltd (Andrew Bassat Family Trust)	11,250,113	3.35
Citicorp Nominees Pty Limited	6,262,263	1.87
UBS Wealth Management Australia Nominees Pty Ltd	5,126,240	1.53
Daleford Way Pty Ltd	4,238,648	1.26
IPR Nominees Pty Ltd (1965 Irvin Rockman Trust)	4,000,000	1.19
AMP Life Limited	3,971,687	1.18
Credit Suisse Securities (Europe) Ltd	3,550,000	1.06
Citicorp Nominees Pty Ltd	3,359,474	1.00
UBS Nominees Pty Ltd	3,000,000	0.89
RBC Dexia Investor Services Australia Nominee Pty Limited	2,989,982	0.89
Jonstead Pty Ltd (Matrock FinanceTrust)	2,988,476	0.89
Brispot Nominees Pty Ltd (House Head Nominee No 1 Account)	2,814,383	0.84
Cogent Nominees Pty Ltd (SMP Accounts)	2,719,258	0.81
HSBC Custody Nominees Australia Limited	2,406,269	0.72
Top twenty shareholders	251,700,262	74.96
Other shareholders	84,066,726	25.04
	335,766,988	100.00

Shareholder Information

Unquoted equity securities

	Number held	Number of holders
Options issued to take up ordinary shares under:		
SEEK Limited Options Plans	1,805,804[1]	12
Performance Rights and Option Plan	3,043,423[2]	28

Note: 1. The following persons hold 20% or more of these securities:
P Bassat 43.6%
A Bassat 43.6%

Note: 2. The following persons hold 20% or more of these securities:
P Bassat 27.9%
A Bassat 27.9%

C. Substantial holders

Substantial holders in the company are set out below:

	Number held	Percentage
Ordinary shares		
Fidelity International Group	32,338,828	9.63
Hyperion Asset Management	18,265,915	5.44

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, by way of a poll, each share shall have one vote.

Options

No voting rights.

Corporate Directory

Directors
Robert C G Watson
Chairman

Paul M Bassat
Joint Chief Executive Officer

Andrew R Bassat
Joint Chief Executive Officer

Colin B Carter

Neil G Chatfield

Secretary
Ian J McAuliffe

Notice of Annual General Meeting
The Annual General Meeting of SEEK Limited will be held at:

Crown Melbourne Limited
8 Whiteman Street
Southbank Victoria 3006

Time: **3:00pm**
Date: **30 November 2009**

Principal registered office in Australia
Level 6
541 St Kilda Road
Melbourne Victoria 3004
(03) 8517 4100

Share registrar
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
National Australia Bank

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

Website address
www.seek.com.au

precinct.com.au

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