Appendix 4E and Statutory Accounts

For the year ended 30 June 2017

Lodged with the ASX under Listing Rule 4.3A, 4.5
SEEK Limited ABN 46 080 075 314

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SEEK Limited
ABN 46 080 075 314
Year ended 30 June 2017

(Previous corresponding period: Year ended 30 June 2016)

Results for Announcement to the Market

		Percentage Change		Amount $m
Total sales revenue	Up	9%	To	1,036.4
Total revenue from ordinary activities	Up	9%	To	1,053.2
Profit for the year after tax	Down	9%	To	362.0
Net profit for the year attributable to the owners of SEEK Limited	Down	5%	To	340.2

Dividends/distributions	Amount per security	Franked amount per security
2016 final dividend paid	19.0 cents	19.0 cents
2017 interim dividend paid	23.0 cents	23.0 cents
2017 final dividend (declared after balance date)	**21.0 cents**	**21.0 cents**

Record date for determining entitlements to the dividend	**15 September 2017**
Dividend payable	**13 October 2017**

CONTENTS

This report covers SEEK Limited as a consolidated entity consisting of SEEK Limited (the Company) and its controlled entities. Figures in this Financial Report are expressed in Australian dollars (AUD). The Financial Report was authorised for issue by the directors on 16 August 2017. 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 principal place of business is:

Level 6
541 St Kilda Road
MELBOURNE VIC 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 2 to 43 which is 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 Centre on our website at www.seek.com.au.

OUR PURPOSE

TO HELP PEOPLE LIVE MORE FULFILLING AND PRODUCTIVE WORKING LIVES AND HELP ORGANISATIONS SUCCEED

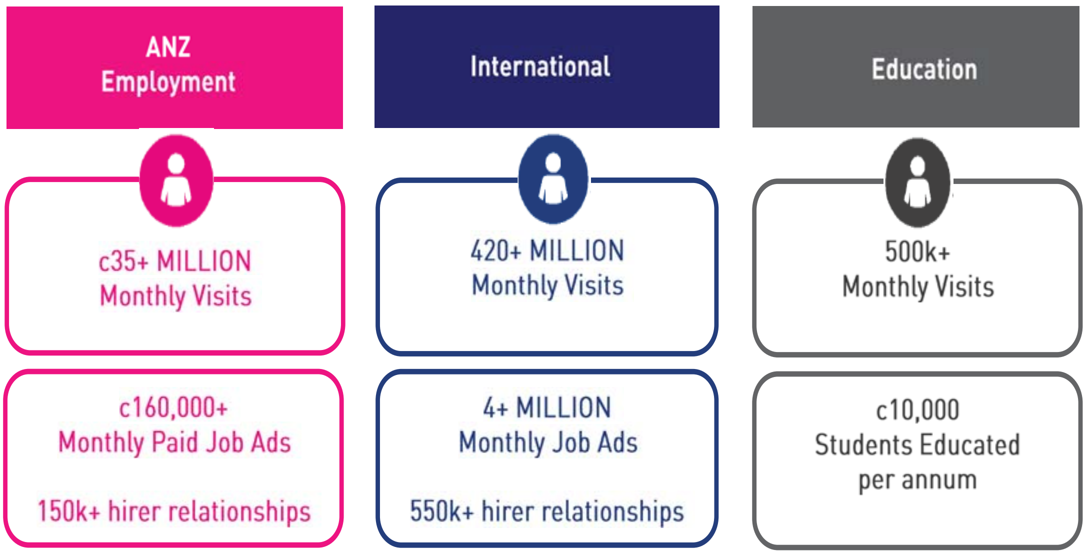
Your directors present their report on the consolidated entity (referred to hereafter as the Group or SEEK), consisting of SEEK Limited and the entities it controlled at the end of, or during, the year ended 30 June 2017.

Principal activities

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

- online matching of hirers and candidates with career opportunities and related services;
- online sourcing and placement of candidates into roles;
- investing in early stage businesses and technologies which are in or adjacent to the core online employment marketplace; and
- distribution and provision of higher education courses.

SEEK is having a global impact improving people's lives across employment and education



Business strategies and prospects

OUR VISION

TO BE THE BEST IN THE WORLD IN ONLINE EMPLOYMENT BY:

- MATCHING MORE PEOPLE WITH JOB OPPORTUNITIES THAN ANY OTHER ORGANISATION IN EACH MARKET IN WHICH WE OPERATE; AND

- BEING THE MOST TRUSTED PARTNER FOR ADVICE ON, AND ACCESS TO, RELEVANT CAREER RELATED EDUCATION.

Throughout SEEK's history the business has continued to evolve and expand. We think about SEEK's growth trajectory in four growth horizons.

Phase 1: Australia and New Zealand Online Employment marketplaces

The focus during this period was SEEK building the leading online employment marketplace. SEEK was the disruptor to print classifieds "rivers of gold" and by using the internet and technology, SEEK was able to build a low cost and highly effective online employment market place which continues to hold market leadership on key metrics such as:

- Over 35 million monthly visits;
- 82% brand awareness (lead of approximately 3 times over SEEK's nearest competitor); and
- 36% share of placements (lead of approximately 9 times over SEEK's nearest competitor).

There continues to be great opportunities for SEEK to grow its share of ad volume and revenue from print across areas such as government, regional and trades and services.

Phase 2: International Online Employment Marketplace and Education expansion

The key areas of focus for SEEK over the last 12 years have been:

- Leveraging its experience and capabilities in acquiring and operating international online employment marketplaces; and
- Leveraging its assets and capabilities in online employment marketplaces into adjacent education businesses.

SEEK has been successful in these expansion activities as evidenced by:

- Acquiring and operating leading online employment marketplaces in 18 countries globally, with market leadership positions in 14 countries;
- Expanding SEEK Learning from a $5m investment into a business that has generated cumulative EBITDA of $150m;
- The strategic positioning and knowledge gained from operating SEEK Learning led to the genesis of Online Education Services (OES, formerly known as Swinburne Online) which is now a market leader in online adult education. The financial returns from OES have been strong where SEEK invested an initial $5m in capital for a business that now generates sales revenue of $109m and EBITDA of $37m.

In SEEK's International businesses, there are still substantial growth opportunities including:

1. Substantial volume and yield opportunities in online employment advertising; and
2. SEEK's International education businesses which are still in early stages of roll-out but performing strongly.

Similarly in our Education offerings, there are opportunities to expand OES across Australia and internationally.

Phase 3: Talent Sourcing / Placement Strategy

In the last 5 years, SEEK has re-defined success for its online employment marketplaces where the focus is now

"Being the market leader in terms of job placements"

where placements are defined as the SEEK online employment business being the key source of placed candidates.

In order for each of SEEK's businesses to grow a greater share of placements, its areas of strategic focus and reinvestment have been across the following:

1. Maintain / grow market leadership

   Whilst placements is the key metric in terms of market leadership, the forward looking indicators to placements are:

   (i) share of visits;

   (ii) share of unique and relevant job ads; and

   (iii) unaided brand awareness.

   These metrics are the critical inputs to maintain the network effect between hirers and candidates where all the jobseeker visits lead to all the hirer job placements and vice versa.

   An important part of SEEK growing the network effect is that SEEK provides the best search and matching experience whereby through product and search technology, SEEK is matching the most relevant candidate or job opportunity to both hirers and jobseekers.

Business strategies and prospects continued

2. Capturing more data and delivering more insights to candidates and hirers

   To ensure SEEK is providing the best search and matching experience, it is important to have the most relevant and up to date data on candidates and hirers. When breadth and depth of candidate data is applied against leading search and matching algorithms, SEEK can then provide the most relevant candidates to hirers and the most relevant opportunities to candidates. In turn, this increases efficiencies in the talent sourcing process.

   Similarly, if SEEK can become more embedded by helping hirers find the most relevant candidates in a faster and more effective way, this also increases the "switching costs" for hirers, allowing SEEK to capture greater insights on where and how hirers are using its servcies.

3. Data and insights captured form the foundation for new products and services

   – Candidates: The more data that SEEK captures on candidates, the better placed it is to provide the most relevant career and/or education insights and opportunities to assist candidates fulfil their career aspirations. These career insights will increase usage of SEEK and grow its reputation as the trusted source for all things career-related strengthening SEEK's "network effect".

   – Hirers: The breadth and depth of data that SEEK captures helps SEEK develop value add products which further improve efficiencies and effectiveness in the hiring process. For example, tools such as the advertiser centre (candidate management tool), combined with other products such as role requirements, premium talent search and guaranteed hire aim to help hirers reduce the pool of candidates from, for example, 50-100 to the 5-10 most relevant candidates.

SEEK's Australia & New Zealand (ANZ) employment business is most advanced in the Placement Strategy. A key focus for SEEK's International businesses is to leverage the ANZ experiences, learnings and technical expertise into their respective businesses and accelerate this business evolution.

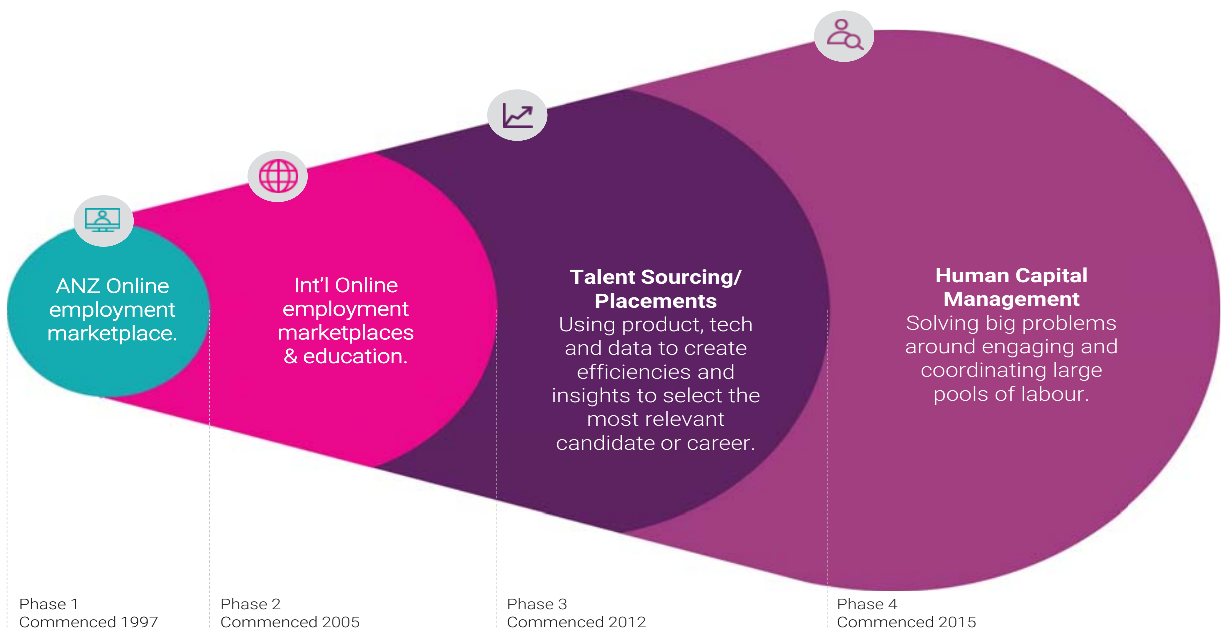
Phase 4: Human Capital Management

In the last 2 years, SEEK has identified large market opportunities in the Human Capital Management Industry across both its ANZ business and its international businesses.

These are areas of the market that are either occurring at a high cost and/or being performed offline or in an inefficient manner. SEEK believes that using technology and data, its experience in building online marketplaces and relationships with hirers and candidates positions us to solve large and complex problems for hirers and candidates.

Given SEEK's unique capabilities and the size of the market opportunity, SEEK is investing in building products or services and also making strategic investments (e.g. Workana, Sidekicker and Ximble).

SEEK's growth phases



Review of operations

	2017 $m	2016 $m
Sales revenue (before significant items)	**1,040.9**	950.4
Items associated with cessation of SEEK Learning	**(4.5)**	-
Reported sales revenue	**1,036.4**	950.4
EBITDA (before significant items)	**375.8**	366.7
Costs associated with cessation of SEEK Learning	**(13.5)**	-
Reported segment EBITDA[1]	**362.3**	366.7
Depreciation and amortisation	**(53.4)**	(53.4)
Net interest	**(11.9)**	(21.3)
Share-based payments and other LTI	**(10.0)**	(18.4)
Share of results of equity accounted investments	**4.3**	12.2
Other items	**146.0**	271.0
Income tax expense	**(75.3)**	(157.4)
Non-controlling interests	**(21.8)**	(42.3)
Reported profit attributable to owners of SEEK Limited	**340.2**	357.1
Deduct significant item profits	**(138.7)**	(178.2)
Profit attributable to owners of SEEK Limited (before significant items)	**201.5**	178.9
Add back Early Stage Ventures	**19.3**	19.2
Profit for the year attributable to owners of SEEK Limited (before significant items & Early Stage Ventures)	**220.8**	198.1

1. Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of results of equity accounted investments, share-based payment expense, gains/losses on investing activities and other non-operating gains/losses.

SEEK achieved a solid result for the year ended 30 June 2017 ("FY2017"). Some key highlights of the overall result include growth in sales revenue (before significant items) of 10% (14% constant currency) with SEEK exceeding $1 billion of revenue for the first time. EBITDA (before significant items) was up 2% (up 5% constant currency) compared to the year ended 30 June 2016 ("FY2016"). The EBITDA result reflects continued investment to capitalise on long-term growth opportunities.

The key drivers of revenue and earnings by business:

- ANZ Employment: Revenue growth of 14% and EBITDA growth of 11%. A key highlight of this result was the majority of the revenue growth was related to yield, value-add services and mix shift which can be attributed to reinvestment efforts;
- Zhaopin: Revenue growth of 13% (24% local currency) and EBITDA growth of nil (9% local currency). A key highlight was benefits of market leadership being reflected in strong growth in unique hirers and consistently strong results in online revenue growth;
- SEEK Asia: Revenue reduction of 1% (3% growth constant currency) and EBITDA growth of nil (5% constant currency). Macro-economic conditions have impacted the full year result but there are clear indications in H2 FY2017 that economic conditions are beginning to improve. The competitive position of SEEK Asia is strong and the business is making considerable investments in capability and product technology;
- Brasil Online: Revenue reduction of 5% (reduction 14% local currency) and EBITDA reduction of 8% (reduction 17% local currency) as weak macro-economic conditions continue to impact financial results; and
- Translation of offshore results into AUD were unfavourably impacted by the appreciation of the AUD exchange rate.

Profit attributable to the owners of SEEK Limited was $340.2m (30 June 2016: $357.1m).

FY2017 significant items of $138.7m included the following:

- Fair value gain from SEEK increasing its ownership stake in Online Education Services ("OES") of $174.3m;
- One-off restructuring costs and write-off of intangibles relating to the cessation of VET sales in SEEK Learning of $15.9m;
- Net one-off tax items of $1.1m comprising of a Zhaopin withholding tax provision ($10.5m) offset by a tax benefit arising from the sale of the investment in JCBNext Berhad ("JCBNext") ($9.4m);
- Impairment of Babajob and another early stage minority investment of $6.1m and costs related to Zhaopin's potential privatisation of $12.5m.

FY2016 significant items of $178.2m included the following:

- Gain on sale of SEEK's interest in IDP Education Pty Ltd ("IDP") of $181.7m post-tax and net of transaction costs;
- Other financing costs of $2.2m relating to SEEK's acquisition of additional ownership interest in SEEK Asia and $1.3m costs associated with the non-binding proposals for Zhaopin.

When adjusted for the significant items above, profit attributable to the owners of SEEK Limited would have been $201.5m in FY2017 (FY2016: $178.9m) reflecting an increase of $22.6m or 13%.

Excluding the results of Early Stage Ventures (FY2017 loss of $19.3m, FY2016 loss of $19.2m), the profit attributable to the owners of SEEK Limited would have increased by 11% from $198.1m in FY2016 to $220.8m in FY2017.

Review of operations continued

Australia & New Zealand (ANZ) Employment

	2017 $m	2016 $m	Growth $m	Growth %
Sales revenue	**355.9**	313.1	42.8	14%
EBITDA	**197.9**	177.8	20.1	11%
EBITDA margin (%)	**56%**	57%		

ANZ Employment achieved a record revenue and EBITDA result. Compared to the prior year, revenue growth was 14% and EBITDA growth was 11%. Taken over a longer time frame, revenue has increased 48% since FY2014. This is a very strong result in the context of subdued macro-economic conditions and demonstrates strong returns from SEEK's reinvestment strategy. The key drivers of the revenue result were attributable to yield, new products and product and service enhancements.

Operating expenses grew by 17% as the business invested in marketing and costs associated with the enhancing, building or scaling up of new products and services.

Examples of how ANZ has grown value to candidates:

- Company Reviews has over 285,000 reviews collected and approximately 115,000 live reviews thus far;
- Approximately 5m candidates receive more than 30m personalised job recommendations each week;
- New mobile functionality has resulted in a 33% increase to applications via mobile with approximately 60% of total traffic now via mobile; and
- New 'job apply' confirmations are providing candidates with greater visibility on the application process.

Examples of how ANZ has grown value to hirers:

- Premium talent search is growing usage with 815 hirers, growth of 50% compared to FY2016;
- Ongoing enhancements to the advertiser centre are delivering large efficiencies for SMEs;
- Prominence ad products are driving higher retention rates and higher average yields; and
- Role requirements are now used in 25% of job ads reducing time to shortlist 5 candidates by more than 35%.

Culmination of all SEEK activities has contributed to:

- Share of placements of 36%, a lead of approximately 9 times over SEEK's nearest competitor; and
- Brand awareness of 82%, a lead of approximately 3 times over SEEK's nearest competitor.

International

International's financial contribution is a large component of the Group's financial results, comprising approximately 60% of Group sales revenue and 50% of EBITDA in FY2017.

Revenue growth of 6% (13% constant currency) and EBITDA reduction of 3% (2% growth constant currency) was driven by the following business results:

	2017 $m	2016 $m	Growth $m	Growth %
Sales revenue	**629.3**	592.3	37.0	6%
Zhaopin	**372.9**	329.1	43.8	13%
SEEK Asia	**139.7**	141.8	(2.1)	(1%)
Brasil Online	**87.3**	91.7	(4.4)	(5%)
OCC	**29.4**	29.7	(0.3)	(1%)
EBITDA	**187.0**	193.1	(6.1)	(3%)
Zhaopin	**80.0**	79.7	0.3	0%
SEEK Asia	**76.0**	75.8	0.2	0%
Brasil Online	**31.3**	34.0	(2.7)	(8%)
OCC	**6.7**	9.3	(2.6)	(28%)
Other costs	**(7.0)**	(5.7)	(1.3)	(23%)
EBITDA margin (%)	**30%**	33%		
Zhaopin	**21%**	24%		
SEEK Asia	**54%**	53%		
Brasil Online	**36%**	37%		
OCC	**23%**	31%		

Zhaopin:

- In local currency terms, Zhaopin achieved strong revenue growth of 24%. This revenue result reflects its market leadership and the benefit of reinvestment in sales & marketing and product & technology. Underlying EBITDA growth was 3% due to reinvestment and one-off project costs in the prior period; and
- Given the strong competitive environment, our continued reinvestment in new products and services is enhancing the strength of Zhaopin and this is demonstrated in growth in the following key metrics: 140m registered users, 94m CVs, 613k unique hirers and 3m daily unique visitors which represents growth of 17%, 13%, 20% and 20% respectively compared to the prior period.

SEEK Asia:

- In constant currency, SEEK Asia achieved revenue growth of 3%;
- When looking specifically at H2 FY2017 there was a modest increase in revenue with improving results across mature markets, and strong results across key developing markets;
- Whilst macro-economic conditions impacted the overall FY2017 financial results, the business fundamentals remain strong. SEEK Asia remains the clear market leader across South East Asia and its product and technology initiatives are growing the strength of the business model; and
- Numerous product initiatives have led to SEEK Asia being the clear market leader in terms of placements and visits.

Brasil Online:

- In local currency terms, Brasil revenue declined by 14% and EBITDA reduced by 17%. This was a result of a continuation of weak macro-economic conditions;
- Despite these conditions, H2 FY2017 revenue was slightly ahead of H1 FY2017 and there are early signs of improvement especially in hirer pays revenue;
- In AUD terms, the Brasil Online result was favourably impacted by an appreciation of the Brazilian Real against the Australian dollar which led to a 5% decline in revenue and an 8% decline in EBITDA; and
- Brasil Online continues to make significant advancements in matching technology and artificial intelligence and is expanding the hirer pays offering with the launch of disability and blue collar employment platforms.

OCC:

- In local currency terms, OCC's revenue growth was 15% and EBITDA reduction was 15%. This result was a tale of two halves particularly in operating expenses where H1 costs increased by 36% vs the prior period as the business invested aggressively in product and technology and H2 costs stabilised on a sequential half on half basis; and
- The new products and capabilities in product obtained in H1 FY2017 led to strong growth in key metrics such as 12% increase in profiles, 16% increase in hirers and market leadership in placements.

Education

The Education segment result comprises SEEK Learning until early November 2016 and OES which includes:

- Share of results of equity accounted investment for OES to 31 March 2017; and
- Revenue and EBITDA since 1 April 2017 reflecting SEEK's stake increasing from 50% to 80% in OES.

In FY2016 share of results of equity accounted investments also included SEEK's share of the IDP result until the disposal of IDP in November 2015.

	2017	2016	Growth	
	$m	$m	$m	%
Sales revenue	**31.8**	42.1	(10.3)	(24%)
OES	**29.2**	-	n/a	n/a
SEEK Learning	**2.6**	42.1	(39.5)	(94%)
EBITDA	**(4.0)**	5.0	(9.0)	(180%)
OES	**10.6**	-	n/a	n/a
SEEK Learning	**(14.6)**	5.0	(19.6)	(392%)
Share of results of equity accounted investments	**10.4**	20.8	(10.4)	(50%)

Online Education Services (OES)

- The Education segment includes OES consolidated revenue and EBITDA of $29.2m and $10.6m respectively since 1 April 2017. On a full year basis revenue growth was 9% and EBITDA growth was 9%;
- OES continues to deliver strong student outcomes with teaching satisfaction rates at very high levels (8.7 out of 10 student satisfaction score).

SEEK Learning

- SEEK Learning ceased its VET operations during H1 FY2017 due to regulatory reforms;
- Financial results reflect 4 months of VET enrolments (up to early November 2016) when the business ceased VET operations as well as one-off costs associated with the cessation (EBITDA impact of $13.5m) and negative NPAT impact of $15.9m; and
- Focus is now on "starting up" a new education business (which is included in the Early Stage Ventures segment).

Early Stage Ventures

SEEK's key rationale for investing in Early Stage Ventures is:

- As SEEK continues to grow in talent sourcing, human capital management and education we see many large and complex problems that are currently unresolved;
- Many of these problems can be solved by SEEK's internal capabilities but in many cases it makes more strategic sense to partner with existing Early Stage businesses;
- SEEK is an attractive partner given our significant scale and capabilities; and
- Early Stage businesses are also allowing SEEK to learn and grow in the broader human capital management industry which is seen as an exciting area of future growth.

	2017	2016	Growth	
	$m	$m	$m	%
Sales revenue	**19.4**	2.9	16.5	569%
EBITDA[1]	**(18.6)**	(9.2)	(9.4)	(102%)
Share of results of equity accounted investments	**(6.5)**	(9.1)	2.6	29%

1. Refer to note 1(a) to the financial statements for a reconciliation between EBITDA and loss for the year of $25.4m (FY2016: $19.2m).

Key highlights:

- Jora now has a presence in 32 countries and is playing a key role in growing ad scale and supporting new product development;
- JobAdder is one of Australia's leading application tracking and client relationship tools which is helping to reduce friction for hirers in the recruitment process;
- SEEK has invested in a number of start-ups to expand its opportunity in the wider human capital management industry including Ximble, Sidekicker and Workana;
- Catho Education (in Brazil) was launched in June 2015 and now has 50 Education Partners, leading to enrolment growth of 225% compared to FY2016;
- JobStreet Education (Malaysia) was launched in May 2016 and now has 11 Education Partners, and strong growth in leads and enrolments; and
- SEEK Learning is incubating a new education business in Australia that will address a large unmet need for independent education and career insights.

A key driver of higher revenue growth and greater share of EBITDA losses is due to organic growth in the businesses as well as SEEK taking controlling stakes in Sidekicker and JobAdder during FY2017.

Analysis of other key items below EBITDA

	2017	2016	Movement	
	$m	$m	$m	%
Depreciation	**(14.2)**	(13.7)	(0.5)	(4%)
Amortisation	**(39.2)**	(39.7)	0.5	1%
Impairment loss	**(16.1)**	-	-	n/a
Net interest expense	**(11.9)**	(21.3)	9.4	44%
Share-based payments and other LTI	**(10.0)**	(18.4)	8.4	46%
Gain on step acquisitions	**177.3**	-	177.3	n/a
Gain on disposal of equity accounted investment	**-**	279.7	(279.7)	n/a
Transaction costs	**(14.8)**	(15.3)	0.5	3%
Other financing activities	**(0.4)**	6.6	(7.0)	106%

Key items:

- Impairment loss of $16.1m in relation to SEEK Learning, Babajob and another early stage minority investment;
- Lower net interest due to IDP proceeds being used to repay borrowings;
- Lower share-based payments expense due to non-vesting of SEEK International incentives;
- Gain on step acquisitions of $177.3m in relation to step acquisitions of OES, JobAdder and Sidekicker;
- Transaction costs of $14.8m in relation to the Zhaopin privatisation transaction; and
- Other financing activities of $0.4m in relation to foreign exchange related items.

Financial position

	2017 $m	2016 $m
Cash and cash equivalents	**652.0**	504.9
Other current assets	**189.9**	232.1
Intangible assets	**2,672.2**	2,388.3
Equity-accounted investments	**45.5**	81.0
Other non-current assets	**123.4**	72.1
Total assets	**3,683.0**	3,278.4
Current borrowings	**37.8**	71.1
Non-current borrowings	**930.2**	751.6
Unearned income	**266.3**	226.5
Current creditors and provisions	**245.9**	277.4
Non-current creditors and provisions	**162.9**	127.2
Shareholders equity	**2,039.9**	1,824.6
Total liabilities and equity	**3,683.0**	3,278.4

At 30 June 2017, SEEK had:

- Total assets of $3,683.0m of which 73% related to long-life intangible assets (goodwill, brands and licences) arising from business combinations, with the remainder relating primarily to cash, equity accounted investments, and trade receivables; and
- Total liabilities of $1,643.1m of which 59% related to borrowings, with the remainder relating to unearned income, tax, and trade and other payables.

At 30 June 2017, the Group's current assets exceeded its current liabilities by $291.9m.

Key balance sheet movements

Significant movements during the year were largely related to the step acquisition of OES.

Intangible assets: increased by $283.9m due to the OES transaction offset by amortisation and exchange differences.

Equity accounted investments: decreased by $35.5m mainly due to the acquisition of a controlling interest in OES during the year.

Borrowings: increased by $145.3m due to tax paid in relation to the disposal of IDP, acquisition of subsidiaries $85.8m (including OES) and additions to intangibles $62.0m.

Net debt

Net debt at 30 June 2017 was $204.6m ($197.4m net of capitalised borrowing costs) and is further discussed in note 7 to the financial statements.

SEEK's borrowings now comprise a combination of facilities across SEEK Limited, Zhaopin Limited and SEEKAsia Limited:

- SEEK Limited has an unsecured syndicated facility comprising two tranches of A$550.0m and US$275.0m respectively as well as an EMTN issue of A$175.0m;
- Zhaopin Limited has entrusted loan facilities of US$30.0m; and
- SEEKAsia Limited has a syndicated multi-currency debt facility, comprising SG$109.0m and HK$396.0m.

At 30 June 2017, $975.2m of the total available facilities were drawn down, with $316.2m available in undrawn capacity.

Cash flow

The table below summarises cash flow movements for the year, before foreign exchange movements.

	2017 $m	2016 $m
Cash generated from operations	**456.8**	416.4
Transaction costs	**(3.6)**	(15.3)
Finance costs and taxes paid	**(172.8)**	(66.2)
Net cash from operating activities	**280.4**	334.9
Disposal of equity accounted investment	**-**	331.6
Acquisition of subsidiaries (net of acquired cash)	**(85.8)**	(15.5)
Dividends received	**6.3**	29.5
Capital expenditure (intangible assets and plant and equipment)	**(76.7)**	(54.9)
Acquisition of interests in associates	**(5.6)**	(21.2)
Other investing activities	**7.2**	(2.3)
Net cash from investing activities	**(154.6)**	267.2
Net change in borrowings	**168.9**	(184.7)
Dividends paid to shareholders of SEEK Limited	**(146.1)**	(130.9)
Dividends paid to non-controlling interests	**(7.0)**	(9.2)
Acquisition of additional interest in subsidiary	**-**	(181.0)
Other financing activities	**28.1**	(20.1)
Net cash from financing activities	**43.9**	(525.9)
Net increase in cash and cash equivalents	**169.7**	76.2

Cash generated from operations increased 10% to $456.8m and represented an EBITDA conversion ratio of 126%.

Key cash flow movements

Net cash from operating activities: inflow of $280.4m which has decreased 16% primarily due to tax paid in relation to the disposal of IDP.

Net cash from investing activities: outflow of $154.6m primarily due to acquisition of new subsidiaries $85.8m including OES, and intangibles additions of $62.0m.

Net cash from financing activities: inflow of $43.9m is mainly due to proceeds from borrowings $168.9m including the issue of notes under the EMTN programme, as well as dividends paid of $146.1m.

Significant changes in the state of affairs

SEEK Learning cessation of Vocational Educational and Training ("VET") operations

Recent regulatory reforms have resulted in SEEK Learning ceasing operations in VET. As a result, SEEK announced its intention to create a new education business to address a significant need in the marketplace. SEEK had already committed to this new business ahead of the regulatory changes.The new business has a new value proposition and will offer two main services: online "adviser" for education courses and phone-based career advisory services.

Zhaopin Limited

SEEK has formed a consortium with leading private equity firms Hillhouse Capital Group and FountainVest Partners ("consortium"), for the purpose of the privatisation of Zhaopin Limited. The consortium has signed a merger agreement to acquire all of the outstanding shares of Zhaopin for a purchase price of US$18.20 per American Depositary Share (ADS).

The consortium intends to fund part of the consideration for the potential transaction through available cash in Zhaopin, which wil be in the form of a cash dividend from Zhaopin to holders of shares (with a corresponding reduction in the per ADS purchase price). This is conditional on completion of the merger. If the proposed transaction is completed, it is expected that SEEK will retain a similar controlling equity interest in the privatised company. SEEK will update the market as appropriate.

Given Zhaopin's continued strong business performance and net cash position, as well as progress in the privatisation process, a withholding tax expense of $17.1m ($10.5m after non-controlling interests) has been recognised and included in significant items in relation to undistributed earnings within Zhaopin's main operating subsidiary in China.

The privatisation is progressing well with Zhaopin currently finalising the proxy statement with the SEC and expecting this process to be completed shortly. Once finalised, the proxy statement will be distributed to Zhaopin shareholders and ADS holders. The current expectation is that an EGM of shareholders will be held in the second half of September 2017. Completion of the privatisation process is expected shortly thereafter.

Appointment of new Board member

SEEK appointed Vanessa Wallace to the Board as a non-executive director effective 1 March 2017. Vanessa has over 30 years of experience as a management consultant with Booz & Company (now known as Strategy&). She has held many senior governance roles at Strategy& and has hands on experience in mergers and acquisitions and post-merger integration. Following her retirement from Strategy& in 2015, Vanessa has undertaken various directorships.

Euro Medium Term Note Programme

In April 2017, SEEK issued A$175.0m of 5 year A$ Floating Rate Notes ("Notes") with a coupon of 3 month BBSW + 2.30%. The proceeds from the Notes are being used for general corporate purposes including to pay down some of SEEK's existing bank debt. They were issued under SEEK's recently established Guaranteed Euro Medium Term Note Programme and are listed on the Singapore Stock Exchange.

Principal risks

The following are key risks that may impact SEEK's financial and operating result in future periods:

- A prolonged decline in job ad volumes, as a result of a downturn in the employment markets in which the Group operates. To mitigate the impact of this risk, we continually build flexibility into our business, invest in our people and culture, and adopt agile development methodologies so we may remain nimble and quickly capitalise on new opportunities as they arise;
- New disruptive business models entering the market and/or existing competitors increasing their market share. To mitigate the impact of this risk we focus on ensuring our products and services provide market leading user experience and features for our hirers, candidates and students;
- A prolonged interruption to SEEK's IT operations as a result of a natural disaster or other unforeseen event including cyber attacks. To manage this risk we have developed and tested our disaster recovery capability and procedures, implemented high availability infrastructure and architectures, and continually monitor our systems for signs of poor performance, intrusion or interruption;
- Failure to protect data privacy, resulting in significant legal action, damage to SEEK's reputation and loss of significant customers. To minimise the impact of these risks we have implemented appropriate IT security measures, including preventative, detective and responsive capabilities;
- Changes in regulation which adversely impact the provision of education, government supported student funding, or adversely impact the supply of students in the markets in which SEEK's education businesses operate. To mitigate the impact of these risks we monitor policy changes to ensure our operations are sufficiently adaptive and efficient to meet the volume of activity, and our engagement with our education providers and potential students is timely and adequate in order to understand and exceed their expectations; and
- Exposure to regulatory, legal, political and macro-economic risks operating in international markets. We mitigate this risk by keeping abreast of international issues, changes in legislation, and by regularly providing training in key areas to relevant staff. Most of these risks are outside of our control, and are mitigated by spreading our risk and investments across a wide range of countries and investments of varying sizes and value.

Dividends

Dividends paid or declared by the Company to shareholders during the financial year are set out in note 19 to the Financial Statements on page 82.

Matters subsequent to the end of the financial year

On 11 August, Zhaopin Limited entered into a renewed bank loan facility agreement with HSBC on substantially similar terms with an increased limit of US$100m.

Sustainability Statement

SEEK's purpose, to help people live more fulfilling and productive working lives and help organisations succeed, is integrated across all aspects of the business, including all sustainability activities as they relate to our people, the environment, the communities in which we operate and the stakeholders we interact with.

In FY2017, SEEK continued its long-standing ongoing efforts and investment that enable it to have a positive impact on society and create a community where everyone feels valued. This is one of SEEK's core beliefs and SEEK contributed to the wider community in many ways, including:

- through SEEK Volunteer, the leading volunteer marketplace in Australia and New Zealand;
- by providing internal opportunities for employees to volunteer in the community;
- dollar matching every donation employees make through its Small Change workplace giving program; and
- continually aiming to reduce its environmental impact via the SEEK Green sustainability program.

Furthermore, in FY2017, SEEK continued to focus on creating an even more diverse and inclusive workplace, specifically in the important areas of gender balance, mental illness in the workplace, Lesbian, Gay, Bisexual, Trans, Intersex and Queer ("LGBTIQ") pride, accessibility (specifically vision impairment) as well as providing many opportunities for employees to create and innovate.

All of this is underpinned by SEEK's strong safety performance, high employee retention rates, continued strong employee engagement scores, and independent and external endorsement as one of Australia and New Zealand's best employers.

These efforts have consistently helped SEEK to continue to build upon its dynamic high performing culture, which is underpinned by the This is SEEK cultural framework.

People

This is SEEK

This is SEEK, which was introduced in August 2014, aligns the Company's Purpose and Vision with a clearly defined set of Beliefs and Attributes which codify SEEK's culture, how we operate as an organisation, and what it means to be a high performer at SEEK. This provides the right platform for the Company to recruit, reward and enable high performance through ongoing honest conversations about performance.

This is SEEK includes the following things that support and help employees succeed at SEEK, and if everyone uses them every day, it will continue to build a better business.

Purpose

We help people live more fulfilling and productive working lives and help organisations succeed.

Vision

Being the best in the world in online employment by:

- Matching more people with job opportunities than any other organisation in each market in which we operate;
- Being the most trusted partner for advice on, and access to, relevant career related education.

Beliefs

At SEEK we believe in…

1. Having a positive impact on society
2. Focusing on business fundamentals and customer outcomes rather than short-term financials
3. Always striving, challenging and remaining productively paranoid
4. Doing the right thing for SEEK, not what is popular or easy
5. Doing the right amount of thinking upfront
6. Persevering through obstacles to get it done
7. Creating a community where individuals are valued

Attributes

Our best people…

1. Are passionate about SEEK and our customers
2. Show great judgement and decision making ability
3. Know their stuff (professional skills and/or leadership skills)
4. Deliver outcomes for SEEK

Employee Engagement

SEEK's business performance is underpinned by its people and in FY2017, SEEK continued to focus on engaging its employees.

Aon Hewitt named SEEK a Best Employer in Australia and New Zealand, for the tenth time, a feat achieved by no other company in Australia and New Zealand. Being named an Aon Hewitt Best Employer again recognised SEEK for its leading people practices and sustained high levels of employee engagement. It also underlined SEEK's established reputation as a great place to work with a high performance "people first" culture, where This is SEEK is embedded into its day-to-day ways of working. SEEK congratulates OES for being named the 2017 Aon Hewitt Best of the Best Employer, as well as an Aon Hewitt Best Employer for the fourth consecutive year.

SEEK's participation in the Aon Hewitt Best Employer program is in addition to SEEK's six monthly internal employee engagement surveys, which in FY2017 again showed consistently high employee engagement, with engagement rates in the top quartile. Both survey results again reinforced that SEEK is a place where people feel valued and respected, and are motivated and supported by the Company to perform at their best.

Learning and Development

As part of the wider Learning and Development Framework at SEEK, two new initiatives were introduced in FY2017.

Coaching for SEEKcess

One of SEEK's key leadership capabilities is the ability to build team capability through teaching, coaching and feedback. In 2017 SEEK launched a new custom-designed 12-month core learning program for leaders – Coaching for SEEKcess. The program is aimed at supporting new, emerging and existing leaders with developing the skills and knowledge to confidently and effectively coach and lead their teams.

Sustainability Statement continued

The program design is multifaceted, combining theory, discussion, reflection, peer coaching, skills practice and action planning – intended to create sustainable behavioural change.

Career Fest

SEEK understands that an employee's perception of their career prospects is critical to overall engagement. In response to feedback in employee engagement surveys that many employees would like more support and information about how to build and navigate a career at SEEK, a two day Career Fest Event was held in May 2017 for all employees. Career Fest was designed to inspire, build awareness and support skill development, while at the same time doing what SEEK does best – helping people live more fulfilling and productive working lives. The Career Fest forms part of a broader set of activities that align to SEEK's career development strategy, and featured:

- A key note speech from Holly Ransom, CEO of Emergent and one of Australia's '100 Women of Influence', who gave advice on navigating a successful career and included insights around the future of the employment market and what this means for all employees in owning and continuing to develop their skills;
- A Career Marketplace where each SEEK business area ran a stall to enable employees to find out more about different business areas and possible career paths; and
- Bootcamp sessions which gave employees the opportunity to learn a new skill during a class run by expert SEEK employees and external professionals. Bootcamp topics included Divergent Thinking, How to Ace an Internal Interview at SEEK, How to Plan a Marketing Campaign, Coding 101 and The 10 Misconceptions of Agile.

SEEK Hackathon

SEEK ran two Hackathon events in FY2017, with each event taking place over two days. The various ideas that were 'hacked' were developed into prototypes, and then showcased at the conclusion of each event for potential implementation as future SEEK products.

Hackathons are central to SEEK's culture of innovation, empowerment and collaboration as they provide employees with the opportunity to come together and uncover creative and innovative solutions to market opportunities, with products developed during Hackathons having potential value to SEEK.

Hackathons play a strong role in building employee engagement and are another way of further enhancing the connection to and understanding employees have of the needs of SEEK's customers.

Both FY2017 Hackathons generated many potential products, and enabled employees to work on ideas and concepts outside of their day-to-day roles. As in previous years, some FY2017 Hackathon ideas have progressed for further development.

SEEK Culture Ambassadors

In FY2017, SEEK evolved from having an Inclusion Council to a cross functional team of Culture Ambassadors. Sponsored by two Executive Team members, SEEK's Culture Ambassadors are the custodians of the SEEK culture and drive and nurture an environment of inclusivity and diversity. SEEK believes all its employees should feel valued and be able to perform to their best within its working environment irrespective of their gender, race, sexuality, disability or any other characteristic.

Culture Ambassadors are a variety of people across all levels and departments of the business who come together regularly with the objective of ensuring SEEK remains an industry leader in providing an inclusive environment, where individuals feel valued for their talent and are free to reach their full potential. Culture Ambassadors champion programs that enhance SEEK's evolving workplace culture.

Equal Opportunity

SEEK recognises that its business success is a reflection of the quality of its workforce. SEEK is committed to an inclusive culture which values diversity of thought, opinion and background, and where its employees are provided with equal access to opportunities. This diversity enriches the SEEK culture with diversity in all its forms being key to our competitive advantage.

Diversity and inclusion at SEEK means we recognise and respect qualities which are unique to individuals such as gender, language, ethnicity, age, religion, disability and sexual orientation. SEEK believes in treating all people with dignity and respect and is committed to employing people with "best in market" skills and that are the right cultural fit.

Our workplaces are respectful, inclusive and value the diversity of our employees and the communities we operate within. Our approach to diversity and inclusion is one that is genuine and embedded within our culture, which includes the way in which management and employees interact with each other, clients, candidates and suppliers.

SEEK's Equal Opportunity policies promote the respect of human rights in every market in which the business operates. This includes SEEK's approach to anti-discrimination which operates within the spirit of the International Labour Organisation's labour standards.

Gender Balance

Over the past 12 months, SEEK continued to have a strong focus on increasing female representation in senior management positions and technical roles over the medium-term. Key programs of work included:

Acceleration of talent at senior levels

In FY2017, the first FAST (Females at SEEK Thrive) program concluded. FAST encourages women to progress their careers at SEEK and considers any potential career development barriers for them as individuals. A key focus of the program is to improve awareness of unconscious bias and its impact on career pathways for women employed at SEEK. The program included:

- CEO Mentoring and exposure in small groups;
- Executive Sponsorship and Coaching Circles, providing targeted education and development; and
- Working on a project as a cohort with their sponsors to come up with recommendations for ideas and solutions to effect sustainable change, aimed at improving gender diversity at SEEK.

Sixteen female participants completed FAST in FY2017 and we have seen an impact in terms of career velocity. Since commencement, 30% of the FAST participants have experienced role growth, either through promotion or expansion in the scope of their current role. The program is ongoing, with the second program due to launch in FY2018.

Unconscious bias and inclusive leadership

In FY2017, SEEK Executives and Senior Managers attended Unconscious Bias training, as part of creating an even more inclusive workplace at SEEK. A sub-group of advocates and influencers leading the largest teams were created and networked to embed the learnings throughout their teams and workplace. As role models, these leaders were identified as change champions and asked to reflect on points in decision making which are vulnerable to bias, such as recruitment, `This Is SEEK' performance conversations, development or promotion in teams, reward and recognition and opportunities through allocation of work such as special projects. The sub-group identified 'Moments that Matter' that are within their control to define specific actions to minimise the impact of unconscious bias, and included Executive Team off sites and SEEK All Staff meetings. The sub-group committed to continue to connect to support each other and influence the organisation broadly on inclusive leadership.

Gender neutralising technology

In FY2017, SEEK's internal Talent Acquisition team adopted gender neutralising technology during its role advertising process to ensure SEEK maximises opportunities to attract female applicants for roles. This gender neutralising technology uses artificial intelligence to identify language within position descriptions and job ads which may inadvertently dissuade females from applying.

Further enhancing SEEK's ability to reduce bias in the identification of potential talent, the team has also implemented a new SEEK product, Bias Shield; which helps reduce gender and racial unconscious bias by anonymising candidate names in SEEK's Premium Talent Search product. By removing names which could reveal a candidate's gender or ethnicity, Bias Shield empowers recruiters to focus on identifying potential candidates based on merit and skills. Bias Shield was developed during a SEEK Hackathon to help HR teams and recruiters reduce their unconscious bias when hiring.

International Women's Day

In March 2017, SEEK celebrated International Women's Day, with an emphasis on women in technology, with external guest speakers in Melbourne and Sydney. In Melbourne, over 250 employees attended a session with Marita Cheng, former Young Australian of the Year, technology entrepreneur and founder of RoboGals. Marita spoke about her work to inspire the next generation of women into the technology sphere, robotics that her company has developed to help people with a disability, and her personal and professional learnings along the way. Her organisation RoboGals has since become a partner of SEEK's Camp SEEK initiative.

Acquisition of female talent

As part of our commitment to achieve gender balance, a focused recruitment effort has been introduced to ensure there is female representation on every candidate shortlist and interview panel when recruiting externally for SEEK. With this attention and focus for FY2017 we have achieved a 93% representation of women on our interview panels. SEEK aims to have 100% female representation on interview panels, as there is clear evidence that this will improve gender balance in hiring outcomes.

Women in Technology Steering Committee

In FY2017, SEEK created a Women in Technology Steering Committee, comprising of the HR Director Australia and New Zealand, Online Delivery & Operations Director and Technology Director. The vision of this Steering Committee is to have a positive impact on society by encouraging and supporting more females into the technology industry, attracting them to a career at SEEK, and supporting and growing their careers. The Steering Committee is focused on three defined streams of work and priority areas:

- Grow the Pool: this stream looks externally to SEEK to grow the external pool of talent of women choosing technology careers. The cornerstone initiative here is Camp SEEK (discussed further below) to help female high school students learn more about technology careers and hopefully influence their decision to choose a science, technology, engineering and mathematics ("STEM") university course and pursue a technology related career.
- Attract Talent: this stream is focused on significantly changing the brand of SEEK in the marketplace for women in technology careers. Initiatives under this priority include Employee Value Proposition, targeted talent mapping and sourcing strategy.
- Develop and Grow Talent: this stream aims to ensure that we are developing and growing the existing female talent currently at SEEK.

STEM : Long term investment in school level digital talent

In FY2017, SEEK hosted the second annual Camp SEEK, a technology immersion program for girls in Years 9 and 10 who spent four days learning about different aspects of the digital industry. The aim of Camp SEEK is to bridge the gender gap by introducing young women to the creative world of digital technology and to encourage them to consider a career in STEM. Feedback from both these programs has been extremely positive, with four of last year's participants sharing that their experience at Camp SEEK specifically influenced their selection of subjects towards future tertiary education related to STEM. The Camp SEEK alumni group will continue to receive communication and updates from SEEK, to develop a connection and foster SEEK being viewed as the employer of choice for young women wanting to pursue a digital career. Now that we have two years of experience successfully hosting Camp SEEK, in FY2018 we will expand this program to include 30 young women, enabling SEEK to have a bigger impact on young women in secondary schools and also provide further support towards gender equity in the technology industry.

EMPOWER sessions

To help SEEK employees understand the challenges women experience in the workplace as they grow their careers, SEEK continued to host EMPOWER sessions in FY2017.

Each EMPOWER session featured speakers who shared their insights and provided advice on a variety of topics. Whilst telling their own unique stories, speakers shared personal experiences of obstacles faced and practical advice on how the obstacles were overcome.

Sustainability Statement continued

Disability

Supporting mental health in the workplace

In FY2017, in collaboration with Melbourne Business School ("MBS"), SEEK released a research study 'Mental Health in the Workplace: The Drivers for Success'. The research commenced in 2014 with the purpose of identifying the current state of mental health education and support within SEEK, and to assess the impact that a mental well-being training program may have on creating a more supportive and inclusive workplace. To launch the findings of the study, SEEK co-hosted an event with MBS in August 2016 which was well attended by SEEK customers and industry professionals.

As champions for diversity and inclusion in the workplace, and with a relationship with over 150,000 candidates and 700,000 hirers across the Group, SEEK has a unique role to play in understanding mental health and driving positive change. Disability employment is a relatively under-researched area in the fields of human resource management and organisational psychology. In particular, even less research has specifically examined the obstacles and opportunities faced by employers, or demand-side perspective.

The study revealed a 45% lift in participants' understanding of mental health support after participating in the training. A program of work will be developed based on the study and implemented across the organisation, to further improve the aptitude of employees and leaders to support their employees who experience a mental health issue.

In addition, MBS has promoted the project and its outcomes more broadly across the community as an example of best practice and to encourage others to adopt the research insights to enhance better outcomes for both employees and employers of individuals with a mental illness. Through profiling this important topic, this program of work is closely linked to one of SEEK's core beliefs of having a positive impact on society.

Partnership with Vision Australia

SEEK is passionate about having access to the biggest talent pool available and continues to focus on removing barriers to help people live fulfilling and productive working lives.

SEEK partnered with Vision Australia in FY2017 to offer visually impaired individuals workplace experience on an internship basis. A pilot program commenced in August 2016 with two visually impaired individuals being offered an eight week work experience opportunity within the Customer Service team. A second rotation of the program commenced in May 2017. SEEK's long-term objective is to understand this potential new talent pool and how to best support their success and needs from an employment perspective, as well and understanding where to best utilise this talent.

Pride

SEEK is committed to ensuring its workplace is inclusive for all employees from the LGBTIQ community. SEEK continues to be a proud member of Pride in Diversity and a partner of Victoria's Midsumma festival. At SEEK we celebrate both IDAHOT (International Day against Homophobia and Transphobia) Day, have a presence at Carnival Day and take part in the annual Pride March as part of the Midsumma festival.

Workforce Composition and Employee Retention

SEEK's Australian workforce comprises a diverse mix of employees, including 740 permanent employees, 59 fixed term contractors, 17 casual employees and 43 temporary contract staff as at 30 June 2017.

SEEK recognises the value brought to it by talented and high performing employees who are aligned to SEEK's Purpose, Vision, Beliefs and Attributes. In FY2017, SEEK retained 98% of high performing employees and recorded an overall retention rate of 91% of permanent employees. SEEK's low voluntary attrition rates reflect its top quartile employee engagement scores and the adoption and application of This is SEEK, which plays a critical roles in building a high performance culture that helps to attract and retain talent within the highly competitive technology industry.

Collective Bargaining

Collective Bargaining Agreements are not applicable at SEEK, as all staff are employed under individual employment contracts. Furthermore, our employment contracts are designed to attract and retain the very best talent. Collective Bargaining Agreements are not typical in the industry within which SEEK operates.

Workplace Health and Safety

SEEK continues its commitment to ensuring the health and safety of its employees, contractors and visitors at work by conducting its business in accordance with all workplace health and safety laws, standards and codes of practice.

Through the promotion and support of a wide range of health and safety initiatives, SEEK maintains a strong safety record with low lost time injury frequency rates.

In FY2017, SEEK conducted bi-annual internal Work Health Safety practice audits across all SEEK Australia and New Zealand sites. Findings from this audit showed that SEEK was compliant with relevant legislation.

This year, SEEK established a Work Health Safety Committee made up of key decision makers and influencers in relation to workplace safety across the business. Meeting on a monthly basis this group of people take a proactive approach to workplace safety across all SEEK sites.

Safety Performance

In FY2017, SEEK has experienced an increase in the number of reported incidents overall. This is linked to the growth in the number of employees within the organisation as well as improved compliance in reporting these incidents.

Safety performance	2017	2016
Lost time injury frequency rate* (per million hours worked)	**2.2**	1.5
Lost time injury incident rate (per 100 employees)	**0.4**	0.3
Number of near misses	**-**	-
Number of work cover claims	**3**	-

* Where the following day could not be worked due to injury.

SEEK's health and safety programs include complimentary flu vaccinations, healthy snacks, onsite yoga and massage services, as well as ergonomic support including stand-up desks.

Community

SEEK's belief in having a positive impact on society sees it recognise its responsibility to make a beneficial contribution to the communities in which it operates. This commitment is demonstrated in a number of ways across the Group.

Australia

Under SEEK's workplace giving program, Small Change, SEEK matches employees' pre-tax donations to charities with a corporate donation. Participation in Small Change is at 57% and the combination of employee donations and SEEK matching contributions resulted in over $260,000 being donated to SEEK's ten partner charities in FY2017, up 30% from FY2016.

SEEK also encourages employees to give back to the community directly through its internal Volunteering Days program, where employees are provided with one day of paid leave each year to work for a charitable organisation of their choice. FY2017 saw SEEK's largest ever volunteering opportunity, with over 150 Sales and Service employees building over 30 bicycles for families associated with the Starlight Foundation, one of SEEK's Small Change partners.

Volunteering Days also provided SEEK employees with a range of skilled and unskilled volunteering opportunities, including working with Lort Smith Animal Hospital to provide marketing expertise. SEEK also developed and delivered specific 'How to use SEEK' training sessions to empower staff and clients of Wear for Success, a not-for-profit organisation that provides professional clothing and work skills training to people re-entering the workforce.

Philippines

JobStreet.com in the Philippines continued to reinforce its commitment to provide a job to every Filipino, with its participation in Project Inclusion. The program, organised by the Unilab Foundation, enables the employment of people with disabilities by matching their skills with the requirements of potential employers. JobStreet.com encourages its existing clients to participate in the program and employ people with disabilities, directing them to Project Inclusion's job facilitation portal: *www.daretohiremenow.com.*

Project Inclusion also provides transition support to both jobseekers and employers. From its inception in 2013, it has:

- given access to meaningful work to 111 people living with a disability in different employment streams;
- partnered with over 50 organisations in the academic, private, socio-civic and government sectors; and
- trained 30 job coaches to support the transition of people with a disability into the workplace.

Thailand

JobsDB Thailand was invited to be a strategic partner with the Thai Government's Office of the Higher Education Commission, as part of the Education in IT Literacy program for the Digital Economy Committee. As part of the Digital Economy Committee, JobsDB Thailand is participating in the design of a long-term plan to understand the demand and supply of IT and digital job trends and the framework for the national syllabus for IT literacy.

Brazil

Catho, further enhanced its reputation for diversity and inclusion by enabling its transgender employees to use their social names in their Catho email address instead of their birth names. This initiative places Catho as a pioneer in a market where few companies demonstrate equality for the career fulfilment and engagement of transgender employees.

Catho has also continued its work to assist approximately 8 million people of working age and with a disability find employment, and support hirers to create more inclusive workplaces. Catho launched a new hiring platform for people with a disability, and is on track to have Brazil's largest pool of candidates living with a disability by the end of FY2018.

Catho joined with disability organisations and relevant networks to promote the new platform and thousands of candidates have been provided with free access to the platform in a market where candidates pay for site access.

Catho is the only online employment marketplace to offer a qualified database of professionals living with a disability. With increasing numbers of hirers accessing this talent pool, Catho is helping increase placements for disabled candidates and therefore directly helping to improve their working lives.

In the 2017 Great Place To Work employee survey (Best Places to Work), Catho was named as one the best small and medium sized companies to work for in the Barueri region. Many initiatives by the Catho team to transform the business' culture contributed to this award including a new performance evaluation process, the launch of Educare - Catho's Corporate University, a new leadership development program, new benefits programs including extended paternity leave, flexibility including the ability to work remotely, vaccination campaigns and the adoption of social names for transgender employees. In addition, projects strongly aligned with Catho's purpose such as the new hiring platform for people with disabilities and Nalabuta TruckCatho – a social initiative whereby the Nalabuta truck took to the streets of Sao Paulo for 30 days offering free assistance to those who needed help with their resume, job interview tips and individual career guidance – positioned Catho as one of the region's best places to work.

Mexico

In recent times the number of Mexican migrants returning from the USA has increased. To help these jobseekers, Empleolisto, OCC Mundial's new mobile first blue collar marketplace platform uses structured data and matching to allow hirers and candidates to quickly connect. Empleolisto entered into a partnership with the Mexican government to help re-integrate returning immigrants so they can find work quickly and easily. To do this, thirty-eight specially constructed Empleolisto registration kiosks have been installed across government offices in Mexico, giving repatriates easy access to employment opportunities.

China

In FY2017, Zhaopin released its Chinese Women in the Workplace report, which explored how females can face significant gender discrimination in gaining employment and career development opportunities.

Sustainability Statement continued

The report included stories of gender discrimination and the difficulties faced by a number of female entrepreneurs, all with the aim of highlighting the challenges women continue to experience in the workplace and at the same time, showcasing the remarkable achievements of these female entrepreneurs.

Zhaopin also released its 2017 Career Survey of College Graduates, which analysed graduate employability based on their perceptions of the job market, job searching efforts and subsequent outcomes. The survey results were used to assist graduates, career counsellors and college campus recruiters to better connect with each other and provide graduates with relevant information to help them gain post study employment.

Stakeholder engagement

SEEK uses a combination of internally managed and independent agencies to perform a wide range of stakeholder perception surveys with the purpose of assessing the impacts of its products, services, community involvement and other initiatives on key stakeholders.

Surveys, usability studies and other tests are also conducted with the purpose of providing enhanced products to better assist candidates in their careers and hirers in their talent sourcing needs. The following surveys and product trials were conducted in FY2017:

- Candidate surveys on usage, attitudes and behaviour in relation to career including career planning and development needs;
- Consumer surveys to assess the impact of, and engagement with SEEK's brand;
- Consumer surveys to understand usage and satisfaction;
- Survey to better understand potential volunteers and the impact of volunteering;
- Usability tests, surveys and other user experience research methods to achieve product improvements across candidates and hirers; and
- Surveys on career-related education.

SEEK Volunteer

SEEK's commitment to help people lead more fulfilling and productive working lives is brought to life by SEEK Volunteer and the outcomes achieved for volunteers, the volunteer involving organisations and their clients.

For the past 17 years, SEEK Volunteer in partnership with Volunteering Australia has created an online meeting place in Australia for connecting volunteers to opportunities. In FY2017, SEEK Volunteer in Australia has:

- Helped over 124,500 potential volunteers connect with organisations; and
- Increased the number of registered volunteer involving organisations to over 7,300.

As at 30 June 2017, SEEK Volunteer had over 12,500 volunteer opportunities listed in Australia.

SEEK Volunteer has continued to grow in New Zealand since officially launching there in 2015. SEEK Volunteer continues to be the largest national volunteering marketplace in that country and has:

- Helped over 11,000 potential volunteers connect with organisations; and
- Increased the number of registered volunteer involving organisations to over 750.

As at 30 June 2017, SEEK Volunteer had over 800 volunteer opportunities listed in New Zealand.

In New Zealand, SEEK Volunteer works closely with Volunteering New Zealand, the New Zealand Government, Volunteer Centres and not-for-profit organisations to build awareness and increase volunteer participation.

To gain a better perspective of the social impact volunteer contributions make to the community and the positive impact of SEEK Volunteer on volunteers and volunteer involving organisations, SEEK Volunteer:

- interviewed volunteer involving organisations about their experience partnering with SEEK Volunteer;
- interviewed volunteers about their experience with the volunteer involving organisations and the impact volunteering had on them personally; and
- conducted a survey of people who 'expressed interest' in an opportunity via the SEEK Volunteer website.

The results of the interviews and survey unequivocally demonstrated that SEEK Volunteer delivered a positive impact on the community, as shown by the following participant findings:

- 94% agreed that their volunteering experience had a positive impact on their lives;
- 58% of that group indicated that it 'made them feel that they contributed towards a better community', 45% said it 'gave them a sense of purpose' and 44% indicated that they 'gained valuable experience from it';
- 86% indicated that they were either 'very likely' or 'somewhat likely' to apply for another opportunity through SEEK Volunteer in the future; and
- 90% agreed that SEEK Volunteer is a great tool to search for and find volunteering opportunities.

In FY2017, SEEK Volunteer created a new Corporate Volunteering Portal, which is designed to help Australian companies provide their employees with opportunities to give back and make a positive impact on their communities.

Many companies that have a desire to offer volunteering opportunities to help increase staff satisfaction and engagement struggle with the cost of resourcing and managing volunteer programs for their staff. SEEK Volunteer discovered there was a growing need for a portal that connected employees with volunteer opportunities.

The new Corporate Volunteering Portal has the ability to be embedded into existing corporate intranets. It is currently being trialled by various companies and will be rolled-out more widely in FY2018.

In FY2017, SEEK Volunteer entered into a partnership with the Gold Coast 2018 Commonwealth Games (GC2018) to help them recruit 15,000 specialist and generalist volunteers. The partnership aims to 'deliver a highly immersive and positive experience for each volunteer whereby their participation contributes to an outstanding Games and is remembered as their proudest moment'. SEEK supported the recruitment of volunteers through the SEEK Volunteer platform. It also developed a marketing campaign to attract and recruit the right calibre of people to reach the 40,000 expressions of interest required and created two films that are available for viewing at *https://www.youtube.com/watch?v=z3qWxHm7JxU&t=50s* and *https://www.youtube.com/watch?v=OoyQtEV6oxQ&t=1s*.

In addition, SEEK Volunteer supported the establishment of the Volunteer Selection Centre, a physical location where volunteers undergo assessment, engagement and identification validation. SEEK Volunteer continues to work with the 2018 Gold Coast Commonwealth Games to prepare the volunteers and to maximise the volunteering legacy from the event in Queensland.

Environment

Environmental policy

SEEK is an online business which does not extract resources and is not involved in the manufacture or transport of products. The Group's operational model comprises office based employees. Accordingly, SEEK's environmental footprint is small and arises primarily from the energy used and materials consumed in its offices, and employee travel.

Nevertheless, SEEK has a commitment to minimising its environmental impact which is supported by the Board. SEEK's approach to environmental impact reduction includes, where practicable, a commitment to:

- Continually improving its sustainability practices, and to partnering with suppliers with high quality sustainability practices;
- Minimising the environmental impact of its activities, including minimising waste, consumption of materials, energy and water;
- The use of recycled materials; and
- Supporting awareness of environmental issues.

SEEK environmental programs

SEEK's range of sustainability programs, under the internal umbrella SEEK Green, includes:

Sustainable cleaning, waste and recycling practices

- Commitment to use best practice sustainable cleaning systems and products at SEEK head office. For example, a commitment to environmentally low impact cleaning products (phosphate, petroleum and sulphate free);
- Waste paper bins, binding documents and toner cartridges are recycled; and
- Offices use crockery and steel cutlery to reduce disposable consumables.

Energy

- Investment in video conferencing facilities to connect SEEK sites and reduce the need to travel;
- Installation of lighting using low wattage, low energy, power efficient globes;
- Lighting sensors to ensure lights are turned off when not in use;
- Air conditioning zoned to reduce power or switch off outside office hours;
- Promotion of battery and mobile phone recycling to reduce landfill; and
- Improvement in the way data services are delivered through green IT and cloud computing.

Water

- Reduction of bottled water consumables by installing filtered water taps;
- Water efficient dishwashers service 80% of SEEK employees; and
- Water efficient bathrooms at head office save over 100,000 gallons of water per unit per annum.

SEEK is compliant with environmental legislative requirements

As a result of SEEK's low greenhouse gas emissions, energy consumption and waste management program, the Company is compliant with current environmental legislative requirements as set out in the National Greenhouse and Energy Reporting (NGER) and Energy Efficiency Opportunities (EEO) Acts, as well as waste legislation. Due to SEEK's current level of scope 1 greenhouse emissions, SEEK is not liable under the Clean Energy Act 2011.

Governance

Ethical conduct

SEEK's culture of honest and ethical behaviour is supported by the Company's Code of Conduct, which sets out the tenets of professional and personal conduct against which all employees are required to comply when dealing with each other, SEEK's suppliers, customers and the broader community. These include promoting a healthy and safe environment, protecting private and confidential information, acting at all times within the law and acting in the best interests of the Company.

SEEK has implemented a policy which prohibits its personnel from engaging in activity which constitutes bribery or corruption. SEEK is committed to conducting business in compliance with all applicable anti-bribery and anti-corruption laws in all countries in which it operates.

SEEK's Whistleblowers Policy protects employees from detrimental action where employees disclose, in good faith and with reasonable grounds, any unethical or improper conduct, financial impropriety or fraud, contravention of legal provisions or evidence of non-disclosure within the organisation.

In FY2016, SEEK rolled out online Work Health Safety and Equal Employment Opportunity training and online Anti-Bribery training to Australian employees.

Corporate governance policies

SEEK is committed to strong and effective governance frameworks. SEEK's Corporate Governance Statement, in addition to its corporate governance policies are available in the Investor Centre - Corporate Governance section of the Company website, at *https://ir.seek.com.au/Investors/?page=Corporate-Governance*.

Board of directors

Neil Chatfield, age 63
Non-executive director since June 2005; Chairman since November 2012

Skills and Experience

Neil Chatfield is an established executive and non-executive director with extensive experience across all facets of company management, and with specific expertise in financial management, capital markets, mergers and acquisitions, and risk management.

Other listed company directorships

Costa Group Holdings Ltd since October 2011 (Chairman since July 2015).

Transurban Group since February 2009.

Iron Mountain Inc since May 2016.

Recall Holdings Ltd until May 2016.

Virgin Australia Holdings Ltd until May 2015 (Chairman until May 2015).

Grange Resources Ltd until April 2014.

Andrew Bassat, age 51
Executive director since September 1997

Skills and Experience

Andrew Bassat is the CEO of SEEK Limited. He has been involved in all stages of the development of the business since he co-founded the Company in 1997.

In July 2016 Andrew was appointed as a director of St Kilda Football Club.

Other listed company directorships

None

Colin Carter, age 74
Non-executive director since March 2005

Skills and Experience

Colin Carter has a consulting background in organisational and business strategy. He is a former Senior Partner of, and a current Senior Adviser to, The Boston Consulting Group. 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 President of the Geelong Football Club and a member of the Australian Ballet Foundation Board.

Other listed company directorships

Lendlease Corporation Ltd since April 2012.

Wesfarmers Ltd from October 2002 to November 2014.

Denise Bradley, age 75
Non-executive director since February 2010

Skills and Experience

Emeritus Professor Denise Bradley AC has been extensively involved in national education policy groups for more than two decades. She has had significant roles on government and educational boards and committees involved in higher education and training. Denise is currently a member of the Advisory Board for the Centre for Educational Statistics and Evaluation in NSW.

Other listed company directorships

None

Graham Goldsmith, age 57

Non-executive director since October 2012

Skills and Experience

Graham Goldsmith brings to the Board high calibre financial services and banking experience. He retired in 2012 as Vice-Chairman and a Managing Director of Goldman Sachs Australia after 25 years with the firm. Graham is Chancellor of Swinburne University of Technology and he is also a Panel Member of Adara Partners.

Other listed company directorships

Djerriwarrh Investments Ltd since April 2013.

Zhaopin Ltd since June 2014.

Julie Fahey, age 60

Non-executive director since July 2014

Skills and Experience

Julie Fahey has over 30 years of experience in technology, including in major organisations such as Western Mining, Exxon, Roy Morgan, General Motors and SAP, covering consulting, software vendor and Chief Information Officer roles. In addition to her industry experience, Julie spent 10 years at KPMG as a partner with the firm.

Other listed company directorships

None

Vanessa Wallace, age 53

Non-executive director since March 2017

Skills and Experience

Vanessa Wallace has over 30 years experience in management consulting. Her former roles at Booz & Company (now known as Strategy&) included Executive Chairman of Booz & Company (Japan) Inc, Senior Partner, member of the global Board, lead of the financial services practice in Global Markets and lead of the strategy practice in ANZSEA. Vanessa is currently Chairman of AMP Capital Holdings Limited

Other listed company directorships

Wesfarmers Limited since July 2010.

AMP Limited since March 2016.

Meetings of directors

	Board		Audit and Risk Management Committee		Remuneration Committee		Nomination Committee		Ad hoc Committee[1]	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
N G Chatfield	9	9	5	5	4	4	2	2	4	4
A R Bassat	9	9	-	5*	-	4*	-	2*	-	-
C B Carter	9	9	-	2*	4	4	2	2	-	-
D I Bradley	9	9	-	5*	4	4	2	2	-	-
G B Goldsmith	9	8	5	5	-	4*	2	2	4	4
J A Fahey	9	9	5	5	-	4*	2	2	-	-
V M Wallace[2]	2	2	-	1*	-	1*	-	-	-	-

* Where Directors are not members of various Board Committee, they attend by invitation of the Committee Chair.

1 Ad hoc committees of the Board were organised during the year in relation to financial results and the establishment of the Euro Medium Term Note programme.

2 Vanessa Wallace was appointed to the Board effective 1 March 2017 and to the Audit and Risk Management Committee effective 15 May 2017. She attended one Audit and Risk Management Committee meeting in FY2017 prior to her appointment to that Committee.

Interests in shares and options

As at the date of the report the directors held the following interests in shares and options:

	Shares in SEEK Limited	ADSs in Zhaopin Limited	Options over SEEK Limited shares
N G Chatfield	46,756	-	-
A R Bassat	14,699,324	60,000	1,037,187
C B Carter	64,458	4,250	-
D I Bradley	10,056	-	-
G B Goldsmith	45,000	18,000	-
J A Fahey	3,988	-	-
V M Wallace	10,000	-	-

Retirement, election and continuation in office of directors

Under the SEEK Limited constitution, the following directors will seek re-election at the 2017 Annual General Meeting (AGM):

- Neil Chatfield
- Julie Fahey
- Vanessa Wallace (appointed 1 March 2017)

Under the SEEK Limited constitution, directors cannot serve beyond three years or the third AGM after their appointment, whichever is longer. They may, however, stand for re-election at that time. In addition, the constitution provides that any director appointed by the Board holds office until the next AGM when they are eligible for re-election.

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

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

Company secretary

The Company Secretary is Lynne Jensen. Lynne was appointed Company Secretary, effective 22 December 2015. Lynne has 24 years of international and domestic legal and governance experience, including as a partner of Allens Arthur Robinson and as Group General Counsel and Company Secretary of Grocon. Lynne holds a Bachelor of Laws (Honours) and Bachelor of Arts from the University of Melbourne.

Officers

The names and roles of other Officers of the Company during the year are shown in section 1.1 of the Remuneration Report on page 26 of this report.

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 the amount of the premium paid to be confidential.

Proceedings on behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company, nor have any applications for leave to do so been made in respect of the Company, under section 237 of the *Corporations Act 2001*.

Auditor

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

Non-audit services

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.

It is the Group's policy to seek competitive tenders for all major consulting projects.

Fees that were paid or payable during the financial year for non-audit services provided by the auditor of the parent entity (and its related practices) are disclosed in note 30 to the Financial Statements, on page 99.

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:

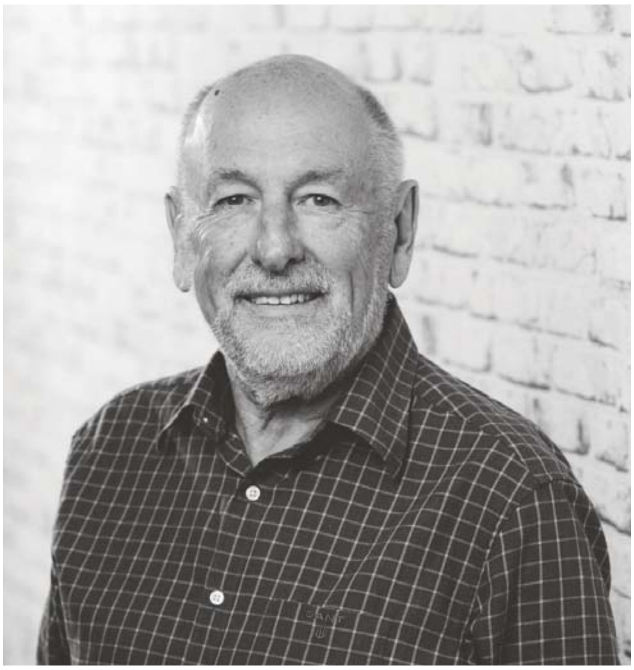
- all non-audit services have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional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

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 44.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Corporations Instrument to the nearest hundred thousand dollars, or in certain cases, the nearest dollar.

Letter from Remuneration Committee Chairman



Dear Shareholder,

Thank you again for your support for SEEK.

As Chairman of SEEK's Remuneration Committee, I am pleased to present our Remuneration Report for FY2017.

The responsibility of SEEK's Remuneration Committee is to ensure that we have the right remuneration structure in place to attract, motivate and retain the best talent and encourage our Executives to build long-term shareholder value.

Specifically, we want our remuneration structure to achieve the following objectives:

1. Alignment with SEEK's strategic intent, with its unique challenges and opportunities
2. Alignment with attracting, motivating and retaining the talent that SEEK requires to succeed in the long-term whilst being reasonable and aligned with shareholders
3. Simple to understand and transparent

We believe that our remuneration structure does meet these objectives. In forming our conclusions, as in previous years, we have sought external feedback from shareholders, proxy advisers and consultants to challenge our thinking and validate our findings. We thank all our stakeholders for their continued feedback.

1. The structure aligns with SEEK's strategic intent with its unique challenges and opportunities

At SEEK, our Executive team deals with opportunities and challenges that are faced by very few global companies, let alone other Australian domiciled companies.

SEEK's opportunity is enormous given it operates market leading businesses across China, South East Asia, Brazil, Mexico, Australia and New Zealand. In the past few years, SEEK has also significantly grown its capabilities in product, technology and artificial intelligence. These create the necessary ingredients to build new value-add services which can be rapidly scaled up given SEEK's relationships with over 150 million candidates and over 700,000 hirers. It is almost unprecedented that an Australian company in the last 20 years has been able to build a large business with this level of growth optionality.

However, there are challenges. SEEK competes against large global competitors and existing online and technology businesses encroaching into SEEK's space. Furthermore, rapid changes in technology and artificial intelligence are reducing the barriers to entry for new disruptive competitors.

Given SEEK's opportunities and challenges, the right mindset is to make trade-offs that favour growing SEEK's prospects for the long-term rather than maximising short-term profits.

Our remuneration structure supports SEEK's strategy in the following ways:

- To reflect the challenges of the task at hand we offer a fixed amount for our Executives to do a good job in all market conditions. There are no short-term incentives ("STIs") with complex formulae and lists of KPIs that do not link to long-term shareholder value.
- By not having STIs (and the short-term mindset that invariably follows), over the last five years we have created an environment in which SEEK Executives can make bold decisions or trade-offs that favour SEEK's long-term prospects. In that time the Board has observed SEEK's highest level of innovation which we believe has positioned the business for long-term growth.
- By having a two-year period before Equity Rights are realisable and a four-year period before long-term incentives ("LTI") are exercisable, we have further reinforced a long-term mindset amongst the SEEK Executives.

This approach has led to total shareholder returns ("TSR") of 199.8% in comparison to the ASX 200 index of 74.8%, between 1 July 2012 and 30 June 2017.

2. The structure aligns with attracting, motivating and retaining the talent that SEEK requires to succeed in the long-term whilst being reasonable and aligned with shareholders

At SEEK, our people are the most important asset and there is a very high correlation between the intellectual capital that they create and shareholder returns. SEEK's Executives are not merely management "stewards", they are integral to company success and shareholder wealth. Our strong view is that our Executives should share in any wealth created in the business - but only if shareholders do well.

SEEK's remuneration structure aligns to attracting, motivating and retaining talent while being aligned with shareholders in the following ways:

- SEEK is truly a global company and our remuneration must be competitive on a global scale. By benchmarking SEEK Executive remuneration to companies of a similar market capitalisation to SEEK in Australia whilst cross-checking where possible against global peers, we have ensured that our remuneration packages are both competitive and reasonable. In practice, SEEK's remuneration levels are very reasonable compared to domestic companies of comparable market capitalisation with Total Remuneration generally positioned between the 50th and 80th percentiles.
- By having 50% of remuneration paid in equity, and therefore subject to the same share price movements as shareholders, we have reinforced an entrepreneurial mindset amongst the SEEK Executives. Our Executives are encouraged to think and act like owners because much of their remuneration is aligned with shareholder outcomes.
- SEEK's LTI only rewards our Executives if the shareholders also do very well – which is unlike many schemes that can reward the Executives even in situations where the shareholders have done poorly.
- By having the one remuneration structure covering all SEEK Executives, including the CEO, we have ensured that all are operating within common and fully aligned boundaries.

3. The structure is simple to understand and transparent

At SEEK, our remuneration structure can be summarised in a page or two and is easily communicated to both Executives and shareholders. It is simple to understand and transparent in the following ways:

- Put simply, we offer a fixed component of base salary, superannuation and some locked-up equity (in the form of Equity Rights). The value of the locked-up equity is defined and clear upfront to both shareholders and Executives.
- By having a LTI component which is based on the growth in SEEK's share price over the three-year performance period (rather than against a so called 'peer group') it is clear upfront to both Executives and shareholders what needs to be achieved in order for any value from the LTI to be realised. Moreover, Executives and shareholders can assess the performance of the LTI throughout the performance period.
- By not having STIs, which often rely upon a variety of performance measures, undisclosed targets, and underlying adjustments - we make it clear upfront how much our Executives will be paid.

We ask that shareholders and proxy advisers assess SEEK's Remuneration Report against the three objectives that we have outlined. Our view is that our remuneration structure works well.

The Board is often asked about aspects of our remuneration approach and so what follows is a brief summary of the answers that we give.

Q&A

How effective has the remuneration structure been in attracting, motivating and retaining world class talent?

It's very effective. The recent appointments of Geoff Roberts as Group Chief Financial Officer and Kathleen McCudden as Group Human Resources Director, both of whom are highly experienced Executives with global experience have brought in new capabilities to the SEEK Group. While SEEK has seen some Executive turnover in recent years, we note the departing Executives have not joined competing businesses and the average tenure of the Executive leavers was 12.4 years. The current Executive team is a world class mix of Founder CEO, seasoned SEEK Executives with deep organisational and industry knowledge who have held a variety of positions, and more recently appointed Executives who bring deep functional expertise from global businesses to SEEK to support our future growth.

Q&A

Why doesn't SEEK pay STIs?

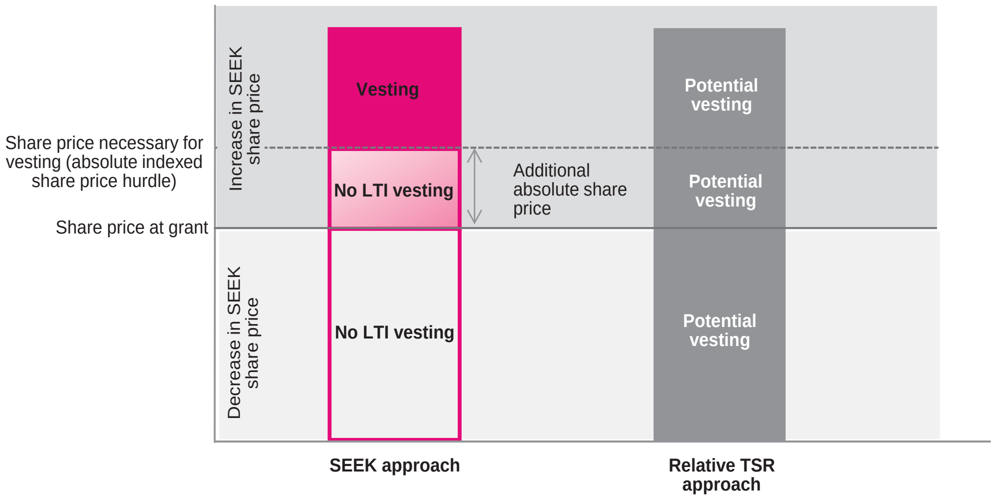
SEEK was amongst the first ASX listed companies to acknowledge that STIs are flawed. Over the last five years, we have seen an increasing number of companies (as well as shareholders, proxy advisers and consultants) express the same view with some companies making their own moves away from the traditional remuneration structures.

SEEK recognises that short-term priorities can change quickly and so rather than focus on fixed targets, we want our Executives to adapt to our fast-paced environment. We also believe that the most senior Executives shouldn't need incentives to take key outcomes seriously. And so, rather than rely on short-term remuneration to direct our Executives, we rely on robust performance management systems to drive focus.

Is our LTI sufficiently challenging?

We believe that the LTI performance hurdle (being the growth in SEEK's share price over the three-year performance period) is challenging:

- Achieving shareholder returns that exceed share market average returns is hardly an easy aspiration.
- SEEK's share price already has high expectations built into it – so performance is over and above these expectations.
- The share price hurdle is just the capital return, it does not include dividends.
- An absolute share price growth hurdle is more challenging than the 'typical' relative TSR approach – as relative TSR approaches can vest even when a company's share price decreases (see diagram below).
- The FY2015 LTI offer, with a performance period ended 30 June 2017, did not meet its share price hurdle and lapsed accordingly.



Why does our LTI plan use a cliff vesting approach?

We apply a specific share price hurdle to ensure that our plan is simple and transparent. Adding a graduated hurdle adds complexity. We want to ensure that our plan only pays out when the value of our shares has beaten the historical market growth rate (capital returns only) and shareholders have also grown their wealth.

Why do we use fair value as opposed to face value for our allocation of the LTI?

We have historically used a fair value methodology to allocate LTI to Executives. We want to keep our LTI plan simple, consistent and transparent, and avoid the confusion of changing our allocation methodology from fair value, or using a different allocation methodology for LTI Options and LTI Rights. We continue to re-evaluate the best strategy for SEEK and believe that a fair value allocation methodology works best for our Company. However, we recognise that many organisations communicate their LTI grants in "face value" terms. To provide clarity, we set out an expression of the CEO's FY2017 LTI grant in face value terms, in section 4.4 of this Remuneration Report.

Why have we given Executives a choice of LTI Options or LTI Rights?

Providing our Executives with this choice further supports the Board's objective of attracting, motivating and retaining world class talent – provided the hurdles are aligned with shareholder wealth creation.

The choice of LTI instrument supports the Board's objectives:

- We believe this choice provides flexibility for Executives to determine which LTI instrument is most appropriate based on their personal circumstances.
- By offering our Executives a choice, we are trying to address the 'boom/bust' problem that exists in the long-term component of many remuneration schemes. If Executives work hard and the share price has grown and beaten the market, we want the LTI to pay out. That LTI Options or LTI Rights appear more attractive at particular points of the economic cycle is not a concern for us as long as the payout only occurs if shareholders have also done well.
- Furthermore, by offering LTI Rights we are offering an instrument that allows us to compete with the best talent as Performance Rights are the most prevalent LTI instrument in the ASX100.

Note, whether LTI Options or LTI Rights are chosen will not result in any change in an Executive's LTI opportunity (i.e. the LTI proportion of an Executive's Total Remuneration).

Why should the CEO receive Equity Rights or LTI Options/Rights when he is already a large shareholder?

Compared to domestic benchmarks (that is ASX listed companies with a similar market capitalisation to SEEK including those with international operations), the CEO's Total Remuneration is at a little more than the 50th percentile. Given the CEO's strong track record of achievement historically alongside his current performance, his remuneration is very reasonable.

Furthermore, to penalise the CEO by not providing Equity Rights or LTI Options/Rights simply because of his shareholding (which was largely established when he founded the business) is unjust. We believe it is fair and reasonable that the CEO be paid for carrying out his duties on the same basis as all other SEEK Executives – that is, at a remuneration benchmarked against the remuneration of people in similar positions in other companies. His personal circumstances should have no bearing on decisions we make about a fair level of remuneration. And by having the same remuneration structure for both the CEO and his Executives, we ensure alignment in their focus on company performance and success.

In summary, SEEK's shareholder returns have out-performed the market and we believe that our remuneration structure has been a contributor to this.

The remuneration structure strengthens our focus on long-term value creation rather than short-term outcomes, and ensures alignment across our Executive team.

We believe that this has significantly benefited our shareholders and will continue to do so. We appreciate the support of our shareholders as we continue to look to the future of remuneration at SEEK.

Colin Carter

Chair of the Remuneration Committee

Remuneration Report

Contents

This Remuneration Report ("Report") contains the following sections:

1. Introduction

This Report sets out the remuneration arrangements for the Key Management Personnel ("KMP") of SEEK for the year ended 30 June 2017. All references to Executives in this Report are to Executives that are KMP. The information in this Report has been prepared based on the requirements of the *Corporations Act 2001* and its Regulations and has been audited.

The Report is designed to provide shareholders with an understanding of SEEK's remuneration principles, policies and programs and their link with SEEK's strategy and financial performance. Individual remuneration outcomes for SEEK's KMP are provided in this Report.

1.1 Key Management Personnel (KMP)

This Report covers the KMP of SEEK, being the Non-Executive Directors, Chief Executive Officer ("CEO"), Group Chief Financial Officer ("CFO") and Managing Directors of SEEK's businesses (Australia & New Zealand and International).

Name	Position
Non-Executive Directors	
N G Chatfield	Chairman, Non-Executive Director
C B Carter	Non-Executive Director
D I Bradley	Non-Executive Director
G B Goldsmith	Non-Executive Director
J A Fahey	Non-Executive Director
V M Wallace	Non-Executive Director (appointment effective 1 March 2017)
Executive KMP	
A R Bassat	CEO and Managing Director
M J Ilczynski(1)	Managing Director – SEEK Australia & New Zealand (appointment effective 1 September 2016)
I Mazer	Managing Director – SEEK International (appointment effective 1 December 2016)
G I Roberts	Group CFO
Former Executive KMP	
P D Everingham	Managing Director – SEEK International (departure from SEEK effective 31 December 2016)
J S Powell	Managing Director – SEEK Education (departure from SEEK effective 5 September 2016)

1. Prior to 1 September 2016, Michael Ilczynski was Managing Director - SEEK Employment.

1.2 Changes in KMP during the year

During FY2017, there were a number of changes amongst the Executive KMP, as follows:

- Joseph Powell: Managing Director – SEEK Education (during FY2016) left the Group effective 5 September 2016. Joseph's remuneration for the period up to 5 September 2016, when he ceased to be a KMP, is disclosed in this Report. The responsibilities of this role were allocated to other members of the Executive and senior management teams.
- Michael Ilczynzki: was appointed Managing Director – SEEK Australia & New Zealand, effective 1 September 2016 in recognition of absorbing the additional responsibility for the Australia and New Zealand SEEK Learning business.
- Peter Everingham: Managing Director – SEEK International left the Group effective 31 December 2016. Peter's remuneration for the period up to 31 December 2016, when he ceased to be a KMP, is disclosed in this Report. The responsibilities of this role were largely allocated to Isar Mazer. Peter continues in his role as Chairman of Zhaopin Ltd.
- Isar Mazer: was appointed Managing Director – SEEK International, effective 1 December 2016. Isar became a KMP on this date and his remuneration for FY2017 is disclosed from this date onward.

1.3 Changes in KMP since the end of the reporting period

There have been no changes in KMP since the end of the reporting period.

1.4 Description of terms

An Executive's Total Remuneration comprises: Base Salary and Superannuation, Equity Right and LTI Options/Rights. An explanation of each element of Total Remuneration is set out below.

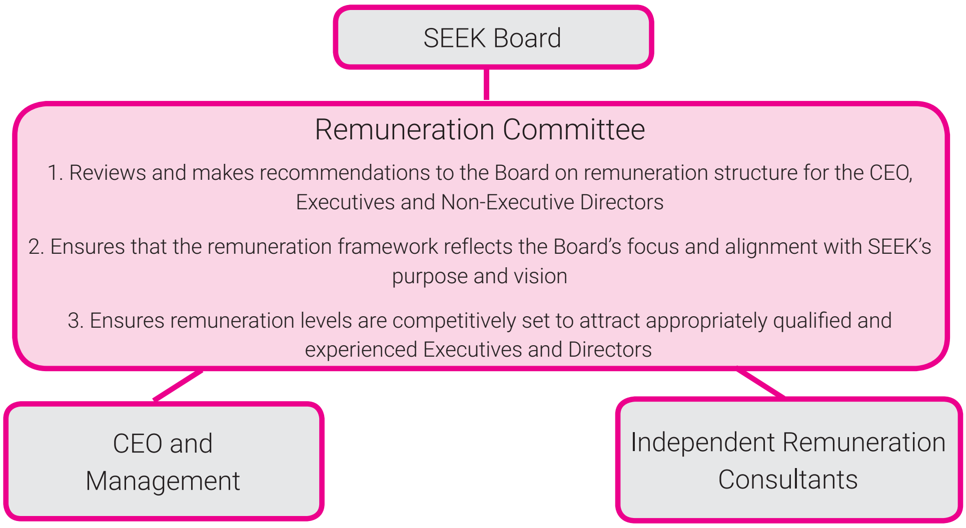
Total Remuneration		
GUARANTEED	**Base Salary and Superannuation (50%)**	Base salary and superannuation for SEEK's Executives is set at 50% of their Total Remuneration.
	Equity Right (25%)	Executives are issued one Equity Right, valued at 25% of their Total Remuneration, which converts to a number of shares upon vesting. The Equity Rights are issued under the Performance Rights and Options Plan (PROP).
VARIABLE	**Long-Term Incentive (LTI) Options or Rights (25%)**	Executives are issued with a number of LTI Options/Rights valued at 25% of their Total Remuneration which may vest upon satisfaction of a performance hurdle. The performance hurdle for the FY2017 LTI Options/Rights was set using an indexed share price (refer to section 4.4 below). If the Executive chooses LTI Options and the performance hurdle is met, each LTI Option gives the Executive the right to purchase a SEEK share by paying the exercise price (equivalent to the share price hurdle). If the Executive chooses LTI Rights and the performance hurdle is met, each LTI Right gives the Executive the right to a SEEK share and no exercise price is payable. The LTI Options/Rights are also issued under the PROP.

Remuneration Report continued

2. Remuneration governance

Effective governance is key to SEEK's remuneration strategy. This section sets out the key elements of SEEK's remuneration governance framework.

The following diagram illustrates SEEK's remuneration governance framework and the key roles of the Remuneration Committee ("Committee").



The Committee is comprised entirely of Non-Executive Directors, all of whom are independent: Colin Carter (Chair), Neil Chatfield and Denise Bradley. Other Non-Executive Directors, who are not Committee members, attend Committee meetings as observers by invitation. The CEO and other Executives attend Committee meetings as required, however they do not participate in decisions regarding their own remuneration arrangements.

Further details regarding the Committee are set out in SEEK’s Corporate Governance Statement, which is available online at *https://ir.seek.com.au/Investors/?page=Corporate-Governance*.

2.1 Use of remuneration advisors

The Committee engages external remuneration consultants to provide independent benchmarking data and information regarding best practice, trends and regulatory developments. The Committee and the Board consider this input and what is right for SEEK when making decisions regarding remuneration.

In FY2017, the Committee engaged Ernst & Young for assistance in: reviewing SEEK’s Executive remuneration framework including the benchmarking methodology; providing market practice insights in relation to the long-term incentive plan; and providing Executive benchmarking data.

The Committee is satisfied that no remuneration recommendations (as defined in the *Corporations Act 2001*) were provided by Ernst & Young or any other advisor during FY2017.

2.2 Share Trading Policy

SEEK’s Share Trading Policy governs when KMP are permitted to trade in SEEK securities and when approval to trade is sought. All KMP are prohibited from entering into transactions in associated products which operate to limit the economic risk of security holdings in SEEK over unvested equity incentive entitlements. This helps align our KMP’s interests with shareholders’ interests. Further, KMP are only permitted to enter into margin loans in respect of SEEK’s securities with the prior written approval of the Chairman. No margin loans were entered into during FY2017.

2.3 Minimum shareholding requirements

Executives are required to hold SEEK equity equivalent to one year of base salary and superannuation. The CEO is required to hold SEEK equity equivalent to two years of base salary and superannuation. The equity that is taken into account in determining if the requirement is met includes vested and unvested equity. New Executives are permitted to reach the minimum requirement over a three year period.

All Non-Executive Directors are required to hold a SEEK shareholding equivalent to one year of directors’ fees (after tax). New Non-Executive Directors are permitted to reach the minimum requirement over a five year period. During this time they are expected to hold 20% of their after tax annual fee in SEEK shares for each year of their directorship until the minimum shareholding requirement is achieved.

3. Executive remuneration strategy and principles

SEEK's remuneration strategy is aligned to our purpose, vision and shareholders' interests. This section explains SEEK's remuneration principles, which support our Executive remuneration strategy and framework.

SEEK's remuneration strategy is aligned to our purpose and vision and shareholders' interests. Our objective is to align strategies and behaviours with the creation of shareholder wealth over the long-term. The Board recognises that to build sustainable long-term growth in shareholder value, SEEK must attract and retain world class people, and align their interests and behaviours with shareholders' interests.

As a result, SEEK's approach to remuneration is tailored to fit both our business and remuneration strategies by rewarding Executives for growing the long-term value of the Group. SEEK places great emphasis on behaviours and actions which are focused on generating long-term shareholder value, rather than short-term gains.

The remuneration principles that underpin our strategy and framework are set out below:

1. **Alignment** – We encourage our Executives to think and act like owners. Accordingly, 50% of our Executives' Total Remuneration is paid in equity. Executives are subject to the same SEEK share price movements (up or down) as shareholders. The equity is subject to disposal restrictions, which extend the at risk period and also assists with retention. Unlike most schemes in the market, the LTI portion only pays out if the share price has risen significantly. Furthermore, by removing short-term incentives (STIs), we have removed what is invariably a conflict of interest for management when dealing with short-term financial targets which may not align with long-term value. Our Executives are encouraged to focus on growing shareholder value and not on the impact of their management decisions on the payment of STIs.
2. **Simplicity and Transparency** – Our approach is relatively simple and easy to explain. We make it clear to our shareholders at the outset how much our Executives will be paid. This is unlike most schemes that have complex STIs where what is actually delivered to the Executive is not clear until after the end of the year.
3. **Competitiveness** – We know that our Executive team is highly desirable, both here and overseas. So we need to be competitive and flexible to attract and retain our talent. We spend a great deal of time benchmarking our remuneration against local Australian benchmarks but we also know that a small group of our people are attractive to global players and so we also benchmark some roles against global benchmarks.
4. **Fairness and Integrity** – We take account of shareholder and community concerns about excessive Executive pay. We believe that our pay opportunities are very reasonable based on both Australian and international standards. Our Executive remuneration is targeted at between the 50th and 80th percentiles based on Australian comparators, which equates to much lower rankings against international comparators. We do not rely on remuneration to direct or drive our Executives' focus. Rather we rely on our robust performance management system, clarity of purpose for each Executive role and ensuring that our values and culture are sustained by our Executive team.

4. Executive remuneration framework

This section explains the SEEK Executive remuneration framework, how it reflects the SEEK remuneration strategy and principles and how it is designed to drive the right behaviours, decision making and world class performance at SEEK.

SEEK's Executive remuneration framework is focused on rewarding performance which aligns with SEEK's vision of being a world class company delivering sustained long-term growth in shareholder wealth. The framework supports us in striving towards achieving our purpose and vision.

SEEK's remuneration approach is structured to drive this alignment and medium- to long-term focus:

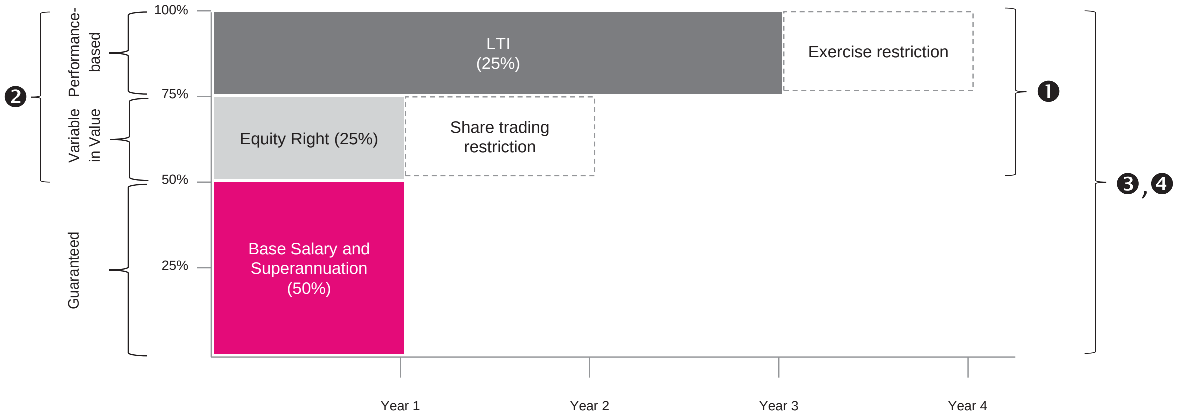
1. 50% of Executive remuneration is paid in cash as Base Salary and Superannuation. This is set at levels which motivate our Executives to do a good job in all market conditions and economic cycles.
2. 50% of Executive remuneration opportunity is delivered as equity, with 25% provided in Equity Rights and 25% in LTI Options/Rights:
   - We reward Executives with Equity Rights instead of STIs. While an Executive at SEEK receives shares after a 12 month Qualifying Period (upon vesting and conversion of the Equity Right), the sale of these shares is restricted for a further 12 months, resulting in a total 24 month lock-up period.
   - The LTI component has a three year vesting period and is locked up for another 12 months, so the value to the Executive is deferred for four years and will reflect share price movements over that time.
3. Executives are subject to minimum shareholding requirements. Given the significant emphasis on equity in Executives' remuneration and disposal restrictions on the equity, this reinforces the Executives' focus on increasing shareholder value.

Remuneration Report continued

4. Executive remuneration framework continued

Total Remuneration and its link to SEEK's Remuneration Principles

The diagram below provides a summary of our remuneration framework and illustrates how our remuneration mix is structured and linked to SEEK's remuneration principles.



Link to Principles

❶ **Alignment**
- 50% of Total Remuneration is payable in equity locked up for 2 to 4 years
- LTI hurdle solely linked to absolute share price growth
- Requirements to hold equity worth 1-2 years of base salary and superannuation

❷ **Simplicity & Transparency**
- No complex STI hurdles that are not linked to creation of shareholder wealth
- LTI hurdle is readily observable (share price)

❸,❹ **Competitiveness balanced by Fairness & Integrity**
- Need to pay to attract & retain the best (50th to 80th percentile of comparator group)
- SEEK's Executives are paid significantly below international comparators despite facing similar challenges and complexities

4.1 SEEK's approach to determining remuneration

Benchmarking Total Remuneration

Context

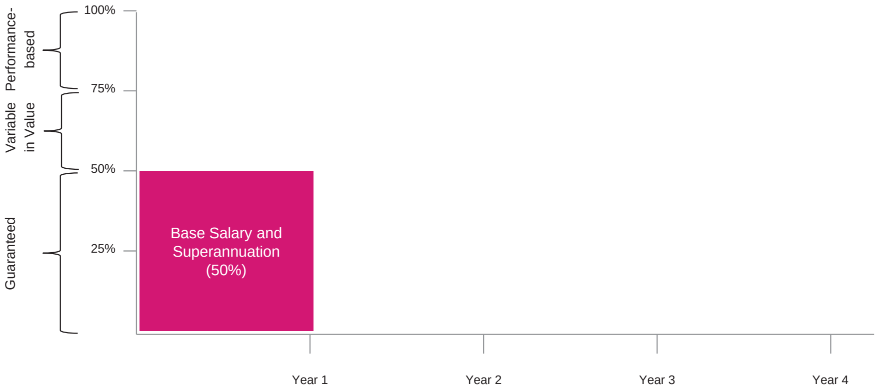
- SEEK is a complex business focused on being world class and therefore the Board must set remuneration at appropriate levels to attract and retain the best talent available across the globe.
- Very few Australian companies have established strong market positions domestically and overseas in rapidly developing markets as SEEK has done. SEEK is operating in industries that are subject to rapid change and new competitor activity.

Methodology

- For benchmarking purposes, SEEK's primary comparator group comprised the +/- 10 ASX listed companies either side of SEEK's 12 month average market capitalisation to 28 February 2017 of $5.362 billion. In addition, two further comparator groups were also included in benchmarking analysis: one group comprising ASX listed companies with a 12 month average market capitalisation to 28 February 2017 within 50% to 200% of SEEK's; and another group comprising ASX listed companies with international operations and a 12 month average market capitalisation to 28 February 2017 within 50% to 200% of SEEK's.
- Total Remuneration is targeted between the 50th and 80th percentiles of comparator groups.
- Individual Total Remuneration is determined by the Committee, referencing external data from independent remuneration consultants, individual performance, role complexity and scope and the supply of talent in the domestic and international marketplace.

The Board's objective is to pay amounts that will attract and retain Executives, who can successfully drive growth in this hugely challenging and competitive global business.

4.2 Base Salary and Superannuation



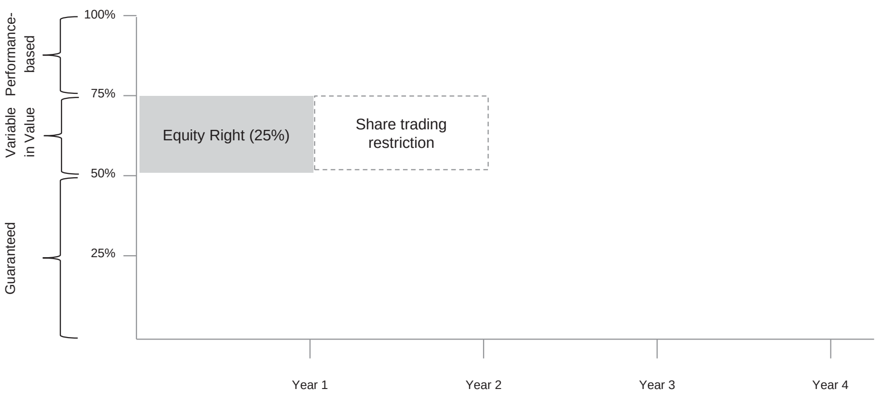
Base salary and superannuation for SEEK's Executives are set at 50% of Total Remuneration. Under current legislation, SEEK permits the choice of superannuation funds for all employees. Other retirement benefits for Executives may be provided directly by SEEK if the benefit is within statutory limits or is approved by shareholders.

It should be noted that in addition to base salary and superannuation, Executives receive salary continuance insurance, which is also provided to all SEEK permanent employees, and on-site car parking.

4.3 Equity Rights

Equity Rights for SEEK's Executives are set at 25% of Total Remuneration. The Equity Rights represent a key element of an Executive's fixed remuneration. However, as this is provided as equity, it is variable in value to the Executive during the Qualifying Period and restriction period. This component of remuneration is subject to the same movements in share price as experienced by shareholders, such that if the value of SEEK's shares goes down, the Executive experiences the downside and vice versa. The Equity Right component of an Executive's Total Remuneration package serves to ensure that Executives hold equity in SEEK and are therefore shareholders themselves; as well as encouraging retention through holding power.

From FY2017 onwards, the allocation methodology changed to further align with our remuneration principles. Shares are allocated using a volume weighted average price (VWAP) for the 60 trading days up to and including the start date of the 12 month Qualifying Period (rather than being allocated using a monthly VWAP as was the previous practice). The Equity Rights operate as outlined below for the FY2017 grant.



Remuneration Report continued

4. Executive remuneration framework continued

Terms and duration

The terms of the grants in FY2017 are set out below:

	Executive Equity Rights
Objectives	Ensuring Executives hold equity in SEEK to both create alignment and encourage retention
Effective date	1 July 2016
Grant date	Executives: 3 October 2016 CEO and one Executive: 19 December 2016
Closing share price at 1 July 2016	$15.15
Qualifying Period	1 July 2016 to 30 June 2017
Lapsing condition	Equity Rights will lapse, subject to Board discretion, where the Executive ceases employment before the end of the Qualifying Period. In other circumstances, being good leaver events, the Executive's Equity Right will remain on foot and the number of shares that will be received will be adjusted to take into account the Executive's service period.
Vesting date	Automatic exercise – vests on 1 July 2017
Allocation methodology	Shares allocated using a VWAP for the 60 trading days up to and including the start date of the 12 month Qualifying Period, being $15.87
Exercise price	$nil
Restriction period	1 July 2017 to 1 July 2018
Dividend and voting entitlements	During the restriction period, dividends are received on shares issued on conversion of the Equity Right and the Executive can exercise the voting rights on those shares. The Executive is entitled to the shares if employment ceases during the restriction period.

4.4 LTI Options/Rights

LTI Options/Rights for SEEK's Executives are set at 25% of Total Remuneration. SEEK gives Executives the choice of receiving their LTI grant as Options or Rights. Both are subject to the same performance hurdle. The LTI grant represents the portion of the Executives' package which is at risk. The LTI is designed to deliver value to our Executives only if our shareholders have also done well.

The performance hurdle of the LTI Options/Rights is determined in two steps:

i. First, the "return" is based on the 15 year average return of the All Ordinaries Index.

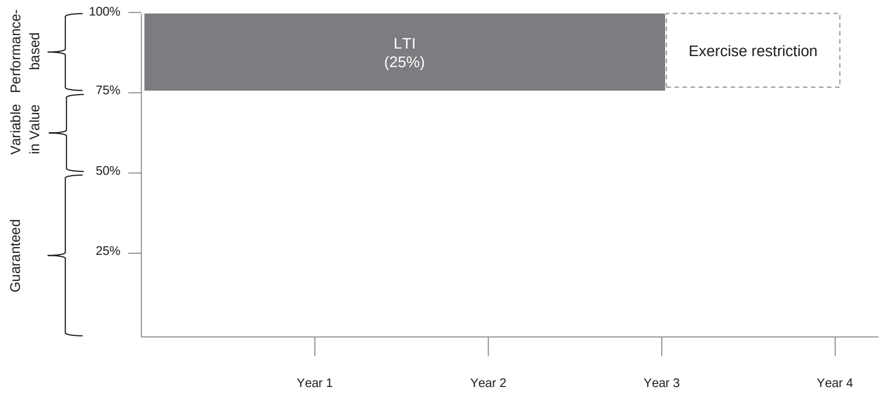
ii. Second, the "return" is multiplied over a three year performance period on a compound basis and applied to SEEK's VWAP at the effective date to create the "performance hurdle".

As a result, SEEK's share price in future years needs to exceed this performance hurdle for the LTI Options/Rights to provide a financial return to an Executive. This is the same methodology that has applied in previous years.

SEEK's performance hurdle for LTI Options/Rights is purely a capital hurdle - dividends are not included in the calculated return to shareholders. Shareholders receive the benefit of any dividends paid in addition to their capital return.

From FY2017 onwards, the share price used to determine the starting point and testing of the LTI Options/Rights hurdle is the 60 day VWAP prior to the 1 July grant and 30 June testing dates.

In summary, SEEK's LTI is aligned with shareholders' interests. Our share price must outperform the historical growth rate of the market for the LTI to vest and for Executives to receive any value from their grant. If SEEK's share price does not grow and outperform the performance hurdle, the LTI does not vest, even if SEEK has outperformed its peers. Further, by avoiding 'relative' hurdles, which can deliver returns to Executives when poor performance simply exceeds even poorer performance in a peer group, wealth is created for both shareholders and Executives as a result of the increase in SEEK's value as a company.



Terms and duration

The terms of the grants in FY2017 are set out below:

	Executive LTI Options/Rights
Objectives	Ensuring Executives focus on strong (absolute) increase in shareholder value over the long term
Effective date	1 July 2016
Grant date	Executives: 3 October 2016 CEO and two Executives: 19 December 2016
Testing date	30 June 2019
Vesting date	1 July 2019
Exercise restriction period	1 July 2019 to 30 June 2020
Exercise period	1 July 2020 to 1 July 2021
Expiry date	1 July 2021
Fair value at effective date	LTI Option: $2.11; LTI Right: $6.23
Closing share price at grant date	Executives: $15.62 at 3 October 2016 CEO and two Executives: $14.75 at 19 December 2016
Exercise price	LTI Option: $17.85; LTI Right: $nil
Fair value at grant date	Executives: $6.45 at 3 October 2016 CEO and two Executives: $5.46 at 19 December 2016
Performance conditions	Dependent on achieving a share price hurdle of $17.85, calculated as follows: i. The 15 year average growth in the All Ordinaries Index for the FY2017 LTI grant was 4.0% ii. 60 day VWAP up to and not including the effective date was $15.87 *Calculation: (1+0.040)^3 year period x $15.87 = $17.85*
Lapsing condition	LTI Options/Rights will lapse, subject to Board discretion, where the Executive ceases employment (i) before the testing date as a result of summary dismissal or (ii) before 1 January 2018. In other circumstances, being good leaver events, the Executive's LTI Options/Rights will remain on foot and subject to their original terms, unless the Board determines otherwise.
Vesting schedule	If SEEK's 60 day VWAP to 30 June 2019 meets the share price hurdle, 100% LTI Options/Rights will vest. If SEEK's share price does not meet the share price hurdle, 0% of LTI Options/Rights will vest.
Allocation methodology	The number of LTI Options/Rights granted to an Executive was determined by dividing the Executive's LTI value by the fair value of the LTI Options/Rights at the effective date, as determined by an independent consultant (Ernst & Young). The fair value was based on the closing share price as at the effective date, and was calculated using a Monte-Carlo simulation model, which takes into consideration factors such as the performance hurdle, probability of the hurdle being achieved, share price volatility, expected life of the award, dividend yield and risk free rate.

Remuneration Report continued

In FY2017, all Executives, including the CEO, chose to receive LTI Rights.

The CEO's FY2017 LTI grant was equal to 25% of his Total Remuneration ($1,134,648). Using a fair value allocation approach, this resulted in 182,126 LTI Rights being allocated following shareholder approval at SEEK's 2016 Annual General Meeting. For allocation purposes, the fair value of the LTI Rights, as determined by an independent external consultant as at the start of the performance period (that is 1 July 2016), was $6.23.

For comparison purposes, the face value of the LTI Rights, based on SEEK's 60 day VWAP up to and not including 1 July 2016, was $15.87. The difference between the fair value and face value of the LTI Rights, reflects the degree of difficulty associated with SEEK's long-term incentive, absolute share price performance hurdle. This hurdle requires the Company's share price to grow on a CAGR basis for the duration of the vesting period, regardless of market performance during this performance period. This is in contrast to a relative total shareholder return ("rTSR") performance hurdle, in which vesting may occur if the Company outperforms its peers, even if their absolute share price decreases. This is a more challenging performance hurdle, and therefore results in a lower probability of vesting when compared to a rTSR performance hurdle. In addition, the SEEK LTI performance hurdle does not account for dividends foregone, which is another factor influencing the fair value of the LTI Right.

A comparison of the fair value and face value of the SEEK LTI Rights as at 1 July 2016 (the effective date) is set out below for the CEO:

	Number of LTI Rights	Fair value of LTI Rights	Face value of LTI Rights
Andrew Bassat	182,126	$1,134,648	$2,890,340

5. Executive contract terms and remuneration

This section sets out key contract terms for SEEK's Executives and details of Executive remuneration in FY2017.

5.1 Executive contract terms

Remuneration and other terms of employment for the CEO and other Executives are formalised in employment agreements. Each of these agreements provides for Base Salary and Superannuation, Equity Right and LTI Options/Rights. Each Executive's Total Remuneration, which includes each of these components, is reviewed on an annual basis.

The table below outlines contractual arrangements for the CEO and Executives.

Individual	Contract term	Notice period - employer	Notice period - employee	Post-employment restraints
CEO	Ongoing	Six months	Six months	12 month non-competition period across all markets in which SEEK operates
All other Executives	Ongoing	Three months	Three months	12 month non-competition period across all markets in which SEEK operates

The Company can terminate employment with a payment in lieu of notice. Any payment in lieu of notice is not to exceed average annual base salary as defined by the *Corporations Act 2001*.

The Company may terminate employment immediately for cause, in which case the Executive is not entitled to any payment in lieu of notice.

5.2 CEO Remuneration for FY2018

In the spirit of transparency, we set out below the CEO's remuneration for FY2018.

Shareholders will be asked to approve the grant of an Equity Right and LTI Options/Rights for the CEO at the 2017 SEEK Annual General Meeting on 29 November 2017.

The terms below represent a 3.5 percent increase in remuneration from FY2017.

	FY2017 package		FY2018 package		Increase vs FY2017	Increase vs FY2017
	$	%	$	%	$	%
Base salary and superannuation	2,269,296	50%	2,348,720	50%	79,424	3.5%
Equity Right	1,134,648	25%	1,174,360	25%	39,712	3.5%
LTI Options/Rights	1,134,648	25%	1,174,360	25%	39,712	3.5%
Total Remuneration	**4,538,592**		**4,697,440**		**158,848**	**3.5%**

5.3 Executive statutory remuneration for FY2017 and FY2016

The following table provides the statutory remuneration disclosures for Executive KMP for FY2017 and is prepared in accordance with Australian Accounting Standards. Note, the statutory remuneration disclosed in this table differs from the Executives' FY2017 Total Remuneration and the elements of the remuneration framework outlined in section 4. Differences arise mainly due to the accounting treatment of annual leave, long service leave and share-based payments (Equity Rights, LTI Options/Rights). Statutory disclosures include an accounting value for current year Equity Rights and all unvested LTI awards. Accounting standards require remuneration in the form of equity awards to be expensed (and therefore included as remuneration) over the performance period of the option or right even though an Executive may not realise any benefit from that award. Similarly, annual and long service leave expense accrued is reflected in the following table.

		Short term benefits		Post-employment benefits	Termination benefits	Long-term benefits	Share-based payments			Total	
		Cash salary[1] $	Non-monetary benefits $	Superannuation[2] $	$	Leave[3] $	Equity Rights[4] $	LTI Rights[5] $	LTI Options[5] $	$	Performance based LTI %
Executive KMP											
A R Bassat	**2017**	**2,239,296**	**7,915**	**30,000**	**-**	**249,120**	**1,134,648**	**1,008,876**	**421,420**	**5,091,275**	**28%**
	2016	2,071,200	6,729	30,000	-	167,436	1,050,600	691,873	1,498,912	5,516,750	40%
M J Ilcyznski	**2017**	**1,501,250**	**11,321**	**30,000**	**-**	**88,193**	**765,625**	**573,381**	**174,900**	**3,144,670**	**24%**
	2016	1,194,999	8,674	30,000	-	130,845	612,500	252,100	404,246	2,633,364	25%
I Mazer[6]	**2017**	**377,715**	**6,698**	**19,091**	**-**	**3,450**	**198,395**	**132,105**	**40,572**	**778,026**	**22%**
	2016	-	-	-	-	-	-	-	-	-	n/a
G I Roberts[7]	**2017**	**1,082,925**	**11,321**	**21,075**	**-**	**(5,889)**	**552,000**	**544,239**	**-**	**2,205,671**	**25%**
	2016	754,058	3,622	35,000	-	54,933	400,000	244,870	-	1,492,483	16%
Former Executive KMP											
J A Armstrong	**2017**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**n/a**
	2016	249,966	4,013	12,932	-	(136,136)	139,583	-	194,325	464,683	42%
P D Everingham[8]	**2017**	**545,706**	**4,448**	**16,154**	**221,180**	**(35,551)**	**262,375**	**104,338**	**(305,819)**	**812,831**	**-25%**
	2016	977,699	6,361	30,000	-	65,654	507,000	208,676	376,849	2,172,239	27%
J S Powell[8]	**2017**	**150,231**	**6,907**	**5,877**	**184,612**	**(79,880)**	**-**	**(180,276)**	**(329,343)**	**(241,872)**	**n/a**
	2016	846,000	8,674	30,000	-	55,285	438,000	180,276	436,493	1,994,728	31%
Total	**2017**	**5,897,123**	**48,610**	**122,197**	**405,792**	**219,443**	**2,913,043**	**2,182,663**	**1,730**	**11,790,601**	
	2016	6,093,922	38,073	167,932	-	338,017	3,147,683	1,577,795	2,910,825	14,274,247	

1. Amounts disclosed include base salary and excess superannuation.
2. Staff can elect to have superannuation capped at $30,000 or $35,000 (age based) and any amount above this is included within "cash salary".
3. Amounts disclosed reflect long service leave and annual leave accrued but not taken. For Joseph Powell and Peter Everingham, the amount includes the payment of any leave entitlement owing on termination.
4. Amounts disclosed reflect the accounting expense for the Executives' Equity Right awards.
5. Amounts disclosed reflect the accounting expense for the LTI Options/Rights. Negative amounts indicate expenses reversed during the year due to termination.
6. Isar Mazer was appointed Managing Director - SEEK International effective 1 December 2016 and became a KMP on that date. The amounts above reflect his remuneration from 1 December 2016 to 30 June 2017.
7. Geoffrey Roberts became a KMP effective 6 October 2015 and the amounts for FY2016 reflect his remuneration from that date.
8. Joseph Powell and Peter Everingham left the Group effective 5 September 2016 and 31 December 2016 respectively.

Remuneration Report continued

6. Non-Executive Director fees

This section sets out how SEEK's Board members are remunerated and details the actual Non-Executive Director fees paid in FY2017.

6.1 Non-Executive Director fee policy

The following table outlines the Non-Executive Director fee policy and terms of the parent entity and the Group:

Aggregate Non-Executive Director fee limit	Non-Executive Director fees are determined within an aggregate directors' fee limit. The current aggregate fee limit of $1,800,000 per annum was approved by shareholders at the 2016 AGM.
Non-Executive Director fee reviews	Non-Executive Directors' fees and payments are reviewed annually by the Committee, and approved by the Board, to ensure fees are appropriately positioned in the market to attract and retain high calibre Non-Executive Directors.
Non-Executive Director fees in FY2017 and FY2018	In FY2016, independent remuneration consultants (Ernst & Young) provided the Committee with a comparative benchmark analysis of Non-Executive Director fees. Based on this analysis, which highlighted a change in market rates and practices and the increased complexity and time required to fulfil director roles, the Board determined that changes would be made to the Non-Executive Director fee structure. The changes were as follows: the Chair fees for the Audit and Risk Management Committee and the Remuneration Committee would increase and fees would be introduced for members of the Committees on the basis that these new arrangements would be phased in over a two year period being FY2017 and FY2018. The fee structure for FY2017, effective 1 July 2016, is set out below. Chairman of the Board: $400,000 Non-Executive Directors: $150,000 Additional fees are paid for the following roles: Chairman of the Audit and Risk Management Committee: $32,125 Member of the Audit and Risk Management Committee: $9,500 Chairman of the Remuneration Committee: $20,000 Member of the Remuneration Committee: $7,500 Member of the Nomination Committee: $0 The fee structure for FY2018, effective 1 July 2017, is set out below. Chairman of the Board: $400,000 Non-Executive Directors: $150,000 Additional fees are paid for the following roles: Chairman of the Audit and Risk Management Committee: $37,000 Member of the Audit and Risk Management Committee: $19,000 Chairman of the Remuneration Committee: $30,000 Member of the Remuneration Committee: $15,000 Member of the Nomination Committee: $0 The Chairman's fees are determined as a separate exercise to those of other Non-Executive Directors. The Chairman does not participate in any decision in relation to his own remuneration. The Chairman does not receive any additional Committee fees on top of his fees as Chairman.
Superannuation	The fees set out above include superannuation payments in accordance with relevant statutory requirements. Superannuation is paid up to the relevant concessional contributions cap, with the remainder paid in cash.
Non-Executive Director minimum shareholding requirement	All Non-Executive Directors are required to hold a SEEK shareholding equivalent to one year of directors' fees (after tax). Refer to section 2.3.
Performance-based remuneration	Non-Executive Directors do not receive share options or rights or any performance-based remuneration.
Non-Executive Director fees for international subsidiaries	Zhaopin Ltd is a subsidiary entity based in China which is listed on the New York Stock Exchange. Consistent with international practice, Zhaopin's independent directors are paid director fees. The Zhaopin director fees paid in FY2017 in relation to a SEEK director are disclosed in the table of director fees in section 6.2.

6.2 Non-Executive Director fees

Details of the actual fees paid to each Non-Executive Director of the parent entity and the Group for FY2017 and FY2016 are set out in the following table.

The total Non-Executive Director fees paid for FY2017 were $1,263,045 - below the current fee limit of $1,800,000. The increase in total Non-Executive Director fees in FY2017 related to the appointment of a new Non-Executive Director (Vanessa Wallace) and the changes to the fee structure that were introduced effective 1 July 2016.

		Short term benefits			Post-employment benefits	
		SEEK Limited Director fees $	Zhaopin Ltd Director fees $	Non-monetary benefits $	Superannuation $	Total $
N G Chatfield	**2017**	**380,384**	**-**	**5,645**	**19,616**	**405,645**
	2016	370,692	-	5,433	19,308	395,433
C B Carter	**2017**	**155,251**	**-**	**-**	**14,749**	**170,000**
	2016	146,119	-	-	13,881	160,000
D I Bradley	**2017**	**143,836**	**-**	**-**	**13,664**	**157,500**
	2016	136,986	-	-	13,014	150,000
G B Goldsmith	**2017**	**166,324**	**132,630**	**5,645**	**15,801**	**320,400**
	2016	161,872	137,329	5,433	15,378	320,012
J A Fahey	**2017**	**145,662**	**-**	**-**	**13,838**	**159,500**
	2016	136,986	-	-	13,014	150,000
V M Wallace (1)	**2017**	**45,662**	**-**	**-**	**4,338**	**50,000**
	2016	-	-	-	-	-
Total	**2017**	**1,037,119**	**132,630**	**11,290**	**82,006**	**1,263,045**
	2016	952,655	137,329	10,866	74,595	1,175,445

1. Vanessa Wallace was appointed a Non-Executive Director on 1 March 2017.

7. Relationship between remuneration and company performance

This section sets out how remuneration outcomes are aligned to SEEK's performance.

7.1 SEEK's performance

The following table sets out information about the Group's earnings and movements in shareholders' wealth for the past five financial years up to and including FY2017.

	FY2017	FY2016	FY2015	FY2014	FY2013
NPAT (excluding significant items and early stage ventures) attributable to SEEK ($m)(1)	220.8	198.1	193.0	179.7	141.1
Basic EPS (excluding significant items and early stage ventures) (cents)(1)	63.5	57.6	56.3	53.0	41.8
Share price at year end ($)	16.91	15.21	14.06	15.85	9.07
Weighted average share price ($)	15.76	14.12	16.61	13.64	8.58
Total dividend (cents per share)	44.0	40.0	36.0	30.0	22.0

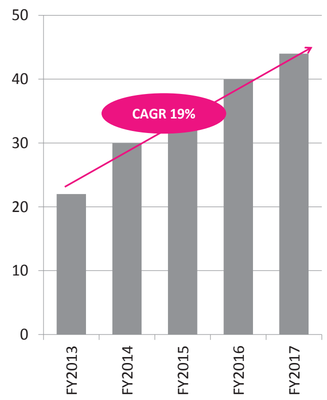
1. Excludes the impact of one-off significant items and early stage ventures in FY2017 and FY2016; refer to the Review of Operations on page 5.

Remuneration Report continued

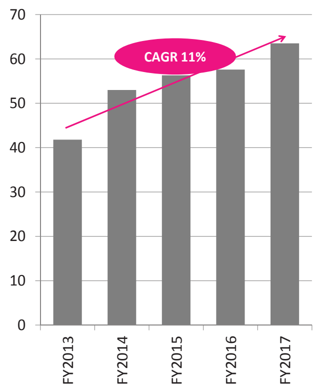
7.1 SEEK's performance continued

The SEEK remuneration strategy focuses on continuing to drive long-term growth in shareholder value. The charts below set out information about the Group's performance, earnings and movements in shareholders' wealth for the past five financial years up to and including FY2017[1].

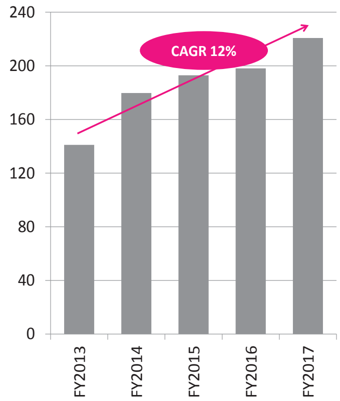
Total dividend (cents per share)



Basic EPS (excluding significant items and early stage ventures) (cents)



NPAT (excluding significant items and early stage ventures) attributable to SEEK ($m)



1. Graphs reflect normalised results which exclude the impact of one-off items in each year, as disclosed in respective Annual Reports.

7.2 Outcome of equity plans

FY2014 LTI Options – vested on 1 July 2016

LTI Options granted in FY2014 vested on 1 July 2016. Details of these grants and their vesting outcomes are outlined below.

Effective date	Grant date	Members	Performance hurdle	Test date	Vesting date	% Vested	End of disposal restriction
1 July 2013	6 September 2013	Executives	Share price: $10.38	30 June 2016	1 July 2016	100%	1 July 2017
1 July 2013	4 December 2013	CEO	Share price: $10.38	30 June 2016	1 July 2016	100%	1 July 2017

FY2015 LTI Options – lapsed on 1 July 2017

LTI Options granted in FY2015 lapsed on 1 July 2017. Details of these grants and their vesting outcomes are outlined below.

Effective date	Grant date	Members	Performance hurdle	Test date	Vesting date	% Vested	End of disposal restriction
1 July 2014	6 August 2014	Executives	Share price: $19.04	30 June 2017	1 July 2017	0%	n/a
1 July 2014	12 December 2014	CEO	Share price: $19.04	30 June 2017	1 July 2017	0%	n/a

The lapsing of the FY2015 LTI Options (with a performance period that ended 30 June 2017) is demonstration of the challenging nature of SEEK's performance hurdle. As a result of the options lapsing, SEEK Executives did not receive any value from the FY2015 LTI.

FY2016 Equity Rights – vested on 1 July 2016

In FY2016, each Executive received one Equity Right with an effective date of 1 July 2015. The Equity Rights vested on 1 July 2016 and were automatically exercised for $nil exercise price.The table below details the number of shares issued to Executives in respect of these Equity Rights. Shares received on exercise of these Equity Rights had a disposal restriction for 12 months until 1 July 2017.

	Name	Effective date	Date of exercise of Equity Right	Number of shares issued on exercise
Executive KMP	A R Bassat	1 July 2015	1 July 2016	74,069
	M J Ilczynski	1 July 2015	1 July 2016	43,185
	I Mazer	1 July 2015	1 July 2016	17,983
	G I Roberts	1 July 2015	1 July 2016	27,395
Former Executive KMP	P D Everingham	1 July 2015	1 July 2016	35,746
	J S Powell	1 July 2015	1 July 2016	30,883[1]

1. These shares were allocated after Joseph Powell ceased to be a KMP.

FY2017 Equity Rights – vested on 1 July 2017

In FY2017, each Executive received one Equity Right with an effective date of 1 July 2016. The Equity Rights vested on 1 July 2017 and were automatically exercised for $nil exercise price. The table below details the number of shares that will be issued to Executives in respect of these Equity Rights. For continuing Executives, shares received on exercise of these Equity Rights have a disposal restriction for 12 months until 1 July 2018.

	Name	Effective date	Date of exercise of Equity Right	Number of shares issued on exercise
Executive KMP	A R Bassat	1 July 2016	1 July 2017	71,496
	M J Ilczynski	1 July 2016	1 July 2017	48,243
	I Mazer	1 July 2016	1 July 2017	20,134
	G I Roberts	1 July 2016	1 July 2017	34,782
Former Executive KMP	P D Everingham	1 July 2016	1 July 2017	16,532[1]

1. As Peter Everingham ceased employment during the year, the equity right vested on a pro-rata basis.

7.3 Shares provided on exercise of LTI Options

A number of Executive KMP have exercised options during FY2017 under plans granted and vested in previous financial years. Details of ordinary shares in the Company provided as a result of Executives exercising their options during FY2017 are set out below.

	Name	Date of exercise	Number of ordinary shares issued on exercise	Exercise price	Value at exercise date[1]
Executive KMP	A R Bassat	5 June 2017	1,085,526	$7.43	$10,475,326
	I Mazer	29 August 2016	72,000	$7.43	$640,080
	M J Ilczynski	30 August 2016	50,000	$7.43	$442,500
	M J Ilczynski	31 August 2016	178,334	$7.43	$1,560,423
	M J Ilczynski	1 September 2016	43,778	$7.43	$380,869
	M J Ilczynski	2 September 2016	48,941	$7.43	$422,361
	I Mazer	2 September 2016	72,079	$7.43	$622,042
Former Executive KMP	J S Powell	22 August 2016	358,000	$7.43	$3,207,680
	J S Powell	29 August 2016	26,211	$7.43	$233,016
	P D Everingham	30 August 2016	8,856	$7.43	$78,376
	P D Everingham	31 August 2016	187,774	$7.43	$1,643,023
	P D Everingham	1 September 2016	43,998	$7.43	$382,783
	P D Everingham	2 September 2016	83,056	$7.43	$716,773
	J S Powell	28 June 2017	268,772[2]	$10.38	$1,776,583

1. Value at exercise date is calculated as the 5 day VWAP on the exercise date less the exercise price paid, multiplied by the number of options exercised.
2 The corresponding LTI Options were exercised after Joseph Powell ceased to be a KMP.

Remuneration Report continued

8. Other KMP disclosures

This section sets out additional statutory disclosures of KMP remuneration for FY2017.

8.1 LTI Options/Rights and Equity Right holdings

The number of LTI Options/Rights and Equity Rights over ordinary shares in the Company held during FY2017 by KMP, including their personally related parties, are set out below.

The tables include one Equity Right granted to Executive KMP each financial year. Equity Rights with an effective date of 1 July 2015 vested on 1 July 2016 and converted to a number of ordinary shares. The Equity Rights with an effective date of 1 July 2016 vested on 1 July 2017. Refer to section 7.2 for further details.

FY2017	Balance at the start of the financial year	Granted during the financial year as compensation	Exercised during the financial year[1]	Forfeited during the financial year	Balance at the end of the financial year	Vested and exercisable at the end of the financial year[2]	Vested and unexercisable at the end of the financial year	Unvested at the end of the financial year
Executive KMP								
A R Bassat	2,454,873	182,127	(1,085,527)	-	1,551,473	672,348	-	879,125
M J Ilczynski	840,105	122,894	(321,054)	-	641,945	232,909	-	409,036
I Mazer	365,915	51,289	(144,080)	-	273,124	106,060	-	167,064
G I Roberts	92,754	88,604	(1)	-	181,357	-	-	181,357
Former Executive KMP								
P D Everingham[3]	796,389	84,230	(323,685)	(248,094)	308,840	220,666	-	88,174
J S Powell[4]	905,627	-	(384,212)	(252,643)	268,772	268,772	-	-

1. Includes one Equity Right exercised during the year. Geoffrey Roberts did not exercise any LTI Options/Rights during the year.
2. The LTI Options that vested on 1 July 2016 were exercisable post vesting but the resulting shares were subject to a disposal restriction until 1 July 2017.
3. For Peter Everingham, the "end of the financial year" balances reflect the number as at the date on which he ceased to be a KMP.
4. For Joseph Powell, LTI Options that were exercised after he ceased to be a KMP are not disclosed in "Exercised during the year". The "end of the financial year" balances reflect the number as at the date on which he ceased to be a KMP.

8.2 Shareholdings – SEEK Limited

The number of ordinary shares in the Company held during FY2017 by each KMP, including their personally related parties, is set out below. No shares were granted during the reporting period as compensation.

FY2017 - SEEK Limited shares	Balance at the start of the financial year	Received during the year on exercise of LTI Options	Received during the year on exercise of Equity Rights[1]	Purchase of shares	Sale of shares	Other changes during the year	Balance at the end of the financial year
Non-Executive Directors							
N G Chatfield	46,756	-	-	-	-	-	46,756
C B Carter	64,458	-	-	-	-	-	64,458
D I Bradley	10,056	-	-	-	-	-	10,056
G B Goldsmith	45,000	-	-	-	-	-	45,000
J A Fahey	2,288	-	-	1,700	-	-	3,988
V M Wallace[2]	10,000	-	-	-	-	-	10,000
Executive KMP							
A R Bassat	14,039,729	1,085,526	74,069	-	(500,000)	-	14,699,324
M J Ilczynski	81,035	321,053	43,185	-	(365,838)	-	79,435
I Mazer	20,865	144,079	17,983	-	(164,944)	-	17,983
G I Roberts	-	-	27,395	-	-	-	27,395
Former Executive KMP							
P D Everingham[3]	45,567	323,684	35,746	-	(345,858)	-	59,139
J S Powell[4]	52,202	384,211	-	-	(411,220)	-	25,193

1. These shares are held in the employee share trust.
2. Balance at the start of the financial year reflects shares held at date of appointment.
3. For Peter Everingham, the balance reported as at the end of the financial year reflects his shareholding as at the date on which he ceased to be a KMP.
4. For Joseph Powell, the shares received after departure from the Group are not disclosed in "Received during the year on exercise of Equity Rights". The balance reported as at the end of the financial year reflects his shareholding as at the date on which he ceased to be a KMP.

8.3 American Depositary Shares (ADS) holdings – Zhaopin Ltd

A number of KMP hold ADSs in SEEK's subsidiary Zhaopin Ltd. There were no changes to holdings of ADSs during FY2017.

FY2017 - Zhaopin Ltd ADSs	Balance at the start of the financial year	Purchase of ADSs	Balance at the end of the financial year
Non-Executive Directors			
N G Chatfield	-	-	-
C B Carter	4,250	-	4,250
D I Bradley	-	-	-
G B Goldsmith	18,000	-	18,000
J A Fahey	-	-	-
V M Wallace	-	-	-
Executive KMP			
A R Bassat	60,000	-	60,000
M J Ilczynski	2,500	-	2,500
I Mazer	3,700	-	3,700
G I Roberts	-	-	-
Former Executive KMP			
P D Everingham	10,000	-	10,000
J S Powell	18,000	-	18,000

Remuneration Report continued

8.4 Equity grants on foot during FY2017

This section sets out the required statutory disclosures of equity grants for SEEK's KMP.

	Grant date	# of options and rights granted	Vest date	Exercise price	Value of options and rights at grant date[1]	Vested %	Vested #	Forfeited / lapsed %
Executive KMP								
A R Bassat	3 Dec 2012	1,085,526	1 Jul 2015 [2]	$7.43	$1,139,802	100%	1,085,526	-
	4 Dec 2013	672,348	1 Jul 2016	$10.38	$2,783,521	100%	672,348	-
	12 Dec 2014	514,285	1 Jul 2017 [4]	$19.04	$1,229,141	-	-	-
	7 Dec 2015	1	1 Jul 2016	$0.00	$1,050,600	100%	1	0%
	7 Dec 2015	182,713	1 Jul 2018	$0.00	$1,037,810	-	-	-
	19 Dec 2016	1	1 Jul 2017 [3]	$0.00	$1,134,648	-	-	-
	19 Dec 2016	182,126	1 Jul 2019	$0.00	$994,408	-	-	-
M J Ilczynski	7 Sep 2012	321,053	1 Jul 2015 [2]	$7.43	$301,790	100%	321,053	0%
	6 Sep 2013	232,909	1 Jul 2016	$10.38	$649,816	100%	232,909	0%
	6 Aug 2014	179,621	1 Jul 2017 [4]	$19.04	$510,124	-	-	-
	1 Oct 2015	1	1 Jul 2016	$0.00	$612,500	100%	1	0%
	1 Oct 2015	106,521	1 Jul 2018	$0.00	$378,150	-	-	-
	19 Dec 2016	1	1 Jul 2017 [3]	$0.00	$765,625	-	-	-
	19 Dec 2016	122,893	1 Jul 2019	$0.00	$670,996	-	-	-
I Mazer	7 Sep 2012	144,079	1 Jul 2015 [2]	$7.43	$135,434	100%	144,079	0%
	6 Sep 2013	106,060	1 Jul 2016	$10.38	$295,907	100%	106,060	0%
	6 Aug 2014	71,428	1 Jul 2017 [4]	$19.04	$202,856	-	-	-
	1 Oct 2015	1	1 Jul 2016	$0.00	$255,000	100%	1	0%
	1 Oct 2015	44,347	1 Jul 2018	$0.00	$157,432	-	-	-
	3 Oct 2016	1	1 Jul 2017 [3]	$0.00	$319,528	-	-	-
	3 Oct 2016	46,661	1 Jul 2019	$0.00	$300,963	-	-	-
	19 Dec 2016	4,627	1 Jul 2019	$0.00	$25,263	-	-	-
G I Roberts	2 Nov 2015	1	1 Jul 2016	$0.00	$400,000	100%	1	0%
	2 Nov 2015	67,088	1 Jul 2018	$0.00	$295,187	-	-	-
	30 May 2016	25,665	1 Jul 2018	$0.00	$112,926	-	-	-
	3 Oct 2016	1	1 Jul 2017 [3]	$0.00	$552,000	-	-	-
	3 Oct 2016	88,603	1 Jul 2019	$0.00	$571,489	-	-	-
Former Executive KMP								
P D Everingham	7 Sep 2012	323,684	1 Jul 2015 [2]	$7.43	$304,263	100%	323,684	0%
	6 Sep 2013	220,666	1 Jul 2016	$10.38	$615,658	100%	220,666	0%
	6 Aug 2014	163,865	1 Jul 2017 [4]	$19.04	$465,377	-	-	100%
	1 Oct 2015	1	1 Jul 2016	$0.00	$507,000	100%	1	0%
	1 Oct 2015	88,173	1 Jul 2018	$0.00	$313,014	-	-	-
	3 Oct 2016	1	1 Jul 2017 [5]	$0.00	$262,375	-	-	-
	3 Oct 2016	84,229	1 Jul 2019	$0.00	$543,277	-	-	100%
J S Powell	7 Sep 2012	384,211	1 Jul 2015 [2]	$7.43	$361,158	100%	384,211	0%
	6 Sep 2013	268,772	1 Jul 2016	$10.38	$749,874	100%	268,772	0%
	6 Aug 2014	176,470	1 Jul 2017 [4]	$19.04	$501,175	-	-	100%
	1 Oct 2015	1	1 Jul 2016	$0.00	$438,000	100%	1	0%
	1 Oct 2015	76,173	1 Jul 2018	$0.00	$270,414	-	-	100%

1. For LTI Options/Rights, value is the fair value at grant. For Equity Rights, value is the allocated value of the Equity Right.
2. Exercised in FY2017.
3. 100% vested on 1 July 2017.
4. 100% lapsed on 1 July 2017.
5. As Peter Everingham ceased employment during the year, the Equity Right vested on a pro-rata basis.

8.5 Shares under option

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

Date granted	Expiry date	Exercise price of options	Number of options
Executive Director LTI Options/Rights			
4 December 2013	1 July 2018	$10.38	672,348
12 December 2014	1 July 2019	$19.04	514,285
7 December 2015	1 July 2020	$0.00 [1]	182,713
19 December 2016	1 July 2021	$0.00 [1]	182,126
Other LTI Options/Rights			
6 September 2013	1 July 2018	$10.38	1,023,133
6 August 2014	1 July 2019	$19.04	275,810
1 October 2015	1 July 2020	$0.00 [1]	393,494
3 October 2016 [2]	1 July 2021	$0.00 [1]	233,617
19 December 2016	1 July 2021	$0.00 [1]	127,520
Total shares under option[3]			**3,605,046**

1. LTI Rights do not have an Exercise Price unlike LTI Options.
2. Balance excludes LTI Rights granted to Peter Everingham, that were subsequently forfeited.
3. Balance excludes Equity Rights which were automatically exercised on 1 July 2017. Corresponding fulfilment of these shares will occur in August 2017.

8.6 Options granted to KMP in overseas subsidiaries

No options over ordinary shares in Zhaopin Ltd were issued to KMP during FY2017.

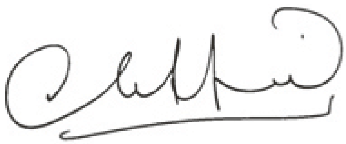
8.7 Loans to KMP

There were no loans to Directors or Executives during FY2017 (FY2016: nil).

8.8 Other transactions with KMP

There were no other transactions with KMP, apart from related party transactions disclosed in note 29 of the Financial Report, during FY2017.

This Directors' Report is made in accordance with a resolution of the directors.



Neil Chatfield
Chairman
Melbourne

16 August 2017

Auditor's Independence Declaration

As lead auditor for the audit of SEEK Limited for the year ended 30 June 2017, 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.

Chris Dodd
Partner
PricewaterhouseCoopers

Melbourne
16 August 2017

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001

Financial Report

About this Financial Report

The content and structure of the financial report has been reviewed and modified in recent years with the aim of making it less complex and more relevant to shareholders. This review has resulted in a number of changes to the report. This year, the following change has been made:

- The presentation format of the consolidated income statement has been changed to 'by nature' rather than 'by function'. Comparative information has, therefore, been restated. In accordance with AASB 101- *Presentation of financial statements*, an entity can choose either format of presentation with due regard being given to historical and industry factors. The change was made this year as the 'by nature' format is considered to be more relevant and reliable in the context of SEEK's industry and operations.

Basis of preparation

SEEK Limited is a for-profit entity for the purpose of preparing financial statements.

These financial statements:

- are general purpose financial statements;
- are for the consolidated entity consisting of SEEK Limited and its subsidiaries;
- have been prepared in accordance with Australian Accounting Standards (AASBs) and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*;
- comply with International Financial Reporting Standards as issued by the International Accounting Standards Board;
- have been prepared on a going concern basis using historical cost except for the revaluation of financial assets and liabilities (including derivative instruments) measured at fair value through profit and loss;
- are presented in Australian dollars with all values rounded to the nearest hundred thousand dollars, or in certain cases, the nearest dollar, in accordance with the Australian Securities and Investments Commission Corporations Instrument 2016/191; and
- apply significant accounting policies consistently to all periods presented, unless otherwise stated.

The Directors have included information in this report that they deem to be material and relevant to the understanding of the financial statements.

Disclosure may be considered material and relevant if the dollar amount is significant due to size or nature, or the information is important to understand the:

- Group's current year results;
- impact of significant changes in the Group's business; or
- aspects of the Group's operations that are important to future performance.

Consolidated Income Statement
for the year ended 30 June 2017

	Notes	2017 $m	2016* $m
Revenue	2	**1,053.2**	965.4
Other income	3	**177.3**	279.7
Operating expenses			
Direct cost of services		**(64.3)**	(42.0)
Employee benefits expenses		**(354.7)**	(326.9)
Marketing related expenses		**(110.2)**	(99.8)
Technology, product & development expenses		**(21.3)**	(16.6)
Operations and administration expenses		**(133.4)**	(105.0)
Depreciation and amortisation expenses		**(53.4)**	(53.4)
Finance costs	4	**(29.3)**	(41.5)
Transaction costs		**(14.8)**	(15.3)
Total operating expenses		**(781.4)**	(700.5)
Impairment loss	13(d)	**(16.1)**	-
Share of results of equity accounted investments	22(a)	**4.3**	12.2
Profit before income tax expense		**437.3**	556.8
Income tax expense	6(a)	**(75.3)**	(157.4)
Profit for the year		**362.0**	399.4
Profit is attributable to:			
Owners of SEEK Limited		**340.2**	357.1
Non-controlling interests		**21.8**	42.3
		362.0	399.4
Earnings per share attributable to the owners of SEEK Limited:		Cents	Cents
Basic earnings per share	5	**97.9**	103.7
Diluted earnings per share	5	**96.6**	101.7

*Comparative information has been restated due to the change in presentation format of the consolidated income statement as outlined at the start of the financial report.

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income
for the year ended 30 June 2017

	Notes	2017 $m	2016 $m
Profit for the year		**362.0**	399.4
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations			
Exchange differences on translation of foreign controlled entities		**(130.3)**	(50.2)
Exchange differences on translation of foreign associates		**(0.1)**	(3.9)
Net investment hedge of foreign controlled entities	18(a)	**11.4**	(14.2)
Income tax recognised in other comprehensive income	6(b)	**0.9**	(2.7)
Reserves recycled on disposal of equity accounted investment		**(0.5)**	1.0
Cash flow hedges			
Gains/(losses) on hedge contracts of controlled entities		**2.8**	(11.8)
Post tax losses on hedge contracts of associates		**-**	(0.5)
Reserves recycled on disposal of equity accounted investment		**-**	(1.0)
Income tax recognised in other comprehensive income	6(b)	**(0.9)**	3.7
Items that will never be reclassified to profit or loss:			
Investment in equity instruments			
Change in fair value of financial assets	11	**(5.8)**	(3.0)
Tax associated with the sale of financial asset		**1.3**	-
Other comprehensive income for the year		**(121.2)**	(82.6)
Total comprehensive income for the year		**240.8**	316.8
Total comprehensive income for the year attributable to:			
Owners of SEEK Limited		**244.8**	303.2
Non-controlling interests		**(4.0)**	13.6
		240.8	316.8

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet
as at 30 June 2017

	Notes	2017 $m	2016 $m
Current assets			
Cash and cash equivalents	7	**652.0**	504.9
Trade and other receivables	10	**111.7**	98.5
Other financial assets	11	**78.2**	133.6
Total current assets		**841.9**	737.0
Non-current assets			
Investments accounted for using the equity method	22	**45.5**	81.0
Plant and equipment		**29.1**	28.1
Intangible assets	12	**2,672.2**	2,388.3
Other receivables	10	**16.7**	-
Other financial assets	11	**45.2**	19.2
Deferred tax assets	6(c)	**32.4**	24.8
Total non-current assets		**2,841.1**	2,541.4
Total assets		**3,683.0**	3,278.4
Current liabilities			
Trade payables		**192.1**	118.3
Borrowings	7(b)	**37.8**	71.1
Unearned income		**266.3**	226.5
Other financial liabilities	15	**3.8**	15.8
Current tax liabilities	6(a)	**17.9**	113.8
Provisions	16	**32.1**	29.5
Total current liabilities		**550.0**	575.0
Non-current liabilities			
Borrowings	7(b)	**930.2**	751.6
Other financial liabilities	15	**18.5**	-
Deferred tax liabilities	6(c)	**115.3**	100.5
Provisions	16	**29.1**	26.7
Total non-current liabilities		**1,093.1**	878.8
Total liabilities		**1,643.1**	1,453.8
Net assets		**2,039.9**	1,824.6
Equity			
Share capital	17	**251.6**	222.9
Foreign currency translation reserve		**36.5**	140.5
Hedging reserve	18(a)	**(86.1)**	(99.4)
Other reserves	18(b)	**53.7**	66.3
Retained profits		**1,225.0**	1,024.9
Non-controlling interests	21(c)	**559.2**	469.4
Total equity		**2,039.9**	1,824.6

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
for the year ended 30 June 2017

		Attributable to equity holders of the parent							
	Notes	Share capital $m	Foreign currency translation reserve $m	Hedging reserve $m	Other reserves $m	Retained profits $m	Total $m	Non-controlling interests $m	Total equity $m
Balance at 1 July 2015		222.9	210.3	(75.5)	(19.9)	796.5	1,134.3	666.6	1,800.9
Profit for the year		-	-	-	-	357.1	357.1	42.3	399.4
Exchange differences on translation of foreign operations		-	(25.4)	-	-	-	(25.4)	(28.7)	(54.1)
Losses on hedge contracts		-	-	(26.5)	-	-	(26.5)	-	(26.5)
Change in fair value of financial assets		-	-	-	(3.0)	-	(3.0)	-	(3.0)
Income tax recognised in other comprehensive income	6(b)	-	(2.7)	3.7	-	-	1.0	-	1.0
Reserves recycled on disposal of equity accounted investment	3	-	1.0	(1.0)	-	-	-	-	-
Total comprehensive income for the year		-	(27.1)	(23.8)	(3.0)	357.1	303.2	13.6	316.8
Transactions with owners:									
Contributions of equity		-	-	-	-	-	-	4.5	4.5
Dividends provided for or paid	19	-	-	-	-	(130.9)	(130.9)	(13.7)	(144.6)
Employee share options scheme		-	-	-	13.2	-	13.2	0.5	13.7
Tax associated with employee share schemes	6(b)	-	-	-	0.4	2.2	2.6	-	2.6
Exercise of share options in subsidiary		-	(3.3)	-	(1.1)	-	(4.4)	15.4	11.0
Change in ownership of subsidiaries		-	(39.4)	(0.1)	76.0	-	36.5	(217.5)	(181.0)
Share of reserves movement of associates	22(a)	-	-	-	0.7	-	0.7	-	0.7
Balance at 30 June 2016		222.9	140.5	(99.4)	66.3	1,024.9	1,355.2	469.4	1,824.6
Profit for the year		-	-	-	-	340.2	**340.2**	**21.8**	**362.0**
Exchange differences on translation of foreign operations		-	(104.6)	-	-	-	**(104.6)**	**(25.8)**	**(130.4)**
Gains on hedge contracts		-	-	14.2	-	-	**14.2**	**-**	**14.2**
Change in fair value of financial assets	11	-	-	-	(5.8)	-	**(5.8)**	**-**	**(5.8)**
Tax associated with sale of financial assets	6(b)	-	-	-	-	1.3	**1.3**	**-**	**1.3**
Income tax recognised in other comprehensive income	6(b)	-	0.9	(0.9)	-	-	**-**	**-**	**-**
Reserves recycled on disposal of equity accounted investment		-	(0.5)	-	-	-	**(0.5)**	**-**	**(0.5)**
Total comprehensive income for the year		-	(104.2)	13.3	(5.8)	341.5	**244.8**	**(4.0)**	**240.8**
Transactions with owners:									
Contributions of equity	17(a)	28.7	-	-	-	-	**28.7**	**-**	**28.7**
Dividends provided for or paid	19	-	-	-	-	(146.1)	**(146.1)**	**(7.0)**	**(153.1)**
Employee share options scheme		-	-	-	11.4	-	**11.4**	**0.5**	**11.9**
Tax associated with employee share schemes	6(b)	-	-	-	(2.3)	8.0	**5.7**	**-**	**5.7**
Exercise of share options in subsidiary		-	0.2	-	(1.7)	-	**(1.5)**	**6.4**	**4.9**
Share of reserve movement of associates	22(a)	-	-	-	0.6	-	**0.6**	**-**	**0.6**
Put option to acquire additional interest in subsidiary	18(b)	-	-	-	(18.3)	-	**(18.3)**	**-**	**(18.3)**
Non-controlling interest recognised on acquisition		-	-	-	-	-	**-**	**94.1**	**94.1**
Transfer between reserves		-	-	-	3.5	(3.3)	**0.2**	**(0.2)**	**-**
Balance at 30 June 2017		251.6	36.5	(86.1)	53.7	1,225.0	**1,480.7**	**559.2**	**2,039.9**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
for the year ended 30 June 2017

	Notes	2017 $m	2016 $m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**1,165.5**	1,065.8
Payments to suppliers and employees (inclusive of goods and services tax)		**(708.7)**	(649.4)
		456.8	416.4
Interest received		**17.1**	13.2
Interest paid		**(25.5)**	(28.4)
Transaction costs		**(3.6)**	(15.3)
Income taxes paid	6(a)	**(164.4)**	(51.0)
Net cash inflow from operating activities	8	**280.4**	334.9
Cash flows from investing activities			
Proceeds from disposal of equity accounted investment		**-**	331.6
Payments for acquisition of subsidiary, net of cash acquired		**(85.8)**	(15.5)
Proceeds from disposal of financial asset		**10.2**	-
Dividends and distributions received from equity accounted investments	22(a)	**6.3**	29.2
Dividends received from financial assets		**-**	0.3
Payment for additional interest in equity accounted investments		**(5.6)**	(11.2)
Payment for investment in equity accounted investments		**-**	(10.0)
Payment for intangible assets		**(62.0)**	(40.1)
Payment for plant and equipment		**(14.7)**	(14.8)
Payment for investment in financial assets		**(3.0)**	(2.3)
Net cash inflow/(outflow) from investing activities		**(154.6)**	267.2
Cash flows from financing activities			
Proceeds from borrowings		**470.0**	199.2
Repayment of borrowings		**(301.1)**	(383.9)
Transaction costs on establishment of debt facilities		**(6.0)**	(3.6)
Cash released from deposits to support entrusted loan facilities		**-**	48.4
Cash placed on deposit in short term investment		**(76.3)**	(88.9)
Cash released from short term investments		**86.5**	-
Proceeds from share options		**28.7**	-
Proceeds from share options in subsidiaries		**5.2**	14.6
Dividends paid to members of the parent	19	**(146.1)**	(130.9)
Dividends paid to non-controlling interests		**(7.0)**	(9.2)
Payment for additional interest in subsidiary		**-**	(181.0)
(Payments)/proceeds from other financing arrangements		**(10.0)**	9.4
Net cash (outflow)/inflow from financing activities		**43.9**	(525.9)
Net increase in cash and cash equivalents		**169.7**	76.2
Cash and cash equivalents at the beginning of the year		**504.9**	449.6
Effect of exchange rate changes on cash and cash equivalents		**(22.6)**	(20.9)
Cash and cash equivalents at the end of the year		**652.0**	504.9

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Segment information

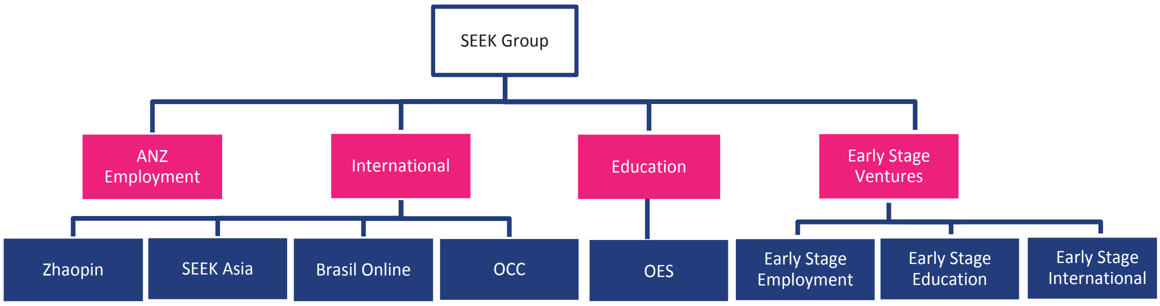
Accounting Policy

Operating segments, which have not been aggregated, are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

Segment EBITDA is the measure utilised by the CODM to measure the businesses' profitability. Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of results of equity accounted investments, amortisation of share-based payments and long-term incentives, gains/losses on investing activities, and other non-operating gains/losses.

SEEK's operating segments are aligned with executive responsibilities and analysis of results as provided to the CODM.

The operating segments are described below.



Operating segment	Nature of operations	Primary source of revenue	Geographical location
ANZ Employment	Online employment marketplace services	Job and banner advertising	Australia and New Zealand
Zhaopin	Online employment marketplace services	Job and banner advertising	People's Republic of China
SEEK Asia	Online employment marketplace services	Job and banner advertising	Seven countries across South East Asia
Brasil Online	Online employment marketplace services	CV online	Brazil
OCC	Online employment marketplace services	Job and banner advertising	Mexico
Education	SEEK Learning - Marketing, sale and distribution of education courses (until 1 November 2016)	Commission	Australia and New Zealand
	OES - Share of equity accounted results for 9 months until 31 March 2017 and consolidated from 1 April 2017 to 30 June 2017	Provision of education services to students	Australia
Early Stage Ventures	A portfolio of Australian and international investments that either sit adjacent to the core online employment and education marketplaces or provide similar products or services in new geographical regions	Various	Various

As a result of recent regulatory changes to the VET sector, SEEK Learning has ceased the majority of its existing operations and has adopted a new business model that shifts from being a broker of limited education partners to a marketplace of comprehensive education options. This model includes: an education directory, career advisory services and the continuation of enrolment in higher education and short courses. This new education business, which commenced operating on 1 November 2016 and comprises online and phone-based career advisory services, now forms part of Early Stage Ventures.

1. Segment information continued

(a) Segment information provided to the CODM

			International						Education				Total
		ANZ Employment	Zhaopin	SEEK Asia	Brasil Online	OCC	Int'l Other	Total	OES	SEEK Learning	Total	Early Stage Ventures	
Year ended 30 June 2017	Notes	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Sales revenue	2	**355.9**	372.9	139.7	87.3	29.4	-	**629.3**	29.2	2.6	**31.8**	**19.4**	**1,036.4**
Segment EBITDA[1]		**197.9**	80.0	76.0	31.3	6.7	(7.0)	**187.0**	10.6	(14.6)	**(4.0)**	**(18.6)**	**362.3**
Depreciation		**(2.7)**	(5.4)	(2.4)	(1.4)	(1.1)	-	**(10.3)**	(0.8)	-	**(0.8)**	**(0.4)**	**(14.2)**
Amortisation	12	**(20.0)**	(4.0)	(4.8)	(2.6)	(1.4)	(0.3)	**(13.1)**	(1.7)	(0.5)	**(2.2)**	**(3.9)**	**(39.2)**
Impairment loss	13(d)	**-**	-	-	-	-	-	**-**	-	(7.6)	**(7.6)**	**(8.5)**	**(16.1)**
Net interest (expense) / income		**(20.8)**	8.6	(5.0)	4.3	0.4	0.7	**9.0**	0.2	-	**0.2**	**(0.3)**	**(11.9)**
Share-based payments and other LTI	28(b)	**(8.0)**	(0.7)	(1.8)	2.7	(0.3)	(1.7)	**(1.8)**	-	-	**-**	**(0.2)**	**(10.0)**
Share of results of equity accounted investments	22(a)	**-**	-	-	-	-	0.4	**0.4**	10.4	-	**10.4**	**(6.5)**	**4.3**
Gain on step acquisition	3	**-**	-	-	-	-	-	**-**	174.3	-	**174.3**	**3.0**	**177.3**
Transaction costs from investing activities		**-**	(14.8)	-	-	-	-	**(14.8)**	-	-	**-**	**-**	**(14.8)**
Other financing activities		**-**	-	0.7	-	(1.1)	-	**(0.4)**	-	-	**-**	**-**	**(0.4)**
Profit before income tax expense		**146.4**	63.7	62.7	34.3	3.2	(7.9)	**156.0**	193.0	(22.7)	**170.3**	**(35.4)**	**437.3**
Income tax expense	6(a)	**(41.1)**	(33.0)	(16.5)	(8.6)	(0.7)	11.7	**(47.1)**	(2.0)	6.0	**4.0**	**8.9**	**(75.3)**
Profit for the year		**105.3**	30.7	46.2	25.7	2.5	3.8	**108.9**	191.0	(16.7)	**174.3**	**(26.5)**	**362.0**
Non-controlling interest	21(c)	**-**	(15.0)	(6.6)	-	-	-	**(21.6)**	(1.3)	-	**(1.3)**	**1.1**	**(21.8)**
Profit attributable to owners of SEEK Limited		**105.3**	15.7	39.6	25.7	2.5	3.8	**87.3**	189.7	(16.7)	**173.0**	**(25.4)**	**340.2**

1. Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of results of equity accounted investments, share-based payments expense, gains/losses on investing activities and other non-operating gains/losses.

Early Stage Ventures underlying NPAT $19.3m per page 5 is made up of profit attributable to owners of SEEK Limited A$25.4m less impairment losses A$6.1m (impairment of A$8.5m less tax benefit of A$2.4m).

Year ended 30 June 2016	Notes	ANZ Employment	International: Zhaopin	International: SEEK Asia	International: Brasil Online	International: OCC	International: Int'l Other	International: Total	Education: OES	Education: SEEK Learning	Education: Total	Early Stage Ventures	Total
		$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Sales revenue	2	313.1	329.1	141.8	91.7	29.7	-	592.3	-	42.1	42.1	2.9	950.4
Segment EBITDA[1]		177.8	79.7	75.8	34.0	9.3	(5.7)	193.1	-	5.0	5.0	(9.2)	366.7
Depreciation		(2.7)	(5.4)	(2.7)	(1.3)	(1.0)	-	(10.4)	-	(0.6)	(0.6)	-	(13.7)
Amortisation	12	(18.2)	(3.9)	(9.5)	(1.8)	(1.6)	-	(16.8)	-	(1.3)	(1.3)	(3.4)	(39.7)
Net interest income/(expense)		(25.0)	6.2	(5.7)	2.9	0.4	(0.2)	3.6	-	0.1	0.1	-	(21.3)
Share-based payments and other LTI	28	(9.4)	(0.3)	(1.9)	(0.6)	(1.8)	(2.6)	(7.2)	-	(0.1)	(0.1)	(1.7)	(18.4)
Share of results of equity accounted investments	22(a)	-	-	-	-	-	0.5	0.5	12.6	8.2	20.8	(9.1)	12.2
Gain on disposal of equity accounted investment		-	-	-	-	-	-	-	-	279.7	279.7	-	279.7
Transaction costs from investing activities		-	(1.6)	(0.2)	-	-	-	(1.8)	-	(13.5)	(13.5)	-	(15.3)
Other financing activities/borrowing costs written off		13.8	-	(7.5)	-	-	-	(7.5)	-	-	-	-	6.3
Dividend income		-	-	-	-	-	0.3	0.3	-	-	-	-	0.3
Profit before income tax expense		136.3	74.7	48.3	33.2	5.3	(7.7)	153.8	12.6	277.5	290.1	(23.4)	556.8
Income tax expense	6	(38.6)	(12.6)	(12.4)	(7.2)	(2.1)	2.2	(32.1)	-	(90.9)	(90.9)	4.2	(157.4)
Profit for the year		97.7	62.1	35.9	26.0	3.2	(5.5)	121.7	12.6	186.6	199.2	(19.2)	399.4
Non-controlling interest	21	-	(23.9)	(6.9)	(11.7)	0.2	-	(42.3)	-	-	-	-	(42.3)
Profit attributable to owners of SEEK Limited		97.7	38.2	29.0	14.3	3.4	(5.5)	79.4	12.6	186.6	199.2	(19.2)	357.1

1. Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of results of equity accounted investments, share-based payments expense, gains/losses on investing activities and other non-operating gains/losses.

1. Segment information continued

(b) Segment financial position

	Segment assets		Segment liabilities	
	2017 $m	2016 $m	2017 $m	2016 $m
ANZ Employment	**198.2**	148.7	**(77.5)**	(67.5)
Zhaopin	**1,243.1**	1,163.9	**(278.0)**	(210.8)
SEEK Asia	**1,158.8**	1,254.7	**(74.2)**	(67.7)
Brasil Online	**381.2**	382.5	**(29.8)**	(34.6)
OCC	**158.8**	176.2	**(17.0)**	(15.3)
Int'l Other	**17.8**	29.2	**(10.3)**	(13.5)
Education	**405.8**	36.5	**(16.7)**	(5.3)
Early stage ventures	**86.9**	61.9	**(38.4)**	(2.1)
Total of segments	**3,650.6**	3,253.6	**(541.9)**	(416.8)
Deferred tax assets	**32.4**	24.8		
Total assets	**3,683.0**	3,278.4		
Borrowings			**(968.0)**	(822.7)
Current tax liabilities			**(17.9)**	(113.8)
Deferred tax liabilities			**(115.3)**	(100.5)
Total liabilities			**(1,643.1)**	(1,453.8)

(c) Geographical information

The following table analyses sales revenue and non-current assets (excluding deferred tax assets) based on geographical location.

Sales revenue is allocated to a country based on the geographical location of the customers. Refer to note 2 for a reconciliation of total sales revenue to total consolidated revenue.

Non-current assets are allocated to a country based on the geographical location of the asset. Intangible assets that relate only to one country have been allocated to that country. Intangible assets acquired as part of the JobsDB and JobStreet acquisitions (goodwill, brands and other intangible assets) relate to several countries and have been shown as "South East Asia Unallocated" as they cannot practically be split between the individual country locations. This is consistent with the approach for impairment testing (refer to note 13).

	Sales revenue		Non-current assets (excluding deferred tax assets)	
	2017 $m	2016 $m	2017 $m	2016 $m
Australia	**367.1**	328.3	**496.3**	110.4
New Zealand	**38.2**	29.4	**5.9**	5.3
China	**372.9**	329.1	**703.8**	673.4
South East Asia	**140.2**	142.1	**1,088.8**	1,177.6
Brazil	**88.2**	91.7	**327.5**	343.7
Mexico	**29.4**	29.7	**148.5**	150.5
Africa	**-**	-	**24.7**	26.1
Rest of the world	**0.4**	0.1	**13.2**	29.6
Total	**1,036.4**	950.4	**2,808.7**	2,516.6

2. Revenue

Accounting Policy

Revenue is measured at the fair value of the consideration received or receivable and is shown net of sales taxes (such as GST and VAT) and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below:

Class of revenue	Recognition criteria
Online employment marketplaces	
Job advertisements	in the period over which the advertisements are placed.
Banner advertisements	in the period that the impressions occur.
CV online	over the period during which the jobseeker can access the services.
Education	
Commission	when the student is registered with the education provider or when the student passes the relevant census date, depending on the arrangement.
Provision of education services to students	over the period that a student studies a particular unit. For Higher Education it is typically four months. For Vocational Education (VET) students the length of time to complete units can vary so an estimate is made.
Other revenue	
Dividends	when the right to receive payment is established.
Interest	on a time proportion basis using the effective interest method.

Services sold to customers in advance, which are yet to be utilised, are recognised initially in the balance sheet as unearned income and released to revenue in line with the above recognition criteria.

	2017 $m	2016 $m
Sales revenue	1,036.4	950.4
Dividend income	-	0.3
Interest income	16.8	14.7
Total revenue	**1,053.2**	965.4

3. Other income

	2017 $m	2016 $m
Fair value gain on step acquisitions	177.3	-
Gain on disposal of equity accounted investments	-	279.7
Total other income	**177.3**	279.7

Acquisition of controlling interest in Online Education Services Ltd (OES)

SEEK acquired a controlling interest in OES on 31 March 2017, increasing it's ownership interest from 50% to 80%. A fair value gain of $174.3m was recognised as a result of this transaction. Refer to note 20 for further details.

An additional $3.0m was recognised in relation to step acquisitions of Early Stage Ventures JobAdder and Sidekicker. FY2016 amounts relate to the gain on disposal of SEEK's interest in IDP.

4. Expenses

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

	2017 $m	2016 $m
Specific costs included within 'operations and administration'		
Minimum lease payments for operating leases	**29.0**	23.5
Net foreign exchange gains recognised in profit before income tax expense	**(2.6)**	(4.9)
Finance costs		
Interest expense	**28.7**	35.9
Borrowing costs written off	**-**	4.9
Other finance charges paid/payable	**0.6**	0.7
Total finance costs	**29.3**	41.5

5. Earnings per share

Accounting Policy

Diluted earnings per share (EPS) reflects the following adjustments:

- the impact on profit if the subsidiaries' outstanding employee options were fully exercised, resulting in SEEK's ownership being diluted; and
- the effect of employee options and rights in SEEK Limited, calculated by comparing the number of shares that would be issued if all options / rights were exercised with the number of shares the Company could hypothetically buy back on market using the exercise price (the dilutive impact being the difference between the two).

	2017 Cents	2016 Cents
Basic earnings per share	**97.9**	103.7
Diluted earnings per share	**96.6**	101.7

(a) Reconciliation of earnings used in calculating EPS

	2017 $m	2016 $m
Profit attributable to owners of SEEK Limited (for basic EPS)	**340.2**	357.1
Potential dilutive adjustment for subsidiary option plans	**(1.9)**	(3.6)
Adjusted profit attributable to owners of SEEK Limited (for diluted EPS)	**338.3**	353.5

(b) Weighted average number of shares

	2017 number	2016 number
Weighted average number of shares used as denominator in calculating basic EPS	**347,630,540**	344,487,384
Weighted average of potential dilutive ordinary shares:		
- LTI Options	**1,261,401**	2,154,529
- LTI Rights	**825,308**	427,862
- Equity Rights and Performance Rights	**439,539**	423,847
Weighted average number of shares used as the denominator in calculating diluted EPS	**350,156,788**	347,493,622

The weighted average of potential dilutive ordinary shares excludes 790,095 LTI Options (2016: 1,130,430) which have an exercise price that is higher than the average share price for the period. If these LTI Options were to be exercised the Company could hypothetically use the proceeds to buy back more shares than it issues, resulting in a net positive impact to shareholders.

6. Income tax

Critical accounting estimates and assumptions

Uncertain tax positions

The Group applies its current understanding of the tax law to estimate tax liabilities where the ultimate tax position is uncertain. When the tax position is ultimately determined or tax laws change, the actual tax liability may differ from this current estimate.

Research and development claim

The research and development claim available to the Group is estimated in the accounts because a full assessment of the position cannot be made by the year end. It is the policy of the Group to only bring to account that preliminary portion of expenses that is reasonably expected to be claimable at period end.

Tax rate applicable to Beijing Wangpin

Beijing Wangpin Consulting Co., Ltd (a PRC subsidiary of Zhaopin Ltd) qualified as a High and New Technology Enterprise (HNTE) and therefore was entitled to enjoy a preferential income tax rate of 15% from 1January 2014 to 31 December 2016. Beijing Wangpin has reapplied for HNTE status for a three year period from 1 January 2017. The HTNE status is expected to be maintained and therefore income tax for the year and deferred tax balances of Beijing Wangpin as at 30 June 2017 have been calculated using a 15% tax rate.

Accounting policy

Each entity in the Group uses the tax laws in place or those that have been substantively enacted at reporting date in the relevant jurisdiction to calculate income tax. For deferred income tax, the entity also considers whether these laws are expected to be in place when the related asset is realised or the liability is settled.

Deferred tax assets and liabilities are recognised on all assets and liabilities that have different carrying values for tax and accounting, except for:

- the initial recognition of goodwill; and
- any undistributed profits of the Company's subsidiaries, associates or joint ventures where either the distribution of those profits would not give rise to a tax liability or the directors consider they have the ability to control the timing of the reversal of the temporary differences.

Deferred tax assets:

- are recognised only to the extent that it is probable that there is sufficient future taxable amounts to recover these assets. This assessment is reviewed at each reporting date.
- are offset against deferred tax liabilities in the same tax jurisdiction, when there is a legally enforceable right to do so.
- acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in profit or loss.

SEEK Limited and its wholly-owned Australian entities formed an income tax consolidated group in 2004. These entities have tax sharing and tax funding agreements in place. Refer to note 24 for further information.

Adoption of Voluntary Tax Transparency Code

On 3 May 2016, the Australian Treasurer released a Voluntary Tax Transparency Code (the Voluntary Code). The Voluntary Code recommends additional tax information be publicly disclosed to help educate the public about large corporate compliance with Australia's tax laws. SEEK fully supports and signed up to this Voluntary Code from FY2016. Accordingly, the income tax disclosures in this note include the recommended additional disclosures.

(a) Income tax expense

	Notes	2017 $m	2016 $m
Current tax		**67.8**	160.7
Deferred tax		**9.1**	(3.2)
Over provision in prior year		**(1.6)**	(0.1)
Income tax expense		**75.3**	157.4
Deferred income tax expense included in income tax expense comprises:			
Increase in deferred tax assets		**(9.6)**	(0.9)
(Decrease)/increase in deferred tax liability		**18.7**	(2.3)
		9.1	(3.2)

6. Income tax continued

(a) Income tax expense continued

Reconciliation of income tax at the standard rate to actual income tax payable

		2017 $m	2016 $m
Profit before income tax expense		**437.3**	556.8
Income tax calculated @ 30% (2016: 30%)		**131.2**	167.0
Tax effect of amounts that are not deductible/(taxable) in calculating income tax:			
Fair value gain on step acquisitions	(a)	**(53.2)**	-
Financing, transaction and legal costs	(b)	**14.2**	3.1
Research and development claim	(c)	**(6.8)**	(7.0)
Impairment loss	(d)	**1.7**	-
Post tax associate earnings	(e)	**(1.3)**	(3.7)
Net taxable gain on disposal of equity accounted investment	(f)	**(0.5)**	4.6
Taxable unfranked dividend	(g)	**-**	5.4
Overseas tax rate differential	(h)	**(12.1)**	(11.3)
Over provision in prior year		**(1.6)**	(0.1)
Other		**3.7**	(0.6)
Income tax expense in the consolidated income statement		**75.3**	157.4

Explanation of key items

a. Non-taxable gain realised on the increase in SEEK's ownership in OES, Sidekicker and JobAdder.

b. This includes costs and withholding tax relating to the Zhaopin transaction offset by a tax benefit arising from the sale of JCBNext.

c. Research and development incentives utilised throughout the Group.

d. Non-deductible accounting impairments recognised during the period.

e. SEEK's share of associates' profit is taken up net of associates' tax expense.

f. The difference between the accounting and tax (loss)/gain on SEEK's disposal of its interest in Babajob (for FY2017) and IDP (for FY2016).

g. The unfranked portion of dividends received from IDP were taxable to SEEK.

h. The Group's international profits are taxed at local statutory or preferential rates varying from the Australian statutory tax rate (as shown below).

Local tax rates

Country (Business)	2017	2016
Australia (SEEK Australia)	**30.0%**	30.0%
New Zealand (SEEK NZ)	**28.0%**	28.0%
China (Zhaopin excluding Beijing Wangpin)	**25.0%**	25.0%
China (Beijing Wangpin)	**15.0%**	15.0%
South East Asia (SEEK Asia)	**16.5%-30.0%**	16.5%-30.0%
Brazil (Brasil Online)	**34.0%**	34.0%
Mexico (OCC)	**30.0%**	30.0%

Effective tax rate

The effective tax rate is calculated as company income tax expense divided by profit, adjusted for post-tax share of results of equity accounted investments.

	SEEK Group		Australian operations	
	2017 $m	2016 $m	2017 $m	2016 $m
Profit before income tax expense	**437.3**	556.8	**276.4**	401.7
Less: Post-tax share of results of equity accounted investments	**(4.3)**	(12.2)	**(9.1)**	(20.1)
Less: Fair value gain on step acquisitions[1]	**-**	-	**(177.3)**	-
(A) Adjusted profit before income tax expense	**433.0**	544.6	**90.0**	381.6
(B) Income tax expense	**75.3**	157.4	**28.3**	122.7
Effective tax rate (B/A)	**17.4%**	28.9%	**31.4%**	32.2%

1. Fair value gain on step acquisitions are removed when calculating profit before income tax expense for Australian operations because they arise from business combinations rather than business operations.

Reconciliation of income tax expense to current tax liability

	2017 $m	2016 $m
Income tax expense in the consolidated income statement	**75.3**	157.4
Add/(subtract):		
Deferred tax assets charged to income	**9.6**	0.9
Deferred tax liabilities charged to income	**(18.7)**	2.3
Over provision in prior years (current and deferred tax)	**1.6**	0.1
Current tax included in income tax expense	**67.8**	160.7
Add/(subtract):		
Net opening balance carried forward	**113.8**	7.8
Tax payments made to tax authorities[1]	**(164.4)**	(51.0)
Under provision in prior years (current tax)	**(3.9)**	(1.3)
Items recognised directly in equity	**(8.0)**	(2.2)
Acquisition of subsidiary's tax payable	**1.8**	-
Foreign exchange	**(0.9)**	0.3
Transfer from deferred tax liability	**11.2**	-
Other	**0.5**	(0.5)
Net current tax liability	**17.9**	113.8

1. FY2017 includes Australian capital gains tax of $84.5m from the disposal of IDP and payment of withholding tax of $11.2m relating to a dividend from China.

(b) Amounts recognised directly in equity

Tax relating to certain taxable or tax-deductible items are recognised in other comprehensive income or directly in equity rather than through the income statement.

	Notes	2017 $m	2016 $m
Relating to items of other comprehensive income:			
Deferred tax credited/(debited) directly to foreign currency translation reserve		**0.9**	(2.7)
Deferred tax (debited)/credited directly to hedge reserve		**(0.9)**	3.7
Deferred tax credited to retained profits on sale of financial asset		**1.3**	-
		1.3	1.0
Relating to items recognised directly in equity:			
Deferred tax credited/(debited) directly to share-based payment reserve		**(2.3)**	0.4
Current tax credited directly to retained profits on issuance of new shares		**8.0**	2.2
Total tax recognised directly in equity		**5.7**	3.6

(c) Deferred taxes

(i) Deferred tax assets

For the year ended 30 June 2017	Opening balance $m	Charged to income $m	Charged to OCI/equity $m	Acquisition of subsidiary $m	Exchange differences $m	Closing balance $m
Share based payments	9.3	(4.4)	(2.3)	-	(0.3)	2.3
Other provisions	8.6	5.2	-	0.5	(0.3)	14.0
Employee benefits	9.3	0.6	-	0.9	(0.3)	10.5
Unearned income	5.2	0.4	-	0.4	(0.2)	5.8
Unrealised foreign exchange	(2.7)	-	0.9	-	-	(1.8)
Research and development offset	(13.6)	(4.5)	-	-	-	(18.1)
Tax losses recognised	1.1	11.7	1.3	-	-	14.1
Other	7.6	(1.7)	(0.9)	0.7	(0.1)	5.6
	24.8	7.3	(1.0)	2.5	(1.2)	32.4

Deferred tax assets to be recovered within 12 months	25.7
Deferred tax assets to be recovered after more than 12 months	6.7
Closing balance at 30 June 2017	**32.4**

For the year ended 30 June 2016	Opening balance $m	Charged to income $m	Charged to OCI/equity $m	Acquisition of subsidiary $m	Exchange differences $m	Closing balance $m
Share based payments	11.2	(2.3)	0.4	-	-	9.3
Other provisions	7.2	1.6	-	-	(0.2)	8.6
Employee benefits	6.0	3.5	-	-	(0.2)	9.3
Unearned income	4.8	0.5	-	-	(0.1)	5.2
Unrealised foreign exchange	-	-	(2.7)	-	-	(2.7)
Research and development offset	(10.4)	(3.2)	-	-	-	(13.6)
Tax losses recognised	0.3	0.8	-	-	-	1.1
Other	5.1	(1.0)	3.7	-	(0.2)	7.6
	24.2	(0.1)	1.4	-	(0.7)	24.8

Deferred tax assets to be recovered within 12 months	12.7
Deferred tax assets to be recovered after more than 12 months	12.1
Closing balance at 30 June 2016	24.8

Certain liability balances are shown as part of deferred tax assets, as they originate in the same jurisdiction as, and can be offset against, other deferred tax assets.

(ii) Deferred tax liabilities

For the year ended 30 June 2017	Opening balance $m	Charged to income $m	Acquisition of subsidiary $m	Transfer to current tax liabilities $m	Exchange differences $m	Closing balance $m
Intangible assets	95.1	(3.0)	12.8	-	(5.1)	99.8
Witholding tax on undistributed profits	5.0	20.3	-	(11.2)	(0.3)	13.8
Other	0.4	1.4	-	-	(0.1)	1.7
	100.5	18.7	12.8	(11.2)	(5.5)	115.3

Deferred tax liabilities expected to be settled within 12 months	5.0
Deferred tax liabilities expected to be settled after more than 12 months	110.3
Closing balance at 30 June 2017	**115.3**

For the year ended 30 June 2016	Opening balance $m	Charged to income $m	Acquisition of subsidiary $m	Transfer to current tax liabilities $m	Exchange differences $m	Closing balance $m
Intangible assets	101.3	(3.9)	-	-	(2.3)	95.1
Witholding tax on undistributed profits	3.5	1.6	-	-	(0.1)	5.0
Other	0.4	-	-	-	-	0.4
	105.2	(2.3)	-	-	(2.4)	100.5

Deferred tax liabilities expected to be settled within 12 months	6.7
Deferred tax liabilities expected to be settled after more than 12 months	93.8
Closing balance at 30 June 2016	100.5

7. Net debt

Accounting policy

Borrowings are initially recognised net of transaction costs incurred. Fees paid on the establishment of loan facilities are recognised as transaction costs where it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. Where there is no evidence that this is probable, the fee is amortised on a straight-line basis over the entire life of the facility.

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

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and 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.

	2017				2016			
	Facility limit	Borrowings $m	Cash $m	Net cash/ (debt) $m	Facility limit	Borrowings $m	Cash $m	Net debt/ (cash) $m
SEEK Ltd A$ bank debt	A$550.0m	(263.0)			A$518.0m	(218.0)		
SEEK Ltd US$ bank debt	US$275.0m	(355.5)			US$273.0m	(366.4)		
SEEK Ltd A$ EMTN	A$175.0m	(175.0)				-		
SEEK ANZ		(793.5)	62.1	(731.4)		(584.4)	40.2	(544.2)
Brasil Online		-	49.6	49.6		-	31.3	31.3
OCC		-	6.3	6.3		-	21.2	21.2
Int'l Other		-	0.6	0.6		-	1.0	1.0
SEEK Ltd & Guarantors[1]		(793.5)	118.6	(674.9)		(584.4)	93.7	(490.7)
SEEK Asia	HK$396.0m	(52.7)			HK$480.7m	(80.6)		
SEEK Asia	SG$109.0m	(95.1)			SG$130.8m	(127.1)		
SEEK Asia total		(147.8)	57.5	(90.3)		(207.7)	81.0	(126.7)
Zhaopin[2]	US$30.0m	(33.9)	549.0	515.1	US$30.0m	(34.8)	462.7	427.9
OES[3]		-	43.9	43.9		-	-	-
Other		-	1.6	1.6		-	-	-
Total	A$1,291.4m	(975.2)	770.6	(204.6)	A$1,138.0m	(826.9)	637.4	(189.5)
Add/(less):								
Unamortised borrowing costs		7.2				4.2		
Funds on deposit[2]			(43.1)				(43.6)	
Short-term investments[2][3]			(75.5)				(88.9)	
Per balance sheet		(968.0)	652.0			(822.7)	504.9	
Consolidated net interest cover: EBITDA[4] / net interest				30.4				17.2
Consolidated net leverage ratio: net debt / EBITDA[4]				0.6				0.5

1. EBITDA (including cash dividends received) for SEEK Limited & Guarantors is $240.0m and does not include SEEK's share of the special dividend from Zhaopin transaction.
2. Cash in Zhaopin of $549.0m (2016 $462.7m) includes cash on deposit of $43.1m (2016: $43.6m) held as security by Zhaopin lenders and $67.5m (2016: $88.9m) cash invested in short-term deposits, which are recognised in 'other financial assets' in note 11 and in 'trade and other receivables' note 10.
3. Cash in OES of $43.9m (2016: nil) includes $8.0m (2016: nil) cash invested in short-term deposits, which are recognised in 'other financial assets' in note 11.
4. Consolidated EBITDA is defined and reconciled to consolidated profit before income tax expense in note 1.

(a) Cash and cash equivalents

Cash and short-term deposits held in certain Asian countries (including China) are subject to local exchange control regulations. These regulations provide for restrictions on exporting capital from those countries, other than through normal dividends. Cash and bank balances at 30 June 2017 include RMB35.7m (A$6.9m) held by some subsidiaries in the People's Republic of China, which is not freely convertible into other currencies for transfer around the Group (2016: A$8.0m).

At 30 June 2017, cash and cash equivalents include $102.5m (2016: $30.6m) of short-term deposits and debentures held by ANZ Employment, Brasil Online and OES. These highly liquid deposits and investments are readily convertible into known cash amounts and are subject to insignificant risk of changes of value.

7. Net Debt continued

(b) Borrowings

	Currrent		Non-current	
	2017 $m	2016 $m	**2017 $m**	2016 $m
Syndicated facility - SEEK Limited (i)	**-**	-	**618.5**	584.4
Entrusted loan facilities (ii)	**-**	34.8	**33.9**	-
Loan facility - SEEK Asia (iii)	**37.8**	36.3	**110.0**	171.4
Euro Medium Term Note Programme (iv)	**-**	-	**175.0**	-
Less: transaction costs capitalised	**-**	-	**(7.2)**	(4.2)
Total borrowings	**37.8**	71.1	**930.2**	751.6

The Group had access to $316.2m in undrawn facilities at 30 June 2017 (2016: $311.1m).

(i) Syndicated facility (unsecured) - SEEK Limited

On 14 June 2017, SEEK Limited extended its syndicated debt facility by 2 years. Key features of the updated revolving, unsecured, syndicated senior debt facility are as follows:

Facility	Expiry date	Total facility	Drawn down 30 June 2017
Tranche A	July 2019	A$190m	A$190m
Tranche B	July 2020	A$360m	A$73m
		A$550m	A$263m
Tranche C	July 2021	US$275m	US$273m

As at 30 June 2017, A$618.5m principal had been drawn down against the new facility, comprising A$263m and US$273m (2016: A$584.4m, comprising A$218.0m and US$273.0m).

Transaction costs of A$2.1m which were incurred to extend the facility have been capitalised in the consolidated balance sheet, of which A$2.1m has not yet been amortised through the consolidated income statement.

(ii) Entrusted loan facilities - Zhaopin Limited

Zhaopin utilises entrusted loan facilities. At 30 June 2017, A$33.9m (US$26.0m) was drawn down on these facilities (2016: A$34.8m, comprising US$26.0m). The facilities are supported by funds on deposit of RMB223.9m (A$43.1m) within the Zhaopin Group and are non-recourse to the SEEK Limited wholly-owned group.

(iii) Loan Facility – SEEK Asia

The SEEK Asia facility comprises several tranches of SGD and HKD funding, with a combination of amortising and revolving facilities, with a final maturity date of 22 June 2020. As at 30 June 2017, A$147.8m principal was drawn down against the debt facility, comprising SG$100.7m and HK$315.9m.

(iv) Euro Medium Term Note Programme (EMTN)

A Guaranteed Euro Medium Term Note Programme was established in March 2017 with a programme limit of EUR 1 billion. Under the programme the Group may from time to time issue notes denominated in any currency, with funds raised under the programme to be used for general corporate purposes. In April 2017, the Group issued A$175.0m of 5 year A$ Floating Rate Notes. The notes are unsecured and rank equally with SEEK's existing senior unsecured debt.

Borrowings drawn down at the date of this report

- Syndicated facility - SEEK Limited: A$610.7m comprising A$263.0m and US$273.0m
- Entrusted loan facilities - Zhaopin Limited: A$33.1m, comprising US$26.0m
- Loan facility - SEEK Asia: A$145.4m, comprising SG$100.7m and HK$315.9m
- EMTN - SEEK Limited: A$175.0m

8. Reconciliation of profit for the year to net cash inflow from operating activities

The below table shows the reconciliation of profit after tax to operating cash flow. Operating cash flow is, broadly speaking, the net cash amount of receipts from our customers and payments to our suppliers. The difference between profit and operating cash flow is generally due to:

- items included in profit which have no cash impact (e.g. depreciation and share of results from equity accounted investments);
- items included in profit which are not related to operations (e.g. gain on step acquisitions);
- payments/receipts being made in the current financial year in relation to previous or future financial years (e.g. opening balances on debtor/creditor accounts); and
- foreign exchange movements which cause operating assets and liabilities balances to fluctuate.

	2017 $m	2016 $m
Profit for the year	**362.0**	399.4
Non-cash items		
Depreciation and amortisation	**53.4**	53.4
Amortisation of share-based payments	**11.1**	13.7
Aggregated tax amounts arising in the reporting period recognised directly in equity	**(7.0)**	(3.6)
Share of results of equity accounted investments	**(4.3)**	(12.2)
Impairment loss	**16.1**	-
Other	**4.3**	9.3
Items relating to step acquisitions		
Fair value gain on step acquisition	**(177.3)**	-
Items relating to disposal of equity accounted investment		
Gain on disposal of equity accounted investment	**-**	(279.7)
Classified as financing and investing activities		
Write-off of borrowing costs	**-**	4.9
Change in operating assets and liabilities:		
Increase in trade and other receivables	**7.2**	21.7
Decrease/(increase) in other financial assets	**0.1**	(5.6)
Decrease/(increase) in deferred tax assets	**2.9**	(0.6)
Decrease in current tax assets	**-**	9.3
Increase in trade and other payables	**47.1**	4.6
Increase in deferred income	**37.8**	22.1
(Decrease)/increase in current tax liability	**(98.6)**	96.7
Increase/(decrease) in provisions	**3.4**	(4.4)
Increase/(decrease) in deferred tax liability	**2.0**	(4.7)
Increase in other financial liabilities	**-**	4.2
Exchange loss on translation of foreign operations	**20.2**	6.4
Net cash inflow from operating activities	**280.4**	334.9

9. Financial risk management

The Group maintains a capital structure for the business which ensures sufficient liquidity and support to fund business operations, maintain shareholder and market confidence, provide strong stakeholder returns, and position the business for future growth.

The Group's ongoing capital management approach is characterised by:

- Rolling cash flow forecast analyses and detailed budgeting processes which, combined with continual development of relationships with banks and investors, is directed at providing a sound financial positioning for the Group's operations and financial management activities;
- A capital structure that provides adequate funding for the Group's potential acquisition and investment strategies in order to build future growth in shareholder value; and
- Investment criteria that consider earnings accretion and risk adjusted rate of return requirements based on the Group's weighted average cost of capital, and overall strategic goals.

The Group's financial risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as use of derivative financial instruments and investment of excess liquidity.

Exposure to risks

The Group's capital structure, global operations and the nature of the business activities result in exposure to operational risk and a number of financial risks including:

Risk	Exposure arising from	Management
Foreign exchange risk - the risk that fluctuations in foreign exchange rates may impact the Group results	Translation risk	Creating a natural hedge by matching debt with underlying local currency earnings and investments Where a natural hedge is not possible, creating synthetic debt (via cross currency swaps) to hedge some underlying earnings and balance sheet exposures
	Transaction risk	When international cash inflows and outflows are certain, use forward rate contracts or options to hedge inflows/outflows
Interest rate risk – the risk that fluctuations in interest rates may impact the Group results	Long-term borrowings at variable interest rates	Where appropriate, adopt interest rate swaps or options to fix some interest rates
Liquidity risk – the risk that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities	Borrowings and other liabilities	Availability of committed borrowing facilities
Credit risk – the risk that default by a counterparty (debtor or creditor) could impact the Group's financial position and results	Cash and cash equivalents, and derivative financial instruments	Use of financial institutions with an investment grade rating
	Trade receivables	Credit limits and credit checks

Use of financial instruments

The Group holds the following financial instruments for operational, financing and risk management reasons:

- Interest bearing instruments:
  - Cash and cash equivalents (which, in addition to funds on deposit for entrusted loan facilities included in the other financial assets below, attract interest at variable interest rates);
  - Borrowings (which are issued at variable interest rates); and
  - Interest rate and cross currency swaps and options (at fixed and variable interest rates).
- Non-interest bearing instruments:
  - Trade and other receivables, excluding prepayments;
  - Other financial assets and liabilities such as forward foreign exchange contracts and options; and
  - Trade and other payables.

The carrying value of these assets and liabilities, as disclosed in the balance sheet or associated notes, closely approximates or equals their fair value.

Accounting policy

Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured to their fair value at each reporting period.

(i) Derivatives that qualify for hedge accounting

Hedge effectiveness is determined at the establishment of the hedge relationship. This relates to the extent that the hedging instrument (derivative) offsets the changes in value of the hedged item (asset, liability or future transaction that is being hedged). It is measured through periodic forward-looking effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument matches the terms of the hedged item, after a qualitative assessment is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

The Group designates certain derivatives as either:

	Cash flow hedge	Net investment hedge
Risk that is being hedged	The risk of uncertain cash flows attributable to a particular risk associated with an asset, liability or future transaction.	The risk of changes in foreign currency when net assets of a foreign operation are translated from their functional currency to Australian dollars.
Treatment of gains or losses on movement in fair value	The effective portion of changes in the fair value is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within "operations and administration expenses".	The effective portion of changes in the fair value is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within "operations and administration expenses".
Treatment if the hedge relationship finishes	The hedge relationship will end when the hedging instrument expires or is sold or terminated, or when it no longer meets the criteria for hedge accounting, or when the hedged risk occurs. Gains and losses accumulated in equity remain in equity until the hedged item affects profit or loss. At this time, the accumulated gain or loss is reclassified to profit or loss within: • "finance costs" for interest rate derivatives hedging variable rate borrowings; • "operations and administration expenses" for other derivative instruments, where the underlying exposure is not relating to funding the Company. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.	The hedge relationship will end when the hedging instrument expires or is sold or terminated, or when it no longer meets the criteria for hedge accounting. Gains and losses accumulated in equity remain in equity until the foreign operation ceases to be consolidated. At this time, the accumulated gain or loss is recognised in profit or loss as part of the gain or loss on disposal.

(ii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting or are not designated for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify or is not designated for hedge accounting are recognised immediately in profit or loss and are included in "operations and administration expenses" or "finance costs".

Derivatives are only used for economic hedging purposes and not as speculative instruments. The Group has the following derivative financial instruments:

	Current assets		Current liabilities	
Derivative assets and liabilities	2017 $m	2016 $m	2017 $m	2016 $m
Forward foreign exchange options - cash flow hedge	-	-	(1.0)	(1.6)
Forward foreign exchange contracts - cash flow hedge	-	-	-	(0.2)
Cross currency swap contracts - net investment hedge	-	-	-	(9.0)
Foreign exchange related instruments that do not qualify for hedge accounting	0.1	0.9	(0.9)	(1.8)
Interest rate swap contracts - cash flow hedge	2.5	-	(0.3)	(0.9)
Interest rate swap contracts - that do not qualify for hedge accounting	0.1	-	-	(2.3)
Interest rate options - cash flow hedge	-	0.2	(1.6)	-
Total current derivative financial assets/(liabilities)	2.7	1.1	(3.8)	(15.8)

9. Financial risk management continued

(a) Foreign exchange risk

The Group increasingly operates internationally and is therefore exposed to foreign exchange risk arising from various currencies, predominantly the US dollar (USD), Chinese Yuan (RMB), Hong Kong dollar (HKD), Malaysian Ringgit (MYR), Singapore dollar (SGD), Brazilian Real (BRL) and Mexican Peso (MXN).

As a result of this international presence, the Group is exposed to both:

- **Translation risk** – the risk of unfavourable foreign exchange movements in the translation of the profits, assets and liabilities of overseas subsidiaries operating in functional currencies other than Australian dollars.
- **Transaction risk** – the risk that unfavourable foreign exchange movements may have an adverse impact on future cash flows which are committed to in foreign currencies.

Risk management policy

The Group's foreign exchange risk management policy is to hedge up to 100% of anticipated significant cash flows in foreign currencies (for example for one-off significant transactions) for up to a six month period using external forward currency contracts. The derivative instruments used for hedging these types of exposures are forward exchange contracts and purchased net forward exchange option contracts. The forward foreign exchange contracts taken up by the Group are regularly reassessed.

If funding of equity in foreign subsidiaries is material, Group Treasury will attempt to match the asset with borrowings in the currency of that subsidiary to form a natural hedge to protect the balance sheet. Where a natural hedge is not possible, synthetic debt may be created using a cross currency swap.

Whilst, as noted above, the Group's reported profits are subject to FX translation risk, the current policy is not to specifically hedge reported profits on the basis that:

- there can be significant cost associated with hedging some currencies, particularly in 'emerging markets' where SEEK has significant exposures;
- profits do not always align with cash flow, and to the extent that there is a mismatch between profits and cashflow, hedging can create mismatches; and
- the level of balance sheet (translation) and cash flow (transaction) hedging undertaken already provides a degree of protection against P&L translation risk.

Material arrangements in place at reporting date

The Group has foreign exchange options in cash flow hedging relationships against the USD denominated portion of the Group's syndicated facility, intended to limit the AUD cost of making the repayments.

The Group also holds foreign exchange option structures to protect against devaluation of RMB (which are designated as net investment hedges in relation to the Group's investment in Zhaopin Ltd).

The Group has also entered into cross currency swap contracts to create synthetic SGD funding and protect its balance sheet from fluctuations between the AUD and SGD (2016: USD).

- At 30 June 2017, there is a net liability on this derivative of $0.9m (2016: $9.0m in relation to AUD/USD cross currency swap).

Material exposures and sensitivities

As noted above, the Group has significant offshore operations. In addition to the revenue and earnings for these operations as set out in the segment information (note 1) and other related disclosures, there are also significant assets which are subject to foreign exchange fluctuations, as set out in note 12 (intangible assets) and note 21(c) (interests in controlled entities). The method for translating the Group's offshore results, assets and liabilities is described at note 31(b) (foreign currency translation).

A sensitivity analysis has been performed over possible movements in relevant foreign currencies against the underlying functional currencies in the short term subsequent to 30 June 2017. Utilising a range of +5% to -5%, the analysis showed that the impact to the profit and loss would be less than $0.5m for each of the common currency pairings.

At 30 June 2017, the Group's only material exposure to foreign currency exchange risk is in regards to the USD denominated borrowings. This is the greatest exposure that the Group has in relation to a foreign currency denominated asset or liability as it is repayable in USD but held by an Australian entity which operates in Australian dollars.

At 30 June 2017, the amount of USD borrowings drawn down was principal of the USD borrowings were US$273.0m (2016: US$273.0m). This loan has been designated as a net investment hedge for accounting purposes and therefore movements are taken directly to equity, rather than impacting profit or loss.

(b) Interest rate risk

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

Risk management policy

To protect part of its borrowings from exposure to fluctuations in interest rates, the Group's Treasury policy prescribes the use of interest rate swaps and options.

Material arrangements in place at reporting date

The Group has entered into interest rate swaps and options under which it receives interest at variable rates and pays interest at fixed rates. As shown in the table below, swaps and options in place at 30 June 2017 cover approximately 56% (2016: 75%) of the variable loan principal outstanding on the Group's loan facility.

	2017		2016	
	Weighted average interest rate %	$m	Weighted average interest rate %	$m
AUD denominated borrowings				
Bank loans - principal	**3.0%**	**263.0**	3.7%	218.0
Euro Medium Term Note	**4.0%**	**175.0**	n/a	-
Less amounts covered by interest rate swaps	**1.9%**	**(200.0)**	2.8%	(270.0)
		238.0		(52.0)
USD denominated borrowings				
Bank loan - principal	**2.2%**	**355.5**	2.0%	366.4
Entrusted loan facilities	**1.7%**	**33.8**	1.4%	34.8
Less amounts covered by interest rate swaps or options	**1.4%**	**(227.9)**	1.2%	(261.7)
		161.4		139.5
HKD denominated borrowings				
Loan facility	**2.5%**	**52.7**	3.5%	80.6
Less amount covered by interest rate swaps	**0.9%**	**(33.4)**	1.0%	(16.2)
		19.3		64.4
SGD denominated borrowings				
Loan facility	**2.6%**	**95.2**	4.2%	127.1
Less amount covered by interest rate swaps	**1.4%**	**(85.1)**	1.1%	(69.7)
		10.1		57.4
Total Group borrowings				
Total borrowings	**2.8%**	**975.2**	2.9%	826.9
Less amounts covered by interest rate swaps	**1.5%**	**(546.4)**	1.9%	(617.6)
		428.8		209.3

As at 30 June 2017, the Group has a net asset on its interest rate swaps and options of $0.7m (2016: net liability $3.0m), meaning that at 30 June 2017 interest rate swaps have fixed the Group interest payments lower than market rates.

Material exposures and sensitivities

The weighted average interest rate for the year ended 30 June 2017 was 2.8% (2016: 2.9%). If the weighted average interest rate had been 10% higher or 10% lower, interest expense would increase/decrease by $2.9m.

While the Group's bank accounts are predominantly interest bearing accounts, funds that are in excess of short-term liquidity requirements are generally invested in short-term deposits. Where excess funds are significantly in excess of short-term requirements, they are then applied to reduce the syndicated loan facility balance. Given this, at 30 June 2017, there is not a material interest rate risk relating to the Group's cash balances.

9. Financial risk management continued

(c) Liquidity risk

Prudent liquidity risk management requires maintaining sufficient cash and ensuring that all term deposits can be converted to funds at call.

Risk management policy

Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping accessible the cash reserves of the business. The Group maintains borrowing facilities to enable the Group to borrow funds when necessary. For details of these facilities, refer to note 7.

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

Material arrangements in place at reporting date

At 30 June 2017, the Group had access to borrowing facilities totalling $37.8m expiring within one year and $1,253.6m expiring beyond one year (2016: $76.5m expiring within one year and $1,061.5m expiring beyond one year). The table below outlines the level of drawn and undrawn debt at the balance sheet date.

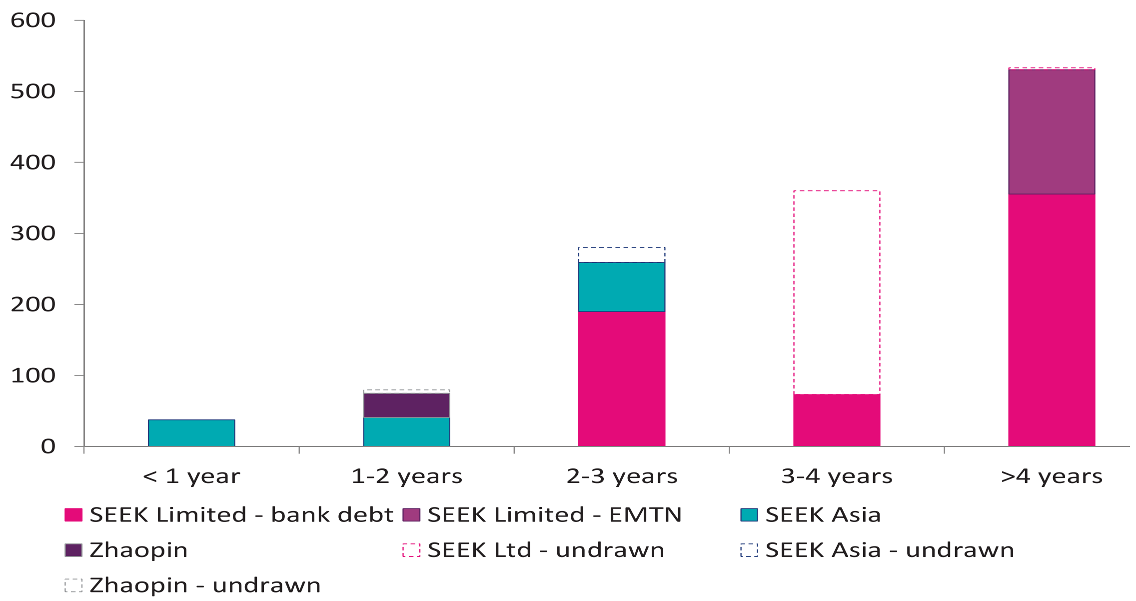
	Drawn		Undrawn		Total	
	2017 $m	2016 $m	**2017 $m**	2016 $m	**2017 $m**	2016 $m
Floating rate						
Expiring within one year	**37.8**	71.1	**-**	5.4	**37.8**	76.5
Expiring beyond one year	**937.4**	755.8	**316.2**	305.7	**1,253.6**	1,061.5
	975.2	826.9	**316.2**	311.1	**1,291.4**	1,138.0

Subject to continuing to meet certain financial covenants, certain revolving bank loan facilities may be drawn down at any time. The Group is not subject to externally imposed capital requirements, other than the contractual banking covenants and obligations. The Group has complied with all bank lending requirements during the year and at the date of this report.

Material exposures

As part of managing liquidity risk, the Group monitors the contractual maturities of financial liabilities. At 30 June 2017

- all trade payables are due within six months of balance date (2016: all were due within six months);
- the majority of the contracted cash flows for the Group's derivatives mature between 2 and 5 years, with a net outflow of $4.7m on a cross currency swap contract used as a net investment hedge (2016: majority of outflows in less than six months); and
- the largest contractual outflows relate to borrowings totalling $1,088.3m (2016: $844.7m), being the principal plus interest payable of which $912.6m is repayable between 2 and 5 years. The below graph outlines the contractual undiscounted maturities of the Group's borrowings portfolio:



(d) Credit risk

The Group's exposure to credit risk arises from the potential default of the Group's trade and other receivables as well as the institutions in which the Group's cash and cash equivalents are deposited, and with whom derivative instruments are traded, with a maximum exposure equal to the carrying amounts of these assets.

Risk management policy

Credit risk in relation to trade and other receivables 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); and
- Concentrations of credit risk are minimised by undertaking transactions with a large number of customers.

Credit risk arising from the deposit of Group cash and cash equivalents is managed under the Group's treasury policy which only authorises dealings with financial institutions that have an investment grade rating.

Material exposures

Cash and cash equivalents at 30 June 2017 were $652.0m (2016: $504.9m). All amounts are invested with financial institutions that have an investment grade rating. Given this, at 30 June 2017, there is not a material credit risk relating to the Group's cash balances.

Trade receivables at 30 June 2017 were $72.1m (2016: $57.7m). 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. The exposure to credit risk is relatively low due to the credit terms provided and the large and diverse customer base.

Further details of the Group's trade receivables are included in note 10, and cash and cash equivalents are detailed in note 7.

(e) Fair value measurement

Financial assets and liabilities that are carried at fair value are measured by the following fair value measurement hierarchy:

a. Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

b. Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and

c. Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

All of the Group's financial assets and liabilities are measured at amortised cost except for the following:

Financial asset / liability	Fair value approach	Level	2017 $m	2016 $m
Quoted equity instruments	Measured at fair value through OCI	Level 1	-	16.0
Unquoted equity instruments	Measured at fair value	Level 3	**11.5**	-
Derivative financial assets	Measured at fair value	Level 2	**2.7**	1.1
Derivative financial liabilties	Measured at fair value	Level 2	**(3.8)**	(15.8)
Derivative financial liabilities	Measured at fair value	Level 3	**(18.5)**	-

Level 1

This balance represented shares held in JCBNext which is listed on the Main Board of Bursa Malaysia exchange. These were disposed of on 25 November 2016 (note 11).

Level 2

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

Level 3

The derivative financial liabilities balance relates to a put option over shares held by a non-controlling interest in JobAdder (note 15). The unquoted equity instruments relate to an investment in 51 SheBao (Zhonghe Group) (note 11).

10. Trade and other receivables

Accounting policy

Trade receivables are recognised initially at the amount stated on the invoice and subsequently at the amount considered receivable from the customer (amortised cost using the effective interest method), less a provision for amounts considered unrecoverable. These receivables are interest-free and are generally due for settlement within 30 days.

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

	Notes	Current 2017 $m	Current 2016 $m	Non-current 2017 $m	Non-current 2016 $m
Trade receivables		**72.1**	57.7	**-**	-
Less: provisions for impairment of receivables		**(3.1)**	(2.8)	**-**	-
Net trade receivables		**69.0**	54.9	**-**	-
Other receivables		**13.8**	16.3	**-**	-
Funds on deposit for entrusted loan facilities (i)	7	**-**	-	**16.7**	-
Prepayments		**28.9**	27.3	**-**	-
Total trade and other receivables		**111.7**	98.5	**16.7**	-

(i) Funds on deposit for entrusted loan facilities

Zhaopin entrusted loan facilities (note 7) are supported by total funds on deposit of RMB 223.9m (A$43.1m) (2016: RMB 215.8m (A$43.6m)). These funds were previously classified as other financial assets (note 11), however a change in local regulations during FY2017 has resulted in a change in classification in relation to a portion of the funds held at 30 June 2017. RMB 86.9m (A$16.7m) of the total is classified within non-current receivables and RMB 137.0m (A$26.4m) is classified within other financial assets (note 11).

Other current receivables mainly comprises accrued revenue, refundable deposits and accrued interest.

During the year, a total expense of $1.6m (2016: $1.2m) was recognised in the consolidated income statement in relation to the provision for doubtful debts and credit notes.

The following table shows the ageing of the Group's net trade receivables at 30 June:

	2017 $m	2016 $m
Current - 30 days	**57.2**	46.7
30 - 60 days	**6.6**	4.9
60 - 90 days	**3.2**	2.6
90 - 120 days	**1.0**	0.4
120+ days	**1.0**	0.3
Closing balance	**69.0**	54.9

11. Other financial assets

	Notes	Current		Non-current	
		2017 $m	2016 $m	**2017 $m**	2016 $m
Hedge assets (i)	9	**2.7**	1.1	**-**	-
Short-term investments (ii)	7	**75.5**	88.9	**-**	-
Funds on deposit for entrusted loan facilities	10(i)	**-**	43.6	**26.4**	-
Non-current prepayments		**-**	-	**0.9**	0.9
Investment in equity instruments (iii)		**-**	-	**17.9**	18.3
Total other financial assets		**78.2**	133.6	**45.2**	19.2

(i) Hedge assets

The Group has taken out forward contracts, options and swaps to protect against exchange rate and interest rate risk. Refer to note 9 for details of the Group's financial risk management policy and the Group's hedge assets.

(ii) Short-term investments

Short-term investments comprise cash in fixed interest term deposits in China, with maturities ranging from 14 days to 41 days as well as cash on deposit in Australia with a maturity of 120 days.

(iii) Investment in equity instruments

This balance comprises an investment in 51 SheBao (Zhonghe Group) and other small investments. As at 30 June 2016 this balance included an investment in JCBNext. SEEK disposed of this investment during FY2017.

The following table shows the movement in investments in equity instruments during the year:

	2017 $m	2016 $m
Opening fair value as at 1 July	**18.3**	19.0
Change in fair value of JCB	**(5.8)**	(3.0)
Disposal of JCB	**(10.2)**	-
Investment in 51 SheBao	**11.5**	-
Other investments	**4.1**	2.3
Closing fair value as at 30 June	**17.9**	18.3

12. Intangible assets

Critical accounting estimates and assumptions

Management has determined that some of the intangible assets (brands and licences) recognised as part of business combinations have indefinite useful lives. This means that the value of these assets does not reduce over time and therefore they are not amortised. These assets have no legal or contractual expiry date and are integral to future revenue generation. Management intends to continue to promote, maintain and defend the brands and licences to the extent necessary to maintain their values for the foreseeable future.

Management assesses the useful lives of the Group's intangible assets at the end of each reporting period. If an intangible asset is no longer considered to have an indefinite useful life, this change is accounted for prospectively.

Accounting policy

Intangible assets are non-physical assets held by the Group in order to generate revenue and profit. These assets include goodwill, brands and licences, software and website development and work in progress. They are recognised either at the cost the Group has paid for them or at their fair value if they are acquired as part of a business combination. They are amortised over their expected useful life unless they are considered to have an indefinite useful life.

Type of intangible asset	Valuation method	Amortisation method	Estimated useful life
Goodwill	Measured as described in note 20	Not amortised, reviewed for impairment at least annually	n/a
Brands and licences	Initially at cost, or fair value if acquired as part of a business combination	Finite life brands, straight-line. Indefinite life brands not amortised, reviewed for impairment at least annually	Specific to circumstances
Customer relationships	Initially at fair value at date of business combination	Straight-line	1 to 5 years
Software and website development	Initially at cost, or fair value if acquired as part of a business combination, and subsequently at cost less accumulated amortisation	Straight-line	3 to 5 years
Work in progress	Cost	Not amortised as not ready for use	n/a

(i) Goodwill

Goodwill arises on business combinations as described in note 20. It relates to the portion of amounts paid to acquire other entities which cannot be identified as separate assets but instead represents expected future economic benefits. Goodwill on acquisition of subsidiaries is included in intangible assets whilst goodwill on acquisitions of associates and joint ventures is included in the carrying amount of the investment. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) 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.

(iii) Work in progress

Work in progress (WIP) represents intangible assets of other classes not yet put into use. These assets are transferred to another class of assets on the date of completion.

	Notes	Goodwill $m	Brands and licences $m	Customer relationships $m	Software and website development $m	Work in progress $m	Total $m
2016							
Cost							
Opening balance at 1 July 2015		1,945.2	372.7	66.5	121.9	5.0	2,511.3
Additions		-	-	-	1.9	39.4	41.3
Exchange differences		(27.9)	(7.8)	(0.6)	(0.8)	0.1	(37.0)
Acquisition of subsidiaries		13.9	1.5	-	-	-	15.4
Transfers		-	-	-	40.9	(40.9)	-
Closing balance at 30 June 2016		1,931.2	366.4	65.9	163.9	3.6	2,531.0
Amortisation							
Opening balance at 1 July 2015		-	-	(49.8)	(53.8)	-	(103.6)
Amortisation charge		-	(1.0)	(10.2)	(28.5)	-	(39.7)
Exchange differences		-	-	0.2	0.4	-	0.6
Closing balance at 30 June 2016		-	(1.0)	(59.8)	(81.9)	-	(142.7)
Carrying value at 30 June 2016		1,931.2	365.4	6.1	82.0	3.6	2,388.3
2017							
Cost							
Opening balance at 1 July 2016		**1,931.2**	**366.4**	**65.9**	**163.9**	**3.6**	**2,531.0**
Additions		**-**	**0.9**	**-**	**6.0**	**54.7**	**61.6**
Exchange differences		**(106.0)**	**(19.3)**	**(3.3)**	**(2.8)**	**(0.5)**	**(131.9)**
Impairment loss	13(d)	**(3.7)**	**-**	**-**	**(6.4)**	**(0.9)**	**(11.0)**
Acquisition of subsidiaries		**350.4**	**5.0**	**31.0**	**9.7**	**-**	**396.1**
Transfers		**-**	**-**	**-**	**43.6**	**(43.6)**	**-**
Closing balance at 30 June 2017		**2,171.9**	**353.0**	**93.6**	**214.0**	**13.3**	**2,845.8**
Amortisation							
Opening balance at 1 July 2016		**-**	**(1.0)**	**(59.8)**	**(81.9)**	**-**	**(142.7)**
Amortisation charge		**-**	**-**	**(4.4)**	**(34.8)**	**-**	**(39.2)**
Impairment loss	13(d)	**-**	**-**	**-**	**3.7**	**-**	**3.7**
Exchange differences		**-**	**-**	**1.4**	**3.2**	**-**	**4.6**
Closing balance at 30 June 2017		**-**	**(1.0)**	**(62.8)**	**(109.8)**	**-**	**(173.6)**
Carrying value at 30 June 2017		**2,171.9**	**352.0**	**30.8**	**104.2**	**13.3**	**2,672.2**

13. Impairment

Critical accounting estimates and assumptions

Goodwill and intangible assets with indefinite useful lives are allocated to a cash-generating-unit (CGU) or group of CGUs and tested annually to determine whether they have suffered any impairment.

The recoverable amounts of the CGU or group of CGUs to which the assets have been allocated have been determined based on value-in-use or fair value less costs of disposal calculations. These calculations are performed based on cash flow projections and other supplementary information which, given their forward looking nature, require the adoption of assumptions and estimates.

The key assumptions and estimates utilised in management's assessments relate primarily to:

- Five or ten year cash flow forecasts sourced from internal budgets and long-term management forecasts;
- Terminal value growth rates applied to the period beyond the five or ten year cash flow forecasts; and
- Pre-tax discount rates, used to discount the cash flows to present value.

Each of these assumptions and estimates is based on a "best estimate" at the time of performing the valuation. However, increases in discount rates or changes in other key assumptions, such as operating conditions or financial performance, may cause the recoverable amount of CGUs or groups of CGUs to fall below their carrying amounts, resulting in an impairment loss being recognised.

13. Impairment continued

(a) Cash-generating units

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

Goodwill and other intangible assets are allocated to CGUs for the purpose of testing. This allocation is made based on which CGUs are expected to benefit from the relevant business combination.

	2017		2016	
CGU / Group of CGUs	**Goodwill $m**	**Intangible assets with indefinite useful lives $m**	Goodwill $m	Intangible assets with indefinite useful lives $m
SEEK New Zealand	**5.8**	**-**	5.2	-
SEEK Learning	**-**	**-**	3.7	-
Jora	**1.1**	**-**	1.1	-
SEEK Asia (i)	**947.6**	**132.0**	1,011.5	140.5
Zhaopin	**487.9**	**140.5**	508.2	147.5
Brasil Online (ii)	**261.1**	**54.6**	277.1	58.0
OCC	**121.9**	**19.9**	124.4	19.4
JobAdder	**12.6**	**5.0**	-	-
OES	**328.2**	**-**	-	-
Sidekicker	**5.7**	**-**	-	-
	2,171.9	**352.0**	1,931.2	365.4

(i) SEEK Asia

SEEK Asia is a leading provider of online employment marketplaces operating across seven countries throughout South East Asia. The goodwill and intangible assets with indefinite useful lives relating to SEEK Asia are a significant component of the consolidated balance sheet. The goodwill for this business is attributable to the strong market position it holds and the high growth potential in these emerging markets.

Each country has been determined as a CGU. For the purpose of impairment testing, goodwill and intangible asset balances are assessed on the following basis:

- Goodwill is tested across the group of CGUs that comprise SEEK Asia as the goodwill balance contributes to the generation of cash flows across the whole business;
- The JobsDB and JobStreet brands are tested across the group of CGUs that comprise SEEK Asia as a high level of integration has been achieved in the period post acquisition of JobStreet in November 2014, with management having exercised its ability to direct cash flows from one brand to the other; and
- Other intangible assets with indefinite useful lives are tested at the applicable CGU level.

(ii) Brasil Online

Brasil Online operates the two leading online employment marketplaces in Brazil, Catho Online and Manager Online, and considers them as two CGUs. For the purpose of impairment testing, goodwill and intangible asset balances are assessed on the following basis:

- Goodwill and Catho Online and Manager Online brands are tested across the group of CGUs that comprise Brasil Online as they contribute to the generation of cash flows across the whole of the businesses.

(b) Impairment testing for goodwill and intangibles

The Group tests whether goodwill and other intangible assets have suffered any impairment as described above. Impairment is recognised where the recoverable amount of an asset or CGU has fallen below the carrying amount.

The recoverable amounts of assets and CGUs have been determined based on the higher of:

- value-in-use (expected future cash flows from operating the asset/CGU); and
- fair value less costs of disposal (expected net proceeds if the asset/CGU were sold).

These calculations require the use of key assumptions on which management has based its cash flow projections, as well as pre-tax discount rates. These key assumptions are discussed above.

The cash flow projections have been:

- derived from management forecasts based on next year's budgeted result, with the remaining years based on management forecasts; and
- compiled using a combination of past experience, current performance and market position as well as structural changes and economic factors which have been derived based on external data and internal analysis.

Key structural and market factors

Key assumptions relating to structural and market factors have been derived under a consistent approach to the prior year impairment assessment, utilising past experience, external data and internal analysis. The key structural and market factors considered in relation to the online employment businesses comprise labour market growth, rising internet penetration, continued structural migration of advertising expenditure from print to online channels and GDP growth. Management also anticipate growth from increased market penetration and continued evolution of products and services.

Key assumptions

CGU / Group of CGUs	Valuation method	Years of cash flow projection	Real terminal growth rate	Pre-tax discount rate % 2017	Pre-tax discount rate % 2016
SEEK New Zealand	Value in use	5	0%	17.4	17.4
Jora (i)	Fair value less costs of disposal	n/a	n/a	n/a	n/a
SEEK Asia (ii)	Fair value less costs of disposal	n/a	n/a	n/a	n/a
Zhaopin (iii)	Fair value less costs of disposal	n/a	n/a	n/a	n/a
Brasil Online	Fair value less costs of disposal	10	0%	22.7	24.3
OCC	Fair value less costs of disposal	10	0%	17.8	17.8
JobAdder (iv)	Fair value less costs of disposal	n/a	n/a	n/a	n/a
OES (v)	Fair value less costs of disposal	n/a	n/a	n/a	n/a
Sidekicker(vi)	Fair value less costs of disposal	n/a	n/a	n/a	n/a

(i) Jora

On 26 November 2013, the Group acquired 100% controlling interest in Job Seeker Pty Ltd (Jora), an Australian-based search engine for jobs. At 30 June 2017, the recoverable amount of its assets have been determined based on fair value less costs of disposal, with reference to the purchase price of the acquired interest. There are no indicators to suggest that the fair value of Jora has significantly changed since acquisition.

(ii) SEEK Asia

On 23 June 2016, SEEK Asia entered into a share repurchase agreement with two of its minority shareholders to acquire their ownership interests. At 30 June 2017, the recoverable amount of its assets have been determined based on fair value less cost of disposal, with reference to this transaction. There are no indicators to suggest that the fair value of SEEK Asia has significantly changed since this transaction.

(iii) Zhaopin

Since June 2014, Zhaopin has been listed on the New York Stock Exchange. The recoverable amounts of Zhaopin's assets as at 30 June 2017 have been assessed with reference to its listed share price and other supplementary internal analyses.

(iv) JobAdder

In August 2016, SEEK increased its ownership in JobAdder from 23.3% to 60.0%. JobAdder was consolidated into the SEEK Group from 1 September 2016. As at 30 June 2017, the recoverable amount of its assets have been determined based on a fair value less costs of disposal, with reference to this transaction. There are no indicators to suggest that the fair value of JobAdder has significantly changed since this transaction.

(v) OES

In March 2017, SEEK increased its ownership in OES from 50% to 80%. OES was consolidated into the SEEK Group from 1 April 2017. As at 30 June 2017, the recoverable amount of its assets have been determined based on a fair value less costs of disposal, with reference to this transaction.There are no indicators to suggest that the fair value of OES has significantly changed since this transaction.

(vi) Sidekicker

In April 2017, SEEK increased its ownership in Sidekicker from 49.9% to 63.4%. Sidekicker was consolidated into the SEEK Group from 1 May 2017. As at 30 June 2017, the recoverable amount of its assets have been determined based on a fair value less costs of disposal, with reference to this transaction. There are no indicators to suggest that the fair value of Sidekicker has significantly changed since this transaction.

13. Impairment continued

(c) Sensitivity analysis

Future net cash flows of these CGUs are based on the key assumptions noted above, each of which are subject to some uncertainty. With the exception of Brasil Online, which is discussed further below, any reasonable change in the key assumptions would not result in the carrying amounts exceeding their recoverable amounts.

(i) Brasil Online

As part of management's impairment review for the period ended 30 June 2017, the carrying value of the goodwill and other indefinite life intangible assets in Brasil Online ("BOL") was compared with a fair value less cost of disposal ("FVLCD") discounted cash flow ("DCF") model. The value indicated by the FVLCD DCF model exceeded the carrying value of the CGU by A$52m at 30 June 2017. As such, no impairment charge has been recognised.

Key assumptions to which the valuation outcome of the FVLCD DCF model is most sensitive relate to the underlying dynamics of the current Brazil economic situation which impacts the DCF valuation in 2 main ways:

1. The timing of the recovery of the Brazilian economy, which has a significant impact on BOL's revenue growth profile; and
2. The current macro-economic environment (specifically key inputs such as market risk premium, inflation/interest rates) which have an impact on the discount rate.

For the purposes of the DCF modelling exercise, management have assumed the following:

1. Revenue growth profile: Based on recent reports issued by a number of independent investment banks, the economy is expected to return to positive GDP growth in calendar year 2017. Management has adopted a more cautious assumption, with BOL's revenue returning to positive growth in financial year 2019; and
2. Discount rate: A pre-tax discount rate of 22.7%.

The valuation indicated by the FVLCD DCF model would be approximately equal to the carrying value of the CGU should a reasonable possible change in either of these key assumptions occur:

1. Revenue growth profile: Brazil's economic recovery is delayed by an additional two years, and therefore BOL does not return to positive revenue growth until FY2021;
2. Discount rate: An increase of 2.5% in the pre-tax discount rate to 25.2%.

Management note that the carrying value of the investment in Brasil Online reflects the purchase price at the time SEEK moved to control in May 2012, at which point the intangible assets were recognised on a 100% basis in the Group balance sheet. SEEK acquired the remaining 49% of BOL in June 2016 at a discount to the FVLCD DCF model noted above. This lower valuation reflects specific circumstances of the recent transaction, including a non-controlling interest adjustment, and accordingly management has not made any adjustments to the current carrying values.

In accordance with the Group's accounting policies and procedures, the Group assesses whether there is an indicator that goodwill and other intangible assets have suffered any impairment at each reporting date.

(d) Impairment losses recognised during the year

	30 June 2017 $m
SEEK Learning (i)	7.6
Equity accounted investments (ii)	8.5
Total impairment loss	16.1

(i) SEEK Learning

In October 2016, the Australian Federal Government proposed a series of legislative changes to the VET FEE HELP program, the most significant of which was the ban on approved providers from using brokers to place students into VET FEE HELP funded courses after 31 December 2016. These legislative changes, which were passed by the Senate in December 2016, significantly impact the future earnings and cash flows of the Group's existing SEEK Learning business. As a result, during the period, the Group determined that the carrying amount of the SEEK Learning CGU could no longer be supported by its recoverable amount, resulting in an impairment loss of $7.6m.

Asset class	30 June 2017 $m
Goodwill	3.7
Software	2.7
Other intangibles	0.9
Impairment loss - intangibles	7.3
Impairment loss - other assets	0.3
Total impairment loss	7.6

(ii) Equity accounted investments

An impairment loss of $6.2m less tax of $2.4m (net $3.8m) has been recognised during the year in relation to the Group's investment in Babajob.

An impairment loss of $2.3m has been recognised during the year in relation to another early stage minority investment.

14. Net tangible asset backing

	2017 cents per share	2016 cents per share
Net tangible assets per share	**(181.61)**	(163.83)
Net assets per share	**585.89**	530.18

A large proportion of the Group's assets are intangible in nature, including goodwill and identifiable intangible assets relating to businesses acquired. These assets are excluded from the calculation of net tangible assets per share, which results in the negative outcome.

15. Other financial liabilities

		Current		Non-current	
	Notes	2017 $m	2016 $m	2017 $m	2016 $m
Hedge liabilities (i)		**3.8**	15.8	**-**	-
Put option (ii)		**-**	-	**18.5**	-
Total other financial liabilities		**3.8**	15.8	**18.5**	-

(i) Hedge liabilities

The Group has taken out forward contracts, options and swaps to protect against exchange rate and interest rate risk. Refer to note 9 for details of the Group's financial risk management policy and the Group's hedge liabilities.

(ii) Put option

On 1 September 2016, the Group acquired a controlling 60% interest in JobAdder, an application tracking and client relationship management business. As part of this transaction, a put option has been recognised in relation to the remaining shares held by a non-controlling interest in JobAdder. Movements in the estimated exercise value of this put option will be recognised in the income statement.

16. Provisions

Critical accounting estimates and assumptions

Following the guidance in AASB 3: *Business Combinations*, the Group has recognised a provision for contingent liabilities acquired in various business combinations. At acquisition, the provisions were measured at the fair value of the contingent liabilities, which reflected the range of possible outcomes across the portfolio of contingent liabilities and is adjusted for risk. The carrying amount of the provision has been reassessed in each subsequent reporting period.

The settlement of these contingent liabilities is uncertain and the difference between the settlement amounts and the amounts provided for may be material.

Accounting policy

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources (usually cash or other assets) will be required to settle the obligation; and
- the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering those similar obligations together. A provision is recognised in aggregate even if the likelihood of an outflow with respect to any one item is small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

	Current		Non-current	
	2017 $m	2016 $m	2017 $m	2016 $m
Employee benefits provision [1]	**18.1**	15.3	**8.2**	8.9
Other provisions	**14.0**	14.2	**20.9**	17.8
Total provisions	**32.1**	29.5	**29.1**	26.7

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

(a) Current provisions

The movement in other current provisions during the financial year is set out below:

	Lease incentives $m	Make good provision $m	Acquired contingent liabilities (c) $m	Total $m
At 1 July 2015	0.5	-	20.2	20.7
Additional provision recognised in the year	-	0.2	-	0.2
Credited to the consolidated income statement	(0.2)	-	(4.6)	(4.8)
Utilised in the year	-	-	(1.9)	(1.9)
Transfer (to)/from non-current provisions	(0.1)	-	0.6	0.5
Exchange differences	-	-	(0.5)	(0.5)
At 30 June 2016	0.2	0.2	13.8	14.2
Additional provision recognised in the year	**-**	**0.2**	**0.1**	**0.3**
Credited to the consolidated income statement	**-**	**-**	**(1.2)**	**(1.2)**
Acquisition of subsidiaries	**-**	**-**	**2.0**	**2.0**
Transfer to non-current provisions	**(0.1)**	**-**	**(0.6)**	**(0.7)**
Exchange differences	**-**	**-**	**(0.6)**	**(0.6)**
At 30 June 2017	**0.1**	**0.4**	**13.5**	**14.0**

(b) Non-current provisions

The movement in other non-current provisions during the financial year is set out below:

	Lease incentives $m	Acquired contingent liabilities (c) $m	Tax cases provision (d) $m	Other $m	Total $m
At 1 July 2015	0.3	11.0	6.4	1.1	18.8
Additional provision recognised in the year	-	-	0.6	0.8	1.4
Credited to the consolidated income statement	(0.1)	(1.1)	-	(0.8)	(2.0)
Transfer from/(to) current provisions	0.1	(0.6)	-	-	(0.5)
Exchange differences	-	0.1	-	-	0.1
At 30 June 2016	0.3	9.4	7.0	1.1	17.8
Additional provision recognised in the year	**-**	**-**	**0.5**	**4.3**	**4.8**
Credited to the consolidated income statement	**(0.3)**	**(0.4)**	**-**	**(1.4)**	**(2.1)**
Acquisition of subsidiaries	**0.7**	**-**	**-**	**-**	**0.7**
Transfer from current provisions	**0.1**	**0.6**	**-**	**-**	**0.7**
Exchange differences	**-**	**(0.4)**	**(0.5)**	**(0.1)**	**(1.0)**
At 30 June 2017	**0.8**	**9.2**	**7.0**	**3.9**	**20.9**

(c) Acquired contingent liabilities

In accordance with the Group's accounting policy on business combinations, the Group has recognised the fair value of contingent liabilities acquired as part of a number of business combinations:

- JobStreet (FY2015), relating to tax and legal contingent liabilities (current and non-current);
- Zhaopin (FY2013), relating to tax and labour contingent liabilities (current); and
- Brasil Online (FY2012), relating to outstanding legal, and social security provisions (non-current).

(d) Tax cases provision

Brasil Online is subject to a number of tax infraction notices from the tax authority in Brazil. These tax infractions are either open, subject to legal proceedings, or under appeal after legal proceedings. Based on advice from local legal counsel, Brasil Online has estimated the most likely amounts payable including penalties and interest and has recognised this amount as a provision.

17. Share capital

(a) Ordinary share capital

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.

Details	Number of Shares	$m
1 July 2015 balance (including treasury shares)	344,098,479	222.9
Exercise of performance rights and equity rights	1,018,000	-
Issue of shares to satisfy future rights and option exercises	339,403	-
30 June 2016 balance (including treasury shares)	345,455,882	222.9
Less: Treasury shares	(1,330,751)	-
30 June 2016 balance (excluding treasury shares)	344,125,131	222.9
1 July 2016 balance (including treasury shares)	**345,455,882**	**222.9**
Issue of shares to satisfy future rights and option exercises	**4,450,000**	**-**
Exercise of options - proceeds received	**-**	**28.7**
30 June 2017 balance (including treasury shares)	**349,905,882**	**251.6**
Less: Treasury shares	**(1,733,024)**	**-**
30 June 2017 balance (excluding treasury shares)	**348,172,858**	**251.6**

(b) Treasury shares

Treasury shares are shares in the Company that are held by the Employee Share Trust for the purpose of future allocation to employees under SEEK's Performance Rights and Options Plan (PROP) and shares held by the Employee Share Trust that have been allocated to employees under the Performance Rights and Options Plan but are subject to a disposal restriction. Treasury shares do not include shares held by the Employee Share Trust on behalf of employees under the general employee share plan offered to Australian tax resident employees on a salary sacrifice basis.

Details	2017 Number of Shares	2016 Number of Shares
1 July balance	**1,330,751**	299,790
Release of restricted shares held under PROP	**(366,809)**	(326,442)
Acquisition of shares by Employee Share Trust	**4,450,000**	1,357,403
Exercise of options under PROP	**(3,680,918)**	-
30 June balance	**1,733,024**	1,330,751

18. Reserves

Nature and purpose of reserves

Share-based payments reserve

The share-based payments reserve is used to recognise the grant date fair value of shares issued to employees.

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 31(b).

Cash flow hedge reserve

The cash flow hedge reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that is recognised directly in equity, as described in note 9. Amounts are recognised in the consolidated income statement when the associated hedged transaction expires, is sold or terminated, is no longer expected to occur or no longer meets the criteria for hedge accounting.

Net investment hedge reserve

The net investment hedge reserve is used to record gains or losses on a hedging instrument in a net investment hedge that is recognised directly in equity, as described in note 9. Amounts are recognised in the consolidated income statement when the foreign operation ceases to be consolidated.

Financial asset revaluation reserve

The financial asset revaluation reserve is used to record changes in the fair value of investments in equity instruments that are not held for trading, for which the Group elected, at initial recognition, to present gains and losses in other comprehensive income.

Transfers under common control reserve

The transfers under common control reserve is used to record the net impact on the equity attributable to the shareholders of the Group in the event of a transfer of an entity under common control. Upon disposal of all interests in that entity by the Group this reserve would be transferred to retained earnings.

Transactions with non-controlling interests

This reserve is used to record differences arising as a result of transactions with a non-controlling interest that do not result in a loss of control.

(a) Hedging reserve

	2017 $m	2016 $m
Cash flow hedge reserve	0.1	(1.8)
Net investment hedge reserve (i)	(86.2)	(97.6)
Total hedging reserve	**(86.1)**	(99.4)

The Group's approach to hedging is described in note 9.

(i) Net investment hedge reserve

The movement of $11.4m (2016: $14.2m) in the net investment hedge reserve for the year was due to the depreciation of the US dollar against the Australian dollar and its impact on US dollar borrowings designated as a net investment hedge held by the Group.

18. Reserves continued

(b) Other reserves

Other reserves comprises the following reserves:

	2017 $m	2016 $m
Share-based payments reserve	**72.7**	63.4
Put option reserve (i)	**(18.3)**	-
Financial asset revaluation reserve	**-**	1.9
Transactions with non-controlling interests	**0.4**	2.1
Transfers under common control	**(1.1)**	(1.1)
Total other reserves	**53.7**	66.3

(i) Put option reserve

This relates to a put option over shares held by a non-controlling interest in JobAdder. The group has recognised a financial liability for the estimated exercise value of that option (note 15).

19. Dividends

	Payment date	Amount per share	Franked amount per share	Total dividend
Financial Year 2016				
2015 final dividend	16 October 2015	17.0 cents	17.0 cents	$58.6m
2016 interim dividend	27 April 2016	21.0 cents	21.0 cents	$72.3m
Total dividends paid for the year ended 30 June 2016				$130.9m
Financial Year 2017				
2016 final dividend	**14 October 2016**	**19.0 cents**	**19.0 cents**	**$66.1m**
2017 interim dividend	**19 April 2017**	**23.0 cents**	**23.0 cents**	**$80.0m**
Total dividends paid for the year ended 30 June 2017				**$146.1m**

Dividends paid or declared by the Company after the year-end (to be paid out of retained profits at 30 June 2017):

2017 final dividend	**13 October 2017**	**21.0 cents**	**21.0 cents**	**$73.5m**

The balance of the franking account of the Australian consolidated tax group, adjusted for franking credits that will arise from the payment of the current tax liability, is $123.2m at 30 June 2017 (2016: $163.9m) based on a tax rate of 30% (2016: 30%).

The dividend payment on 13 October 2017 will be fully franked using this balance, and will reduce the franking credits available by $31.5m for the consolidated Group.

20. Business combinations

Critical accounting estimates and assumptions

The Group has made assumptions and estimates to determine the purchase price of businesses acquired as well as its allocation to acquired assets and liabilities.

(i) Intangible assets

The Group is required to determine the acquisition date fair value of the identifiable assets acquired, including intangible assets such as brands, customer relationships and liabilities assumed. The assumptions and estimates made by the Group have an impact on the asset and liability amounts recorded in the financial statements.

In addition, the estimated useful lives of the acquired amortisable assets, the identification of intangible assets and the determination of the indefinite or finite useful lives of intangible assets acquired will have an impact on the Group's future profit or loss.

(ii) Fair value of previously held equity interests and non-controlling interests

In step acquisitions where the Group obtains control over an entity by acquiring an additional interest in that entity, the Group's previously held equity interest is remeasured to fair value at the date the controlling interest is acquired and a gain or loss is recognised in the consolidated income statement. The Group has also adopted the fair value method in measuring non-controlling interests in recent step acquisitions.

The determination of these fair values involves management's judgement and takes into consideration the purchase price of the acquired controlling interest and other comparable transactions.

Accounting policy

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired.

The consideration paid for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities assumed and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

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

Acquisition-related costs are expensed as incurred.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at fair value.

Online Education Services Ltd (OES)

On 31 March 2017 the Group, through its ultimate parent, SEEK Limited, completed a transaction with Swinburne University of Technology acquiring an additional 30% interest in OES, taking its ownership to 80% for a total consideration of A$119.6m. OES provides industry ready education qualifications online on behalf of education partners and the transaction will support OES' growth plans by giving the business greater flexibility to secure new education partners onto its online education platform.

From the date of step acquisition SEEK ceased accounting for OES as an associate under the equity accounting method (refer to note 22). SEEK commenced accounting for OES as a controlled entity from 1 April 2017 and recognised the relevant non-controlling interest in the Group financial statements.

(a) Purchase consideration

The cash consideration and total purchase consideration are detailed below:

	Notes	OES $m
Purchase consideration - cash outflow		119.6
Fair value of pre-existing interest	20(b)	199.4
Purchase consideration prior to non-controlling interest		**319.0**
Non-controlling interests at fair value arising on acquisition		79.8
Total purchase consideration	20(c)	**398.8**

(b) Fair value gain

In accordance with the accounting policy above, the Group has re-measured its previously held equity interest in OES at the acquisition date fair value immediately prior to the business combination.

SEEK has recognised a gain on the step acquisition of A$174.3m, being the difference between the acquisition-date fair value of its existing 50% ownership in OES (A$199.4m) and the carrying value of its investment in OES as an associate (A$25.1m) at 31 March 2017. This gain has been recognised in 'other income' in the consolidated income statement.

	Notes	OES $m
Fair value of pre-existing interest	20(a)	199.4
Less: carrying value of OES investment as an associate	22	(25.1)
Fair value gain on step acquisition	3	**174.3**

20. Business combinations continued

(c) Details of net assets and liabilities acquired:

Initial accounting

Given the acquisition occurred close to year end, both the net assets value and allocation of purchase price to acquired assets are still preliminary. The provisional acquisition balance sheet of OES comprises the following:

	Notes	Preliminary Fair value $m
Cash and cash equivalents		48.6
Trade and other receivables		9.9
Plant and equipment		1.3
Intangible assets		
Customer relationships	12	30.3
Computer software and website development	12	2.6
Deferred tax assets		2.4
Trade and other payables		(10.8)
Unearned income		(1.0)
Current tax liabilities		(1.5)
Non-current provisions		(1.1)
Contingent liabilities		(1.0)
Deferred tax liabilities		(9.1)
Net identifiable assets acquired		70.6
Add: goodwill	13(b)	328.2
Net assets acquired	20(a)	398.8

The goodwill is attributable to OES's strong position in its market and the high growth potential of that market. Goodwill is not expected to be deductible for tax purposes.

Acquired receivables

The fair value of trade and other receivables includes trade receivables with a fair value of $9.4m.

(d) Non-controlling interest

In accordance with the accounting policy outlined at the beginning of this note, the group recognised the non-controlling interests in OES at fair value. The fair value of the non-controlling interest in OES has been determined with reference to the purchase price of the acquired interest, as this represented a transaction between a willing buyer and independent willing sellers.

(e) Revenue and profit contribution

OES contributed revenue of $29.2m and net profit of $6.4m before non-controlling interests for the period from 1 April 2017 to 30 June 2017. This net profit amount includes amortisation of acquired intangibles.

If the acquisition had occurred on 1 July 2016, the contribution to consolidated revenue and consolidated profit before non-controlling interests for the SEEK Group would have been $109.4m and $23.6m respectively, offset by a reduction in the share of net profit from associates of $10.4m. Profit has been calculated based on the subsidiary results adjusted for differences in accounting policies and including the additional amortisation that would have been charged from 1 July in relation to acquired intangible assets, together with the consequential tax effects.

21. Interests in controlled entities

(a) Material subsidiaries

Critical accounting estimates and assumptions

The Group has fully consolidated a number of entities in the SEEK Asia group despite not holding the majority of equity. SEEK has also consolidated a number of special purpose entities (SPEs) which Zhaopin controls despite not holding a direct ownership interest. A list of these entities is shown below in section (b).

Unless otherwise stated, the following subsidiaries have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights of the Group (except for Zhaopin with voting rights of 74.4%[3]).

Name of entity	Country of incorporation	Equity holding 2017 %	Equity holding 2016 %
SEEK NZ Limited	New Zealand	**100**	100
SEEK Learning Pty Ltd[1]	Australia	**100**	100
Online Education Services Pty Ltd[2]	Australia	**80**	n/a
Online Career Center Mexico, S.A.P.I de CV (together with its consolidated subsidiaries, "OCC")	Mexico	**98.2**	98.2
Brasil Online Holdings Cooperatief U.A.[3] (together with its consolidated subsidiaries, "Brasil Online")	Netherlands	**100**	100
Catho Online, Ltda.	Brazil	**100**	100
Manager Online Servicos de Internet, Ltda.	Brazil	**100**	100
SEEKAsia Ltd[5] (together with its consolidated subsidiaries, "SEEK Asia")	Cayman Islands	**86.3**	86.3
Jobs DB Inc	British Virgin Islands	**100**	100
Jobs DB Hong Kong Limited	Hong Kong	**100**	100
Jobs DB Singapore Pte Limited	Singapore	**100**	100
Jobs DB Recruitment (Thailand) Limited	Thailand	**100**	100
PT Jobs DB Indonesia	Indonesia	**90**	90
Jobs DB Philippines Inc.	Philippines	**100**	100
SEEK Asia Investments Pte. Ltd.	Singapore	**100**	100
JobStreet.com Pte Ltd	Singapore	**100**	100
JobStreet.com Shared Services Sdn. Bhd.	Malaysia	**100**	100
JobStreet.com Philippines, Inc	Philippines	**100**	100
PT. JobStreet Indonesia	Indonesia	**100**	100
JobStreet Company Limited	Vietnam	**100**	100
Zhaopin Limited[4][5] (together with its consolidated subsidiaries, "Zhaopin")	Cayman Islands	**60.9**	61.5
Beijing Wangpin Consulting Co., Ltd	P.R. China	**90**	90
深圳市希捷尔人力资源有限公司 (Shenzhen Xijier Human Resources Co., Ltd) (CJOL)	P.R. China	**75.6**	75.6

1. A number of wholly-owned Australian subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission. For further details refer to note 23.
2. SEEK had a 50% equity holding in OES until 1 April 2017 when it acquired an additional 30% and it became a subsidiary of the Group.
3. This is a Cooperative entity registered in the Netherlands; SEEK's investment is in the form of a Member Contribution, rather than shares
4. As at 30 June 2017, SEEK has an undiluted interest of 60.9% in Zhaopin Ltd with voting rights of 74.4%. The share capital of Zhaopin Ltd comprises Class A and Class B shares, with Class A shares entitled to one vote and Class B shares entitled to four votes. SEEK holds Class B ordinary shares, resulting in voting rights that are not in proportion to share ownership.
5. Certain entities in these groups are fully consolidated despite not holding the majority of equity. See section (b) for further details.

21. Interests in controlled entities continued

(b) Entities fully consolidated despite not holding majority of equity

The Group has fully consolidated a number of entities in the SEEK Asia group and Zhaopin despite not holding the majority of equity or direct ownership interest. Through existing contractual agreements, the Group is able to exercise effective control over the financial and operating policies of these businesses and receive substantially all of the economic benefits and returns.

SEEK Asia entities		Zhaopin entities	
Jobs DB Malaysia Sdn. Bhd.	Jobs DB Assets (Thailand) Ltd	Beijing Zhilian Sanke Human Resources Service Co. Ltd	Wuhan Zhilian Rencai Advertising Co. Ltd
88 Karat Sdn. Bhd.	Jobs DB Prestige Inc	Fuzhou Zhilian Advertising Co. Ltd	Shenyang Zhilian Wangpin Advertising Co. Ltd.
JobStreet.com Sdn. Bhd.	PT Prestige Indonesia	Harbin Zhilian Wangcai Advertising Co. Ltd	Shenyang Zhilian Recruitment Service Co. Ltd.
Agensi Perkerjaan JS Staffing Services Sdn. Bhd.		Xiamen Zhilian Wangpin Commercial Service Co. Ltd	Dalian Zhilian Advertising Co. Ltd.
		Guangzhou Houbo Information Technology Co. Ltd.	Hangzhou Wangpin Advertising Co. Ltd.

(c) Summarised financial information for subsidiaries with non-controlling interests

For the year ended 30 June 2017	Zhaopin $m	SEEK Asia $m	OES(1) $m	Other(2) $m	Total $m
Non-controlling interests percentage	39.1%	13.7%	20.0%		
Non-current assets	713.0	1,092.7	362.1		
Current assets	539.4	70.2	44.8		
Non-current liabilities	(83.3)	(143.5)	(9.9)		
Current liabilities	(287.5)	(112.0)	(15.9)		
Net assets	881.6	907.4	381.1		
Net assets attributable to non-controlling interests	321.7	124.7	76.2		
Net assets attributable to vested share options(3)	19.7	-	-		
Carrying amount of non-controlling interests	341.4	124.7	76.2	16.9	559.2
Revenue	372.9	139.7	29.2		
Profit(4)	30.7	46.2	6.4		
Other comprehensive income	(43.5)	(63.9)	-		
Total comprehensive income	(12.8)	(17.7)	6.4		
Profit allocated to non-controlling interests	15.0	6.6	1.3	(1.1)	21.8
Other comprehensive income allocated to non-controlling interests	(16.8)	(8.9)	-	(0.1)	(25.8)
Cashflows from operating activities	111.4	49.7	27.6		
Cashflows from investing activities	(6.9)	(7.1)	(2.2)		
Cashflows from financing activities	4.1	(60.3)	(35.9)		
Net increase/(decrease) in cash and cash equivalents	108.6	(17.7)	(10.5)		
Dividends paid to non-controlling interests	-	2.2	4.8	-	7.0

1. SEEK obtained an additional 30% interest in OES and commenced accounting for OES as an 80% wholly owned subsidiary from 1 April 2017.
2. 'Other' represents other individually immaterial non-controlling interests.
3. Non-controlling interest reserve includes the fair value of unexercised share options of the subsidiary that were vested at the date the Group obtained a controlling interest.
4. The profit shown for OES represents the three month period during which it was consolidated, from 1 April 2017 to 30 June 2017.

For the year ended 30 June 2016	Zhaopin $m	SEEK Asia $m	Brasil Online[1] $m	Other[2] $m	Total $m
Non-controlling interests percentage	38.5%	13.7%	0.0%		
Non-current assets	679.5	1,162.7	353.4		
Current assets	490.6	92.9	38.8		
Non-current liabilities	(41.1)	(206.2)	(38.8)		
Current liabilities	(252.5)	(109.0)	(16.4)		
Net assets	876.5	940.4	337.0		
Net assets attributable to non-controlling interests	314.4	129.5	-		
Net assets attributable to vested share options [3]	21.4	-	-		
Carrying amount of non-controlling interests	335.8	129.5	-	4.1	469.4
Revenue	329.1	141.8	91.7		
Profit	62.1	36.0	26.0		
Other comprehensive income	(39.9)	8.4	0.9		
Total comprehensive income	22.2	44.4	26.9		
Profit allocated to non-controlling interests	23.9	6.9	11.7	(0.2)	42.3
Other comprehensive income allocated to non-controlling interests	(17.5)	2.9	(13.7)	(0.4)	(28.7)
Cashflows from operating activities	93.2	52.9	26.6		
Cashflows from investing activities	(7.1)	(19.5)	(4.0)		
Cashflows from financing activities	34.8	(15.2)	(18.7)		
Net increase/(decrease) in cash and cash equivalents	120.9	18.2	3.9		
Dividends paid to non-controlling interests	-	4.5	9.2	-	13.7

1. SEEK held a 51% interest in Brasil Online until 23 June 2016, when it became wholly owned.
2. 'Other' represents other individually immaterial non-controlling interests.
3. Non-controlling interest reserve includes the fair value of unexercised share options of the subsidiary that were vested at the date the Group obtained a controlling interest.

22. Interests in equity accounted investments

Critical judgements in applying the entity's accounting policies

Investments in associates valuations require significant estimates and judgements. As required by current Accounting Standards, the Group has evaluated, among other factors, the financial health of and business outlook for its associates and assessed the carrying value of its investments against current estimated fair value.

Where an impairment indicator exists due to the current economic climate, an impairment test has been performed.

Set out below are the associates and joint arrangements of the Group as at 30 June 2017 which, in the opinion of the directors, are material to the Group.

Joint ventures	Country of Incorporation	Ownership interest % 2017	Ownership interest % 2016	Principal activities
Online Education Services Ltd (OES, formerly "Swinburne Online") (i)	Australia	-	50.0	A joint venture entity between SEEK and Swinburne University of Technology to deliver online learning to students
One Africa Media (Pty) Ltd (OAM)	South Africa	**34.6**	34.6	Owns, operates and invests in a portfolio of African market leading online marketplaces in the segments of jobs, cars, real estate and travel
Babajob Services Private Ltd (Babajob) (ii)	India	-	46.2	Provider of online and mobile employment marketplaces across India.

(i) Acquisition of controlling interest in OES

SEEK ceased to account for OES as an equity accounted investment on 31 March 2017 when a controlling interest was acquired. OES was consolidated from 1 April 2017 (refer to note 20).

(ii) Impairment and disposal of Babajob

SEEK recognised an impairment in relation to its investment in Babajob during the year of $6.2m. This investment was subsequently disposed of.

(a) Summarised financial information recognised by SEEK

	Associates		Joint ventures			
	IDP $m	Other immaterial associates[1] $m	OES[2] $m	OAM $m	Babajob[3] $m	Total $m
Carrying amount as at 30 June 2015	68.3	15.1	12.9	23.1	13.0	132.4
Dividends received	(24.0)	(0.3)	(4.9)	-	-	(29.2)
Share of net profits/(losses)	8.1	(1.0)	12.6	(3.1)	(4.4)	12.2
Share of other comprehensive income	(0.5)	0.3	-	(4.0)	(0.2)	(4.4)
Share of movement in other reserves	-	-	-	0.5	0.2	0.7
Acquisition of additional interest	-	11.6	-	9.6	-	21.2
Disposal of interest	(51.9)	-	-	-	-	(51.9)
Carrying amount as at 30 June 2016	-	25.7	20.6	26.1	8.6	81.0
Dividends received	**-**	**(0.4)**	**(5.9)**	**-**	**-**	**(6.3)**
Share of net profits/(losses)	**-**	**(2.5)**	**10.4**	**(2.0)**	**(1.6)**	**4.3**
Share of other comprehensive income	**-**	**(0.9)**	**-**	**0.5**	**(0.2)**	**(0.6)**
Share of movement in other reserves	**-**	**-**	**-**	**0.2**	**0.4**	**0.6**
Acquisition of additional interest	**-**	**5.6**	**-**	**-**	**-**	**5.6**
Acquisition of controlling interest	**-**	**(4.5)**	**(25.1)**	**-**	**-**	**(29.6)**
Impairment of equity accounted investment	**-**	**(2.3)**	**-**	**-**	**(6.2)**	**(8.5)**
Disposal of interest		**-**	**-**	**-**	**(1.0)**	**(1.0)**
Carrying amount as at 30 June 2017	**-**	**20.7**	**-**	**24.8**	**-**	**45.5**

1. JobAdder, which is included within 'other immaterial associates' was equity accounted until 31 August 2016, when SEEK acquired a controlling interest. Its results have been consolidated from 1 September 2016. Sidekicker, which is included within 'other immaterial associates' was equity accounted until 30 April 2017, when SEEK acquired a controlling interest. Its results have been consolidated from 1 May 2017.
2 OES was equity accounted until 30 March 2017, when SEEK acquired a controlling interest. Its results have been consolidated from 1 April 2017.
3 Babajob was impaired and disposed of during the year.

(b) Summarised financial information in respect of material associates and joint ventures

Summarised balance sheet (100%)	OES[1] 2017 $m	OES[1] 2016 $m	OAM 2017 $m	OAM 2016 $m	Babajob[2] 2017 $m	Babajob[2] 2016 $m
Current assets	**-**	55.3	**9.2**	9.0	**-**	2.8
Non-current assets	**-**	4.7	**17.6**	16.0	**-**	0.6
Current liabilities	**-**	(17.7)	**(17.6)**	(6.3)	**-**	(0.1)
Non-current liabilities	**-**	(1.1)	**-**	-	**-**	-
Net assets	**-**	41.2	**9.2**	18.7	**-**	3.3
Assets and liabilities above include:						
Cash and cash equivalents	**-**	54.4	**6.0**	5.3	**-**	2.7
Current financial liabilities (excluding trade and other payables and provisions)	**-**	(7.3)	**-**	-	**-**	(0.1)
Group interest						
Group's share in %	**0.0%**	50.0%	**34.6%**	34.6%	**0.0%**	46.2%
Group's share in $	**-**	20.6	**3.3**	6.5	**-**	1.5
Goodwill	**-**	-	**21.5**	19.6	**-**	7.1
Other intangibles	**-**	-	**-**	-	**-**	-
Other adjustments	**-**	-	**-**	-	**-**	-
Carrying amount	**-**	20.6	**24.8**	26.1	**-**	8.6

1. SEEK ceased to account for OES as an equity accounted investment on 31 March 2017 when a controlling interest was acquired.
2. Babajob was impaired and disposed of during the year.

Summarised statement of comprehensive income (100%)	OES[1] 2017 $m	OES[1] 2016 $m	OAM 2017 $m	OAM 2016 $m	Babajob[2] 2017 $m	Babajob[2] 2016 $m
Revenue	**80.3**	100.6	**14.7**	12.0	**0.5**	1.0
Interest income	**0.7**	0.8	**0.7**	0.4	**0.2**	0.6
Other operating costs	**(53.8)**	(66.3)	**(18.4)**	(21.5)	**(3.9)**	(11.0)
Depreciation and amortisation	**(0.8)**	(1.1)	**(1.9)**	(0.7)	**(0.2)**	(0.2)
Income tax expense	**(7.7)**	(10.5)	**(0.8)**	(0.4)	**-**	-
Profit/(loss) for the period	**18.7**	23.5	**(5.7)**	(10.2)	**(3.4)**	(9.6)
Other comprehensive income	**-**	-	**0.5**	(4.0)	**(0.2)**	(0.1)
Total comprehensive income	**18.7**	23.5	**(5.2)**	(14.2)	**(3.6)**	(9.7)

1. OES results are up until the date we acquired a controlling interest and fully consolidated results on 1 April 2017.
2. Babajob results are up until the date of disposal

23. Deed of Cross Guarantee

The following wholly-owned 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
SEEK Campus Pty Ltd	30 June 2006
SEEK Business Pty Ltd	30 June 2007
Talent Solutions Pty Ltd (formerly SEEK Investments Pty Ltd)	30 June 2007
SEEK International Investments Pty Ltd *	30 June 2007
Job Seeker Pty Ltd	30 June 2014
HS Holdco Pty Ltd	30 June 2015

* These entities are not required to prepare and lodge a financial report and directors' report under ASIC Corporations (wholly-owned) Instruments 2016/785 issued by the Australian Securities and Investments Commission.

The companies that are members of this deed guarantee the debts of the others and represent the "Closed Group" from the date of entering into the agreement. These are the only members of the Deed of Cross Guarantee and therefore these companies also represent the 'Extended Closed Group'.

(a) Income statement and other comprehensive income of the Closed Group for Deed of Cross Guarantee purposes

Statement of comprehensive income	2017 $m	2016* $m
Income statement		
Revenue	364.6	369.4
Other income	177.3	279.7
Operating expenses		
Direct cost of services	(3.4)	(4.2)
Employee benefits expenses	(115.9)	(109.3)
Marketing related expenses	(29.9)	(34.4)
Technology, product and development expenses	(13.1)	(11.5)
Operations and administration expenses	(16.5)	(26.2)
Depreciation and amortisation expense	(26.2)	(28.0)
Finance costs	(21.4)	(0.8)
Transaction costs	(8.8)	(14.3)
Total operating expenses	(235.2)	(228.7)
Impairment	(16.1)	-
Share of results of equity accounted investments	3.9	11.7
Profit before income tax expense	294.5	432.1
Income tax expense	(15.7)	(123.0)
Profit for the year of the Closed Group	278.8	309.1
Other comprehensive income		
Exchange differences on translation of foreign associates	0.4	(4.1)
Tax associated with sale of financial asset	1.3	-
Reserve recycled on disposal of equity accounted investments	(0.5)	-
Gains/(losses) on hedge contracts of controlled entities	14.3	(25.9)
Loss on hedge contracts of associates (net of tax)	-	(0.5)
Change in fair value of financial assets	(5.7)	(3.0)
Income tax relating to other comprehensive income	-	1.0
Other comprehensive income for the year	9.8	(32.5)
Total comprehensive income for the year of the Closed Group	288.6	276.6

*Comparative income statement information has been restated due to the change in presentation format of the consolidated income statement as outlined at the start of the financial report

(b) Summary of movements in consolidated retained profits of the Closed Group for Deed of Cross Guarantee purposes

Summary of movements in consolidated retained profits	2017 $m	2016 $m
Retained profits at 1 July	**742.2**	561.8
Profit for the year	**278.8**	309.1
Tax credited directly to retained profits - share-based payments	**8.1**	2.2
Transfer between reserves	**(3.8)**	-
Tax associated with the sale of financial asset	**1.3**	-
Dividends paid	**(146.1)**	(130.9)
Retained profits at 30 June of the Closed Group	**880.5**	742.2

(c) Consolidated balance sheet of the Closed Group for Deed of Cross Guarantee purposes

Consolidated balance sheet	2017 $m	2016 $m
Current assets		
Cash and cash equivalents	**60.0**	28.4
Trade and other receivables	**43.3**	42.8
Other financial assets	**2.7**	10.6
Total current assets	**106.0**	81.8
Non-current assets		
Investments in controlled entities	**1,749.4**	1,413.8
Investments accounted for using the equity method	**38.3**	73.4
Plant and equipment	**7.5**	6.5
Intangible assets	**87.6**	76.1
Other financial assets	**6.3**	18.3
Deferred tax assets	**7.0**	2.7
Total non-current assets	**1,896.1**	1,590.8
Total assets	**2,002.1**	1,672.6
Current liabilities		
Trade and other payables	**46.4**	31.8
Unearned income	**28.4**	21.9
Other financial liabilities	**3.5**	15.7
Current tax liabilities	**2.6**	96.2
Provisions	**12.0**	11.6
Total current liabilities	**92.9**	177.2
Non-current liabilities		
Borrowings	**788.0**	582.5
Other financial liabilities	**18.5**	-
Provisions	**5.2**	2.1
Loans with controlled entities	**20.1**	1.7
Total non-current liabilities	**831.8**	586.3
Total liabilities	**924.7**	763.5
Net assets	**1,077.4**	909.1
Equity		
Contributed equity	**251.6**	222.9
Reserves	**(54.7)**	(56.0)
Retained profits	**880.5**	742.2
Total equity	**1,077.4**	909.1

24. Parent entity financial information

Accounting policy

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

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

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

(ii) Income tax consolidation legislation

SEEK Limited and its wholly-owned Australian entities have elected to form an income tax consolidated group.

The entities in the arrangement each account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the arrangement 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 assets / liabilities and the deferred tax assets arising from unused tax losses and unused tax credits assumed from the other entities in the arrangement. As a result, the entities in the income tax consolidated group have entered into a tax funding agreement under which they:

- fully compensate SEEK Limited for any current tax liabilities assumed; and
- are compensated by SEEK Limited for any current tax assets and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to SEEK Limited under the income tax consolidation legislation.

The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements. Assets or liabilities arising under the tax funding agreement with the income tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

(iii) Financial guarantees

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

(a) Summary financial information

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

	2017 $m	2016 $m
Balance sheet		
Current assets	**101.1**	69.8
Total assets	**1,728.2**	1,013.3
Current liabilities	**(88.2)**	(71.3)
Total liabilities	**(896.8)**	(655.5)
Net assets	**831.4**	357.8
Equity		
Issued capital	**251.6**	222.9
Reserves		
Cash flow hedge reserve	**0.3**	(1.8)
Net investment hedge reserve	**(75.3)**	(86.0)
Put option reserve	**(18.3)**	-
Foreign currency translation reserve	**(2.0)**	(2.7)
Share-based payments reserve	**58.5**	51.5
Transactions with non-controlling interests	**(3.6)**	(3.6)
Retained earnings	**620.2**	177.5
	831.4	357.8
Profit or loss for the year	**580.7**	98.3
Total comprehensive income	**575.8**	74.9

(b) Guarantees entered into by the parent entity

The parent entity and certain subsidiaries have given unsecured guarantees in respect of the syndicated loan facility of A$550.0m and US$275.0m of which a total of A$618.5m has been drawn down at 30 June 2017. Refer to note 7.

In addition, there are cross guarantees given by SEEK Limited and certain subsidiaries, as described in note 23. No deficiencies of assets exist in any of these entities.

The parent entity is also the guarantor in respect of its New Zealand subsidiary's operating lease.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2017 (2016: nil).

(d) Contractual commitments

As at 30 June 2017, the parent entity had contractual commitments for minimum lease payments in relation to non-cancellable operating leases totalling $20.6m (2016: $14.2m).

Other commitments for the payment of IT services, advertising and promotions under long-term contracts in existence totalled $2.4m (2016: $2.0m).

25. Contingent liabilities

Unrecognised contingent liabilities represent the possible (but not probable) cash outflow in excess of any provision. They do not represent management's expectation of likely outflow and are not recognised on the balance sheet.

In addition to the provisions recognised (refer to note 16),, the Group has $4.2m of unrecognised contingent liabilities at 30 June 2017 (2016: $7.6m) which relate to labour and civil cases in Brasil Online and its subsidiaries.

26. Commitments for expenditure

	Lease commitments (a)		Other commitments (b)	
	2017 $m	2016 $m	**2017 $m**	2016 $m
Within one year	**24.7**	19.4	**9.2**	9.4
Later than one year but not later than five years	**39.4**	40.4	**0.2**	1.1
More than five years	**0.1**	-	**-**	-
Total	**64.2**	59.8	**9.4**	10.5

(a) Lease commitments

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

(b) Other commitments

The Group has commitments for the payment of IT services, advertising and promotions under long-term contracts in existence at the reporting date but not recognised as liabilities payable.

27. Events occurring after the balance sheet date

On 11 August, Zhaopin Limited entered into a renewed bank loan facility agreement with HSBC on substantially similar terms with an increased limit of US$100m.

28. Share-based payments

Accounting Policy

The cost of share-based payments is recognised by expensing the fair value of the options or rights granted, over the period during which the employees become unconditionally entitled to these benefits. Where the plan will be settled by:

- issuing equity, the corresponding entry is an increase in the share based payment reserve;
- a payment in cash, the corresponding entry is a liability.

Calculating the fair value

Calculating the fair value of share-based payments can be complex. Most options and rights are valued by an independent consultant using a Black-Scholes or similar option pricing model. This calculation includes any market performance conditions and the impact of any non-vesting conditions. Once the fair value has been determined (at grant date), it is not revised.

The impact of any service and non-market vesting conditions is excluded from the fair value. Instead, this is included in assumptions about the number of options that are expected to vest. These assumptions are revised at the end of each reporting period. The impact of any revision to original estimates is recognised in the consolidated income statement, with a corresponding adjustment to equity.

(a) Types of share-based payments

The SEEK Group has several forms of share-based payments:

- **SEEK Limited**: share based compensation benefits are provided to certain employees via Performance Rights, and to SEEK Limited Executives via Equity Rights (previously called Performance Rights), LTI Rights and LTI Options.
- **Zhaopin**: on acquisition of Zhaopin in FY2013, its share option plan was not replaced. The options are held over class A ordinary shares in Zhaopin Ltd. During the IPO process in June 2014, American Depositary Shares (ADSs) in Zhaopin Ltd were listed on the New York Stock Exchange and each ADS represents 2 class A ordinary shares.
- **SEEK Asia**: a share option plan was established in SEEK Asia in 2014. The options are held over the ordinary share capital of SEEKAsia Limited.
- **OCC**: on acquisition of OCC in FY2012, its share option plan was not replaced. The options are held over the ordinary share capital of Online Career Centre Mexico, S.A.P.I de CV.

If the options granted by Zhaopin, SEEK Asia or OCC were to be exercised and satisfied by issuing new shares, the Group's interest in the respective business would be diluted.

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefits expense were $10.0m (2016: $18.4m) including:

- Equity settled share-based payment plans:
  - SEEK Limited Performance Rights and Options Plan: $9.2m (2016 $11.1m)
  - Subsidiary Share option plans: $1.9m (2016: $2.6m)
- Cash settled share-based payment plans: credit $1.7m (2016: $2.0m) due to non-vesting of international LTI grants.

(c) Performance Rights and Options Plan - SEEK Limited

For details of Equity Rights and LTI Options/Rights granted to SEEK Limited Executives under the Performance Rights and Options Plan, refer to the Remuneration Report contained in the Directors' Report.

As noted above, certain employees also receive a Performance Right as part of their compensation each year under the Performance Rights and Options Plan. Performance Rights convert to a number of shares at the end of the financial year based on the SEEK Limited share price and the performance of the individual. Shares are restricted for a further 12 months from vesting. There have been no changes to the Performance Rights and Options Plan plan in FY2017.

:

2017 Grant date	Expiry date (years)	Exercise price	Opening balance	Granted during the year	Exercised during the year	Forfeited during the year	Closing balance	Vested and exercisable at 30 June
			Number of options or rights					
LTI Options								
7 September 2012	5	$7.43	**2,129,277**	-	(2,129,277)	-	-	-
3 December 2012[1]	5	$7.43	**1,085,526**	-	(1,085,526)	-	-	-
6 September 2013	5	$10.38	**1,489,248**	-	(466,115)	-	**1,023,133**	1,023,133
4 December 2013[1]	5	$10.38	**672,348**	-		-	**672,348**	672,348
6 August 2014	5	$19.04	**616,145**	-	-	(340,335)	**275,810**	-
12 December 2014[1]	5	$19.04	**514,285**	-	-	-	**514,285**	-
Total			**6,506,829**	-	(3,680,918)	(340,335)	**2,485,576**	1,695,481
LTI Rights								
1 October 2015	5	$0.00	**373,184**	-	-	(76,173)	**297,011**	-
2 November 2015	5	$0.00	**67,088**	-	-	-	**67,088**	-
7 December 2015[1]	5	$0.00	**182,713**	-	-	-	**182,713**	-
30 May 2016	5	$0.00	**29,395**	-	-	-	**29,395**	-
3 October 2016	5	$0.00	-	**317,846**	-	(84,229)	**233,617**	-
19 December 2016	5	$0.00	-	**309,646**	-	-	**309,646**	-
Total			**652,380**	**627,492**	-	(160,402)	**1,119,470**	-
Equity Rights								
1 October 2015	2	$0.00	**10**	-	(10)	-	-	-
7 December 2015[1]	2	$0.00	**1**	-	(1)	-	-	-
3 October 2016	2	$0.00	-	**6**	-	-	**6**	-
19 December 2016	2	$0.00	-	**2**	-	-	**2**	-
Total			**11**	**8**	(11)	-	**8**	-
Performance Rights								
24 March 2016	2	$0.00	**52**	-	(52)	-	-	-
3 October 2016	2	$0.00	-	**50**	-	(1)	**49**	-
1 November 2016	2	$0.00	-	**3**	-	-	**3**	-
1 May 2017	2	$0.00	-	**4**	-	-	**4**	-
Total			**52**	**57**	(52)	(1)	**56**	-
Total All Plans			**7,159,272**	**627,557**	(3,680,981)	(500,738)	**3,605,110**	1,695,481
2016								
LTI Options								
7 September 2012	5	$7.43	2,129,277	-	-	-	2,129,277	
3 December 2012[1]	5	$7.43	1,085,526	-	-	-	1,085,526	
6 September 2013	5	$10.38	1,489,248	-	-	-	1,489,248	
4 December 2013[1]	5	$10.38	672,348	-	-	-	672,348	
6 August 2014	5	$19.04	703,329	-	-	(87,184)	616,145	
12 December 2014[1]	5	$19.04	514,285	-	-	-	514,285	
Total			6,594,013	-	-	(87,184)	6,506,829	-
LTI Rights								
1 October 2015	5	$0.00	-	373,184	-	-	373,184	-
2 November 2015	5	$0.00	-	67,088	-	-	67,088	-
7 December 2015[1]	5	$0.00	-	182,713	-	-	182,713	-
30 May 2016	5	$0.00	-	29,395	-	-	29,395	-
Total			-	652,380	-	-	652,380	-
Equity Rights								
6 August 2014	2.5	$0.00	7	-	(7)	-	-	-
12 December 2014[1]	2.5	$0.00	1	-	(1)	-	-	-
1 October 2015	2	$0.00	-	10	-	-	10	-
7 December 2015[1]	2	$0.00	-	1	-	-	1	-
Total			8	11	(8)	-	11	-
Performance Rights								
6 August 2014	2	$0.00	45	-	(43)	(2)	-	-
24 March 2016	2	$0.00	-	53	-	(1)	52	-
Total			45	53	(43)	(3)	52	-
Total All Plans			6,594,066	652,444	(51)	(87,187)	7,159,272	-

28. Share-based payments continued

The following table summarises the weighted average exercise price for the SEEK Limited plans:

2017 - SEEK Limited	Opening balance	Granted during the year	Exercised during the year	Forfeited during the year	Closing balance	Vested and exercisable at balance date
Weighted average exercise price	**$9.48**	**$0.00**	**$7.80**	**$12.94**	**$9.05**	**$10.38**
2016 - SEEK Limited						
Weighted average exercise price	$10.54	$0.00	$0.00	$19.04	$9.48	$0.00

1. Options and rights granted to Executive Director, which have been approved and granted at AGM.

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2017 was $16.31. There were no options exercised during FY2016.

The weighted average remaining contractual life of share options outstanding at the end of the year was 2.0 years (2016: 2.0 years).

(d) Share option plans - Zhaopin

The table below summarises the movements in options over shares of Zhaopin Limited.

2017 - Zhaopin			Number of options						
Grant date	Expiry date (years)	Exercise price (US$)	Opening balance	Granted during the year	Exercised during the year	Forfeited during the year	Expired/ lapsed during the year	Closing balance	Vested and exercisable at balance date
Schemes issued prior to FY2014			**5,402,446**	**-**	**(906,406)**	**(112,386)**	**-**	**4,383,654**	**3,923,654**
31 March 2014	6	$5.00	**24,000**	**-**	**(4,800)**	**-**	**-**	**19,200**	**-**
31 March 2014	6	$4.00	**773,636**	**-**	**(203,024)**	**(137,220)**	**-**	**433,392**	**67,200**
31 March 2014	6	$4.50	**57,000**	**-**	**(11,400)**	**(4,800)**	**-**	**40,800**	**-**
1 March 2016	6	$7.42	**50,000**	**-**	**-**	**-**	**-**	**50,000**	**-**
Balance at 30 June 2017			**6,307,082**	**-**	**(1,125,630)**	**(254,406)**	**-**	**4,927,046**	**3,990,854**
Weighted average exercise price			**$2.84**	**n/a**	**$3.27**	**$3.05**	**n/a**	**$2.74**	**$2.38**
2016 - Zhaopin									
Schemes issued prior to FY2014			8,496,754	-	(2,842,872)	(58,868)	(192,568)	5,402,446	4,361,650
31 March 2014	6	$5.00	136,000	-	-	(99,600)	(12,400)	24,000	-
31 March 2014	6	$4.00	1,044,820	-	(96,344)	(174,840)	-	773,636	102,420
31 March 2014	6	$4.50	69,000	-	-	(12,000)	-	57,000	-
17 April 2014	6	$6.75	80,000	-	(6,400)	(73,600)	-	-	-
2 June 2014	6	$6.75	750,000	-	-	(750,000)	-	-	-
1 March 2016	6	$7.42	-	50,000	-	-	-	50,000	-
Balance at 30 June 2016			10,576,574	50,000	(2,945,616)	(1,168,908)	(204,968)	6,307,082	4,464,070
Weighted average exercise price			$3.14	$7.42	$2.74	$6.05	$2.19	$2.84	$2.32

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2017 was US$16.81 (2016: US$15.43).

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.0 years (2016: 1.6 years).

(e) Share option plans - SEEK Asia

The table below summarises the movements in options over shares of SEEKAsia Limited.

2017 - SEEK Asia			Number of options					
Grant date	Expiry date (years)	Exercise price (US$)	Opening balance	Granted during the year	Exercised during the year	Modified/ cancelled during the year	Closing balance	Vested and exercisable at balance date
20 November 2014	5	$1.29	**14,008,910**	**-**	**-**	**(14,008,910)**	**-**	**-**
31 December 2014	5	$1.29	**-**	**9,500,000**	**-**	**-**	**9,500,000**	**-**
Balance at 30 June 2017			**14,008,910**	**9,500,000**	**-**	**(14,008,910)**	**9,500,000**	**-**
Weighted average exercise price			**$1.29**	**$1.29**	**n/a**	**$1.29**	**$1.29**	**n/a**
2016 - SEEK Asia								
20 November 2014	5	$1.29	14,008,910	-	-	-	14,008,910	-
Balance at 30 June 2016			14,008,910	-	-	-	14,008,910	-
Weighted average exercise price			$1.29	n/a	n/a	n/a	$1.29	n/a

The weighted average remaining contractual life of share options outstanding at the end of the year was 2.5 years (2016: 3.4 years).

(f) Share option plans - OCC

The table below summarises the movements in options over shares of Online Career Centre Mexico, S.A.P.I de CV.

2017 - OCC			Number of options					
Grant date	Expiry date (years)	Exercise price (US$)	Opening balance	Granted during the year	Exercised during the year	Forfeited during the year	Closing balance	Vested and exercisable at balance date
Schemes issued prior to FY2014			**10,960**	**-**	**-**	**-**	**10,960**	**10,960**
12 May 2014	10	$145.00	**2,951**	**-**	**-**	**-**	**2,951**	**2,951**
1 June 2015	14	$168.20	**52,725**	**-**	**-**	**-**	**52,725**	**-**
Balance at 30 June 2017			**66,636**	**-**	**-**	**-**	**66,636**	**13,911**
Weighted average exercise price			**$157.54**	**n/a**	**n/a**	**n/a**	**$157.54**	**$117.14**
2016 - OCC								
Schemes issued prior to FY2014			10,960	-	-	-	10,960	10,960
12 May 2014	10	$145.00	2,951	-			2,951	2,951
1 June 2015	14	$168.20	-	52,725	-	-	52,725	-
Balance at 30 June 2016			13,911	52,725	-	-	66,636	13,911
Weighted average exercise price			$117.14	$168.20	n/a	n/a	$157.54	$117.14

The weighted average remaining contractual life of share options outstanding at the end of the year was 10.4 years (2016: 11.4 years).

29. Related party transactions

The Group has identified the parties it considers to be related and the transactions conducted with those parties. Other than those disclosed below, no other related party transactions have been identified.

(a) Transactions with equity accounted investments

	2017 $	2016 $
Dividends and distributions received from equity accounted investments	**6,319,979**	29,160,227
Directors' fees and other personnel costs charged to equity accounted investments	**-**	387,130
Sales commission received from equity accounted investments	**1,651,866**	4,888,499
Interest received from equity accounted investments	**23,338**	-

(b) Transactions with key management personnel

	2017 $	2016 $
Short-term employee benefits	**7,126,772**	7,232,845
Post-employment benefits	**204,203**	242,527
Share-based employee benefits	**5,097,436**	7,636,303
Termination benefits	**405,792**	-
Other long-term benefits	**219,443**	203,506
	13,053,646	15,315,181

(c) Amounts outstanding

	2017 $	2016 $
Amounts receivable from equity accounted investments	**-**	3,571,886
Amounts payable to equity accounted investments	**-**	(5,486)

(d) Transactions with Director related parties

Some of the Non-Executive Directors hold directorships or positions in other companies or organisations. From time to time, SEEK may provide or receive services from these companies or organisations on arm's length terms. None of the Non-Executive Directors were, or are, involved in any procurement or Board decision-making regarding the companies or organisations with which they have an association.

Graham Goldsmith is the Chancellor of Swinburne University of Technology. Details of the arm's length transaction whereby SEEK acquired an additional 30% interest in OES from Swinburne University of Technology are set out in Note 20 to the financial statements.

30. Remuneration of auditors

The parent entity and its subsidiaries have been audited by PricewaterhouseCoopers Australia and related practices of PricewaterhouseCoopers Australia. During the year the following fees were paid for services provided by the auditor of the parent entity and its related practices:

	PricewaterhouseCoopers Australia		Related practices of PricewaterhouseCoopers Australia		Total	
	2017 $	2016 $	**2017 $**	2016 $	**2017 $**	2016 $
Audit services						
Audit and review of financial reports	**857,620**	770,000	**2,135,462**	2,290,726	**2,993,082**	3,060,726
Other assurance services						
Bank covenant, acquisition and statutory reporting	**69,360**	38,000	**-**	-	**69,360**	38,000
Other non-audit services	**122,400**	175,000	**65,065**	257,097	**187,465**	432,097
Total other assurance services	**191,760**	213,000	**65,065**	257,097	**256,825**	470,097
Non-assurance services						
Due diligence services	**274,191**	211,460	**271,853**	9,213	**546,044**	220,673
Tax compliance services	**13,330**	51,150	**39,317**	12,638	**52,647**	63,788
Tax consulting	**116,533**	190,556	**58,481**	39,869	**175,014**	230,425
Other non-assurance services	**102,822**	161,648	**-**	66,467	**102,822**	228,115
Total non-assurance services	**506,876**	614,814	**369,651**	128,187	**876,527**	743,001
Total non-audit services	**698,636**	827,814	**434,716**	385,284	**1,133,352**	1,213,098
Total remuneration	**1,556,256**	1,597,814	**2,570,178**	2,676,010	**4,126,434**	4,273,824

31. Other significant accounting policies

(a) Principles of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the 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.

Joint ventures are all entities over which the Group has joint control with one or more other investors. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method, the investment is shown in one line on the balance sheet, with the Group's share of post-acquisition profits or losses recognised in profit or loss.

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are also accounted for using the equity method.

Accounting policies of subsidiaries, associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Foreign currency translation

(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 rate on that day. Non-monetary assets and liabilities are maintained at the exchange rate on the date of the transaction. Monetary assets and liabilities are translated into the functional currency at the year end exchange rate.

31. Other significant accounting policies continued

(b) Foreign currency translation continued

Where there is a movement in the exchange rate between the date of the transaction and the date of settlement or the year end, a foreign exchange gain or loss may arise. This is recognised in the income statement (within "finance costs"), unless the asset or liability is a qualifying cash flow hedge or net investment hedge, in which case it is deferred in equity.

(iii) Group companies

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

- assets and liabilities for each balance sheet presented (including goodwill and other fair value adjustments arising on acquisition) are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated using monthly average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(c) Goods and Services Tax (GST) and Valued Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of associated GST and VAT, unless the GST and VAT 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 and VAT receivable or payable. The net amount of GST and VAT recoverable from, or payable to, the taxation authority is included within 'trade and other receivables' or 'trade and other payables' in the consolidated balance sheet.

(d) Impairment of assets

Assets other than goodwill and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the asset's fair value less costs of disposal 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).

(e) New and amended Accounting Standards and Interpretations

(i) New and amended Accounting Standards and Interpretations issued and effective

The Group has not adopted any new or amended Accounting Standards and Interpretations this year that have had a material impact on the Group or the Company.

(ii) Accounting standards issued but not yet effective

Certain new Accounting Standards and Interpretations have been published that will apply to future periods. The Group's interpretation of the impact of these new Standards is set out below:

Summary	Application date of standard	Application date for Group
AASB 9 – *Financial Instruments (2014)* AASB 9's new impairment model introduces an expected credit loss model when assessing impairment of financial instruments. For the Group, this means a change in how the impairment of trade receivables is assessed. These changes are not expected to result in a material impact on the financial statements.	1 January 2018	1 July 2018
AASB 15 – *Revenue from contracts with customers* AASB 15's new revenue model is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. It also clarifies how the consideration should be allocated between different deliverables in a contract. The change from a risk and reward assessment to the notion of control is not expected to change the timing of revenue recognition for the services provided by the Group. However, as different products (services) have different revenue recognition points, the change in allocation of consideration between products in a multiple product contract may result in a change in timing of when the total contract consideration is recognised. SEEK will report for the first time under the new revenue accounting standard for the full year ending June 2019 (interim December 2018). Based on the assessment to date, SEEK expects to apply the full retrospective approach upon transition to AASB 15. As a result, the Group will apply all of the requirements of AASB 15 to each comparative period presented. The Group is further progressing its analysis of the potential impact on each revenue stream, product type and location. Work to date has focused primarily on the 'Online employment marketplaces' class of revenue as this accounts for the majority of the Group's sales revenue. To date, no material measurement differences have been identified between AASB 118, the current revenue recognition standard, and AASB 15.	1 January 2018	1 July 2018
AASB 16 – *Leases* AASB 16 will affect the accounting by lessees and will result in the recognition of almost all leases on the balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for almost all lease contracts. The Group will be required to recognise an asset and a financial liability for the majority of its property leases. In addition, the operating lease rental associated with these leases will no longer be recognised in the income statement, instead being replaced by depreciation of the lease asset and interest expense on the lease liability. This is not expected to materially change the profit after tax over the duration of most leases, but will change the segment EBITDA (which is the measure utilised by the CODM to measure profitability). SEEK will report under the new leasing standard for the full year ending June 2020 (interim December 2019). There are a number of transition options available upon adopting the new standard – the 'retrospective approach' and the 'modified retrospective approach'. The Group has not yet determined which transition approach to apply. To date, work has focused on the identification of the provisions of the standard which will most impact the Group. In FY2018, work on the detailed review of contracts and financial reporting impacts will commence.	1 January 2019	1 July 2019

There are other new accounting standards issued but not yet effective. However these are not expected to have a material impact on the financial statements of the Group or the Company.

Directors' Declaration

In the directors' opinion:

a. the financial statements and notes set out on pages 45 to 101 are in accordance with the *Corporations Act 2001,* including:

   i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and

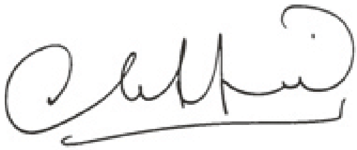
b. there are reasonable grounds to believe that SEEK Limited will be able to pay its debts as and when they become due and payable; and

c. at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in note 23 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 23.

Page 45 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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



Neil Chatfield
Chairman

Melbourne
16 August 2017

Independent auditor's report

to the shareholders of SEEK Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of SEEK Limited (the Company) and its controlled entities (together, the Group) is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated income statement for the year ended 30 June 2017
- the consolidated statement of comprehensive income for the year then ended
- the consolidated balance sheet as at 30 June 2017
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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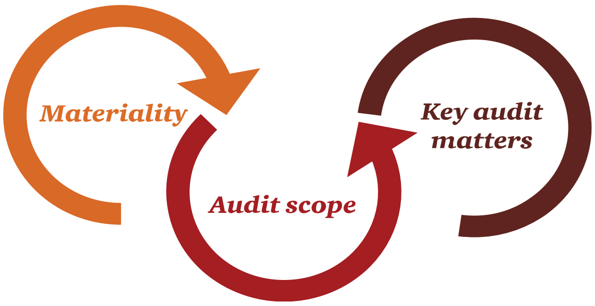
Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall Group materiality of $13.8 million, which represents approximately 5% of the Group's profit before tax and infrequently occurring items.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose 5% of Group profit before tax and infrequently occurring items because, in our professional judgement, it is the metric against which the performance of the Group is most commonly measured, and is a generally accepted benchmark.

Audit scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events including intangible assets, provisions, business combinations and tax.
- We conducted an audit of the most financially significant operations being, SEEK Employment Australia, Zhaopin, SEEK Asia and Brasil Online.
- Where audit work was performed by auditors operating under our instruction (component auditors), we determined the level of involvement we needed to have in their audit work to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion. This included active dialogue throughout the year through phone calls, discussions and written instructions. We visit the significant operations on a rotational basis and this year we met with management and local audit teams of SEEK Asia (Kuala Lumpur) and Zhaopin (Beijing). We tailored our audit approach accordingly, considering factors such as differing regulations, compliance and tax regimes and sovereign risks in relation to foreign ownership.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

We have communicated the key audit matters to the Audit & Risk Management Committee. In the table below we have described the key audit matters we identified and have included a summary of the principal audit procedures we performed to address those matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of goodwill and indefinite lived intangible assets *(Refer to note 12 – intangible assets and note 13 - impairment) $2,171.9m Goodwill and $352.0m of indefinite lived intangible assets*	
Result During the year, the Group recognised an impairment charge of $3.7m for SEEK Learning in relation to goodwill and indefinite lived intangible assets. For all other cash generating units (CGUs) the Group's valuations exceeded the carrying value. No further impairment charges were recognised during the year in relation to goodwill or indefinite lived intangible assets. **Summary** The year end Group balance sheet includes $2,171.9m of goodwill and $352.0m of indefinite lived intangible assets that are subject to an annual impairment assessment by the Group. The Group's annual impairment assessment must be performed at the lowest level at which the Group could allocate the goodwill of an asset which generates cashflows, that are largely independent of cashflows from other assets, which is referred to as a cash generating unit (CGU). The valuation models used by the Group to perform the impairment assessment are based on cash flow forecasts obtained from board approved budgets. The models use key assumptions including external growth forecasts and consideration of the Group's past experience and current performance. Future cash flows are discounted using a discount rate specific to the individual CGU, which is calculated using external market data with the assistance of external valuation experts. We considered the valuation of goodwill and intangible assets to be a key audit matter due to the size of the balances and because: • There is significant judgement involved in the estimation of future cash flows and the discount rates applied. • Small subjective changes in key assumptions, such as terminal growth rates and discount rates, can have a material impact on the valuation of goodwill and indefinite lived intangible assets, which may influence the likelihood of an impairment charge.	We evaluated whether the allocation of the Group into CGUs was consistent with our knowledge of the Group's operations and internal Group reporting. For the Zhaopin CGU, which can be referenced to a quoted market price, we compared the carrying value of the CGU to the quoted price of the investment. For the remaining CGUs, which are valued by the Group using fair value less costs of diposal or value in use models (the models), our audit procedures included, amongst others: • Testing the mathematical accuracy and integrity of the calculations in the models. • Considering recent transactions as an indicator of fair value. • Considering the historical accuracy of the Group's forecasts by comparing the forecasts used in the prior year models to the actual performance in the current year. • Comparing the forecast growth rates (used to estimate future cash flows) and the discount rates used in the models to independent market data collated by PwC valuation experts. • Performing sensitivity analysis on the models to identify if a reasonable possible change in key assumptions would cause goodwill and indefinitely lived intangible assets to be impaired. Key assumptions included discount rates and terminal growth rates. We found that the sensitised valuations for each CGU exceeded the carrying value of the CGU, except for the Brasil Online CGU, which indicated a reasonable possible change in key assumptions would cause the valuation to be approximately equal to the carrying value of the CGU. The Group included additional disclosure within note 13. • To assess the impairment charge of $3.7m in SEEK Learning CGU, we considered the carrying value and the value in use of the CGU.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition - Online employment marketplaces *(Refer to note 2- revenue) $985.2m* The Group's most significant revenue stream is *Online employment marketplaces* ($985.2m) ("online revenue") which is derived from a high volume of transactions. Online revenue is recognised in accordance with the Group's policy as set out in note 2 and is measured at the fair value of the consideration received or to be received. At the year-end, services sold to customers in advance (i.e. which are yet to be received) are recognised as a liability and classified as unearned income ($266.3m). We considered revenue recognition a key audit matter due to the value of online revenue recognised during the year and the high volume of online revenue transactions recorded across multiple locations.	Our audit procedures over online revenue included, amongst others: • Assessing the design, implementation and operating effectiveness of relevant key internal controls over the recognition of online revenue. • Testing a sample of manual journal entries impacting revenue to assess whether they had been recorded in accordance with the Group's accounting policy. • Evaluating whether online revenue had been recognised in accordance with Australian Accounting Standards and the Group's accounting policy. • Analysing the expected flows of online revenue transactions and performing testing over a sample of transactions that deviated from our expectations. • Agreeing a sample of online revenue transactions invoiced by the Group during the year to the relevant settlement and sales order supporting documents. • Testing the amounts recognised as unearned income at 30 June 2017 by assessing the amount recognised against the historical consumption of the goods and services provided and the value of open contracts at 30 June 2017.
Acquisition of Online Education Services *(Refer to note 20 – business combinations) $119.6m* On 31 March 2017, the Group acquired 30% of Online Education Services (OES) for $119.6m, increasing its shareholding to 80%. The acquisition of OES was achieved in stages and was accounted for as a step acquisition in accordance with Australian Accounting Standards. Significant judgement was required by the Group in determining the fair value of the assets and liabilities acquired. The Group engaged a valuation expert to assist them in determining the fair value and the purchase price allocation (PPA) of these assets and liabilities. The only significant PPA adjustments are in relation to intangible assets (Customer relationships $30.3m) acquired and associated deferred tax liability ($9.1m). The acquisition of OES resulted in the recognition of $70.6m of net identifiable assets, goodwill of $328.2m and a gain on the step acquisition of $174.3m, being the difference between the assessed fair value and the carrying value of the Group's existing shareholding at the acquisition date. We considered this a key audit matter due to the size of the investment and the judgement involved in the valuation of the assets and liabilities acquired.	Our audit procedures over the OES transaction included, amongst others: • Obtaining the purchase contract and identifying factors that could impact upon the determination of the total purchase consideration. This included considering the terms and conditions relating to any future payments under the purchase contract. Agreeing the consideration paid for OES to the relevant bank statements and the purchase contract. • Considering the Group's fair value assessment of the existing 50% holding in OES with reference to the purchase price of the additional 30% holding. • Comparing a sample of the assets and liabilites recognised on acquisition against the executed closing agreements and closing Group balance sheet valuation information. • Agreeing the gain on acquisition recorded by the Group to the Group's underlying calculations. • Considering the competency and independence of the valuation expert engaged by the Group and assessing the key assumptions used by the expert (including historical customer conservation rates and current customer numbers). • Evaluating the useful life of a sample of intangible assets aquired against other comparable intangible assets held by the Group.

Other information

The directors are responsible for the other information. The other information included in the Group's annual report for the year ended 30 June 2017 comprises the Chairman's letter, CEO's review and Director's report (but does not include the financial report and our auditor's report thereon), which we obtained prior to the date of this auditor's report. We also expect other information to be made available to us after the date of this auditor's report, including shareholder information, five year financial summary, corporate directory.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received as identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf .
This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 26 to 43 of the directors' report for the year ended 30 June 2017.

In our opinion, the remuneration report of SEEK Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

PricewaterhouseCoopers

Chris Dodd
Partner

Melbourne
16 August 2017

Corporate Directory

Directors

Neil G Chatfield
Chairman

Andrew R Bassat
Managing Director and Chief Executive Officer

Colin B Carter
Denise I Bradley
Graham B Goldsmith
Julie A Fahey
Vanessa M Wallace

Secretary

Lynne Jensen

Principal registered office in Australia

Level 6
541 St Kilda Road
MELBOURNE VIC 3004
AUSTRALIA
Ph: +61 3 8517 4100

Share register

Computershare Investor Services Pty Ltd
452 Johnston Street
ABBOTSFORD VIC 3067
Ph: +61 3 9415 4000

Auditor

PricewaterhouseCoopers
2 Riverside Quay
SOUTHBANK VIC 3006

Stock exchange listing

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

Zhaopin Limited American Depositary Shares are listed on the New York Stock Exchange (Listing code: ZPIN)

Website

www.seek.com.au

ABN

46 080 075 314

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