

SEEK
LIMITED
ANNUAL
REPORT
2005

SEEK AND YOU SHALL FIND



SEEK Limited ACN 080 075 314

CORPORATE DIRECTORY

Directors James D Packer
Chairman

Paul M Bassat
Chief Executive Officer

Andrew R Bassat

Matthew M Rockman

Robert CG Watson

Christopher J Anderson

Colin B Carter

Neil G Chatfield

Anthony C Klok (Alternate for James Packer and Christopher Anderson)

Secretary Ian J McAuliffe

Notice of annual general meeting The annual general meeting of SEEK Limited will be held at the Stamford Plaza Hotel, 111 Little Collins Street, Melbourne, Victoria
Time 3.00pm
Date 9th November 2005
A formal notice of meeting is enclosed.

Principal registered office in Australia Level 2
3 Wellington St
ST KILDA VIC 3182
(03) 9510 7200

Share registers Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford VIC 3067
T: +61 3 9415 4000

Auditor PricewaterhouseCoopers
Level 19
2 Southbank Boulevard
Southbank 3006

Solicitors Arnold Bloch Liebler
Level 21
333 Collins St
MELBOURNE VIC 3000

Bankers National Australia Bank

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

Website address www.seek.com.au

KEY HIGHLIGHTS FOR 2005

- Sales revenue growth of 75%
- EBITA growth of 104%
- Earnings Per Share (EPS pre goodwill) of 8.1 cents per share (up from 5.6 cents per share in 2004)
- Structural shift in employment market continues as online classified volumes grow 30.6% and print falls 6.1%
- SEEK gains market share from print and online competitors
- Advertising volume growth of 46%
- Substantial growth generated in SME market
- SEEK consolidates advertising growth, to reach 100,000 job ads in June 2005
- SEEK launches SEEK Learning business
- Traffic on SEEK reaches 1.6 million visitors in March 2005
- April 2005 – SEEK lists on the Australian Stock Exchange

CONTENTS

Corporate directory	
Key Highlights for 2005	01
Chairman and CEO's statement	03
01 Business overview	05
A year of growth	06
The employment market	07
Market share	08
Building the marketplace	10
SEEK Learning	11
Attracting jobseekers	12
Our people	14
The next step	15
Directors' report	16
Auditors' Independence Statement	37
Corporate governance statement	38
02 Financial report	47
Directors' declaration	97
Independent audit report to the members	98
Shareholder information	100

CHAIRMAN AND CEO'S STATEMENT

We would like to welcome you as shareholders in SEEK Limited. The 2005 financial year was a very exciting year for SEEK and we are delighted with the progress we have made. Our net profit (pre-amortisation) after tax of \$21.8m was 10.1% above our Prospectus forecast, with strong revenue growth and good cost control both contributing to the outstanding result.

SEEK is growing as a result of a structural shift in the employment advertising market. The operating environment for employment advertising in the 2005 financial year was undoubtedly strong, with robust economic conditions and unemployment at a historically low level.

However, it is significant that despite such a strong operating backdrop, the structural shift in employment advertising from print to online has continued, with year on year print advertising volumes falling 6.1%, as online volumes have grown by 30.6%. We have seen this important trend gain momentum in Australia and New Zealand in recent years, and we expect there is still a long way to go.

In addition to the terrific progress we made in our core employment business, we also established the SEEK Learning business. The learning business is one in which we see enormous potential and the area in which we will focus our acquisition activity.

We paid a final dividend of 1 cent per share. This dividend was based on the period from the date of allotment of new shares under the IPO to 30 June 2005. The Board has determined that, in general, SEEK will pay approximately 70% of net profit after tax (before goodwill amortisation) as a dividend.

FINANCIAL REVIEW

Sales revenue grew by 75% to \$70m during 2005, driven by strong advertising volume growth, an improvement in advertising yield and the initial contribution from SEEK Learning.

Our advertising volumes grew by 46% in 2005, accompanied by a solid improvement in yield. We recorded increased advertising volumes from existing customers but also grew our market share significantly in a number of new industries and geographic regions and saw enormous growth in our number of SME customers.

Our operating costs growth was substantially lower than our revenue growth, despite a very significant investment in ongoing product development and enhancement. As a result, our earnings before interest, tax and amortisation ("EBITA") grew by 104% to \$28.4m and our EBITA margins improved from 35% in 2004 to 41% in 2005.

Our strong earnings performance translated into growth in operating cash flow and as at 30 June 2005, SEEK had a cash balance of \$45.9m. This coupled with our great cash flow generating capability ensures that we are very well placed to consider acquisition opportunities outside our core employment classifieds business.

OPERATIONAL REVIEW

Our significant strategic development during 2005 enabled us to capitalize on the strong operating environment and gain market share from both print and online competitors. We continue to deliver the most jobs to the most jobseekers and increase the efficiency of the recruitment process for our clients.

Our growth strategy has been very clear – target the industries, geographic regions and customer segments in which we are under represented. 2005 has seen very clear evidence of the execution of that growth strategy.

We have made significant progress in 2005 in industry segments such as Healthcare and Government, and we have also enjoyed strong growth in key Australian geographic markets, particularly Western Australia and South Australia. In the 2005 financial year, we also focused our attention very heavily on the SME market. This was a customer group in which we were under represented, but which offers huge potential, and we have seen revenue growth of 85% from this customer segment in FY05.

CHAIRMAN AND CEO'S STATEMENT

The other component of our growth strategy during the year was the establishment of SEEK Learning. In July 2004 we acquired SelfCert, a leading retailer of self-paced IT training courses in Australia, and its subsequent re-branding in March 2005 as SEEK Learning, proved to be an important milestone in the business.

We then entered into an agreement with Open University Australia to resell their degree courses online. This has been very successful to date, and sales volumes have surpassed our expectations.

Subsequent to the end of the 2005 financial year we announced the acquisition of Dynamic Web Training, a leading provider of classroom-based training for business software. In a very short timeframe, we have generated quite a degree of momentum in our expansion into the vocational education and training market. We expect to sustain this momentum as we create a substantial business that will become very important to SEEK, both strategically and in terms of its financial impact. We will continue to focus our acquisition activities in the learning market.

BOARD AND CORPORATE GOVERNANCE

Mr Irvin Rockman, CBE, resigned as Chairman in March 2005. The Board would like to express its thanks to Mr Rockman for his enormous contribution to the Company since its inception. We welcomed Chris Anderson, Colin Carter and Neil Chatfield as new directors during the financial year.

The Board is committed to ensuring that SEEK maintains a high level of Corporate Governance and has established a number of Board Committees and policies to facilitate this. These are discussed in the Directors' Report and are available on our website at: <http://www.seek.com.au/investor/shareholder.ascx>

OUTLOOK

We have had a very positive start to 2006, sustaining our momentum from the past financial year, and we are confident that we will meet our Prospectus forecasts for the 2006 financial year.

We expect the structural shift in employment advertising from print to online will continue through to 2006 and beyond. We believe the core business presents a strong growth profile, and that our ongoing product development program will help maintain our current market-leading position.

SEEK Learning will also play an increasingly important role within the SEEK business and we are very excited about the opportunities in this area.

We look forward to reporting on a productive and successful 2006 financial year.

In conclusion we would like to thank the entire SEEK team for their enormous commitment to our ongoing success, and to our customers and jobseekers who continue to provide us with loyal support.



James Packer
Chairman



Paul Bassat
CEO

BUSINESS OVERVIEW

THE 2005 RESULT IS EVIDENCE OF
THE EXECUTION OF A SUCCESSFUL
GROWTH STRATEGY.

A YEAR OF GROWTH



INTRODUCTION

The 2005 financial year proved to be one of outstanding growth and development across the whole SEEK business. After two years of strong gains in the Australian and New Zealand employment market, the operating environment for the 2005 financial year featured favourable economic conditions, unemployment rates at historically low levels, and increased competitor activity.

SEEK outlined a very clear strategy in its Prospectus to deliver growth from the existing employment classifieds business and from new businesses, and the 2005 result is evidence of the execution of that strategy.

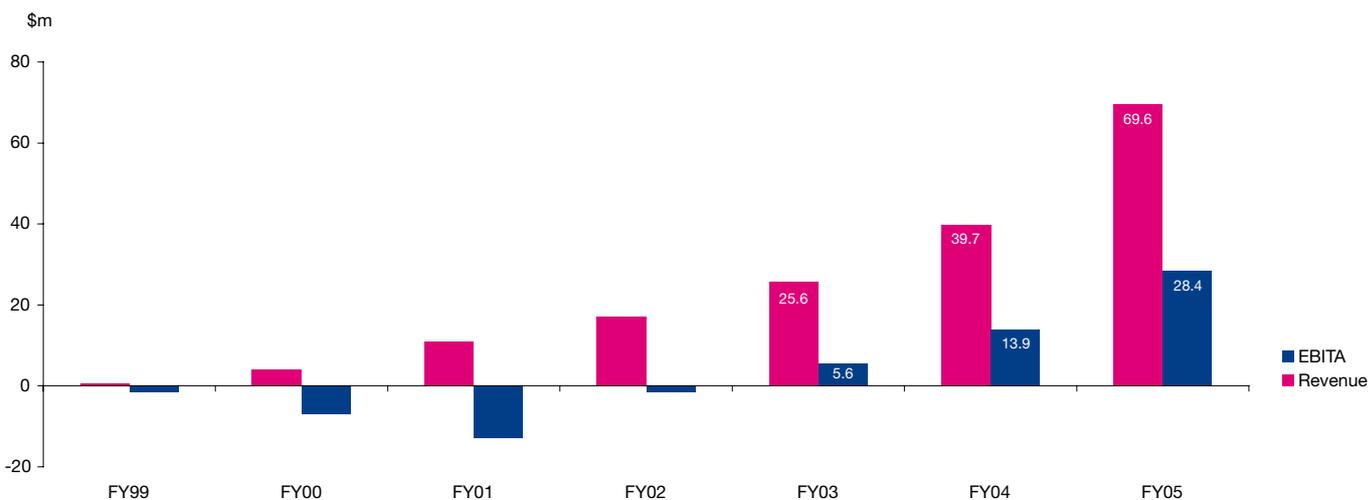
SEEK continues to consolidate its position as the leading employment website in Australia and New Zealand. Increased market penetration and advertising yield, greater audience share, growth in new markets plus growth in the training and education market, all contributed to growth in revenue, earnings and the returns delivered to shareholders.

A YEAR OF GROWTH

It has been another outstanding year for SEEK, with significant growth in revenue and a substantial growth in profit. SEEK's total operating revenue grew by 75% to reach \$69.6m in the 2005 financial year, which was 4% above Prospectus forecast. SEEK delivered EBITA of \$28.4m in FY05. This represents EBITA growth of 104.3%, which was 5.6% above Prospectus forecast.

SEEK GENERATED OUTSTANDING REVENUE GROWTH OF 75% IN 2005, DRIVING GROWTH IN EBITA OF 104%.

SEEK ANNUAL REVENUE AND EBITA 1999 – 2005



The employment market remained strong and in line with prospectus forecasts. Advertising growth was supplemented by an improvement in yield that reflected SEEK's increased reach, a growing change in the SEEK customer mix and the introduction and continued uptake of value added services.

In addition to strong organic growth, SEEK pursued external growth in the training market, with the July 2004 acquisition of SelfCert, which was subsequently re-branded and launched under the SEEK umbrella as SEEK Learning in March 2005.

THE EMPLOYMENT MARKET

SEEK represents a value proposition to advertisers – it delivers a large audience of job candidates at a considerable cost saving compared to conventional print advertising, and provides significant benefits in functionality. Online classifieds allow advertisers to place ads 24/7 to hire more quickly, and employ online tools to profile candidates and manage their applications, to shorten the recruitment cycle and reduce administrative costs.

STRUCTURAL CHANGE IN THE AUSTRALIAN EMPLOYMENT CLASSIFIEDS MARKET SAW ONLINE VOLUMES GROW BY 30.6% AND PRINT FALL BY 6.1%*.

Buoyant conditions in the employment market during 2005 have supported underlying growth in the volume of employment classifieds. A background of strong economic growth in Australia and historically low unemployment levels (the lowest since 1978), have led to an increase in the demand for employment services, including classified advertising.

2005 saw the continued migration of employment advertising from print media to online. SEEK estimates that in the 2005 financial year, 14% of all employment classifieds in Australia were online. The growth seen in the industry in the previous 3 years was sustained, with online employment classified volumes in Australia growing by 30.6%* year on year in 2005, highlighting the huge advances made by SEEK and its peers in the last year.

This is in stark contrast to the pattern in print, with classified print volumes dropping 6.1%* year on year.

SEEK believes that this again underlines the significant structural shift from print to online, which is set to continue.

ANZ JOB AD SERIES GROWTH IN ONLINE VS PRINT TO JUNE 2005



*Source: ANZ Job Ad Series for June 2005

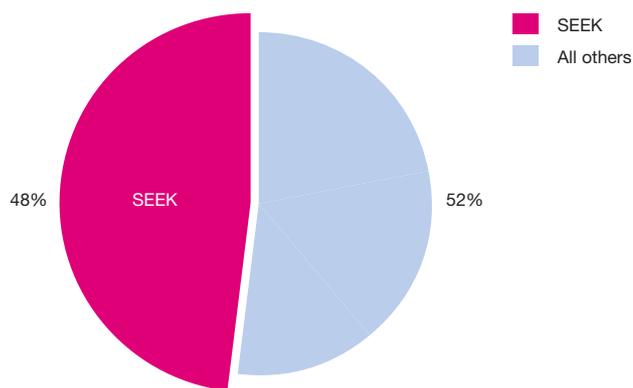
MARKET SHARE

As the leading employment site, SEEK has been a major beneficiary of the online classifieds market growth, and SEEK generated an increase in advertising volume of 46% in 2005.

SEEK estimates that it captured 48% of the total online advertising volume in June 2005. During 2005, SEEK attracted approximately 10,000 customers per month, who listed approximately 90,000 jobs at any one time. This represents customer growth of over 35% during the 2005 financial year.

SEEK HAD VERY STRONG ADVERTISING VOLUME GROWTH OF 46% IN 2005.

AUSTRALIAN ONLINE EMPLOYMENT CLASSIFIEDS JOB AD SHARE – JUNE 2005



Source: SEEK





MORE JOBS, MORE CANDIDATES...

Increasing job ad volumes represent increased choice for candidates looking for a new position, and visitor numbers to SEEK increased dramatically in financial year 2005.

THE EQUIVALENT OF 14% OF THE AUSTRALIAN WORKFORCE VISITS SEEK EVERY MONTH*.

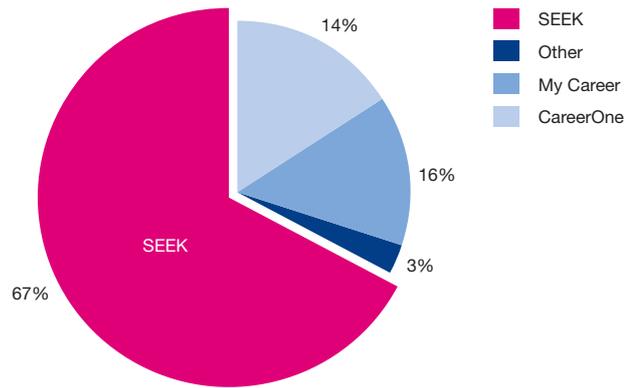
In June 2005, the number of candidates (unique browsers, as measured by Nielsen//NetRatings) visiting SEEK to search for jobs reached over 1.4 million, which is equivalent to over 14% of the Australian workforce. SEEK attracts more unique visitors than all of its competitors together and maintains a lead over its closest competitor of over 90%.

VISITORS STAY ON SEEK LONGER THAN ON ANY OTHER EMPLOYMENT SITE.

SEEK delivers additional value to advertisers with the quality and behaviour of jobseekers attracted to the website. A measure of behaviour that monitors how long visitors stay on site (called 'User Time'), shows that candidates stay on the SEEK site longer than any other employment site. This is a result of the enormous job choice available to candidates on SEEK and to the ease of use of SEEK's leading site design, with jobseeker friendly tools and products.

The appeal of SEEK's product offering is demonstrated by the size of the registered user base. Over 500,000 emails are sent by SEEK every night to jobseekers to update them on new jobs that match their individual search criteria. SEEK therefore does not just deliver Australian advertisers the largest online audience of any employment website, but an audience of jobseekers that stay online the longest, to search and apply to advertised vacancies.

AUSTRALIAN ONLINE EMPLOYMENT CLASSIFIEDS USER TIME



INTERNET THE FIRST CHOICE FOR 18 – 49 YEAR OLDS:

The Internet is now the number one place for jobseekers aged 18-49 to search for employment. Annual Newspoll research commissioned by SEEK confirmed a growing trend in the 18-49 year old age group. When asked, "If you only had one way to search for jobs, what would it be?" – over 41% of 18-49 year olds nominated online as the one method they would choose, while only 35% nominated print.

*Source: Nielsen//NetRatings June 2005

BUILDING THE MARKETPLACE

SEEK MAINTAINS STRONG MARKET SHARE IN ITS TRADITIONAL MARKETS OF INFORMATION TECHNOLOGY, ACCOUNTING AND ADMINISTRATION.

SEEK consolidated its position in its core business, and maintained its strong market share in its traditional markets of information technology, accounting and administration. These markets were the 'early adopters' in the move from print media to online, and advertising volumes across these traditional industries continued to increase over the year.

SEEK CONTINUES TO TARGET ORGANIC GROWTH.

However, SEEK continues to target organic growth in key industries and geographic regions where its penetration is lower than in 'traditional' markets. These industries and areas have delivered substantial improvements in advertising volumes over the last year and remain a key strategic driver for ongoing development.

SEEK's customers fall into four main categories: recruitment firms, large corporates, government and Small Medium Enterprises (SMEs). Recruitment firms have traditionally been SEEK's largest source of revenue and remained so in 2005. However, the greatest growth in customer numbers in 2005 has been in the SME category, with an increase of over 50%.

THE SMALL BUSINESS (SME) CATEGORY GENERATED THE GREATEST GROWTH IN CUSTOMER NUMBERS FOR SEEK IN 2005.

SMEs

SME customers represent a growing proportion of SEEK revenue, and as the proportion of SME customers continues to grow, this has a positive impact on advertising yield. SME customers typically pay casual rates, which are higher than the subscription rates charged to recruitment firms (that advertise in higher volumes).

EMERGING MARKETS

SEEK sees further potential in a range of geographic and industry markets. Following detailed research on industry segment and employee needs, SEEK develops relevant sales strategies to customize its offering for each customer segment.

During 2005, SEEK continued to pursue and generate growth in these emerging markets, and has made significant progress both in specialist industry segments such as Government and Healthcare, and in key Australian geographic markets, particularly in Western Australia and South Australia.

SEEK also registered substantial advertising volume growth in the New Zealand market, in the niche market SEEK UK, designed to meet the need for overseas talent, and in SEEK Executive, the leading employment site for senior professionals.

SEEK LEARNING



SEEK HAS PURSUED EXTERNAL GROWTH IN THE TRAINING MARKET WITH THE LAUNCH OF SEEK LEARNING, AND THIS COMPLEMENTARY BUSINESS FITS WELL WITH SEEK AUDIENCES.

Candidates looking for jobs are also thinking about options such as training to advance their career, and SEEK customers have an ongoing need for training to develop and retain their staff. SEEK Learning has been able to utilise SEEK's marketing and distribution capabilities to leverage a valuable candidate and advertiser base.

At the beginning of the financial year, SEEK acquired SelfCert, a leading retailer of self-paced IT training courses in Australia, and re-branded and launched the training business as SEEK Learning. This core business sells accredited online training courses for IT professionals from global e-learning leader SkillSoft, in partnership with leading vendors such as Microsoft, Cisco and Sun Microsystems.

OPEN UNIVERSITIES AUSTRALIA

The next stage of SEEK Learning's growth has been a partnership with Open Universities Australia (OUA) to offer a wide range of degree options from a number of Australia's top universities. OUA is Australia's leading provider of distance-based university degrees or units, and each qualification is equivalent to that achieved on campus.

DYNAMIC WEB TRAINING

Subsequent to the end of the 2005 financial year, SEEK acquired a software training provider Dynamic Web Training (DWT) as part of its expansion of the SEEK Learning business.

SEEK will continue to evaluate other opportunities for expansion in the education and training industry with new courses and new geographic regions under consideration.





ATTRACTING JOBSEEKERS

**SEEK'S WORLD-CLASS
DISTRIBUTION
NETWORK REACHES
OVER 86% OF
ACTIVE AUSTRALIAN
INTERNET USERS.***



Jobseekers are attracted to SEEK by the easy search tools and wide choice of jobs on offer, and SEEK employs a range of online and offline strategies to drive candidates to the site.

WORLD-CLASS DISTRIBUTION

SEEK has built a world-class distribution network for its employment website that reaches over 86% of active Australian internet users*.

SEEK remains the exclusive careers content provider for ninemsn, the leading Internet portal and most visited website in Australia. Exclusive agreements to provide career content for leading portals such as ninemsn, OptusNet and XtraMSN, and additional online distribution alliances, ensure that SEEK's job advertisements and search technology appear on over 30 partner sites. This online distribution network drives jobseekers to SEEK to search advertised jobs – both 'active' jobseekers, but also valuable 'passive' candidates, who are currently employed but may browse for opportunities, and when visiting partner sites are presented with SEEK search boxes, advertisements and editorial content.

*Source: Nielsen//NetRatings NetView Panel – Home and Work - July 2005



SEEK HAS 62% BRAND AWARENESS WITH KEY ADULTS AGED 18 AND OVER.

BRAND

An ultimate 'driver' with jobseekers is the SEEK brand, which remains one of SEEK's key business assets and one of the best known internet brands in Australia. SEEK invests heavily in significant online and offline marketing activity to build SEEK's brand and positioning nationally.

According to Newspoll research (Jan-Feb 2005), SEEK's innovative and aggressive promotion has built 62% brand awareness with adults 18+ in the major metropolitan centres Sydney, Melbourne, Brisbane, Adelaide and Perth, and SEEK maintains a higher brand awareness than any of its online competitors.

SEEK employs media effectively and in addition to an extensive online presence on alliance partner sites, drives awareness offline through television, radio and print, and through outdoor media from landmark billboards and 'bus wraps' to Telstra Dome signage.

THE RIGHT PRODUCT

Driving visitor traffic to SEEK is only successful if the available tools and search experience encourage jobseekers to search the advertised jobs, and SEEK therefore is constantly investing in job-related products to refine and improve the candidate experience.

In the core business in 2005 there has been ongoing focus on product development and enhancement, with several major product innovations during the year, enhancing the SEEK product offer to both advertisers and jobseekers.

A major initiative was the relaunch of the SEEK website in November 2004. The development of new search technology has provided advertisers with greater choice in their classification of advertised jobs and greatly enhanced their ability to 'match' candidates to specific positions. It has also allowed jobseekers to further narrow and refine their search criteria, to improve their overall search experience.

SEEK operates in a competitive market, and despite enjoying a position of clear market leadership, SEEK is passionate about continuing to improve and expand the product offer to both advertisers and to jobseekers. Subsequent to the end of the 2005 financial year, SEEK launched a new search engine and new keyword search technology, to further improve candidate 'match' for advertisers and refine the overall search experience for jobseekers. Several new product releases are also scheduled for the 2006 financial year, in line with our commitment to product development and enhancement.



OUR PEOPLE

Underpinning SEEK's growth and success during 2005 is a dedicated and passionate team, which is a critical foundation for future growth.

A key to SEEK's ongoing success is our commitment to attracting, developing and retaining great people.

The company works hard to employ people on the basis of company values and promotes a results-driven culture. Staff are given room to make their own decisions and, as a result, SEEK's employees are highly motivated.

The success of SEEK's focus on employee retention and development has been acknowledged externally.

SEEK ... ONE OF THE BEST EMPLOYERS IN AUSTRALIA.

SEEK has been recognised in each of the last three years as one of the best employers in Australia and New Zealand, in the prestigious Hewitt & Associates survey.



THE NEXT STEP

The SEEK business has grown rapidly since inception in 1997. Ongoing investment has been critical to the development of the business, not only in the positioning of the SEEK brand and development of search technology, but also in the internal infrastructure, systems and controls.

Operating expenditure remains very well controlled, despite significant investments made in the business during 2005.

SEEK WILL CONTINUE TO DEVELOP THE CORE BUSINESS, AND TARGET FURTHER ACQUISITION OPPORTUNITIES IN THE LEARNING MARKET DURING 2006.

Any acquisition must meet both the strategic and financial hurdles required to generate sufficient returns to shareholders.

SEEK has delivered a good financial result, and going forward displays great growth potential.



Pictured: Preview of new SEEK homepage launching late October.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of SEEK Limited and the entities it controlled at the end of, or during, the year ended 30 June 2005.

DIRECTORS

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

J D Packer
P M Bassat
A R Bassat
M M Rockman
R C G Watson

C J Anderson was appointed a director on 25 November 2004 and continues in office at the date of this report.

C B Carter was appointed a director on 22 March 2005 and continues in office at the date of this report.

N G Chatfield was appointed a director on 9 June 2005 and continues in office at the date of this report.

A C Klok was an alternate to J D Packer from the beginning of the financial year until his resignation on 24 August 2004. A C Klok was re-appointed as an alternate director for J D Packer on 24 November 2004 and as an alternate director for C J Anderson on 2 August 2005 and continues in office at the date of this report.

H Abeles was a director from the beginning of the financial year until her resignation on 28 February 2005.

I P Rockman CBE was a director from the beginning of the financial year until his resignation on 22 March 2005.

D Phillips was a director from the beginning of the financial year until his resignation on 22 March 2005.

S Wardman-Browne was a director from the beginning of the financial year until his resignation on 22 March 2005.

J L McLachlan was appointed as an alternate director to J D Packer on 24 August 2004 and resigned on 3 November 2004.

PRINCIPAL ACTIVITIES

During the year the principal continuing activities of the consolidated entity consisted of:

- employment classified advertising and related services on the internet.

The following significant changes in the nature of the activities of the consolidated entity occurred during the year:

- provision of online training courses, through the purchase of 100% of the issued capital of SEEK Learning Pty Ltd (formerly known as Business Information Systems Pty Ltd, trading as Selfcert).

DIVIDENDS

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

	2005 \$'000	2004 \$'000
Interim ordinary dividend for the year ended 30 June 2005 of 14 cents (2004: Nil) per fully paid ordinary share paid on 13 October 2004	12,491	-
(This dividend was based on the record date 6 October 2004, when the shares on issue totalled 89,218,006, which was prior to the share subdivision of three shares for each one held, approved by the General Meeting of shareholders 11 March 2005.)		
	12,491	-

In addition to the above dividends, since the end of the financial year the directors have recommended the payment of a final ordinary dividend of one cent (2004: Nil) per fully paid share to be paid on 30 September 2005 out of retained profits at 30 June 2005. The 2005 dividend has been calculated pro rata from 19 April 2005 (listing date) to 30 June 2005, and represents 65% of net profit after tax (excluding amortisation).

REVIEW OF OPERATIONS

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

	2005 \$'000	2004 \$'000
Revenue		
Advertising	63,528	39,745
Learning	6,079	-
Interest income	1,725	1,111
Total Revenue	71,332	40,856
Cost of sales of goods	(1,566)	-
Sales and marketing	(14,612)	(8,792)
Business development	(14,308)	(10,771)
Operations and administration	(13,181)	(6,740)
Expenses from ordinary activities	(43,667)	(26,303)
Profit from ordinary activities before income tax	27,665	14,553
Income tax attributable to operating profit	(8,413)	(718)
Net profit attributable to members of SEEK Limited	19,252	13,835

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

Explanation of revenue

Consolidated operating revenue for the 12 months to June 2005 was \$69,607,000 (2004: \$39,745,000).

- The SEEK online classified advertising business performed extremely well with revenue increasing by 60% to \$63,528,000 (2004: \$39,745,000). The strong classified revenue growth is due to growing advertising volumes, which have been underpinned by the continued migration of advertisers from print to the online medium and the high demand for candidates in a tight labour market.
- SEEK Learning generated revenue of \$6,079,000 in the year to June 2005 being its first year within the group.
- Interest revenue for the period was \$1,725,000 (2004: \$1,111,000).

Explanation of net profit

SEEK's consolidated net profit for the period was \$19,252,000 (2004: \$13,835,000). This represents an increase of 39% compared to the prior year. This has been impacted by income tax expense of \$8,413,000 (2004: \$718,000) as SEEK Australia was in a fully tax payable position for the first time.

Explanation of dividends

A final dividend of one cent per share has been declared. The 2005 dividend has been calculated pro rata from 19 April 2005 (listing date) to 30 June 2005, and represents 65% of net profit after tax (excluding amortisation).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The only significant change of affairs of SEEK Limited for the year to 30 June 2005 was the SEEK group's new focus on the online training sector through its acquisition of SEEK Learning Pty Ltd (formerly known as Business Information Systems trading as Selfcert) effective as of 1 July 2004.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to year end SEEK Learning Pty Ltd negotiated and finalised the acquisition of Dynamic Web Training Pty Ltd, a classroom based training company. The transaction was completed on 31 August 2005, with an effective date 1 September 2005. The cost of acquisition was \$2,450,000 plus related acquisition costs which are yet to be finalised. The identification and valuation of the acquired intangible assets and goodwill is also yet to be finalised.

Also subsequent to year end the Australian Tax Office issued a private ruling in relation to the deductibility of specific capital raising costs related to the company's Initial Public Offer (IPO). At balance date the company assessed \$1,500,000 of these specific capital raising costs as tax deductible over a five year period, resulting in a reduction in the income tax expense of \$90,000 per annum over the five year period.

The Australian Tax Office has indicated tax deductions in relation to these IPO Capital Raising Costs of approximately \$6,775,000 will be allowed over a five year period. This will result in an additional tax credit of \$316,000 in each year over a five year period.

For further information regarding these events please refer to Note 28.

Except for the events discussed above, no other matter or circumstance has arisen since 30 June 2005 that has significantly affected, or may significantly affect:

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

At the date of this report there are no likely developments in the operations of the consolidated entity constituted by the SEEK group which would materially impact the results of the SEEK group.

ENVIRONMENTAL REGULATION

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

INFORMATION ON DIRECTORS

James Packer – Chairman – non-executive. Age 38.

Experience and expertise

James Packer is the Executive Chairman of Publishing and Broadcasting Ltd, a top 30 listed Australian company. PBL is Australia's leading media and entertainment company. Its core businesses are television production and broadcasting; magazine publishing and distribution; and gaming and entertainment. James is also the joint CEO of Consolidated Press Holding Limited. Since 1988 James has worked in various senior positions across the PBL group.

Anthony C Klok acts as an alternate director for James Packer. Anthony is PBL's Business Development Director.

Other current directorships

Publishing and Broadcasting Limited – (executive director) since April 1992 (executive chairman) since 1998

Qantas Airways Limited (independent non-executive) since March 2004

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

Crown Limited (non-executive) since July 1999 (removed from the Official list on 2 September 2005)

ecorp Limited (non-executive) since March 1994 – delisted April 2003

Former directorships in last three years

None

Special responsibilities

Chairman

Interests in shares and options

No interests in SEEK Limited.

Paul Bassat – Chief Executive Officer and Co-Founder. Age 37.

Experience and expertise

Paul Bassat is the CEO and co-founder of SEEK. SEEK has rapidly established itself as the destination of choice for employment advertisers and job seekers across Australia and New Zealand. Paul has led SEEK since its inception in 1997. During this period SEEK has been recognised as one of the fastest growing businesses in the Asia Pacific Region as well as one of the "Best Employers to work for in Australia".

Prior to co-founding SEEK, Paul spent six years with the commercial law firm Arnold Block Leibler, where he specialised in corporate law. Paul holds Bachelor of Laws and Bachelor of Commerce degrees from the University of Melbourne and is a member of the Small Business Panel of the Reserve Bank of Australia.

Other current directorships

None

Former directorships in last three years

None

Special responsibilities

Chief Executive Officer

Interests in shares and options

Paul Bassat has interests in 14,672,976 shares representing 5.22% of issued capital and has 2,250,000 share options.

Andrew Bassat – Executive Director and Co-Founder. Age 39.**Experience and expertise**

Andrew Bassat leads SEEK's Strategy and Business Development team. He is responsible for overall strategic direction, progress of expansion opportunities, acquisitions, strategic alliances with key partners and online marketing. Andrew is also responsible for SEEK Learning.

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

Andrew holds a Bachelor of Science (Computer Science) degree from the University of Melbourne, a Bachelor of Laws (Honours) degree from Monash University and a Master of Business Administration degree from Melbourne Business School.

Other current directorships

None

Former directorships in last three years

None

Special responsibilities

None

Interests in shares and options

Andrew Bassat has interests in 14,672,976 shares representing 5.22% of issued capital and has 2,250,000 share options.

Matthew Rockman – Executive Director and Co-Founder. Age 37.**Experience and expertise**

In his role as Director of Sales, Matthew Rockman is responsible for driving the sales effort and managing SEEK's relationship with customers.

He leads a team of account and sales managers across London, New Zealand and five states of Australia. Matthew's focus is on growing SEEK's market position and on both delivering and adding value to customers' businesses.

Before co-founding SEEK, Matthew was director of the Northrock group of companies, and the Sales and Marketing Director for Rockman's Regency hotel. He played a strategic role in acquisitions and property developments, and using innovative sales and marketing strategies was responsible for positioning Rockman's Regency as one of the pre-eminent hotels in Australia.

Matthew holds a Bachelor of Business (Banking and Finance) degree from Monash University.

Other current directorships

None

Former directorships in last three years

None

Special responsibilities

None

Interests in shares and options

Matthew Rockman has interests in 11,372,976 shares representing 4.05% of issued capital and has 2,250,000 share options.

Chris Anderson – Non-executive Director. Age 60.**Experience and expertise**

Chris Anderson was appointed to the SEEK Board on 25 November 2004. He had seven years as Chief Executive of Optus during which time he managed Optus through significant milestones including listing on the Australian Stock Exchange, the SingTel purchase of Optus and the Optus-Foxtel content sharing Pay TV deal.

Prior to joining Optus he was Group Chief Executive of Television New Zealand and before that the Managing Editor of the Australian Broadcasting Corporation. The bulk of his career, from 1966 to 1991, was spent with John Fairfax Limited where he was appointed Managing Director and Group Editorial Director of all group newspapers in 1987, and Chief Executive Officer in 1990.

He is also on the Board of PBL, Foxtel, Fox Sports, ninemsn, Hoyts, and is a member of ABN AMRO's Advisory council.

Chris has a Bachelor of Economics degree from the University of Sydney and is a graduate of the Advanced Management Program at Columbia University, New York.

Other current directorships

Publishing and Broadcasting Limited (executive director) since June 2004.

Former directorships in last three years

None

Special responsibilities

Member of the Audit and risk management committee.

Interests in shares and options

Chris Anderson has interests in 47,619 shares representing 0.02% of issued capital.

Bob Watson – Independent Non-executive Director. Age 49.**Experience and expertise**

Bob Watson has over 20 years of executive management experience in the information technology and recruitment industries. His various roles have included Chief Executive Officer of Mayne Nickless Computer Services, Data Sciences International (in the UK) and Lend Lease Employer Services. Bob was also the Australasian CEO for Adecco, the world's (and Australia's) largest recruitment and labour contracting agency.

Bob is currently Executive Chairman of listed biotechnology company Cytopia Limited and a director of several private companies.

Other current directorships

Executive Chairman of Cytopia Limited (a director since June 2003 and Chairman since November 2004).

Former directorships in last three years

None

Special responsibilities

Chairman of the Remuneration committee.

Interests in shares and options

Bob Watson has interests in 7,938,648 shares representing 2.8% of issued capital.

Colin Carter – Independent Non-executive Director. Age 62.**Experience and expertise**

Colin Carter has an extensive consulting background in organisation and business strategy and he is a former Senior Vice-President of, and is currently a senior adviser to, The Boston Consulting Group. His interests also include corporate governance issues and in recent years Colin has carried out Board performance reviews for a number of companies as well as co-authoring a top-selling book on Boards, *Back to the Drawing Board*. He is a non-executive director of two public companies – Origin energy and Wesfarmers Limited. Colin is also a commissioner of the Australian Football League, a director of the Melbourne 2006 Commonwealth Games Corporation and Chairman of Indigenous Enterprise Partnerships.

Colin has a Bachelor of Commerce degree from Melbourne University and an MBA from Harvard Business School where he graduated with distinction and as a Baker scholar.

Other current directorships

Origin Energy Limited – (non-executive) since February 2000.

Wesfarmers Limited – (non-executive) since October 2002.

Former directorships in last three years

None

Special responsibilities

Member of the Remuneration committee.

Interests in shares and options

Colin Carter has interests in 83,333 shares representing 0.03% of issued capital.

Neil Chatfield – Independent Non-executive Director. Age 51.**Experience and expertise**

Neil Chatfield has extensive experience in financial management, capital markets, mergers and acquisitions, and risk management.

Neil has a Master of Business in Finance and Accounting, as well as post-graduate studies in information technology and accounting, and is a Fellow of the Australian Society of Certified Practising Accountants and a Member of the Australian Institute of Company Directors.

Neil is currently Director and Chief Financial Officer of Toll Holdings Limited which is Australia's leading provider of integrated transport and logistics services.

Other current directorships

Toll Holdings Limited – executive director (since July 1998).

Former directorships in last three years

None

Special responsibilities

Chairman of the Audit and risk management committee.

Interests in shares and options

Neil Chatfield has interests in 23,809 shares representing 0.008% of issued capital.

COMPANY SECRETARY

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

Meetings of directors

	Full Meetings of directors		Meetings of committees			
	A	B	Audit & Risk Management		Remuneration	
	A	B	A	B	A	B
J D Packer	6	7	*	*	*	*
P M Bassat	7	7	*	*	*	*
A R Bassat	7	7	*	*	*	*
M M Rockman	6	7	*	*	*	*
R C G Watson	7	7	*	*	–	–
C J Anderson	5	5	–	–	*	*
C B Carter	2	2	*	*	–	–
N G Chatfield	1	1	–	–	*	*
I P Rockman (resigned 22/3/05)	5	5	2	2	–	–
S Wardman-Browne (resigned 22/3/05)	4	5	2	2	*	*
H Abeles (resigned 28/2/05)	4	5	*	*	*	*
D Phillips (resigned 22/3/05)	5	5	2	2	*	*

A = Number of meetings attended.

B = Number of meetings held during the time the director held office or was a member of the committee during the year.

* = Not a member of the relevant committee.

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

C B Carter and N G Chatfield were appointed to the Board after the previous annual general meeting, and under the SEEK Limited Constitution require shareholder approval at the next annual general meeting. Both are eligible and will seek election.

Under the SEEK Limited Constitution, directors cannot serve beyond three years or the third annual general meeting after their appointment, whichever is longer.

A R Bassat, M M Rockman and R C G Watson are required to be re-elected and all three being eligible, will seek re-election at the next annual general meeting.

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

REMUNERATION REPORT

Principles used to determine the nature and amount of remuneration

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

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

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

Alignment to shareholders' interests:

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

Alignment to program participant's interests:

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

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

The overall level of executive reward takes into account the performance of the consolidated entity over a number of years, with greater emphasis given to the current and prior year. Over the past two years, the consolidated entity's profit from ordinary activities after income tax has grown at an average rate of 115% per annum, and shareholder wealth has grown at an average rate of 263% per annum. During the same period, average executive remuneration has grown by approximately 10% per annum.

Non-executive directors

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

Directors' fees

The current base remuneration was last reviewed with effect from 22 March 2005.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$500,000 per annum, covering all non-executive directors.

Retirement allowances for directors

The Board reviews retirement allowances for non-executive directors on an individual basis.

Allowances are approved by the shareholders at the annual general meeting, where required.

Executive pay

The executive pay and reward framework has four components

- base pay and benefits
- short-term performance incentives
- long-term incentives through participation in the various Employee Option Plans, and
- Other remuneration such as superannuation.

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

Base pay

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

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

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

Benefits

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

Retirement benefits

Retirement benefits are delivered under the Statutory Guarantee Charge (SGC). Under current legislation, SEEK Limited provides choice of superannuation funds. The SEEK Limited default fund is The SEEK Limited Superannuation fund. This Fund is an accumulation fund.

Other retirement benefits may be provided directly by the company if approved by shareholders.

Short term incentives

Executives participate in an executive bonus plan, combining the company's annual profit performance and the individual's personal performance, as assessed by the SEEK internal performance management program. The bonus payment is calculated on the executive's base pay. Executives can receive a bonus up to a maximum individual amount, and any executive not achieving the maximum bonus, forfeits the difference between the amount paid and the maximum bonus. Bonuses are paid annually, after the release of the company's annual results.

Long term incentives

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

For details of the Plans refer to Note 25 in the Financial Reports.

Details of remuneration

Details of the nature and amount of each element of the remuneration of each director and of each of the four officers of the company and the consolidated entity receiving the highest remuneration for the year ended 30 June 2005, are set out in the following tables.

Individual disclosure of remuneration for the previous year is not required under AASB 1046 Director and Executive Disclosures by Disclosing Entities in the first year in which a reporting entity becomes a disclosing entity.

Directors of SEEK Limited

Name	Cash salary and fees \$	Primary		Post-employment		Equity		Total \$
		Cash bonus \$	Non-monetary benefits \$	Super-annuation \$	Retirement benefits \$	Options \$		
J D Packer* Chairman (non-executive) 2005	29,000	-	-	2,610	-	-	-	31,610
P M Bassat Director and Chief Executive Officer 2005	330,000	-	1,000	29,700	-	117,181	-	477,881
A R Bassat Director Business Development 2005	330,000	-	1,000	29,700	-	117,181	-	477,881
M M Rockman Director of Sales 2005	330,000	-	1,000	29,700	-	117,181	-	477,881
R C G Watson Director (independent non-executive) 2005	62,500	-	-	5,625	-	-	-	68,125
C J Anderson** Director (non-executive) joined 25 November 2005 2005	16,500	-	-	1,485	-	-	-	17,985
C B Carter Director (independent non-executive) joined 22 March 2005 2005	16,668	-	-	1,500	-	-	-	18,168
N G Chatfield Director (independent non-executive) joined 9 June 2005 2005	4,167	-	-	375	-	-	-	4,542
I P Rockman Director and past chairman (non-executive) resigned 22 March 2005 2005	18,000	-	-	1,620	50,000****	-	-	69,620

Name	Cash salary and fees \$	Primary	Non-monetary	Post-employment		Equity	Total \$	
		Cash bonus \$	benefits \$	Super-annuation \$	Retirement benefits \$	Options \$		
D Phillips*** Director (non-executive) resigned 22 March 2005	9,000	-	-	-	-	-	9,000	
H Abeles*** Director (non-executive) resigned 28 February 2005	8,000	-	-	-	-	-	8,000	
S. Wardman-Browne*** Director (non-executive) resigned 22 March 2005	9,000	-	-	-	-	-	9,000	
Totals								
	2005	1,162,835	-	3,000	102,315	50,000	351,543	1,669,693
	2004	900,333	-	3,000	77,790	-	-	981,123

* J D Packer – the company has been advised that in relation to the directors fees disclosed above for Mr Packer, that he intends to reimburse Publishing and Broadcasting Limited for the after tax amount of those fees.

** C J Anderson – the company has been advised that in relation to the directors fees disclosed above for Mr Anderson, that he intends to reimburse Publishing and Broadcasting Limited for the after tax amount of those fees.

*** The following directors do not receive fees personally, as their fees are paid to the following companies, for providing their services as directors.

D Phillips' directors fees are payable to Macquarie Technology Funds 1A and 1B

H Abeles' directors fees are payable to Instanz Nominees Pty Ltd

S Wardman-Browne's directors fees are payable to AMWIN Management Pty Ltd.

**** The amount shown as retirement benefits for I P Rockman was approved by the Board during the financial year, and did not require shareholder approval.

Other specified executives of SEEK Limited and the consolidated entity

Name	Cash salary and fees \$	Primary	Non-monetary benefits \$	Post-employment		Equity	Total \$
		Cash bonus \$		Super-annuation \$	Retirement benefits \$	Options \$	
T K Vu Chief Information Officer appointed 15 December 2004	2005 142,246	39,467	1,000	16,354	–	26,800	225,867
J A Armstrong Chief Financial Officer 2005	215,600	32,291	1,000	22,310	–	35,000	306,201
K A May Marketing Director resigned 27 May 2005	2005 257,356	56,619	1,000	27,457	–	40,104	382,536
P Eltridge Chief Information Officer resigned 30 July 2004	2005 41,185	–	–	1,706	–	547	43,438
Totals	2005 656,387	128,377	3,000	67,827	–	102,451	958,042
	2004 612,942	100,395	3,000	67,972	–	146,024	930,333

Cash bonuses and options

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

Name	Cash bonus		Options	
	Paid %	Forfeited %	Vested %	Forfeited %
P M Bassat*	–	–	100	–
A R Bassat*	–	–	100	–
M M Rockman*	–	–	100	–
T K Vu	100	–	100	–
J A Armstrong	54	46	100	–
K A May**	73	27	92	8
P Eltridge***	–	100	2	98

* Executive directors do not receive cash bonuses. Options granted under the executive directors employment and option agreement dated 22 March 2005, have been independently valued under AASB 1046. As the options do not begin vesting until January 2007 and have Total Shareholders Return hurdles, it has been estimated that for this year 100% of the options will vest.

** K A May resigned on 27 May 2005. Her bonus payment was paid pro rata. At the date of resignation she was entitled to all options vested to that date, and all other unvested options were forfeited.

*** P Eltridge resigned on 30 July 2004. He was not entitled to any pro rata bonus payment. At the date of resignation he was entitled to all options vested to that date, and all other unvested options were forfeited.

Options are granted to executive directors in accordance with individual employment and options agreements.

Other specified executives are granted options under the SEEK Limited Staff Option Plan, or the Senior Executive Option Plan, details of which are set out in Note 21 to the financial statements.

Service agreements

Executive directors

Remuneration and other terms of employment for the executive directors are formalised under the same employment and options agreements. Under the terms of the agreements, SEEK will employ executive directors, P M Bassat, A R Bassat and M M Rockman for an initial term of two years from the date of the ASX listing on 19 April 2005. During this term the executive directors have agreed not to resign. After the initial two years the executive directors have agreed that no executive director will resign when such resignation would take effect within four months of another executive director resigning.

Each executive director will be paid an annual salary of \$360,000 per annum plus superannuation, effective from 1 January 2005. The salary will be reviewed annually. There are no special termination benefits payable under these agreements.

Executive Option Plan

SEEK has entered into separate employment and options agreements, dated 22 March 2005, with the three executive directors, on the same terms and conditions. As part of these agreements each executive director was issued with 2,250,000 options. The options vest, subject to that executive director still being employed by SEEK, as to 30% on 1 January 2007, as to another 35% on 1 January 2008 and as to the balance on 1 January 2009.

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

The exercise price for the options is \$2.10 per option.

Other specified executives

Specified executives have employment contracts determining cash salary, performance based cash bonuses and share option agreements. Specified executives have no fixed employment terms. All contracts with specified executives can be terminated by either party, with one month's notice. Remuneration is reviewed annually.

J A Armstrong, Chief Financial Officer

- Base salary for the year ended 30 June 2005 of \$215,600
- Participation in the executive bonus plan.

T K Vu, Chief Information Officer (appointed 15 December 2004)

- Base salary for the year ended 30 June 2005 of \$260,000
- Participation in the executive bonus plan, on a pro rata basis.

K A May Marketing Director (resigned 27 May 2005)

- Base salary for the year ended 30 June 2005 of \$275,000 (effective from 1 August 2004)
- Participation in the executive bonus plan, on a pro rata basis.

P Eltridge, Chief Information Officer (resigned 30 July 2004)

- Base salary for the year ended 30 June 2005 of \$228,900
- Did not participate in the executive bonus plan.

Share based compensation

Details relating to options are set out below.

Name	A Remuneration consisting of options	B Value at Grant Date \$	C Value at Exercise Date \$	D Value at Lapse Date \$	E Total of columns B-D \$
Paul Bassat*	24.5%	1,464,750	-	-	1,464,750
Andrew Bassat*	24.5%	1,464,750	-	-	1,464,750
Matthew Rockman*	24.5%	1,464,750	-	-	1,464,750
John Armstrong	11.3%	-	78,739	-	78,739
Tam Vu**	11.9%	214,400	-	-	214,400
Katie May**	10.4%	-	140,255	40,104	180,359
Patrick Eltridge**	1.3%	-	230,425	49,766	280,191

A = The percentage of the value of remuneration consisting of options, based on the value at grant date set out in column B.

B = The value at grant date calculated in accordance with AASB 1046 Director and Executive Disclosures by Disclosing Entities of options granted during the year as part of remuneration.

C = The value at exercise date of options that were granted as part of remuneration and were exercised during the year.

D = The value at lapse date of options that were granted as part of remuneration and that lapsed during the year.

* Executive directors options vesting commenced from 1 January 2005, therefore represent only six months' remuneration.

** Specified executives were employed for less than a year, and their remuneration from bonuses and options is on a pro rata basis.

Katie May did not exercise options but participated in the optionholder buy-back on 20 April 2005.

Loans to directors and executives

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

Share options granted to directors and the most highly remunerated officers

Options over unissued ordinary shares of SEEK Limited granted during the financial year and through to the date of this report, to any of the directors or the four most highly remunerated officers of the company and consolidated entity as part of their remuneration were as follows:

	Options granted
Directors	
P M Bassat CEO and Executive Director	2,250,000
A R Bassat Executive Director	2,250,000
M M Rockman Executive Director	2,250,000
The options were granted under an employment and options agreement dated 22 March 2005. Refer Note 25 for details of the agreement.	
Other executives of SEEK Limited and consolidated entity	
T K Vu Chief Information Officer	480,000

The options were granted under the SEEK Limited Senior Executive Option Plan on 13 December 2004.

Refer Note 25 for details of the Plan.

On 11 March 2005, SEEK Limited subdivided its ordinary shares on the basis of three shares for every one share held.

The option numbers and exercise prices disclosed above are shown on an after subdivision basis.

Shares under option

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

Date options granted	Expiry date	Issue price of shares	Number under option
Staff Option Plan			
7/7/1999	10 years	\$0.0499	175,000
28/10/1999	10 years	\$0.0749	42,000
17/8/1998 – 7/3/2000	10 years	\$0.1270	23,472
2/2/2000 – 8/9/2003	6 years	\$0.3333	1,612,784
9/9/2003 – 3/5/2004	6 years	\$0.4633	512,502
17/5/2004 – 15/7/2004	6 years	\$0.5833	885,300
1/2/2005	6 years	\$0.8333	50,469
12/5/2005	6 years	\$0.3333	45,750
12/5/2005	6 years	\$0.4633	54,000
12/5/2005	6 years	\$0.5833	60,000
Senior Executive Option Plan			
29/10/2004	6 years	\$0.8333	210,000
13/12/2004	6 years	\$0.8333	480,000
8/7/2005	6 years	\$2.3200	210,000
15/8/2005	6 years	\$2.4800	240,000
Selfcert Option Agreement			
25/8/2004	6 years	\$0.5833	637,500
Executive Directors Option Agreement			
22/3/2005		\$2.1000	6,750,000
			11,973,776

On 11 March 2005, SEEK Limited subdivided its ordinary shares on the basis of three shares for every one share held.

The option numbers and exercise prices disclosed above are shown on an after subdivision basis.

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

Shares issued on the exercise of options

The following ordinary shares of SEEK Limited were issued during the year ended 30 June 2005 on the exercise of options granted under the SEEK Limited Staff Option Plan. Between the end of the financial year and the date of this report, a further 166,500 shares have been issued, as the result of exercising of employee options. No amounts are unpaid on any of the shares.

Date options granted	Issue price of shares	Number of shares issued
Shares issued and issue prices – Pre ordinary share subdivision 11 March 2005		
26/7/2004	\$0.3891	50,062
23/9/2004	\$1.0000	70,000
24/9/2004	\$0.3800	20,582
28/9/2004	\$1.0000	97,916
5/10/2004	\$1.0000	585,625
29/10/2004	\$1.0000	6,400
14/2/2005	\$1.0000	15,000
		845,585
Shares issued and issue prices – Post ordinary share subdivision 11 March 2005		
20/6/2005 Exercise of options by various employees	\$0.2678	1,056,658
Price of shares issued is an average of individual prices ranging from \$0.0499 to \$0.8333		
		1,056,658

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 and officers of the company and its controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. The insurance contract requires that the amount of the premium paid is confidential.

Prospectus liability insurance

Prior to the Initial Public Offer of SEEK Limited shares, the company insured the directors and officers of the company for costs and liabilities, arising from claims against the company, regarding the Prospectus document.

The insurance contract requires that the amount of the premium paid is confidential.

Proceedings on behalf of the company

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

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

Non-audit services

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

Details of the amounts paid to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are set out on page 35.

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

- all non-audit services have been reviewed by the audit and risk management committee to ensure they do not impact the integrity and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 37.

	Consolidated	
	2005 \$	2004 \$
During the year the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:		
Assurance services		
1. Audit services		
PricewaterhouseCoopers Australian firm:		
Audit and review of financial reports and other audit work under the <i>Corporations Act 2001</i>	110,000	55,000
Total remuneration for audit services	110,000	55,000
2. Other assurance services		
PricewaterhouseCoopers Australian firm:		
Due diligence services	628,652	–
IFRS accounting services	14,000	3,500
Staff remuneration advice	91,200	–
Non-PricewaterhouseCoopers audit firms	62,875	12,000
Total remuneration for other assurance services	796,727	15,500
Total remuneration for assurance services	906,727	70,500
3. Taxation services		
PricewaterhouseCoopers Australian firm:		
Tax compliance services, including review of company income tax returns	195,530	80,890
Tax related due diligence services	78,280	–
Total remuneration for taxation services	273,810	80,890
4. Advisory services		
PricewaterhouseCoopers Australian firm:		
Facilitated risk assessment process and advised on disaster recovery plan	9,600	–
Total remuneration for advisory services	9,600	–

Rounding of amounts

The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor

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

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



James Packer
Chairman



Paul Bassat
Director

Melbourne
27 September 2005

Auditors' Independence Statement

As lead auditor for the audit of Seek Limited for the year ended 30 June 2005, I confirm 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 for the reporting period other than a contravention covered by ASIC Class Order 05/910, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit for the reporting period.

This statement is in respect of Seek Limited and the entities it controlled during the reporting period.



John Yeoman
Partner
PricewaterhouseCoopers

Melbourne
27 September 2005

CORPORATE GOVERNANCE

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

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

Day to day management of the group's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Chief Executive Officer and the executive team.

Given SEEK Limited has only been a listed company for a relatively short period the group is continuing to assess its corporate governance practices. The Board structure has been evolving and whilst efforts have been made to put good corporate governance structures in place by year end, these were not operating throughout the entire financial period.

THE BOARD OF DIRECTORS

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

Board composition

The charter states:

- the Board is to be comprised of both executive and non-executive directors with a majority of non-executive directors. Non-executive directors bring a fresh perspective to the Board's consideration of strategic, risk and performance matters and are best placed to exercise independent judgement and review and constructively challenge the performance of management
- the Chairman is elected by the full Board and is required to meet regularly with the Chief Executive Officer
- the company is to maintain a mix of directors on the Board from different backgrounds with complementary skills and experience
- from June 2006 the Board will be required to undertake a regular Board performance review and consider the appropriate mix of skills required by the Board to maximise its effectiveness and its contribution to the Group.

Responsibilities

The responsibilities of the Board include:

(a) Strategy

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

(b) Risk management

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

(c) Reporting and disclosure

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

Management

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

(d) Performance

- Evaluating the CEO’s performance.
- Approving criteria for assessing performance of senior executives and for monitoring and evaluating the performance of senior executives.
- Undertaking an annual performance evaluation of itself.
- Establishing and reviewing succession plans for Board membership.

(e) Corporate governance

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

(f) Board committees

Establishing the following Board Committees:

- Audit and Risk Management Committee;
- Remuneration Planning Committee.
- Adopting Charters for each committee.

(g) Delegation of authority to management

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

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

Board members

Details of the members of the Board, their experience, expertise, qualifications, term of office and independent status are set out in the directors’ report under the heading “Information on directors”. There are five non-executive directors and three executive directors at the date of signing the directors’ report. Two non-executive directors are non-independent being James Packer and Chris Anderson, through their relationship with Publishing and Broadcasting Ltd.

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

The Board seeks to ensure that:

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

DIRECTORS' INDEPENDENCE

The Board has adopted specific principles in relation to directors' independence. These state that to be deemed independent, a director must be a non-executive and:

- not be a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company
- within the last three years, not have been employed in an executive capacity by the company or any other group member, or been a director after ceasing to hold any such employment
- within the last three years not have been a principal of a material professional adviser or a material consultant to the company or any other group member, or an employee materially associated with the service provided
- not be a material supplier or customer of the company or any other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer
- must have no material contractual relationship with the company or a controlled entity other than as a director of the group
- not have been on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company
- be free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company.

Materiality for these purposes is determined on both quantitative and qualitative bases. An amount of over 5% of annual turnover of the company or group or 5% of the individual directors' net worth is considered material for these purposes. In addition, a transaction of any amount or a relationship is deemed material if knowledge of it impacts the shareholders' understanding of the director's performance.

Recent thinking on corporate governance has introduced the view that a director's independence may be perceived to be impacted by lengthy service on the Board. To avoid any potential concerns, the Board has determined that a director will not be deemed independent if he or she has served on the Board of the company for more than 10 years.

Non-executive directors

Due to the formation of a new Board the five non-executive directors have not met without the presence of management during the financial year. It is planned that two such meetings will be conducted during the next financial year to discuss the operation of the Board and the findings of those meetings will be shared with the full Board.

Term of office

The company's Constitution specifies that all directors with the exception of the Chief Executive Officer must stand for re-election the longer of every three years or the third annual general meeting. Any director appointed by the Board must stand for election at the next annual general meeting.

Chairman and Chief Executive Officer (CEO)

The Chairman is responsible for leading the Board, ensuring directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the company's senior executives.

Best practice corporate governance principle 2 suggests that the Chairman should be an independent non-executive director. SEEK's Chairman is not independent due to Mr J D Packer's relationship with Publishing and Broadcasting

Ltd, who have a significant ownership interest in SEEK Limited. Given Mr J D Packer's standing within the business community and extensive business experience he was deemed the most appropriate person to chair the SEEK Board.

The CEO is responsible for implementing group strategies and policies.

Commitment

The number of meetings of the company's Board of directors and of each Board committee held during the year ended 30 June 2005, and the number of meetings attended by each director is disclosed on page 23.

It is the company's practice to allow its executive directors to accept appointments outside the company with prior written approval of the Board. No appointments of this nature were accepted during the year ended 30 June 2005.

The commitments of non-executive directors are considered by the full Board prior to the directors' appointment to the Board of the company and will be reviewed each year as part of the annual performance assessment.

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

Conflict of interests

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

Independent professional advice

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

Performance assessment

The Board will undertake a regular self assessment of its collective performance, the performance of the Chairman and of its committees. Management are invited to contribute to this appraisal process which will be facilitated by an independent third party. As the Board was newly formed on the listing of SEEK Limited it is planned that an initial self assessment will be conducted at the conclusion of the 2006 financial year.

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

Corporate reporting

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

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

The company adopted this reporting structure for the year ended 30 June 2005.

Board committees

The Board has established two committees to assist in the execution of its duties and to allow detailed consideration of complex issues. Current committees of the Board are the remuneration and audit and risk management committees. Each is comprised entirely of non-executive directors. The committee structure and membership is reviewed on an annual basis. A policy of rotation of committee members applies.

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

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

BOARD NOMINATIONS

Principle 2 of best practice corporate governance suggest that a nomination committee should be formed of at least three members with a majority of independent directors. Given the size of the SEEK group and the SEEK Board it was felt appropriate that the full Board would consider all future applicants for any vacant Board positions and for all new directors to be ratified at the next annual general meeting.

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

The full Board will appoint the most suitable candidate who must stand for election at the next annual general meeting of the company. The Board's nomination of existing directors for re-appointment is not automatic and is contingent on their past performance, contribution to the company and the current and future needs of the Board and company.

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

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

New directors are provided with a letter of appointment setting out the company's expectations, their responsibilities, rights and the terms and conditions of their employment. All new directors participate in a comprehensive, formal induction program, which covers the operation of the Board and its committees and financial, strategic, operations and risk management issues.

REMUNERATION COMMITTEE

The remuneration committee consists of the following independent non-executive directors:

R C G Watson (Chairman)
C B Carter

Details of these directors' attendance at remuneration committee meetings are set out in the directors' report on page 23.

The remuneration committee operates in accordance with its charter which is available on the company website. The remuneration committee advises the Board on remuneration and incentive policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors. SEEK does not comply with best practice corporate governance

principle 9 which suggests that the remuneration committee should consist of a minimum of three members, the Board considered it appropriate that two non-executive directors would be sufficient to form a remuneration committee given the size and status of the group.

The remuneration committee is also responsible for overseeing compliance with statutory responsibilities relating to remuneration disclosure.

Committee members receive briefings from an external remuneration expert on recent developments on remuneration and related matters.

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

Further information on directors' and executives' remuneration is set out in the directors' report and Note 21 to the financial statements.

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

The committee also assumes responsibility for management succession planning, including the implementation of appropriate executive development programs and ensuring adequate arrangements are in place, so that appropriate candidates are recruited for later promotion to senior positions.

AUDIT AND RISK MANAGEMENT COMMITTEE

The audit and risk management committee consists of the following independent non-executive directors:

N G Chatfield (Chairman)
C J Anderson

Details of these directors' qualifications and attendance at audit committee meetings are set out in the directors' report on page 23.

The audit committee has appropriate financial expertise and all members are financially literate and have an appropriate understanding of the industries in which the group operates. Best practice corporate governance principle 2 suggests that the audit and risk management committees should be made up of three independent directors, the Board considered it appropriate that two non-executive directors would be sufficient to form an audit and risk management committee given the size and status of the group.

The audit and risk management committee operates in accordance with a charter which is available on the company website. The main responsibilities of the committee are to:

- monitor any matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investments Commission, Australian Stock Exchange and financial institutions and monitor compliance with the *Corporations Act 2001* and ASX Listing Rules;
- monitor corporate risk assessment and internal controls;
- review and monitor compliance with the company's Auditor Independence Policy;
- liaise with external auditors;
- review the annual audit plan with the auditors;
- review information derived from the audit;
- review interim financial information;

- review accounting policies;
- monitor risks relating to business continuity, disaster recovery, reputation, currency exposure and interest rate exposure;
- review compliance with relevant government regulations;
- assess the performance of financial management;
- review adequacy of insurance coverage;
- recommend to the Board the appointment, re-appointment or replacement of the external auditors;
- review performance and compensation of the external auditors; and
- supervise special investigations as directed by the Board.

In fulfilling its responsibilities, the audit committee:

- receives regular reports from management and the external auditors
- meets with the external auditors at least once a year or more frequently if necessary
- reviews the processes the CEO and CFO have in place to support their certifications to the Board
- reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved
- meets separately with the external auditors at least once a year without the presence of management
- provides the external auditors with a clear line of direct communication at any time to either the Chairman of the audit and risk management committee or the Chairman of the Board.

The audit committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

EXTERNAL AUDITORS

The company and audit committee policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. PricewaterhouseCoopers were appointed as the external auditors in 2000. It is PricewaterhouseCoopers policy to rotate audit engagement partners on listed companies at least every five years. The company is reviewing this policy with PricewaterhouseCoopers in view of new legislation which introduces a five year rotation requirement for financial years beginning on or after 1 July 2006.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the directors' report and Note 22 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the audit and risk management committee.

The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

RISK ASSESSMENT AND MANAGEMENT

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

Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn lines of accountability and delegation of authority. Adherence to the Code of Conduct is required at all times and the Board actively promotes a culture of quality and integrity.

In addition the Board requires that each major proposal submitted to the Board for decision be accompanied by a comprehensive risk assessment and, where required, management's proposed mitigation strategies.

CODE OF CONDUCT

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

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

The purchase and sale of company securities by directors and key employees is only permitted during the six week period following the release of the half-yearly and annual financial results to the ASX and within the period commencing 24 hours after SEEK Limited lodges its annual report with the ASX through to one month after the holding of SEEK Limited's annual general meeting. Any transactions undertaken by directors must be authorised, in advance, by the Chairman. Transactions undertaken by other employees must be authorised by the Chief Executive Officer in advance or Chairman in the case of directors.

The Code and the company's trading policy is discussed with each new employee as part of their induction training.

The Code requires employees who are aware of unethical practices within the group or breaches of the company's trading policy to report these using the company's whistleblower program. This can be done anonymously.

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

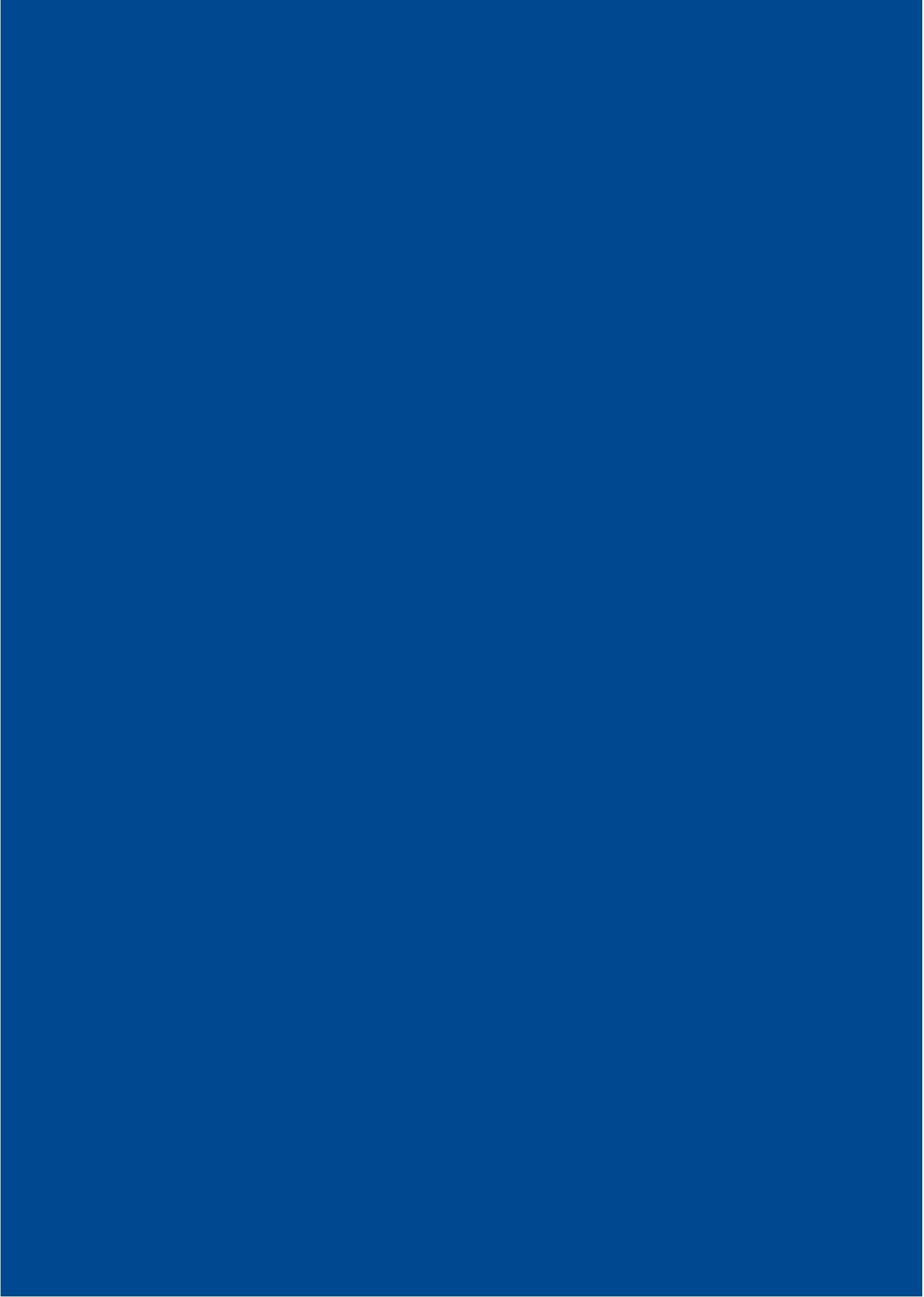
A copy of the Code and the trading policy are available on the company's website.

CONTINUOUS DISCLOSURE AND SHAREHOLDER COMMUNICATION

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

The company secretary has been nominated as the person responsible for communications with the Australian Stock Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All shareholders receive a copy of the company's annual and half-yearly reports. In addition, the company seeks to provide opportunities for shareholders to participate through electronic means. Recent initiatives to facilitate this include making all company announcements, media briefings, details of company meetings, press releases for the last three years, and financial reports for the last two years available on the company's website.



FINANCIAL REPORT 30 JUNE 2005

This financial report covers both SEEK Limited as an individual entity and the consolidated entity consisting of SEEK Limited and its controlled entities.

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

Level 2, 3 Wellington Street
St Kilda Vic 3182 Australia

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities on pages 16-18 and in the directors' report on pages 16-36, which are not part of this financial report.

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

Statements of financial performance	48
Statements of financial position	49
Statements of cash flows	50
Notes to the financial statements	
Note 1. Summary of significant accounting policies	51
Note 2. Segment Note	56
Note 3. Revenue	59
Note 4. Profit from ordinary activities	59
Note 5. Income tax	60
Note 6. Current assets – Cash assets	61
Note 7. Current assets – Receivables	61
Note 8. Current assets – Other	61
Note 9. Non-current assets – Property, plant and equipment	62
Note 10. Non-current assets – Deferred tax assets	63
Note 11. Non-current assets – Intangible assets	63
Note 12. Non-current assets – Receivables	63
Note 13. Current liabilities – Payables	63
Note 14. Current liabilities – Current tax liabilities	63
Note 15. Non-current liabilities – Provisions	63
Note 16. Contributed equity	64
Note 17. Reserves and retained profits	66
Note 18. Equity	67
Note 19. Dividends	67
Note 20. Financial instruments	68
Note 21. Director and executive disclosures	70
Note 22. Remuneration of auditors	81
Note 23. Contingent liabilities	82
Note 24. Commitments for expenditure	82
Note 25. Employee benefits	83
Note 26. Related parties	88
Note 27. Investments in controlled entities	90
Note 28. Events occurring after reporting date	91
Note 29. Reconciliation of operating profit after income tax to net cash inflow from operating activities	92
Note 30. Earnings per share	92
Note 31. Impacts of adopting Australian equivalents to IFRS	93
Directors' declaration	97
Independent audit report to the members	98

STATEMENTS OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	Consolidated		Parent entity	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Revenue from ordinary activities	3	71,332	40,856	60,468	38,227
Operating expenses					
Cost of sales of goods		(1,566)	-	-	-
Sales and marketing		(14,612)	(8,792)	(11,112)	(8,125)
Business development		(14,308)	(10,771)	(13,446)	(10,007)
Operations and administration		(13,181)	(6,740)	(9,338)	(5,871)
Expenses from ordinary activities		(43,667)	(26,303)	(33,896)	(24,003)
Profit from ordinary activities before related income tax expense	4	27,665	14,553	26,572	14,224
Income tax expense	5	(8,413)	(718)	(7,457)	(718)
Profit from ordinary activities after related income tax expense		19,252	13,835	19,115	13,506
Net exchange differences on translation of financial report of foreign controlled entity	17(a)	41	18	-	-
Total revenues and expenses attributable to members of SEEK limited recognised directly in equity		41	18	-	-
Total changes in equity attributable to members of SEEK Limited other than those resulting from transactions with owners as owners	18	19,293	13,853	19,115	13,506
		Cents	Cents		
Basic earnings per share	30	7.1	5.4		
Diluted earnings per share	30	6.9	N/A		

The above statements of financial performance should be read in conjunction with the accompanying notes.

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2005

	Notes	Consolidated		Parent entity	
		2005	2004	2005	2004
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash assets	6	45,950	29,795	44,832	29,377
Receivables	7	9,104	5,259	7,608	4,656
Other	8	488	245	483	245
Total current assets		55,542	35,299	52,923	34,278
Non-current assets					
Property, plant and equipment	9	2,737	1,770	2,681	1,763
Deferred tax assets	10	1,665	1,051	1,612	1,051
Intangible assets	11	6,633	5,502	-	-
Investment in controlled entity		-	-	4,075	53
Loans to controlled entities	12	-	-	5,242	7,034
Total non-current assets		11,035	8,323	13,610	9,901
Total assets		66,577	43,622	66,533	44,179
Current liabilities					
Payables	13	5,922	3,422	5,342	3,178
Unearned income		3,301	1,904	2,782	1,683
Current tax liabilities	14	4,400	1,769	4,611	1,769
Total current liabilities		13,623	7,095	12,735	6,630
Non-current liabilities					
Provisions	15	351	245	351	245
Total non-current liabilities		351	245	351	245
Total liabilities		13,974	7,340	13,086	6,875
Net assets		52,603	36,282	53,447	37,304
Equity					
Contributed equity	16	49,311	39,792	49,311	39,792
Reserves	17	70	29	-	-
Retained profits	17	3,222	(3,539)	4,136	(2,488)
Total equity		52,603	36,282	53,447	37,304

The above statements of financial position should be read in conjunction with the accompanying notes.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2005

	Notes	Consolidated		Parent entity	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		74,216	44,046	48,720	40,458
Payments to suppliers and employees (inclusive of goods and services tax)		(44,989)	(28,496)	(27,290)	(26,534)
		29,227	15,550	21,430	13,924
Interest received		1,530	1,057	1,504	1,047
Income taxes paid		(6,407)	-	(5,176)	-
Net cash inflow from operating activities	29	24,350	16,607	17,758	14,971
Cash flows from investing activities					
Payments for property, plant and equipment	9	(1,841)	(1,768)	(1,805)	(1,761)
Payments for purchase of controlled entity, net of cash acquired	27	(3,242)	(5,997)	(4,022)	(53)
Loans to related parties		-	-	-	(5,220)
Payments in term deposits		(140)	(79)	(160)	(79)
Repayment of loans by related parties		-	-	6,656	923
Net cash (outflow) inflow from investing activities		(5,223)	(7,844)	669	(6,190)
Cash flows from financing activities					
Proceeds from issues of shares	16	163,384	31,475	163,384	31,475
Payments for shares bought back	16	(137,302)	(20,457)	(137,302)	(20,457)
Payments for employee options bought back	16	(8,564)	-	(8,564)	-
Capital raising costs	16	(7,999)	-	(7,999)	-
Dividends paid	19	(12,491)	-	(12,491)	-
Net cash (outflow) inflow from financing activities		(2,972)	11,018	(2,972)	11,018
Net increase in cash held		16,155	19,781	15,455	19,799
Cash at the beginning of the financial year		29,795	10,014	29,377	9,578
Cash at the end of the financial year	6	45,950	29,795	44,832	29,377

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

It is prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

(A) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by SEEK Limited as at 30 June 2005 and the results of all controlled entities for the year then ended. SEEK Limited and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statement of financial performance from the date on which control commences.

(B) INCOME TAX

Tax effect accounting procedures are followed whereby the income tax expense in the statement of financial performance is matched with the accounting profit after allowing for permanent differences. Income tax on cumulative timing differences is set aside to the deferred income tax or the future income tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

Tax consolidation legislation

SEEK Limited and its wholly owned Australian controlled entities intend to implement the tax consolidation legislation as of 1 July 2004. The Australian Taxation Office has not yet been notified of this decision.

As a consequence, SEEK Limited, as the head entity in the tax consolidated group, will recognise current and deferred tax amounts relating to transactions, events and balances of the wholly owned Australian controlled entities in this group as if those transactions, events and balances were its own, in addition to the current and deferred tax amounts arising in relation to its own transactions, events and balances. Amounts receivable or payable under a funding agreement with the tax consolidated entities are recognised separately as tax-related amounts receivable or payable. The impact on the income tax expense and the results of SEEK Limited from consolidating for tax purposes is not material.

The entities also intend to enter into a tax-sharing agreement under the tax law under which each company in the group will only be liable for their reasonable share of the group's liability in the event of default. Such an agreement has no immediate impact on the financial statements of the consolidated group.

The deferred tax balances are to be recognised by the parent entity in relation to wholly owned entities joining the tax consolidated group are measured based on their carrying amounts at the level of the tax consolidated group before the implementation of the tax consolidation regime, with one exception. The deferred tax balances relating to assets that have their tax values reset on joining the tax consolidated group, will be remeasured based on the carrying amount of those assets at the tax-consolidated group level and their reset tax values. The remeasurement adjustments to these deferred tax balances are also to be recognised in the consolidated financial statements as income tax expense or revenue, or as direct debits to the asset revaluation reserve to the extent the adjustments relate to the revaluation of assets.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(C) FOREIGN CURRENCY TRANSLATION

(i) Transactions

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of the transaction. At balance date amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange current at that date. Resulting exchange differences are recognised in determining the profit or loss for the year.

(ii) Foreign controlled entity

As the foreign controlled entity is self-sustaining, its assets and liabilities are translated into Australian currency at rates of exchange current at balance date, while its revenues and expenses are translated at the average of rates ruling during the year. Exchange differences arising on translation are taken to the foreign currency translation reserve.

(D) REVENUE RECOGNITION

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities as follows:

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

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

Revenues received in advance of the provision of services over multiple periods is initially credited to unearned revenue and then is recognised on a straight-line basis over the period during which the services are delivered.

Where SEEK Limited or its controlled entities receive advertising services in return for providing advertising on its website, no revenue is recognised.

Revenue from SEEK Learning and general course sales are recognised when the customer obtains unconditional access to the course material.

(E) RECEIVABLES

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition for debtors.

Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

(F) ACQUISITIONS OF ASSETS

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Goodwill is brought to account on the basis described in Note 1(j).

(G) RECOVERABLE AMOUNT OF NON-CURRENT ASSETS

The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount.

Revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Potential capital gains tax is not taken into account in determining revaluation amounts unless it is expected that a liability for such tax will crystallise.

The expected net cash flows included in determining recoverable amounts of non-current assets have not been discounted to their present values.

(H) DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

Depreciation is calculated on a straight-line basis to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land and investment properties) over its expected useful life to the consolidated entity. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

Plant and equipment 3 to 5 years

(I) LEASEHOLD IMPROVEMENTS

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the consolidated entity, whichever is the shorter. Leasehold improvements held at the reporting date are being amortised over four years.

(J) INTANGIBLE ASSETS AND EXPENDITURE CARRIED FORWARD

(i) Goodwill

Where an entity or operation is acquired, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of acquisition over the fair value of the identifiable net assets acquired, including any liability for restructuring costs, is brought to account as goodwill and amortised on a straight-line basis over the period during which the benefits are expected to arise, being four years for acquisitions to date.

(ii) Website and software

Costs incurred on the company's operational website and software are expensed immediately.

(K) TRADE AND OTHER CREDITORS

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(L) DIVIDENDS

Provision is made for the amount of any dividend declared, determined or publicly recommended by the directors on or before the end of the financial year but not distributed at balance date.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(M) EMPLOYEE BENEFITS

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

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

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

(iii) Profit sharing and bonus plans

A liability for employee benefits in the form of profit sharing and bonus plans is recognised in other creditors when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- there are formal terms in the plan for determining the amount of the benefit, or
- the amounts to be paid are determined before the time of completion of the financial report.

Liabilities for profit sharing and bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iv) Superannuation

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

(v) Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(vi) Equity-based compensation benefits

Equity-based compensation benefits are provided to employees via the SEEK Limited Option Plan and an employee share scheme. Information relating to these schemes is set out in Note 25.

No accounting entries are made in relation to the SEEK Limited Option Plan until options are exercised, at which time the amounts receivable from employees are recognised in the statement of financial position as share capital. The amounts disclosed for remuneration of directors and executives in Note 21 include the assessed fair values of options at the date they were granted.

(N) CASH

For purposes of the statement of cash flows, cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

(O) EARNINGS PER SHARE

(i) Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the company by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share

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

(P) ROUNDING OF AMOUNTS

The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

NOTE 2. SEGMENT NOTE

PRIMARY REPORTING – BUSINESS SEGMENTS

The consolidated entity has two business segments, being online employment classified advertising and the other being the provision of online training courses to individuals.

2005	Classified \$'000	Learning \$'000	Inter- segment eliminations \$'000	Consolidated \$'000
Sales to external customers	63,528	6,079	–	69,607
Intersegment revenue	411	–	(411)	–
Total sales revenue	63,939	6,079	(411)	69,607
Interest revenue	1,711	14	–	1,725
Total segment revenue	65,650	6,093	(411)	71,332
Segment result before interest and income tax expense	26,010	(70)	–	25,940
Net interest				1,725
Profit from ordinary activities before income tax expense				27,665
Income tax expense				(8,413)
Net profit				19,252
Segment assets	61,022	4,354	(464)	64,912
Segment liabilities	9,873	165	(464)	9,574
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	1,813	3,774	–	5,587
Depreciation and amortisation expense	2,376	1,180	–	3,556

No prior year comparatives have been provided as there was only one business segment in the previous year as SEEK Learning Pty Ltd (formerly Business Information Systems Pty Ltd trading as Selfcert) was acquired on 1 July 2004.

SECONDARY REPORTING – GEOGRAPHIC SEGMENTS

There are also two material geographic segments being the Australian market and the New Zealand market. Australia is the home country of the parent entity and is also the main operations. The SEEK Group also has a significant presence in New Zealand.

2005	Australia \$'000	New Zealand \$'000	Inter- segment eliminations \$'000	Consolidated \$'000
Sales to external customers	61,930	7,677	-	69,607
Inter-segment revenue	2,611	-	(2,611)	-
Total sales revenue	64,541	7,677	(2,611)	69,607
Interest revenue	1,714	11	-	1,725
Total segment revenue	66,255	7,688	(2,611)	71,332
Segment result before interest and income tax expense	24,874	1,066	-	25,940
Net interest				1,725
Profit from ordinary activities before income tax expense				27,665
Income tax expense				(8,413)
Net profit				19,252
Segment assets	65,299	5,764	(6,150)	64,912
Segment liabilities	9,747	5,977	(6,150)	9,574
Acquisitions of plant and equipment, intangibles and other non-current segment assets	5,576	11	-	5,587
Depreciation and amortisation expense	2,067	1,489	-	3,556

NOTE 2. SEGMENT NOTE continued

2004	Australia \$'000	New Zealand \$'000	Inter- segment eliminations \$'000	Consolidated \$'000
Sales to external customers	36,268	3,477	-	39,745
Inter-segment revenue	952	-	(952)	-
Total sales revenue	37,220	3,477	(952)	39,745
Interest revenue	1,111	-	-	1,111
Total segment revenue	38,331	3,477	(952)	40,856
Segment result before interest and income tax expense	12,379	345	1,110	13,835
Net interest				1,111
Profit from ordinary activities before income tax expense				14,553
Income tax expense				(718)
Net profit				13,835
Segment assets	44,179	6,477	(7,034)	43,622
Segment liabilities	6,875	465		7,340
Acquisitions of plant and equipment, intangibles and other non-current segment assets	1,761	6,004	-	7,765
Depreciation and amortisation expense	479	496	-	975

Notes to and forming part of the segment information**(a) Accounting policies**

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in Note 1 and accounting standard AASB 1005 *Segment Reporting*.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment and goodwill and other intangible assets, net of related provisions. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage. Segment liabilities consist primarily of trade and other creditors, employee entitlements and provision for service warranties. Segment assets and liabilities do not include income taxes.

(b) Inter-segment transfers

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

	Consolidated		Parent entity	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000

NOTE 3. REVENUE

Revenue from operating activities				
Services	69,607	39,745	55,755	36,003
Revenue from outside the operating activities				
Interest	1,725	1,111	1,699	1,099
Inter-company management fee	-	-	2,681	757
Interest on loan to related party	-	-	333	195
Exchange gain	-	-	-	173
Total revenue from ordinary activities	71,332	40,856	60,468	38,227

NOTE 4. PROFIT FROM ORDINARY ACTIVITIES

Net gains and expenses

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

Expenses				
Depreciation of plant and equipment	890	480	884	479
Loss on disposal of plant and equipment	122	-	3	-
Amortisation of goodwill	2,546	495	-	-
Bad and doubtful debts – trade debtors	364	15	184	6
Rental expense relating to operating leases:				
Minimum lease payments	710	385	523	367
Net foreign exchange losses recognised in profit from ordinary activities for the year	120	-	120	-

	Consolidated		Parent entity	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000

NOTE 5. INCOME TAX

(a) The income tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:

Profit from ordinary activities before income tax expense	27,665	14,553	26,572	14,224
Income tax calculated at 30% (2004: 30%)	8,299	4,367	7,972	4,267
Tax effect of permanent differences:				
Research and development claim	(53)	(45)	(53)	(45)
Non-deductible depreciation and amortisation of goodwill	765	206	-	38
Capital raising expenses	(165)	-	(165)	-
Non-deductible interest expense	27	17	-	-
Other non-deductible expenses	94	-	94	-
Sundry items	(114)	-	(55)	-
Income tax adjusted for permanent differences	8,853	4,545	7,793	4,260
Benefit of tax losses not previously brought to account	(163)	(3,153)	-	(2,847)
Effect of lower rates of tax on overseas income	77	21	-	-
Future income tax benefits attributable to timing differences not previously brought to account	(18)	(695)	-	(695)
Over provision of tax in the previous year	(336)	-	(336)	-
Income tax expense attributable to profit from ordinary activities	8,413	718	7,457	718
(b) The directors estimate that the potential future income tax benefit at 30 June of tax losses not brought to account is	-	179	-	-
	-	179	-	-

TAX LOSSES

This benefit for tax losses will only be obtained if:

- (i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and
- (ii) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation, and
- (iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

TAX CONSOLIDATION LEGISLATION

SEEK Limited and its wholly owned Australian controlled entities have decided to implement the tax consolidation legislation as of 1 July 2004. The Australian Taxation Office has not yet been notified of this decision. The accounting policy on implementation of the legislation is set out in Note 1(b).

	Consolidated		Parent entity	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000

NOTE 6. CURRENT ASSETS – CASH ASSETS

Cash at bank and on hand	3,438	956	2,029	537
Short term investments	42,512	28,839	42,803	28,840
	45,950	29,795	44,832	29,377

NOTE 7. CURRENT ASSETS – RECEIVABLES

Trade debtors	8,662	5,174	7,184	4,561
Less: Provision for doubtful debts	(369)	(301)	(272)	(268)
	8,293	4,873	6,912	4,293
Other debtors	811	386	696	363
	9,104	5,259	7,608	4,656

NOTE 8. CURRENT ASSETS – OTHER

Prepayments	201	124	201	124
Term deposits	287	121	282	121
	488	245	483	245

	Consolidated		Parent entity	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000

NOTE 9. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

Plant and equipment				
At cost	5,400	3,543	5,332	3,530
Less: Accumulated depreciation	(2,663)	(1,773)	(2,651)	(1,767)
	2,737	1,770	2,681	1,763

Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year are set out below.

	Total
	\$'000
Consolidated	
Carrying amount at 1 July 2004	1,770
Additions	1,841
Disposals	(122)
Additions through acquisition of entity (Note 27)	138
Depreciation/amortisation expense (Note 4)	(890)
Carrying amount at 30 June 2005	2,737
Parent entity	
Carrying amount at 1 July 2004	1,763
Additions	1,805
Disposals	(3)
Depreciation/amortisation expense (Note 4)	(884)
Carrying amount at 30 June 2005	2,681

	Consolidated		Parent entity	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000
NOTE 10. NON-CURRENT ASSETS – DEFERRED TAX ASSETS				
Future income tax benefit	1,665	1,051	1,612	1,051
NOTE 11. NON-CURRENT ASSETS – INTANGIBLE ASSETS				
Goodwill	9,839	6,162	–	–
Less: Accumulated amortisation	(3,206)	(660)	–	–
	6,633	5,502	–	–
NOTE 12. NON-CURRENT ASSETS – RECEIVABLES				
Loans to controlled entities	–	–	5,242	7,034
	–	–	5,242	7,034
Further information relating to loans to related parties is set out in Note 26.				
NOTE 13. CURRENT LIABILITIES – PAYABLES				
Trade creditors	113	–	113	–
Other creditors	5,809	3,422	5,229	3,178
	5,922	3,422	5,342	3,178
NOTE 14. CURRENT LIABILITIES – CURRENT TAX LIABILITIES				
Income tax	4,400	1,769	4,611	1,769
NOTE 15. NON-CURRENT LIABILITIES – PROVISIONS				
Employee benefits	351	245	351	245

	Parent entity 2005 Shares '000	2004 Shares '000	Parent entity 2005 \$'000	2004 \$'000
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NOTE 16. CONTRIBUTED EQUITY

(a) Share capital

Ordinary shares

Fully paid	280,931	88,394	49,311	39,792
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(b) Movements in ordinary share capital:

Date	Details	Number of shares	Issue price	\$'000
1/7/2003	Balance	79,350,690		28,774
31/10/2003	New issue to Windfyr Pty Ltd	21,804,498	1.393576	30,386
31/10/2003	Staff options exercised	501,866	0.3661	183
31/10/2003	New issue to shareholders who participated in May 2001 issue	156,984	-	-
31/10/2003	Selective Capital Reduction	(14,679,704)	1.393576	(20,457)
18/12/2003	Staff options exercised	26,700	0.3809	10
29/12/2003	Staff options exercised	291,568	0.3809	111
1/3/2004	Staff options exercised	58,000	1.00	58
2/4/2004	Staff options exercised	20,303	0.3809	8
23/4/2004	Staff options exercised	13,127	1.00	13
18/5/2004	Shareholder options exercised	445,670	1.393576	621
2/6/2004	Staff options exercised	3,125	1.00	3
7/6/2004	Issue to Windfyr Pty Ltd re subscription agreement	146,632	1.393576	204
17/6/2004	Staff options exercised	15,000	0.3809	6
25/6/2004	Staff options exercised	239,363	0.1498	36
1/7/2004	Opening balance	88,393,822	-	39,792
26/7/2004	Exercise of staff options	50,062	0.3809	19
23/9/2004	Exercise of staff options	70,000	1.0000	70
24/9/2004	Exercise of staff options	20,582	0.3800	7
28/9/2004	Exercise of staff options	97,916	1.0000	98
5/10/2004	Exercise of staff options	526,250	1.0005	526

Date	Details	Notes	Number of shares	Issue price	\$'000
5/10/2004	Exercise of staff options		59,375	1.0000	59
29/10/2004	Exercise of staff options		3,900	1.0000	4
29/10/2004	Exercise of staff options		2,500	1.0000	3
14/2/2005	Exercise of staff options		15,000	1.0000	15
10/3/2005	Balance		89,239,407	-	40,593
11/3/2005	Subdivision of shares at three for one		267,718,217	-	-
20/4/2005	Share buy-back	(i)	(65,382,036)	2.1000	(137,302)
20/4/2005	Share issue	(ii)	77,286,799	2.1000	162,302
22/4/2005	Buy-back of employee options	(iii)	-	2.1000	(8,443)
22/4/2005	Buy-back of employee options		-	2.1000	(121)
22/4/2005	Conversion of special shares to ordinary shares	(iv)	250,980	-	-
20/6/2005	Exercise of staff options		1,056,658	0.2678	283
			280,930,618		57,312
	Less: Transaction costs arising on share issues				(7,999)
30/6/2005	Balance		280,930,618		49,311

(c) Ordinary shares

Ordinary shares 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.

(i) Share buy-back

As part of the listing of SEEK Limited on the Australian Stock Exchange, all shareholders were able to participate in a buy-back of their shares. A number of shareholders participated with 65,382,036 shares being purchased by SEEK at a buy-back price of \$2.10 per share. The total cash outflow in relation to the buy-back was \$137,302,000 which was deducted from the share capital account. The shares were then cancelled. The buy-back was approved at a general meeting of shareholders 11 March 2005. There is no current on-market buy-back.

(ii) Share issue

Issue of share on the Listing of SEEK Limited on the Australian Stock Exchange, under a Prospectus dated 1 April 2005. The share issue was approved at a general meeting of shareholders 11 March 2005.

NOTE 16. CONTRIBUTED EQUITY continued

(iii) Buy-back of employee options

Part of the funds raised from the Listing of SEEK Limited on the Australian Stock Exchange were used to buy back options from employee optionholders on 20 April 2005. The buy-back price was \$2.10 and the buy back was approved at a general meeting of shareholders 11 March 2005.

(iv) Conversion of special shares to ordinary shares

In 1999, SEEK Limited issued special shares to a number of recruiting firms, which were convertible to ordinary shares in SEEK Limited in various circumstances. The Listing of SEEK Limited on the Australian Stock Exchange was one of these circumstances. On 22 April 2005 the shares were converted to ordinary shares, which was approved by the Board 22 March 2005.

Notes	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000

NOTE 17. RESERVES AND RETAINED PROFITS

(a) Reserves

Foreign currency translation reserve	70	29	-	-
Movements:				
Foreign currency translation reserve				
Balance 1 July 2004	29	11	-	-
Net exchange differences on translation of foreign controlled entity	41	18	-	-
Balance 30 June 2005	70	29	-	-

(b) Retained profits

Accumulated losses at the beginning of the financial year	(3,539)	(17,374)	(2,488)	(15,994)
Net profit attributable to members of SEEK Limited	19,252	13,835	19,115	13,506
Dividends paid	19	-	(12,491)	-
Retained profits at the end of the financial year	3,222	(3,539)	4,136	(2,488)

(c) Nature and purpose of reserves

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve, as described in Note 17(a).

	Notes	Consolidated		Parent entity	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
NOTE 18. EQUITY					
Total equity at the beginning of the financial year		36,282	11,411	37,304	12,780
Total changes in equity recognised in the statement of financial performance		19,293	13,853	19,115	13,506
Transactions with owners as owners:					
Contributions of equity, net of transaction costs		9,519	11,018	9,519	11,018
Dividends provided for or paid	19	(12,491)	–	(12,491)	–
Total equity at the end of the financial year		52,603	36,282	53,447	37,304

	Parent entity	
	2005 \$'000	2004 \$'000

NOTE 19. DIVIDENDS

Ordinary shares

Interim dividend for the year ended 30 June 2005 of 14 cents (2004: Nil) per fully paid share paid on 13 October 2004.

Fully franked based on tax paid at 30%	12,491	–
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Dividends not recognised at year end

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of one cent per fully paid ordinary share, fully franked based on tax paid at 30%. This is based on 65% of net profits before amortisation and has been calculated pro rata from SEEK's Listing date (19 April 2005) until 30 June 2005.

The aggregate amount of the proposed dividend expected to be paid on 30 September 2005 out of retained profits at 30 June 2005, but not recognised as a liability at year end, is	2,809	–
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The franked portions of final dividends recommended after 30 June 2005 will be franked out of franking credits arising from the payment of income tax in the year ending 30 June 2005.

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	4,611	1,769	4,611	1,769

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

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits from controlled entities were paid as dividends.

NOTE 20. FINANCIAL INSTRUMENTS

(A) CREDIT RISK EXPOSURES

The credit risk on financial assets of the consolidated entity which have been recognised on the statement of financial position, other than investments in shares, is generally the carrying amount, net of any provisions for doubtful debts.

(B) INTEREST RATE RISK EXPOSURES

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the consolidated entity intends to hold fixed rate assets and liabilities to maturity.

2005	Notes	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial assets							
Cash and deposits	6	3,438	42,512	-	-	-	45,950
Receivables	7	-	-	-	-	9,104	9,104
Term deposits	8	-	287	-	-	-	287
		3,438	42,799	-	-	9,104	55,341
Weighted average interest rate		4.05%	5.68%				
Financial liabilities							
Trade and other creditors		-	-	-	-	(12,517)	(12,517)
Net financial assets (liabilities)		3,438	42,799	-	-	(3,413)	42,824

2004	Notes	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial assets							
Cash and deposits	6	956	28,839	-	-	-	29,795
Receivables	7	-	-	-	-	5,259	5,259
Term deposits	8	-	121	-	-	-	121
		956	28,960	-	-	5,259	35,175
Weighted average interest rate		3.5%	5.45%				
Financial liabilities							
Trade and other creditors		-	-	-	-	(6,266)	(6,266)
Net financial assets (liabilities)		956	28,960	-	-	(1,007)	28,909

(D) NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(i) On-balance sheet

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximates their carrying amounts.

(ii) Off-balance sheet

There are no off-balance sheet financial instruments in place.

NOTE 21. DIRECTOR AND EXECUTIVE DISCLOSURES

DIRECTORS

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

Chairman – non-executive

J D Packer

Executive directors

P M Bassat, Chief Executive Officer

M M Rockman, Sales Director

A R Bassat, Business Development Director

Non-executive directors

R C G Watson

C B Carter

C J Anderson

N G Chatfield

J L McLachlan (Alternate for J D Packer)

I P Rockman

D Phillips

H Abeles

S Wardman-Browne

A C Klok (Alternate for J D Packer)

EXECUTIVES (OTHER THAN DIRECTORS) WITH THE GREATEST AUTHORITY FOR STRATEGIC DIRECTION AND MANAGEMENT

The following persons were the four executives with the greatest authority for the strategic direction and management of the consolidated entity ("specified executives") during the financial year:

Name	Position	Employer
T K Vu	Chief Information Officer (from 15 December 2004)	SEEK Limited
J A Armstrong	Chief Financial Officer	SEEK Limited
K A May	Marketing Director (from 1 July 2004 – 27 May 2005)	SEEK Limited
P Eltridge	Chief Information Officer (from 1 July 2004 – 30 July 2004)	SEEK Limited

All of the above persons were also specified executives during the year ended 30 June 2004, except for T K Vu who commenced employment with the group on 15 December 2004.

REMUNERATION OF DIRECTORS AND EXECUTIVES

Principles used to determine the nature and amount of remuneration

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

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

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

Alignment to shareholder's interests:

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

Alignment to program participant's interests:

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

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

The overall level of executive reward takes into account the performance of the consolidated entity over a number of years, with greater emphasis given to the current and prior year. Over the past two years, the consolidated entity's profit from ordinary activities after income tax has grown at an average rate of 115% per annum, and shareholder wealth has grown at an average rate of 263% per annum. During the same period, average executive remuneration has grown by approximately 10% per annum.

Non-executive directors

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

Directors' fees

The current base remuneration was last reviewed with effect from 22 March 2005.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$500,000 per annum, covering all non-executive directors.

Retirement allowances for directors

The Board reviews retirement allowances for non-executive directors on an individual basis.

Allowances are approved by the shareholders at the annual general meeting, where required.

NOTE 21. DIRECTOR AND EXECUTIVE DISCLOSURES continued

Executive pay

The executive pay and reward framework has four components

- base pay and benefits
- short-term performance incentives
- long-term incentives through participation in the various Employee Option Plans, and
- other remuneration such as superannuation.

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

Base pay

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

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

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

Benefits

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

Retirement benefits

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

Short term incentives

Executives participate in an executive bonus plan, combining the company's annual profit performance and the individual's personal performance, as assessed by the SEEK internal performance management program. The bonus payment is calculated on the executive's base pay. Executives can receive a bonus up to a maximum individual amount, and any executive not achieving the maximum bonus, forfeits the difference between the amount paid and the maximum bonus. Bonuses are paid annually, after the release of the company's annual results.

Long term incentives

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

For details of the Plans refer to Note 25 in the Financial Reports.

Details of remuneration

Details of the nature and amount of each element of the remuneration of each director and of each of the four specified executives of the company and the consolidated entity are set out in the following tables.

Individual disclosure of remuneration for the previous year is not required under AASB 1046 Director and Executive Disclosures by Disclosing Entities in the first year in which a reporting entity becomes a disclosing entity.

Directors of SEEK Limited

Name	Cash salary and fees \$	Primary		Post-employment		Equity		Total \$
		Cash bonus \$	Non-monetary benefits \$	Super-annuation \$	Retirement benefits \$	Options \$		
J D Packer* Chairman (non-executive) 2005	29,000	-	-	2,610	-	-	-	31,610
P M Bassat Director and Chief Executive Officer 2005	330,000	-	1,000	29,700	-	117,181	-	477,881
A R Bassat Director Business Development 2005	330,000	-	1,000	29,700	-	117,181	-	477,881
M M Rockman Director of Sales 2005	330,000	-	1,000	29,700	-	117,181	-	477,881
R C G Watson Director (independent non-executive) 2005	62,500	-	-	5,625	-	-	-	68,125
C J Anderson** Director (non-executive) joined 25 November 2005 2005	16,500	-	-	1,485	-	-	-	17,985
C B Carter Director (independent non-executive) joined 22 March 2005 2005	16,668	-	-	1,500	-	-	-	18,168
N G Chatfield Director (independent non-executive) joined 9 June 2005 2005	4,167	-	-	375	-	-	-	4,542
I P Rockman Director and Past Chairman (non-executive) resigned 22 March 2005 2005	18,000	-	-	1,620	50,000****	-	-	69,620

NOTE 21. DIRECTOR AND EXECUTIVE DISCLOSURES continued

Name	Cash salary and fees \$	Primary		Post-employment		Equity		Total \$
		Cash bonus \$	Non-monetary benefits \$	Super-annuation \$	Retirement benefits \$	Options \$		
D Phillips*** Director (non-executive) resigned 22 March 2005	2005 9,000	-	-	-	-	-	-	9,000
H Abeles*** Director (non-executive) resigned 28 February 2005	2005 8,000	-	-	-	-	-	-	8,000
S. Wardman-Browne*** Director (non-executive) resigned 22 March 2005	2005 9,000	-	-	-	-	-	-	9,000
Totals	2005 2004 1,162,835 900,333	- -	3,000 3,000	102,315 77,790	50,000 -	351,543 -	- -	1,669,693 981,123

- * J D Packer – the company has been advised that in relation to the directors fees disclosed above for Mr Packer, that he intends to reimburse Publishing and Broadcasting Limited for the after tax amount of those fees.
- ** C J Anderson – the company has been advised that in relation to the directors fees disclosed above for Mr Anderson, that he intends to reimburse Publishing and Broadcasting Limited for the after tax amount of those fees.
- *** The following directors do not receive fees personally, as their fees are paid to the following companies, for providing their services as directors.
D Phillips' directors fees are payable to Macquarie Technology Funds 1A and 1B
H Abeles' directors fees are payable to Instanz Nominees Pty Ltd
S Wardman-Browne's directors fees are payable to AMWIN Management Pty Ltd.
- **** The amount shown as retirement benefits for I P Rockman was approved by the Board during the financial year, and did not require shareholder approval.

Other specified executives of SEEK Limited and the consolidated entity

Name		Cash salary and fees \$	Primary		Post-employment		Equity		Total \$
			Cash bonus \$	Non-monetary benefits \$	Super-annuation \$	Retirement benefits \$	Options \$		
T K Vu Chief Information Officer appointed 15 December 2004	2005	142,246	39,467	1,000	16,354	-	26,800	225,867	
J A Armstrong Chief Financial Officer	2005	215,600	32,291	1,000	22,310	-	35,000	306,201	
K A May Marketing Director resigned 27 May 2005	2005	257,356	56,619	1,000	27,457	-	40,104	382,536	
P Eltridge Chief Information Officer resigned 30 July 2004	2005	41,185	-	-	1,706	-	547	43,438	
Totals	2005	656,387	128,377	3,000	67,827	-	102,451	958,042	
	2004	612,942	100,395	3,000	67,972	-	146,024	930,333	

Service agreements

Executive directors

Remuneration and other terms of employment for the executive directors are formalised under the same employment and options agreements. Under the terms of the agreements, SEEK will employ executive directors, P M Bassat, A R Bassat and M M Rockman for an initial term of two years from the date of the ASX Listing. During this term the executive directors have agreed not to resign. After the initial two years the executive directors have agreed that no executive director will resign when such resignation would take effect within four months of another executive director resigning.

Each executive director will be paid an annual salary of \$360,000 per annum plus superannuation, effective from 1 January 2005. The salary will be reviewed annually. There are no special termination benefits payable under these agreements.

Other specified executives

Specified executives have employment contracts determining cash salary, performance based cash bonuses and share option agreements. Specified executives have no fixed employment terms. All contracts with specified executives can be terminated by either party, with one month's notice. Remuneration is reviewed annually.

J A Armstrong, Chief Financial Officer

- Base salary for the year ended 30 June 2005 of \$215,600
- Participation in the executive bonus plan.

T K Vu, Chief Information Officer (appointed 15 December 2004)

- Base salary for the year ended 30 June 2005 of \$260,000
- Participation in the executive bonus plan, on a pro rata basis.

NOTE 21. DIRECTOR AND EXECUTIVE DISCLOSURES continued

K A May Marketing Director (resigned 27 May 2005)

- Base salary for the year ended 30 June 2005 of \$275,000 (effective from 1 August 2004)
- Participation in the executive bonus plan, on a pro rata basis.

P Eltridge, Chief Information Officer (resigned 30 July 2004)

- Base salary for the year ended 30 June 2005 of \$228,900
- Did not participate in the executive bonus plan.

LOANS TO DIRECTORS AND EXECUTIVES

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

SHARE OPTIONS GRANTED TO DIRECTORS AND THE SPECIFIED EXECUTIVES

Options provided as remuneration

Options over unissued ordinary shares of SEEK Limited granted during the financial year and up to the date of this report, to any of the directors or the four specified executives of the company and consolidated entity as part of their remuneration were as follows:

	Number of options granted during the year	Number of options vested during the year
Directors of SEEK Limited		
P M Bassat CEO and Executive Director	2,250,000	-
A R Bassat Executive Director	2,250,000	-
M M Rockman Executive Director	2,250,000	-

The options were granted under an employment and options agreement dated 22 March 2005. Refer Note 25 for details of this agreement.

Specified executives of the consolidated entity		
T K Vu	480,000	-
J A Armstrong	-	150,000
K A May	-	171,875
P Eltridge	-	2,344

The options granted to T K Vu were granted under the SEEK Limited Senior Executive Option Plan on 13 December 2004. Refer to Note 25 for details of the plan.

On 11 March 2005, SEEK Limited subdivided its ordinary shares on the basis of three shares for every one share held.

The option numbers and exercise prices disclosed above are shown on an after subdivision basis.

Share-based compensation – options

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

Grant date	Expiry date	Exercise price	Value per option at grant date	Date exercisable
Senior Executive Option Plan				
13/12/2004	13/12/2008	(a) 2.50	(c) \$1.34	Maximum of 25% of options at 30 June each year, subject to internal performance rating
Executive Director Options				
22/3/2005	1/1/2009	(b) 2.10	(d) \$0.56 (d) \$0.64 (d) \$0.74	Up to 35% 1/1/2007 Up to 35% 1/1/2008 Balance 1/1/2009 Refer Note 25 for details of Executive Options terms

(a) Issue price before share subdivision of three for every one share conducted on 11 March 2005.

(b) Issue price after share subdivision of three for every one share conducted on 11 March 2005.

(c) Options were issued prior to SEEK Listing on the ASX. Consequently there are no ASX market prices for valuation purposes. The fair value of these options was calculated in accordance with AASB 1046 *Director and Executive Disclosures by Disclosing Entities*, using estimated market values determined by the Board.

(d) Fair value independently valued by Ernst & Young Transaction Advisory Services Limited, in accordance with accounting standards AASB 1046/1046A *Director and Executive disclosures by Disclosing Entities*.

SENIOR EXECUTIVE OPTIONS

Options are granted under the Senior Executive Option Plan (SEOP) was approved by the Board on 24 August 2004. The Plan is open to eligible senior executives of the company and its controlled entities, as determined by the Board.

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

Options granted under the plan carry no dividend or voting rights.

Options vest over a four year period, from date of issue. The number of options vesting in each period, depends on the annual performance rating achieved by the executive, in SEEK's internal performance management system. Any options not vested in any period are forfeited. Executives must be employed by the group, in an executive capacity, for a minimum 12-month period, before any vested options can be exercised.

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

NOTE 21. DIRECTOR AND EXECUTIVE DISCLOSURES continued

EXECUTIVE DIRECTOR OPTIONS

SEEK has entered into separate employment and options agreements, dated 22 March 2005, with the three executive directors, on the same terms and conditions. As part of these agreements each executive director was issued with 2,250,000 options. The options vest, subject to that executive director still being employed by SEEK, as to 30% on 1 January 2007, as to another 35% on 1 January 2008 and as to the balance on 1 January 2009.

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

Options granted under the Plan carry no dividend or voting rights.

The exercise price for the options is \$2.10 per option.

EQUITY INSTRUMENT DISCLOSURES RELATING TO DIRECTORS AND EXECUTIVES DETAIL

Shares provided on exercise of remuneration options

Details of ordinary shares in the company provided as a result of the exercise of remuneration options to each director of SEEK Limited and each of the four specified executives of the consolidated entity are set out below.

Name	Date of exercise of options	Number of ordinary shares issued on exercise of options during the year
Directors of SEEK Limited		
NIL	NIL	NIL
Specified executives of the consolidated entity		
Issued pre-share subdivision 11 March 2005 (three for one)		
J A Armstrong – Chief Financial Officer	23 September 2004	70,000
P Eltridge – Chief Information Officer (resigned 30 July 2004)	5 October 2004	526,250
Issued post-share subdivision 11 March 2005 (three for one)		
J A Armstrong – Chief Financial Officer	20 June 2005	127,500

K A May, Marketing Director participated in the optionholder buy-back 20 April 2005 and sold 1,960,521 options back to the company.

The amounts paid per ordinary share by each specified executive on the exercise of options at the date of exercise were as follows:

Exercise date	Amount paid per share
Price pre-share subdivision 11 March 2005	
23 September 2004	\$1.00
5 October 2004	\$1.00
Price post-share subdivision 11 March 2005	
20 June 2005	\$0.33

No amounts are unpaid on any shares issued on the exercise of options.

Optionholdings

The numbers of options over ordinary shares in the company held during the financial year by each director of SEEK Limited and each of the four specified executives of the consolidated entity, including their personally-related entities, are set out below.

All balances and movements have been expressed in post-11 March 2005 subdivision numbers to assist in comparisons between years.

Name	Balance at the start of the year	Granted during the year as remuneration	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of SEEK Limited						
P M Bassat	-	2,250,000	-	-	2,250,000	-
A R Bassat	-	2,250,000	-	-	2,250,000	-
M M Rockman	-	2,250,000	-	-	2,250,000	-
Specified executives of the consolidated entity						
T K Vu	-	480,000	-	-	480,000	-
K A May	2,202,000	-	-	(2,132,396)	69,604	69,604
J A Armstrong	600,000	-	(337,500)	-	262,500	-
P Eltridge	1,785,000	-	(1,578,750)	(206,250)	-	-

Share holdings

The numbers of shares in the company held during the financial year by each director of SEEK Limited and each of the four specified executives of the consolidated entity, including their personally-related entities, are set out below.

All balances and movements have been expressed in post 11 March 2005 subdivision numbers to assist in comparisons between years.

NOTE 21. DIRECTOR AND EXECUTIVE DISCLOSURES continued

Name	Balance at start of the year*	Received during the year on the exercise of options	Other changes during the year**	Balance at the end of the year
Directors of SEEK Limited ordinary shares				
J D Packer	65,853,390	–	4,115,100	69,968,490
C J Anderson	65,853,390	–	4,162,719	70,016,109
P M Bassat	21,872,976	–	(7,200,000)	14,672,976
A R Bassat	21,872,976	–	(7,200,000)	14,672,976
M M Rockman	21,872,976	–	(10,500,000)	11,372,976
R C G Watson	12,786,636	–	(4,847,988)	7,938,648
C B Carter	–	–	83,333	83,333
N G Chatfield	–	–	23,809	23,809

* Balances at the start of the year prior to the 11 March 2005 share subdivision were J D Packer and C J Anderson each holding 21,951,130 through the personally related entity Publishing and Broadcasting Ltd, P M Bassat, A R Bassat and M M Rockman each holding 7,290,992 shares and R C G Watson holding 4,262,212 shares.

** Changes in shareholdings relate to shares purchased or sold in the SEEK Initial Public Offer and ASX Listing 19 April 2005.

Specified executives of the consolidated entity

Ordinary shares				
T K Vu	–	–	7,618	7,618
J A Armstrong	–	337,500	121,069**	458,569

** Purchases of shares during the year.

OTHER TRANSACTIONS WITH DIRECTORS AND SPECIFIED EXECUTIVES

Directors of SEEK Limited

Two directors, Mr James Packer and Mr Chris Anderson are directors of Publishing and Broadcasting Group. The transactions with PBL Group and its controlled entities are disclosed below:

The company has an agreement with NineMSN Pty Ltd, a member of the Publishing and Broadcasting Group, whereby it pays a fee for the number of users of their website that are linked to the site by NineMSN. These fees are based on a contract that was agreed on normal commercial terms and conditions. The aggregate amount of these transactions for the period was \$2,164,000 (2004: \$1,731,000).

The company provides recruitment advertising to the Publishing and Broadcasting Group, on normal commercial terms and conditions. The aggregate amount of these transactions for the period was \$24,000 (2004: \$17,000).

The company has a contra agreement with the Publishing and Broadcasting Group, under which Publishing and Broadcasting will provide advertising to the value of \$2,000,000 to the company over a period of two years commencing 1 November 2003. These transactions are for no consideration. The aggregate amount of these transactions for the period was \$1,094,000 (2004: \$511,000). Under the group's accounting policies (refer Note 1) these transactions have a NIL impact on the results of the company.

The details of these transactions are set out in more detail in Note 26.

	Consolidated		Parent entity	
	2005	2004	2005	2004
	\$	\$	\$	\$

NOTE 22. REMUNERATION OF AUDITORS

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

Assurance services

1. Audit services

PricewaterhouseCoopers Australian firm:

Audit and review of financial reports and other audit work under the *Corporations Act 2001*

	110,000	55,000	105,000	55,000
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Total remuneration for audit services	110,000	55,000	105,000	55,000
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2. Other assurance services

PricewaterhouseCoopers Australian firm:

Due diligence services	628,652	–	628,652	–
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IFRS accounting services	14,000	3,500	14,000	3,500
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Staff remuneration advice	91,200	–	91,200	–
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Non-PricewaterhouseCoopers audit firms	62,875	12,000	62,197	12,000
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Total remuneration for other assurance services	796,727	15,500	796,049	15,500
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Total remuneration for assurance services	906,727	70,500	901,049	70,500
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3. Taxation services

PricewaterhouseCoopers Australian firm:

Tax compliance services, including review of company income tax returns	195,530	80,890	171,607	80,890
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Tax related due diligence services	78,280	–	78,280	–
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Total remuneration for taxation services	273,810	80,890	249,887	80,890
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4. Advisory services

PricewaterhouseCoopers Australian firm:

Facilitated risk assessment process and advised on disaster recovery plan	9,600	–	9,600	–
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Total remuneration for advisory services	9,600	–	9,600	–
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It is the consolidated entity's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers' expertise and experience with the consolidated entity are important. These assignments are principally tax advice and due diligence reporting on acquisitions, or where

PricewaterhouseCoopers is awarded assignments on a competitive basis. It is the consolidated entity's policy to seek competitive tenders for all major consulting projects.

NOTE 23. CONTINGENT LIABILITIES

At balance date, the parent entity had bank guarantees of \$282,000 (2004: \$121,000) in respect of operating lease commitments (refer Note 8).

At balance date, the consolidated entity had bank guarantees of \$287,000 (2004: \$121,000) in respect of operating lease commitments (refer Note 8).

	Consolidated		Parent entity	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000

NOTE 24. COMMITMENTS FOR EXPENDITURE

Other commitments

Commitments for the payment of marketing costs under long-term contracts in existence at the reporting date but not recognised as liabilities, payable:

Within one year	3,734	3,079	2,175	2,784
Later than one year but not later than five years	4,784	666	2,585	666
	8,518	3,745	4,760	3,450

Lease commitments

Operating leases

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

Within one year	685	459	642	451
Later than one year but not later than five years	1,010	885	961	885
Commitments not recognised in the financial statements	1,695	1,344	1,603	1,336

Remuneration commitments

Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:

Within one year	1,080	-	1,080	-
Later than one year but not later than five years	861	-	861	-
	1,941	-	1,941	-

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of specified directors and specified executives referred to in Note 21 that are not recognised as liabilities and are not included in the directors' or executives' remuneration.

	Consolidated		Parent entity	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000

NOTE 25. EMPLOYEE BENEFITS

Employee benefit and related on-costs liabilities				
Provision for employee benefits – current (Note 13)	1,106	829	1,029	812
Provision for employee benefits – non-current (Note 15)	351	245	351	245
Aggregate employee entitlement and related on-costs liabilities	1,457	1,074	1,380	1,057

	Number		Number	
Employee numbers				
Average number of employees during the financial year	196	146	166	138

As explained in Notes 1(m)(ii) and (iv), amounts for long service leave that are expected to be settled more than 12 months from the reporting date and superannuation are measured at their present values. The following assumptions were adopted in measuring present values:

	Consolidated		Parent entity	
	2005	2004	2005	2004
(a) Long service leave				
Weighted average rates of increase in annual employee benefits to settlement of the liabilities	6.50%	5.00%	6.50%	5.00%
Weighted average discount rates	5.14%	5.25%	5.14%	5.25%
Weighted average terms to settlement of the liabilities	3.7 years	4.0 years	3.7 years	4.0 years

There are currently no liabilities for termination benefits that are expected to be settled more than 12 months from the reporting date.

SEEK LIMITED STAFF OPTION PLAN

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

Each option is convertible to one ordinary share at any time within six to 10 years of the date of issue (subject to vesting rules), at the specified exercise price. The directors have resolved that options outstanding under all SEEK share plans cannot exceed 10% of the issued shares in the company.

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

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

The company does not intend to issue any more options under this Plan.

NOTE 25. EMPLOYEE BENEFITS continued

SENIOR EXECUTIVE OPTION PLAN (SEOP)

The Senior Executive Option Plan was approved by the Board on 24 August 2004. The Plan is open to eligible senior executives of the company and its controlled entities, as determined by the Board.

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

Options vest over a four year period, from date of issue. The number of options vesting in each period, depends on the annual performance rating achieved by the executive, in SEEK's internal performance management system. Any options not vested in any period are forfeited. Executives must be employed by the group, in an executive capacity, for a minimum 12 month period, before any vested options can be exercised.

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

SELF CERT OPTIONS

The company has entered into an options agreement dated 25 August 2004, with senior executives regarding the management of SEEK Learning Pty Ltd (formerly known as Business Information Systems Pty Ltd, trading as Selfcert). Under this agreement options are granted for no consideration. Each options is convertible to one ordinary share, subject to vesting and exercise rules, within six years of the grant date, at the specified exercise price. The directors have resolved that options outstanding under all SEEK options plans, including the SEOP, cannot exceed 10% of the issued shares in the company.

Options vest over a four year period, from date of issue. The number of options vesting in each period, depends on the annual performance rating achieved by the executive, in SEEK's internal performance management system. Any options not vested in any period are forfeited. Executives must be employed by the group for a minimum 12-month period, before any vested options can be exercised.

The exercise price of options is \$1.75 per share on a pre-share subdivision (11 March 2005) basis.

EXECUTIVE DIRECTOR OPTIONS

SEEK has entered into separate employment and options agreements, dated 22 March 2005, with the three executive directors, on the same terms and conditions. As part of these agreements each executive director was issued with 2,250,000 options. The options vest, subject to that executive director still being employed by SEEK, as to 30% on 1 January 2007, as to another 35% on 1 January 2008 and as to the balance on 1 January 2009.

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

The exercise price for the options is \$2.10 per option.

Set out below are summaries of options granted under the SEEK option plans.

All balances and movements have been expressed in post-11 March subdivision numbers to assist in comparisons between years.

Grant date	Expiry date	Exercise price	Balance at start of the year Number	Issued during the year Number	Exercised during the year Number	Option buy-back	Cancelled/ Lapsed Number	Balance at end of the year Number
Staff Option Plan Consolidated and parent entity								
7/7/99	10 years	0.0499	1,064,438	-	(175,000)	(714,439)	-	174,999
28/10/99	10 years	0.0749	1,602,000	-	-	(1,560,000)	-	42,000
17/8/98 – 7/3/00	10 years	0.1270	731,136	-	(224,296)	(483,368)	-	23,472
22/2/00 – 8/9/03	6 years	0.3333	6,729,225	45,000	(3,004,209)	(1,585,287)	(544,197)	1,640,532
9/9/03 – 3/5/04	6 years	0.4633	832,500	-	(37,065)	(96,363)	(172,570)	526,502
17/5/04 – 15/7/05	6 years	0.5833	237,000	834,300	-	-	(186,000)	885,300
1/2/05	6 years	0.8333	-	75,000	(2,658)	(21,873)	-	50,469
12/5/05	6 years	0.3333	-	45,750	-	-	-	45,750
12/5/05	6 years	0.4633	-	54,000	-	-	-	54,000
12/5/05	6 years	0.5833	-	60,000	-	-	(15,000)	45,000
Total			11,196,299	1,114,050	(3,443,228)	(4,461,330)	(917,767)	3,488,024
Senior Executive Option Plan Consolidated and parent entity								
29/10/04	6 years	0.83	210,000	-	-	-	-	210,000
13/12/05	6 years	0.83	480,000	-	-	-	-	480,000
17/3/05	6 years	0.86	240,000	-	-	-	-	240,000
Total			930,000	-	-	-	-	930,000
Selfcert Option Plan Consolidated and parent entity								
1/7/04	6 years	0.5833	-	780,000	-	-	-	780,000
Total			-	780,000	-	-	-	780,000
Executive Directors Option Plan Consolidated and parent entity								
22/3/05	6 years	2.10	-	6,750,000	-	-	-	6,750,000
Total			-	6,750,000	-	-	-	6,750,000

NOTE 25. EMPLOYEE BENEFITS continued

Options exercised during the financial year and number of shares issued to employees on the exercise of options.

Exercise date	Fair value of shares at issue date	Consolidated		Parent entity	
		2005 Number	2004 Number	2005 Number	2004 Number
Issued pre-share subdivision 11 March 2005					
31 October 2003	*		501,866		501,866
18 December 2003	*		26,700		26,700
29 December 2003	*		291,568		291,568
1 March 2004	*		58,000		58,000
2 April 2004	*		20,303		20,303
23 April 2004	*		13,127		13,127
2 June 2004	*		3,125		3,125
17 June 2004	*		15,000		15,000
25 June 2004	*		239,363		239,363
26 July 2004	*	50,062		50,062	
23 September 2004	*	70,000		70,000	
24 September 2004	*	20,582		20,582	
28 September 2004	*	97,916		97,916	
5 October 2004	*	585,625		585,625	
29 October 2004	*	6,400		6,400	
14 February 2005	*	15,000		15,000	
		845,585	1,169,052	845,585	1,169,052
Shares issued and fair values – Post-ordinary share subdivision 11 March 2005					
20 June 2005	\$2.42	1,056,658		1,056,658	

* Fair value of shares could not be determined at issue date as SEEK was not a listed entity at the exercise date.

The fair value of shares issued on the exercise of options is the weighted average price at which the company's shares were traded on the Australian Stock Exchange on the day prior to the exercise of the options.

Exercise date	Fair value of shares at issue date	Consolidated		Parent entity	
		2005 Number	2004 Number	2005 Number	2004 Number
Options vested at 30 June 2005					
Staff Option Plan		1,174,427	2,540,558*		
Senior Executive Option Plan		164,625	–		
Selfcert Option Agreement		195,000	–		
Executive Directors Agreements		–	–		
		1,534,052	2,540,558*		

* Options are expressed in pre-share subdivision (11 March 2005) numbers.

	Consolidated		Parent entity	
	\$	\$	\$	\$
Aggregate proceeds received from employees on the exercise of options and recognised as issued capital	1,084,305	428,534	1,084,305	428,534
	\$'000	\$'000	\$'000	\$'000
Fair value of shares issued to employees on the exercise of options as at their issue date	2,557,112	–	2,557,112	–

Fair values of shares issued relates only to the exercise of options post-SEEK Limited listing on the Australian Stock Exchange. The fair value of shares was unable to be determined pre-Listing.

NOTE 26. RELATED PARTIES

DIRECTORS AND SPECIFIED EXECUTIVES

Disclosures relating to directors and specified executives are set out in Note 21.

WHOLLY OWNED GROUP

The wholly owned group consists of SEEK Limited and its wholly owned controlled entities, SEEK Campus Proprietary Limited, SEEK (NZ) Limited and SEEK Learning Proprietary Limited. Ownership interests in these controlled entities are set out in Note 27.

Transactions between SEEK Limited and other entities in the wholly owned group during the years ended 30 June 2005 and 30 June 2004 consisted of:

- (a) loans advanced by SEEK Limited
- (b) loans repaid to SEEK Limited
- (c) the payment of interest on the above loans
- (d) inter-company management fees.

	Parent entity	
	2005 \$'000	2004 \$'000
Aggregate amounts included in the determination of profit from ordinary activities before income tax that resulted from transactions with entities in the wholly owned group:		
Interest revenue on loan	333	195
Inter-company management charge	3,014	757
Aggregate amounts receivable from entities in the wholly owned group at balance date:		
Current receivables (loans)	5,314	7,034

OTHER RELATED PARTIES

Aggregate amounts included in the determination of profit from ordinary activities before income tax that resulted from transactions with each class of other related parties:

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
(i) Sales to Publishing and Broadcasting Limited Group	24	17	24	17
(ii) Purchases from Publishing and Broadcasting Limited Group – Ninemsn	2,164	1,731	2,164	1,731
(iii) Purchases from Publishing and Broadcasting Limited Group – Contra	1,094	511	1,094	511

- (i) SEEK Limited provided recruitment advertising to Publishing Broadcasting Ltd on standard terms and conditions amounting to \$24,000 (2004: \$17,000).
- (ii) Includes purchases by SEEK Limited amounting to \$2,164,000 (2004: \$1,731,000) from ninemsn, an entity 50% owned by Publishing and Broadcasting Ltd. The arrangement is based on the number of users referred to the SEEK website and is based on ordinary commercial terms and conditions.
- (iii) Publishing and Broadcasting Ltd has provided advertising to SEEK Limited with a commercial value of \$1,094,000 (2004: \$511,000) for NIL consideration.

Aggregate amounts receivable from, and payable to, each class of other related parties at balance date:

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Non-current receivables				
Controlled entities (loans)	-	-	6,150	7,404
Current payables				
Controlled entities (loans)	-	-	836	371

CONTROLLING ENTITIES

The ultimate parent entity in the wholly owned group is SEEK Limited, which at 30 June 2005 owns 100% (2004: 100%) of the issued ordinary shares of SEEK (NZ) Limited and SEEK Campus Pty Ltd and 100% (2004 – 0%) of SEEK Learning Pty Limited.

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2005 %	2004 %

NOTE 27. INVESTMENTS IN CONTROLLED ENTITIES

SEEK Campus Proprietary Limited*	Australia	Ordinary	100	100
SEEK (NZ) Limited	New Zealand	Ordinary	100	100
SEEK Learning Proprietary Limited*	Australia	Ordinary	100	-

* These controlled entities have been granted relief from the necessity to prepare financial reports as both meet the definition of a small company under the *Corporations Act 2001*.

ACQUISITION OF CONTROLLED ENTITY

On 1 July 2004 the parent entity acquired 100% of the issued share capital of SEEK Learning Pty Limited (formerly Business Information Systems Pty Ltd, trading as Selfcert) for \$4,075,000 including \$177,000 in relation to acquisition costs. The operating results of this newly controlled entity have been included in the consolidated statement of financial performance since the date of acquisition.

At the date of this report \$200,000 of the purchase price is held in escrow. The amount is a contingency in relation to the SEEK Learning business and it is highly probable that it will be paid to the vendors during the 2006 financial year.

At the date of acquisition, the acquired entity was involved in the provision of online training programs to IT professionals.

Details of the acquisition are as follows:

	\$'000
Fair value of identifiable net assets of controlled entity acquired	
Plant and equipment	138
Trade debtors	178
Prepayments	36
Cash	780
Trade creditors	(757)
Provision for restructuring, including employee retrenchment payments	(30)
	345
Goodwill on consolidation	3,730
Cash consideration	4,075

	Consolidated		Parent entity	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000
Outflow of cash to acquire controlled entity, net of cash acquired				
Cash consideration	4,075	-	4,075	-
Less: cash balance acquired	(780)	-	-	-
Total outflow of cash	3,295	-	4,075	-
Less: professional fees paid in the prior year	(53)	-	(53)	-
Outflow of cash in the current year	3,242	-	4,022	-

NOTE 28. EVENTS OCCURRING AFTER REPORTING DATE

ACQUISITION OF DYNAMIC WEB TRAINING PTY LTD

After year end SEEK Learning Pty Ltd entered into negotiations to purchase 100% of the issued capital of Dynamic Web Training Pty Ltd, a classroom based training company.

The transaction was completed on 31 August 2005, with an effective date 1 September 2005. The cost of acquisition was \$2,450,000 plus related acquisition costs which are yet to be finalised. The identification and valuation of all intangible assets and goodwill is also yet to be finalised.

The financial effects of the above transaction have not been brought to account at 30 June 2005. The operating results and assets and liabilities of the company will be consolidated from 1 September 2005.

TAX RULING IN RELATION TO IPO CAPITAL RAISING COSTS

On 5 September 2005, the Australian Tax Office issued a private ruling in relation to the deductibility of specific capital raising costs related to the company's Initial Public Offer (IPO). At balance date the company assessed \$1,500,000 of these specific capital raising costs as tax deductible over a five year period, resulting in a reduction in the income tax expense of \$90,000 per annum over the five year period.

The Australian Tax Office has indicated tax deductions in relation to these IPO Capital Raising Costs of approximately \$6,775,000 will be allowed over a five year period. This will result in an additional tax credit of \$316,000 in each year over a five year period.

The AIFRS impact of the finalisation of the above tax ruling would result in the recognition of a deferred tax asset of \$1,580,000 with a corresponding credit to the equity account.

The financial effects of the above transaction have not been brought to account at 30 June 2005.

	Consolidated		Parent entity	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000

NOTE 29. RECONCILIATION OF OPERATING PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

Profit from ordinary activities after income tax	19,252	13,835	19,115	13,506
Depreciation and amortisation	3,556	976	887	479
Net exchange differences	41	18	-	-
Change in operating assets and liabilities, net of effects from purchase of controlled entity				
(Increase) in receivables	(3,666)	(864)	(2,952)	(543)
(Increase) in other operating assets	(67)	(19)	(4,942)	(963)
(Increase) in deferred tax asset	(613)	(1,051)	(561)	(1,051)
Increase in payables	3,122	3,467	3,263	3,298
Increase in other provisions	106	245	106	245
Increase in provision for income taxes payable	2,619	-	2,842	-
Net cash inflow from operating activities	24,350	16,607	17,758	14,971

	Consolidated	
	2005	2004
	Cents	Cents

NOTE 30. EARNINGS PER SHARE

Basic earnings per share	7.1	5.4
Diluted earnings per share	6.9	N/A

	Consolidated	
	Number	Number

Weighted average number of shares used as the denominator

Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	269,479,364	254,297,117
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	278,491,706	N/A

For comparative purposes, share numbers for the 2004 year have been expressed in equivalent post-share subdivision numbers. Shares were subdivided three for one on 11 March 2005.

No comparative has been provided for diluted earnings per share due to the uncertainty over the assumptions required to determine the market value of SEEK Ltd shares to determine the dilutive impact of employee options in the prior period.

INFORMATION CONCERNING THE CLASSIFICATION OF SECURITIES

(a) Fully paid ordinary shares

All shares are fully paid and have been included in both the basic earnings per share and the diluted earnings per share. In relation to the average market value of the shares over and above issued option exercise prices.

(b) Options

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

	Consolidated	
	2005	2004
	\$'000	\$'000
Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Earnings used in calculating basic earnings per share	19,252	13,835
Diluted earnings per share		
Earnings used in calculating diluted earnings per share	19,252	13,835

NOTE 31. IMPACTS OF ADOPTING AUSTRALIAN EQUIVALENTS TO IFRS

The Australian Accounting Standards Board (AASB) has adopted International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group has issued interpretations corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. These Australian equivalents to IFRS are referred to hereafter as AIFRS. The adoption of AIFRS will be first reflected in the consolidated entity's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006.

Entities complying with AIFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of AIFRS to that comparative period. Most adjustments required on transition to AIFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

The significant impacts have been previously identified as part of the initial public offer process and have been updated for the requirements of AASB 1047 Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards. As such SEEK Limited is on schedule to manage the transition to AIFRS.

The consolidated entity has established a team to manage the transition to AIFRS. The Chief Financial Officer and Company Secretary have analysed the significant impact of adoption of AIFRS and have identified the accounting policy changes required for transition to AIFRS. In some cases choices of accounting policies are available, including elective exemptions under Accounting Standard AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards. These choices have been analysed to determine the most appropriate accounting policy for the consolidated entity.

The material impacts on the financial report for the year ended 30 June 2005 that are known or can be reliably estimated had it been prepared using AIFRS are set out below. The expected financial effects and impact on the statement of financial performance and statement of financial position of adopting AIFRS are described and quantified in the commentary below. No material impacts are expected in relation to the statements of cash flows.

NOTE 31. IMPACTS OF ADOPTING AUSTRALIAN EQUIVALENTS TO IFRS continued

Although the adjustments disclosed in this notice are based on management's best knowledge of the expected standards and interpretations, and current facts and circumstances, these may change. For example, amended or additional standards or interpretations may be issued by the AASB and the IASB. Therefore, until the company prepares its first full AIFRS financial statements, the possibility cannot be excluded that the accompanying disclosures may have to be adjusted.

(A) EQUITY-BASED COMPENSATION BENEFITS

Under AGAAP, there is no requirement to make accounting entries to recognise an expense for share-based payments. SEEK does not currently make accounting entries with respect to the options issued to employees until they are exercised, at which time the amounts receivable from employees are recognised in the statement of financial position as share capital.

Under AIFRS equity-based compensation to employees will be recognised as an expense in respect of the services rendered. The value of that instrument must be determined at the date of grant and then expensed on a pro rata basis over the vesting period of the instrument.

Under AASB 2 Share-based Payment, from 1 July 2004 the group is required to recognise an expense for those options that were issued to employees after 7 November 2002 but had not vested by 1 January 2005.

This will result in a change to the current accounting policy under which no expense is recognised for equity-based compensation.

If the policy required by AASB 2 had been applied during the year ended 30 June 2005, both the parent entity and consolidated employee benefits expense would have been \$817,000 higher, with a corresponding increase in the share-based payment reserve. The impact on prior periods would decrease retained earnings by \$267,000, with a corresponding increase in the share-based payment reserve.

(B) INTANGIBLE ASSETS – GOODWILL

Under AASB 3 Business Combinations, amortisation of goodwill will be prohibited, and will be replaced by annual impairment testing focusing on the cash flows of the related cash generated unit, which may or may not give rise to impairment charges. Amortisation recognised in prior years will not be re-instated.

This will result in a change to the current accounting policy, under which goodwill is amortised on a straight-line basis over the period during which the benefits are expected to arise and not exceeding 20 years. SEEK currently amortises goodwill associated with the acquisition of NZ Jobs and SEEK Learning (formerly Business Information Systems, trading as Selfcert) on a straight-line basis over four years.

With respect to the NZ Jobs acquisition, SEEK has elected to take up the exemption for business combinations provided under AASB 1, that an entity may elect not to apply AASB 3 Business Combinations retrospectively to past business combinations that occurred before the date of transition to Australian equivalents to IFRS.

If the policy required by AASB 3 had been applied during the year ended 30 June 2005, the following changes would have occurred:

(a) NZ Jobs acquisition

Goodwill from the purchase of the NZ Jobs business (by SEEK NZ Limited) arose in the 2004 financial year. SEEK is electing to take the exemption available under AASB 1 and hold goodwill at the 1 July 2004 carrying value.

After applying the policy set out in AASB 136 Impairment of Assets, the directors believe that there would be no impairment of goodwill required at 30 June 2005. As no amortisation is required under AASB 3, this would increase

the carrying value of goodwill at 30 June 2005 in the consolidated statement of financial position by \$1,486,000 and reduce the amortisation expense in consolidated statement of performance by \$1,486,000. There is no effect on the parent entity.

(b) SEEK Learning Pty Ltd (formerly Business Information Systems, trading as Selfcert) acquisition

SEEK Learning Pty Ltd was purchased on 1 July 2004. Goodwill arising on consolidation has been valued at the purchase date. The directors conducted a full review of the assets acquired in the transaction. The significant intangible assets considered for valuation included a key supplier contract, Selfcert brand, website and customer base. As the key supplier contract had only two months to run and the fact that new competitors to the supplier were entering the market, no material value was attached to the supplier relationship. It was also assessed that due to the non-recurring nature of sales and the minimal development costs in constructing the website, no material value could be allocated to the Selfcert brand, website or customer base.

After applying the policy set out in AASB 136 Impairment of Assets, the directors believe that there would be no impairment of goodwill required at 30 June 2005. As no amortisation is required under AASB 3, this would increase the carrying value of goodwill at 30 June 2005 consolidated statement of financial position by \$1,060,000 and reduce the amortisation expense in the consolidated statement of financial performance by \$1,060,000. There is no effect on the parent entity.

(C) INCOME TAX

Under AASB 112 Income Taxes, deferred tax balances are determined using the balance sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the statement of financial position and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity.

If the policy required by AASB 112 had been applied during the year ended 30 June 2005 the following would have resulted:

As noted below, transaction costs associated with the Initial Public Offer in April 2005 have been charged to the share capital account. Under AIFRS the income tax effect of the amount considered to be tax deductible would have been booked into the statement of financial position at 30 June 2005. Deferred tax assets would have increased by \$360,000 and equity would have increased by \$360,000 for the parent entity and the consolidated group.

Transaction costs:

Transaction costs associated with the SEEK Initial Public Offer were approximately \$7,999,000.

Under both the current accounting standards and AIFRS, such costs are charged against equity rather than in the statement of financial performance. Where such costs are tax deductible AIFRS requires that the amount charged against equity be net of related tax and that a corresponding future tax benefit also be recognised. The current accounting standard under AGAAP does not require the tax effect of the costs to be reflected in equity and in effect the tax balance of such costs is recognised over time as the deductions are allowed for tax purposes.

If SEEK was applying AIFRS to the 30 June 2005 financial statements, then the impact on both the parent and the consolidated statement of financial position would be to recognise a deferred tax asset of \$450,000, with a corresponding increase in share capital. \$90,000 of the asset would be utilised in the current year, with the remainder being utilised on a straight-line basis over the next four years.

NOTE 31. IMPACTS OF ADOPTING AUSTRALIAN EQUIVALENTS TO IFRS continued

(D) TAX CONSOLIDATION LEGISLATION

Under UIG 1052 Tax Consolidation Accounting, the parent entity, as the head entity in the tax consolidated group, will be required to recognise the current tax payable of the tax consolidated subsidiaries and deferred tax assets relating to tax losses of these subsidiaries. As the tax consolidated group has not entered into a tax funding agreement, no compensation has been received or paid for any current tax payable nor deferred tax assets relating to tax losses assumed by the parent entity since implementation of the tax consolidation regime. This will result in equity contributions to, or distributions from the tax consolidated subsidiaries being recognised in the accounts of the head entity and the members of the tax consolidated group.

The parent entity's own tax amounts will be measured using one of the acceptable allocation methods in UIG 1052.

This differs from the current accounting policy, under which the parent entity recognises current and deferred tax amounts relating to transactions, events and balances of the tax consolidated subsidiaries as if those transactions, events and balances were its own, and measures its own tax amounts by applying the principles in AASB 1020.

At present Management are in the process of determining the accounting impact of adopting UIG 1052 and are reviewing the current tax funding arrangements to assess the impact on the entity's accounts. At the time of completion of the consolidated financial reports, the assessment of the impact had not yet been completed, due to the late release of guidance notes on UIG 1052 (June 2005) thus necessary decisions had not yet been made. As a consequence, the parent entity can not yet determine reliably the amount of adjustments that may be required.

(E) FOREIGN CURRENCY TRANSLATION RESERVE: CUMULATIVE TRANSLATION DIFFERENCES

On the initial application of AIFRS, the group will elect to apply the exemption in AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards relating to the balance of the foreign currency translation reserve. The cumulative translation differences for all foreign operations represented in the foreign currency translation reserve will be deemed to be zero at the date of transition to AIFRSs.

As a result of this exemption, the balance of the foreign currency translation reserve of the group at 30 June 2005 will decrease by \$29,000. Retained earnings will increase by this amount. There is no effect on the parent entity.

(F) FINANCIAL INSTRUMENTS

The consolidated entity will be taking advantage of the exemption available under AASB 1 to apply AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement only from 1 July 2005. This allows the consolidated entity to apply previous Australian generally accepted accounting principles (AGAAP) to the comparative information of financial instruments within the scope of AASB 132 and AASB 139 for the 30 June 2006 financial report.

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 48 to 96 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2005 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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



James Packer
Chairman



Paul Bassat
Director

Melbourne
27 September 2005

Independent audit report to the members of SEEK Limited

Audit opinion

In our opinion, the financial report of SEEK Limited:

- gives a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of SEEK Limited and the SEEK Group (defined below) as at 30 June 2005, and of their performance for the year ended on that date, and
- is presented in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This opinion must be read in conjunction with the rest of our audit report.

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both SEEK Limited (the company) and the SEEK Group (the consolidated entity), for the year ended 30 June 2005. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.



We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

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

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

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

A stylized, handwritten signature of PricewaterhouseCoopers.

PricewaterhouseCoopers

A handwritten signature of John Yeoman.

John Yeoman
Partner

Melbourne
27 September 2005

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 14 September 2005.

DISTRIBUTION OF SHAREHOLDERS

Analysis of numbers of ordinary shareholders by size of holding:

Size of holding	Number of shareholders	Shares	Percentage of issued capital
1 – 1,000	370	241,005	0.08
1,001 – 5,000	1,048	3,231,768	1.15
5,001 – 10,000	315	2,493,012	0.89
10,001 – 100,000	295	8,538,731	3.04
100,001 and over	84	266,592,602	94.84
	2,112	281,097,118	100.00

There were 27 holders of less than a marketable parcel of ordinary shares.

Twenty largest quoted equity securityholders

The names of the 20 largest holders of quoted equity securities are listed below:

Name	Ordinary shares Number held	Percentage of issued shares
Windfyr Pty Ltd	69,968,490	24.89
JP Morgan Australia Limited	21,468,185	7.64
Westpac Custodian Nominees Limited	20,691,467	7.36
Kiteford Pty Ltd (Andrew Bassat Family Trust)	14,672,976	5.22
Netherlane Pty Ltd (Paul Bassat Family Trust)	14,672,976	5.22
IPR Nominees Pty Ltd (1965 Irvin Rockman Trust)	12,000,000	4.27
Jonstead Pty Ltd (The Matrock Trust)	11,372,976	4.05
National Nominees Limited	9,905,075	3.52
Citicorp Nominees Pty Limited (CFS WSLE Imputation Fund)	8,649,663	3.08
UBS Nominees Pty Ltd (Prime Broking Account)	7,344,219	2.61
Daleford Way Pty Ltd	7,245,825	2.58
Instanz Nominees Pty Ltd	6,411,458	2.28
ANZ Nominees Limited (Cash Income Account)	5,853,545	2.08
Citicorp Nominees Pty Limited (CFS Imputation Fund)	5,740,988	2.04
Mostia Dion Nominees Pty Ltd	3,413,352	1.21
Citicorp Nominees Pty Limited (CFS Future Leaders Fund)	3,200,000	1.14
Citicorp Nominees Pty Limited (CFS WSLE Australian Share Fund)	3,003,206	1.07
Mr Roger William Allen	2,956,328	1.05
Netwealth Investments Limited (Wrap Services Account)	2,035,722	0.72
Citicorp Nominees Pty Limited (CFS WSLE Industrial Share Account)	1,915,121	0.69
Top 20 shareholders	232,557,572	82.73
Other shareholders	48,539,546	17.27
	281,097,118	100.00

Unquoted equity securities

	Number on Issue	Number of Holders
Options issued under the SEEK Limited Options Plans to take up ordinary shares	11,973,776*	111

*No person holds 20% or more of these securities.

Substantial holders

Substantial holders in the company are set out below:

	Number held	Percentage
Ordinary shares		
Publishing and Broadcasting Limited (Windfyr Pty Ltd)	69,968,490	24.91
Commonwealth Bank of Australia Group	26,739,605	9.52
Fidelity International Group	25,911,105	9.22
The Capital Group Companies Inc	17,963,392	6.39
Kiteford Pty Ltd (Andrew Bassat Family Trust)	14,672,976	5.22
Netherlane Pty Ltd (Paul Bassat Family Trust)	14,672,976	5.22

Voting Rights

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

- (a) Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- (b) Options
No voting rights.

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