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## **SEEK BUILDS AND STRENGTHENS EDUCATION AND TRAINING BUSINESS**

SEEK Limited (**SEEK**), the leader in the online employment market in Australia and New Zealand, today is announcing two initiatives to further build and strengthen SEEK's Education and Training Businesses and further consolidate SEEK's position as a major provider of Employment, Education and Training Services. These initiatives are to be funded through the capital raising described below.

SEEK reaffirms the guidance of \$93.5m EBITDA it provided around its half-year announcement in February relating to its FY09 results. This has been reinforced based on trading over the past two months.

### **SEEK to acquire remaining 50% of THINK Education Group (THINK)**

SEEK is announcing that it will acquire the remaining 50% of THINK for \$42.5 MM. This will move SEEK's ownership of THINK to 100%. As part of the acquisition, SEEK intends to pay down all of THINK's debt, with a current balance of approximately \$14.5 MM. The purchase price implies an EV/EBITDA multiple of 8.5x to 10x THINK's forecast FY10 results. The acquisition is subject only to the satisfaction or waiver by SEEK of conditions precedent.

Further to today's announcement, THINK will continue as a distinct business, but there are a number of integration opportunities and synergies across SEEK Learning and THINK that will be developed. THINK Group CEO Mark Rohald and CEO Operations Anthony Bohm will remain with THINK and continue in their current roles.

Commenting on the full acquisition of THINK, Mr Andrew Bassat, Joint CEO, said "THINK provides SEEK with a unique collection of existing colleges and an online learning platform which are highly complementary to SEEK's Education businesses. The full acquisition of THINK is a key step in enabling SEEK to realise its vision to be a leading provider of education and training. We expect that strong growth in THINK will be underpinned by growth in student numbers as individual courses move from start-up to steady state and by further acquisitions"

### **SEEK to offer to purchase up to an additional 10% in IDP**

SEEK is also today announcing its intention to offer to purchase up to an additional 10% of IDP.

IDP is currently co-owned (50%) by SEEK and (50%) by Education Australia Pty Ltd, which is equally owned by the 38 public Australian Universities.

SEEK's offer to purchase up to an additional 10% of IDP is subject to negotiation with, and approval by, Education Australia and acceptance by the University Shareholders.

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It is proposed that there will be no change in the governance of IDP, with Education Australia Pty Ltd continuing to appoint 3 Directors of IDP, along with 3 Directors appointed by SEEK and an Independent Chairman.

Commenting on the proposed offer Mr Andrew Bassat, said “This offer provides an opportunity for the University Shareholders to realise the significant value appreciation in their IDP investment since SEEK's original investment in Aug 2006, whilst also providing SEEK with an opportunity to invest further in what has, to date, been a very successful investment. The relationship with the Universities has been very positive and the management team of IDP, led by Tony Pollock, have done a tremendous job of growing the business to date. We look forward to continuing to work with the Universities and management in pursuing the strong growth potential in each of the international student placement and English language testing markets.”

Commenting on the impact of the transactions, Mr Andrew Bassat said “The acquisition of each of THINK and IDP (if our proposed IDP offer is accepted) is expected to be modestly accretive on an earnings per share basis (post the proposed capital raising described below in FY10) and to become increasingly accretive from FY11. We believe that by making these transactions, we will create significant long term value for shareholders.”

## Capital Raising

SEEK also announces today that it will raise \$100 MM through a share placement together with further funds through a share purchase plan and top-up offer.

SEEK intends to use the proceeds of the raising to fund the above-mentioned transactions namely:

- acquisition of the remaining 50% of THINK for \$42.5 MM and repayment of THINK's debt of approximately \$14.5 MM;
- subject to acceptance of the offer, the acquisition of up to an additional 10% of IDP;

The remaining proceeds will be used to partially pay down debt.

The capital raising comprises:

- (a) a share placement to raise \$100 MM (**Placement**). The pricing for the Placement is at \$2.60 per share (representing a 11.9% discount to SEEK's closing price on 22 April 2009). SEEK will issue approximately 38.5 million shares representing approximately 13% of its pre-Placement issued capital.

Subject to being granted a waiver of ASX Listing Rule 10.11 or, failing receipt of such waiver, approval from SEEK shareholders, each of Consolidated Media Holdings Limited, Andrew Bassat (Joint CEO) and Paul Bassat (Joint CEO) will participate in the Placement on a basis that is pro rata to their current shareholding. This means that:

- Consolidated Media Holdings Limited will participate in the Placement for approximately \$27 MM;
- Andrew Bassat (Joint CEO) will participate in the Placement for approximately \$4 MM; and
- Paul Bassat (Joint CEO) will participate in the Placement for approximately \$4 MM.

The non-related party component of the Placement is underwritten.

- (b) a share purchase plan to allow all of its eligible existing shareholders in Australia and New Zealand to subscribe for shares up to a value of \$5,000 (**SPP**). The equity raised under the SPP will be in addition to the \$100 MM proceeds from the Placement.
- (c) a Top-Up offer to eligible shareholders in Australia and New Zealand who would otherwise be diluted by the Placement and SPP (**Top-Up Offer**).

Further details of the SPP and Top-Up will be provided to ASX and to shareholders shortly.

Mr Paul Bassat, Joint CEO of SEEK, said “We are conducting the capital raising to enable us to further our exposure to the exciting Education and Training market. We believe that the education businesses will continue to strongly complement our market leading position in online employment classifieds in Australia and New Zealand and our international investments in China, Brazil and South East Asia.”

**For further information or to arrange an interview please contact:**

**THINK / IDP Offer:                      Capital Raising Process:**

**Andrew Bassat**

**Paul Bassat**

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#### **Details on THINK Education Group**

THINK has the broadest group of private colleges in Australia spanning across Hospitality & Tourism, Creative, Media & Communications, Business and Healthcare & Wellness. THINK has campuses in Sydney, Brisbane, Gold Coast and Melbourne and flexible & online learning capabilities.

#### **Details on IDP**

IDP is the global leader in the placement of international students to Australian education institutions and the 100% owner of IELTS Australia, the leading supplier of English language testing services in Australia. IELTS is one of the two globally accepted English language testing standards.

*This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or otherwise. The securities to be issued in the capital raising have not and will not be registered under the U.S. Securities Act of 1933, as amended (“Securities Act”). Securities may not be offered or sold in the United States unless the securities have been registered under the Securities Act, or in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.*

#### **Caution regarding forward-looking statements**

*This announcement contains forward-looking statements, which can usually be identified by the use of words such as such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “guidance” or words of similar effect. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this announcement. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to us as of the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.*

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