Infomedia™

Ltd

ABN 63 003 326 243

ANNUAL REPORT 2012

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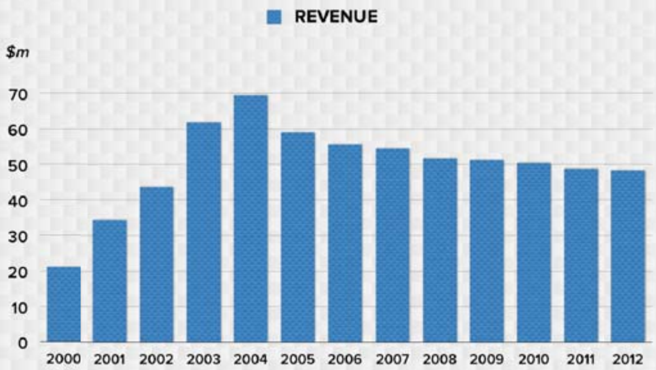
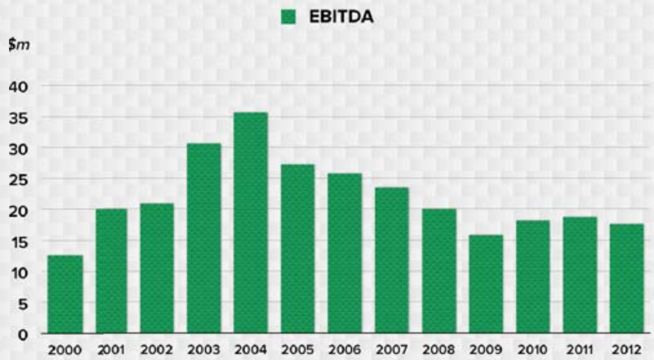
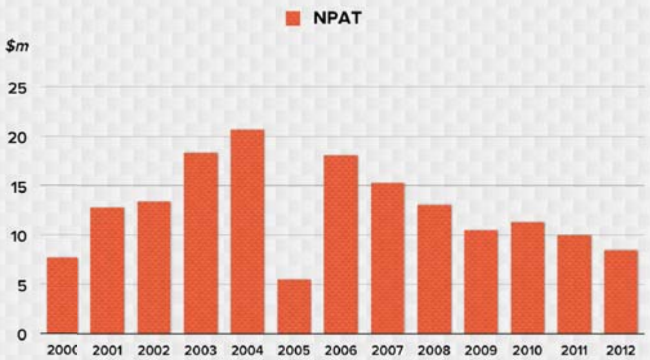
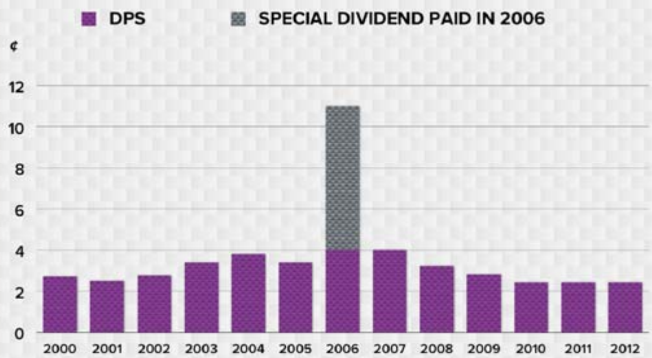
Infomedia™

RESULTS AT A GLANCE









Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenue* ($m)	21.1	34.5	43.8	61.8	69.6	59.1	55.6	54.6	51.7	51.3	50.5	48.9	48.3
NPAT ($m)	7.7	12.8	13.4	18.3	20.7	5.5	18.1	15.3	13.1	10.5	11.3	10.0	8.5
EBITDA ($m)	12.6	20.0	20.9	30.6	35.7	27.3	25.8	23.6	20.0	15.9	18.2	18.8	17.7
DPS (¢)	2.7	2.5	2.75	3.4	3.8	3.4	11.0	4.0	3.2	2.8	2.4	2.4	2.4

* Revenue includes currency hedging gains/losses

"OUR SALES REVENUE GREW TO A TOTAL OF $45.7M AGAINST $44.1M FOR THE PREVIOUS FINANCIAL YEAR. THE INCREASE WAS DRIVEN BY GROWTH IN ALL PRODUCT LINES"

FELLOW SHAREHOLDERS, THIS HAS BEEN A YEAR OF PROGRESS FOR OUR COMPANY. NOTWITHSTANDING THE CHALLENGING GLOBAL ECONOMIC ENVIRONMENT, OUR PRODUCT SALES GREW, OUR ONLINE DELIVERY INFRASTRUCTURE AND SYSTEMS STRENGTHENED, WE GALVANIZED OUR BUSINESS WITH THE ACQUISITION OF DIFFERENT ASPECT SOFTWARE IN THE UK (DAS), AND WE RE-SIGNED MAJOR DATA LICENSE AGREEMENTS WITH GENERAL MOTORS, HYUNDAI MOBIS AND THE FORD MOTOR COMPANY.

Last year I wrote to you about the One World mindset that many of our OE licensors have adopted for their aftersales operations. In the One World view, the OE customer experience is seamless no matter where in the world it takes place. I said this had been a long-held view of Infomedia and has influenced the way we approached product development from the very beginning. The value of this as a business philosophy continues to be borne out as the business environment becomes ever more connected, 24/7, and interdependent.

All of these elements are now coalescing into the redesign of our various applications and services into a new product family – **Superservice**. Later in this report, you will see how our creative teams have structured a strong product solution suite that dealers can operate as standalone components or integrate with other IT systems. Superservice is the first automotive fixed operations product-line of its kind that provides global uniformity for automakers in the key areas of electronic parts catalogue, service menus, vehicle health check, online booking, and service history registration.

Superservice combines realtime data, interoperability, business analytics and more to give a consistent, intuitive user experience. There is nothing like it in the market. Already, we have clients across the globe processing service estimates on a common online platform and using our common online Electronic Parts Catalogue (EPC). Last year I wrote that our vision was to expand the depth of our products and make them ubiquitous around the world. By building solutions for the dealer that also allow consumers direct access to the parts and service process, we have expanded the definition from "anywhere, any time" to "any way you want to work".

Our acquisition of DAS provided us with more product depth and an innovative suite of software products which have application to both the existing Infomedia customer base as well as new markets.

With our One World approach to operations, DAS has already become integrated into the Infomedia company core, and is making important contributions and bringing new synergies to our product-line and European team. I am confident it will positively impact our results in the years ahead.

The renewals of our agreements with Hyundai MOBIS (Hyundai and KIA), General Motors and Ford point to the long and special relationships between these great companies and Infomedia. As we prepare for our 23rd year in automotive software leadership, we remain committed to contributing to their success, and to the success of all our customers, through the provision of our innovative, affordable, market leading solutions.

In FY2013, Infomedia will release more OE product implementations which are aimed directly at improving the sales and service experience with our One World approach in mind. These include Superservice for Chrysler, General Motors and Toyota in the USA, Microcat LIVE for Toyota in Great Britain, and more products for release in Russia, China and Latin America. I fully expect these to make a notable financial contribution.

As you are aware, the majority of our revenues are denominated in US dollars or Euros, and despite our

active hedging approach, we still feel the impact of the strong Australian dollar on our reported financial results. AUD cash flows from operations reduced from $11.3m (in the previous corresponding period) to $9.7m primarily due to currency impacts and similarly, net profit was reduced by $1.6m.

However despite the forex handicap, our sales revenue grew to a total of $45.7m against $44.1m for the previous financial year. The increase was driven by growth in all product-lines including $1.2m of sales obtained through the acquisition of DAS. All product-lines saw constant currency sales growth during the 2012 financial year with revenue from Superservice products being the major contributor, increasing by $2.7m.

As our online product usage accelerates and as our sales approach includes more site licenses and subscription packages, reporting our subscriptions under our previous single-unit methodology isn't as informative as it once was. Consequently, we have devised a new approach that better represents our product subscription levels.

At the bottom of the next page there are two charts. The first is the single-unit subscription method as historically reported from 2000 – 2011. The second shows our new single-subscription-equivalents (SSE) approach to reporting recurring subscriptions. 2011 figures have been restated as SSE to allow for a meaningful 2011 – 2012 comparison. As a result you'll see that we are now reporting that our total SSE subscriptions are over

70,000 – an increase of 4,889 or 7.5% in FY2012. At the individual product level, EPC subscriptions grew by 712 and Superservice subscriptions grew by 4,177. I think this validates that the Company's long-term product investment strategy is being realised.

For the 13th year in succession the Directors issued dividends. The final fully franked dividend payment of 1.37 cents, together with the fully franked interim dividend of 1.03 cents, resulted in a fully franked dividend of 2.4 cents for the full year. This payment is consistent with that paid in FY2011.

In August 2011 my fellow Directors and I were delighted to welcome Geoff Henderson back to the Infomedia Board. Geoff brings vast experience in the automotive industry through his many years as a senior executive at Ford Australia coupled with significant understanding of Infomedia. Geoff is Chair of the Audit, Risk and Corporate Governance Committee, and I look forward to his valuable contribution in the years ahead.

I believe this year the market once again began to recognise the underlying investment values inherent in Infomedia's business, IP assets, management team and overall IFM story. That resilience is even more evident now than it was 13 years ago when the company first listed. We have withstood extraordinary global economic downturns and a massive foreign exchange handicap. Yet, today we are stronger, brighter and better placed than ever. We are ahead of our competitors in making the transition from disc to cloud based computing. We have made the move from being a disc-based application provider to being a 'Cloud' based solution provider the industry now wants. And, the recurring subscription revenue model we pioneered 23 years ago is the preferred software licensing model of the industry today.

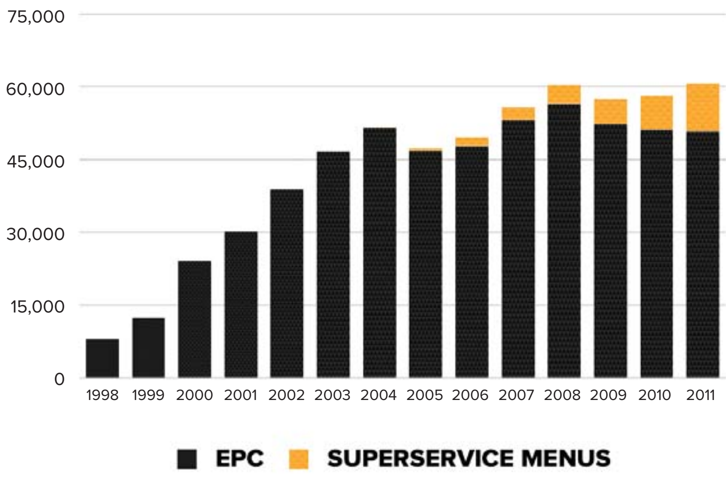
The investor market is also again recognising our fundamental financial strengths: no debt; year on year underlying sales growth; great workforce; reliable dividends, free cash flow and the ability to acquire and absorb accretive acquisition opportunities. There's no telling when the AUD will peak, but when it does the underlying economic growth performance of the company will become obvious.

For the year ahead we will continue to expand the depth of our product lines and the deployment of our entire Superservice Suite. We will build further interoperability and greater business intelligence into our products as we do so. And we will continue to expand into the BRIC markets as well as Africa and the Middle East.

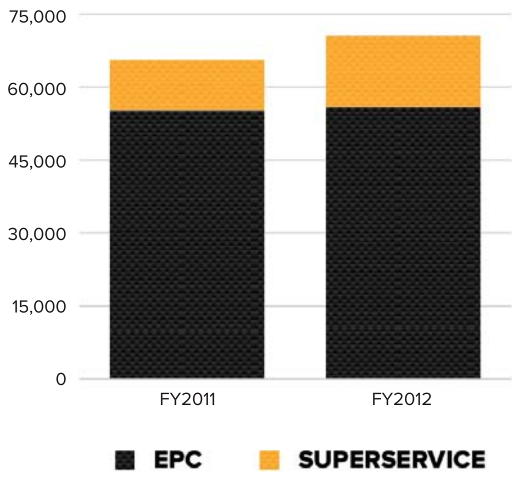
In closing I want to reaffirm that Infomedia's main goal is straightforward: to contribute to our customers' success. By so doing, we will continue our own success and deliver value to our shareholders. I commend this Annual Report to you, and look forward to seeing you at the Annual General Meeting at our headquarters in Frenchs Forest on November 8th if you are able to attend in person.

RICHARD GRAHAM
Executive Chairman

SINGLE SUBSCRIPTIONS



SINGLE SUBSCRIPTION EQUIVALENTS



"DESPITE CHALLENGING GLOBAL ECONOMIC CONDITIONS, IN CONSTANT CURRENCY TERMS, OPERATIONAL PERFORMANCE IMPROVED BY $1.5M IN FY2012 OVER FY2011."

FOR THE 2012 FINANCIAL YEAR (FY2012) INFOMEDIA LTD (INFOMEDIA) ACHIEVED SALES REVENUE (SALES) OF $45.7M AND NET PROFIT AFTER TAX (PROFIT) OF $8.5M. THIS COMPARES TO FINANCIAL YEAR 2011 (FY2011) WHERE SALES TOTALLED $44.1M AND PROFIT WAS $10.0M. OPERATING CASHFLOW DECREASED BY $1.6M TO $9.7M.

As previously reported, a fully franked final dividend of 1.37 cents was paid to shareholders of record at 5 September 2012, bringing the total franked dividends for the year to 2.4 cents. This represents a payout ratio of 86% of Profit. At 30 June 2012, the Company remained debt free, with $6.6m in cash on the balance sheet.

THE KEY DRIVERS

In analysing the headline FY2012 Sales and Profit numbers compared with FY2011, the following three key drivers stand out:

1. Performance in the currency that the sale takes place in;
2. The impact of foreign exchange rates; and
3. Capitalisation and Amortisation of our Research & Development costs.

1. OPERATIONAL PERFORMANCE IN CONSTANT CURRENCY

As primarily an exporter, the majority of the Company's sales are made in US Dollars (USD) and Euros (EUR) with the remainder in Australian Dollars (AUD). Sales in the natural currencies of USD, EUR and AUD all increased during FY2012. The main driver of sales growth was an increase in revenue related to the Superservice product range. This comprised of Superservice Menus revenue growth which continues to be well received around the globe and Superservice Triage revenue that was derived from the acquisition of Different Aspect Software Ltd (DAS) on 2 September 2011. Viewing Sales in constant currency terms i.e. translating the Sales into AUD at the same foreign currency rates as those that occurred in FY2011, there was an increase of $3.5m over FY2011 Sales. $1.2m of these were derived from the acquisition.

Operational costs in constant currency increased $2.0m in FY2012 as the Company invested in hosting infrastructure to support increasing demand for its online products, worked on integrating the newly purchased subsidiary into its core business and also invested in headcount to manage the growth in Sales.

It means despite challenging global economic conditions, in constant currency terms, operational performance improved by $1.5m in FY2012 over FY2011.

2. THE IMPACT OF FOREIGN EXCHANGE RATES

As with many exporters, the Company has borne the impacts of the escalating Australian dollar. Although the foreign currency theme has been a constant in analysing our results in recent times, the impact on the FY2012 results is again a significant factor.

The AUD strengthened on average a further 6% during FY2012 against both the USD and EUR. This was on the back of a 31% increase against the USD and a 22% increase against the EUR from FY2005 to FY2011.

The Company maintains a hedging program that has seen positive hedging gains in both FY2011 and FY2012. However, despite this, the adverse foreign exchange impact translating overseas revenues consumed virtually all of the $3.5m constant currency sales growth mentioned in point 1 above.

3. R&D CAPITALISATION AND AMORTISATION

The Company capitalises qualifying costs while a product is being developed. In some cases a product could be in development for a number of years and these costs build up and are held on the balance sheet. Once a product is released to the market for sale, the Company then releases those costs into the P&L in the form of amortisation over future periods. See note 2(k) to the Financial Report for further information on these accounting policies.

"LOOKING FORWARD, THE COMPANY ANTICIPATES FURTHER SALES AND SUBSCRIPTION GROWTH IN NATURAL CURRENCIES AND ALSO EXPECTS TO REPORT GROWTH IN ACTUAL AND REPORTED REVENUE."

The Company continued to invest in the development of its next generation products during FY2012. Microcat LIVE, Superservice Menus and the new Superservice Triage all received significant investment during the year and capitalisation increased $1.2m. With the continued release of the new online products, the amortisation of development costs increased. Also, the acquisition of DAS during the year created an additional $1.6m of intangible assets that the Company commenced amortising during the year. Consequently the total amortisation charge increased $0.9m compared with FY2011.

PUTTING THE PIECES TOGETHER

This 'waterfall' chart visually demonstrates how these factors have impacted the results.

The chart starts on the left side with a bar representing the profit reported for FY2011. Then we see how sales growth adds $3.5m and operational cost increases offsets this by $2.0m in constant currencies. There is a $3.4m reduction due to the impact of foreign exchange rates on overseas revenues and a reduction in net expense of $0.2m due to the impact of capitalisation and amortisation. Changes in tax, interest and other non-operational items combine for a net $0.2m saving over FY2011. The combined effect of those factors is a net reduction in profit of AUD$1.5m year on year.

THE YEAR AHEAD

Looking forward, the Company anticipates further sales and subscription growth in natural currencies and also expects to report growth in actual AUD reported revenue. The Company expects the continued strength of the Australian dollar to dampen reported results and camouflage underlying growth. Significantly, an increase in the amortisation charge of approximately $2m is expected as we commercialise more products and continue to expense the intangible assets from the acquisition. Accordingly, the Company has provided guidance that it anticipates its 2013 financial year sales revenue to be between $47m and $50m, and profit to be between $8m and $9m.

JONATHAN POLLARD
Chief Financial Officer

"OUR CORE BRAND PROMISE OF PROVIDING PRECISION TOOLS THAT INCREASE DEALERSHIP PRODUCTIVITY AND PROFITABILITY HAS BEEN THE FOUNDATION OF INFOMEDIA'S GLOBAL COMPETITIVE POSITIONING."

DURING THE LAST 12 MONTHS WE HAVE CONTINUED TO EVOLVE OUR PRODUCT AND BRAND STRATEGY WITH THE AIM OF STRENGTHENING INFOMEDIA'S LEADERSHIP POSITION IN THE MARKETPLACE. WHILE OUR CORE MICROCAT® AND SUPERSERVICE MENUS™ BRANDS HAVE CONTINUED TO ANCHOR OUR PRODUCT-LINE, WE CONTINUALLY EVALUATE EXTERNAL MARKET DRIVERS AND OUR OWN PRODUCT STRATEGIES TO ENSURE OUR SOLUTIONS REMAIN CUTTING EDGE, RELEVANT AND RESPONSIVE TO THE NEEDS OF AUTOMAKERS (OE), DISTRIBUTORS AND DEALERSHIPS.

Our core brand promise of providing precision software tools that increase dealership productivity and profitability has been the foundation of Infomedia's global competitive positioning. This brand promise is supported by extensive market knowledge, innovative IP, and easy to use software that enhances automation and relationship building to help create a great vehicle owner experience.

Dealers are increasingly looking for solutions to give them an advantage against their aftermarket service and parts competitors. In today's challenging economic environment, OE loyalty programs and refurbished waiting rooms with designer coffee machines are simply not enough to deliver on customer expectations. Industry research points to a lack of transparency in service pricing and customer scepticism about service advice as the main reasons for customers defecting from a brand dealer to the aftermarket.

In considering how to manage our product portfolio for the future, we researched the market to identify trends and analyse market segments where Infomedia's core competencies could fill new or latent dealer needs. From this we've gained insights into new and innovative ways to generate increased value beyond incremental growth. Our analysis has provided critical knowledge to create a stronger product direction that continues to build on the innovative heritage and goodwill of our company.

That strategy is for our product-lines to work as a system of related solutions, which share a common technology platform and are interoperable. In Richard's introduction he discussed our vision for product expansion and ubiquity; we're now confident we have the product strategy and technology platform to achieve this vision.

We intuitively commenced on this path a few years ago by integrating our flagship Microcat® LIVE™ and Superservice Menus™ (SSM) products, allowing service and parts staff to transfer VIN and parts data from one product to the other, realising immediate and obvious productivity gains. Having achieved these synergies within our own products, we acquired Different Aspect and incorporated several new solutions into our portfolio. The Superservice Triage™ vehicle health check (VHC) solution was of strategic importance, allowing us to integrate our Superservice Menus technology to create the most powerful VHC solution available today. This type of integration approach positions the Superservice solution suite as truly unique in a crowded marketplace where 'me too' products struggle to fulfil the needs of the OE dealerships.

The marketing framework for our solutions going forward is the Superservice™ brand; a clever mix of innovative technology and relationship building sales processes. Superservice is the commercial realisation of the Microcat.Network concept, promoting interoperability and business flexibility with products that support the users in the way they want to work. We are using this brand-mark to springboard into new and evolving opportunities and growth segments within the global automotive industry. As our technology continues to evolve we will position Superservice as the preferred aftersales solution suite for dealerships around the globe.

In terms of messaging, we have chosen a tone that is understood and supported by dealers globally. Superservice is a powerful set of aftersales solutions that can integrate with other IT systems or operate stand alone; supporting each dealer to create processes that suit their business environment. The Superservice suite takes dealerships beyond data and technical function, delivering accurate information and selling processes that promote customer engagement and trust. Information is delivered in a way that dealerships and their customers want it. Superservice helps position dealership staff as valued problem-solvers in the eyes of the customer. It improves productivity within dealerships, provides greater control over the selling process and increases customer retention.

Underpinning the Superservice framework is product technology that enables Infomedia to build distinctive products and capabilities by reusing core assets across the product range. These core assets are a key to Infomedia's competitive strategy. They include design architecture, proprietary production systems, source code, online infrastructure and considerable localisation expertise. Uniform architecture enables Infomedia to effectively develop new product solutions to increase our market penetration.

The Internet has revolutionised how people purchase goods and services and dealership customers are no exception. Dealerships must react quickly to serve and retain the new generation of shoppers. They need to be where their customers are – online and mobile. Superservice supports these trends. Our solutions deliver value beyond a dealership's four walls, extending convenience, accurate information and self-service directly to their customers.

In the following pages I am proud to share our new marketing collateral for the Superservice suite. This work represents part of the launch kit for Superservice in the US and Asia Pacific markets. The kit speaks directly to the needs and desires of the dealerships – building trust, performance and profits. The new integrated brand platform includes a new logo, iconography for each product in the suite, updated photography and visual assets, a new multi-language website and User Interface that any dealership can access 24/7 with product information, dealer training, videos and pricing. (Visit www.Superservice.com)

I'm confident that introducing the new Superservice branded suite of products will make a significant and positive impact on the way dealerships empower their staff and interact with their customers. I believe it will also provide sustained business growth opportunities for Infomedia.

PETER PETROVSKI
Director of Product Strategy

Superservice™

menus™
Precision Service Quoting

triage™
Multi-point Inspection

insight™
Real-time CSI Survey

connect™
Online Booking and Quotation

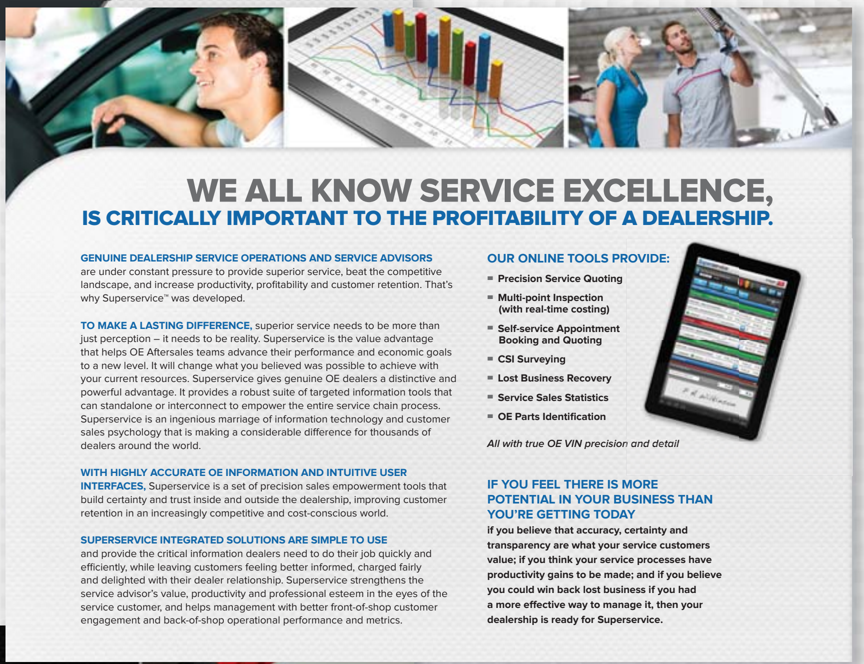
register™
OE Service History

EPC™
Microcat LIVE®
OE Parts Catalog

GENUINE SERVICE ADVANTAGE

SERVICE SOLUTIONS THAT
BUILD TRUST,
PERFORMANCE
AND PROFITS.

Superservice™
solution overview



WE ALL KNOW SERVICE EXCELLENCE,
IS CRITICALLY IMPORTANT TO THE PROFITABILITY OF A DEALERSHIP.

GENUINE DEALERSHIP SERVICE OPERATIONS AND SERVICE ADVISORS are under constant pressure to provide superior service, beat the competitive landscape, and increase productivity, profitability and customer retention. That's why Superservice™ was developed.

TO MAKE A LASTING DIFFERENCE, superior service needs to be more than just perception – it needs to be reality. Superservice is the value advantage that helps OE Aftersales teams advance their performance and economic goals to a new level. It will change what you believed was possible to achieve with your current resources. Superservice gives genuine OE dealers a distinctive and powerful advantage. It provides a robust suite of targeted information tools that can standalone or interconnect to empower the entire service chain process. Superservice is an ingenious marriage of information technology and customer sales psychology that is making a considerable difference for thousands of dealers around the world.

WITH HIGHLY ACCURATE OE INFORMATION AND INTUITIVE USER INTERFACES, Superservice is a set of precision sales empowerment tools that build certainty and trust inside and outside the dealership, improving customer retention in an increasingly competitive and cost-conscious world.

SUPERSERVICE INTEGRATED SOLUTIONS ARE SIMPLE TO USE and provide the critical information dealers need to do their job quickly and efficiently, while leaving customers feeling better informed, charged fairly and delighted with their dealer relationship. Superservice strengthens the service advisor's value, productivity and professional esteem in the eyes of the service customer, and helps management with better front-of-shop customer engagement and back-of-shop operational performance and metrics.

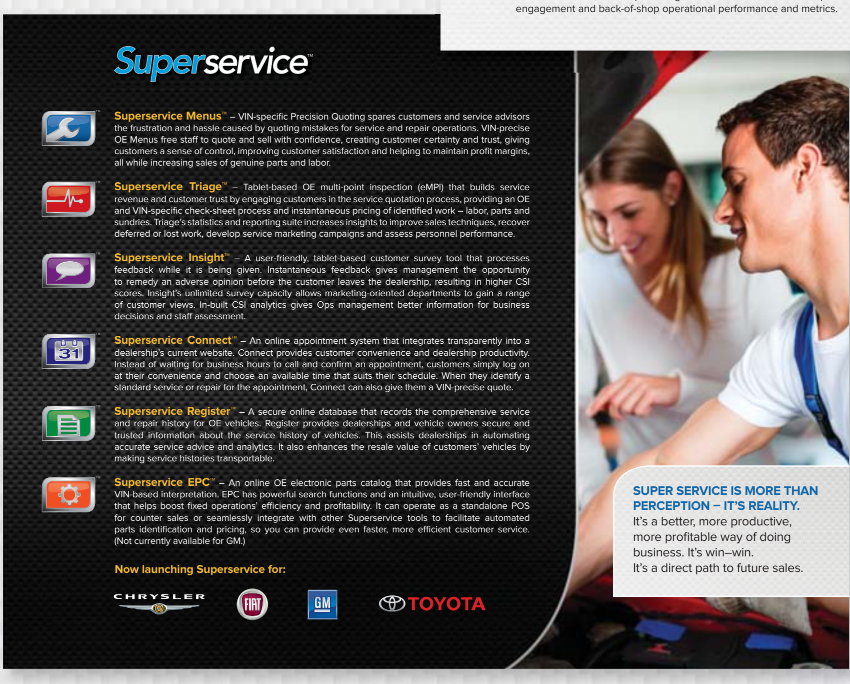
OUR ONLINE TOOLS PROVIDE:

- Precision Service Quoting
- Multi-point Inspection (with real-time costing)
- Self-service Appointment Booking and Quoting
- CSI Surveying
- Lost Business Recovery
- Service Sales Statistics
- OE Parts Identification

All with true OE VIN precision and detail

IF YOU FEEL THERE IS MORE POTENTIAL IN YOUR BUSINESS THAN YOU'RE GETTING TODAY

if you believe that accuracy, certainty and transparency are what your service customers value; if you think your service processes have productivity gains to be made; and if you believe you could win back lost business if you had a more effective way to manage it, then your dealership is ready for Superservice.



Superservice™

Superservice Menus™ – VIN-specific Precision Quoting spares customers and service advisors the frustration and hassle caused by quoting mistakes for service and repair operations. VIN-precise OE Menus free staff to quote and sell with confidence, creating customer certainty and trust, giving customers a sense of control, improving customer satisfaction and helping to maintain profit margins, all while increasing sales of genuine parts and labor.

Superservice Triage™ – Tablet-based OE multi-point inspection (eMPI) that builds service revenue and customer trust by engaging customers in the service quotation process, providing an OE and VIN-specific check-sheet process and instantaneous pricing of identified work – labor, parts and sundries. Triage's statistics and reporting suite increases insights to improve sales techniques, recover deferred or lost work, develop service marketing campaigns and assess personnel performance.

Superservice Insight™ – A user-friendly, tablet-based customer survey tool that processes feedback while it is being given. Instantaneous feedback gives management the opportunity to remedy an adverse opinion before the customer leaves the dealership, resulting in higher CSI scores. Insight's unlimited survey capacity allows marketing-oriented departments to gain a range of customer views. In-built CSI analytics gives Ops management better information for business decisions and staff assessment.

Superservice Connect™ – An online appointment system that integrates transparently into a dealership's current website. Connect provides customer convenience and dealership productivity. Instead of waiting for business hours to call and confirm an appointment, customers simply log on at their convenience and choose an available time that suits their schedule. When they identify a standard service or repair for the appointment, Connect can also give them a VIN-precise quote.

Superservice Register™ – A secure online database that records the comprehensive service and repair history for OE vehicles. Register provides dealerships and vehicle owners secure and trusted information about the service history of vehicles. This assists dealerships in automating accurate service advice and analytics. It also enhances the resale value of customers' vehicles by making service histories transportable.

Superservice EPC™ – An online OE electronic parts catalog that provides fast and accurate VIN-based interpretation. EPC has powerful search functions and an intuitive, user-friendly interface that helps boost fixed operations' efficiency and profitability. It can operate as a standalone POS for counter sales or seamlessly integrate with other Superservice tools to facilitate automated parts identification and pricing, so you can provide even faster, more efficient customer service. (Not currently available for GM.)

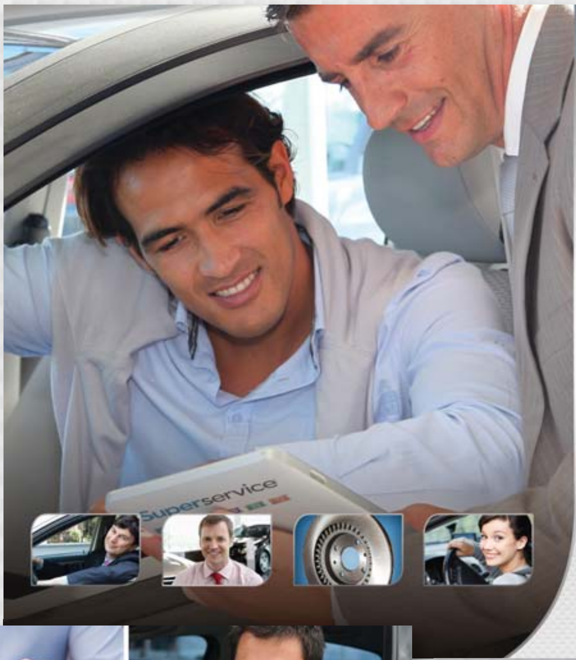
Now launching Superservice for:

CHRYSLER FIAT GM TOYOTA

SUPER SERVICE IS MORE THAN PERCEPTION – IT'S REALITY.
It's a better, more productive, more profitable way of doing business. It's win–win.
It's a direct path to future sales.

SERVICE AND PARTS SALES SOLUTION SUITE

Superservice™ menus™



GENUINE SERVICE ADVANTAGE

PRECISION ESTIMATING
RETAINS CUSTOMERS
AND
SELLS SERVICE

Superservice™ menus™

LOSING CUSTOMERS TO THE AFTERMARKET, IS NO LONGER INEVITABLE.

WHEN A SERVICE QUOTE AND A SERVICE INVOICE DON'T MATCH, it erodes customer trust and dealership profitability. It contributes to the high fall-off of customer service retention rates that are accepted as "normal" after the second or third year of vehicle ownership.

THE SUPERSERVICE™ QUOTING ADVANTAGE
Superservice Menus™ is the professional online OE licensed system whose service quotation process enhances service customer retention and staff productivity. It offers a service edge to OE dealers by significantly improving customer satisfaction, and increasing sales of genuine parts and labor. It does this by addressing three essential fundamentals of a successful service quotation process:
Accuracy, Certainty and Trust.

OVERCOMING THE CHALLENGE OF TIME
Accurately detailed, professionally presented and competitively priced service estimates and quotations are essential to increasing service customer retention rates, as well as ensuring that you reach your service profit targets. But doing that takes more time than most service advisors have – or their time-challenged customers are willing to give. That's why we created Superservice Menus – a powerful online program that helps your service team generate precise, genuine VIN-specific service quotes that include parts, labor, fluids, shop supplies and pricing – fast.

CONFIDENCE, CERTAINTY AND CONTROL
Superservice Menus is the premier precision quoting system for OE dealer service and repair operations globally. It presents information in plain, easy-to-understand language that deepens customers' understanding and gives them a sense of being in control in an otherwise unfamiliar situation. Your estimates can be provided in English, Spanish or French Canadian to suit your customers' needs.

The competitively priced quote is detailed and shows them exactly what they will receive and pay for. Superservice Menus' intuitive design, its depth of accurate OE specific information and its customer sales psychology reinforces customer trust and builds dealership service profitability, quote after quote.

The use of wireless tablet computers adds to the friendliness and convenience of customers' service experience. Your staff can also use their existing desktop computers to easily enter information directly into the online system. Everything about the suite of Superservice™ solutions, including Menus, provides accuracy you and your customers can count on, consistent process controls that are easy for staff to use, and online operation that makes them fast, hassle-free and affordable to operate.

PRECISION SERVICE QUOTING

INTEGRATED

Superservice Menus covers all scheduled service maintenance operations and over 300 popular repair operations for models dating back 10 years. The list of repairs has been carefully researched and prepared. Operation details are presented in an easy-to-view format with flexibility for dealer editing if required. All aspects of the job are included. The consistent operation codes and descriptions are easy to remember across all models.

Its 3-step approach is very easy to use, highly intuitive and can be put to use within minutes of the initial setup. It is accessible online 24/7. There is no special hardware or software to install or maintain in the dealership - it's ready to use anywhere, anytime - on-site or remotely. Dealers of any size can have it up and running quickly, and at an affordable cost.

Superservice Menus integrates with leading DMS systems. It also integrates with other Superservice tools including Superservice Triage™ (eMPI) and Superservice Insight™ (eCSI). This allows dealers to create their own unique and powerful service-selling processes – processes that can leverage their local OE service advantage into even greater sales and greater customer satisfaction.

AFFORDABLE WINNING ADVANTAGE

Dealership Management love Superservice Menus because it boosts employee productivity, provides precision estimates that increase service sales and profits, and builds customer satisfaction, loyalty and retention. Service Advisors love it because it increases their billable throughput and enhances their professional esteem in the eyes of their customers. And customers love Superservice Menus because it makes estimates clear and dependable. It helps them see genuine OE service as an investment in their vehicle, not an expense. All told, that is a winning service advantage.

If you believe you can increase service customer loyalty by delivering a service experience that starts by providing accuracy, certainty and value; if you believe your service business has greater potential for growth and profit; and if you are serious about beating customer attrition to the aftermarket, then Superservice Menus is for you!

Now launching Superservice Menus for:

CHRYSLER FIAT GM TOYOTA

ACCURATE, DETAILED, PROFESSIONALLY PRESENTED and competitively priced service quotations are essential in increasing service customer retention rates.

Superservice™ triage™

EVERY VEHICLE THAT ENTERS YOUR SHOP, FOR ONE REPAIR WILL OFTEN NEED ANOTHER.

IF A SERVICE CUSTOMER IS CALLED WITH ADDITIONAL REPAIR RECOMMENDATIONS AFTER THEIR CAR IS ON THE LIFT, they feel vulnerable, get frustrated and mark down their satisfaction even if the service was necessary and carried out well. They can feel they are not in control or are being taken advantage of.

YOUR COMPETITIVE EDGE – Superservice Triage™ is an online service selling solution that maximizes upsell service acceptance and increases customer satisfaction. It merges precision OE information, service advisor multi-point inspection, and customer sales psychology to transform the service sales process. It fosters customer involvement, awareness and a sense of "being in control of the situation," from which they can make informed decisions about their vehicle's servicing.

CUSTOMERS' INVOLVEMENT AND CERTAINTY IN THE INSPECTION PROCESS INSTILLS TRUST and confidence in their service advisor. This leads to larger service order authorizations on the spot, and when followed up later. Superservice Triage addresses three essential buyer prerequisites: Information, Involvement and Control.

Camera functionality allows documentation of repairs to be performed.

PRECISION, PROCESS, AND PARTICIPATION
Superservice Triage enables service advisors to identify, record, and track specific service lane diagnoses and instantly deliver an easy-to-understand report to the customer. The process begins with the technician conducting an OE and VIN-specific multi-point vehicle inspection – a "triage." Using an easy-to-use tablet computer, the inspection can be performed in minutes. When Triage is integrated with Superservice Menus™, parts, labor, fluids, shop supplies, and pricing are instantly available. This creates a powerful information selling advantage that maximizes immediate repair order acceptances and authorizations.

THE FAST INSPECTION AND REPORTING PROCESS means the service advisor can immediately discuss the identified repairs with their customers. They can discuss the reasoning or consequences of doing the repairs now rather than later. If a customer isn't able to stay for the inspection, the triage report can be emailed to them. In either case, the service advisor provides customers with an informative, fully detailed, and professionally presented report, which forms the basis of any follow-up discussions. The report can be provided in English, Spanish or French Canadian to suit the customers' needs.

Now launching Superservice Triage for:

CHRYSLER FIAT GM TOYOTA

INFORMATION FOR GREATER PROFITABILITY AND PRODUCTIVITY

Superservice Triage provides instantaneous and comprehensive analytics that significantly improve service sales closing. When used as intended, it has a proven track record of increasing revenue, profitability and customer satisfaction ratings. It makes personnel more productive and service advisors more effective.

It monitors, tracks and reports on identified work, immediate customer acceptances, and follow-up acceptances. Its easy-to-use performance appraisal reports help service management increase parts and labor sales. Reports are easy to interpret and allow comparison between current performance and previous time periods. They can be based on various sales metrics including:

- Number of Inspection Reports Created
- Sales and Conversion Rates
- Dollars Identified and Sold
- Jobs Sold on Follow-Up
- Advisor Performance
- Technician Performance
- Percentages Sold / Declined / Deferred
- Averages Sold by Advisor / Tech / Customer
- Lost Sales

YOU CAN'T SELL SERVICE THAT ISN'T IDENTIFIED OR FOLLOWED-UP

Superservice Triage is specifically designed for the job of repair identification and sales closure. Customers will often find reasons to defer recommended repairs on the day of service, but with Superservice Triage the revenue opportunity is not lost. Superservice Triage stores and organizes deferred work so customers can be contacted at a future date for follow-up. Service advisors are empowered to make follow-up calls with confidence, knowing the customer has received a professional inspection report detailing safety and performance related repairs. The courteous and timely contact demonstrates care and concern before potential issues become a safety or more costly financial burden to the customer. The follow-up process helps to build customer-relationships while maximizing revenue opportunities that would otherwise be lost to the competition.

IMMEDIATELY GROW PROFITS, PRODUCTIVITY AND SATISFACTION

With Superservice Triage, there is no wasted time or lost productivity. It generates a color-coded inspection report that's clear and easy to understand, and helps engage customers in the service process. It is helpful in identifying additional service requirements, and provides information to help the service advisor show customers why doing service today can save them money and avoid stress later. Superservice Triage provides compelling information that increases the chances of closing service sales, improving customer retention, and increasing ROI.

There is no special hardware or software to install or maintain in the dealership – it's ready to use anywhere, anytime – on-site or remotely. Dealers of any size can have it up and running quickly, at an affordable cost.

THE SUPERSERVICE TRIAGE ADVANTAGE

BEFORE SUPERSERVICE TRIAGE	WITH SUPERSERVICE TRIAGE
Slow, manual paper or DMS-based inspection checklists	Specialized Triage inspection system – professional, fast and easy to use
Customer experience and relationship isn't the focus	Engages customer in the inspection process, to create certainty and trust
Low value of identified work per inspection	Increased parts & labor sales per Triage inspection
Low sales conversion rates	Better closing techniques – maximize ROI
Manual pricing of parts & labor	Automatic pricing of identified work – parts, labor, fluids, supplies and surcharges
Low productivity process	Improved accountability for advisors and technicians
Low completion rate of identified work	Frequently high authorization and completion rate of identified work
Process doesn't provide consistent user experience	Disciplined and professional approach for every RO
No easy way to analyze inspection and sales performance	Real-time performance reporting on effectiveness of inspections and advisors
Difficult to manage work not immediately authorized	Manages follow-up of deferred work for future sales follow-up

VEHICLE HEALTH CHECK

Superservice™ insight™

GENUINE SERVICE ADVANTAGE

SURVEY SOLUTIONS FOR
CUSTOMER FEEDBACK
AND
IMPROVED RETENTION

Superservice™ insight™

HEARING CUSTOMER COMPLIMENTS MAKES YOU FEEL GOOD, HEARING THEIR CRITICISMS MAKES YOU MONEY.

MOST CUSTOMERS DON'T PROACTIVELY COMPLAIN ABOUT SERVICE EXPERIENCES THAT DON'T MEET THEIR EXPECTATIONS – they just go somewhere else next time. You can no longer rely on a smile or a polite word to mean customers are satisfied. Without an unbiased and effective method to hear the customer's voice, you are essentially deaf to it.

INCREASING CUSTOMER RETENTION

Superservice Insight™ is a customer-friendly tablet computer based survey solution that processes customer's experience feedback as it is given. Instant feedback gives management the opportunity to remedy adverse customer opinion before they leave the dealership, resulting in higher CSI scores. Insight's unlimited survey capacity allows marketing-oriented departments to gain a range of customer views. In-built CSI analytics gives management better information for business planning and improvement.

Documenting customer satisfaction before the transaction is closed out is an act of reaffirming the value placed on the relationship, and acknowledging the customer's control in it. Superservice Insight facilitates key relationship building blocks: Listening, Acknowledgement and Appreciation.

CUSTOMER SATISFACTION ADVANTAGE

Superservice Insight helps engage customers to do what they love to do – give their opinions – and do it in a way that can be tailored to the service operation they just undertook. Friendly and effective feedback collection is the first step in monetizing the customer's voice. Customers want to be heard and know that their remarks – positive or negative – were listened to by someone who cares. When they are critical, they want to know their next experience will improve.

With Insight, customers provide answers to the service experience questions you want to track. This generally occurs while the customer is in the dealership to collect the vehicle. Superservice Insight can alert a nominated manager or supervisor of strongly critical feedback as soon as the customer has put it into the tablet. This allows the manager to approach the customer with concern to improve their experience before leaving the dealership. That has the obvious benefit of showing them that their satisfaction is the priority. It also increases the likelihood that comments entered into a subsequent CSI survey conducted by the OE or into an online forum will be more positive.

Now launching Superservice Insight for:

CHRYSLER FIAT GM TOYOTA

REAL-TIME CUSTOMER SATISFACTION SURVEY

CUSTOMER VOICE – USE IT OR LOSE IT

Traditional manual and ad hoc ways of trying to hear the "voice of the customer" through exit surveys tend, by their nature, to be short term, patchy and ineffective. Rarely is there sufficient time and resources in the dealership to analyze printed surveys and verbal comments. Without good processing and analysis, the customer "feedback gold" doesn't get mined. Superservice Insight eliminates all those traditional shortcomings and provides actionable intelligence about your customers' needs.

It has been designed specifically for the motor trade. It is flexible and effective in dealers of all sizes, all regions and varying marketing capabilities. Customer surveys can be conducted in English, Spanish, and French Canadian, so that language is not a barrier to hearing the customer's voice.

Superservice Insight is customizable. It can be tailored to the customer, vehicle or the type of service. Its administrative center provides all the tools to:

- Create Custom Surveys
- Modify Surveys
- Manage Survey Inventory
- Manage Survey Use
- Store and Export Data
- Analyze Feedback, and
- Print from a Comprehensive Suite of Reports

There is no special hardware or software to install or maintain in the dealership – it's ready to use anywhere, anytime – on-site or remotely. Dealers of any size can have it up and running quickly, and at an affordable price.

YOU CAN'T FIX A PROBLEM YOU DON'T KNOW ABOUT

The modern dealership is a complex business with many people who engage with its customers. Even with the best personnel, it can happen that a customer can have a sub-optimal experience. Superservice Insight's tablet-based surveys give management immediate intelligence into the customers' service experience. Their perceptions – whether good or critical – are available and stored as they are given. As those results are analyzed, management will see the dealership through the eyes of their customers. They will learn of staff and processes that are valued by the customer, as well as those that need improvement or change.

MEASURING AND MAINTAINING SATISFACTION

Dealers love Superservice Insight because it gives them a competitive advantage and an edge. It helps increase customer retention by providing real-time, actionable information that can be used to improve service levels. By supplying specific customer information, it can also reveal missed sales and service opportunities. Superservice Insight empowers your staff, improves accountability and control and can dramatically improve dealer and salesperson CSI rating in OE assessments, which can lead to bigger bonuses, rebates, franchise renewal and even better vehicle selection.

If you believe there is gold that can be mined from customer feedback; if you believe that dealership staff and processes would benefit from seeing the business through the eyes of your customers; and if you believe that your customer retention can be longer by demonstrating that you listen, acknowledge and appreciate your customers' voice, then Superservice Insight is for you!

"THE ONLINE APPLICATIONS HAVE BEEN DEVELOPED TO PROVIDE THE BEST POSSIBLE USER EXPERIENCE."

INFOMEDIA PRODUCTS HAVE ALWAYS BEEN KNOWN FOR SPEED, EASE OF USE AND ACCURACY.

Over the years Infomedia programmers have made many innovations to the products in order to stay true to these core promises. One example of a product optimisation we developed for the DVD world was the technique of storing a part illustration immediately alongside the data about that part. This development ensured that the optical DVD reading head would not have to move far to access both the image and data for any given part. Less movement resulted in fast loading times.

Now with our products in the cloud, our expertise has shifted to support our vision for the Superservice suite, from consistent and intuitive user experiences, to new and innovative ways of providing added value including realtime business analytics. When we went online we wanted to safeguard and deliver on the expectations our customers have of our products. This meant adapting and becoming masters of online application design and delivery. On the surface our online applications deliver the benefits our customers have always expected, but behind the scenes this has required a dramatic technology overhaul.

The online world presents a new set of challenges for any developer of productivity software. Customers expect fast and immediate access to online data 24 hours a day, but not all Internet infrastructure is designed with this ideal in mind. In principle the openness of the internet allows anyone anywhere to serve content to a global audience. In practice, ensuring a very high level of performance and reliability requires a significant technical capability.

At Infomedia we know that mastering these challenges will allow us to deliver on our core promises of speed, ease of use and accuracy. Our Superservice products have been developed to provide the best possible user experience. Ergonomic product design and consideration for usability are at the forefront of every development program at Infomedia.

We have implemented a number of optimisations which have been designed to improve dealership productivity and assist with the selling process. These improvements include automating manual processes and reducing the number of keystrokes or clicks required to complete common operations. We have enhanced processing performance, ensuring that all part and operation searches complete within set benchmarks. The hosting infrastructure has also been upgraded to ensure that we can scale predictably with demand and cope with peak load without any slowdown. Finally, a global team of IT specialists monitors every aspect of the applications in real time to ensure an exceptional experience for all customers.

The end result is a suite of online products tuned to meet the needs of dealerships worldwide.

N. Fogg

Nicolas Fogg
Director of Global I.T. & Development

"I would say Superservice Triage is a profit generator."

"I've always found the product good – that's pretty much guaranteed."

"I think it's (Superservice Triage) fundamental to our everyday use."

THE COMPANY:
Hexagon BMW

THE SERVICE MANAGER:
David Sheldrake
Aftersales Director

- In the industry for 32 years
- 24 years in service management

THE CHALLENGES:

- Identifying sales opportunities for every vehicle that comes into the dealership.
- Identifying future sales opportunities for the customers' subsequent visits.

THE SOLUTION:
Superservice Triage

THE RESULTS:

- Labour sales grew at least 10%-12%
- The dealership now has a proper selling process, making it more efficient, productive and professional.

HEXAGON BMW INCREASES SALES BY 12% THANKS TO SUPERSERVICE TRIAGE

Installing Superservice Triage in the dealership four years ago has made a significant difference to Hexagon BMW. In the first year of implementation, their overall bottom line and profits grew, and the dealership experienced growth of at least 10% – 12% in sales.

"I would say Superservice Triage is a profit generator. You sell more. It's not just labour sales, it's also parts and tyres, and it helps us sell across a number of departments," says David Sheldrake, Aftersales Director at Hexagon BMW.

Before Superservice Triage, the dealership did not have a formal process of identifying sales opportunities. Now, they are able to identify sales opportunities for every vehicle that comes into the business. "The system allows us to look at what we are able to sell from that opportunity, obviously for the day itself, but also for the customers' subsequent visits."

He adds that customers have reacted very positively towards Superservice Triage because it is so easy to understand, interactive, and provides pricing estimates up front. "The concept of red, amber and green makes it easy to understand which work needs to be done now, and which work needs to be done in the near future."

Thanks to Superservice Triage, the dealership and the staff are now much more organised. "It has really brought a whole process into our dealership that we didn't have. Before, it was very much hit and miss," Sheldrake explains. Now, the system only has to be filled out once for notifications to be automatically sent to the right people in the right departments, resulting in increased efficiency and professionalism within the dealership.

Sheldrake also reports an increase in staff productivity since the introduction of Triage. The reporting feature allows Sheldrake to keep track of the progress of his technicians and service advisors. From a sales point of view, he can view what, and how much, a service advisor sells. For technicians, he is able to determine the progress of each technician, and uses the reports to improve technician performance through reviews and appraisals.

Sheldrake is not only a huge fan of the product, he also loves the customer service and support provided by Infomedia. "I've always found the product good - that's pretty much guaranteed. But one of the fundamental things is the flexibility and ability to evolve the product around individual business needs. Things develop and things evolve, it's great that we can be associated with a company that understands this, and is prepared to build products around our needs."

"I've recommended this system to a number of colleagues within the BMW network, and they've subsequently taken the system on. I think it's fundamental to our everyday use."

THIS HOLDEN SERVICE MANAGER COULDN'T LIVE WITHOUT SUPERSERVICE MENUS

Ian Williams, the Service Manager of Canobolas Holden had only been working at his current dealership for three days when he rang up Infomedia representative, Alan Hilder, to request installation of Superservice Menus.

Williams is a huge supporter of the product. He's run Superservice Menus in most of the dealerships he's worked in. "I started using the product in 2002 – so for about 10 or 11 years now, and I've installed it in five different dealerships. The fact is, I just wouldn't work without it."

The accuracy of Superservice Menus is one of the reasons he loves the product. "At this stage, I've never really seen another good system. I've found that in every dealership that I've worked in, their quoting was very inaccurate. Some of them were guessing, some of them were going off the DMS system, and they could be between $10 and $100 off per quote, which soon adds up."

"I find that Superservice Menus is always correct and spot on. My favourite thing about Superservice Menus is being able to use the VIN and rego numbers, and always having the right data come up."

"It makes things very easy. It certainly saves us a lot of time because there's no bobbling around books for prices or trying to look up codes in the system," says Williams.

Apart from accuracy, Williams explains that he would pick Superservice Menus over other products because it is so user friendly. "In just three words, I would describe Superservice Menus as 'easy to use'. You don't really need any training. I could teach someone how to use it in about two minutes – it's that simple."

After training his staff on how to use Superservice Menus, Williams can see how much the technicians enjoy using it. "Once it's in a dealership, they don't want to take it back out. They refuse!"

"Superservice Menus is very important to the dealership. I think it is a must for every business for accurate quoting. If they haven't got a system for quoting, then they really need it."

"I've had a good run, and I wouldn't hesitate to recommend Superservice Menus to anyone. It's easy, it's practical, you can run it on any system, and I'm very happy with it," says Williams.

"I would describe Superservice Menus as 'easy to use'."

"Superservice Menus is very important to the dealership. I think it is a must for every business for accurate quoting."

THE COMPANY:
Canobolas Holden, NSW

THE SERVICE MANAGER:
Ian Williams

- In the industry for 30 years
- Service manager for 24 years

THE CHALLENGES:

- Dealership was using a DMS system that was hard to use, had wrong data, and produced inaccurate quotes.
- Technicians were guessing prices and/or using a manual system that was inefficient and cumbersome.

THE SOLUTION:
Superservice Menus

THE RESULTS:

- The dealership now has an accurate and consistent quoting system.
- The quoting process is quick, efficient and improves staff productivity.

MYER HERSZBERG
Non-Executive Director

"The role of corporate governance is to protect all shareholders equally, regardless of the size of their shareholding.

As directors, we have a responsibility to act on behalf of, and try to create wealth for, all our shareholders. At Infomedia we are fortunate to have a long-standing team who have delivered consistent returns whilst continually seeking out new products and ideas to grow the business. This team has all the shareholders' interests at heart and, I would suggest, has the balance right."

Mr Herszberg has been a Director since 1992 and was last re-elected to the Board in 2010. His strengths are in the areas of business development, electronics and real-estate.

FRANCES HERNON
Non-Executive Director

"Shareholders are entitled to expect that the companies in which they invest are managed effectively and honestly. Corporate governance provides the framework for ethical leadership, sustainable business strategies and reliable financial statements. It is about assessing and mitigating risks such that performance is optimised. It is not a tick the box approach but rather must strike the right balance between vigilance and cost efficiency. Simply put, good corporate governance equals good business."

Ms Hernon has been a Director since 2000 and was last re-elected to the Board in 2011. Her strengths are in the areas of publishing, marketing and technology.

GEOFFREY HENDERSON
Non-Executive Director

Mr Henderson is a qualified accountant and has had an extensive career spanning positions in Australia, New Zealand, Europe and North America. He worked in a number of financial positions for Olympic Tyres in Melbourne for eight years and then for the Ford Motor Company for 30 years. During his time with Ford, Mr Henderson worked not only in the Finance Division but also held senior positions in the Supply and Parts and Service Divisions. Immediately prior to his retirement from Ford, Mr Henderson headed up the company's Asia Pacific Parts and Service operation which covered Ford's parts and service activities in 12 countries including Japan, South Africa, China, India and Australia. Mr Henderson also serves as the chairman of Infomedia's Audit & Risk Committee.

Mr Henderson was elected to the Board in November 2011.

RICHARD GRAHAM
Executive Chairman

"Corporate governance is a solemn trusteeship held on behalf of each and every stakeholder of the Company. It's about fiduciary trust and it's about subject matter competence. It's about the Now, and it's about the Future. It's about Balance, and it's about Edgy. Shareholders aren't looking for seat-warmers or box tickers. They want real people like themselves looking after their interest as they would do themselves. They want Directors who know the difference between governance and management; because only by knowing the difference can they get the best from each."

Mr Graham has been a Director since 1988 and was last re-elected to the Board in October 2008. His strengths are in the areas of business development, technology, innovation and organisation.

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the Directors in the shares and options of the Company were:

Infomedia Ltd		
	Ordinary Shares fully paid	Options over Ordinary Shares
Wiser Equity Pty Limited	101,464,342	-
Yarragene Pty Limited	23,421,589	-
Yarragene Pty Ltd atf Yenzick Trust	10	-
Rentamobile Pty Ltd	15,000	-
Wiser Centre Pty Limited	1,000,000	-
Richard Graham	926,559	-
Frances Hernon	5,000	-
Geoffrey Henderson	0	-

Richard Graham is the sole Director and beneficial shareholder of Wiser Equity Pty Limited. Richard Graham is a Director of Wiser Centre Pty Limited, trustee for the Wiser Centre Pty Ltd Superannuation Fund. Myer Herszberg is a Director and major shareholder of Yarragene Pty Limited and Rentamobile Pty Ltd.

PRINCIPAL ACTIVITIES

Infomedia Ltd is a company limited by shares that is incorporated and domiciled in Australia.

The principal activities during the year of entities within the consolidated group were:

- developer and supplier of electronic parts catalogues and service quoting systems for the automotive industry globally; and
- information management, analysis and creation for the domestic automotive and oil industries.

There have been no significant changes in the nature of those activities during the year.

EMPLOYEES

The company employed 231 (2011: 212) full time employees as at 30 June 2012.

DIVIDENDS

	Cents	$'000
Final dividends recommended:		
On ordinary shares – final – fully franked	**1.37**	**4,155**
Dividends paid in the year:		
On ordinary shares – 2012 interim – fully franked	**1.03**	**3,124**
Final for the 2011 year:		
On ordinary shares – as recommended in the 2011 report, fully franked	1.2	3,639

NET TANGIBLE ASSETS PER SECURITY

	Cents
The Company's net tangible assets per security are as follows:	
· Net tangible assets per share at 30 June 2012	0.7
· Net tangible assets per share at 30 June 2011	2.2

REVIEW AND RESULTS OF OPERATIONS

The following table presents sales revenue and profit after tax. There were no non-recurring significant items during the 2012 or 2011 financial years:

	CONSOLIDATED	
	2012	2011
	$'000	$'000
Sales revenue	**45,677**	44,093
Foreign exchange movement on hedges closed out during the period	**2,620**	4,821
	48,297	48,914
Profit after tax	**8,461**	10,039

The Company reports net profit after tax (NPAT) of $8,461,000 which is at the upper end of the previously advised guidance.

Sales revenue was $45.7m against $44.1m for the previous financial year. The increase was driven by growth of all product lines including $1.2m of sales obtained through the acquisition of Different Aspect Software Ltd earlier in the year.

In constant currency terms, sales revenue rose by $3.5m and operating costs increased $2.0m. The impact of foreign currency translations was significant and net profit was reduced by $1.6m.

All products lines saw constant currency sales growth during the 2012 financial year with revenue from Superservice being the major contributor, increasing by $2.7m.

Cash flows from operations reduced from $11.3m (in the previous corresponding period) to $9.7m primarily due to currency impacts.

The Company is pleased to announce a fully franked final dividend payment of 1.37 cents. This, together with the fully franked interim dividend of 1.03 cents, results in a fully franked dividend of 2.4 cents for the full year. The record date to determine entitlements to the dividend distribution is 5 September 2012 and the date on which the dividend is payable is 19 September 2012.

With regards to FY 2013, the Company advises that it expects both constant currency and actual sales revenue growth. Accordingly, the Company provides guidance that it anticipates its 2013 financial year sales revenue to be between $47m and $50m. However, increased amortisation of approximately $2m due to the continued release of its next generation products coupled with the relative strength of the Australian dollar, results in forecasted net profit after tax of between $8m and $9m.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There has been no significant change in the state of affairs of the Company since the last Directors' Report.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There has been no matter or circumstance that has arisen since the end of the financial year that has significantly affected the operations of the Company, the results of those operations, or the state of affairs of the Company.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

In the year ahead the Company expects to continue to release its internet-based products. The company expects to continue increasing Superservice™ revenue.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company is not subject to any particular or significant environmental regulation under a law of the Commonwealth of Australia or of a State or Territory.

SHARE OPTIONS

Unissued shares

At the date of this report, there were 5,470,000 unissued ordinary shares under options. Refer to Note 19 of the financial statements for further details of the options outstanding.

Shares issued as a result of the exercise of options

There were no shares issued as a result of the exercise of options during the year. Since the end of the financial year there have been no options exercised.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the year the Company paid a premium in relation to insuring Directors and other officers against liability incurred in their capacity as a Director or officer of the Company. The insurance contract specifically prohibits the disclosure of the nature of the policy and amount of premium paid.

REMUNERATION REPORT – AUDITED

This remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Details of Key Management Personnel

(i) Directors

Richard Graham	Executive Chairman
Frances Hernon	Non-executive Director
Myer Herszberg	Non-executive Director
Geoffrey Henderson	Non-executive Director*

(ii) Executives

Karen Blunden	Director of Global Business Development and Sales
Nick Georges	Company Secretary and Legal Counsel
Andrew Pattinson	Director of Global Solution and Systems
Jonathan Pollard	Chief Financial Officer
Michael Roach	Director of Global Operations and General Manager Asia Pacific

**Appointed 25 August 2011*

Compensation Philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives. To this end, the Company embodies the following principles in its compensation framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value; and
- Establish appropriate performance hurdles in relation to variable executive compensation.

Remuneration Decisions

Ms. Hernon, in her capacity as lead director for all matters that formally fell within the former Remuneration & Nomination Committee of the Board of Directors is responsible for recommending to the Board the Company's remuneration and compensation policy arrangements for all Key Management Personnel. Ms. Hernon, together with the non-executive members of the Board assess the appropriateness of the nature and amount of these emoluments on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

Compensation Structure

In accordance with best practice corporate governance recommendations, the structure of non-executive Director and senior executive compensation is separate and distinct.

Non-executive Director Compensation

Objective

The Board seeks to set aggregate compensation at a level which provides the Company with the ability to attract and retain Directors of appropriate calibre, whilst incurring a cost which is acceptable to shareholders.

REMUNERATION REPORT (CONTINUED) – AUDITED

Structure

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then available between the Directors as appropriate (for the year ending 30 June 2012 non-executive Directors' compensation totalled $301,560 (2011: $270,529). The latest determination was at the Annual General Meeting held on 30 October 2002 when shareholders approved a maximum aggregate compensation of $450,000 per year.

The Board has historically considered the advice from external consultants as well as the fees paid to non-executive Directors of comparable companies when undertaking a review process.

Senior Executive and Executive Director Compensation

Objective

The Company aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the Company and so as to:

- reward executives for Company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total compensation is competitive by market standards.

Structure

In determining the level and make-up of executive compensation, the Remuneration Committee engages an external consultant from time to time to provide independent advice in the form of a written report detailing market levels of compensation for comparable executive roles.

Compensation consists of the following key elements:

- Fixed Compensation;
- Variable Compensation - Short Term Incentive ('STI'); and
- Variable Compensation - Long Term Incentive ('LTI').

The actual proportion of fixed compensation and variable compensation (potential short term and long term incentives) is established for Key Management Personnel (excluding the CEO and non-executive Directors) by the CEO in conjunction with the lead director (Ms. Hernon) for all remuneration matters, and in the case of the CEO, by the Chairman of the Board in conjunction with Ms. Hernon. Other executive salaries are determined by the CEO with reference to market conditions.

Fixed Compensation

Objective

The level of fixed compensation is set so as to provide a base level of compensation which is both appropriate to the position and is competitive in the market. Fixed compensation is reviewed periodically by the CEO or Executive Chairman in conjunction with Ms. Hernon for the Key Management Personnel (excluding the CEO and non-executive Directors), and in the case of the CEO, by the Chairman of the Board in conjunction with Ms. Hernon. All other executive positions are reviewed periodically by the CEO or Executive Chairman. As noted above, Ms. Hernon has access to external advice independent of management.

Structure

Executives are given the opportunity to receive their fixed (primary) compensation in a variety of forms including cash or other designated employee expenditure such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

Variable Compensation – Short Term Incentive (STI)

Objective

The objective of short term compensation is to link the achievement of both individual performance and Company performance with the compensation received by the executive.

REMUNERATION REPORT (CONTINUED) - AUDITED

Structure

The structure of short term compensation is a cash bonus dependent upon a combination of individual performance objectives and Company objectives being met. This reflects the Company wide practice of 'Performance Planning & Review' (PPR) procedures. Individual performance objectives centre on key focus areas. Company objectives include achieving budgetary targets that are set at the commencement of the financial year (adjusted where necessary for currency fluctuations).

These performance conditions were chosen, in the case of individual performance objectives, to promote and maintain the individual's focus on their own contribution to the Company's strategic objectives through individual achievement in key result areas (KRAs) which include, for example, 'leadership', 'decision making', 'results' and 'risk management'. In the case of Company objectives, budgetary performance conditions were chosen to promote and maintain a collaborative, Company wide focus on the achievement of those targets.

In assessing whether an individual performance condition has been satisfied, pre-agreed key performance indicators (KPIs) are used. In assessing whether Company objectives have been satisfied, Board level pre-determined budgetary targets are used. These methods have been chosen to create clear and measurable performance targets.

Variable Compensation – Long Term Incentive (LTI)

Objective

The objective of the LTI plan is to reward executives in a manner which aligns this element of compensation with the creation of shareholder wealth. As such LTI grants are made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance against the relevant long term performance hurdle.

Structure

The structure of long term compensation is in the form of share options pursuant to the employee option and employee share plans. Performance hurdles have been introduced for all share options issued after 31 December 2004 and are determined upon grant of those share options. These hurdles typically relate to the Company's share price reaching or exceeding a particular level. These methods were chosen to create clear and measurable performance expectations.

REMUNERATION REPORT (CONTINUED) - AUDITED

Key Management Personnel and the five highest remunerated specified executives for the year ended 30 June 2012 and 30 June 2011.

	Short-Term			Post-Employment	Share Based Payments	Long Service leave	Termination payments	Total	Performance	Percentage Attributable to Options
2012 Financial Year:	**Salary & Fees**	**Bonus**	**Non Monetary Benefits**	**Superannuation**	**Options**					
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**	**%**
Directors:										
Richard Graham	**115,000**	**-**	**-**	**10,350**	**-**	**-**	**-**	**125,350**	**-**	**-**
Myer Herszberg	**56,300**	**-**	**-**	**5,067**	**-**	**-**	**-**	**61,367**	**-**	**-**
Frances Hernon	**56,250**	**-**	**-**	**5,062**	**-**	**-**	**-**	**61,312**	**-**	**-**
Geoff Henderson^	**49,111**	**-**	**-**	**4,420**	**-**	**-**	**-**	**53,531**	**-**	**-**
Executives:										
Karen Blunden	**208,155**	**47,121**	**707**	**-**	**8,871**	**-**	**-**	**264,854**	**18%**	**3%**
Nick Georges	**202,000**	**32,595**	**-**	**18,808**	**6,983**	**3,367**	**-**	**263,753**	**12%**	**3%**
Andrew Pattinson	**285,769**	**46,261**	**-**	**25,719**	**7,473**	**4,867**	**-**	**370,089**	**12%**	**2%**
Jonathan Pollard	**228,462**	**37,182**	**-**	**20,562**	**7,394**	**2,730**	**-**	**296,330**	**13%**	**2%**
Michael Roach	**204,795**	**33,169**	**-**	**18,519**	**7,409**	**3,533**	**-**	**267,425**	**12%**	**3%**
	1,405,842	**196,328**	**707**	**108,507**	**38,130**	**14,497**	**-**	**1,764,011**		
2011 Financial Year:										
Directors:										
Richard Graham	115,000	-	-	10,350	-	-	-	125,350	-	-
Myer Herszberg	56,300	-	-	5,067	-	-	-	61,367	-	-
Frances Hernon	56,250	-	-	5,062	-	-	-	61,312	-	-
Gary Martin**	50,000	-	-	4,500	4,230	833	101,538	161,102	-	-
Andrew Moffat***	20,553	-	-	1,947	-	-	-	22,500	-	-
Executives:										
Karen Blunden****	128,956	24,653	718	-	5,175	-	-	159,501	15%	3%
Nick Georges	190,000	33,250	-	17,126	1,056	3,167	-	244,599	14%	0%
Andrew Pattinson	280,000	39,200	-	25,200	1,589	4,667	-	350,656	11%	0%
Jonathan Pollard	208,889	36,000	-	18,800	1,644	2,100	-	267,433	13%	1%
Michael Roach	200,000	28,000	-	18,000	1,512	3,333	-	250,845	11%	1%
	1,305,947	161,103	718	106,052	15,206	14,100	101,538	1,704,665		

***Resigned 31 August 2010*

****Resigned 05 November 2010*

*****Appointed 21 November 2010*

^Appointed 25August 2011

The amounts above are based on individual contracts with each person. The proportion of remuneration that is based on performance is dependent on their individual achievement of KPI's.

REMUNERATION REPORT (CONTINUED) - AUDITED

Contract for Services

The table and notes below summarise current executive employment contracts with the Company as at the date of this report:

	Commencement date per latest contract	Duration	Notice Period - Company	Notice Period - Executive
Nick Georges	15 January 2012	3 years	3 months	3 months
Jonathan Pollard	15 January 2012	3 years	3 months	3 months
Michael Roach	15 January 2012	3 years	3 months	3 months
Andrew Pattinson	15 January 2012	3 years	3 months	3 months
Karen Blunden	21 November 2010	3 years	3 months	3 months

The Company may terminate each of the contracts at any time without notice if serious misconduct has occurred. Options that have not yet vested upon termination will be forfeited.

Shares issued on exercise of compensation options (Consolidated)

No options were exercised during the year.

Compensation options: Granted during the year 30 June 2012

		Terms and Conditions for each Grant			
Executives	Options Issued No.	Grant date	Fair value per option at grant date ($)	Exercise price per option ($)	Expiry date
Andrew Pattinson	450,000	15/01/2012	0.050	0.19	14/03/2015
Nick Georges	450,000	15/01/2012	0.050	0.19	14/03/2015
Michael Roach	450,000	15/01/2012	0.050	0.19	14/03/2015
Jonathan Pollard	450,000	15/01/2012	0.050	0.19	14/03/2015
Total	1,800,000				

Compensation options: Vested during the year 30 June 2012

		Terms and Conditions for each Grant				Vested	
Executives	Options Issued No.	Grant date	Fair value per option at grant date ($)	Exercise price per option ($)	Expiry date	No.	%
Andrew Pattinson	450,000	15/01/2012	0.050	0.19	14/03/2015	-	0.0%
Nick Georges	450,000	15/01/2012	0.050	0.19	14/03/2015	-	0.0%
Michael Roach	450,000	15/01/2012	0.050	0.19	14/03/2015	-	0.0%
Karen Blunden	250,000	21/11/2010	0.058	0.245	20/12/2013	83,333	33.0%
Jonathan Pollard	450,000	15/01/2012	0.050	0.19	14/03/2015	-	0.0%
Total	**2,050,000**					**83,333**	**4.1%**

REMUNERATION REPORT (CONTINUED) – AUDITED

Compensation options: Granted during the year 30 June 2011

		Terms and Conditions for each Grant			
Executives	Options Issued No.	Grant date	Fair value per option at grant date ($)	Exercise price per option ($)	Expiry date
Karen Blunden	250,000	21/11/2010	0.058	0.245	20/12/2013

Compensation options: Vested during the year 30 June 2011

		Terms and Conditions for each Grant				Vested	
Executives	Options Issued No.	Grant date	Fair value per option at grant date ($)	Exercise price per option ($)	Expiry date	No.	%
Jonathan Pollard	250,000	01/10/2008	0.061	0.37	31/10/2011	166,667	66.6%
Michael Roach	250,000	01/01/2009	0.032	0.29	05/01/2012	166,667	66.6%
Andrew Pattinson	250,000	01/02/2009	0.031	0.29	05/02/2012	166,667	66.6%
Karen Blunden	250,000	21/11/2010	0.058	0.245	20/12/2013	-	0.0%
Total	**1,000,000**					**500,001**	**50.0%**

Additional information

Executive rewards are linked to the creation of shareholder value by providing incentives that positively impact the earnings of the company. The earnings of the consolidated entity for the five years to 30 June 2012 are summarised below:

	2008	2009	2010	2011	2012
	$'000	$'000	$'000	$'000	$'000
EBITDA	20,004	15,857	18,175	18,788	17,653
EBIT	16,019	12,415	14,430	13,172	11,087
Profit after income tax	13,066	10,536	11,336	10,039	8,461

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2008	2009	2010	2011	2012
	$'000	$'000	$'000	$'000	$'000
Dividends per share (cents)	3.2	2.8	2.4	2.4	2.4
Share price at financial year end (cents)	37.0	30.0	28.0	22.0	20.0

This concludes the remuneration report, which has been audited.

DIRECTORS' MEETINGS

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the numbers of meetings attended by each Director were as follows:

		Committee Meetings
	Directors' Meetings	Audit, Risk & Governance
Number of meetings held:	9	4
Number of meetings attended:		
Richard Graham	9	-
Myer Herszberg	8	2
Frances Hernon	8	4
Geoffrey Henderson*	7	3

**Appointed 25/08/2011*

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 22 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 42 to the financial statements do not compromise the external auditor's independence for the following reasons:

all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and

none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

AUDITOR INDEPENDENCE

The Directors received an auditor's independence declaration from the auditor of the Company (refer page 27).

Signed in accordance with a resolution of the Directors.

Richard David Graham

Chairman

Sydney, 23 August 2012

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Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY GRANT SAXON TO THE DIRECTORS OF INFOMEDIA LIMITED

As lead auditor of Infomedia Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; or
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect Infomedia Limited and the entities it controlled during the year.

Grant Saxon
Partner

BDO East Coast Partnership

Sydney 23 August 2012

YEAR ENDED 30 June 2012	Notes	CONSOLIDATED	
		2012	2011
		$'000	$'000
Sales revenue		**45,677**	44,093
Foreign exchange movement on hedges closed out during the period		**2,620**	4,821
		48,297	48,914
Cost of sales	3(i)	**(19,278)**	(19,769)
Gross Profit		**29,019**	29,145
Finance revenue		**151**	184
Employee benefits expense	3(ii)	**(10,674)**	(8,944)
Depreciation and amortisation	3(iii)	**(6,567)**	(5,616)
Finance costs		**(50)**	-
Operating lease rental		**(1,197)**	(1,246)
Capitalisation of Research & Development costs	3(iv)	**6,396**	5,245
Other expenses		**(5,890)**	(5,412)
Profit before income tax		**11,188**	13,356
Income tax expense	4	**(2,727)**	(3,317)
Profit after income tax		**8,461**	10,039
Other comprehensive income			
Foreign currency translation differences for foreign operations		**(192)**	141
Effective cashflow hedges movement recognised in equity		**(978)**	(656)
Other comprehensive expense for the period, net of tax		**(1,170)**	(515)
Total comprehensive income for the period		**7,291**	9,524
Basic earnings per share (cents per share)	5	**2.79**	3.31
Diluted earnings per share (cents per share)	5	**2.79**	3.31
Dividends per share - ordinary (cents per share)	6	**2.40**	2.40

AT 30 June 2012	Notes	CONSOLIDATED	
		2012	2011
CURRENT ASSETS		**$'000**	$'000
Cash and cash equivalents	17(b)	**6,646**	8,820
Trade and other receivables	7	**4,033**	4,044
Inventories	8	**7**	48
Prepayments		**1,015**	2,517
Derivatives	26	**693**	2,091
TOTAL CURRENT ASSETS		**12,394**	17,520
NON-CURRENT ASSETS			
Property, plant and equipment	9	**1,389**	1,408
Intangible assets and goodwill	10	**34,106**	28,875
TOTAL NON-CURRENT ASSETS		**35,495**	30,283
TOTAL ASSETS		**47,889**	47,803
CURRENT LIABILITIES			
Trade and other payables	12	**2,901**	2,667
Provisions	13	**1,812**	1,770
Income tax payable		**835**	1,525
Deferred revenue	14	**564**	356
TOTAL CURRENT LIABILITIES		**6,112**	6,318
NON-CURRENT LIABILITIES			
Provisions	15	**425**	395
Deferred tax liabilities	4	**5,107**	5,425
TOTAL NON-CURRENT LIABILITIES		**5,532**	5,820
TOTAL LIABILITIES		**11,644**	12,138
NET ASSETS		**36,245**	35,665
EQUITY			
Contributed equity	16	**10,798**	10,798
Reserves	16	**337**	2,661
Retained profits		**25,110**	22,206
TOTAL EQUITY		**36,245**	35,665

YEAR ENDED 30 June 2012	Notes	CONSOLIDATED	
		2012	2011
		$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**48,250**	49,459
Payments to suppliers and employees		**(35,464)**	(36,171)
Interest received		**151**	184
Interest paid		**(50)**	-
Income tax paid		**(3,148)**	(2,152)
NET CASH FLOWS FROM OPERATING ACTIVITIES	17 (a)	**9,739**	11,320
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(534)**	(674)
Payment for purchase of business, net of cash acquired		**(4,616)**	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(5,150)**	(674)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share buy back payment	16	**-**	(333)
Dividends paid on ordinary shares	6	**(6,763)**	(7,282)
Proceeds of borrowings		**3,748**	-
Repayment of borrowings		**(3,748)**	-
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(6,763)**	(7,615)
NET INCREASE/(DECREASE) IN CASH HELD		**(2,174)**	3,031
Add opening cash brought forward		**8,820**	5,789
CLOSING CASH CARRIED FORWARD	17 (b)	**6,646**	8,820

YEAR ENDED 30 June 2012	CONSOLIDATED					
	Contributed equity	**Retained earnings**	**Employee equity benefits reserve**	**Cashflow hedge reserve**	**Foreign currency translation reserve**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 July 2011	**10,798**	**22,206**	**1,210**	**1,463**	**(12)**	**35,665**
Profit for the year	**-**	**8,461**	**-**	**-**	**-**	**8,461**
Other comprehensive income	**-**	**-**	**-**	**(978)**	**(192)**	**(1,170)**
Total comprehensive income for the year	**-**	**8,461**	**-**	**(978)**	**(192)**	**7,291**
Transfer	**-**	**1,206**	**(1,206)**	**-**	**-**	**-**
Share based payments	**-**	**-**	**52**	**-**	**-**	**52**
Equity dividends	**-**	**(6,763)**	**-**	**-**	**-**	**(6,763)**
At 30 June 2012	**10,798**	**25,110**	**56**	**485**	**(204)**	**36,245**

YEAR ENDED 30 June 2011	CONSOLIDATED					
	Contributed equity	Retained earnings	Employee equity benefits reserve	Cashflow hedge reserve	Foreign currency translation reserve	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2010	11,131	19,449	1,195	2,119	(153)	33,741
Profit for the year	-	10,039	-	-	-	10,039
Other comprehensive income	-	-	-	(656)	141	(515)
Total comprehensive income for the year	-	10,039	-	(656)	141	9,524
Share based payments	-	-	15	-	-	15
Share buy back	(333)	-	-	-	-	(333)
Equity dividends	-	(7,282)	-	-	-	(7,282)
At 30 June 2011	10,798	22,206	1,210	1,463	(12)	35,665

30 June 2012

1. CORPORATE INFORMATION

The financial report of Infomedia Ltd for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the Directors on 23 August 2012.

Infomedia Ltd is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian stock exchange (ASX:IFM). The nature of the operations and principal activities of the Company are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards and Interpretations as appropriate for profit oriented entities. The financial report has also been prepared on an historical cost basis, except for derivative financial instruments that have been measured at fair value.

(b) Statement of compliance

This financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board. This financial report also complies with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

New/revised standards and interpretations applicable for the year commencing 1 July 2012 have been reviewed and it has been determined that those new/revised standards and interpretations do not have a material effect on the measurement and recording of items in the balance sheet and statement of comprehensive income.

Certain Australian Accounting Standards and interpretations have recently been issued or amended but are not yet effective and have not been adopted by Infomedia Ltd for the current reporting period. The Directors have not yet assessed the impact of these new or amended standards (to the extent relevant to Infomedia Ltd) and interpretations.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Infomedia Ltd and its subsidiaries ('the Company'). The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered. Subsidiaries are consolidated from the date on which control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Company. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Infomedia Ltd has control.

(d) Significant accounting judgments, estimates and assumptions

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

- Impairment of goodwill

The Company determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in Note 11.

- Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, using the assumptions detailed in Note 19.

- Research & Development

Development costs are only capitalised by the Group when it is assessed that the technical feasibility of completing the intangible asset is valid so that the asset will be available for use or sale. Refer to note 2(k) for further discussion.

30 June 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Foreign currency translation

Translation of foreign currency transactions

Transactions in foreign currencies of the Company are converted to local currency at the rate of exchange ruling at the date of the transaction.

Amounts payable to and by the Company that are outstanding at the balance date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the reporting period.

All currency exchange differences in the consolidated financial report are taken to the income statement.

Translation of financial reports of overseas operations

Both the functional and presentation currency of Infomedia Ltd is Australian dollars (A$).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

The functional currency of the overseas subsidiaries is as follows:

IFM Europe Ltd	Euros
IFM Germany GmbH	Euros
IFM North America Inc	United States Dollars (USD)
Different Aspect Software Ltd	Great British Pounds (GBP)

As at the reporting date the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of Infomedia Ltd at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the period.

The exchange differences arising on the retranslation are taken directly to a separate component of equity.

(f) Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at nominal values.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within three months, net of outstanding bank overdrafts.

(g) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(h) Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. For the Company the relevant categories are listed below:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Investments in Subsidiaries

Investments in subsidiaries are recorded at cost.

(i) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials – purchase cost on a first-in-first-out basis

30 June 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Company are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Company at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Company's primary or the Company's secondary reporting format determined in accordance with AASB 8 Operating Segments.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

(k) Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

Research costs are expensed as incurred. Development costs are capitalised and an intangible asset for development expenditure on an internal project is recognised only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project commencing from the commercial release of the project.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment arises during the reporting period. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed

30 June 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

(l) Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed (with the exception of goodwill) only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(m) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings are measured at cost less accumulated depreciation on buildings and less any impairment losses recognised.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Major depreciation periods are:	**2012**	**2011**
Leasehold improvements:	5 to 20 years	5 to 20 years
Other plant and equipment:	3 to 15 years	3 to 15 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(n) Leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

(o) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

30 June 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(q) Deferred revenue

Certain contracts allow annual subscriptions to be invoiced in advance. The components of revenue relating to the subscription period beyond balance date are recorded as a liability.

(r) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Subscriptions

Subscription revenue is recognised when the copyright article has passed to the buyer with related support revenue being recognised over the service period. Where the copyright article and related support revenue are inseparable then the revenue is recognised over the service period.

Interest

Control of a right to receive consideration for the provision of, or investment in, assets has been attained.

(t) Cost of sales

Cost of sales includes the direct cost of raw materials, direct salary and wages, and agency costs associated with the manufacture and distribution of the product.

(u) Derivative financial instruments and hedging

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Derivative financial instruments are measured at fair value.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

The fair value of forward currency contracts are calculated by reference to current forward exchange rates for contacts with similar maturity profiles.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when they hedge the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a highly probable forecast transaction. Infomedia Limited currently has cash flow hedges attributable to highly probable future foreign currency sales.

Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with anticipated future sales that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs. The Group tests each of the designated cash flow hedges for effectiveness on a monthly basis both retrospectively and prospectively using the "matched terms" principle.

At each balance date, hedge effectiveness is measured in the first instance by determining whether there have been any changes to these "matched terms". When there have been no changes to these "matched terms", the hedge is considered to be highly effective. Where there has been a change to these terms, effectiveness is measured using the hypothetical derivative method.

30 June 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The parent entity (Infomedia Ltd) sells software to its wholly owned subsidiaries (i.e. IFM North America Inc and IFM Europe Ltd). Sales to IFM North America Inc are denominated in USD. Sales to IFM Europe Ltd are denominated in Euros. Sales to these wholly owned subsidiaries ('distributors') are immediately on-sold to customers in the same currency. There is no inventory held by the subsidiaries with the exception of fulfilling new first time through orders. First time through orders will not be hedged. The Group hedges foreign exchange exposure on intra-group sales as this exposure affects consolidated profit when the sale is made to the external customer.

(v) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The tax consolidated current tax liability and other deferred tax assets are required to be allocated to the members of the tax consolidated group in accordance with Interpretation 1052 – Tax Consolidation Accounting. The group uses a group allocation method for this purpose where the allocated current tax payable, deferred tax assets and other tax credits for each member of the tax consolidated group is determined as if the company is a stand-alone taxpayer but modified as necessary to recognise membership of a tax consolidated group. Recognition of amounts allocated to members of the tax consolidated group has regard to the tax consolidated groups future tax profits.

(w) Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax ("GST") except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

30 June 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(x) Employee leave benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables and current provisions respectively in respect of employees' services up to the reporting date. They 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 are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave 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 period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cashflows.

(iii) Post employment and termination benefits

A Superannuation expense at 9% of salaries is recognised on a straight line basis. Termination benefits are recognised at the point of being incurred where relevant.

(y) Share-based payment transactions

The Company provides benefits to employees in the form of share-based payment transactions, whereby employees render services in exchange for shares or options over shares ('equity-settled transactions').

There are currently two plans in place to provide these benefits:

(i) the Employee Share Plan (ESP), and

(ii) the Employee Option Plan (EOP).

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Infomedia Ltd ('market conditions').

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the option ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Where the terms of an equity-settled option are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled option is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the option is recognised immediately. However, if a new option is substituted for the cancelled option, and designated as a replacement option on the date that it is granted, the cancelled and new option are treated as if they were a modification of the original option, as described in the previous paragraph.

30 June 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(z) Earnings per share

Basic earnings per share is determined by dividing the profit attributed to members of the parent after related income tax expense by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- cost of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenue or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(aa) Business combinations

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

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

30 June 2012	Notes	CONSOLIDATED	
		2012	2011
		$'000	$'000
3. EXPENSES			
(i) Cost of sales			
Direct wages		**12,000**	12,307
Other		**7,278**	7,462
Total cost of sales		**19,278**	19,769
(ii) Employee benefit expense			
Salaries and wages (including on-costs)		**10,622**	8,929
Share based payment expense	19	**52**	15
Total employee benefit expense		**10,674**	8,944
(iii) Depreciation and amortisation			
Depreciation of non-current assets:			
- Leasehold improvements		**5**	30
- Office equipment		**431**	368
- Furniture and fittings		**44**	40
- Plant and equipment		**91**	112
Total depreciation of non-current assets		**571**	550
Amortisation of non-current assets			
- Intellectual property		**421**	147
- Deferred development costs		**5,575**	4,919
Total amortisation of non-current assets		**5,996**	5,066
Total depreciation and amortisation		**6,567**	5,616
(iv) Research & development costs			
Total research & development costs incurred during the period		**11,081**	9,312
Less: development costs deferred	10	**(6,396)**	(5,245)
Net research and development costs expensed		**4,685**	4,067

30 June 2012	Notes	CONSOLIDATED	
		2012	2011
4.INCOME TAX		**$'000**	$'000
The major components of income tax expense are:			
Income statement			
Current income tax			
Current income tax charge		**2,809**	3,089
Adjustments in respect of current income tax of previous years.		**(183)**	(78)
Deferred income tax			
Relating to origination and reversal of temporary differences		**101**	306
Income tax expense reported in the income statement		**2,727**	3,317
(b) Disclosure of tax effects relating to each component of other comprehensive income			
Movement in cash flow hedges		**(419)**	(281)
		(419)	(281)
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:			
Accounting profit before income tax		**11,189**	13,356
At the Company's statutory income tax rate of 30% (2011: 30%)		**3,357**	4,007
Adjustments in respect of income tax of previous years		**(158)**	(153)
Additional research and development deduction		**(531)**	(606)
Expenditure not allowable for income tax purposes		**59**	69
Income tax expense reported in the income statement		**2,727**	3,317

30 June 2012	Notes	STATEMENT OF FINANCIAL POSITION		INCOME STATEMENT	
4. INCOME TAX (CONTINUED)		**2012**	2011	**2012**	2011
		$'000	$'000	**$'000**	$'000
Deferred income tax					
Deferred income tax at 30 June relates to the following:					
CONSOLIDATED					
Deferred tax liabilities					
Derivatives		**(208)**	(627)	**-**	-
Deferred development costs		**(6,310)**	(6,065)	**245**	100
Intellectual property		**-**	(37)	**(37)**	(44)
Other		**-**	-	**-**	(78)
Gross deferred income tax liabilities		**(6,518)**	(6,729)		
CONSOLIDATED					
Deferred tax assets					
Allowance for doubtful debts		**27**	19	**(8)**	27
Other payables		**91**	115	**24**	30
Employee entitlement provisions		**616**	495	**(121)**	242
Other provisions		**418**	420	**2**	41
Currency exchange		**259**	255	**(4)**	(12)
Gross deferred income tax assets		**1,411**	1,304		
Deferred tax income/ (expense)				**101**	306
Net deferred income tax liabilities		**(5,107)**	(5,425)		

5. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options).

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

30 June 2012	Notes	CONSOLIDATED	
		2012	2011
		$'000	$'000
Net profit attributable to equity holders from continuing operations		**8,461**	10,039
		Number of shares	Number of shares
Weighted average number of ordinary shares for basic earnings per share		**303,276,855**	303,483,292
Effect of dilution:			
Share options		**347,329**	-
Adjusted weighted average number of ordinary shares for diluted earnings per share		**303,624,184**	303,483,292

Since the reporting date, prior to the completion of these financial statements, the company has not repurchased any further shares through its buy back program.

Total equivalent shares outstanding on out-of-the-money options that were not dilutive for the respective periods but could potentially dilute earnings per share in the future were 250,000 (2011: 1,000,000)

30 June 2012	Notes	CONSOLIDATED	
		2012	2011
6. DIVIDENDS PROPOSED OR PAID		**$'000**	$'000
(a) Dividends paid during the year:			
Interim dividend – 1.03 cents fully franked (2011: 1.2 cents fully franked) per share		**3,124**	3,641
Prior year final dividend – 1.2 cents unfranked (2011: 1.2 cents, unfranked) per share		**3,639**	3,641
Total dividends paid during the year		**6,763**	7,282
(b) Dividends proposed and not recognised as a liability:			
Final dividend – 1.37 cents fully franked.			
(2011: 1.2 cents, fully franked) per share		**4,155**	3,639
(c) Franking credit balance:			
The amount of franking credits available for the subsequent financial year are:			
– franking account balance as at the end of the financial year		**927**	716
– franking credits that will arise from the payment of income tax payable as at the end of the financial year		**685**	1,647
		1,612	2,363

If fully franked, the tax rate on dividends is 30% (2011: 30%).

30 June 2012	CONSOLIDATED	
	2012	2011
7. TRADE AND OTHER RECEIVABLES (CURRENT)	**$'000**	$'000
Trade debtors	**4,203**	4,133
Allowance for impairment loss (a)	**(210)**	(136)
	3,993	3,997
Other debtors	**40**	47
	4,033	4,044

(a) Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 30-60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment loss of $121,000 (2011: $41,000 loss) has been recognised by the group in the current year. These amounts have been included in the other expenses item. The amount of the allowance/impairment loss is recognised as the difference between the carrying amount of the debtor and the estimated future cash flows expected to be received from the relevant debtors.

Movements in the provision for impairment loss were as follows:

	2012	2011
At 1 July	**136**	218
Charge/(release) for the year	**121**	41
Foreign exchange translation	**(10)**	7
Amounts written off	**(37)**	(130)
At 30 June	**210**	136

At 30 June the aging analysis of trade receivables is as follows:

		Total	0-60 days NI*	0-60 days CI*	61-120 days NI*	61-120 days CI*	121+ days NI*	121+ days CI*
2012	**Consolidated ($'000)**	**4,203**	**3,652**	**36**	**281**	**30**	**76**	**128**
2011	Consolidated ($'000)	4,133	3,630	42	310	30	57	64

* Not impaired (NI)

Considered impaired (CI)

All trade receivables over 60 days are considered past due.

30 June 2012	Notes	CONSOLIDATED	
		2012	2011
8. INVENTORIES		**$'000**	$'000
Raw materials			
At cost		**7**	48
Total inventories at the lower of cost and net realisable value		**7**	48

30 June 2012	Notes	CONSOLIDATED	
		2012	2011
9. PROPERTY, PLANT & EQUIPMENT		**$'000**	$'000
(a)			
Leasehold improvements			
At cost		**434**	428
Accumulated amortisation		**(407)**	(402)
		27	26
Office equipment			
At cost		**7,871**	7,336
Accumulated depreciation		**(6,784)**	(6,308)
		1,087	1,028
Furniture and fittings			
At cost		**399**	380
Accumulated depreciation		**(237)**	(193)
		162	187
Plant and equipment			
At cost		**3,287**	3,251
Accumulated depreciation		**(3,174)**	(3,084)
		113	167
Total property, plant and equipment			
At cost		**11,991**	11,395
Accumulated depreciation and amortisation		**(10,602)**	(9,987)
Total written down amount		**1,389**	1,408

30 June 2012	CONSOLIDATED	
	2012	2011
9. PROPERTY, PLANT & EQUIPMENT (CONTINUED)	**$'000**	$'000
(b) Reconciliation of property, plant and equipment carrying values		
Leasehold Improvements		
Carrying amount – opening balance	**26**	55
Additions	**6**	-
Disposals	**-**	-
Depreciation	**(5)**	(29)
Carrying amount – closing balance	**27**	26
Office equipment		
Carrying amount – opening balance	**1,028**	842
Additions	**492**	561
Disposals	**(2)**	(6)
Depreciation	**(431)**	(369)
Carrying amount – closing balance	**1,087**	1,028
Furniture and fittings		
Carrying amount – opening balance	**187**	242
Additions	**19**	-
Disposals	**-**	(15)
Depreciation	**(44)**	(40)
Carrying amount – closing balance	**162**	187
Plant and equipment		
Carrying amount – opening balance	**167**	166
Additions	**37**	113
Depreciation	**(91)**	(112)
Carrying amount – closing balance	**113**	167
Total property, plant and equipment		
Carrying amount – opening balance	**1,408**	1,305
Additions	**554**	674
Disposals	**(2)**	(21)
Depreciation	**(571)**	(550)
Carrying amount – closing balance	**1,389**	1,408

30 June 2012	CONSOLIDATED				
	Development costs[1]	Intellectual Property[2]	Other Intangibles[2]	Goodwill [2]	Total
10. INTANGIBLE ASSETS AND GOODWILL	**$000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 July 2011					
Cost (gross carrying amount)	33,916	2,537	-	8,541	44,994
Accumulated amortisation	(13,705)	(2,414)	-	-	(16,119)
Net carrying amount	20,211	123	-	8,541	28,875
Year ended 30 June 2012					
At 1 July 2011, net of accumulated amortisation and impairment	20,211	123	-	8,541	28,875
Additional amounts recognised from purchase of subsidiary occurring during the year (note 27)	-	578	1,071	3,182	4,831
Additions	6,396	-	-	-	6,396
Amortisation	(5,575)	(242)	(179)	-	(5,996)
At 30 June 2012, net of accumulated amortisation and impairment	21,032	459	892	11,723	34,106
At 30 June 2012					
Cost (gross carrying amount)	40,312	3,115	1,071	11,723	56,221
Accumulated amortisation	(19,280)	(2,656)	(179)	-	(22,115)
Net carrying amount	21,032	459	892	11,723	34,106

1. Internally generated
2. Purchased as part of business/territory acquisition

Development costs that meet the recognition criteria as an intangible asset have been capitalised at cost. This intangible asset has been assessed as having a finite life and is amortised using the straight-line method over a period not exceeding four years commencing from the commercial release of the project. If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Intellectual property includes intangible assets acquired through business or territory acquisition and relates primarily to copyright and software code over key products. Intellectual property is amortised over its useful life being 3 years.

30 June 2012	CONSOLIDATED				
	Development costs	**Intellectual Property**	**Other Intan-gibles**	**Goodwill**	**Total**
10. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)	$000	$'000	$'000	$'000	$'000
At 1 July 2010					
Cost (gross carrying amount)	28,671	2,537	-	8,541	39,749
Accumulated amortisation	(8,786)	(2,267)	-	-	(11,053)
Net carrying amount	19,885	270	-	8,541	28,696
Year ended 30 June 2011					
At 1 July 2010, net of accumulated amortisation and impairment	19,885	270	-	8,541	28,696
Additions	5,245	-	-	-	5,245
Amortisation	(4,919)	(147)	-	-	(5,066)
At 30 June 2011, net of accumulated amortisation and impairment	20,211	123	-	8,541	28,875
At 30 June 2011					
Cost (gross carrying amount)	33,916	2,537	-	8,541	44,994
Accumulated amortisation	(13,705)	(2,414)	-	-	(16,119)
Net carrying amount	20,211	123	-	8,541	28,875

30 June 2012

11. IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through business combinations or territory acquisition have been allocated to four individual cash generating units, each of which is a reportable segment (refer note 24) for impairment testing as follows:

- Asia Pacific;
- Europe;
- North America; and
- Latin and South America

The recoverable amount of each cash generating unit has been determined based on a value in use calculation using cash flow projections as at 30 June 2012 based on financial budgets approved by The Board for the 2013 financial year extrapolated for a five year period on the basis of 5% growth together with a terminal value.

The discount rate applied to cash flow projections is 14% (2011: 14%). The discount rate reflects management estimate of the time value of money and the rates specific to the unit.

Carrying amount of goodwill allocated to each of the cash generating units is as follows:

	Asia Pacific	Europe, Middle East & Africa	North America	Latin and South America	Total
	$'000	$'000	$'000	$'000	$'000
CONSOLIDATED					
Carrying amount of goodwill 2011	1,938	4,074	1,954	575	8,541
Movement	722	1,518	728	214	3,182
Carrying amount of goodwill 2012	**2,660**	**5,592**	**2,682**	**789**	**11,723**

Key assumptions used in value in use calculations:

The following describes each key assumption on which management has based its cash flow projections when determining the value in use of its cash generating units:

- The Company will continue to have access to the data supply from automakers over the budgeted period;
- The Company will not experience any substantial adverse movements in currency exchange rates;
- The Company's research and development program will ensure that the current suite of products remain leading edge;
- The Company is able to maintain its current gross margins; and
- The discount rates estimated by management are reflective of the time value of money; and
- Management has used an AUD/USD exchange rate of $1.03 and an AUD/EUR exchange rate of $0.81 in its cash flow projections.

Sensitivity to changes in assumptions:

Growth rate assumptions – Management notes if negative growth rates are applied to revenues, by 5% over the five year period, this still yields a recoverable amount to be above its carrying amount.

Discount rate assumptions – Management recognises that the time value of money may vary from what they have estimated. Management notes that applying a discount rate of double the current rate still yields the recoverable amount to be above its carrying amount.

Foreign exchange rate assumptions – Management notes that applying an AUD/USD exchange rate of $1.20 and an AUD/EUR exchange rate of $0.85 still yields the recoverable amount to be above its carrying amount.

30 June 2012	Notes	CONSOLIDATED	
		2012	2011
12. TRADE AND OTHER PAYABLES (CURRENT)		**$'000**	$'000
Trade creditors	12(a)	**467**	326
Other creditors		**2,434**	2,341
		2,901	2,667
(a) Trade creditors are non-interest bearing and are normally settled on 30 day terms.			
Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.			
13. PROVISIONS (CURRENT)			
Employee benefits	15(a)	**1,812**	1,770
		1,812	1,770
14. DEFERRED REVENUE (CURRENT)			
Revenue in advance		**564**	356
15. PROVISIONS (NON-CURRENT)			
Employee benefits		**425**	395
(a) Movement in employee benefit provision:			
Carrying amount at the beginning of the year		**2,165**	2,306
Utilised		**(1,320)**	(1,512)
Arising during the year		**1,392**	1,371
Carrying amount at the end of the year		**2,237**	2,165
Current	13	**1,812**	1,770
Non-current		**425**	395
		2,237	2,165

30 June 2012	Notes	CONSOLIDATED	
		2012	2011
16. CONTRIBUTED EQUITY AND RESERVES		**$'000**	$'000
Ordinary shares		**10,798**	10,798
		10,798	10,798

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Notes	Number	$'000
Movement in ordinary shares on issue:			
At 1 July 2010		304,575,076	11,131
Shares repurchased		(1,298,221)	(333)
At 30 June 2011		303,276,855	10,798
Shares repurchased		-	-
At 30 June 2012		303,276,855	10,798

On 1 April 2008 the company commenced a share buy back (on market within 10/12 limit). This was reinitiated on 1 April 2009, 1 April 2010 and 1 April 2011. As at 30 June 2012 the company had repurchased 22,694,717 shares for a total consideration of $6,939,000.

Capital management

When managing capital, the company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

Subject to the company's financial position and future financial performance, the company's current dividend policy is to distribute, in the order of 75-85% of profit after tax.

During the 2012 financial year, the company paid dividends of $6.8 million (2011: $7.3 million).

The company has no current plans to issue further shares on the market but may further reduce the capital structure through its share buy back program.

16. CONTRIBUTED EQUITY AND RESERVES (CONTINUED)

Employee Option Plan

There were 5,220,000 (2010: 250,000) options issued during the current year at an average exercise price of $0.19 (2010: $0.245).

30 June 2012	CONSOLIDATED			
	Employee equity benefits reserve	Foreign currency translation reserve	Cashflow hedge reserve	Total
	$'000	$'000	$'000	$'000
Movement in reserves:				
At 1 July 2011	1,195	(153)	2,119	3,161
Currency translation differences	-	141	-	141
Share based payments	15	-	-	15
Derivatives marked to market	-	-	(656)	(656)
At 30 June 2011	**1,210**	**(12)**	**1,463**	**2,661**
Currency translation differences	**-**	**(192)**	**-**	**(192)**
Share based payments	**52**	**-**	**-**	**52**
Transfer to retained profit	**(1,206)**	**-**	**-**	**(1,206)**
Derivatives marked to market	**-**	**-**	**(978)**	**(978)**
At 30 June 2012	**56**	**(204)**	**485**	**337**

Nature and purpose of reserves

Employee equity benefits reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their compensation. Refer to Note 19 for further details.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

Cashflow hedge reserve

The derivatives reserve is used to record the mark to market valuation of forward currency contracts at the balance sheet date that are considered effective hedges.

30 June 2012	Notes	CONSOLIDATED	
		2012	2011
17. STATEMENT OF CASH FLOWS		**$'000**	$'000
(a) Reconciliation of profit after tax to the net cash flows from operations			
Profit from ordinary activities after income tax expense		**8,461**	10,039
Depreciation of non-current assets		**570**	550
Amortisation of non-current assets		**5,996**	5,066
Amortisation of employee options		**52**	15
Disposal of property, plant, and equipment		**2**	21
Changes in assets and liabilities			
(Increase)/decrease in trade and other debtors		**(41)**	339
(Increase)/decrease in inventories		**48**	8
(Increase)/decrease in prepayments		**1,535**	740
(Increase)/decrease in deferred development costs		**(6,396)**	(5,245)
Increase/(decrease) in trade and other creditors		**(107)**	(1,070)
Increase/(decrease) in allowance for doubtful debts		**74**	(82)
Increase/(decrease) in provision for employee entitlements		**72**	(141)
Increase/(decrease) in other provisions		**-**	-
Increase/(decrease) in income tax payable		**(662)**	898
Increase/(decrease) in deferred income tax liability		**202**	306
Increase/(decrease) in revenue in advance		**(67)**	(124)
Net cash flow from operating activities		**9,739**	11,320
(b) Reconciliation of cash			
Cash balance comprises:			
– cash at bank		**1,999**	2,478
– cash on deposit		**4,647**	6,342
		6,646	8,820

30 June 2012	Notes	CONSOLIDATED	
		2012	2011
18. COMMITMENTS & CONTINGENCIES		**$'000**	$'000
(a) Lease expenditure commitments			
Operating leases (non-cancellable):			
Minimum lease payments			
– not later than one year		**1,197**	1,118
– later than one year and not later than five years		**4,099**	4,598
– later than five years		**-**	620
– aggregate operating lease expenditure contracted for at balance date		**5,296**	6,336

Operating lease commitments are for office accommodation both in Australia and abroad.

(b) Performance Bank Guarantee

Infomedia Ltd has a performance bank guarantee to a maximum value of $508,000 (2011: $700,000) relating to the lease commitments of its corporate headquarters.

19. SHARE BASED PAYMENT PLANS

Employee Option Plan

The Employee Option Plan entitles the Company to offer 'eligible employees' options to subscribe for shares in the Company. Options will be granted at a nil issue price unless otherwise determined by the Directors of the Company and each Option enables the holder to subscribe for one Share. The exercise price for the Options granted will be as specified on the option certificate or, if not specified, the volume weighted average price for Shares of the Company for the five days trading immediately before the day on which the options were granted. The Options may be exercised in accordance with the date determined by the Board, which must be within four years of the option being granted.

Information with respect to the number of options granted under the employee share incentive scheme is as follows:

	Notes	2012		2011	
		Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	19(a)	**1,000,000**	**$0.30**	2,150,000	$0.45
- granted	19(b)	**5,220,000**	**$0.19**	250,000	$0.245
- expired	19(c)	**(750,000)**	**$0.32**	(1,400,000)	$0.51
- exercised	19(d)	**-**	**-**	-	-
Balance at end of year	19(e)	**5,470,000**	**$0.19**	1,000,000	$0.30

(a) Options held at the beginning of the year:

The following table summarises information about options held by employees at 1 July 2011

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
250,000	1/02/2009	1/02/2010	5/02/2012	$0.29
250,000	1/01/2009	1/01/2010	5/01/2012	$0.29
250,000	1/10/2008	1/10/2009	31/10/2011	$0.37
250,000	21/11/2010	20/12/2011	20/12/2013	$0.245

(b) Options granted during the year:

The following table summarises information about options granted during the year.

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
1,800,000	15/01/2012	15/01/2013	14/03/2015	$0.19
3,420,000	30/05/2012	30/05/2013	30/05/2015	$0.19

(c) Options expired during the year:

The following table summarises information about options expired during the year.

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
250,000	1/02/2009	1/02/2010	05/02/2012	$0.29
250,000	1/01/2009	1/01/2010	05/01/2012	$0.29
250,000	1/10/2008	1/10/2009	30/10/2011	$0.37

(d) Options exercised during the year:

There were no options exercised during the year.

(e) Options held at the end of the year:

The following table summarises information about options held by employees at 30 June 2012:

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
250,000	21/11/2010	20/12/2011	20/12/2013	$0.245
1,800,000	15/01/2012	15/01/2013	14/03/2015	$0.19
3,420,000	30/05/2012	30/05/2013	30/05/2015	$0.19

(e) Other details regarding options:

The weighted average fair value of options granted during the year was $0.04 (2011: $0.058).

The fair value of the equity-settled options granted under the option plan is estimated as at the grant date using a binomial model taking into account the term and conditions upon which the options were granted.

The following table lists the inputs to the model used for the year:

	Granted 21/11/2010	Granted 15/01/2012	Granted 30/05/2012
Dividend yield (%)	7.5%	10.0%	10.0%
Expected volatility (%)	44%	41%	39%
Risk free rate (%)	5.59%	3.95%	3.08%
Option exercise price	$0.245	$0.19	$0.19
Weighted average share price at grant date	$0.245	$0.19	$0.19

The expense recognised for employee services received during the year is shown in the table below:

	CONSOLIDATED	
	2012	2011
	$'000	$'000
Expense arising from equity-settled share-based payment transactions	**52**	15

20. PENSIONS AND OTHER POST-EMPLOYMENT PLANS

Superannuation Commitments

Contributions are made by the Company in accordance with the relevant statutory requirements. Contributions by the Company for the year ended 30 June 2012 were 9% (2011: 9%) of employee's wages and salaries which are legally enforceable in Australia. The superannuation plans provide accumulation benefits.

21. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Compensation of Key Management Personnel

(i) Compensation by Category: Key Management Personnel

	CONSOLIDATED	
	2012	2011
	$	$
Short-Term	**1,602,877**	1,467,768
Post Employment	**108,507**	106,053
Other Long-Term	**14,497**	14,100
Termination benefits	**-**	101,538
Share-based Payments	**38,130**	15,206
	1,764,011	1,704,665

(b) Option holdings of Key Management Personnel (Consolidated)

30 June 2012	Balance at beginning of period	Granted as compensation	Options exercised	Expired	Balance at end of period	Vested at 30 June 2012		
	1 July 2011				30 June 2012	Total	Not exercisable	Exercisable
Executives								
Karen Blunden	**250,000**	**-**	**-**	**-**	**250,000**	**83,333**	**83,333**	**-**
Nick Georges	**-**	**450,000**	**-**	**-**	**450,000**	**-**	**-**	**-**
Michael Roach	**250,000**	**450,000**	**-**	**(250,000)**	**450,000**	**-**	**-**	**-**
Andrew Pattinson	**250,000**	**450,000**	**-**	**(250,000)**	**450,000**	**-**	**-**	**-**
Jonathan Pollard	**250,000**	**450,000**	**-**	**(250,000)**	**450,000**	**-**	**-**	**-**
	1,000,000	**1,800,000**	**-**	**(750,000)**	**2,050,000**	**83,333**	**83,333**	**-**

30 June 2011	Balance at beginning of period	Granted as compensation	Options exercised	Net change other	Balance at end of period	Vested at 30 June 2011		
	1 July 2010				30 June 2011	Total	Not exercisable	Exercisable
Directors								
Gary Martin**	1,000,000	-	-	(1,000,000)	-	-	-	-
Executives								
Karen Blunden***	-	250,000	-	-	250,000	-	-	-
Nick Georges	250,000	-	-	(250,000)	-	-	-	-
Michael Roach	250,000	-	-	-	250,000	166,667	166,667	-
Andrew Pattinson	250,000	-	-	-	250,000	166,667	166,667	-
Jonathan Pollard	250,000	-	-	-	250,000	166,667	166,667	-
	2,000,000	250,000	-	(1,250,000)	1,000,000	500,001	500,001	-

** Resigned 31 August 2010

*** Appointed 21 November 2010

21. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(c) Shareholdings of Key Management Personnel

30 June 2012 Number of shares held in Infomedia Ltd	Balance 30 June 2011	Granted as compensation	On exercise of options	Net change other	Balance 30 June 2012
Directors					
Richard Graham	**103,390,901**	-	-	-	**103,390,901**
Myer Herszberg	**23,421,589**	-	-	**15,010**	**23,436,599**
Geoff Henderson*	-	-	-	-	-
Frances Hernon	**5,000**	-	-	-	**5,000**
Executives					
Andrew Pattinson	**2,447,567**	-	-	-	**2,447,567**
Nick Georges	**24,421**	-	-	-	**24,421**
Michael Roach	**18,721**	-	-	-	**18,721**
Jonathan Pollard	**1,996**	-	-	-	**1,996**
Karen Blunden	-	-	-	-	-
Total	**129,310,195**	-	-	**15,010**	**129,325,205**

*Appointed 25/08/11

30 June 2011 Number of shares held in Infomedia Ltd	Balance 1 July 2010	Granted as compensation	On exercise of options	Net change other	Balance 30 June 2011
Directors					
Richard Graham	103,004,060	-	-	386,841	103,390,901
Myer Herszberg	23,421,589	-	-	-	23,421,589
Gary Martin*	655,590	-	-	(655,590)	-
Frances Hernon	5,000	-	-	-	5,000
Andrew Moffat**	300,000	-	-	(300,000)	-
Executives					
Andrew Pattinson	2,447,567	-	-	-	2,447,567
Nick Georges	24,421	-	-	-	24,421
Michael Roach	18,721	-	-	-	18,721
Jonathan Pollard	1,996	-	-	-	1,996
Karen Blunden***	-	-	-	-	-
Total	129,878,944	-	-	(568,749)	129,310,195

* Resigned 31/8/10
** Resigned 5/11/10
***Appointed 21/11/10

All equity transactions with key management personnel other than those arising from the exercise of compensation options and compensation shares have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

(d) Loans to Key Management Personnel

There were no loans at the beginning or the end of the reporting period to key management personnel. No loans were made available during the reporting period to key management personnel.

	CONSOLIDATED	
	2012	2011
22. AUDITORS' REMUNERATION	**$**	$
Amounts received or due and receivable by the auditors of Infomedia Ltd:		
BDO East Coast Partnership/PKF East Coast Practice		
– an audit or review of the financial report of the entity and any other entity in the consolidated entity	**121,800**	-
– Non-audit services	**72,700**	-
Ernst & Young	**-**	-
– an audit or review of the financial report of the entity and any other entity in the consolidated entity	**-**	159,650
	194,500	159,650

23. RELATED PARTY DISCLOSURES

Ultimate Parent

Infomedia Ltd is the ultimate Australian parent company

Wholly-owned group transactions

(a) An unsecured, trade receivable of $483,736 (2011: $270,693) remains owing to IFM Europe Ltd from Infomedia Ltd.

(b) An unsecured, trade receivable of $859,545 (2011: $1,520,419) remains owing from IFM North America Inc. to Infomedia Ltd.

(c) An unsecured, trade receivable of $18,919 (2011: $nil) remains owing to Different Aspect Software Ltd. from Infomedia Ltd.

(d) During the year Infomedia Ltd received $15,485,980 (2011: $15,475,220) from IFM Europe Ltd for intra-group sales.

(e) During the year Infomedia Ltd received $6,145,616 (2011: $7,113,411) from IFM North America Inc. for intra-group sales

(f) During the year IFM Europe paid $466,317 (2010: $483,820) to IFM Germany GmbH for intra-group distribution services.

Entity with deemed significant influence over the Company

Wiser Equity Pty Limited, a company in which Richard Graham is a Director, owns 34.10% of the ordinary shares in Infomedia Ltd (2011: 34.10%).

24. SEGMENT INFORMATION

30 June 2012	Notes	Asia Pacific	Europe	North America	Latin & South America	Corporate	Total
		$'000	$'000	$'000	$'000	$'000	$'000
Business Segments							
REVENUE							
Sales revenue		12,350	21,129	9,665	2,533	-	45,677
Consolidated revenue							45,677
Segment result		9,809	17,358	7,159	2,028	(25,266)	11,088
Finance revenue		-	-	-	-	150	150
Finance cost		-	-	-	-	(50)	(50)
Consolidated profit before income tax		9,809	17,358	7,159	2,028	(25,166)	11,188
Income tax expense	4						(2,727)
Consolidated profit after income tax							8,461
Assets							
Segment assets		-	2,902	42	-	-	2,944
Unallocated assets							44,945
Total assets							47,889
Liabilities							
Segment liabilities		-	881	310	-	-	1,191
Unallocated liabilities							10,453
Total liabilities							11,644
Capital Expenditure		-	22	16	-	498	536
Amortisation		-	-	-	-	5,996	5,996
Depreciation		-	18	72	-	480	570

24. SEGMENT INFORMATION (CONTINUED)

30 June 2011	Notes	Asia Pacific	Europe	North America	Latin & South America	Corporate	Total
		$'000	$'000	$'000	$'000	$'000	$'000
Business Segments							
REVENUE							
Sales revenue		11,837	19,847	9,880	2,529	-	44,093
Consolidated revenue							44,093
Segment result		8,740	15,028	6,292	2,054	(18,942)	13,172
Finance revenue		-	-	-	-	184	184
Consolidated profit before income tax		8,740	15,028	6,292	2,054	(18,758)	13,356
Income tax expense	4						(3,317)
Consolidated profit after income tax							10,039
Assets							
Segment assets		-	1,759	897	-	-	2,656
Unallocated assets							45,147
Total assets							47,803
Liabilities							
Segment liabilities		-	611	219	-	-	830
Unallocated liabilities							11,308
Total liabilities							12,138
Capital Expenditure		-	-	-	-	674	674
Amortisation		-	-	-	-	5,066	5,066
Depreciation		-	7	77	-	466	550

Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the region in which the product is sold. Discrete financial information about each of these operating businesses is reported to the Board of Directors regularly.

The reportable segments are based on aggregated operating segments determined by the similarity of the products produced and sold as these are the sources of the Group's major risks and have the most effect of the rates of return.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 2 to the accounts and in the prior period.

The group accounting policies for segments are applied to the respective segments up to the segment result level.

Major customers

The Group has many customers to which it provides products. There is no significant reliance on any single customer.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments, other than derivatives, comprise cash and short-term deposits.

The Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The Company also enters into derivative transactions through forward currency and range forward contracts. The purpose is to manage the currency risks arising from the Company's operations. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

(a) Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates solely to the Company's cash holding of $6,646,000 (2011: $8,820,000) with a floating interest rate.

The Company's policy is to accept the floating interest rate risk with both its cash holdings and bank loans. Cash is held primarily with leading Australian banks for periods not exceeding 30 days, as such any reasonably expected change in interest rates (+/- 1%) would not have a significant impact on post tax profit or other comprehensive income.

(b) Foreign currency risk

The Company has transactional currency exposures. These exposures mainly arise from the transactional sale of products and to a lesser extent the associated cost of sales component relating to these products. As the Company's product offerings are typically made on a recurring monthly subscription basis, there is a relatively high degree of reliability in estimating a proportion of future cashflow exposures. Approximately 40% of the Company's sales are denominated in United States Dollars and 40% are denominated in Euros (measured using the spot foreign exchange rates in existence in the current financial year). The Company seeks to mitigate exposure to movements in these currencies by entering into forward exchange derivative contracts under an approved hedging policy.

As a result of the Company's investment in both its European and United States subsidiaries, the Company's statement of financial position can be affected by movements in both the Euro and United States dollar against the Australian dollar.

At 30 June, the Group had the following exposure to US$ foreign currency that is not designated in cash flow hedges:

	CONSOLIDATED	
	2012	2011
	$'000	$'000
Financial Assets		
Cash and cash equivalents	**15**	811
Derivatives	**160**	1,406
	175	2,217

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

At 30 June, the Group had the following exposure to EUR foreign currency that is not designated in cash flow hedges:

	CONSOLIDATED	
	2012	2011
	$'000	$'000
Financial Assets		
Cash and cash equivalents	**374**	1,013
Derivatives	**536**	605
	910	1,618

The following sensitivity is based on the foreign currency risk exposures in existence at the balance date:

At 30 June, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, post tax profit and total equity would have been affected as follows:

Judgments of reasonably possible movements:

	Post tax profit Higher/(Lower)		Total equity Higher/(Lower)	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Consolidated				
AUD/USD +10%	**(1)**	(51)	**482**	578
AUD/USD – 15%	**2**	100	**(928)**	(575)
AUD/EUR +10%	**(23)**	(64)	**401**	529
AUD/EUR – 15%	**46**	125	**(762)**	(1,004)

Management believe the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

(c) Credit risk

The Company's credit risk with regard to accounts receivables is spread broadly across three automotive groups - manufacturers, distributors and dealerships. Receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. As the products typically have a monthly life cycle and are priced on a relatively low subscription price, the concentration of credit risk is typically low with automotive manufacturers being the exception.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, and certain derivative instruments, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Since the Company trades only with recognised third parties, collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

(d) Price risk

There are no items on the statement of financial position as at 30 June 2012 that are subject price risk.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Liquidity risk

The Company's exposure to liquidity risk is minimal given the relative strength of the statement of financial position and cash flows from operations.

Given the nature of the Company's operations and no borrowings, the Company does not have fixed or contracted payments at balance date other than with respect of its cash flow hedges which are disclosed below. Consequently the remaining contractual maturity of the group entity's financial liabilities is as stated in the statement of financial position and is less than 60 days. Deferred revenue requires no cash outflow.

Liquidity and Interest rate risk

The following table sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate or liquidity risk:

	CONSOLIDATED			
YEAR ENDED 30 JUNE 2012	**Less than one year $'000**	**Two to five years $'000**	**Greater than five years $'000**	**Weighted average effective interest rate %**
Floating rate				
Cash and cash equivalents	**6,646**	**-**	**-**	**3.0**
Trade and other receivables	**4,033**	**-**	**-**	**-**
Trade and other payables	**(2,901)**	**-**	**-**	**-**

	CONSOLIDATED			
YEAR ENDED 30 JUNE 2011	**Less than one year $'000**	**Two to five years $'000**	**Greater than five years $'000**	**Weighted average effective interest rate %**
Floating rate				
Cash and cash equivalents	8,820	-	-	3.2
Trade and other receivables	4,044	-	-	-
Trade and other payables	(2,667)	-	-	-

Interest on cash and cash equivalents classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Fair value

Derivative instruments use valuation techniques other than quoted prices in active markets with only observable market inputs for the asset or liability, either directly (as prices) or indirectly (derived from prices) to determine the fair value of foreign exchange contracts

Derivative contracts

The following table summarises the forward exchange contracts on hand at 30 June 2012.

	CONSOLIDATED		
Maturity	**Company buys**	**Company sells**	**Exchange rate**
Company sells United States Dollars (USD)	**$A'000**	**USD'000**	
Less than one year	7,738	7,600	0.982
Company sells Euros (E)	**$A'000**	**E'000**	
Less than one year	7,130	5,240	0.735

The mark to market valuation of these contracts at 30 June 2012 was $699,000 which is booked directly in equity.

The following table summarises the range forward contracts on hand at 30 June 2012.

	CONSOLIDATED		
Maturity	**Company sells**	**Floor rate**	**Ceiling rate**
	USD'000		
Less than one year	3,975	0.8825	1.100
Less than one year	700	0.8800	0.9900

The mark to market valuation of these range forwards at 30 June 2012 was a loss of $6,000 which is booked directly in equity.

Derivative contracts

The following table summarises the forward exchange contracts on hand at 30 June 2011.

	CONSOLIDATED		
Maturity	**Company buys**	**Company sells**	**Exchange rate**
Company sells United States Dollars (USD)	**$A'000**	**USD'000**	
Less than one year	7,585	6,361	0.839
Company sells Euros (E)	**$A'000**	**E'000**	
Less than one year	8,396	5,665	0.675
Company sells Euros (E)	**$A'000**	**E'000**	
Greater than one year and not greater than two years	1,420	1,000	0.704

The mark to market valuation of these contracts at 30 June 2011 was $2,055,000, which is booked directly in equity.

	CONSOLIDATED		
Maturity	**Company sells**	**Floor rate**	**Ceiling rate**
	USD'000		
Greater than one year and not greater than two years	3,975	0.8825	1.100

The mark to market valuation of these range forwards at 30 June 2011 was $36,000 which has been included in the Statement of Comprehensive Income as Other Income.

26. FINANCIAL INSTRUMENTS

Fair values

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments recognised in the financial statements. The fair values of derivatives have been calculated by discounting the expected future cash flows at prevailing interest rates.

	Carrying Amount		Fair Value	
CONSOLIDATED	**2012**	2011	**2012**	2011
Financial assets	**$'000**	$'000	**$'000**	$'000
Cash and cash equivalents	**6,646**	8,820	**6,646**	8,820
Trade and other debtors	**4,033**	4,044	**4,033**	4,044
Derivatives	**693**	2,091	**693**	2,091
Financial liabilities				
Trade and other creditors	**2,901**	2,667	**2,901**	2,667

27. ACQUISITION OF SUBSIDIARY

On 2 September 2011, Infomedia Ltd acquired 100% of the share capital of Different Aspect Software Ltd for $4,719,000 in cash. Different Aspect Software Ltd is a UK based software developer specialising in the provision of IT application solutions to the automotive industry.

As a result of the acquisition, the group is expected to further improve its offerings of software products in the automotive space. Goodwill of $3,182,000 arising from the acquisition is attributable to the assembled workforce and potential for cost saving synergies and cross selling opportunities. None of the goodwill recognised is expected to be deductible for income tax purposes.

The following table summarises the consideration paid for Different Aspect Software Ltd, the fair value of assets acquired and liabilities assumed at the acquisition date.

Consideration at 2 September 2011	
Cash	**4,719**
Total consideration transferred	**4,719**

Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	**103**
Property, plant and equipment	**19**
Inventories	**5**
Trade and other receivables	**246**
Intellectual property	**578**
Other intangibles	**1,071**
Trade and other payables	**(339)**
Deferred revenue	**(275)**
Deferred tax liability	**100**
Provision for tax	**29**
Total identifiable net assets	**1,537**
Goodwill	**3,182**
Total	**4,719**

Acquisition-related costs of $158,000 are included in Other expenses in the consolidated income statement for the year ended 30 June 2012. The revenue included in the consolidated statement of comprehensive income since 2 September 2011 contributed by Different Aspect Software Ltd was $1.2m. Different Aspect Software Ltd contributed profit $214,000 over the same period.

Had the acquisition of Different Aspect Software Ltd been effected at 1 July 2011, management estimates revenue of the group for the 12 months ended 30 June 2012 would have been $1.45m and the profit would have been $250,000.

28. SUBSEQUENT EVENTS

There has been no matter or circumstance that has arisen since the end of the financial year that has significantly affected the operations of the Company, the results of those operations, or the state of affairs of the Company.

29. PARENT ENTITY INFORMATION

	Parent Entity	
	2012	2011
	$'000	$'000
Current assets	**9,601**	14,532
Total assets	**45,411**	46,079
Current liabilities	**4,873**	4,961
Total liabilities	**10,453**	10,709
Contributed equity	**10,798**	10,798
Retained earnings	**23,619**	21,899
Employee equity benefit reserve	**56**	1,210
Cashflow hedge reserve	**485**	1,463
Total shareholders' equity	**34,958**	35,370
Profit or loss of the parent entity	**7,273**	10,014
Total comprehensive income of the parent entity	**6,295**	9,358

30. INTERESTS IN CONTROLLED ENTITIES

Name	Country of incorporation	Percentage of equity interest held by the Company (directly or indirectly)		Parent entity	
		2012	2011	**2012**	2011
		%	%	**$**	$
IFM Europe Ltd					
- ordinary shares	United Kingdom	**100**	100	**247**	247
Different Aspect Software Ltd**					
- ordinary shares	United Kingdom	**100**	-	**4,719**	-
IFM North America Inc - ordinary shares	United States of America	**100**	100	**1**	1
IFM Germany GmbH*					
- ordinary shares	Germany	**100**	100	**-**	-
				4,967	248

* Investment is held by IFM Europe Ltd.

** Entity was purchased on 2 September 2011

Directors' Declaration

In accordance with a resolution of the directors of Infomedia Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of their performance for the year ended on that date; and

  (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2b

(c) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2012.

On behalf of the Board

RICHARD DAVID GRAHAM
Chairman
Sydney
23 August 2012

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Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Infomedia Limited

Report on the Financial Report

We have audited the accompanying financial report of Infomedia Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2(b), the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Infomedia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Infomedia Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Act 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(b).

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to12 of the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Infomedia Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

BDO

Grant Saxon
Partner

Sydney, 23 August 2012

INFOMEDIA LTD

CORPORATE GOVERNANCE STATEMENT FY2012

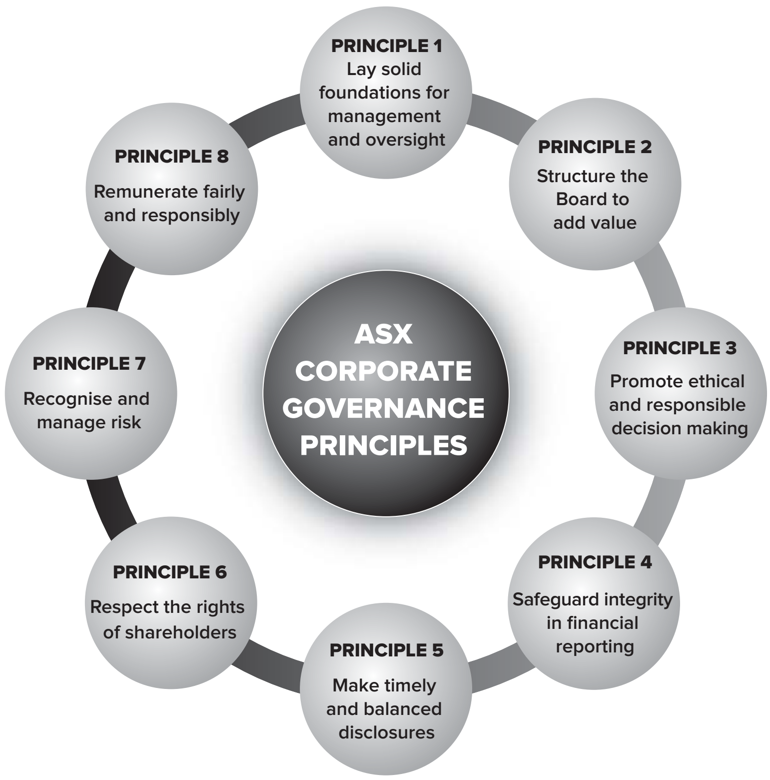
OVERVIEW

Infomedia's adoption of 'best practice' Corporate Governance Principles

Infomedia continually strives to ensure an acceptable level of compliance with the voluntary governance principles set out in the 'Corporate Governance Principles and Recommendations 2nd Edition with 2010 Amendments' published by the Australian Stock Exchange's (**ASX**) Corporate Governance Committee (**the ASX Principles**).

The ASX Principles are a voluntary code and compliance is not mandatory. Infomedia strives to meet the ASX Principles in a manner consistent with the resources, size and operational scope of the Company. To the extent that Infomedia is non-compliant with particular elements of the voluntary framework, the Company embraces the "If not, why not?" principle, and provides explanatory materials relating to those compliance discrepancies.

ASX – Corporate Governance Principles



The ASX Principles provide a standard platform from which Infomedia implements and maintains a range of charters, policies and procedures applicable to the Company (the **Policies**). Infomedia's Policies seek to instil and entrench the values, standards and behaviours required to ensure transparency, efficient resource allocation and protection of stakeholder interests. Further information about the Policies is available at ***http://www.infomedia.com.au/?Page=CorporateGovernance***

CORPORATE GOVERNANCE STATEMENT

1. PARTIAL NON-COMPLIANCE WITH THE ASX PRINCIPLES –"IF NOT, WHY NOT?"

As a voluntary set of guidelines, compliance with the ASX Principles is not mandatory.

In order to encourage participation, and in recognition of the fact that the resources and operating environments vary between participants, the ASX Principles provide organisations with the flexibility to comply in full or in part. This flexibility is tempered by the adoption of the "If not, why not?" principle, encouraging the Company to provide reasons for non-compliance with particular parts of the ASX Principles.

Whilst Infomedia strives to meet the ASX Principles, it does so in a manner consistent with the resources available to it, and within the context of its operating environment.

During FY2012, Infomedia was non-compliant with several of the ASX Principles. The following sections contain commentary on the areas of both compliance and non-compliance, and provide relevant commentary in accordance with the "If not, why not?" framework.

2. THE BOARD, SUB-COMMITTEES AND SENIOR MANAGEMENT

2.1 Composition and structure of the Board

The composition and size of Board has been primarily shaped by Infomedia's Constitution. Relevantly, the Constitution provides that:

(a) the Company must maintain a minimum of three and a maximum of seven directors;

(b) one third of the Directors, and any other Director not in such one third who has held office for three years or more, other than the Chief Executive Officer, must retire by rotation each year. If eligible, retiring directors may offer themselves for re-election.

Careful consideration is given to the contribution each director is able to make both individually and collectively. There is strong emphasis on promoting, among other attributes, an appropriate mix of complementary skills, independence, expertise, business knowledge and executive and non-executive participation.

As noted in the Directors' Report, Mr Geoffrey Henderson was elected to the position of Non-Executive Director during FY2012. Mr Henderson's appointment has significantly contributed to the depth of industry specific knowledge and experience of the Board, and imparts further independence to its operation.

Following the appointment of Mr Henderson, the Infomedia Board is comprised of four Directors. The details of each Director's name, terms of office, committee memberships, meeting attendance records, skills experience and expertise, appear in the Directors' Report.

2.2 Independence of the Chair

Following the resignation of the Chief Executive Officer on 31 August 2010, Mr Richard Graham, after a six-year absence from the Company's executive, resumed the duties of the Chief Executive Officer in his role as Executive Chairman. Mr Graham assumed this duty in addition to his continuing role as Chairman of the Board. Mr Graham also remains the Company's largest shareholder.

For the reasons outlined above, the Company does not comply with:

(a) ASX Principle 2.2 - The chair should be an independent Director; and

(b) ASX Principle 2.3 - The roles of the chair and the chief executive officer should not be exercised by the same individual.

Nevertheless, the Board remains of the view that its independence as a whole is not compromised and that it is in the best interests of the Company for Mr Graham to continue as Chairman given his wealth of experience. Additionally, the Board derives comfort from:

(a) the Board Charter permitting Board members to elect a non-executive Director to chair informal meetings of non-executive Directors; and

(b) the ability of the Directors to seek independent professional advice, made available at the expense of the Company.

2.3 Independence of the Board

ASX Principle 2.1 calls for the majority of the Board to be independent, non-executive Directors.

As currently comprised, the Board has three non-executive Directors in the form of Ms Frances Hernon, Mr Geoffrey Henderson and Mr Myer Herszberg.

Whilst Ms Hernon and Mr Henderson meet the criteria for independence, Mr Herszberg's independence is technically compromised by his standing as a substantial shareholder of the Company. Accordingly, the Company does not technically comply with ASX Principle 2.1.

However, in light of the relevant quantitative and qualitative considerations, the Board considers Mr Herszberg to be operating with independence and objectivity, notwithstanding his shareholding in the Company.

The independence of the Board is subject to continual evaluation. Ultimately, however, the Board accepts that its members remain in office upon the vote of the Company's shareholders and that they may elect members to the Board regardless of their standing, independent or otherwise.

2.4 Establishment of nomination and remuneration committees

The ASX Principles recommend that the Board should establish:

(a) a nominations committee for the examination of selection, recruitment and succession practices of the Company (ASX Principle 2.4); and

(b) a remuneration committee to focus on remuneration policies (ASX Principle 8.1).

The Board has assumed responsibility for remuneration and nomination since July 2007.

Given the relative size and resources available to the Company, the Board is of the view that neither a nominations nor a remuneration committee would add any significant corporate governance value for the following reasons:

(a) given the size and structure of the Board, there is little efficiency to be derived from sub-committees other than the Audit, Risk & Governance Committee (**Audit Committee**);

(b) ultimate responsibility for nominations and remuneration rests with the Board whether or not a nomination or remuneration sub-committee is established;

(c) the Board has processes in place to raise issues relating to nomination and remuneration in the form of regular reporting by senior management (including detailed reports from the Human Resources Manager) on such matters; and

(d) the Company maintains a formal policy for the nomination and induction of Directors (Director Nomination and Induction Policy), a summary of which is available on Infomedia's website.

The Company has formalised a policy for the nomination and induction of Directors (Director Nomination and Induction Policy), a summary of which is available on the Company website.

2.5 Board charter and responsibilities

A formal charter documenting the appropriate division between the responsibilities of the Board and management has been in place since July 2004. The Charter mandates the Board's focus on the following key matters:

(a) developing the Company's overall objectives;

(b) developing and mandating strategies to achieve Company objectives;

(c) setting overall policy framework within which the business of the Company is conducted; and

(d) ensuring that the Company operates with integrity and in accordance with good management and governance practices.

A summary of the Charter of the Board is available on the Company's website.

2.6 Audit, Risk & Governance Committee

Please refer to section 3.1 below for a report on the activities of the Audit Committee.

3. ETHICAL BUSINESS CONDUCT

3.1 Infomedia's Code of Conduct

Since its inception, Infomedia has placed emphasis on personal integrity, mutual respect and ethical business practices as core values (**Core Values**). The Company's dedication to these Core Values was formalised by the introduction of a formal Code of Conduct in 2004. The Code was further refined under the guidance of the Corporate Governance Committee during FY2006 to:

(a) strengthen formal resolution strategies for intra-organisational disputes; and

(b) provide clearer reporting guidelines with regard to compliance mechanisms.

The Infomedia Code of Conduct strengthens the Company's commitment to the Core Values by articulating and formally entrenching positive cultural values within the Company, and by providing guidance on dealings with various stakeholders. A summary of the Code of Conduct is available on the Company's website.

3.2 Workplace Diversity

The Company has historically dedicated itself to principles of equality and diversity within the workplace, and remains steadfastly committed to that goal. The Company has consistently achieved annual accreditation from the Department of Equal Opportunity for Women in the Workplace for over a decade.

Given the relative size and resourcing of the Company, it did not maintain formal measurable objectives or policies relating to diversity during the reporting period, therefore placing it outside of technical compliance with ASX Principles 3.2 and 3.3.

In accordance with ASX Principle 3.4, the following proportional split of employees was recorded as at 31 March 2012:

Category	Females	Males	Total
Directors	1 (25%)	3 (75%)	**4**
Key Management Personnel	1 (20%)	4 (80%)	**5**
Employees	33 (17.5%)	156 (82.5%)	**189**

4. FINANCIAL REPORTING, AUDIT, GOVERNANCE AND RISK MANAGEMENT

4.1 The Audit, Risk & Governance Committee

Infomedia has maintained an Audit Committee in various forms since the year 2000. The current Audit Committee continued to meet throughout FY2012.

During FY2012, Ms Hernon vacated the role as Chairperson of the Committee. This role was filled by Mr Geoffrey Henderson.

The current composition of the Audit Committee meets all of the requirements contained in ASX Principle 4.2 on the basis that it:

(a) consists only of non-executive directors;

(b) consists of a majority of independent directors;

(c) is chaired by an independent chair, who is not the chair of the board; and

(d) has at least three members.

The objectives of the Committee are clearly defined within the Audit Committee's Charter. A summary of the Audit Committee Charter is available via the Company's website.

4.2 Independent auditors

The current Audit Committee acknowledges the importance of external auditor independence and the rotation of not only responsible audit partners but also audit firms. The appointment of BDO as auditors during FY2012, after many years of admirable service from the Company's previous auditors, Ernst & Young, represents a commitment towards this objective. Additionally, the Committee has formalised procedures for the rotation of responsible audit partners from BDO on a regular basis.

4.3 Financial reporting obligations

The Company's financial reporting obligations for FY2012 were fulfilled in accordance with applicable legal and accounting requirements. For further information, please refer to the financial statements and notes contained in the Directors' Report and the Independent Audit Report.

Having acted in accordance with the Risk Management Policy and Risk Management Plan, the Executive Chairman and the Chief Financial Officer have provided the Board with the necessary certifications required pursuant to the Corporations Act 2001 (Cth) and the ASX Principles.

4.4 Risk Management

Upon the recommendation of the Audit Committee, the Board adopted the Risk Management Policy in July 2004. Following a review by the Audit and Risk Committee during FY2006, a recommendation was made to the Board to adopt a revised Risk Management Policy and a Risk Management Plan. The revised plans promoted the establishment and implementation of a more effective and appropriate risk management framework for the Company.

The revised Risk Management Policy allocates oversight responsibility to the Board and the Audit Committee, whilst the establishment of risk management procedures, compliance and control rests with the Chief Executive Officer, Chief Financial Officer and senior executives and, at a daily operating level, with departmental managers, line managers and individuals as part of regular business conduct.

During the reporting period, both the Audit Committee and the Board received periodic presentations from management regarding strategies and procedures implemented by the Company to mitigate against significant risks to the business. In particular, the Audit Committee and the Board supervised the development of a formal Disaster Recovery Plan during FY2012 to ensure timely and accurate recovery of data and operations following an un-expected, sudden interruption to the normal operating environment.

A summary of the Company's Risk Management Policy is available on the Company's website; however, given the commercially sensitive nature of its content, details of the Company's Risk Management Plan have not been made public.

5. MARKET DISCLOSURE & SHAREHOLDER RIGHTS

5.1 Market disclosure

During FY2004, the Board adopted a Market Disclosure Policy, developed in accordance with the ASX Principles. Internal reviews of the Market Disclosure Policy indicate that both the continuous and periodic reporting obligations imposed under the ASX Listing Rules, and the Company's internal procedures, are well understood by senior management.

Infomedia remains committed to providing relevant, timely and accurate information to the market regarding financial information, performance, ownership and governance. A summary of the Market Disclosure Policy can be found on the Company's website.

5.2 Communicating with shareholders

Through a series of initiatives, Infomedia continues to demonstrate its commitment to promoting effective communication with all shareholders. The Company continues to embrace and develop its online content delivery for shareholders via the Company website where the following documents are located:

- this Corporate Governance Statement;
- summaries of the various corporate governance charters, policies and guidelines;
- annual, and half yearly reports;
- a synopsis of the Infomedia business model;
- media releases, achievements, share price information;
- relevant notices relating to members' meetings; and
- the Company's July 2000 Prospectus.

Infomedia has considered and adopted, as appropriate to its circumstances, the various methods of electronic communications contemplated by the ASX Principles.

5.3 Shareholder participation

Shareholder participation at general meetings is always encouraged. As usual, Infomedia's independent auditor, BDO, will be present during the FY2012 Annual General Meeting, and will be available to answer shareholder questions at that time.

6. EXECUTIVE & NON-EXECUTIVE REMUNERATION

6.1 Infomedia's remuneration and performance review policies

Upon recommendation of the then Remuneration and Nomination Committee, the Board adopted a Remuneration and Performance Evaluation Policy (Remuneration Policy) for Directors and senior executives in July 2004.

The Remuneration Policy outlines the criteria for assessing the performance of the Board as a whole, the Directors as individuals, the Chairman of the Board and the senior executives. Further, it aims to provide a framework for structuring total remuneration that:

(a) facilitates both the short and long term growth and success of the Company;

(b) implements a mixture of fixed, performance and equity based incentives;

(c) is competitive with the market place; and

(d) which is demonstrably linked to the Company's overall performance.

The Company also has two equity based incentive plans:

(a) an Employee Option Plan, applicable to certain eligible employees, including senior executives and executive Directors; and

(b) an Employee Share Plan, applicable to all permanent employees of one or more years of service, including senior executives but excluding both executive and non-executive Directors.

These plans were established prior to Infomedia's listing in August 2000 in accordance with both the Corporations Act and the ASX Listing Rules and were disclosed in the 14 July 2000 prospectus. In June 2005, the Board resolved to suspend the Employee Share Plan indefinitely.

Further details of senior executive remuneration under the Employee Option Plan is included in the Remuneration Report.

6.2 Remuneration dichotomy – Executive versus Non-Executive

The Remuneration Policy (refer paragraph 6.1 above) was formulated with regard to the best practice measures contained in the commentary to Principle 8 of the ASX Principles.

The range of remuneration incentives available* to Executive and Non-Executive Directors and staff is summarised in the table below:

Components of Executive Director Remuneration	Components of Non-Executive Director Remuneration	Components of Senior Executive and Staff Remuneration
• Directors' fees • Statutory Superannuation contributions • Incentive payments* • Share options* • Retirement benefits*	• Directors' fees • Statutory Superannuation contributions	• Salary • Statutory Superannuation contributions • Bonuses* • Share options* • Commissions*

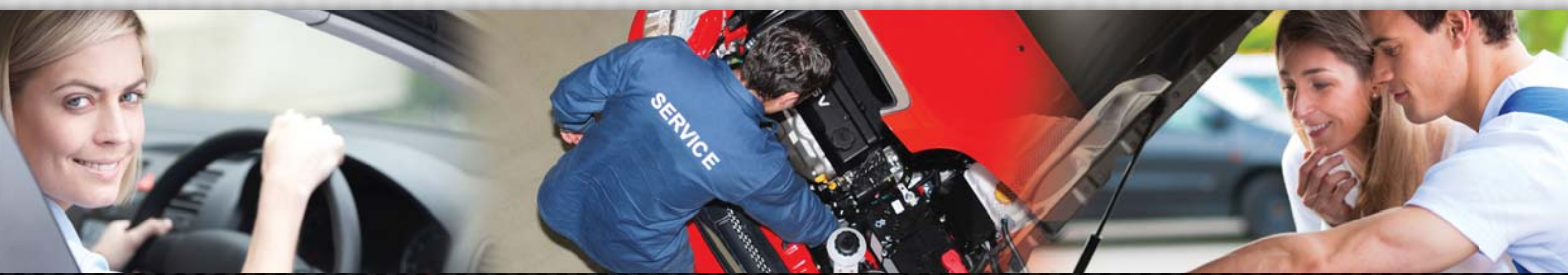
* Note – the listed incentives for each category are at the discretion of the Board. Differing combinations of remuneration and incentives are offered on a case by case basis.

Top 20 Holdings as at 17-09-2012		
Holder Name	**Balance at 17-09-2012**	**%**
WISER EQUITY PTY LTD	100,277,501	33.065
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,752,933	8.821
YARRAGENE PTY LTD	23,421,589	7.723
CITICORP NOMINEES PTY LIMITED	10,166,280	3.352
EQUITAS NOMINEES PTY LIMITED <2874398 A/C>	2,586,599	0.853
MR ANDREW PATTINSON	2,447,567	0.807
SPANDOU INVESTMENTS PTY LTD	2,400,000	0.791
NATIONAL NOMINEES LIMITED	1,315,323	0.434
WISER EQUITY PTY LTD	1,186,841	0.391
J P MORGAN NOMINEES AUSTRALIA LIMITED	1,175,401	0.388
APPLIED SENSORS PTY LTD <MULLIGAN PENSION FUND A/C>	1,000,000	0.330
MR DAVID LEROY BOYLES	1,000,000	0.330
MR PETER ALEXANDER BROWN	1,000,000	0.330
THE EDUCATIONAL ADVANTAGE PTY LTD	1,000,000	0.330
WISER CENTRE PTY LTD <WISER CENTRE P/L S/F A/C>	1,000,000	0.330
MR RICHARD GRAHAM	926,559	0.306
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	821,391	0.271
127 VICTORIA PTY LTD	700,000	0.231
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	651,000	0.215
SPORRAN LEAN PTY LTD <SPORRAN LEAN S/F A/C>	649,828	0.214
	180,478,812	**59.512**
Total IC	**303,276,855**	

Analysis of Holdings as at 17-09-2012			
Security Classes **Fully Paid Ordinary Shares**			
Holdings Ranges	**Holders**	**Total Units**	**%**
1-1,000	367	290,679	0.096
1,001-5,000	1,607	5,118,161	1.688
5,001-10,000	1,106	9,275,718	3.058
10,001-100,000	2,085	67,902,941	22.390
100,001-9,999,999,999	216	220,689,356	72.768
Totals	**5,381**	**303,276,855**	**100.000**

CORPORATE DIRECTORY

Infomedia Ltd	357 Warringah Road Frenchs Forest NSW 2086 ABN 63 003 326 243
Telephone:	+61 (02) 9454 1500
Facsimile:	+61 (02) 9454 1844
Internet:	infomedia.com.au
Directors	Richard Graham Geoffrey Henderson Frances Hernon Myer Herszberg
Company Secretary	Nick Georges
Chief Financial Officer	Jonathan Pollard
Registered Office	357 Warringah Road Frenchs Forest NSW 2086
Auditor	BDO Australia Level 10, 1 Margaret Street Sydney NSW 2000
Share Registry	Boardroom Pty Ltd Level 7, 207 Kent Street Sydney NSW 2000
Lawyers	Thomsons Lawyers Level 25 Australia Square Tower 264 George Street Sydney NSW 2000


SERVICE