

INFOMEDIA BUILDS FOUNDATIONS FOR GROWTH 2016 Financial Year Result Announcement

29 August 2016 – SYDNEY:

Infomedia Ltd (ASX:IFM), a leader in parts and service software to the global automotive industry, today announced its audited financial results for the financial year ended 30 June 2016 (FY16).

FY16 results summary

Infomedia reported revenue of \$68m, an increase of 13% for the 12 months ending 30 June 2016.

Net profit after tax (NPAT) of \$10.3m was down 22% on the previous corresponding period (\$13.2m pcp) primarily as a result of accelerated investment into sales and product delivery capacity to meet increased demand. The result for the year also included a number of restructuring costs and costs of closing out hedging contracts.

The financial position of Infomedia remains strong with net current assets of \$13.2m at 30 June 2016 (\$13.9m pcp) including cash and cash equivalents of \$14.7m (\$16.1m pcp).

Infomedia carries no debt.

	2016 AUD 000s	2015 AUD 000s	Movement %
Revenue	68,087	60,385	12.8
NPAT	10,323	13,232	(22.0)
Earnings per share (cents)	3.33	4.30	(22.5)
Dividend per share (cents)	2.65	3.64*	(27.2)

*excludes special dividend of 0.25 cents

	2016 000s	2015 000s	Movement %
Revenue by geographical location			
Asia Pacific (AUD)	15,749	14,882	5.8
EMEA (EUR)	19,958	18,943	5.4
Americas (USD)	16,044	15,312	4.8
Group revenue (AUD)	68,087	60,385	12.8
Cash (AUD)	14,748	16,092	(8.4)

Infomedia's CEO Jonathan Rubinsztein said change was necessary in order to stabilise foundations for future growth.

"The investments we have made during the year were essential and enabled the company to better manage its development backlog, meet commitments and deliver to the increasing demand for Infomedia's products," Mr Rubinsztein said.

He went on to say: "We have proven our ability to win new contracts including a recent win with Nissan Europe, a new customer to Infomedia Ltd, to supply our Superservice product to most of Nissan's dealership network throughout Europe. We are also continuing to renew existing contracts and see growth in existing markets.

“We see a strong pipeline across all regions. Our ability to execute will be key to our success and growth,” he said.

Infomedia’s CFO Richard Leon said: “We will continue to invest in the business to support current and future contract wins. Investment levels will need to be carefully managed to remain below the rate of revenue growth and balanced against the time lag that exists between a contract win and realising the flow to first subscription revenue.

“Our focus is on driving new monthly recurring revenue (MRR) that will help support the necessary level of investment. We also expect to see further efficiencies as a result of initiatives introduced in the past four months including the adoption of a more focussed approach to hedging that will contribute to our cost management,” Mr Leon said.

FY16 dividend

Infomedia’s Board declared a fully franked final dividend of 1.0 cents per share. During the financial year ended 30 June 2016, an unfranked dividend of 1.65 cents was paid. The total dividend for FY16 was 2.65 cents per share which is within the dividend payout ratio of 75%-85% of NPAT.

The dividend record date will be Monday, 5 September 2016 and the payment date will be Thursday, 22 September 2016. The total dividend for the year represents a payout of 80% of NPAT, the mid-point of the Company’s policy.

The Company’s Dividend Reinvestment Plan (DRP) will operate. No discounts will apply and the Company intends to acquire shares on market to avoid dilution of existing shareholders. Shareholders wishing to participate in the DRP must ensure their DRP election forms are received by Infomedia’s Registry, before 5:00pm on Tuesday, 6 September 2016.

The Dividend Policy is under review in light of the Company’s focus on renewed growth.

Please refer to www.infomedia.com.au for further information.

Outlook

Infomedia expects that ongoing demand for the Company’s products will continue to deliver growth in revenue and profit during FY17.

Infomedia estimates its revenue growth rate for FY17 to be in the high single digits in line with its assessment of the industry growth rate. The key sensitivities to reported revenue growth are foreign exchange rates and the revenue impact of major contract movements.

This rate of growth is a modest improvement on Infomedia’s year on year revenue growth over the last three years that averaged less than 5% in real terms.

The Company continues to see demand for its products, with the most recent and largest contract win signed with Nissan Europe. Infomedia’s strong current pipeline is built upon its integrated, customer driven product roadmap that is expected to result in new contract wins in FY17.

The Company will continue to invest in sales and product delivery capability. Expenses will be managed carefully and at a lower rate than revenue growth to deliver improved margins in FY17 and beyond.

Infomedia Annual General Meeting

The date of Infomedia’s Annual General Meeting (AGM) has been revised and will now be held on Thursday, 3 November 2016 at 10am. The AGM will be held at Infomedia’s headquarters in Sydney, Australia. The address is 3 Minna Close, Belrose NSW 2085.

Investor call and presentation details

Infomedia Ltd CEO Jonathan Rubinsztein and CFO Richard Leon will present the results via conference call and webcast at 10am today.

To join the conference call, dial into the audio using the following details:

Dial in Number (Australia Toll Free): 1800 268 560

Participant Pin code: 814892#

(Phone numbers for participants outside Australia are available via the link below)

The webcast will be available via the following link:

<http://event.onlineseminarsolutions.com/r.htm?e=1238092&s=1&k=06656F4175B2FECE386987083EE01A46>.

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About Infomedia: Infomedia Ltd (ASX: IFM) is a technology services developer and supplier of electronic parts catalogues and service systems to the global automotive industry. Infomedia also provides information management and analysis for the Australian automotive and oil industries. Infomedia has led innovation in service infrastructure within global automotive distribution networks for more than 25 years and continues to expand its reach within the three regions in which it operates.