

Infomedia Ltd

ABN 63 003 326 243

Appendix 4D

Half-Year Ended 31 December 2004

CONTENTS

- Result For Announcement To The Market
- Half-Year Financial Report
- Independent Review Report

Appendix 4D

Half-year report

Name of entity

Infomedia Ltd

ABN or equivalent company reference

A.B.N 63 003 326 243

Half yearly
(tick)



Preliminary
final (tick)



Financial year ended ('current period')

6 months ended 31 December 2004

Results for announcement to the market

		\$A'000	
Sales revenue	Down	13% to	29,610
Profit from ordinary activities after tax attributable to members	Down	35% to	6,438
Profit (loss) from extraordinary items after tax attributable to members		Nil	Nil
Net profit for the period attributable to members	Down	35% to	6,438
Dividends (distributions)	Amount per security	Franked amount per security	
Current Year:			
Interim dividend	1.7¢	1.7¢	
Previous Corresponding Period:			
Final dividend	1.9¢	1.9¢	
Interim dividend	1.9¢	1.9¢	
Record date for determining entitlements to the dividend	9 March 2005		
Date the dividend is payable	23 March 2005		
	31 December 2004	31 December 2003	
Net Tangible Assets per security	9.6¢	6.5¢	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:			
<p>Profit from ordinary activities after tax attributable to members includes a net charge of \$1,085,000 from three significant items. Further details can be found in note 2(v) of the half year financial report.</p> <p>Net Tangible Assets per security of 9.6 cents has been calculated by taking the net assets less intangible assets and dividing by the outstanding ordinary shares at 31 December 2004. The growth in net tangible assets between periods reflects the continuing profitability of the Company.</p>			

Infomedia Ltd

ABN 63 003 326 243

Financial Report
for the half-year ended 31 December 2004

INFOMEDIA LTD

ABN 63 003 326 243

Directors

Richard Graham – Chairman
Gary Martin – CEO
Barry Ford
Geoffrey Henderson
Frances Hernon
Myer Herszberg

Company Secretary

Nick Georges

Chief Financial Officer

Peter Adams

Registered Office

373 Warringah Road
Frenchs Forrest NSW 2086

Auditors

Ernst & Young
The Ernst & Young Centre
680 George Street
Sydney NSW 2000

Share Register

Computershare Registry Services Pty Ltd
GPO BOX 7045
Sydney NSW 1115

Solicitors

Cowley Hearne Lawyers Pty Ltd
Level 10
60 Miller Street
North Sydney NSW 2060

Internet Address

www.infomedia.com.au

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DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2004.

DIRECTORS

The names and details of the directors of the Company in office during the half-year are:

Richard Graham	Chairman
Gary Martin	Chief Executive Officer (Appointed on 28 October 2004)
Barry Ford	Non-Executive Director (Chairman of Audit Committee)
Geoffrey Henderson	Non-Executive Director (Chairman of Corporate Governance Committee)
Frances Hernon	Non-Executive Director (Chairman of Remuneration Committee)
Myer Herszberg	Non-Executive Director
Andrew Pattinson	Executive Director (Resigned on 28 October 2004)

All Directors were in office from the beginning of the half-year until the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities during the half-year of entities within the consolidated entity were:

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

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

REVIEW AND RESULTS OF OPERATIONS

The Company experienced a decrease in sales and profits in the current half-year. Sales revenue decreased by 13% and profit after tax decreased by 35% against the previous corresponding period.

As anticipated and disclosed in the 2004 Annual Report, the decline in sales revenue was driven by the loss of market share in its largest EPC market – European Ford dealers – as the Company transitioned from exclusivity to non exclusivity and also as a result of higher currency exchange rates.

The Company reported three significant items which aggregate to a net \$1,085,000 charge against the Company's profits (refer note 2(v)). These items include: proceeds from an out of court settlement with the Company's previous European distributor of \$2,489,000 offset by litigation costs incurred of \$1,227,000; and a writedown of non-current assets of \$2,347,000 associated with the Business Systems Division.

The Company released full year guidance to the ASX on 7 February 2005. The Company expects full year revenue to be in a range of \$56 million to \$60 million and net profit after tax, before significant items, to be in a range of \$13 to \$15 million.

DIRECTORS' REPORT

ROUNDING

The amounts contained in this report and in the half-year financial report have been rounded to the nearest \$1,000 under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditors, Ernst & Young (refer page 18).

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'Richard Graham', written in a cursive style.

Richard David Graham
Chairman
Sydney, 23 February 2005

STATEMENT OF FINANCIAL PERFORMANCE

HALF-YEAR ENDED 31 DECEMBER 2004

	Notes	CONSOLIDATED	
		31 December 2004	31 December 2003
		\$'000	\$'000
Revenue from ordinary activities	2(i)	34,517	34,496
Expenses from ordinary activities excluding borrowing costs	2(ii)	(24,671)	(20,313)
Borrowing costs expense		(97)	(159)
Profit from ordinary activities before income tax expense		9,749	14,024
Income tax expense relating to ordinary activities		(3,311)	(4,107)
Profit from ordinary activities after income tax expense		6,438	9,917
Net exchange difference on translation of financial statements of foreign controlled entity		6	-
Total revenues, expenses and valuation adjustments attributable to members of Infomedia Ltd and recognised directly in equity		6	-
Total changes in equity other than those resulting from transactions with owners as owners		6,444	9,917
Basic earnings per share (cents per share)		2.0	3.1
Diluted earnings per share (cents per share)		2.0	3.0
Franked dividend per share (cents per share)	3(b)	1.7	1.9

STATEMENT OF FINANCIAL POSITION

	Notes	CONSOLIDATED	
		31 December 2004	30 June 2004
		\$'000	\$'000
CURRENT ASSETS			
Cash		8,043	6,887
Receivables – Trade (net)		7,805	8,346
Receivables – Other		2,314	1,043
Inventories		85	95
Property held for resale		-	1,534
Other		648	364
TOTAL CURRENT ASSETS		18,895	18,269
NON-CURRENT ASSETS			
Deferred receivables		1,087	-
Property, plant and equipment		22,675	23,026
Intangible assets		20,601	23,671
Deferred research & development costs		3,330	3,708
Deferred tax assets		1,204	748
TOTAL NON-CURRENT ASSETS		48,897	51,153
TOTAL ASSETS		67,792	69,422
CURRENT LIABILITIES			
Payables		3,420	5,103
Provisions excluding tax liabilities		966	1,140
Provision for income tax		1,044	1,673
Deferred revenue		2,437	1,503
TOTAL CURRENT LIABILITIES		7,867	9,419
NON-CURRENT LIABILITIES			
Interest bearing liabilities		3,000	4,173
Provisions excluding tax liabilities		926	704
Deferred tax liabilities		4,208	3,605
TOTAL NON-CURRENT LIABILITIES		8,134	8,482
TOTAL LIABILITIES		16,001	17,901
NET ASSETS		51,791	51,521
EQUITY			
Contributed equity		17,488	17,488
Reserves		15	9
Retained profits		34,288	34,024
TOTAL EQUITY		51,791	51,521

STATEMENT OF CASH FLOWS

HALF-YEAR ENDED 31 DECEMBER 2004

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers

Payments to suppliers and employees

Interest received

Borrowing costs

Income tax paid

NET CASH FLOWS FROM OPERATING ACTIVITIES

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of property, plant and equipment

Proceeds from sale of property, plant and equipment

NET CASH FLOWS (USED IN) INVESTING ACTIVITIES

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from borrowings

Repayment of borrowings

Dividends paid on ordinary shares

Proceeds from exercise of options by employees

Finance lease principal

NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES

NET INCREASE/(DECREASE) IN CASH HELD

Add opening cash brought forward

CLOSING CASH CARRIED FORWARD

		CONSOLIDATED	
		31 December 2004	31 December 2003
		\$'000	\$'000
Notes			
		32,296	33,792
		(21,026)	(18,430)
		140	321
		(97)	(159)
		(3,795)	(4,155)
		7,518	11,369
		(749)	(18,783)
		1,734	-
		985	(18,783)
		1,000	7,000
		(2,173)	(6,815)
		(6,174)	(6,168)
		-	14
		-	(14)
		(7,347)	(5,983)
		1,156	(13,397)
		6,887	19,352
		8,043	5,955

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

31 DECEMBER 2004

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the economic entity as the full financial report.

It is recommended that the half-year report is read in conjunction with the Annual Financial Report of Infomedia Ltd as at 30 June 2004 together with any public announcements made by Infomedia Ltd and its controlled entities during the half-year ended 31 December 2004 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting

The half-year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 1029 'Interim Financial Reporting' and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

The financial report has been prepared in accordance with the historical cost convention.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Change in accounting policies

All accounting policies are consistent with those applied in the most recent annual financial report.

(c) Tax Consolidation

Effective 1 July 2003, for the purposes of income taxation, Infomedia Ltd and its 100% owned subsidiaries have formed a tax consolidated group. Members of the group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries on a pro-rata basis. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. The head entity of the tax consolidated group is Infomedia Ltd.

NOTES CONTINUED

31 DECEMBER 2004

CONSOLIDATED

		31 December 2004	31 December 2003
	Notes	\$'000	\$'000
2. PROFIT FROM ORDINARY ACTIVITIES			
Profit from ordinary activities before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity:			
(i) Revenues from ordinary activities			
Sales revenue		29,610	34,100
Interest revenue			
- other persons/corporations		140	321
Total interest revenue		140	321
Gross proceeds on sale of non current assets	2(iv)	1,734	-
Foreign currency exchange gain		240	-
Proceeds from settlement of a legal claim	2(v)	2,489	-
Other revenue		304	75
Revenue from ordinary activities		34,517	34,496
(ii) Expenses from ordinary activities excluding borrowing costs			
Cost of goods sold		8,877	7,557
Salaries & wages (including on-costs)		4,470	7,627
Depreciation of non-current assets			
- Buildings		174	17
- Leasehold improvements		238	99
- Office equipment		506	134
- Furniture and fittings		23	38
- Plant and equipment		152	511
Total depreciation of non-current assets		1,093	799
Amortisation of non-current assets			
- Goodwill		634	641
- intellectual property		901	923
- deferred research and development costs		396	386
Total amortisation of non-current assets		1,931	1,950

NOTES CONTINUED

31 DECEMBER 2004

		CONSOLIDATED	
		31 December 2004	31 December 2003
Notes		\$'000	\$'000
2. PROFIT FROM ORDINARY ACTIVITIES (Continued)			
(ii) Expenses from ordinary activities excluding borrowing costs (Continued)			
Decrement in value of non-current assets:			
		813	-
		351	-
		1,183	-
	2(v)	2,347	-
	2(iv)	1,541	-
		-	307
		252	262
		316	173
	2(v)	1,227	-
		2,617	1,638
		24,671	20,313
(iii) Research & Development Costs (included within item 2(ii) above)			
		1,801	1,709
		(830)	(838)
		971	871
(iv) Profit on sale of non-current assets			
		1,734	-
		(1,541)	-
		193	-
(v) Net Significant Items			
Significant items charged to profit from ordinary activities:			
		2,347	-
		1,227	-
Less:			
Significant items credited to profit from ordinary activities:			
		(2,489)	-
		1,085	-

NOTES CONTINUED

31 DECEMBER 2004

CONSOLIDATED

31 December 2004	31 December 2003
\$'000	\$'000

3. DIVIDENDS PAID OR PROPOSED

(a) Dividends paid during the period:

Final June 2004 franked dividend - 1.9 cents per ordinary share (2003: 1.9 cents per ordinary share)

6,174	6,168
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(b) Dividends proposed and not recognised as a liability:

Interim franked dividend - 1.7 cents per ordinary share (2004: 1.9 cents per ordinary share)

5,528	6,170
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4. CONTRIBUTED EQUITY

Issued and paid up capital

- 324,955,775 shares fully paid (June 2004: 324,762,959)

17,488	17,488
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Movement in Shares on Issue

Opening balance - 1 July 2004

Number
324,762,959

Employee Share Plan (\$Nil consideration per share)

192,816

Closing balance - 31 December 2004

<u>324,955,775</u>

Employee Option Plan

A total of 100,000 options were issued to eligible employees during the half-year at an average exercise price of \$0.67.

NOTES CONTINUED

5. SEGMENT INFORMATION

PRIMARY SEGMENT – CURRENT HALF YEAR 31 DECEMBER 2004

Business Segments	Notes	Electronic Catalogue Division	Other Divisions	Eliminations	Total
		\$'000	\$'000	\$'000	\$'000
REVENUE					
Sales revenue		26,402	3,208	-	29,610
Other revenue		3,033	-	-	3,033
Intersegment revenue		5,534	249	(5,783)	-
Total segment revenue		34,969	3,457	(5,783)	32,643
Unallocated revenue:					
Interest revenue					140
Proceeds from sale of non current assets					1,734
Total consolidated revenue	2(i)				34,517
RESULTS					
Segment result		13,153	(3,447)	-	9,706
Unallocated items:					
Interest revenue					140
Borrowing costs					(97)
Consolidated entity profit from ordinary activities before income tax expense					9,749
Income tax expense					(3,311)
Consolidated entity profit from ordinary activities after income tax expense					6,438
ASSETS					
Segment assets		54,868	4,881	-	59,749
Unallocated assets:					
Cash					8,043
Total Assets					67,792
LIABILITIES					
Segment liabilities		13,833	2,168	-	16,001
Other segment information:					
Acquisition of property, plant and equipment, intangible assets and other non-current assets		681	68	-	749
Depreciation	2(ii)	837	256	-	1,093
Amortisation	2(ii)	1,405	526	-	1,931

NOTES CONTINUED

5. SEGMENT INFORMATION (continued)

PRIMARY SEGMENT – PRIOR HALF YEAR

31 December 2003

Business Segments	Notes	Electronic Catalogue Division \$'000	Other Divisions \$'000	Eliminations \$'000	Total \$'000
REVENUE					
Sales revenue		31,021	3,079	-	34,100
Other revenue		75	-	-	75
Intersegment revenue		-	330	(330)	-
Total segment revenue		31,096	3,409	(330)	34,175
Unallocated revenue:					
Interest revenue					321
Proceeds from sale of non-current assets					-
Total consolidated revenue	2(i)				34,496
RESULTS					
Segment result		15,423	(1,561)	-	13,862
Unallocated items:					
Interest revenue					321
Borrowing costs					(159)
Consolidated entity profit from ordinary activities before income tax expense					14,024
Income tax expense					(4,107)
Consolidated entity profit from ordinary activities after income tax expense					9,917
ASSETS					
Segment assets		61,190	6,946	-	68,136
Unallocated assets:					
Cash					5,955
Total Assets					74,091
LIABILITIES					
Segment liabilities		25,548	1,630	-	27,178
Other segment information:					
Acquisition of property, plant and equipment, intangible assets and other non-current assets		18,346	437	-	18,783
Depreciation	2(ii)	467	332	-	799
Amortisation	2(ii)	1,424	526	-	1,950

NOTES CONTINUED

5. SEGMENT INFORMATION

SECONDARY SEGMENT – CURRENT HALF YEAR

31 December 2004

Geographical Segments

	Australia	Europe	Eliminations	Total
Notes	\$'000	\$'000	\$'000	\$'000
Segment revenue	33,341	6,959	(5,783)	34,517
Segment assets	64,609	3,183	-	67,792
Other segment information: Acquisition of property, plant and equipment, intangible assets and other non-current assets	735	14	-	749

SECONDARY SEGMENT – PRIOR HALF YEAR

31 December 2003

Geographical Segments

	Australia	Europe	Eliminations	Total
Notes	\$'000	\$'000	\$'000	\$'000
Total segment revenue	34,496	-	-	34,496
Segment assets	74,091	-	-	74,091
Other segment information: Acquisition of property, plant and equipment, intangible assets and other non-current assets	18,783	-	-	18,783

NOTES CONTINUED

5. SEGMENT INFORMATION (continued)

SECONDARY SEGMENT

While the products of the consolidated entity are used globally, the Company has two distinguishable geographical segments, Australia and Europe. The change from one geographic segment to two geographic segments was the result of the Company commencing its own distribution and billing operations in Europe.

Segment products and locations

The consolidated entity's operating divisions are organised and managed separately according to the nature of the products and the services they provide, with each segment offering different products. Infomedia's core business involves the production of the Microcat, Partsmager and Partfinder electronic parts catalogues. These systems are specialised business tools designed to make the selection and sale of replacement parts fast, easy and accurate.

Included within "other divisions" are the Data Management and Business Systems divisions. Data Management provide a range of specialised data analysis and research services primarily to the automotive industry. Business Systems specialises in the development of business management and accounting systems, electronic automotive trading networks and system integration for retail automotive dealerships.

All products are sourced from Australia.

Segment accounting policies

The group generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Segment accounting policies are the same as the consolidated entity's accounting policies described in Note 1. During the half year, there were no changes in segment accounting policies that had a material effect on the segment information.

6. IMPACT OF ADOPTING AASB EQUIVALENTS TO IASB STANDARDS

Infomedia Ltd has continued its transitioning of accounting policies and financial reporting from current Australian Standards to Australian equivalents of International Financial Reporting Standards (AIFRS). The Company has allocated internal resources and engaged expert consultants to perform diagnostics and conduct impact assessments to isolate key areas that will be impacted by the transition to AIFRS. As a result of these procedures, Infomedia has graded impact areas as either high, medium or low and has established dedicated project teams to address each of the areas in order of priority as represented by the gradings. Set out below are the key areas where accounting policies will change and have an impact on the financial report of Infomedia.

Hedge Accounting

Under AASB 139 Financial Instruments: Recognition and Measurement in order to achieve a qualifying hedge, the entity is required to meet the following criteria:

- Identified the type of hedge - fair value or cash flow;
- Identify the hedged item or transaction;
- Identify the nature of the risk being hedged;
- Identify the hedging instrument;
- Demonstrate that the hedge has and will continue to be highly effective; and
- Document the hedging relationship, including the risk management objectives and strategy for undertaking the hedge and how effectiveness will be tested.

This will result in a change in the entity's current accounting policy which applies hedge accounting to its sales revenue under forward foreign exchange contracts. The contracts are specific hedges and will be separately identified and documented in accordance with the requirements of AASB 39. Under the new policy hedge accounting will require mark to market valuations with the movements directly recorded in an equity reserve.

NOTES CONTINUED

6. IMPACT OF ADOPTING AASB EQUIVALENTS TO IASB STANDARDS (Continued)

Goodwill

Under the Australian equivalent to AASB 3 Business Combinations goodwill will no longer be able to be amortised but instead will be subject to annual impairment testing. This will result in a change in the group's current accounting policy which amortises goodwill over its useful life but not exceeding 10 years. Under the new policy, amortisation will no longer be charged, but goodwill will be written down to the extent it is impaired.

Impairment of Assets

Under the Australian equivalent to AASB 136 Impairment of Assets the recoverable amount of an asset is determined as the higher of net selling price and value in use. This will result in a change in the group's current accounting policy which determines the recoverable amount of an asset on the basis of discounted cash flows. Under the new standard there are more stringent tests that increase the risk that impairment of assets may occur and potentially lead to future write-downs.

Share based payments

Under AASB 2 Share based Payments, the Company will be required to determine the fair value of options issued to employees as remuneration and recognise an expense in the Statement of Financial Performance. This standard is not limited to options and also extends to other forms of equity based remuneration such as Infomedia's Employee Share Plan. It applies to all share-based payments issued after 7 November 2002 which have not vested as at 1 January 2005.

Financial impact

The net financial impact of the above changes for the half-year ended 31 December 2004 under AIFRS reporting would result in a net increase in profit after tax by \$458,000. This figure is a best estimate as at the date of preparing the half-year financial statements and could change due to further work being undertaken over the remainder of the financial year and any potential amendments to AIFRS and interpretations thereof being issued by the standard-setters.

7. CONTINGENT LIABILITIES

There have been no changes in contingent liabilities since the last annual reporting date.

DIRECTORS' DECLARATION

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

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity :

- (i) give a true and fair view of the financial position as at 31 December 2004 and the performance for the half-year ended on that date of the consolidated entity; and
- (ii) comply with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and

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

On behalf of the Board



Richard David Graham
Chairman

Sydney, 23 February 2005

Auditor's Independence Declaration

Auditor's Independence Declaration to the Directors' of Infomedia Ltd

In relation to our review of the financial report of Infomedia Ltd for the half-year ended 31 December 2004, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young
Ernst & Young

J K Haydon

J K Haydon
Partner
Sydney
Date: 23 February 2005

Independent review report to members of Infomedia Ltd

Matters relating to the Electronic Presentation of the Reviewed Financial Report

This review report relates to the financial report of Infomedia Ltd (the company) for the half-year ended 31 December 2004 included on the company's web site. The company's directors are responsible for the integrity of the company's web site. We have not been engaged to report on the integrity of the company's web site. The review report refers only to the statements named below. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows and accompanying notes to the financial statements for the consolidated entity comprising both Infomedia Ltd (the company) and the entities it controlled during the half-year, and the directors' declaration for the company, for the half-year ended 31 December 2004.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the consolidated entity, and that complies with Accounting Standard AASB 1029 "Interim Financial Reporting", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review of the financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and of its performance as represented by the results of its operations and cash flows.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

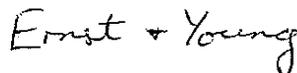
Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Financial Report on page 18.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the consolidated entity, comprising Infomedia Ltd and the entities it controlled during the half-year is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity at 31 December 2004 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.



Ernst & Young



J K Haydon
Partner
Sydney
23 February 2005