

Infomedia Ltd

ABN 63 003 326 243

Appendix 4E

Year Ended 30 June 2005

CONTENTS

- Result For Announcement To The Market
- Commentary On Results For the Period
- Annual Financial Report
- Independent Audit Report

Appendix 4E

Preliminary final 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')

12 months ended 30 June 2005

Results for announcement to the market

		\$A'000
Revenues from ordinary activities	Down	12% to 64,250
Profit from ordinary activities after tax attributable to members	Down	74% to 5,469
Profit (loss) from extraordinary items after tax attributable to members		Nil
Net profit for the period attributable to members	Down	74% to 5,469
Dividends (distributions)	Amount per security	Franked amount per security
Current Year:		
Final dividend	1.7¢	1.7¢
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	8 September 2005	
Date the dividend is payable	29 September 2005	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
<p>Profit from ordinary activities after tax includes net significant items after tax of \$9,078,000. These significant items are detailed in the accounts at note 2(vi). Net profit from ordinary activities after tax excluding significant items is \$14,547,000 and is within the guidance of \$13M to \$15M provided in February 2005.</p>		

Infomedia Ltd

Year Ended 30 June 2005

Commentary on the results for the period:

The earnings per security and nature of any dilution aspects:

Earnings per share were 1.68 cents.

Return to shareholders including distributions and buy backs:

Total dividends (ie interim paid and final declared) were 3.4 cents per share.

Significant features of operating performance:

The adjusted profit from ordinary activities after tax excluding significant items was \$14,547,000 and is at the higher end of the guidance provided by the Company earlier this year. Cashflows from operations remain strong with \$19,875,000 in cash generation. Total FY2005 dividends (ie interim and final) amounted to \$11,060,000 representing a payout ratio of 76% of the adjusted profit from ordinary activities after tax excluding significant items.

As anticipated, the Company experienced a decrease in sales and profits over the prior year as it transitioned from exclusive to non-exclusive in its largest EPC market – European Ford dealers – and as higher currency exchange rates had an adverse effect on the Company's revenues and profits. As a result, revenue from ordinary activities decreased by 12%. Profit from ordinary activities after income tax expense decreased by 74% which includes several significant one-off items aggregating to a net after tax profit charge of \$9,078,000 (refer note 2(vi)).

The result of segments that are significant to an of understanding of the business as a whole:

Details of segmental results are located in the Financial Report (Note 30).

A discussion of trends in performance:

The Directors anticipate the overall outlook for sales revenue to be relatively flat as underlying organic growth is offset by the potential impact of higher currency exchanges rates and intensified market competition. Opportunities for subscription growth are in the pipeline for the Company's parts and service solutions.

Meaningful growth in the 2006 financial year will be geared toward the end of the second half. During the first half of FY2006 management will focus on completing the transitional process of replacing the third party distribution relationship in North America with direct representation. This direct representation in North America will provide a platform for stronger growth.

Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified

Factors that may influence or affect future results either favourably or unfavourably include:

- Movements in foreign currency exchange rates
- Renewal of data licence contracts with automakers and other key suppliers
- Continuous research & development of leading edge technology products
- Rate of rollout & growth of new and existing products

Infomedia Ltd

ABN 63 003 326 243

Annual Financial Report
for the year ended 30 June 2005

ABN 63 003 326 243

Directors

Richard Graham – Chairman
Gary Martin – Chief Executive Officer
Geoffrey Henderson
Frances Hernon
Myer Herszberg
Andrew Moffat

Company Secretary & Alternate Director

Nick Georges

Chief Financial Officer

Peter Adams

Registered Office

357-373 Warringah Road
Frenchs Forest NSW Australia 2086

Auditors

Ernst & Young

Share Register

Computershare Registry Services Pty Ltd

Solicitors

Cowley Hearne Pty Ltd

Internet Address

www.infomedia.com.au

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DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2005.

DIRECTORS

The names and details of the Directors of the Company in office during the financial year and until the date of this report are:

Names, qualifications, experience and special responsibilities

Richard Graham
Chairman

Mr Richard Graham has held senior management positions in the American and Australian computer industry since 1977. Mr Graham co-founded the Company in 1988 and was its Chairman and Managing Director/CEO from its establishment. Since he retired as CEO in December 2004 Mr Graham has continued as Chairman.

Gary Martin
Chief Executive Officer

Gary Martin was promoted to the position of Chief Executive Officer on 1 January 2005. Mr Martin has extensive experience in the automotive industry. He has been with Infomedia since 1998, when he joined the Company as International Sales Manager. Mr Martin was appointed as General Manager, Electronic Catalogues Division in August 2001. Prior to joining Infomedia, Mr Martin spent a combined total of 12 years at automotive dealerships; the last years of this period were in the position of General Manager, Parts & Accessories. In his time with Ford dealers, Mr Martin was awarded the Ford Management Excellence Award in four consecutive years and participated on various Automaker committees.

Mr Martin was elected to the Board in October 2004.

Frances Hernon
Non-Executive Director
(Chairman of Remuneration & Nomination Committee)

Frances Hernon was appointed to the Infomedia Board of Directors on 19 June 2000. Ms Hernon has extensive experience in media, publishing, marketing and technology. She has held senior editorial positions at News Ltd and Murdoch Magazines and was General Manager, Harrison Communications, Director of Publicity at Channel Ten, Managing Editor of the NRMA's member magazine The Open Road, Manager, Business Communications for NRMA, and Senior Account Manager, Group IT&T for the Insurance Australia Group (IAG). Ms Hernon is currently Corporate Affairs Manager for Nestlé Australia Ltd. Ms Hernon also serves on Infomedia's Corporate Governance Committee.

Ms Hernon was last re-elected to the Board in October 2004.

Myer Herszberg
Non-Executive Director

Myer Herszberg has been a Director of Infomedia since 1992. Mr Herszberg is the founder of Melbourne's Denman Audio chain and has extensive consumer electronics experience. He was active in bringing home computers to Australia in the early 1980s and has also brought many other leading edge electronic products to Australia. He also has extensive experience in the commercial property market, and is active in a number of community service organisations. Mr Herszberg serves on the company's Audit & Risk, Corporate Governance, and Remuneration & Nomination Committees.

Mr Herszberg was last re-elected to the Board in October 2003.

DIRECTORS' REPORT

DIRECTORS (Continued)

Geoffrey Henderson
Non-Executive Director
(Chairman of Corporate
Governance Committee)

Geoffrey Henderson was appointed to the Infomedia Board of Directors on 25 February 2003. 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 8 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 the 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 on Infomedia's Audit & Risk Committee.

Mr Henderson was elected to the Board in October 2004.

Andrew Moffat
Non-Executive Director
(Chairman of Audit & Risk
Committee)

Andrew Moffat was appointed to the Infomedia Board of Directors on 31 March 2005. Mr Moffat has more than 20 years of corporate and investment banking experience and is the sole principal of Cowoso Capital Pty Ltd, a company providing strategic corporate advisory services. Prior to establishing Cowoso Capital Pty Ltd, Andrew was a Director of Equity Capital Markets & Advisory for BNP Paribas Equities (Australia) Limited where he took principal responsibility for mergers and acquisition advisory services and a range of equity capital raising mandates including placements, initial public offerings, rights issues and dividend reinvestment plan underwritings. Andrew's corporate banking experience was gained whilst working in the United Kingdom and Australia with Standard Chartered Bank Group, National Westminster Banking Group and BNP Paribas.

Nick Georges
General Counsel,
Company Secretary
& Alternate Director

Nick Georges is a qualified lawyer, admitted to the Supreme Courts of Victoria in 1991 and New South Wales in 1999. Prior to joining Infomedia and becoming its General Counsel & Company Secretary in 1999, Mr Georges worked in general practice as a solicitor in Victoria before moving to Sydney to take up an executive role with Altium Limited (previously known as Protel International Pty Ltd) where he obtained extensive experience in the information technology industry.

Mr Georges acted as alternate Director for Mr Martin and for Mr Herszberg at two separate Board meetings during the year.

Andrew Pattinson was an Executive Director until his resignation on 28 October 2004. Barry Ford was a non-executive Director until his resignation on 31 March 2005. Directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated.

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 Laboratory Pty Limited	100,277,501	-
Yarragene Pty Limited	39,421,599	-
Wiser Centre Pty Limited	1,000,000	-
Richard Graham	926,559	-
Gary Martin (a)	74,257	-
Frances Hernon	5,000	-
Geoffrey Henderson	-	-
Andrew Moffat	-	-

Richard Graham is the sole Director and beneficial shareholder of Wiser Laboratory 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.

(a) 1,000,000 options have been granted to Gary Martin per employment contract subject to AGM approval.

DIRECTORS' REPORT

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 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 year.

EMPLOYEES

The company employed 203 (2004: 205) full time employees as at 30 June 2005.

DIVIDENDS

	\$'000
Dividends paid or declared during the year:	
• Interim dividend – 1.7 cents per share – fully franked	5,527
• Final dividend – 1.7 cents per share – fully franked	5,533

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 2005	11.2
• Net tangible assets per share at 30 June 2004	8.6

REVIEW AND RESULTS OF OPERATIONS

The adjusted profit from ordinary activities after tax excluding significant items was \$14,547,000 and is at the higher end of the guidance provided by the Company earlier this year. Cashflows from operations remain strong with \$19,875,000 in cash generation. Total FY2005 dividends (ie interim and final) amounted to \$11,060,000 representing a payout ratio of 76% of the adjusted profit from ordinary activities after tax excluding significant items.

As anticipated, the Company experienced a decrease in sales and profits over the prior year as it transitioned from exclusive to non-exclusive in its largest EPC market – European Ford dealers – and as higher currency exchange rates had an adverse effect on the Company's revenues and profits. As a result, revenue from ordinary activities decreased by 12%. Profit from ordinary activities after income tax expense decreased by 74% which includes several significant one-off items aggregating to a net after tax profit charge of \$9,078,000 (refer note 2(vi)).

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

In 2002 Infomedia entered into a 3 year non-exclusive Agreement with General Motors Service and Parts Operations of North America (GMSPO) (refer Company announcement 29 August 2002). It was a condition of the Agreement that in the event of non-renewal by GMSPO the parties would enter into a 'Transition Period' during which time GMSPO would continue to provide the data under the same terms and conditions for a further 3 years, albeit only for the purpose of maintaining continuity of supply to Infomedia's existing EPC customer base.

Infomedia has a good working relationship with General Motors and its dealers. The latest version of the Microcat[®] EPC for General Motors dealers was developed according to GMSPO management specifications during the past year. Microcat's recent release has been well received by dealers in the market.

Infomedia had anticipated that the Agreement would be renewed. However, GMSPO has now advised the Company that it does not intend to renew the Agreement but rather let it enter into the Transition Period for the next 3 years.

The Company remains confident in the North American market with the recent establishment of its own subsidiary in the region. For the General Motors dealers who are using Microcat today, it is their EPC of choice. Throughout the Transition Period the Company will continue to provide its customers with the highest level of customer support and continuous product improvement including new versions of the Microcat system.

DIRECTORS' REPORT

SIGNIFICANT EVENTS AFTER THE BALANCE DATE (Continued)

General Motors has also communicated to its North American dealers that it intends to offer its own EPC solution beginning in September 2006.

The financial consequences of moving into the Transition Period are not readily determinable at this time and can be influenced by many dynamics. The current quantity of subscriptions relating to this Agreement is material as it represents 13% of the total Company's EPC subscriber base.

There has been no other 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

The Directors anticipate the overall outlook for sales revenue to be relatively flat as underlying organic growth is offset by the potential impact of higher currency exchange rates and intensified market competition. Opportunities for subscription growth are in the pipeline for the Company's parts and service solutions.

Meaningful growth in the 2006 financial year will be geared toward the end of the second half. During the first half of FY2006 management will focus on completing the transitionary process of replacing the third party distribution relationship in North America with direct representation. This direct representation in North America will provide a platform for stronger growth.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity 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 500,000 unissued ordinary shares under options. Gary Martin was offered 1,000,000 options at an exercise price of fifty cents. These options include appropriate performance hurdles. The option allotment to Gary Martin is subject to approval at the Annual General Meeting to be held in October 2005. Refer to notes 25 and 27 for further details on the movement in options during the 2005 financial year.

Shares issued as a result of the exercise of options

There were no options exercised by the employees during the year ended 30 June 2005.

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

This report outlines the remuneration arrangements in place for Directors and Executives of the Company.

Remuneration 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 remuneration framework:

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

Remuneration Committee

The Remuneration & Nomination Committee (Remuneration Committee) of the Board of Directors is responsible for recommending to the Board the Company's remuneration and compensation policy arrangements for the Directors and the five most senior executives. The Remuneration Committee assesses 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

DIRECTORS' REPORT

ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

Remuneration Structure

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

Non-executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration 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.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was at the Annual General Meeting held on 30 October 2002 when shareholders approved an aggregate remuneration 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 Remuneration

Objective

The Company aims to reward executives with a level and mix of remuneration 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 remuneration is competitive by market standards.

Structure

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

Remuneration consists of the following key elements:

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

The actual proportion of fixed remuneration and variable remuneration (potential short term and long term incentives) is established for the four highest positions of seniority by the CEO in conjunction with the Remuneration Committee, and in the case of the CEO, by the Chairman of the Board in conjunction with the Remuneration Committee. Other executive salaries are determined by the CEO with reference to market conditions.

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed periodically by the CEO in conjunction with the Remuneration Committee for the four highest positions of seniority, and in the case of the CEO, by the Chairman of the Board in conjunction with the Remuneration Committee. All other executive positions are reviewed periodically by the CEO. As noted above, the Committee has access to external advice independent of management.

Structure

Executives are given the opportunity to receive their fixed (primary) remuneration 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.

DIRECTORS' REPORT

Variable Remuneration – Short Term Incentive (STI)

Objective

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

Structure

The structure of short term remuneration is moving toward a cash bonus dependent upon a combination of individual performance objectives and Company objectives being met. This reflects the Company wide adoption during the course of the financial year of new 'Performance Planning & Review' (PPR) procedures. Individual performance objectives centre around 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 (KRA's) 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 (KPI's) will be used. In assessing whether Company objectives have been satisfied, Board level pre-determined budgetary targets will be used. These methods have been chosen to create clear and measurable performance targets.

Variable Remuneration – Long Term Incentive (LTI)

Objective

The objective of the LTI plan is to reward executives in a manner which aligns this element of remuneration 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 remuneration 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.

Employment Contracts

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
Gary Martin	1 January 2005	3 years	6 months*	6 months
Andrew Pattinson	5 April 2004	3 years	3 months	3 months
Nick Georges	3 April 2000	continuing	3 months	3 months
Peter Adams	1 January 2005	3 years	6 months*	6 months
Michael Roach	12 November 2001	continuing	5 weeks	5 weeks
Damon Fieldgate	10 March 2003	3 years	1 month	1 month
Linda Scott	6 November 2002	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.

* In the event of redundancy, in addition to 6 months notice, the Company will provide the individual with a severance payment equivalent to 3 weeks' base salary for each completed year of continuous service with the Company provided however, that the minimum severance payment will be 26 weeks' base salary and the maximum severance payment will not exceed 52 weeks' base salary.

DIRECTORS' REPORT

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

Financial Year: 2005	Primary		Non Monetary Benefits	Post Employment	Equity		Other	Total
	Salary & Fees	Cash Bonus		Superannuation	Options	Employee Share Plan	Termination benefits	
Specified Directors								
Richard Graham	314,570	100,000	37,982	13,815	-	-	-	466,367
Andrew Pattinson	331,069	-	-	29,796	30,997	1,000	-	392,862
Gary Martin	247,436	35,200	-	24,445	30,997	1,000	-	339,078
Nick Georges	155,543	10,000	-	13,910	30,997	2,000	-	212,450
Myer Herzberg	42,000	-	-	3,780	-	-	-	45,780
Geoffrey Henderson	42,000	-	-	3,780	-	-	-	45,780
Frances Hernon	42,000	-	-	3,780	-	-	-	45,780
Barry Ford	31,338	-	-	2,997	-	-	-	34,335
Andrew Moffat	10,823	-	-	974	-	-	-	11,797
Total Remuneration: Specified Directors	1,216,779	145,200	37,982	97,277	92,991	4,000	-	1,594,229
Specified Executives								
Guy Bryant	185,691	10,000	3,548	16,676	30,364	2,000	46,500	294,779
Peter Adams	192,548	32,800	-	19,255	4,793	2,000	-	251,396
Michael Roach	135,742	10,000	-	11,705	3,196	2,000	-	162,643
Damon Fieldgate	131,238	10,957	-	11,617	-	2,000	-	155,812
Linda Scott	100,132	5,000	-	8,885	3,196	2,000	-	119,213
Total Remuneration: Specified Executives	745,351	68,757	3,548	68,138	41,549	10,000	46,500	983,843

- Salary and fees for Richard Graham includes \$176,819 of leave entitlements paid upon resignation as Chief Executive Officer effective 31 December 2004.
- The value attributed to the employee share plan is calculated as the total number of shares allotted multiplied by the weighted average market price of the five trading days on the Australian Stock Exchange preceding first date of offer.
- Options granted as part of remuneration have been valued using a Binomial option-pricing model with the following weighted average assumptions used for grants made in the 2004 financial year. There were no grants to Specified executive or Specified Directors in the 2005 financial year.

	Financial Year: 2004
Dividend yield	5%
Expected & historic volatility	31%
Risk-free interest rate	5.4%
Expected life of option	Three years

DIRECTORS' REPORT

DIRECTORS' MEETINGS

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

	Directors' Meetings	Committee Meetings		
		Audit & Risk	Corporate Governance	Remuneration & Nomination
Number of meetings held:	14	3	3	4
Number of meetings attended:				
Richard Graham	14	-	-	-
Gary Martin *	9	-	-	-
Geoffrey Henderson	14	3	3	-
Myer Herszberg	13	3	3	3
Frances Hernon	12	-	2	4
Andrew Moffat**	6	1	-	2
Andrew Pattinson***	3	-	-	-
Barry Ford****	8	2	-	1
Nick Georges (Alternate)	2	-	-	-

* Gary Martin was elected to the Board at the 2004 Annual General Meeting

** Andrew Moffat was appointed to the Board effective 31 March 2005

*** Andrew Pattinson resigned as a Director on 28 October 2004

**** Barry Ford retired from the Board effective 31 March 2005

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.

TAX CONSOLIDATION

Effective 1 July 2002, for the purposes of income taxation, Infomedia Ltd and its 100% owned Australian 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.


CORPORATE GOVERNANCE

In recognising the need for high standards of corporate behaviour and accountability, the Directors of Infomedia Ltd support and have adhered to the principles of good corporate governance. The Company's corporate governance statement is in the annual report.

DIRECTORS' REPORT

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The directors received the following declaration from the auditor of the Company.



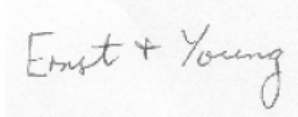
■ Ernst & Young Centre
680 George Street
Sydney NSW 2000
Australia

■ Tel 61 2 9248 5555
Fax 61 2 9248 5959
DX Sydney Stock
Exchange 10172

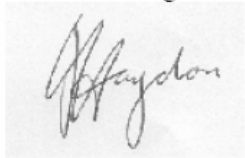
CPO Box 2646
Sydney NSW 2001

Auditor's Independence Declaration to the Directors of Infomedia Ltd

In relation to our audit of the financial report of Infomedia Ltd for the financial year ended 30 June 2005, 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



J K Haydon
Partner
Sydney
Date: 24 August 2005

NON-AUDIT SERVICES

The following non-audit services were provided by the Company's auditor, Ernst & Young. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of the non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

Indirect tax advisory services	\$20,280
--------------------------------	----------

Signed in accordance with a resolution of the Directors.



Richard David Graham

Chairman

Sydney, 24 August 2005

STATEMENT OF FINANCIAL PERFORMANCE

YEAR ENDED 30 June 2005	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	2005	2004
		\$'000	\$'000	\$'000	\$'000
Revenue from ordinary activities	2(i)	64,250	73,005	56,333	68,817
Expenses from ordinary activities excluding borrowing costs	2(ii)	(55,310)	(42,994)	(48,015)	(38,361)
Borrowing costs expense	2(iii)	(97)	(283)	(97)	(283)
Profit from ordinary activities before income tax expense		8,843	29,728	8,221	30,173
Income tax expense relating to ordinary activities	3	(3,374)	(9,042)	(2,917)	(9,074)
Profit from ordinary activities after income tax expense	5	5,469	20,686	5,304	21,099
Net exchange difference on translation of financial statements of foreign controlled entity		(28)	9	-	-
Total revenues, expenses and valuation adjustments attributable to Infomedia Ltd and recognised directly in equity		(28)	9	-	-
Total changes in equity other than those resulting from transactions with owners as owners		5,441	20,695	5,304	21,099
Basic earnings per share (cents per share)	22	1.68	6.37		
Diluted earnings per share (cents per share)	22	1.68	6.36		
Franked dividends per share (cents per share)	4	3.40	3.80		

STATEMENT OF FINANCIAL POSITION

AT 30 June 2005	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	2005	2004
		\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS					
Cash		10,821	6,887	8,803	6,333
Receivables	6	6,042	9,389	4,607	8,565
Inventories	7	88	95	44	68
Property held for resale		-	1,534	-	-
Other	8	540	364	434	328
TOTAL CURRENT ASSETS		17,491	18,269	13,888	15,294
NON-CURRENT ASSETS					
Receivables	9	1,260	-	23,303	23,180
Investments	10	-	-	247	247
Property, plant and equipment	12	22,582	23,026	5,263	5,344
Intangible assets	13	8,791	23,671	5,289	19,547
Deferred research & development costs	14	3,657	3,708	3,657	3,708
Deferred tax assets	15	988	748	779	678
TOTAL NON-CURRENT ASSETS		37,278	51,153	38,538	52,704
TOTAL ASSETS		54,769	69,422	52,426	67,998
CURRENT LIABILITIES					
Payables	16	3,640	5,103	2,994	4,713
Provisions excluding tax liabilities	17	1,971	1,140	1,294	950
Provision for income tax		1,215	1,673	1,080	1,673
Deferred revenue	18	810	1,503	367	1,057
TOTAL CURRENT LIABILITIES		7,636	9,419	5,735	8,393
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	19	-	4,173	-	4,173
Provisions excluding tax liabilities	20	534	704	460	296
Deferred tax liabilities		1,338	3,605	1,097	3,605
TOTAL NON-CURRENT LIABILITIES		1,872	8,482	1,557	8,074
TOTAL LIABILITIES		9,508	17,901	7,292	16,467
NET ASSETS		45,261	51,521	45,134	51,531
EQUITY					
Contributed equity	21	17,488	17,488	17,488	17,488
Reserves	5	(19)	9	-	-
Retained profits	5	27,792	34,024	27,646	34,043
TOTAL EQUITY		45,261	51,521	45,134	51,531

STATEMENT OF CASH FLOWS

YEAR ENDED 30 June 2005

	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		64,097	67,616	48,754	63,771
Payments to suppliers and employees		(38,065)	(36,879)	(22,557)	(32,592)
Interest received		272	428	255	410
Borrowing costs		(97)	(283)	(97)	(283)
Income tax paid		(6,332)	(4,441)	(6,332)	(4,384)
NET CASH FLOWS FROM OPERATING ACTIVITIES	23 (a)	19,875	26,441	20,023	26,922
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment		(1,801)	(21,101)	(1,679)	(3,262)
Proceeds from sale of property, plant and equipment		1,734	2,515	-	1,770
Purchase of shares in controlled entity		-	-	-	(247)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(67)	(18,586)	(1,679)	(1,739)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		1,000	7,000	1,000	7,000
Repayment of borrowings		(5,173)	(14,982)	(5,173)	(14,982)
Loan to controlled entity for property purchase		-	-	-	(17,531)
Dividends paid on ordinary shares		(11,701)	(12,338)	(11,701)	(12,338)
Proceeds from exercise of options by employees		-	14	-	14
Finance lease principal		-	(14)	-	(14)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		(15,874)	(20,320)	(15,874)	(37,851)
NET (DECREASE)/INCREASE IN CASH HELD		3,934	(12,465)	2,470	(12,668)
Add opening cash brought forward		6,887	19,352	6,333	19,001
CLOSING CASH CARRIED FORWARD	23 (b)	10,821	6,887	8,803	6,333

NOTES TO THE FINANCIAL STATEMENTS

30 June 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention.

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 which includes applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

(b) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous year with the exception of the accounting policy for cost of sales. Cost of sales are now includes direct wages and salaries that relate directly to the sale of the product. The historical numbers have not been restated. This reclassification has no impact on profit from ordinary activities (refer note 2(ii) for details).

(c) Principles of consolidation

The consolidated financial statements are those of the economic entity, comprising Infomedia Ltd (the parent entity) and all entities which Infomedia Ltd controlled from time to time during the year and at balance date.

Information from the financial statements of subsidiaries is included from the date the parent company obtains control until such time as control ceases. 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 the parent company has control.

Subsidiary acquisitions are accounted for using the purchase method of accounting.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which 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.

(d) Foreign currencies

Translation of foreign currency transactions

Transactions in foreign currencies of entities within the consolidated entity are converted to local currency at the rate of exchange ruling at the date of the transaction.

Amounts payable to and by the entities within the consolidated entity 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 financial year.

Except for certain specific hedges and hedges of foreign currency operations, all resulting exchange differences arising on settlement or re-statement are brought to account in determining the profit or loss for the financial year, and transaction costs, premiums and discounts on forward currency contracts are deferred and amortised over the life of the contract.

Forward exchange contracts

The consolidated entity enters into forward exchange contracts where it agrees to sell specified amounts of foreign currencies in the future at a predetermined exchange rate. The objective is to match the contract with anticipated future cash flows from sales and purchases in foreign currencies, to protect the consolidated entity against the possibility of loss from future exchange rate fluctuations. The forward exchange contracts are usually for no longer than 12 to 24 months.

Forward exchange contracts are recognised at the date the contract is entered. Exchange gains or losses on forward exchange contracts are charged to the profit and loss except those relating to hedges of specific commitments which are deferred and included in the measurement of the sale or purchase.

Translation of financial reports of overseas operations

All overseas operations are deemed self-sustaining, as each is financially and operationally independent of Infomedia Ltd. The financial reports of overseas operations are translated using the current rate method and any exchange differences are taken directly to the foreign currency translation reserve.

(e) 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 2 working days, net of outstanding bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

(g) Investments

All non-current investments are carried at the lower of cost and recoverable amount.

(h) Inventories

Manufacturing

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; and
- Work-in-progress – cost of direct labour and materials.

(i) Property held for resale

Freehold property and other assets held for resale are valued at the lower of cost or net realisable value.

(j) Recoverable amount

Non-current assets are not carried at an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are written down.

(k) Property, plant and equipment

Cost and valuation

Property, plant and equipment are carried at cost.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment, other than freehold land.

Major depreciation periods are:	2005	2004
Freehold buildings:	40 years	40 years
Leasehold improvements:	5 to 20 years	5 to 20 years
Plant and equipment:	3 to 15 years	3 to 15 years
Plant and equipment under lease:	3 years	3 years

NOTES TO THE FINANCIAL STATEMENTS

30 June 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

Contingent rentals are recognised as an expense in the financial year in which they are incurred.

Finance leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to the group are recognised at the present value of the minimum lease payments and disclosed as property, plant and equipment under lease. A lease liability of equal value is also recognised.

Capitalised lease assets are depreciated over the estimated useful life of the assets. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and charged directly to profit and loss.

The cost of improvements to or on leasehold property is recognised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

(m) Intangibles

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity.

Goodwill is amortised by the straight-line method over the period during which benefits are expected to be received. This is taken as being 10 years.

Intellectual Property

Intellectual property relates to copyright and software codes over key products. Intellectual property is amortised over its useful life, being 10 years.

(n) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(o) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

(p) Revenue in advance

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Loans and borrowings

All loans are measured at the principal amount. Interest is charged as an expense as it accrues.

(r) Contributed equity

Contributed equity is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(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) Taxes

Income taxes

Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent timing differences occur between the time items are recognised in the financial statements and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of being realised.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where 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 acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

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

Cash flows are included in the Statement of Cash Flows 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.

Tax consolidation

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Employee entitlements

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee entitlements expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee entitlement liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to government bonds which have terms to maturity approximating the terms of the related liability are used.

Employee entitlements expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave and other leave entitlements; and
- other types of employee entitlements

are charged against profits on a net basis in their respective categories.

The value of shares issued under the employee share scheme described in note 25 is not being charged as an employee entitlement expense.

In respect of the consolidated entity's accumulated benefits superannuation plans, any contributions made to the superannuation funds by entities within the consolidated entity are charged against profits when due.

(w) Research and development costs

Research and development costs are expensed as incurred, except where the future benefits are recoverable beyond any reasonable doubt. When research and development costs are deferred such costs are amortised over future periods on a basis related to expected future benefits. Unamortised costs are reviewed at each balance date to determine the amount (if any) that is no longer recoverable and any amount identified is written off.

(x) Earnings per share

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

Diluted EPS 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2005

Notes

	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	2005	2004
		\$'000	\$'000	\$'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		59,137	69,567	52,628	65,715
Interest revenue					
- wholly owned group		-	-	961	726
- other persons/corporations		272	428	255	411
Total interest revenue		272	428	1,216	1,137
Gross proceeds on sale of property held for resale	(iv)	1,734	-	-	-
Gross proceeds on sale of non current assets	(iv)	-	2,515	-	1,770
Foreign currency exchange gain		-	193	-	195
Proceeds from settlement of legal claims	(vi)	2,489	-	2,489	-
Other revenue		618	302	-	-
Revenues from ordinary activities		64,250	73,005	56,333	68,817
(ii) Expenses from ordinary activities excluding borrowing costs					
Cost of sales – direct wages		7,832	-	6,377	-
Cost of sales – Other		9,572	14,604	8,164	13,980
		17,404	14,604	14,541	13,980
Salaries & wages (including on-costs)		9,109	15,191	7,898	12,291
Redundancies and associated costs	(vi)	475	-	475	-
Non-cancellable surplus lease space	(vi)	178	-	178	-
Depreciation of non-current assets					
- Buildings		345	267	-	5
- Leasehold improvements		495	571	455	531
- Office equipment		998	1,022	908	904
- Furniture and fittings		46	68	43	64
- Plant and equipment		354	293	354	293
Total depreciation of non-current assets		2,238	2,221	1,760	1,797
Amortisation of non-current assets					
- Goodwill		1,238	1,276	767	805
- Intellectual property		1,702	1,829	1,552	1,679
- Deferred research and development costs		729	771	729	771
Total amortization of non-current assets		3,669	3,876	3,048	3,255
Decrement in value of non-current assets:					
- Research & Development		812	-	812	-
- Goodwill		351	-	351	-
- Intellectual property		11,589	-	11,589	-
Total decrement in value of non-current assets	(vi)	12,752	-	12,752	-
Net book value of assets disposed	(iv)	1,541	1,893	-	1,214
Management fee paid to controlled entities		-	-	917	1,097
Bad and doubtful debts		737	103	422	103
Operating lease rental		667	563	1,162	903
Foreign currency exchange loss		134	-	110	-
Foreign currency contract costs amortised		316	345	316	345
Costs incurred in establishing European operations		-	487	-	-
Legal costs incurred in enforcement of contractual rights	(vi)	1,227	-	1,227	-
Other expenses		4,863	3,711	3,209	3,376
Expenses from ordinary activities		55,310	42,994	48,015	38,361

NOTES TO THE FINANCIAL STATEMENTS

30 June 2005	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	2005	2004
		\$'000	\$'000	\$'000	\$'000
2. PROFIT FROM ORDINARY ACTIVITIES (CONTINUED)					
(iii) Borrowing costs					
Interest expense					
- other corporations					
		97	283	97	283
Borrowing costs					
		97	283	97	283
(iv) Profit on sale of assets					
Gross proceeds from the sale of property held for resale					
		1,734	-	-	-
Gross proceeds from the sale of non current assets					
		-	2,515	-	1,770
Net book value of assets disposed					
		(1,541)	(1,893)	-	(1,214)
Profit on sale of assets					
		193	622	-	556
(v) Research & Development Costs					
(included within item 2(ii) above)					
Total research & development costs incurred during the period					
		3,482	3,551	3,482	3,551
Less: research & development costs deferred					
	14	(1,490)	(1,731)	(1,490)	(1,731)
Net research and development costs expensed					
		1,992	1,820	1,992	1,820
(vi) Net significant items					
(included within item 2(ii) above)					
Significant items charged to profit from ordinary activities:					
Decrement in value of non current assets					
	(vii)	12,752	-	12,752	-
Legal costs incurred in enforcement of contractual rights					
		1,227	-	1,227	-
Redundancies and associated costs					
		475	-	475	-
Non-cancellable surplus lease space					
		178	-	178	-
Less:					
Significant items credited to profit from ordinary activities:					
Proceeds from settlement of legal claims					
		(2,489)	-	(2,489)	-
Net significant items charged to profit from ordinary activities before tax					
		12,143	-	12,143	-
Tax effect on significant items					
		(3,065)	-	(3,065)	-
Net significant items charged to profit from ordinary activities after tax					
		9,078	-	9,078	-
(vii) Decrement in value of non-current assets					
(included within item 2(ii) and 2(vi) above)					
Discontinued use of intellectual property as the result of product substitution and market transition					
	30	10,405	-	10,405	-
Writedown of assets to net recoverable amount associated with the Business Systems division					
	30	2,347	-	2,347	-
		12,752	-	12,752	-

NOTES TO THE FINANCIAL STATEMENTS

30 June 2005

Notes

3. INCOME TAX

The prima facie tax on operating profit differs from the income tax provided in the financial statements as follows:

	CONSOLIDATED		INFOMEDIA LTD	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000
Prima facie tax on operating profit	2,653	8,918	2,466	9,052
Tax effect of permanent differences				
Legal expense	17	152	17	152
Entertainment	24	35	21	32
Non-deductible depreciation	104	80	-	2
Amortisation of intangible assets	427	470	277	319
Additional research and development deduction	(283)	(421)	(283)	(421)
Intellectual property – copyright deduction	(24)	(24)	(24)	(24)
Decrement in value of non-current assets	577	-	577	-
Tax losses utilised	64	-	-	-
Other	63	(2)	71	-
Over provision of previous year	(248)	(166)	(205)	(38)
Income tax expense attributable to operating profit	3,374	9,042	2,917	9,074

4. DIVIDENDS PROPOSED OR PAID

(a) Dividends paid during the year:

Franked interim - 1.70 cents (2004:1.90) per share	5,527	6,170	5,527	6,170
Prior year final franked dividend – 1.90 (2003: 1.90 cents) per share	6,174	6,168	6,174	6,168
Total dividends paid during the year	11,701	12,338	11,701	12,338

(b) Dividends proposed and not recognised as a liability:

Final franked dividend - 1.70 cents (2004: 1.90) per share	5,533	6,174	5,533	6,174
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The tax rate at which dividends were franked is 30%

The amount of franking credits available for the subsequent financial year are:

– franking account balance as at the end of the financial year			11,730	9,216
– franking credits that will arise from the payment of income tax payable as at the end of the financial year			1,215	1,673
			12,945	10,889

The tax rate at which paid dividends have been franked is 30% (2004: 30%). Dividends proposed will be franked at the rate of 30% (2004: 30%).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2005

Notes

5. RETAINED PROFITS AND RESERVES

(a) Retained Profits

	CONSOLIDATED		INFOMEDIA LTD	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Balance at the beginning of the year	34,024	25,676	34,043	25,282
Profit from ordinary activities after income tax expense	5,469	20,686	5,304	21,099
Total available for appropriation	39,493	46,362	39,347	46,381
Dividends provided for or paid	(11,701)	(12,338)	(11,701)	(12,338)
Balance at the end of the year	27,792	34,024	27,646	34,043

(b) Foreign Currency Translation Reserve

(i) Nature and purpose of reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of self-sustaining operations.

(ii) Movement in reserve

Balance at the beginning of the year	9	-	-	-
Gain/(loss) on translation of overseas controlled entity	(28)	9	-	-
Balance at end of the year	(19)	9	-	-

6. RECEIVABLES (CURRENT)

Trade debtors	6,464	8,486	4,717	7,653
Provision for doubtful debts	(877)	(140)	(562)	(140)
	5,587	8,346	4,155	7,513
Other debtors	455	278	452	287
Net foreign currency forward contracts receivable	-	765	-	765
	6,042	9,389	4,607	8,565

(a) Terms and conditions relating to the above financial instruments are set out in Note 31.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2005

Notes

7. INVENTORIES (CURRENT)

Raw materials

At cost

Total inventories at the lower of cost and net realisable value

8. OTHER CURRENT ASSETS

Prepayments

9. RECEIVABLES (NON-CURRENT)

Wholly-owned group – subsidiary entities

Other

10. INVESTMENTS (NON-CURRENT)*Investments at cost comprise:*

Controlled entities – unlisted

11

Total investments at lower of cost and recoverable amount

11. INTERESTS IN SUBSIDIARIES

Name

Country of
incorporationPercentage of equity
interest held by the
consolidated entity**2005**

2004

%

%

IFM Europe Ltd

- ordinary shares

United
Kingdom**100**

100

247

247

Infomedia Investments Pty Ltd

- ordinary shares - \$2 only

Australia

100

100

-

-

Datateck Publishing Pty Ltd

- ordinary shares - \$4 only

Australia

100

100

-

-

AutoConsulting Pty Ltd

- ordinary shares - \$1 only

Australia

100

100

-

-

IFM North America Inc

- ordinary shares

United States
of America**100**

-

-

-

247

247

		CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	2005	2004
		\$'000	\$'000	\$'000	\$'000
7. INVENTORIES (CURRENT)					
Raw materials					
At cost					
		88	95	44	68
Total inventories at the lower of cost and net realisable value					
		88	95	44	68
8. OTHER CURRENT ASSETS					
Prepayments					
		540	364	434	328
		540	364	434	328
9. RECEIVABLES (NON-CURRENT)					
Wholly-owned group – subsidiary entities					
		-	-	22,043	23,180
Other					
		1,260	-	1,260	-
		1,260	-	23,303	23,180
10. INVESTMENTS (NON-CURRENT)					
<i>Investments at cost comprise:</i>					
Controlled entities – unlisted					
		-	-	247	247
Total investments at lower of cost and recoverable amount					
		-	-	247	247
11. INTERESTS IN SUBSIDIARIES					
Name	Country of incorporation	Percentage of equity interest held by the consolidated entity			
		2005	2004		
		%	%		
IFM Europe Ltd	United Kingdom	100	100	247	247
- ordinary shares					
Infomedia Investments Pty Ltd	Australia	100	100	-	-
- ordinary shares - \$2 only					
Datateck Publishing Pty Ltd	Australia	100	100	-	-
- ordinary shares - \$4 only					
AutoConsulting Pty Ltd	Australia	100	100	-	-
- ordinary shares - \$1 only					
IFM North America Inc	United States of America	100	-	-	-
- ordinary shares					
				247	247

NOTES TO THE FINANCIAL STATEMENTS

30 June 2005

Notes

	CONSOLIDATED		INFOMEDIA LTD	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000
12. PROPERTY, PLANT & EQUIPMENT				
Freehold land and buildings				
At cost	17,531	17,531	-	-
Provision for depreciation	(555)	(210)	-	-
	16,976	17,321	-	-
Leasehold improvements				
At cost	3,039	2,664	2,764	2,391
Provision for amortisation	(901)	(419)	(725)	(283)
	2,138	2,245	2,039	2,108
Total land and buildings	19,114	19,566	2,039	2,108
Office equipment				
At cost	5,772	4,691	4,995	4,024
Provision for depreciation	(3,580)	(2,582)	(3,038)	(2,130)
	2,192	2,109	1,957	1,894
Furniture & fittings				
At cost	554	471	529	449
Provision for depreciation	(167)	(121)	(151)	(108)
	387	350	378	341
Plant and equipment				
At cost	2,512	2,325	2,512	2,325
Provision for depreciation	(1,623)	(1,324)	(1,623)	(1,324)
	889	1,001	889	1,001
Total plant and equipment	3,468	3,460	3,224	3,236
Total property, plant and equipment				
At cost	29,408	27,682	10,800	9,189
Provision for depreciation and amortisation	(6,826)	(4,656)	(5,537)	(3,845)
Total written down amount	22,582	23,026	5,263	5,344

(a) Valuations

The fair values of freehold land & buildings have been determined by reference to an independent valuation performed on a market value basis being the estimated amounts for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of land and buildings at the valuation date, being 7 June 2004, was \$17,500,000.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2005	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	2005	2004
		\$'000	\$'000	\$'000	\$'000
12. PROPERTY, PLANT & EQUIPMENT (CONTINUED)					
(b) Reconciliation of property, plant and equipment carrying values					
Freehold land and buildings					
Carrying amount – opening balance		17,321	2,741	-	616
Additions		-	17,531	-	-
Disposals		-	(1,247)	-	(611)
Transfer to property held for resale		-	(1,437)	-	-
Depreciation		(345)	(267)	-	(5)
Carrying amount – closing balance		16,976	17,321	-	-
Leasehold Improvements					
Carrying amount – opening balance		2,245	1,066	2,108	910
Additions		388	1,945	386	1,827
Disposals		-	(98)	-	(98)
Transfer to property held for resale		-	(97)	-	-
Depreciation		(495)	(571)	(455)	(531)
Carrying amount – closing balance		2,138	2,245	2,039	2,108
Office equipment					
Carrying amount – opening balance		2,109	2,050	1,894	1,910
Additions		1,081	1,081	971	888
Depreciation		(998)	(1,022)	(908)	(904)
Carrying amount – closing balance		2,192	2,109	1,957	1,894
Furniture & fittings					
Carrying amount – opening balance		350	371	341	358
Additions		83	47	80	47
Depreciation		(46)	(68)	(43)	(64)
Carrying amount – closing balance		387	350	378	341
Plant and equipment					
Carrying amount – opening balance		1,001	854	1,001	808
Additions		249	498	242	498
Disposals		(7)	(58)	-	(12)
Depreciation		(354)	(293)	(354)	(293)
Carrying amount – closing balance		889	1,001	889	1,001

NOTES TO THE FINANCIAL STATEMENTS

30 June 2005

Notes

	CONSOLIDATED		INFOMEDIA LTD	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000
13. INTANGIBLE ASSETS				
Goodwill – at cost	12,680	12,680	7,968	7,968
Writedown of goodwill	(351)	-	(351)	-
Accumulated amortisation	(4,700)	(3,462)	(2,328)	(1,562)
	7,629	9,218	5,289	6,406
Intellectual property – at cost	18,019	18,019	16,519	16,519
Writedown of intellectual property	(11,589)	-	(11,589)	-
Accumulated amortisation	(5,268)	(3,566)	(4,930)	(3,378)
	1,162	14,453	-	13,141
	8,791	23,671	5,289	19,547
14. DEFERRED RESEARCH & DEVELOPMENT COSTS				
Balance at beginning of year	5,648	3,917	5,648	3,917
Research & development costs incurred during the year and deferred	1,490	1,731	1,490	1,731
Writedown of research & development	(812)	-	(812)	-
	6,326	5,648	6,326	5,648
Accumulated amortisation	(2,669)	(1,940)	(2,669)	(1,940)
Balance at end of year	3,657	3,708	3,657	3,708
15. DEFERRED TAX ASSETS				
Future income tax benefit	988	748	779	678
	988	748	779	678
16. PAYABLES (CURRENT)				
Trade creditors	1,598	2,038	1,113	1,961
Other creditors	2,042	3,065	1,881	2,752
	3,640	5,103	2,994	4,713
(a) Terms and conditions relating to the above financial instruments are set out in note 31.				

NOTES TO THE FINANCIAL STATEMENTS

30 June 2005

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		CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	2005	2004
		\$'000	\$'000	\$'000	\$'000
17. PROVISIONS EXCLUDING TAX LIABILITIES (CURRENT)					
Employee entitlements	25	1,971	1,140	1,294	950
		1,971	1,140	1,294	950
18. DEFERRED REVENUE (CURRENT)					
Revenue in advance		810	777	367	331
Deferred gain on foreign currency forward contracts		-	726	-	726
		810	1,503	367	1,057
19. INTEREST-BEARING LIABILITIES (NON-CURRENT)					
Bank loans		-	4,173	-	4,173
		-	4,173	-	4,173
20. PROVISIONS EXCLUDING TAX LIABILITIES (NON-CURRENT)					
Employee entitlements	25	356	704	282	296
Provision for non-cancellable surplus lease space	(a)	178	-	178	-
		534	704	460	296
(a) Movement in non-cancellable surplus lease space provision:					
Carrying amount at the beginning of the year		-	-	-	-
Additional provision		178	-	178	-
Carrying amount at the end of the year		178	-	178	-
The provision for non-cancellable lease space has been made as the space will not be used.					

NOTES TO THE FINANCIAL STATEMENTS

30 June 2005

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21. CONTRIBUTED EQUITY**Issued and paid up capital**

– shares fully paid 325,156,205 (2004: 324,762,959)

		CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	2005	2004
		\$'000	\$'000	\$'000	\$'000
		17,488	17,488	17,488	17,488
		17,488	17,488	17,488	17,488
		2005		2004	
		Number of shares	\$'000	Number of shares	\$'000
Movement in shares on issue					
Beginning of the financial year		324,762,959	17,488	324,422,732	17,474
Issued during the financial year:					
- Employee Share Plan		393,246	-	324,227	-
- Conversion of employee options		-	-	16,000	14
End of the financial year		325,156,205	17,488	324,762,959	17,488

(a) Employee Option Plan

A total of 100,000 options were issued to eligible employees during the year at an average exercise price of \$0.67. Refer to Note 25.

(b) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

22. EARNINGS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

Earnings used in calculating basic and diluted earnings per share

		2005	2004
		\$'000	\$'000
		5,469	20,686
		2005	2004
		Number of shares	Number of shares
Weighted average number of ordinary shares used in calculating basic earnings per share		325,037,011	324,666,639
Effect of dilutive securities			
Share options		1,198	372,599
Employee share plan shares		7,416	94,216
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share		325,045,625	325,133,454

NOTES TO THE FINANCIAL STATEMENTS

30 June 2005

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	CONSOLIDATED		INFOMEDIA LTD	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000
23. STATEMENT OF CASH FLOWS				
(a) Reconciliation of profit after tax to the net cash flows from operations				
Profit from ordinary activities after income tax expense	5,469	20,686	5,304	21,099
Depreciation of non-current assets	2,238	2,221	1,760	1,797
Amortisation of non-current assets	3,669	3,876	3,048	3,255
Provision for doubtful debts	737	91	422	91
Decrement in value of non-current assets	12,752	-	12,752	-
Net profit from sale of assets	(193)	(622)	-	(556)
Changes in assets and liabilities				
Trade receivables and other debtors	595	(2,254)	2,685	(851)
Deferred research and development costs	(1,489)	(1,731)	(1,489)	(1,731)
Trade and other creditors	(1,463)	806	(1,719)	545
Provision for employee entitlements	483	201	330	84
Other provisions	178	-	178	-
Tax provision	(458)	497	(593)	517
Deferred income tax liability	(2,267)	1,601	(2,508)	1,628
Future income tax benefit	(240)	458	(101)	362
Prepayments	(176)	521	(106)	546
Inventories	7	10	24	18
Revenue in advance	33	80	36	118
Net cash flow from operating activities	19,875	26,441	20,023	26,922
(b) Reconciliation of cash				
Cash balance comprises:				
– cash at bank	8,189	4,832	6,171	4,278
– cash on deposit	2,632	2,055	2,632	2,055
	10,821	6,887	8,803	6,333
(c) Financing facilities available				
At reporting date, the following financing facilities had been negotiated and were available:				
Total Facilities:				
USD13 Million multi-currency cash advance facility	17,060	18,832	17,060	18,832
Facilities used at reporting date:				
Bank loans	-	4,173	-	4,173
Facilities unused at reporting date:				
Bank loans	17,060	14,659	17,060	14,659

NOTES TO THE FINANCIAL STATEMENTS

30 June 2005

Notes

24. EXPENDITURE COMMITMENTS

(a) Lease expenditure commitments

Operating leases (non-cancellable):

Minimum lease payments

- not later than one year
- later than one year and not later than five years
- aggregate operating lease expenditure contracted for at balance date

- (b) Assets which are the subject of operating leases include office space.

25. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

Employee Entitlements

The aggregate employee entitlement liability is comprised of:

Provisions (current)	17
Provisions (non-current)	20

		CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	2005	2004
		\$'000	\$'000	\$'000	\$'000
24. EXPENDITURE COMMITMENTS					
(a) Lease expenditure commitments					
<i>Operating leases (non-cancellable):</i>					
Minimum lease payments					
– not later than one year		505	540	334	337
– later than one year and not later than five years		117	625	117	500
– aggregate operating lease expenditure contracted for at balance date		622	1,165	451	837
(b) Assets which are the subject of operating leases include office space.					
25. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS					
Employee Entitlements					
The aggregate employee entitlement liability is comprised of:					
Provisions (current)	17	1,971	1,140	1,294	950
Provisions (non-current)	20	356	704	282	296
		2,327	1,844	1,576	1,246

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:

		2005		2004	
		Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	25(a)	6,908,000	\$0.86	8,891,583	\$1.07
- granted	25(b)	100,000	\$0.67	550,000	\$0.76
- forfeited		(6,281,000)	\$0.88	(2,517,583)	\$1.57
- exercised	25(c)	-	-	(16,000)	\$0.88
Balance at end of year	25(d)	727,000	\$0.73	6,908,000	\$0.86

NOTES TO THE FINANCIAL STATEMENTS

25. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS (CONTINUED)

(a) Options held at the beginning of the reporting period:

The following table summarises information about options held by employees at 1 July 2004

Number of options	Grant date	Earliest Vesting Date	Expiry Date	Weighted average exercise price
18,000	8/10/2001	8/10/2002	8/10/04	\$1.29
30,000	12/11/2001	12/11/2002	12/11/04	\$1.43
5,933,000	5/7/2002	26/3/2004	20/5/2005	\$0.88
477,000	1/7/2002	1/7/2004	1/8/2005	\$0.73
450,000	24/5/2004	24/5/2005	31/5/2007	\$0.75

(b) Options granted during the reporting period:

The following table summarises information about options granted by Infomedia Ltd to employees during the year

Number of options	Grant date	Earliest Vesting Date	Expiry Date	Weighted average exercise price
100,000	20/9/2004	20/9/2005	20/9/2007	\$0.67

(c) Options exercised during the reporting period:

There were no options exercised during the year ended 30 June 2005.

The following table summarises information about options exercised by employees during the year ended 30 June 2004:

Number of options	Grant Date	Exercise date	Expiry date	Weighted average exercise price	Proceeds form shares issued	Number of shares issued	Issue date	Fair value of shares issued
16,000	5/7/2002	4/8/2003	20/5/2005	0.88	\$14,080	16,000	18/8/2003	\$16,320

Fair value of shares issued during the reporting period is estimated to be the market price of shares of Infomedia Ltd on the ASX as at the close of trading on their respective issue dates.

(d) Options held at the end of the reporting period:

The following table summarises information about options held by employees at 30 June 2005

Number of options	Grant date	Earliest Vesting Date	Expiry Date	Weighted average exercise price
477,000	1/7/2002	1/7/2004	1/8/2005	\$0.73
150,000	24/5/2004	24/5/2005	31/5/2007	\$0.75
100,000	20/9/2004	20/9/2005	20/9/2007	\$0.67

NOTES TO THE FINANCIAL STATEMENTS

25. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS (CONTINUED)

Employee Share Plan

The Company provides employees, not including Directors, the opportunity to acquire shares in the Company. The scheme applies to employees with at least 12 months service and provides that offers be made to at least 75% of the persons employed by the Company for at least twelve months and not more than twice in each financial year. Each offer to each employee cannot exceed a market value of \$1,000. The consideration for each share offered will be nil unless otherwise determined by the Board. Shares may not be offered to employees who are ineligible, being employees with legal or beneficial interest in more than 5% of the Company or who control or may cast more than 5% of the maximum votes at a general meeting of the Company. The total number of shares issued pursuant to the Employee Share Plan at the date of this report is 1,488,912 (2004: 973,114). The following table lists the number of shares issued by tranche since the inception of the plan:

Date of Issue	Number of shares	Rounded Unit Price \$	Value of tranche \$'000
5/2/2001	60,168	1.81	109
5/10/2001	64,872	1.57	102
21/1/2002	74,765	1.27	95
19/7/2002	125,280	0.77	96
6/2/2003	130,986	0.87	114
21/7/2003	169,644	0.79	134
23/1/2004	154,583	0.93	144
15/7/2004	192,816	0.75	145
20/1/2005	200,430	0.76	153
18/7/2005	315,368	0.50	158
Total	1,488,912		1,250

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 2005 were 9% (2004: 9%) of employee's wages and salaries which are legally enforceable in Australia. The superannuation plans provide accumulation benefits.

NOTES TO THE FINANCIAL STATEMENTS

26. CONTINGENT LIABILITIES

(a) Interlocking Guarantees

The bank loan drawings have been made pursuant to a multi-currency cash advance facility. The facility has been provided on the condition of interlocking guarantees between the Parent entity and its controlled entities (the guarantors).

27. DIRECTOR AND EXECUTIVE DISCLOSURES

(a) Details of Specified Directors and Specified Executives

(i) Specified Directors

Richard Graham ¹	Chairman
Gary Martin ²	Chief Executive Officer
Andrew Pattinson ³	Managing Director – IFM Europe Ltd
Barry Ford (resigned 31 March 2005)	Non-executive Director
Myer Herszberg	Non-executive Director
Geoffrey Henderson	Non-executive Director
Frances Hemon	Non-executive Director
Andrew Moffat (appointed 31 March 2005)	Non-executive Director
Nick Georges	Company Secretary, Legal Counsel, and Alternate Director

(ii) Specified Executives

Guy Bryant	Director Of Technology ⁴
Peter Adams	Chief Financial Officer
Michael Roach	General Manager – Electronic Catalogue and Data Management
Damon Fieldgate	General Manager – Business Systems
Linda Scott	Human Resources Manager

1. Retired from the position of Chief Executive Officer effective 31 December 2004.

2. Appointed as an Executive Director on 31 October 2004 and promoted to the position of Chief Executive Officer effective 1 January 2005.

3. Resigned as a Director on 31 October 2004. Continues in capacity as an executive.

4. Position made redundant on 30 June 2005.

NOTES TO THE FINANCIAL STATEMENTS

27. DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

(b) Remuneration of Specified Directors and Specified Executives

The Remuneration & Nomination Committee (Remuneration Committee) of the Board of Directors is responsible for recommending to the Board the Company's remuneration and compensation policy arrangements for the Directors and the five most senior executives. The Remuneration Committee assesses 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.

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

Remuneration consists of the following key elements:

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

The actual proportion of fixed remuneration and variable remuneration (potential short term and long term incentives) is established for the four highest positions of seniority by the CEO in conjunction with the Remuneration Committee, and in the case of the CEO, by the Chairman of the Board in conjunction with the Remuneration Committee. Other executive salaries are determined by the CEO with reference to market conditions.

Each Executive Director and officer has an employment contract with the company. The contracts provide a notice period not exceeding six months.

(ii) Remuneration of Specified Directors and Specified Executives

Financial Year:	Primary			Post Employment	Equity		Other	Total
	Salary & Fees	Bonus	Non Monetary Benefits	Superannuation	Options	Employee Share Plan	Termination benefits	
2005								
								\$
Specified Directors								
Richard Graham ¹	314,570	100,000	37,982	13,815	-	-	-	466,367
Andrew Pattinson ²	331,069	-	-	29,796	30,997	1,000	-	392,862
Gary Martin ³	247,436	35,200	-	24,445	30,997	1,000	-	339,078
Nick Georges	155,543	10,000	-	13,910	30,997	2,000	-	212,450
Myer Herzberg	42,000	-	-	3,780	-	-	-	45,780
Geoffrey Henderson	42,000	-	-	3,780	-	-	-	45,780
Frances Hemon	42,000	-	-	3,780	-	-	-	45,780
Barry Ford	31,338	-	-	2,997	-	-	-	34,335
Andrew Moffat	10,823	-	-	974	-	-	-	11,797
Total Remuneration: Specified Directors	1,216,779	145,200	37,982	97,277	92,991	4,000	-	1,594,229

NOTES TO THE FINANCIAL STATEMENTS

27. DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

Financial Year:	Primary			Post Employment	Equity		Other	Total
	Salary & Fees	Bonus	Non Monetary Benefits	Superannuation	Options	Employee Share Plan	Termination benefits	
2004								
								\$
Specified Directors								
Andrew Pattinson	237,445	18,000	-	21,033	33,760	-	-	310,238
Richard Graham	197,697	-	28,554	17,635	-	-	-	243,886
Barry Ford	42,800	-	-	3,875	-	-	-	46,675
Myer Herszberg	42,800	-	-	3,875	-	-	-	46,675
Geoffrey Henderson	42,800	-	-	3,875	-	-	-	46,675
Frances Hemon	42,800	-	-	3,875	-	-	-	46,675
Total Remuneration: Specified Directors	606,342	18,000	28,554	54,168	33,760	-	-	740,824

Footnotes to preceding two tables:

1. Salary and fees for Richard Graham includes \$176,819 of leave entitlements paid upon resignation as Chief Executive Officer effective 31 December 2004.
2. Andrew Pattinson was an Executive Director until 28 October 2004 and continues as an executive. The amount shown in the table represents total remuneration for the full financial year. The total remuneration received during the financial year whilst in the capacity as a Director was \$126,726.
3. Gary Martin was appointed as an Executive Director on 28 October 2004. The amounts shown in the table represents total remuneration for the full financial year. The total remuneration received during the financial year whilst in the capacity as a Director was \$239,544.

Financial Year:	Primary			Post Employment	Equity		Other	Total
	Salary & Fees	Bonus	Non Monetary Benefits	Superannuation	Options	Employee Share Plan	Termination benefits	
2005								
								\$
Specified Executives								
Guy Bryant	185,691	10,000	3,548	16,676	30,364	2,000	46,500	294,779
Peter Adams	192,548	32,800	-	19,255	4,793	2,000	-	251,396
Michael Roach	135,742	10,000	-	11,705	3,196	2,000	-	162,643
Damon Fieldgate	131,238	10,957	-	11,617	-	2,000	-	155,812
Linda Scott	100,132	5,000	-	8,885	3,196	2,000	-	119,213
Total Remuneration: Specified Executives	745,351	68,757	3,548	68,138	41,549	10,000	46,500	983,843

NOTES TO THE FINANCIAL STATEMENTS

Financial Year: 2004	Primary		Non Monetary Benefits	Post Employment	Equity		Other	Total
	Salary & Fees	Bonus		Superannuation	Options	Employee Share Plan	Termination benefits	
Specified Executives								
Gary Martin	147,616	24,000	19,650	13,113	33,760	2,000	-	240,139
Guy Bryant	158,304	24,000	1,497	13,947	8,149	2,000	-	207,897
Nick Georges	140,929	12,000	-	12,519	33,760	2,000	-	201,208
Peter Adams	145,104	12,000	-	12,816	5,220	2,000	-	177,140
Michael Roach	108,114	6,000	-	9,619	3,480	2,000	-	129,213
Total Remuneration: Specified Executives	700,067	78,000	21,147	62,014	84,369	10,000	-	955,597

(c) Remuneration options: Granted and vested during the year

There were no options granted to Specified Directors and Specified Executives during the year. As at 30 June 2005, all options granted in prior years to Specified Directors and Specified Executives have expired with the exception of 150,000 options granted to Guy Bryant on 24 May 2004. These options have vested with a strike price of 75 cents and last exercise date of 31 May 2007.

(d) Shares issued on exercise of remuneration options

No options were exercised during the year by either Specified Directors or Specified Executives.

(e) Option holdings of Specified Directors and Specified Executives

	Balance at beginning of period	Granted as Remuneration	Options Exercised	Net change other	Balance at end of period	Vested at 30 June 2005		
						30 June 2005	Total	Not exercisable
	1 July 2004							
Specified Directors								
Andrew Pattinson	582,000	-	-	(582,000)	-	-	-	-
Gary Martin	582,000	-	-	(582,000)	-	-	-	-
Specified Executives								
Nick Georges	582,000	-	-	(582,000)	-	-	-	-
Guy Bryant	540,000	-	-	(390,000)	150,000	150,000	-	150,000
Peter Adams	90,000	-	-	(90,000)	-	-	-	-
Michael Roach	60,000	-	-	(60,000)	-	-	-	-
	2,436,000	-	-	(2,286,000)	150,000	150,000	-	150,000

NOTES TO THE FINANCIAL STATEMENTS

(f) Shareholdings of Specified Directors and Specified Executives

Shares held in Infomedia Ltd (number)	Balance 1 July 2004	Granted as remuneration	On exercise of options	Net change other	Balance 30 June 2005
Specified Directors					
Richard Graham	102,204,060	-	-	-	102,204,060
Myer Herszberg	39,421,599	-	-	-	39,421,599
Andrew Pattinson	4,407,716	1,310	-	(1,863,455)	2,545,571
Gary Martin	707,918	1,339	-	(635,000)	74,257
Barry Ford	116,666	-	-	-	116,666
Nick Georges	16,776	2,649	-	3,000	22,425
Frances Hemon	5,000	-	-	-	5,000
Specified Executives					
Damon Fieldgate	20,000	2,649	-	-	22,649
Michael Roach	9,276	2,649	-	4,800	16,725
Peter Adams	6,776	2,649	-	-	9,425
Linda Scott	6,776	2,649	-	(1,188)	8,237
Guy Bryant	4,801	2,649	-	-	7,450
Total	146,927,364	18,543	-	(2,491,843)	144,454,064

All equity transactions with Specified Directors and Specified Executives other than those arising from the exercise of remuneration options and remuneration 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.

(g) Loans to Specified Directors and Specified Executives

There were no loans at the beginning or the end of the reporting period to Specified Directors and Specified Executives. No loans were made available during the reporting period to Specified Directors or Specified Executives.

(h) Other transactions and balances with Specified Directors and Specified Executives

(i) Infomedia Ltd rents office space from Wiser Laboratory Pty Limited, a company in which Richard Graham is a Director. The total rent payments for the year ended 30 June 2005 of \$185,075 (2004: \$256,044) were on commercial terms.

(ii) Infomedia Ltd rents office space from Richard Graham. The total rent payments for the year ended 30 June 2005 of \$168,144 (2004: \$163,382) were on commercial terms.

(iii) Infomedia Ltd rented office space during the year ended 30 June 2004 to Wiser Laboratory Pty Limited, a company in which Richard Graham is a Director. The total rent receipts for the year ended 30 June 2004 of \$8,600 were on commercial terms. There were no further transactions during the year ended 30 June 2005.

(iv) Infomedia Ltd received financial consulting services from Cowoso Capital Pty Limited, a company in which Andrew Moffat is a Director. The total consulting services paid for the year ended 30 June 2005 of \$15,250 were on commercial terms.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2005

Notes

CONSOLIDATED		INFOMEDIA LTD	
2005	2004	2005	2004
\$	\$	\$	\$
170,075	143,000	152,675	113,050
20,280	41,077	20,280	41,077
190,355	184,077	172,955	154,127

28. AUDITORS' REMUNERATION

Amounts received or due and receivable by the auditors of Infomedia Ltd for:

- an audit or review of the financial report of the entity and any other entity in the consolidated entity
- other services in relation to the entity and any other entity in the consolidated entity

29. RELATED PARTY DISCLOSURES

Ultimate Parent

Infomedia Ltd is the ultimate Australian parent company

Wholly-owned group transactions

- (a) An unsecured, interest bearing loan of \$17,137,846 (2004: \$18,987,298) remains owing from Infomedia Investments Pty Limited to Infomedia Ltd. Interest is charged at commercial rates.
- (b) An unsecured, interest free loan of \$146,818 was repaid to Infomedia Investments Pty Limited by Infomedia Ltd.
- (c) An unsecured, interest free loan of \$2,217,581 (2004: \$2,753,338) remains owing from Datateck Publishing Pty Limited to Infomedia Ltd. The loan is repayable in seven days upon demand.
- (d) An unsecured, interest free loan of \$1,231,967 (2004: \$1,350,873) remains owing from AutoConsulting Pty Limited to Infomedia Ltd. The loan is repayable in seven days upon demand.
- (d) An unsecured, interest free loan of \$1,456,912 (2004: \$104,304) remains owing from IFM Europe Ltd to Infomedia Ltd.
- (e) During the year a management fee of \$917,484 (2004: \$1,097,484) was paid to Datateck Publishing Pty Limited by Infomedia Ltd.
- (f) During the year Infomedia Ltd received \$9,171,249 from IFM Europe Ltd for intra-group sales.
- (g) During the year Datateck Publishing Pty Limited received \$80,451 from IFM Europe Ltd for intra-group sales.
- (h) During the year IFM Europe Ltd received \$1,425,621 from Infomedia Ltd for intra-group distribution services.

NOTES TO THE FINANCIAL STATEMENTS

30. SEGMENT INFORMATION

PRIMARY SEGMENT

30 June 2005

Business Segments	Notes	Electronic Catalogue Division \$'000	Other Divisions \$'000	Eliminations \$'000	Total \$'000
REVENUE					
Sales revenue		52,299	6,838	-	59,137
Other revenue		2,489	618	-	3,107
Intersegment revenue		10,597	560	(11,157)	-
Total segment revenue		65,385	8,016	(11,157)	62,244
Unallocated revenue:					
Interest revenue					272
Proceeds from sale of non current assets					1,734
Total consolidated revenue	2(i)				64,250
RESULTS					
Segment result before significant items		22,617	(1,806)	-	20,811
Significant items		(9,273)	(2,870)	-	(12,143)
Segment result		13,344	(4,676)	-	8,668
Unallocated items:					
Interest revenue					272
Borrowing costs					(97)
Consolidated entity profit from ordinary activities before income tax expense					8,843
Income tax expense	3				(3,374)
Consolidated entity profit from ordinary activities after income tax expense					5,469
ASSETS					
Segment assets		40,016	3,932	-	43,948
Unallocated assets:					
Cash					10,821
Total Assets					54,769
LIABILITIES					
Segment liabilities		7,779	1,729	-	9,508
Other segment information:					
Acquisition of property, plant and equipment, intangible assets and other non-current assets		1,703	98	-	1,801
Depreciation	2(ii)	1,741	497	-	2,238
Amortisation	2(ii)	2,833	836	-	3,669
Decrement in value of non-current assets	2(ii)	10,405	2,347	-	12,752

NOTES TO THE FINANCIAL STATEMENTS

30. SEGMENT INFORMATION (CONT'D)

PRIMARY SEGMENT (CONT'D)

30 June 2004

Business Segments	Notes	Electronic Catalogue Division \$'000	Other Divisions \$'000	Eliminations \$'000	Total \$'000
REVENUE					
Sales revenue		62,868	6,699	-	69,567
Other revenue		495	-	-	495
Intersegment revenue		-	717	(717)	-
Total segment revenue		63,363	7,416	(717)	70,062
Unallocated revenue:					
Interest revenue					428
					2,515
Total consolidated revenue	2(i)				73,005
RESULTS					
Segment result		32,091	(2,508)	-	29,583
Unallocated items:					
Interest revenue					428
Borrowing costs					(283)
Consolidated entity profit from ordinary activities before income tax expense					29,728
Income tax expense	3				(9,042)
Consolidated entity profit from ordinary activities after income tax expense					20,686
ASSETS					
Segment assets		55,879	6,656	-	62,535
Unallocated assets:					
Cash					6,887
Total Assets					69,422
LIABILITIES					
Segment liabilities		16,724	1,177	-	17,901
Other segment information:					
Acquisition of property, plant and equipment, intangible assets and other non-current assets		20,569	532	-	21,101
Depreciation	2(ii)	1,597	624	-	2,221
Amortisation	2(ii)	2,824	1,052	-	3,876

NOTES TO THE FINANCIAL STATEMENTS

30. SEGMENT INFORMATION (CONTINUED)

SECONDARY SEGMENT

30 June 2005

Geographical Segments

	Notes	Australia \$'000	Europe \$'000	Eliminations \$'000	Total \$'000
Segment revenue	(a)	62,294	13,113	(11,157)	64,250
Segment assets		52,381	2,388	-	54,769
Acquisition of property, plant and equipment, intangible assets and other non-current assets		1,762	39	-	1,801

SECONDARY SEGMENT

30 June 2004

Geographical Segments

	Notes	Australia \$'000	Europe \$'000	Eliminations \$'000	Total \$'000
Segment revenue	(a)	73,465	257	(717)	73,005
Segment assets		69,043	379	-	69,422
Acquisition of property, plant and equipment, intangible assets and other non-current assets		21,091	10	-	21,101

- (a) While the products of the consolidated entity are used globally, the Company has two distinguishable geographical segments, Australia and Europe. The geographic segmental revenue is classified according to the originating source as opposed to customer destination.

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, PartsImager, 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 financial year, there were no changes in segment accounting policies that had a material effect on the segment information.

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS

31 (a) Interest rate risk

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities at the balance date are as follows:

Financial Instruments	Floating interest rate		Fixed interest rate maturing in:						Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate		
			1 year or less		Over 1 to 5 years		More than 5 years								
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 %	2004 %	
<i>(i) Financial assets</i>															
Cash	10,821	6,887	-	-	-	-	-	-	-	-	10,821	6,887	4.95	4.25	
Receivables – trade	-	-	-	-	-	-	-	-	5,587	8,346	5,587	8,346	N/A	N/A	
Net foreign currency forward contracts	-	-	-	-	-	-	-	-	-	765	-	765	N/A	N/A	
Total financial assets	10,821	6,887	-	-	-	-	-	-	5,587	9,111	16,408	15,998			
<i>(ii) Financial liabilities</i>															
Trade and other creditors	-	-	-	-	-	-	-	-	3,640	5,103	3,640	5,103	N/A	N/A	
Bank loans	-	4,173	-	-	-	-	-	-	-	-	-	4,173	N/A	3.64	
Finance lease liability	-	-	-	-	-	-	-	-	-	-	-	-	N/A	N/A	
Interest rate cap	-	(4,173)	-	-	-	4,173	-	-	-	-	-	-	N/A	2.68	
Total financial liabilities	-	-	-	-	-	4,173	-	-	3,640	5,103	3,640	9,276			

N/A – not applicable for non-interest bearing financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONTINUED)

31 (b) Terms, conditions and accounting policies

(i) *The consolidated entity's policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised at balance date, are as follows:*

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Terms and Conditions
<i>(i) Financial Assets</i>			
Receivables – trade	6	Trade receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Credit sales are on terms up to 30 days.
Unlisted Shares	10,11	Unlisted shares are carried at the lower of cost or recoverable amount. Dividend income is recognised when dividends are declared by the investee.	The unlisted shares held at balance date are ordinary shares.
<i>(ii) Financial Liabilities</i>			
Trade and other creditors	16	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.	Trade liabilities are normally settled in 30 day terms.
<i>(iii) Equity</i>			
Ordinary Shares	22	Ordinary share capital is recognised at the fair value of the consideration received by the Company.	Details of shares issued at balance date are set out in note 21.
<i>(iv) Derivatives</i>			
Forward Exchange Contracts	31(d)	The consolidated entity enters into forward exchange contracts where it agrees to sell specified amounts of foreign currencies in the future at a predetermined rate. The objective is to protect the consolidated entity against the possibility of loss from future exchange rate fluctuations. The forward exchange contracts are charged to the profit and loss except those relating to hedges of specific commitments which are deferred and included in the measurement of specific commitments which are deferred and included in the measurement of the sale or purchase.	

31 (c) Net fair values

All financial assets and financial liabilities have been recognised at the balance date at their net fair values. There were no unrecognised financial assets or financial liabilities at the balance date.

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONTINUED)

31 (d) Credit risk exposure

The consolidated entity's maximum exposures to credit risk at balance date in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the balance sheet. The maximum credit risk does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question.

In relation to derivative financial instruments, whether recognised or unrecognised, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The consolidated entity's maximum credit risk exposure in relation to these is as follows:

Forward exchange contracts – the full amount of the currency it will be required to pay or purchase when settling the forward exchange contract, should the counterparty not pay the currency it is committed to deliver to the company. At balance date the net amount was \$nil (2004: \$765,000).

Concentrations of credit risk

A majority of the consolidated entity's electronic cataloguing sales are invoiced directly to vehicle manufacturers or their national distributors. Consequently, rather than the consolidated entity collecting individual sales subscriptions from individual subscribers, it receives monthly payments from a small number of credible companies.

Credit risk in trade receivables is managed in the following ways:

- credit sales are on terms up to 30 days;
- subscribers must sign a standard user agreement, accepting terms and conditions.

32. IMPACT OF ADOPTING AASB EQUIVALENTS TO IASB STANDARDS

Infomedia Ltd is in the process of transitioning its accounting policies and financial reporting from current Australian Accounting Standards (AGAAP) to Australian equivalents of International Financial Reporting Standards (AIFRS) which will be applicable for the financial year ended 30 June 2006. In 2004, the company allocated internal resources and engaged expert consultants to conduct impact assessments to identify key areas that would be impacted by the transition to AIFRS. As a result, Infomedia established a project team to address each of the areas in order of priority. Priority has been given to the preparation of an opening balance sheet in accordance with AIFRS as at 1 July 2004, Infomedia's transition date to AIFRS. This will form the basis of accounting for AIFRS in the future, and is required when Infomedia prepares its first fully AIFRS compliant annual financial report for the year ended 30 June 2006.

Set out below are the key areas where accounting policies are expected to change on adoption of AIFRS and our best estimate of the quantitative impact of the changes on total equity as at the date of transition and 30 June 2005 and on net profit for the year ended 30 June 2005.

The figures disclosed are management's best estimates of the quantitative impact of the changes as at the date of preparing the 30 June 2005 financial report. The actual effects of transition to AIFRS may differ from the estimates disclosed due to (a) ongoing work being undertaken by the AIFRS project teams; (b) potential amendments to AIFRSs and Interpretations thereof being issued by the standard-setters and IFRIC; and (c) emerging accepted practice in the interpretation and application of AIFRS and UIG Interpretations.

Under AASB 1, First Time Adoption of the Australian Equivalents to International Financial Reporting Standards the company has elected to apply the exemption available and not to comply with the requirements of AASB 132 Financial Instruments: Disclosure and Presentation and, AASB 139 Financial Instruments: Recognition and Measurement, for the comparative period ending 30 June 2005. These standards will be complied with from 1 July 2005. The main area which would have been affected had the entity applied the above standards from 1 July 2004 would be the company's hedging activities in respect of sales revenue under forward exchange contracts.

NOTES TO THE FINANCIAL STATEMENTS

32. IMPACT OF ADOPTING AASB EQUIVALENTS TO IASB STANDARDS (CONTINUED)

(a) Reconciliation of equity as presented under AGAAP to that under AIFRS

30 June 2005

	Notes	CONSOLIDATED		INFOMEDIA LTD	
		30 June 2005 \$'000	1 July 2004 \$'000	30 June 2005 \$'000	1 July 2004 \$'000
Total equity under AGAAP		45,261	51,521	45,134	51,531
Adjustment to retained earnings (net of tax)					
Write-back of goodwill amortisation	(i)	1,238	-	767	-
Impairment of assets including goodwill	(ii)	(30)	-	(30)	-
Recognition of share based payment expense	(iii)	(725)	(395)	(725)	(395)
		483	(395)	12	(395)
Adjustment to other reserves (net of tax)					
Recognition of share based payment expense	(iii)	725	395	725	395
		725	395	725	395
Total equity under AIFRS		46,469	51,521	45,871	51,531

(b) Reconciliation of net profit under AGAAP to that under AIFRS

	Notes	CONSOLIDATED		INFOMEDIA LTD	
		30 June 2005 \$'000		30 June 2005 \$'000	
Net profit as reported under AGAAP		5,469		5,304	
Amortisation of goodwill	(i)	1,238		767	
Impairment of assets including goodwill	(ii)	(30)		(30)	
Share-based payment expense	(iii)	(330)		(330)	
Net profit under AIFRS		6,347		5,711	

(i) Under AASB 3 *Business Combinations* goodwill would not be permitted to be amortised but instead is subject to impairment testing on an annual basis or upon the occurrence of triggers which may indicate impairment. 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. The Company has not elected to apply AASB 3 retrospectively and hence, prior amortisation would not be written-back as at the transition date.

(ii) Under 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. The company's assets including goodwill were tested for impairment on transition and each subsequent reporting date as part of the cash generating unit to which they belong. This would result in impairment losses being recognised under AIFRS.

(iii) Under AASB 2 *Share based Payments*, the Company would recognise the fair value of options granted to employees as remuneration as an expense on a pro-rata basis over the vesting period in the income statement with a corresponding adjustment to equity. This standard is not limited to options and also extends to other forms of equity based remuneration such as Infomedia's Employee Share Plan. Share-based payment costs are not recognised under AGAAP.

NOTES TO THE FINANCIAL STATEMENTS

33. SUBSEQUENT EVENTS

In 2002 Infomedia entered into a 3 year non-exclusive Agreement with General Motors Service and Parts Operations of North America (GMSPO) (refer Company announcement 29 August 2002). It was a condition of the Agreement that in the event of non-renewal by GMSPO the parties would enter into a 'Transition Period' during which time GMSPO would continue to provide the data under the same terms and conditions for a further 3 years, albeit only for the purpose of maintaining continuity of supply to Infomedia's existing EPC customer base.

Infomedia has a good working relationship with General Motors and its dealers. The latest version of the Microcat[®] EPC for General Motors dealers was developed according to GMSPO management specifications during the past year. Microcat's recent release has been well received by dealers in the market.

Infomedia had anticipated that the Agreement would be renewed. However, GMSPO has now advised the Company that it does not intend to renew the Agreement but rather let it enter into the Transition Period for the next 3 years.

The Company remains confident in the North American market with the recent establishment of its own subsidiary in the region. For the General Motors dealers who are using Microcat today, it is their EPC of choice. Throughout the Transition Period the Company will continue to provide its customers with the highest level of customer support and continuous product improvement including new versions of the Microcat system.

General Motors has also communicated to its North American dealers that it intends to offer its own EPC solution beginning in September 2006.

The financial consequences of moving into the Transition Period are not readily determinable at this time and can be influenced by many dynamics. The current quantity of subscriptions relating to this Agreement is material as it represents 13% of the total Company's EPC subscriber base.

There has been no other 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.

DIRECTORS' DECLARATION

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

- (1) In the opinion of the Directors:
 - (a) the financial statements and notes of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2005 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and 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.
- (2) 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 period ending 30 June 2005.

On behalf of the Board



Richard David Graham
Chairman

Sydney, 24 August 2005

Independent audit report to members of Infomedia Ltd

Scope

The financial report and directors' responsibility

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

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

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

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

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

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

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

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

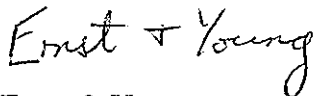
Independence

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 Directors' Report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the financial report. The provision of these services has not impaired our independence.

Audit opinion

In our opinion, the financial report of Infomedia Ltd is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of Infomedia Ltd and the consolidated entity at 30 June 2005 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.



Ernst & Young



J K Haydon
Partner

Sydney, 24 August 2005