

Infomedia Ltd

ABN 63 003 326 243

Appendix 4D

Half-Year Ended 31 December 2006

CONTENTS

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

Appendix 4D

Half-year report

Name of entity

Infomedia Ltd

ABN or equivalent company reference

A.B.N 63 003 326 243

Half yearly
(tick)

Preliminary final
(tick)

Financial year ended ('current period')

6 months ended 31 December 2006

Results for announcement to the market

				\$A'000
Sales revenue	Up	1%	to	27,689
Profit after tax attributable to members	Down	8%	to	7,789
Profit (loss) from extraordinary items after tax attributable to members		Nil		Nil
Net profit for the period attributable to members	Down	8%	to	7,789
Dividends (distributions)		Amount per security		Franked amount per security
Current Year:				
Interim dividend		1.9¢		1.9¢
Special dividend – paid 6 October 2006		3.5¢		3.5¢
Previous Corresponding Period:				
Final dividend		2.1¢		2.1¢
Special dividend – paid 15 December 2005		3.5¢		3.5¢
Interim dividend		1.9¢		1.9¢
Record date for determining entitlements to the dividend		12 March 2007		
Date the dividend is payable		29 March 2007		
		31 December 2006		31 December 2005
Net Tangible Assets per security		4.6¢		7.4¢
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:				
Change in net Tangible Assets per security reflects the payment of a 3.5 cent special dividend during the period.				

Infomedia Ltd

ABN 63 003 326 243

Annual Financial Report
for the half-year ended 31 December 2006

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 Warringah Road
Frenchs Forest NSW Australia 2086

Auditors

Ernst & Young

Share Register

Computershare Registry Services Pty Ltd

Solicitors

Thomson Playford Lawyers

Internet Address

www.infomedia.com.au

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DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 31 December 2006.

DIRECTORS

The names of the company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Richard Graham	Chairman
Gary Martin	Chief Executive Officer
Frances Hernon	Non-executive Director (Chairman of Remuneration & Nomination Committee)
Myer Herszberg	Non-executive Director
Geoffrey Henderson	Non-executive Director (Chairman of Corporate Governance Committee)
Andrew Moffat	Non-executive Director (Chairman of Audit & Risk Committee)

COMPANY SECRETARY

Nick Georges General Counsel & Company Secretary

PRINCIPAL ACTIVITIES

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

The principal activities during the period of entities within the consolidated entity were:

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

There have been no significant changes in the nature of those activities during the half year with the exception of the sale of the Company's Business Systems division on 1 December 2006 which was the division responsible for the provision of dealer management systems for the automotive industry.

REVIEW AND RESULTS OF OPERATIONS

Electronic Parts Catalogue subscription numbers grew by 10% to 52,403 and Superservice Menus subscription numbers grew by 114% to 2,018 over the previous corresponding period.

Electronic Parts Catalogue subscription growth was driven primarily through the successful worldwide launch into Kia markets. Superservice Menu subscription growth was driven primarily in European markets with particular emphasis on Daihatsu in Germany.

Reported sales revenue increased by 1% to \$27,689,000 over the equivalent prior period. Sales revenue growth was impaired as a result of adverse movements in currency exchange rates. The consolidated results only included five months of the Business Systems division compared to the full six months of the comparative period following the sale of the division.

The Business Systems division (including both Perth and Queensland operations) was sold for gross proceeds of \$1,500,000. It is anticipated that the absence of the Business Systems division in the second half will have little impact on reported profits as this business was operating on a near breakeven basis.

The Company anticipates 2007 financial year sales revenue to be between \$55 million and \$57 million and net profit after tax to be between \$15 million and \$16 million.

DIRECTORS' REPORT

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.

AUDITOR INDEPENDENCE DECLARATION

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

A handwritten signature in black ink, appearing to read "Richard Graham", with a horizontal line extending from the end of the signature.


Richard David Graham

Chairman

Sydney, 28 February 2007

Auditor's Independence Declaration to the Directors of Infomedia Limited

In relation to our review of the financial report of Infomedia for the half-year ended 31 December 2006, 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



Garry Wayling
Partner
28 February 2007

CONDENSED INCOME STATEMENT

HALF-YEAR ENDED 31 December 2006

	Notes	CONSOLIDATED	
		31 December 2006 \$'000	31 December 2005 \$'000
Sales revenue		27,689	27,390
Rental revenue		-	316
Finance revenue		471	164
Revenue		28,160	27,870
Cost of sales	3(i)	(9,090)	(8,355)
Gross Profit		19,070	19,515
Other income	3(ii)	58	325
Net profit on sale of business	8	15	-
Employee benefits expense	3(iii)	(4,295)	(4,466)
Depreciation and amortisation	3(iv)	(1,901)	(1,623)
Finance cost		(68)	(25)
Operating lease rental		(545)	(288)
Other expenses		(2,142)	(2,376)
Profit before income tax		10,192	11,062
Income tax expense	4	(2,403)	(2,635)
Profit after income tax		7,789	8,427
Basic earnings per share (cents per share)		2.4	2.6
Diluted earnings per share (cents per share)		2.4	2.6
Interim Dividends per share - ordinary (cents per share)	5	1.9	1.9
Dividends per share - special (cents per share)	5	3.5	3.5

CONDENSED BALANCE SHEET

AT 31 December 2006

Notes

	CONSOLIDATED	
	31 December 2006 \$'000	30 June 2006 \$'000
CURRENT ASSETS		
Cash and cash equivalents	12,158	26,021
Trade and other receivables	7,731	6,751
Inventories	61	84
Prepayments	767	544
Derivatives	262	229
TOTAL CURRENT ASSETS	20,979	33,629
NON-CURRENT ASSETS		
Other financial assets	578	804
Property, plant and equipment	3,413	4,066
Intangible assets and goodwill	16,478	17,375
Deferred tax assets	1,291	1,790
TOTAL NON-CURRENT ASSETS	21,760	24,035
TOTAL ASSETS	42,739	57,664
CURRENT LIABILITIES		
Trade and other payables	2,230	3,974
Interest-bearing loans and borrowings	-	500
Provisions	2,030	2,711
Income tax payable	1,576	3,451
Deferred revenue	1,002	816
TOTAL CURRENT LIABILITIES	6,838	11,452
NON-CURRENT LIABILITIES		
Provisions	1,911	2,339
Deferred tax liabilities	2,621	2,062
TOTAL NON-CURRENT LIABILITIES	4,532	4,401
TOTAL LIABILITIES	11,370	15,853
NET ASSETS	31,369	41,811
EQUITY		
Contributed equity	17,488	17,488
Reserves	1,005	1,010
Retained earnings	12,876	23,313
TOTAL EQUITY	31,369	41,811

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CONDENSED CASH FLOW STATEMENT

HALF YEAR ENDED 31 December 2006

	Notes	CONSOLIDATED	
		31 December 2006 \$'000	31 December 2005 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		26,812	24,135
Payments to suppliers and employees		(19,582)	(15,380)
Interest received		471	164
Borrowing costs		(68)	(25)
Income tax paid		(3,205)	(2,818)
NET CASH FLOWS FROM OPERATING ACTIVITIES		4,428	6,076
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(734)	(900)
Proceeds from sale of business	8	1,169	-
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		435	(900)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	8,000
Repayment of borrowings		(500)	-
Dividends paid on ordinary shares	5	(18,226)	(16,925)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		(18,726)	(8,925)
NET INCREASE/(DECREASE) IN CASH HELD		(13,863)	(3,749)
Add opening cash brought forward		26,021	10,821
CLOSING CASH CARRIED FORWARD		12,158	7,072

CONDENSED STATEMENT OF CHANGES IN EQUITY**HALF-YEAR ENDED 31 December 2006**

	CONSOLIDATED			Total \$'000
	Contributed equity \$'000	Retained earnings \$'000	Other reserves \$'000	
At 1 July 2006	17,488	23,313	1,010	41,811
Currency translation differences	-	-	(37)	(37)
Profit for the period	-	7,789	-	7,789
Cost of share based payments	-	-	32	32
Equity dividends	-	(18,226)	-	(18,226)
At 31 December 2006	17,488	12,876	1,005	31,369

HALF-YEAR ENDED 31 December 2005

	CONSOLIDATED			Total \$'000
	Contributed equity \$'000	Retained earnings \$'000	Other reserves \$'000	
At 1 July 2005	17,488	28,275	706	46,469
Currency translation differences	-	-	15	15
Profit for the period	-	8,427	-	8,427
Cost of share based payments	-	-	217	217
Equity dividends	-	(16,925)	-	(16,925)
At 31 December 2005	17,488	19,777	938	38,203

NOTES TO THE FINANCIAL STATEMENTS

31 December 2006

1. CORPORATE INFORMATION

The financial report of Infomedia Ltd for the half-year ended 31 December 2006 was authorised for issue in accordance with a resolution of the directors on 28 February 2007. Infomedia Ltd is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange. The nature of the operations and principal activities of the Company are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The half-year financial report should be read in conjunction with the annual Financial Report of Infomedia Ltd as at 30 June 2006.

It is also recommended that the half-year financial report be considered together with any public announcements made by Infomedia Ltd and its controlled entities during the half-year ended 31 December 2006 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

(a) Basis of preparation

The half-year consolidated financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards, including AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements. The half-year financial report has been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

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

(b) Significant accounting policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2006, except for the adoption of amending standards mandatory for annual periods beginning on or after 1 January 2006, as described in Note 2(d).

(c) Basis of consolidation

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

(d) Changes in accounting policies

Certain Australian Accounting Standards and UIG Interpretations have been recently issued or amended but are not yet effective. These standards have not been adopted by the Group for the half-year reporting period ended 31 December 2006. The Director's have yet to finalise their assessment of the impact of these new or amended standards (to the extent relevant to the Group) and interpretations.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2006

Notes

	CONSOLIDATED	
	2006	2005
	\$'000	\$'000
3. REVENUE AND EXPENSES		
(i) Cost of sales		
Direct wages	5,993	5,175
Other	3,097	3,180
Total cost of sales	9,090	8,355
(ii) Other income		
Foreign currency exchange gain	58	325
Total other income	58	325
(iii) Employee benefit expense		
Salaries and wages (including on-costs)	4,263	4,249
Share based payment expense	32	217
Total employee benefit expense	4,295	4,466
(iv) Depreciation and amortisation		
Depreciation of non-current assets:		
- Buildings	-	168
- Leasehold improvements	101	254
- Office equipment	676	557
- Furniture and fittings	29	28
- Plant and equipment	41	197
Total depreciation of non-current assets	847	1,204
Amortisation of non-current assets		
- Intellectual property	394	75
- Deferred development costs	660	344
Total amortisation of non-current assets	1,054	419
Total depreciation and amortisation	1,901	1,623
(v) Research & development costs		
Total research & development costs incurred during the period	2,839	1,817
Less: development costs deferred	(1,664)	(886)
Net research & development costs expensed	1,175	931

NOTES TO THE FINANCIAL STATEMENTS

31 December 2006

Notes

CONSOLIDATED

2006 2005
\$'000 \$'000

4. INCOME TAX

The major components of income tax expense for the half-year ended 31 December 2006 and 31 December 2005 are:

Consolidated Income statement

Current income tax

Current income tax charge

2,402 2,804

Adjustments in respect of current income tax of previous years

(150) (327)

Adjustments in respect of capital gains tax of previous years

(315) -

Deferred income tax

Relating to origination and reversal of temporary differences

466 158

Income tax expense reported in the consolidated income statement

2,403 2,635

5. DIVIDENDS PROPOSED OR PAID

(a) Dividends declared and paid during the half-year on ordinary shares:

Final franked dividend for the financial year 30 June 2006: 2.10 cents (2005: 1.70 cents)

6,835 5,534

Special franked dividend: 3.5 cents (2005: 3.5 cents)

11,391 11,391

Dividends paid on ordinary shares

18,226 16,925

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

Interim franked dividend for the half-year 31 December 2006: 1.9 cents (2005: 1.9 cents)

6,193 6,184

6. ISSUED CAPITAL

Issued and paid up capital

– 325,471,573 shares fully paid (June 2006: 325,471,573)

17,488 17,488

Movement in Shares on Issue

There were no movements during the period.

Employee Option Plan

There were no options granted or exercised during the period.

NOTES TO THE FINANCIAL STATEMENTS

7. FINANCIAL INSTRUMENTS

The following table summarises the forward exchange contracts outstanding at 31 December 2006:

	CONSOLIDATED		
	Company buys \$A'000	Company sells E '000	Exchange rate
Company sells Euros (E)			
Quarter 3 2007 financial year	3,248	1,875	0.5773
Quarter 4 2007 financial year	3,248	1,875	0.5773

The mark to market valuation of these outstanding contracts is \$261,616 gain.

8. SALE OF BUSINESS

On 1 December 2006, Infomedia sold its Business Systems division to an unrelated third party. The components of the disposal were:

Gross consideration
Net working capital adjustments
Cash proceeds

Net book value of assets and liabilities disposed:

Plant and equipment
Goodwill
Other net liabilities

Total net assets disposed

Net profit on sale of business

Notes	CONSOLIDATED	
	2006 \$'000	2005 \$'000
	1,500	
	(331)	
	1,169	-
	540	-
	1,245	-
	(631)	-
	1,154	-
	15	-

NOTES TO THE FINANCIAL STATEMENTS

9. SEGMENT INFORMATION

PRIMARY SEGMENT

31 December 2006

Business Segments	Notes	Catalogue & Publishing \$'000	Business Systems*** \$'000	Total \$'000
REVENUE				
Sales revenue		26,113	1,576	27,689
Rental income		-	-	-
Total segment revenue		26,113	1,576	27,689
Unallocated revenue:				
Finance revenue				471
Total consolidated revenue				28,160
Segment result		9,732	57	9,789
Unallocated items:				
Finance revenue				471
Finance costs				(68)
Consolidated profit before income tax				10,192
Income tax expense	4			(2,403)
Consolidated profit after income tax				7,789

31 December 2005

Business Segments	Notes	Catalogue & Publishing \$'000	Business Systems \$'000	Total \$'000
REVENUE				
Sales revenue		25,362	2,028	27,390
Rental income		316	-	316
Total segment revenue		25,678	2,028	27,706
Unallocated revenue:				
Finance revenue				164
Total consolidated revenue				27,870
RESULTS				
Segment result		10,919	4	10,923
Unallocated items:				
Finance revenue				164
Finance costs				(25)
Consolidated profit before income tax				11,062
Income tax expense	4			(2,635)
Consolidated profit after income tax				8,427

NOTES TO THE FINANCIAL STATEMENTS

9. SEGMENT INFORMATION (CONTINUED)

Segment products and locations

The Company'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 Ltd's core business involves the production of the Microcat and Partfinder electronic parts catalogues and the Superservice Menus service quoting system. These systems are specialised business tools designed to make the selection and sale of replacement parts & service fast, easy and accurate.

All products are developed and sourced from Australia.

*** - The Business Systems division was sold on 1 December 2006 for \$1,500,000 (refer note 8). As a result the segment result shown on the previous page represents five months of trading only. It is anticipated that the absence of the Business Systems division in the second half will have little impact on reported profits as this business was operating on a near breakeven basis.

10. SUBSEQUENT EVENTS

There has been no matter or circumstance that has arisen since the end of the period 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 31 December 2006 and of their performance for the period ended on that date; and
 - (ii) complying with Accounting Standard AASB134 Interim Financial Reporting and the half year Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Richard David Graham
Chairman

Sydney, 28 February 2007

To the members of Infomedia Limited

Report on the Half-Year Condensed Financial Report

We have reviewed the accompanying half-year to 31 December 2006 financial report of Infomedia Limited and the entities it controlled during the half-year to 31 December 2006, which comprises the condensed balance sheet as at 31 December 2006, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration.

Directors Responsibility for the half-year to 31 December 2006 Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year to 31 December 2006 financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year to 31 December 2006 financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year to 31 December 2006 financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory financial reporting requirements in Australia. As the auditor of Infomedia Limited and the entities it controlled during the half-year to 31 December 2006, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year to 31 December 2006 financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

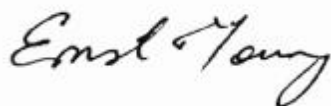
Independence

In conducting our review, we have complied with the independence requirements of 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.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Infomedia Limited and the entities it controlled during the half-year to 31 December 2006, is not in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia.



Ernst & Young



Garry Wayling
Partner

Sydney
28 February 2007