Infomedia Ltd

ABN 63 003 326 243

Appendix 4E

Year Ended 30 June 2008

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Appendix 4E

Preliminary final report

Name of entity

Infomedia Ltd

ABN or equivalent company reference	Half yearly *(tick)*	Preliminary final *(tick)*	Financial year ended ('current period')
A.B.N 63 003 326 243		✓	12 months ended 30 June 2008

Results for announcement to the market

				$A'000
Revenues	Down	**5%**	**to**	**52,491**
Profit after income tax attributable to members	Down	**15%**	**to**	**13,066**
Profit (loss) from extraordinary items after tax attributable to members				**Nil**
Net profit for the period attributable to members	Down	**15%**	**to**	**13,066**

Dividends (distributions)	Amount per security	Franked amount per security
Current Year:		
Final dividend – declared and not paid	1.4¢	1.4¢
Special dividend – paid	-	-
Interim dividend – paid	1.8¢	1.8¢
Previous Corresponding Period:		
Final dividend	2.1¢	2.1¢
Special dividend	3.5¢	3.5¢
Interim dividend	1.9¢	1.9¢

Record date for determining entitlements to the dividend	**3 September 2008**
Date the dividends are payable	**18 September 2008**

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Infomedia Ltd
Year Ended 30 June 2008

Commentary on the results for the period:

The earnings per security and nature of any dilution aspects:

Earnings per share were 4.01 cents. Refer to income statement and note 5 to the accounts for more information.

Return to shareholders including distributions and buy backs:

Final dividend distributions:

A fully franked final dividend of one point fours cents (1.4¢) will be paid to shareholders of record at 3 September 2008. This combined with the earlier interim dividend declared in February brings the total franked dividend for the year to three point two cents (3.2¢) and represents a payout ratio of 80% based upon profit after tax.

Significant features of operating performance:

Electronic Parts Catalogue subscription numbers grew by 6% to 56,470 and Superservice Menus subscription numbers grew by 51% to 3,946 over the previous corresponding period.

Electronic Parts Catalogue subscription growth was driven primarily through the successful release of Microcat Live into more Toyota Europe markets. Superservice Menu subscription growth was driven by growth in Europe and Asia Pacific.

The consolidated sales revenue was impaired as a result of the rising strength of the Australian dollar throughout the year and by the previously communicated loss of General Motors EPC subscriptions.

On 1 April 2008 the company commenced a share buy back (on market within 10/12 limit). As at 30 June 2008 the company had repurchased 3,597,966 shares for a total consideration of $1,370,000.

Cash flows from operations remain strong with $13,181,000 in cash generation. Total dividend payments to shareholders over the 2008 financial year amounted to $12,713,000. Notwithstanding these returns, the balance sheet remains in a strong position with $14,247,000 cash on hand at 30 June 2008.

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

Details of segmental results are located in the Financial Report (Note 29).

A discussion of trends in performance:

In the year ahead the Company will see through to conclusion the previously communicated reduction in General Motors subscriptions in North America. However, growth in other subscriptions, particularly Superservice Menus, is forecasted to give rise to net subscription growth for the 2009 year. While the Company maintains an active foreign currency hedging program, the projected strength of the Australian dollar during the course of the 2009 year is likely to have a further dampening affect on reported profit, despite the anticipated net subscription growth.

The recent successful contract renewals in Europe, North America and Asia Pacific, along with the positive reception of our new products provide a solid platform for growth in subscription volumes. Further advances in EPC technology for both the franchised automotive dealer and the Independent Motor Trade will create increased sales momentum and diversification of the Company's customers and product portfolio over the medium term.

The outlook for Superservice Menus remains strong with continuing growth expected into 2009 and beyond. The Company continues to expand both domestically and internationally with new automakers and organic growth from current releases.

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 2008

ABN 63 003 326 243

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

Company Secretary
Nick Georges

Acting Chief Financial Officer
Jonathan Pollard

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 year ended 30 June 2008.

DIRECTORS

Directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated.

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 until he retired as CEO in December 2004. Since then Mr Graham has continued as Chairman. Mr Graham was last re-elected to the Board in October 2005
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, he had 12 years of experience at automotive dealerships, including as General Manager, Parts & Accessories of a large multi-franchised dealership group. 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	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 currently serves on the Audit, Risk & Governance Committee and also serves the Board as Lead Non-executive Director for all matters that formerly fell within the ambit of the Remuneration & Nomination Committee. Ms Hernon was last re-elected to the Board in October 2006.
Myer Herszberg Non-executive Director	Myer Herszberg has been a Director of Infomedia since 1992. Mr Herszberg has extensive consumer electronics experience and was active in bringing home computers to Australia in the early 1980s as well as many other leading edge electronic products. He also has extensive experience in the commercial property market, and is active in a number of community service organisations. Mr Herszberg currently serves on the Company's Audit, Risk & Governance Committee. Mr Herszberg was last re-elected to the Board in October 2005.

DIRECTORS' REPORT

Directors (Continued)

Andrew Moffat Non-executive Director (Chairman of Audit, Risk & Corporate Governance 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. Andrew was a Director of Equity Capital Markets & Advisory for BNP Paribas Equities (Australia) Limited with 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. His 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. Mr Moffat was elected to the Board in October 2005.

COMPANY SECRETARY

Nick Georges General Counsel & Company Secretary	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 where he obtained extensive experience in the information technology industry.

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

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

	Infomedia Ltd	
	Ordinary Shares fully paid	Options over Ordinary Shares
Wiser Equity Pty Limited	100,277,501	-
Yarragene Pty Limited	23,421,599	-
Wiser Centre Pty Limited	1,000,000	-
Richard Graham	926,559	-
Gary Martin	507,590	1,000,000
Frances Hernon	5,000	-
Andrew Moffat	-	-

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

Directorships of other publicly listed entities

During the past five years, Andrew Moffat has been the non-executive chairman of Pacific Star Network Limited. He is also a non-executive Director of Cash Converters International Ltd and an executive Director of Rubik Financial Limited.

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 group were:

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

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

EMPLOYEES

The company employed 213 (2007: 204) full time employees as at 30 June 2008.

DIVIDENDS

	Cents	$'000
Final dividends recommended:		
On ordinary shares – final – fully franked	1.40	4,491
Dividends paid in the year:		
On ordinary shares – 2008 interim – fully franked	1.80	5,867
Final for the 2007 year:		
On ordinary shares – as recommended in the 2007 report	2.10	6,845

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 2008	3.5
• Net tangible assets per share at 30 June 2007	4.4

REVIEW AND RESULTS OF OPERATIONS

The following table presents sales revenue and profit after tax after. There were no non-recurring significant items during the 2007 or 2008 financial years:

	CONSOLIDATED	
	2008	2007
	$'000	$'000
Sales revenue – Catalogue & Publishing	**51,731**	52,990
Sales revenue – Business systems (sold 1 December 2006)	-	1,576
Consolidated sales revenue	**51,731**	54,566
Profit after tax	**13,066**	15,294

DIRECTORS' REPORT

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

The Company is pleased to report net profit after tax of $13,066,000 for the 2008 financial year which is within the guidance range previously advised in December 2007

Electronic Parts Catalogue subscription numbers grew by 6% to 56,470 and Superservice Menus subscription numbers grew by 51% to 3,946 over the previous corresponding period.

Electronic Parts Catalogue subscription growth was driven primarily through the successful release of Microcat Live into more Toyota Europe markets. Superservice Menu subscription growth was driven by growth in Europe and Asia Pacific.

The consolidated sales revenue was impaired as a result of the rising strength of the Australian dollar throughout the year and by the previously communicated loss of General Motors EPC subscriptions.

On 1 April 2008 the company commenced a share buy back (on market within 10/12 limit). As at 30 June 2008 the company had repurchased 3,597,966 shares for a total consideration of $1,370,000.

Cash flows from operations remain strong with $13,181,000 in cash generation. Total dividend payments to shareholders over the 2008 financial year amounted to $12,713,000. Notwithstanding these returns, the balance sheet remains in a strong position with $14,247,000 cash on hand at 30 June 2008.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

In the year ahead the Company will see through to conclusion the previously communicated reduction in General Motors subscriptions in North America. However, growth in other subscriptions, particularly Superservice Menus, is forecasted to give rise to net subscription growth for the 2009 year. While the Company maintains an active foreign currency hedging program, the projected strength of the Australian dollar during the course of the 2009 year is likely to have a further dampening affect on reported profit, despite the anticipated net subscription growth.

The recent successful contract renewals in Europe, North America and Asia Pacific, along with the positive reception of our new products provide a solid platform for growth in subscription volumes. Further advances in EPC technology for both the franchised automotive dealer and the Independent Motor Trade will create increased sales momentum and diversification of the Company's customers and product portfolio over the medium term.

The outlook for Superservice Menus remains strong with continuing growth expected into 2009 and beyond. The Company continues to expand both domestically and internationally with new automakers and organic growth from current releases.

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

SHARE OPTIONS

Unissued shares

At the date of this report, there were 1,950,000 unissued ordinary shares under options. Refer to Note 24 of the financial statements for further details of the options outstanding.

Shares issued as a result of the exercise of options

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

DIRECTORS' REPORT

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

REMUNERATION REPORT - AUDITED

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

Details of Key Management Personnel

(i) Directors	
Richard Graham	Chairman
Gary Martin	Chief Executive Officer
Myer Herszberg	Non-executive Director
Frances Hernon	Non-executive Director
Andrew Moffat	Non-executive Director
(ii) Executives	
Andrew Pattinson	Managing Director – IFM Europe Ltd
Peter Adams*	Chief Financial Officer
Nick Georges	Company Secretary and Legal Counsel
Michael Roach	Director of Sales & General Manager Asia Pacific
Michael Bodner**	Chief Information Officer
Jonathan Pollard***	Acting Chief Financial Officer

* Resigned 31 March 2008
** Appointed 1 May 2008
*** Appointed 1 April 2008

Compensation Philosophy

The performance of the Company depends upon the quality of its Directors and executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and executives. To this end, the Company embodies the following principles in its compensation framework:
- Provide competitive rewards to attract high calibre executives
- Link executive rewards to shareholder value
- Establish appropriate performance hurdles in relation to variable executive compensation

Remuneration Committee

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

Compensation Structure

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

Non-executive Director Compensation

Objective

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

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED) - AUDITED

Structure

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then available between the Directors as appropriate (for the year ending 30 June 2008 non-executive Directors' compensation totalled $309,341 (2007: $350,136)). The latest determination was at the Annual General Meeting held on 30 October 2002 when shareholders approved a maximum aggregate compensation of $450,000 per year.

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

Senior Executive and Executive Director Compensation

Objective

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

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

Structure

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

Compensation consists of the following key elements:

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

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

Fixed Compensation

Objective

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

Structure

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

Variable Compensation – Short Term Incentive (STI)

Objective

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

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED) - AUDITED

Structure

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

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

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

Variable Compensation – Long Term Incentive (LTI)

Objective

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

Structure

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

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED) - AUDITED

Directors, Key Management Personnel and the five highest remunerated specified executives for the year ended 30 June 2008 and 30 June 2007.

	Short-Term			Post Employment	Share Based Payments	Long-Term	Total	Percentage Performance Related
2008 Financial Year:	**Salary & Fees**	**Bonus**	**Non Monetary Benefits**	**Superannuation**	**Options**	**Other**	**$**	**%**
	$	**$**	**$**	**$**	**$**	**$**		
Directors:								
Richard Graham	**115,000**	**-**	**-**	**10,350**	**-**	**-**	**125,350**	**-**
Gary Martin	**290,000**	**102,400**	**-**	**26,100**	**22,571**	**5,000**	**446,071**	**20%**
Myer Herszberg	**56,300**	**-**	**-**	**5,067**	**-**	**-**	**61,367**	**-**
Frances Hernon	**56,250**	**-**	**-**	**5,062**	**-**	**-**	**61,312**	**-**
Andrew Moffat	**56,250**	**-**	**-**	**5,062**	**-**	**-**	**61,312**	**-**
Executives:								
Andrew Pattinson	**303,658**	**-**	**25,405**	**27,329**	**-**	**14,073**	**370,465**	**-**
Peter Adams*	**207,254**	**51,300**	**-**	**13,353**	**1,716**	**-**	**273,623**	**10%**
Nick Georges	**177,500**	**22,300**	**-**	**15,975**	**5,328**	**2,850**	**223,953**	**15%**
Michael Roach	**174,869**	**25,000**	**-**	**15,525**	**3,150**	**3,200**	**221,744**	**11%**
Mark Kujacznski	**158,748**	**21,689**	**12,231**	**-**	**-**	**-**	**192,668**	**-**
Michael Bodner**	**42,704**	**22,280**	**3,629**	**-**	**2,000**	**-**	**70,613**	**-**
Jonathan Pollard***	**37,500**	**-**	**-**	**3,375**	**-**	**-**	**40,875**	**-**
	1,676,033	**244,969**	**41,265**	**127,198**	**34,765**	**25,123**	**2,149,353**	
2007 Financial Year:								
Directors:								
Richard Graham	115,000	-	-	10,350	-	-	125,350	-
Gary Martin	280,000	83,200	-	25,200	48,846	3,267	440,513	30%
Myer Herszberg	56,300	-	-	5,067	-	-	61,367	-
Frances Hernon	56,250	-	-	5,062	-	-	61,312	-
Andrew Moffat	56,250	-	-	5,062	-	-	61,312	-
Geoffrey Henderson	37,427	-	-	3,368	-	-	40,795	-
Executives:								
Andrew Pattinson	314,276	24,746	15,258	28,285	-	5,238	387,803	6%
Peter Adams	190,742	38,000	-	17,220	17,961	2,225	266,148	21%
Mark Kujacznski	182,692	25,641	12,434	-	-	-	220,767	12%
Michael Roach	167,215	25,000	-	14,850	7,332	2,787	217,184	15%
Nick Georges	165,000	23,000	-	14,850	5,700	1,925	210,475	14%
	1,621,152	219,587	27,692	129,314	79,839	15,442	2,093,026	

*Resigned 31 March 2008
**Appointed 1 May 2008
***Appointed 1 April 2008

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED) - AUDITED

Contract for Services

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

	Commencement date per latest contract	Duration	Notice Period - Company	Notice Period - Executive
Gary Martin	1 January 2008	3 years	6 months*	6 months
Nick Georges	1 January 2008	3 years	6 months*	6 months
Michael Roach	1 January 2006	3 years	3 months	3 months
Mark Kujacznski	22 August 2005	3 years	3 months	3 months
Michael Bodner	1 May 2008	3 years	6 months**	6 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 six months notice, the Company will provide the individual with a severance payment equivalent to three 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.

** In the event of redundancy, in addition to six months notice, the Company will provide the individual with a severance payment equivalent to three weeks' base salary for each completed year of continuous service with the Company.

Shares issued on exercise of compensation options (Consolidated)

No options were exercised during the year.

Compensation options: Granted and vested during the year 30 June 2008

	Options Issued No.	Terms and Conditions for each Grant				Vested	
		Grant date	**Fair value per option at grant date ($)**	**Exercise price per option ($)**	**Expiry date**	**No.**	**%**
Directors							
Gary Martin	1,000,000	1/1/2008	0.076	0.53	5/2/2011	-	-
Executives							
Michael Bodner	500,000	1/5/2008	0.076	0.42	13/5/2011	-	-
Nick Georges	250,000	1/1/2008	0.076	0.53	5/5/2011	-	-
Total	**1,750,000**					-	-

There were no options granted in the prior year

DIRECTORS' REPORT

DIRECTORS' MEETINGS

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

	Directors' Meetings	Committee Meetings Audit, Risk & Governance
Number of meetings held:	**16**	**6**
Number of meetings attended:		
Richard Graham	16	-
Gary Martin	14	-
Myer Herszberg	16	4
Frances Hernon	13	4
Andrew Moffat	14	6

In June 2007 the Board resolved to appoint Ms Hernon to the Audit & Risk Committee and to subsequently merge that Committee and the Corporate Governance Committee into the Audit, Risk & Governance Committee. It also resolved that the Board itself would re-absorb the Remuneration & Nomination Committee functions, These changes took effect from 1 July 2007, with the exception of Ms Hernon's appointment to the Audit & Risk Committee (as it then was), which took effect on 25 June 2007.

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.

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.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The Directors received an auditor's independence declaration from the auditor of the Company (refer page 13).

NON-AUDIT SERVICES

Ernst & Young did not provide any non-audit services during the financial year ended 30 June 2008.

Signed in accordance with a resolution of the Directors.

Richard David Graham

Chairman

Sydney, 19 August 2008

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Sydney NSW 2000 Australia
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Auditor's Independence Declaration to the Directors of Infomedia Limited

In relation to our audit of the financial report of Infomedia Limited for the financial year ended 30 June 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Garry Wayling
Partner
19 August 2008

INCOME STATEMENT

YEAR ENDED 30 June 2008	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2008	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
Sales revenue		**51,731**	54,566	**39,394**	42,967
Finance revenue		**760**	791	**740**	778
Revenue		**52,491**	55,357	**40,134**	43,745
Cost of sales	3(i)	**(19,477)**	(17,448)	**(11,489)**	(11,106)
Gross Profit		**33,014**	37,909	**28,645**	32,639
Net profit/(loss) on sale of business	22	**-**	15	**-**	(76)
Employee benefits expense	3(ii)	**(8,061)**	(8,374)	**(7,334)**	(7,017)
Depreciation and amortisation	3(iii)	**(3,985)**	(3,492)	**(3,492)**	(3,016)
Finance costs		**(107)**	(134)	**(107)**	(134)
Operating lease rental		**(1,038)**	(1,072)	**(531)**	(533)
Other expenses		**(3,151)**	(4,119)	**(1,765)**	(1,868)
Profit before income tax		**16,672**	20,733	**15,416**	19,995
Income tax expense	4	**(3,606)**	(5,439)	**(3,302)**	(5,498)
Profit after income tax		**13,066**	15,294	**12,114**	14,497
Basic earnings per share (cents per share)	5	**4.01**	4.70		
Diluted earnings per share (cents per share)	5	**4.01**	4.68		
Dividends per share - ordinary (cents per share)	6	**3.20**	4.00		

BALANCE SHEET

AT 30 June 2008	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2008	2007	**2008**	2007
CURRENT ASSETS		**$'000**	$'000	**$'000**	$'000
Cash and cash equivalents	21(b)	**14,247**	15,690	**13,299**	13,544
Trade and other receivables	7	**5,220**	6,944	**2,949**	3,818
Inventories	8	**82**	52	**58**	52
Prepayments		**529**	432	**436**	297
Derivatives	31	**888**	-	**888**	-
Intercompany	9	**-**	-	**-**	1,623
TOTAL CURRENT ASSETS		**20,966**	23,118	**17,630**	19,334
NON-CURRENT ASSETS					
Other financial assets	10	**-**	335	**248**	583
Property, plant and equipment	12	**2,052**	2,817	**1,598**	2,222
Intangible assets and goodwill	13	**20,453**	17,139	**16,413**	13,465
Deferred tax assets	4	**1,141**	1,443	**942**	1,250
TOTAL NON-CURRENT ASSETS		**23,646**	21,734	**19,201**	17,250
TOTAL ASSETS		**44,612**	44,852	**36,831**	36,854
CURRENT LIABILITIES					
Trade and other payables	15	**3,826**	2,482	**3,115**	1,752
Provisions	16	**2,042**	2,284	**1,381**	1,612
Income tax payable		**331**	2,272	**138**	2,228
Deferred revenue	17	**569**	506	**265**	254
Intercompany	18	**-**	-	**1,457**	-
TOTAL CURRENT LIABILITIES		**6,768**	7,544	**6,356**	5,846
NON-CURRENT LIABILITIES					
Provisions	19	**1,372**	1,706	**1,223**	1,568
Deferred tax liabilities	4	**3,937**	2,700	**3,473**	2,353
TOTAL NON-CURRENT LIABILITIES		**5,309**	4,406	**4,696**	3,921
TOTAL LIABILITIES		**12,077**	11,950	**11,052**	9,767
NET ASSETS		**32,535**	32,902	**25,779**	27,087
EQUITY					
Contributed equity	20	**16,368**	17,738	**16,368**	17,738
Reserves	20	**1,628**	978	**1,684**	1,023
Retained profits		**14,539**	14,186	**7,727**	8,326
TOTAL EQUITY		**32,535**	32,902	**25,779**	27,087

CASH FLOW STATEMENT

YEAR ENDED 30 June 2008	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2008	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		**53,597**	54,284	**40,358**	43,535
Payments to suppliers and employees		**(36,900)**	(35,448)	**(22,483)**	(25,438)
Interest received		**760**	791	**740**	778
Borrowing costs		**-**	(3)	**-**	(3)
Income tax paid		**(4,276)**	(5,580)	**(4,271)**	(5,239)
NET CASH FLOWS FROM OPERATING ACTIVITIES	21 (a)	**13,181**	14,044	**14,344**	13,633
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment		**(541)**	(873)	**(506)**	(692)
Proceeds from sale of business	22	**-**	1,169	**-**	185
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		**(541)**	296	**(506)**	(507)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from exercise of share options	20	**-**	250	**-**	250
Repayment of borrowings		**-**	(500)	**-**	(500)
Share buy back payment	20	**(1,370)**	-	**(1,370)**	-
Dividends paid on ordinary shares	6	**(12,713)**	(24,421)	**(12,713)**	(24,421)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**(14,083)**	(24,671)	**(14,083)**	(24,671)
NET (DECREASE) IN CASH HELD		**(1,443)**	(10,331)	**(245)**	(11,545)
Add opening cash brought forward		**15,690**	26,021	**13,544**	25,089
CLOSING CASH CARRIED FORWARD	21 (b)	**14,247**	15,690	**13,299**	13,544

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 June 2008	**CONSOLIDATED**			
	Contributed equity	**Retained earnings**	**Other reserves**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
At 1 July 2007	**17,738**	**14,186**	**978**	**32,902**
Profit for the year	**-**	**13,066**	**-**	**13,066**
Income/(expense) recognised directly in equity				
- Exchange difference on translating foreign operations	**-**	**-**	**(11)**	**(11)**
- Cashflow hedge gain	**-**	**-**	**626**	**626**
Total income/(expense) recognised directly in equity	**-**	**-**	**615**	**615**
Total income/(expense) for the year	**-**	**13,066**	**615**	**13,681**
EQUITY TRANSACTIONS				
Cost of share based payments	**-**	**-**	**35**	**35**
Share buy back	**(1,370)**	**-**	**-**	**(1,370)**
Equity dividends	**-**	**(12,713)**	**-**	**(12,713)**
At 30 June 2008	**16,368**	**14,539**	**1,628**	**32,535**

YEAR ENDED 30 June 2007	CONSOLIDATED			
	Contributed equity	Retained earnings	Other reserves	Total
	$'000	$'000	$'000	$'000
At 1 July 2006	17,488	23,313	1,010	41,811
Profit for the year	-	15,294	-	15,294
Income/(expense) recognised directly in equity				
- Exchange difference on translating foreign operations	-	-	(79)	(79)
- Cashflow hedge gain	-	-	-	-
Total income/(expense) recognised directly in equity	-	-	(79)	(79)
Total income/(expense) for the year	-	15,294	(79)	15,215
EQUITY TRANSACTIONS				
Cost of share based payments	-	-	47	47
Exercise of options	250	-	-	250
Equity dividends	-	(24,421)	-	(24,421)
At 30 June 2007	17,738	14,186	978	32,902

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 June 2008	**INFOMEDIA LTD**			
	Contributed equity	**Retained earnings**	**Other reserves**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
At 1 July 2007	**17,738**	**8,326**	**1,023**	**27,087**
Profit for the year	**-**	**12,114**	**-**	**12,114**
Income/(expense) recognised directly in equity				
- Exchange difference on translating foreign operations	-	-	-	-
- Cashflow hedge gain	**-**	**-**	**626**	**626**
Total income/(expense) recognised directly in equity	**-**	**-**	**626**	**626**
Total income/(expense) for the year	**-**	**12,114**	**626**	**12,740**
EQUITY TRANSACTIONS				
Cost of share based payments	**-**	**-**	**35**	**35**
Share buy back	**(1,370)**	**-**	**-**	**(1,370)**
Equity dividends	**-**	**(12,713)**	**-**	**(12,713)**
At 30 June 2008	**16,368**	**7,727**	**1,684**	**25,779**

YEAR ENDED 30 June 2007	**INFOMEDIA LTD**			
	Contributed equity	Retained earnings	Other reserves	Total
	$'000	$'000	$'000	$'000
At 1 July 2006	17,488	18,250	976	36,714
Profit for the year	-	14,497	-	14,497
Income/(expense) recognised directly in equity				
- Exchange difference on translating foreign operations	-	-	-	-
- Cashflow hedge gain	-	-	-	-
Total income/(expense) recognised directly in equity	-	-	-	-
Total income/(expense) for the year	-	14,497	-	14,497
EQUITY TRANSACTIONS				
Cost of share based payments	-	-	47	47
Exercise of options	250	-	-	250
Equity dividends	-	(24,421)	-	(24,421)
At 30 June 2007	17,738	8,326	1,023	27,087

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008

1. CORPORATE INFORMATION

The financial report of Infomedia Ltd for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the Directors on 19 August 2008.

Infomedia Ltd is a company limited by shares incorporated in Australia whose shares 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

(a) Basis of preparation

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

(b) Statement of compliance

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

(c) Adoption of new accounting standard

The group has adopted AASB 7 *Financial instruments: Disclosures* and all consequential amendments which became applicable on 1 January 2007. The adoption of this standard has only affected the disclosure in these financial statements. There has been no effect on profit and loss or the financial position of the entity.

(d) Basis of consolidation

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

(e) Significant accounting judgements, estimates and assumptions

Significant accounting estimates and assumptions

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

- Impairment of goodwill
  The Company determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in Note 14.
- Share-based payment transactions
  The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, using the assumptions detailed in Note 24.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Research & Development
  Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project commencing from the commercial release of the project.
  The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment arises during the reporting period.
  Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(f) Foreign currencies

Translation of foreign currency transactions
Transactions in foreign currencies of the Company are converted to local currency at the rate of exchange ruling at the date of the transaction.
Amounts payable to and by the Company that are outstanding at the balance date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the reporting period.
All currency exchange differences in the consolidated financial report are taken to the income statement.

Translation of financial reports of overseas operations

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.
The functional currency of the overseas subsidiaries is as follows:

IFM Europe Ltd	Euros
IFM Germany GmbH	Euros
IFM North America Inc	United States Dollars (USD)

As at the reporting date the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of Infomedia Ltd at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the period.
The exchange differences arising on the retranslation are taken directly to a separate component of equity.

(g) Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at nominal values.
For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks, and money market investments readily convertible to cash within three months, net of outstanding bank overdrafts.

(h) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.
An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
(i) Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. For the Company the relevant category is listed below:
Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.
Investments in Subsidiaries
Investments in subsidiaries are recorded at cost.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value.
Costs incurred in bringing each product to its present location and condition are accounted for as follows:

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

(k) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.
Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.
Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.
For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Company are assigned to those units or groups of units.
Each unit or group of units to which the goodwill is so allocated:
• represents the lowest level within the Company at which the goodwill is monitored for internal management purposes; and
• is not larger than a segment based on either the Company's primary or the Company's secondary reporting format determined in accordance with AASB 114 Segment Reporting.
Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.
Impairment losses recognised for goodwill are not subsequently reversed.

(l) Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.
The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.
Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.
Land and buildings are measured at cost less accumulated depreciation on buildings and less any impairment losses recognised.
Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Major depreciation periods are:	**2008**	**2007**
Leasehold improvements:	5 to 20 years	5 to 20 years
Other plant and equipment:	3 to 15 years	3 to 15 years

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

(i) Impairment
The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.
The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.
For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.
An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.
(ii) Derecognition and disposal
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.
Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(o) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.
(i) Company as a lessee
Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

(p) Trade and other payables

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.
If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.
Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(r) Deferred revenue

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

(s) Contributed equity

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

(t) 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.

(u) 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Derivative financial instruments and hedging

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

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

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

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

Cash flow hedges

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

Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

The Group tests each of the designated cash flow hedges for effectiveness on a monthly basis both retrospectively and prospectively using the "matched terms" principle.

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.
Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
Deferred income tax liabilities are recognised for all taxable temporary differences except:
• when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
• when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.
Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:
• when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
• when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.
The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.
Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.
Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.
Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.
The tax consolidated current tax liability and other deferred tax assets are required to be allocated to the members of the tax consolidated group in accordance with UIG 1052. The group uses a group allocation method for this purpose where the allocated current tax payable, deferred tax assets and other tax credits for each member of the tax consolidated group is determined as if the company is a stand-alone taxpayer but modified as necessary to recognise membership of a tax consolidated group. Recognition of amounts allocated to members of the tax consolidated group has regard to the tax consolidated groups future tax profits.

(x) Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (“GST”) except:
• when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
• receivables and payables, which are stated with the amount of GST included.
The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.
Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.
Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Employee leave benefits

(i) Wages, salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.
(ii) Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cashflows.

(z) Share-based payment transactions

The Company provides benefits to employees in the form of share-based payment transactions, whereby employees render services in exchange for shares or options over shares ('equity-settled transactions').
There are currently two plans in place to provide these benefits:
(i) the Employee Share Plan (ESP), and
(ii) the Employee Option Plan (EOP).
The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.
In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Infomedia Ltd ('market conditions').
The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the option ('vesting date').
The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.
Where the terms of an equity-settled option are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.
Where an equity-settled option is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the option is recognised immediately. However, if a new option is substituted for the cancelled option, and designated as a replacement option on the date that it is granted, the cancelled and new option are treated as if they were a modification of the original option, as described in the previous paragraph.
The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(aa) Earnings per share

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

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

- cost of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenue or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2008	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
3. EXPENSES					
(i) Cost of sales					
Direct wages		**11,090**	11,642	**4,275**	6,015
Other		**8,387**	5,806	**7,214**	5,091
Total cost of sales		**19,477**	17,448	**11,489**	11,106
(ii) Employee benefit expense					
Salaries and wages (including on-costs)		**8,026**	8,327	**7,299**	6,970
Share based payment expense		**35**	47	**35**	47
Total employee benefit expense		**8,061**	8,374	**7,334**	7,017
(iii) Depreciation and amortisation					
Depreciation of non-current assets:					
- Leasehold improvements		**132**	180	**103**	121
- Office equipment		**845**	1,140	**715**	993
- Furniture and fittings		**27**	42	**10**	26
- Plant and equipment		**302**	219	**302**	219
Total depreciation of non-current assets		**1,306**	1,581	**1,130**	1,359
Amortisation of non-current assets					
- Intellectual property		**698**	744	**698**	681
- Deferred development costs		**1,981**	1,167	**1,664**	976
Total amortisation of non-current assets		**2,679**	1,911	**2,362**	1,657
Total depreciation and amortisation		**3,985**	3,492	**3,492**	3,016
(iv) Research & development costs					
Total research & development costs incurred during the period		**9,575**	5,182	**8,746**	4,629
Less: development costs deferred	13	**(5,993)**	(3,235)	**(5,310)**	(2,682)
Net research and development costs expensed		**3,582**	1,947	**3,436**	1,947

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2008	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
4. INCOME TAX					
The major components of income tax expense are:					
Income statement					
Current income tax					
Current income tax charge		**3,286**	4,853	**3,057**	4,497
Adjustments in respect of current income tax of previous years.		**(952)**	(84)	**(915)**	(118)
Adjustments in respect of capital gains tax of previous years.		**-**	(315)	**-**	-
Deferred income tax					
Relating to origination and reversal of temporary differences		**1,272**	985	**1,160**	1,119
Income tax expense reported in the income statement		**3,606**	5,439	**3,302**	5,498
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:					
Accounting profit before income tax		**16,672**	20,733	**15,416**	19,995
At the Company's statutory income tax rate of 30% (2007: 30%)		**5,002**	6,220	**4,625**	5,999
Adjustments in respect of current income tax of previous years		**(952)**	(84)	**(915)**	(118)
Adjustments in respect of capital gains tax of previous years.		**-**	(315)	**-**	-
Additional research and development deduction		**(560)**	(388)	**(509)**	(347)
Expenditure not allowable for income tax purposes		**116**	145	**101**	138
Other		**-**	(139)	**-**	(174)
Income tax expense reported in the income statement		**3,606**	5,439	**3,302**	5,498

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. 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. At the balance date, the possibility of default is remote.

Members of the tax consolidated group have also entered into a tax funding agreement. The tax funding agreement provides for the funding of allocated tax liabilities, tax losses and foreign tax credits for the current period based on the recognition criteria set out in the accounting policy for income taxes. Allocations under the tax funding agreement are made after the finalisation of the group's income tax return. The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' intercompany accounts with the tax consolidated group head company, Infomedia Ltd.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008	Notes	BALANCE SHEET		INCOME STATEMENT	
		2008	2007	**2008**	2007
4. INCOME TAX (CONTINUED)		**$'000**	$'000	**$'000**	$'000
Deferred income tax					
Deferred income tax at 30 June relates to the following:					
CONSOLIDATED					
Deferred tax liabilities					
Prepayments		**-**	(1)	**(1)**	(7)
Derivatives		**(267)**	-	**-**	(69)
Property plant and equipment		**(90)**	(120)	**(30)**	(30)
Deferred development costs		**(3,399)**	(2,195)	**1,204**	621
Intellectual property		**(175)**	(384)	**(209)**	141
Currency exchange		**(6)**	-	**6**	(18)
		(3,937)	(2,700)		
CONSOLIDATED					
Deferred tax assets					
Allowance for doubtful debts		**48**	77	**29**	(2)
Copyright intellectual property		**-**	-	**-**	176
Other payables		**92**	116	**24**	(19)
Employee entitlement provisions		**540**	551	**11**	159
Other provisions		**408**	565	**157**	167
Currency exchange		**53**	134	**81**	(134)
Gross deferred income tax assets		**1,141**	1,443		
Deferred tax income/ (expense)				**1,272**	985
PARENT					
Deferred tax liabilities					
Prepayments		**-**	(2)	**(2)**	(3)
Derivatives		**(267)**	-	**-**	(69)
Property plant and equipment		**(90)**	(120)	**(30)**	(30)
Deferred development costs		**(2,941)**	(1,847)	**1,094**	512
Intellectual property		**(175)**	(384)	**(209)**	384
Currency exchange		**-**	-	**-**	(17)
		(3,473)	(2,353)		
PARENT					
Deferred tax assets					
Allowance for doubtful debts		**43**	75	**32**	(6)
Copyright intellectual property		**-**	-	**-**	176
Other payables		**64**	107	**42**	(16)
Employee entitlement provisions		**374**	389	**15**	135
Other provisions		**408**	565	**157**	167
Currency exchange		**53**	114	**61**	(114)
		942	1,250		
Deferred tax income/ (expense)				**1,160**	1,119

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008

5. EARNINGS PER SHARE

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

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

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

	Notes	CONSOLIDATED	
		2008	2007
		$'000	$'000
Net profit attributable to equity holders from continuing operations		**13,066**	15,294
		Number of shares	Number of shares
Weighted average number of ordinary shares for basic earnings per share		**325,818,373**	325,693,490
Effect of dilution:			
Share options		-	899,919
Adjusted weighted average number of ordinary shares for diluted earnings per share		**325,818,373**	326,593,409

Since the reporting date, prior to the completion of these financial statements, the company has repurchased a further 1,587,801 shares through its buy back program at a weighted average price of 36.92 cents per share and granted a further 150,000 share options to eligible employees.

The options are considered not to be dilutive.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008	Notes	CONSOLIDATED 2008 $'000	CONSOLIDATED 2007 $'000	INFOMEDIA LTD 2008 $'000	INFOMEDIA LTD 2007 $'000
6. DIVIDENDS PROPOSED OR PAID					
(a) Dividends paid during the year:					
Franked interim dividend - 1.8 cents (2007: 1.9 cents) per share		**5,867**	6,194	**5,867**	6,194
Prior year final franked dividend – 2.1 cents (2007: 2.1 cents) per share		**6,845**	6,836	**6,845**	6,836
Special dividend – 3.5 cents (2007: 3.5 cents) per share		**-**	11,391	**-**	11,391
Rounding		**1**	-	**1**	-
Total dividends paid during the year		**12,713**	24,421	**12,713**	24,421
(b) Dividends proposed and not recognised as a liability:					
Final franked dividend – 1.4 cents (2007: 2.1 cents) per share		**4,491**	6,845	**4,491**	6,845
(c) Franking credit balance:					
The amount of franking credits available for the subsequent financial year are:					
– franking account balance as at the end of the financial year				**940**	1,135
– franking credits that will arise from the payment of income tax payable as at the end of the financial year				**137**	2,228
				1,077	3,363

The tax rate at which paid dividends have been franked is 30% (2007: 30%). Dividends proposed will be franked at the rate of 30% (2007: 30%).

		CONSOLIDATED 2008 $'000	CONSOLIDATED 2007 $'000	INFOMEDIA LTD 2008 $'000	INFOMEDIA LTD 2007 $'000
7. TRADE AND OTHER RECEIVABLES (CURRENT)					
Trade debtors		**5,048**	6,850	**2,705**	3,553
Allowance for doubtful debts (b)		**(272)**	(487)	**(145)**	(250)
		4,776	6,363	**2,560**	3,303
Other debtors		**444**	581	**389**	515
		5,220	6,944	**2,949**	3,818

(a) Trade debtors are non-interest bearing and are generally on 30-60 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade debtor is impaired. The amount of the allowance/impairment loss is recognised as the difference between the carrying amount of the debtor and the estimated future cash flows expected to be received from the relevant debtors.

(b) The movement in the allowance for doubtful debts in the year represents a reduction in the provision.

(c) There are no material trade debtors that are past due at balance date and not considered impaired.

(d) The allowance for doubtful debts relates to debtors aged greater than 30-60 days No collateral is held against this debt.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2008	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
8. INVENTORIES					
Raw materials					
At cost		**82**	52	**58**	52
Total inventories at the lower of cost and net realisable value		**82**	52	**58**	52
9. INTERCOMPANY (CURRENT)					
Wholly-owned controlled entities		-	-	-	1,623
		-	-	-	1,623
10. OTHER FINANCIAL ASSETS (NON-CURRENT)					
Investments in controlled entities	11	-	-	**248**	248
Other receivables		-	335	-	335
		-	335	**248**	583

11. INTERESTS IN CONTROLLED ENTITIES

Name	Country of incorporation	Percentage of equity interest held by the Company (directly or indirectly)	INFOMEDIA LTD 2008 $'000	2007 $'000
		2008		
		%		
IFM Europe Ltd - ordinary shares	United Kingdom	**100**	**247**	247
Infomedia Investments Pty Ltd - ordinary shares - $2 only	Australia	**100**	-	-
Datateck Publishing Pty Ltd - ordinary shares - $4 only	Australia	**100**	-	-
AutoConsulting Pty Ltd - ordinary shares - $1 only	Australia	**100**	-	-
IFM North America Inc - ordinary shares	United States of America	**100**	**1**	1
IFM Germany GmbH*	Germany	**100**	-	-
			248	248

* Investment is held by IFM Europe Ltd.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2008	2007	**2008**	2007
12. PROPERTY, PLANT & EQUIPMENT		**$'000**	$'000	**$'000**	$'000
(a)					
Leasehold improvements					
At cost		**944**	944	**518**	515
Accumulated amortisation		**(512)**	(380)	**(205)**	(101)
		432	564	**313**	414
Office equipment					
At cost		**6,036**	5,675	**4,932**	4,583
Accumulated depreciation		**(4,890)**	(4,075)	**(4,036)**	(3,321)
		1,146	1,600	**896**	1,262
Furniture and fittings					
At cost		**275**	266	**140**	123
Accumulated depreciation		**(116)**	(93)	**(66)**	(57)
		159	173	**74**	66
Plant and equipment					
At cost		**2,938**	2,800	**2,938**	2,800
Accumulated depreciation		**(2,623)**	(2,320)	**(2,623)**	(2,320)
		315	480	**315**	480
Total property, plant and equipment					
At cost		**10,193**	9,685	**8,528**	8,021
Accumulated depreciation and amortisation		**(8,141)**	(6,868)	**(6,930)**	(5,799)
Total written down amount		**2,052**	2,817	**1,598**	2,222

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008	CONSOLIDATED		INFOMEDIA LTD	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
12. PROPERTY, PLANT & EQUIPMENT (CONTINUED)				
(b) Reconciliation of property, plant and equipment carrying values				
Leasehold Improvements				
Carrying amount – opening balance	**564**	917	**414**	767
Additions	**-**	81	**2**	15
Disposals	-	(254)	-	(247)
Depreciation	**(132)**	(180)	**(103)**	(121)
Carrying amount – closing balance	**432**	564	**313**	414
Office equipment				
Carrying amount – opening balance	**1,600**	2,309	**1,262**	1,891
Additions	**391**	686	**349**	602
Disposals	-	(255)	-	(238)
Depreciation	**(845)**	(1,140)	**(715)**	(993)
Carrying amount – closing balance	**1,146**	1,600	**896**	1,262
Furniture and fittings				
Carrying amount – opening balance	**173**	215	**66**	119
Additions	**13**	31	**18**	-
Disposals	**-**	(31)	**-**	(27)
Depreciation	**(27)**	(42)	**(10)**	(26)
Carrying amount – closing balance	**159**	173	**74**	66
Plant and equipment				
Carrying amount – opening balance	**480**	625	**480**	625
Additions	**137**	74	**137**	74
Depreciation	**(302)**	(219)	**(302)**	(219)
Carrying amount – closing balance	**315**	480	**315**	480

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008	CONSOLIDATED				INFOMEDIA LTD			
	Development costs[1]	Intellectual Property[2]	Goodwill [2]	Total	Development costs[1]	Intellectual Property[2]	Goodwill [2]	Total
	$000	$'000	$'000	$'000	$000	$'000	$'000	$'000
13. INTANGIBLE ASSETS AND GOODWILL								
At 1 July 2007								
Cost (gross carrying amount)	9,464	2,096	8,541	20,101	8,114	2,096	6,026	16,236
Accumulated amortisation	(2,147)	(815)	-	(2,962)	(1,956)	(815)	-	(2,771)
Net carrying amount	7,317	1,281	8,541	17,139	6,158	1,281	6,026	13,465
Year ended 30 June 2008								
At 1 July 2007, net of accumulated amortisation and impairment	7,317	1,281	8,541	17,139	6,158	1,281	6,026	13,465
Additions – development	5,993	-	-	5,993	5,310	-	-	5,310
Amortisation	(1,981)	(698)	-	(2,679)	(1,664)	(698)	-	(2,362)
At 30 June 2008, net of accumulated amortisation and impairment	11,329	583	8,541	20,453	9,804	583	6,026	16,413
At 30 June 2008								
Cost (gross carrying amount)	15,457	2,096	8,541	26,094	13,423	2,096	6,026	21,545
Accumulated amortisation	(4,128)	(1,513)	-	(5,641)	(3,619)	(1,513)	-	(5,132)
Net carrying amount	11,329	583	8,541	20,453	9,804	583	6,026	16,413

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

Development costs that meet the recognition criteria as an intangible asset have been capitalised at cost. This intangible asset has been assessed as having a finite life and is amortised using the straight-line method over a period not exceeding four years commencing from the commercial release of the project. If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.
Intellectual property includes intangible assets acquired through business or territory acquisition and relates primarily to copyright and software code over key products. Intellectual property is amortised over its useful life being 3 years.

NOTES TO THE FINANCIAL STATEMENTS

	CONSOLIDATED				INFOMEDIA LTD			
	Development costs	Intellectual Property	Goodwill	Total	Development costs	Intellectual Property	Goodwill	Total
	$000	$'000	$'000	$'000	$000	$'000	$'000	$'000
13. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)								
At 1 July 2006								
Cost (gross carrying amount)	6,229	3,910	8,837	18,976	5,432	2,410	6,026	13,868
Accumulated amortisation	(980)	(621)	-	(1,601)	(980)	(134)	-	(1,114)
Net carrying amount	5,249	3,289	8,837	17,375	4,452	2,276	6,026	12,754
Year ended 30 June 2007								
At 1 July 2006, net of accumulated amortisation and impairment	5,249	3,289	8,837	17,375	4,452	2,276	6,026	12,754
Additions – development	3,235	-	-	3,235	2,682	-	-	2,682
Disposals – Business systems assets	-	(950)	(296)	(1,246)	-	-	-	-
Other movements	-	(314)	-	(314)	-	(314)	-	(314)
Amortisation	(1,167)	(744)	-	(1,911)	(976)	(681)	-	(1,657)
At 30 June 2007, net of accumulated amortisation and impairment	7,317	1,281	8,541	17,139	6,158	1,281	6,026	13,465
At 30 June 2007								
Cost (gross carrying amount)	9,464	2,096	8,541	20,101	8,114	2,096	6,026	16,236
Accumulated amortisation	(2,147)	(815)	-	(2,962)	(1,956)	(815)	-	(2,771)
Net carrying amount	7,317	1,281	8,541	17,139	6,158	1,281	6,026	13,465

NOTES TO THE FINANCIAL STATEMENTS

14. IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through business combinations or territory acquisition have been allocated to four individual cash generating units, each of which is a reportable segment (refer note 29) for impairment testing as follows:

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

The recoverable amount of each cash generating unit has been determined based on a value in use calculation using cash flow projections as at 30 June 2008 based on financial budgets approved by senior management for FY09 extrapolated for a five year period on the basis of zero growth.

The pre-tax discount rate applied to cash flow projections is 14% (2007: 14 %). The discount rate reflects management estimate of the time value of money and the rates specific to the unit.

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

	Infomedia		Total	
	2008	2007	**2008**	2007
CONSOLIDATED	**$'000**	$'000	**$'000**	$'000
Carrying amount of goodwill	**8,541**	8,541	**8,541**	8,541
PARENT				
Carrying amount of goodwill	**6,026**	6,026	**6,026**	6,026

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

- The Company will continue to have access to the data supply from automakers over the budgeted period;
- The Company will not experience any substantial adverse movements in currency exchange rates;
- The Company's research and development program will ensure that the current suite of products remain leading edge;
- The company is able to maintain its current gross margins; and
- The discount rates estimated by management are reflective of the time value of money.

With regard to the assessment of the value in use of the cash generating units, management believe that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2008	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
15. TRADE AND OTHER PAYABLES (CURRENT)					
Trade creditors	15(a)	**796**	443	**592**	139
Other creditors		**3,030**	2,039	**2,523**	1,613
		3,826	2,482	**3,115**	1,752

(a) Trade creditors are non-interest bearing and are normally settled on 30 day terms.

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

	Notes	CONSOLIDATED 2008 $'000	CONSOLIDATED 2007 $'000	INFOMEDIA LTD 2008 $'000	INFOMEDIA LTD 2007 $'000
16. PROVISIONS (CURRENT)					
Employee benefits		**1,803**	1,790	**1,142**	1,118
Provision for non-cancellable surplus lease space and other lease incentives	19(a)	**239**	494	**239**	494
		2,042	2,284	**1,381**	1,612
17. DEFERRED REVENUE (CURRENT)					
Revenue in advance		**569**	506	**265**	254
		569	506	**265**	254

18. INTERCOMPANY (CURRENT)	CONSOLIDATED		INFOMEDIA LTD	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Wholly-owned controlled entities	**-**	-	**1,457**	-
	-	-	**1,457**	-

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008	**Notes**	**CONSOLIDATED**		**INFOMEDIA LTD**	
		2008	2007	**2008**	2007
		$'000	$'000	**$'000**	$'000
19. PROVISIONS (NON-CURRENT)					
Employee benefits		**253**	315	**104**	177
Provision for non-cancellable surplus lease space and other lease incentives	19(a)	**619**	891	**619**	891
Make good provision	19(b)	**500**	500	**500**	500
		1,372	1,706	**1,223**	1,568
(a) Movement in non-cancellable surplus lease space and other lease incentives provision:					
Carrying amount at the beginning of the year		**1,385**	1,942	**1,385**	1,942
Arising during the year		**-**	-	**-**	-
Utilised		**(634)**	(688)	**(634)**	(688)
Discount rate adjustment		**107**	131	**107**	131
Carrying amount at the end of the year		**858**	1,385	**858**	1,385
Current	16	**239**	494	**239**	494
Non-current		**619**	891	**619**	891
		858	1,385	**858**	1,385
The provision for non-cancellable lease space and other lease incentives has been made pursuant to the lease obligations under contract to the extent that no future benefits are anticipated.					
(b) Movement in make good provision:					
Carrying amount at the beginning of the year		**500**	500	**500**	500
Arising during the year		**-**	-	**-**	-
Carrying amount at the end of the year		**500**	500	**500**	500
The provision for make good has been estimated pursuant to the Company's obligation to restore leased premises to original condition at the end of the lease term.					

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008	**Notes**	**CONSOLIDATED**		**INFOMEDIA LTD**	
		2008	2007	**2008**	2007
20. CONTRIBUTED EQUITY AND RESERVES		**$'000**	$'000	**$'000**	$'000
Ordinary shares		**16,368**	17,738	**16,368**	17,738
		16,368	17,738	**16,368**	17,738

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Parent does not have authorised capital or par value in respect of its issued shares. Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Notes	**Number**	**$'000**
Movement in ordinary shares on issue:			
At 1 July 2006		**325,471,573**	**17,488**
Employee Options Exercised	24	**499,999**	**250**
At 30 June 2007		**325,971,572**	**17,738**
Shares repurchased		**(3,597,966)**	**(1,370)**
At 30 June 2008		**322,373,606**	**16,368**

On 1 April 2008 the company commenced a share buy back (on market within 10/12 limit). As at 30 June 2008 the company had repurchased 3,597,966 shares for a total consideration, including brokerage of $1,370,000.

Capital management

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

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

During the 2008 financial year, the company paid dividends of $12.7 million (2007:$24.4 million).

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

NOTES TO THE FINANCIAL STATEMENTS

Employee Option Plan

There were 1,750,000 options issued during the current year at an average exercise price of $0.50. There we no options issued during the prior year.

30 June 2008	CONSOLIDATED				INFOMEDIA LTD		
	Employee equity benefits reserve	Foreign currency translation reserve	Derivatives reserve	Total	Employee equity benefits reserve	Derivatives reserve	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Movement in reserves:							
At 1 July 2006	976	34	-	1,010	976	-	976
Currency translation differences	-	(79)	-	(79)	-	-	-
Share based payments	47	-	-	47	47	-	47
At 30 June 2007	1,023	(45)	-	978	1,023	-	1,023
Currency translation differences	-	(11)	-	(11)	-	-	-
Share based payments	35	-		35	35	-	35
Derivatives marked to market	-	-	626	626	-	626	626
At 30 June 2008	1,058	(56)	626	1,628	1,058	626	1,684

Nature and purpose of reserves

Employee equity benefits reserve
This reserve is used to record the value of equity benefits provided to employees and Directors as part of their compensation. Refer to Note 24 for further details.

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2008	2007	**2008**	2007
21. STATEMENT OF CASH FLOWS		**$'000**	$'000	**$'000**	$'000
(a) Reconciliation of profit after tax to the net cash flows from operations					
Profit from ordinary activities after income tax expense		**13,066**	15,294	**12,114**	14,497
Depreciation of non-current assets		**1,306**	1,581	**1,130**	1,359
Amortisation of non-current assets		**2,679**	1,911	**2,362**	1,657
Amortisation of employee options		**35**	47	**35**	47
Net (profit)/loss on sale of business		**-**	(15)	**-**	76
Other		**5**	-	**5**	--
Changes in assets and liabilities					
(Increase)/decrease in trade and other debtors		**2,264**	415	**4,391**	(1,279)
(Increase)/decrease in inventories		**(30)**	32	**(6)**	20
(Increase)/decrease in prepayments		**(97)**	97	**(139)**	144
(Increase)/decrease in future income tax benefit		**302**	348	**308**	341
(Increase)/decrease in deferred development costs		**(5,993)**	(3,235)	**(5,310)**	(2,682)
Increase/(decrease) in trade and other creditors		**1,344**	(1,168)	**1,363**	(917)
Increase/(decrease) in allowance for doubtful debts		**(215)**	8	**(105)**	23
Increase/(decrease) in provision for employee entitlements		**(49)**	(505)	**(49)**	(485)
Increase/(decrease) in other provisions		**(527)**	(270)	**(527)**	(270)
Increase/(decrease) in income tax payable		**(1,942)**	(1,180)	**(2,091)**	476
Increase/(decrease) in deferred income tax liability		**970**	639	**853**	777
Increase/(decrease) in revenue in advance		**63**	45	**11**	(151)
Net cash flow from operating activities		**13,181**	14,044	**14,345**	13,633
(b) Reconciliation of cash					
Cash balance comprises:					
– cash at bank		**2,959**	4,404	**2,231**	3,116
– cash on deposit		**11,288**	11,286	**11,068**	10,428
		14,247	15,690	**13,299**	13,544
(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		**13,537**	15,350	**13,537**	15,350
Facilities used at reporting date:		**-**	-	**-**	-
Facilities unused at reporting date:		**13,537**	15,350	**13,537**	15,350

NOTES TO THE FINANCIAL STATEMENTS

30 June 2008	**Notes**	**CONSOLIDATED**		**INFOMEDIA LTD**	
		2008	2007	**2008**	2007
22. SALE OF BUSINESS		**$'000**	$'000	**$'000**	$'000
On 1 December 2006, Infomedia sold its Business Systems division to an unrelated third party. The components of the disposal were:					
Gross consideration		-	1,500	-	150
Net working capital adjustments		-	(331)	-	35
Cash proceeds		-	1,169	-	185
Net book value of assets and liabilities disposed:					
Plant and equipment		-	540	-	512
Intangible assets		-	1,245	-	-
Other net liabilities		-	(631)	-	(251)
Total net assets disposed		-	1,154	-	261
Net profit on sale of business		-	15	-	(76)

23. COMMITMENTS & CONTINGENCIES

(a) Lease expenditure commitments

Operating leases (non-cancellable):				
Minimum lease payments				
– not later than one year	**1,102**	1,540	**667**	1,098
– later than one year and not later than five years	**2,802**	4,093	**2,344**	3,463
– aggregate operating lease expenditure contracted for at balance date	**3,904**	5,633	**3,011**	4,561

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

(b) Performance Bank Guarantee

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

(c) 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).

NOTES TO THE FINANCIAL STATEMENTS

24. SHARE BASED PAYMENT PLANS

Employee Option Plan

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

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

	Notes	**2008**		2007	
		Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance at beginning of year	24(a)	**1,300,001**	**$0.51**	1,950,000	$0.52
- granted	24(b)	**1,750,000**	**$0.50**	-	-
- forfeited		**(1,100,001)**	**$0.43**	(150,000)	$0.75
- exercised	24(c)	-	-	(499,999)	$0.50
Balance at end of year	24(d)	**1,950,000**	**$0.50**	1,300,001	$0.51

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

The following table summarises information about options held by employees at 1 July 2007

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
83,334	8/7/2005	5/1/2006	5/2/2008	$0.50
666,667	27/10/2005	5/1/2006	5/2/2008	$0.50
250,000	6/10/2005	5/1/2006	5/2/2008	$0.48
200,000	16/12/2005	16/12/2006	16/1/2009	$0.49

(b) Options granted during the year:

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

Number of options	**Grant date**	**Earliest vesting date**	**Expiry date**	**Weighted average exercise price**
1,000,000	1/1/2008	5/1/2009	5/2/2011	$0.53
250,000	1/1/2008	5/1/2009	5/5/2011	$0.53
500,000	1/5/2008	1/5/2009	13/5/2011	$0.42

(c) Options exercised during the year:

There were no options exercised during the year.

NOTES TO THE FINANCIAL STATEMENTS

24. SHARE BASED PAYMENT PLANS (CONTINUED)

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

The following table summarises information about options held by employees at 30 June 2008:

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
200,000	16/12/2005	16/12/2006	16/1/2009	$0.49
1,000,000	1/1/2008	5/1/2009	5/2/2011	$0.53
250,000	1/1/2008	5/1/2009	5/5/2011	$0.53
500,000	1/5/2008	1/5/2009	13/5/2011	$0.42

(e) Other details regarding options:

The weighted average fair value of options granted during the year was $0.076 (there were no options granted during the prior year).

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

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

	Granted 1/1/2008	Granted 1/5/2008
Dividend yield (%)	**6.0%**	**7.5%**
Expected volatility (%)	**30%**	**35%**
Risk free rate (%)	**6.8%**	**6.5%**
Option exercise price	**$0.53**	**$0.42**
Weighted average share price at grant date	**$0.53**	**$0.42**

25. PENSIONS AND OTHER POST-EMPLOYMENT PLANS

Superannuation Commitments

Contributions are made by the Company in accordance with the relevant statutory requirements. Contributions by the Company for the year ended 30 June 2008 were 9% (2007: 9%) of employee's wages and salaries which are legally enforceable in Australia. The superannuation plans provide accumulation benefits.

26. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Compensation of Key Management Personnel

(i) Compensation by Category: Key Management Personnel

	CONSOLIDATED		INFOMEDIA LTD	
	2008	2007	**2008**	2007
	$	$	**$**	$
Short-Term	**1,769,599**	1,868,431	**1,371,923**	1,101,169
Post Employment	**127,198**	129,314	**99,869**	86,179
Other Long-Term	**25,123**	15,442	**11,050**	7,417
Termination Benefits	**-**	-	**-**	-
Share-based Payments	**34,765**	79,839	**32,765**	72,507
	1,956,685	2,093,026	**1,515,607**	1,267,272

NOTES TO THE FINANCIAL STATEMENTS

26. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

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

30 June 2008	**Balance at beginning of period**	**Granted as compensation**	**Options exercised**	**Expired**	**Balance at end of period**	**Vested at 30 June 2008**		
	1 July 2007				**30 June 2008**	**Total**	**Not exercisable**	**Exercisable**
Directors								
Gary Martin	**666,667**	**1,000,000**	**-**	**(666,667)**	**1,000,000**	**1,000,000**	**1,000,000**	**-**
Executives								
Michael Bodner	**-**	**500,000**	**-**	**-**	**500,000**	**500,000**	**500,000**	**-**
Peter Adams*	**83,334**	**-**	**-**	**(83,334)**	**-**	**-**	**-**	**-**
Nick Georges	**250,000**	**250,000**	**-**	**(250,000)**	**250,000**	**250,000**	**250,000**	**-**
Michael Roach	**200,000**	**-**	**-**	**-**	**200,000**	**200,000**	**200,000**	**-**
	1,200,001	**1,750,000**	**-**	**(1,000,001)**	**1,950,000**	**1,950,000**	**1,950,000**	**-**

30 June 2007	Balance at beginning of period	Granted as compensation	Options exercised	Net change other	Balance at end of period	Vested at 30 June 2007		
	1 July 2006				30 June 2007	Total	Not exercisable	Exercisable
Directors								
Gary Martin	1,000,000	-	(333,333)	-	666,667	666,667	333,334	333,333
Executives								
Peter Adams	250,000	-	(166,666)	-	83,334	83,334	83,334	-
Nick Georges	250,000	-	-	-	250,000	250,000	166,667	83,333
Michael Roach	200,000	-	-	-	200,000	200,000	133,334	66,666
	1,700,000	-	(499,999)	-	1,200,001	1,200,001	716,669	483,332

* Resigned 31 March 2008.

NOTES TO THE FINANCIAL STATEMENTS

26. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(c) Shareholdings of Key Management Personnel

30 June 2008 **Number of shares held in Infomedia Ltd**	**Balance 30 June 2007**	**Granted as compensation**	**On exercise of options**	**Net change other**	**Balance 30 June 2008**
Directors					
Richard Graham	**102,204,060**	**-**	**-**	**-**	**102,204,060**
Myer Herszberg	**23,421,599**	**-**	**-**	**-**	**23,421,599**
Gary Martin	**407,590**	**-**	**-**	**100,000**	**507,590**
Frances Hernon	**5,000**	**-**	**-**	**-**	**5,000**
Executives					
Andrew Pattinson	**2,447,567**	**-**	**-**	**-**	**2,447,567**
Peter Adams*	**100,000**	**-**	**-**	**(60,000)**	**40,000**
Nick Georges	**24,421**	**-**	**-**	**-**	**24,421**
Michael Roach	**18,721**	**-**	**-**	**-**	**18,721**
Jonathan Pollard**	**1,996**	**-**	**-**	**-**	**1,996**
Total	**128,630,954**	**-**	**-**	**40,000**	**128,670,954**

30 June 2007 Number of shares held in Infomedia Ltd	Balance 1 July 2006	Granted as compensation	On exercise of options	Net change other	Balance 30 June 2007
Directors					
Richard Graham	102,204,060	-	-	-	102,204,060
Myer Herszberg	39,421,599	-	-	(16,000,000)	23,421,599
Gary Martin	74,257	-	333,333	-	407,590
Frances Hernon	5,000	-	-	-	5,000
Executives					
Andrew Pattinson	2,447,567	-	-	-	2,447,567
Peter Adams	11,421	-	166,666	(78,087)	100,000
Nick Georges	24,421	-	-	-	24,421
Michael Roach	18,721	-	-	-	18,721
Total	144,207,046	-	499,999	(16,078,087)	128,628,958

*Resigned 31 March 2008.

** Appointed 1 April 2008.

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

NOTES TO THE FINANCIAL STATEMENTS

26. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(d) Loans to Key Management Personnel

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

(e) Other transactions and balances with Key Management Personnel (including related entities)

(i) Infomedia Ltd rented office space from Richard Graham. The total rent payments for the year ended 30 June 2008 of $nil (2007: $79,209) were on commercial terms.

(ii) 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 2008 of $nil (2007: $57,500) were on commercial terms.

(iii) Infomedia Ltd sold a painting to Richard Graham. The painting was independently valued and sold on commercial terms. The total amount received for the year ended 30 June 2008 was $8,000 (2007: $nil).

	CONSOLIDATED		INFOMEDIA LTD	
	2008	2007	**2008**	2007
	$	$	**$**	$
27. 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	**199,250**	191,900	**172,150**	165,850
– other services in relation to the entity and any other entity in the consolidated entity	**-**	-	**-**	-
	199,250	191,900	**172,150**	165,850

28. RELATED PARTY DISCLOSURES

Ultimate Parent

Infomedia Ltd is the ultimate Australian parent company

Wholly-owned group transactions

(a) An unsecured, interest free loan of $5,002 (2007: $5,002) remains owing from IFM Germany GmbH to Infomedia Ltd.

(b) An unsecured, interest free loan of $3,131,065 (2007: $3,131,065) remains owing to Infomedia Investments Pty Limited from Infomedia Ltd.

(c) An unsecured, interest free loan of $3,202,370 (2007: $2,767,113) 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 $386,219 (2007: $386,219) remains owing from AutoConsulting Pty Limited to Infomedia Ltd. The loan is repayable in seven days upon demand.

(e) An unsecured, interest free loan of $nil (2007: $59,810) remains owing from IFM Europe Ltd to Infomedia Ltd.

(f) An unsecured, interest free loan of $2,455,113 (2007: $nil) remains owing to IFM Europe Ltd from Infomedia Ltd.

(g) An unsecured, interest free loan of $536,003 (2007: $1,535,477) remains owing from IFM North America Inc. to Infomedia Ltd.

(h) During the year a management fee of $480,000 (2007: $480,000) was paid to Datateck Publishing Pty Limited by Infomedia Ltd.

(i) During the year Infomedia Ltd received $13,543,755 (2007: $13,117,364) from IFM Europe Ltd for intra-group sales.

(j) During the year Datateck Publishing Pty Limited received $1,090,427 (2007: $746,110) from IFM Europe Ltd for intra-group sales.

(k) During the year IFM Europe Ltd received $432,071 (2007: $565,934) from Infomedia Ltd for intra-group distribution services.

(l) During the year Infomedia Ltd received $8,973,238 (2007: $10,363,329) from IFM North America Inc. for intra-group sales.

(m) During the year IFM North America Inc. received $501,370 (2007: $554,699) from Infomedia Ltd for intra-group distribution services.

(n) During the year IFM Europe paid $534,304 (2007: $398,384) to IFM Germany GmbH for intra-group distribution services.

Entity with deemed significant influence over the Company

Wiser Equity Pty Limited, a company in which Richard Graham is a Director, owns 31.1% of the ordinary shares in Infomedia Ltd (2007: 30.8%).

NOTES TO THE FINANCIAL STATEMENTS

29. SEGMENT INFORMATION

30 June 2008

Business Segments	Notes	Distributors Asia Pacific	Distributors Europe	Distributors North America	Distributors Latin & South America	Corporate Asia Pacific	Eliminations	Total
		$’000	$’000	$’000	$’000	$’000	$’000	$’000
REVENUE								
Segment revenue		12,022	21,042	14,336	3,669	39,504	(38,842)	51,731
Finance revenue								760
Consolidated revenue								52,491
Segment result		16	146	201	87	15,569	-	16,019
Finance revenue								760
Finance costs								(107)
Consolidated profit before income tax								16,672
Income tax expense	4							(3,606)
Consolidated profit after income tax								13,066
Assets								
Segment assets		-	1,740	628	-	-	-	2,368
Unallocated assets								42,244
Total assets								44,612
Liabilities								
Segment liabilities		-	748	353	-	-	-	1,101
Unallocated liabilities		-	-	-	-	-	-	10,708
Total liabilities								11,809
Capital Expenditure		-	2	12	-	527	-	541
Amortisation		-	-	-	-	2,679	-	2,679
Depreciation		25	19	28	-	1,234		1,306

NOTES TO THE FINANCIAL STATEMENTS

29. SEGMENT INFORMATION (CONTINUED)

30 June 2007		Distributors				Corporate	Eliminations	Total
		Asia Pacific	Europe	North America	Latin & South America	Asia Pacific		
Business Segments	Notes	$'000	$'000	$'000	$'000	$'000	$'000	$'000
REVENUE								
Segment revenue		13,868	20,511	16,344	3,843	41,180	(41,180)	54,566
Finance revenue								791
Consolidated revenue								55,357
Segment result		1,100	88	41	100	18,747	-	20,076
Finance revenue								791
Finance costs								(134)
Consolidated profit before income tax								20,733
Income tax expense	4							(5,439)
Consolidated profit after income tax								15,294
Assets								
Segment assets		-	1,454	526	-	-	-	1,980
Unallocated assets		-	-	-	-	-	-	42,872
Total assets								44,852
Liabilities								
Segment liabilities		-	604	425	-	-	-	1,029
Unallocated liabilities		-	-	-	-	-	-	10,921
Total liabilities								11,950
Capital Expenditure		-	8	7	-	858	-	873
Amortisation		-	-	-	-	1,911	-	1,911
Depreciation		31	22	28	-	1,500	-	1,581

Segment products and locations

On 1 December 2006, Infomedia sold its Business Systems division to an unrelated third party. The sale of this division made reporting by product segment less meaningful. Consequently management has promoted geography to be its primary segment commencing 1 July 2007. The comparative figures have been restated accordingly.

Secondary segment information is reported in a distributor and corporate classification. The corporate function designs and owns the intellectual property of the products as well as manages head office functions for the group. The distributors perform the distribution functions for the group. The distributors purchase the products from corporate and mark the prices up for resale to customers.

Segment accounting policies

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue and segment result include transfer between business segments. These transfers are eliminated on consolidation.

Segment accounting polices are the same as the Company's accounting policies described in Note 2. The geographical segment revenue is classified according to customer destination as opposed to the billing source. Geographical assets have been classified according to location of the asset.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Cash flow interest rate risk

The Company's exposure to the risk of changes in market interest rates relates solely to the Company's cash holding of $14,247,000 (2007: $15,690,000) with a floating interest rate.

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

Foreign currency risk

The Company has transactional currency exposures. These exposures mainly arise from the transactional sale of products and to a lesser extent the associated cost of sales component relating to these products. As the Company's product offerings are typically made on a recurring monthly subscription basis, there is a relatively high degree of reliability in estimating a proportion of future cashflow exposures. Approximately half of the Company's sales are denominated in United States Dollars and around one-third of the Company's sales are denominated in Euro. The Company seeks to mitigate exposure to movements in these currencies by entering into forward exchange derivative contracts under an approved hedging policy.

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

At 30 June 2008, the Group had the following exposure to US$ foreign currency that is not designated in cash flow hedges:

	Consolidated		**Parent**	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Financial Assets				
Cash and cash equivalents	**1,324**	2,819	**1,031**	2,238
Trade and other receivables	**2,094**	3,578	**1,940**	3,722
Other assets	**104**	135	**-**	-
	3,522	6,532	**2,971**	5,960
Financial Liabilities				
Trade and other payables	**1,107**	1,235	**938**	1,038
Other liabilities	**416**	311	**233**	82
	1,523	1,546	**1,171**	1,120
Net exposure	**1,999**	4,986	**1,800**	4,840

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

At 30 June 2008, the Group had the following exposure to EUR foreign currency that is not designated in cash flow hedges:

	Consolidated		Parent	
	2008	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Financial Assets				
Cash and cash equivalents	**1,432**	**1,301**	**1,007**	**56**
Trade and other receivables	**1,138**	**1,313**	**-**	**804**
Other assets	**13**	**34**	**-**	**-**
	2,583	**2,648**	**1,007**	**860**
Financial Liabilities				
Trade and other payables	**714**	**372**	**2,749**	**6**
Other liabilities	**412**	**238**	**-**	**-**
	1,126	**610**	**2,749**	**6**
Net exposure	**1,457**	**2,038**	**(1,742)**	**854**

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

At 30 June 2008, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgements of reasonably possible movements:

	Post tax profit Higher/(Lower)		Equity Higher/(Lower)	
	2008 $'000	2007 $'000	**2008 $'000**	2007 $'000
Consolidated				
AUD/USD +10%	**(127)**	(317)	**(127)**	(317)
AUD/USD - 15%	**210**	524	**210**	524
AUD/EUR +10%	**(93)**	(130)	**(93)**	(130)
AUD/EUR - 15%	**153**	214	**153**	214
Parent				
AUD/USD +10%	**(115)**	(308)	**(115)**	(308)
AUD/USD - 15%	**189**	508	**189**	508
AUD/EUR +10%	**111**	(54)	**111**	(54)
AUD/EUR - 15%	**(183)**	90	**(183)**	90

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

Credit risk

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

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

Since the Company trades only with recognised third parties, there is no requirement for collateral.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Company's exposure to liquidity risk is minimal given the relative strength of the balance sheet and strong cash flows from operations.

Given the nature of the Company's operations and no borrowings, the Company does not have fixed or contracted payments at balances date other than with respect of its cash flow hedges which are disclosed at note 31. Consequently the remaining contractual maturity of the groups and parent entity's financial liabilities is as stated in the balance sheet and is less than 60 days. Deferred revenue requires no cash outflow.

31. FINANCIAL INSTRUMENTS

Fair values

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

	Carrying Amount		Fair Value	
CONSOLIDATED	**2008**	2007	**2008**	2007
Financial assets	**$'000**	$'000	**$'000**	$'000
Cash and cash equivalents	**14,247**	15,690	**14,247**	15,690
Trade and other debtors	**5,220**	6,944	**5,220**	6,944
Derivatives	**888**	-	**888**	-
Other financial assets (non-current)	**-**	335	**-**	335
Financial liabilities				
Trade and other creditors	**3,826**	2,482	**3,826**	2,482
Interest-bearing loans and borrowings	**-**	-	**-**	-

	Carrying Amount		Fair Value	
PARENT	**2008**	2007	**2008**	2007
Financial assets	**$'000**	$'000	**$'000**	$'000
Cash and cash equivalents	**13,299**	13,544	**13,299**	13,544
Trade and other debtors	**2,949**	3,818	**2,949**	3,818
Derivatives	**888**	-	**888**	-
Intercompany	**-**	1,623	**-**	1,623
Other financial assets (non-current)[1]	**248**	583	**7,004**	6,150
Financial liabilities				
Trade and other creditors	**3,115**	1,752	**3,115**	1,752
Intercompany	**1,457**	-	**1,457**	-
Interest-bearing loans and borrowings	**-**	-	**-**	-

1. Other financial assets for the parent entity include investment in wholly-owned subsidiaries. The fair value of the underlying net assets of the subsidiaries is higher than the carrying amount in the parent entity accounts.

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

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

	CONSOLIDATED				PARENT			
YEAR ENDED 30 JUNE 2008	**Less than one year $'000**	**Two to five years $'000**	**Greater than five years $'000**	**Weighted average effective interest rate %**	**Less than one year $'000**	**Two to five years $'000**	**Greater than five years $'000**	**Weighted average effective interest rate %**
Floating rate								
Cash and cash equivalents	**14,247**	**-**	**-**	**6.1%**	**13,299**	**-**	**-**	**6.1%**
Interest-bearing liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	CONSOLIDATED				PARENT			
YEAR ENDED 30 JUNE 2007	Less than one year $'000	Two to five years $'000	Greater than five years $'000	Weighted average effective interest rate %	Less than one year $'000	Two to five years $'000	Greater than five years $'000	Weighted average effective interest rate %
Floating rate								
Cash and cash equivalents	15,690	-	-	5.7%	13,544	-	_	5.7%
Interest-bearing liabilities	-	-	-	-	-	-	-	-

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

Derivative contracts

The following table summarises the forward exchange contracts on hand at 30 June 2008. There were no derivative contracts on hand at 30 June 2007.

	CONSOLIDATED			PARENT		
Maturity	**Company buys**	**Company sells**	**Exchange rate**	**Company buys**	**Company sells**	**Exchange rate**
Company sells United States Dollars (USD)	**$A'000**	**USD'000**		**$A'000**	**USD'000**	
Quarter 1 2009 financial year	**2,892**	**2,500**	**0.8645**	**2,892**	**2,500**	**0.8645**
Quarter 2 2009 financial year	**1,987**	**1,700**	**0.8556**	**1,987**	**1,700**	**0.8556**
Quarter 3 2009 financial year	**1,656**	**1,425**	**0.8605**	**1,656**	**1,425**	**0.8605**
Quarter 4 2009 financial year	**1,747**	**1,533**	**0.8775**	**1,747**	**1,533**	**0.8775**
Company sells Euros (E)	**$A'000**	**E '000**		**$A'000**	**E '000**	
Quarter 1 2009 financial year	**3,503**	**2,060**	**0.5881**	**3,503**	**2,060**	**0.5881**
Quarter 2 2009 financial year	**2,621**	**1,544**	**0.5891**	**2,621**	**1,544**	**0.5891**
Quarter 3 2009 financial year	**1,735**	**1,006**	**0.5798**	**1,735**	**1,006**	**0.5798**
Quarter 4 2009 financial year	**1,489**	**872**	**0.5856**	**1,489**	**872**	**0.5856**

The mark to market valuation of these contracts at 30 June 2008 was $894,000, $888,000 of which considered effectively hedges and booked directly in equity with $6,000 booked to profit and loss.

32. SUBSEQUENT EVENTS

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

DIRECTORS' DECLARATION

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

In the opinion of the directors:

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

(i) giving a true and fair view of the Company's and consolidated entities financial position as at 30 June 2008 and of their performance for the year ended on that date; and

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

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

(c) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2008.

On behalf of the Board

Richard David Graham
Chairman
Sydney
19 August 2008

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Independent auditor's report to the members of Infomedia Limited

Report on the Financial Report

We have audited the accompanying financial report of Infomedia Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the 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. In Note 2, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit we have met 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.

Auditor's Opinion

In our opinion:

1. the financial report of Infomedia Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the financial position of Infomedia Limited and the consolidated entity at 30 June 2008 and of their performance for the year ended on that date; and

   ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Infomedia Limited for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Garry Wayling
Partner
Sydney
19 August 2008