

INFOMEDIA LTD

Q2 REPORT

FY 2004

Tuesday 24 February 2004

Narrabeen, Sydney NSW

Infomedia is pleased to present the half-year financial results for FY2004 and a review of Infomedia's Q2 activities. In addition to this report, an independently reviewed copy of the half-year results and the half-year 4D are available from the Company's Internet web site or from the ASX.

Sales Revenue and Net Profit After Tax (NPAT) for the half-year grew by 18% and 20% respectively over the same period last year. Sales Revenue for the half year was \$34,100,000 and NPAT \$9,917,000. Total EPC subscription numbers grew by 5% over the half-year driven primarily by North American business and the continuing rollout of the Toyota Europe product.

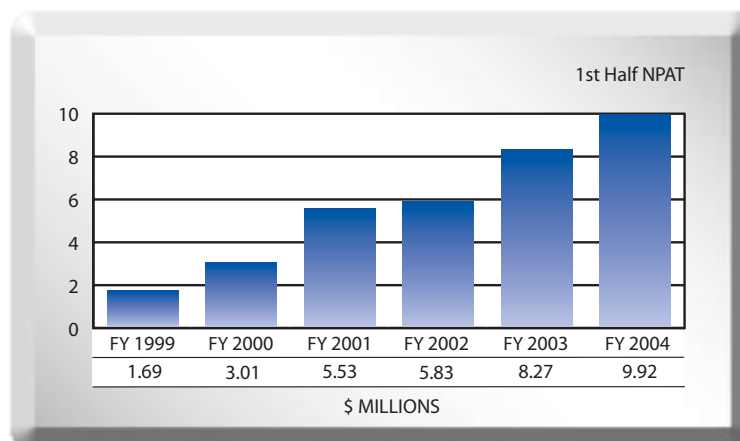
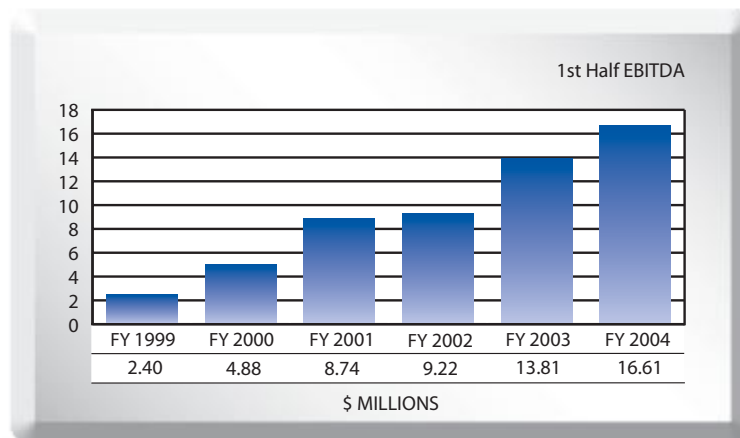
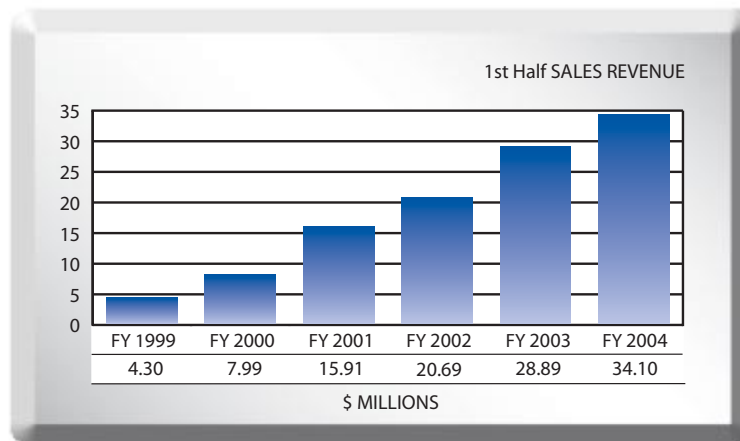
EBITDA grew by 20% over the same period last year. The half-year benefited from a full six months (2003: four month) of the acquired PartsImager product but was partially offset by higher currency hedge rates. The Company's EBITDA margin remained steady over the half-year averaging 49% – consistent with recent half-year results. Total research and development incurred for the half-year was \$1,709,000 of which \$871,000 was directly expensed.

Staff numbers at the half-year end were 179 against a prior year equivalent of 151.

The Company engaged in further currency hedging activities during the half-year through forward currency exchange contracts. The Company substantially covered its net revenue exposures to the US dollar for FY2005 at exchange rates averaging US66.4cents to the A\$. Foreign exchange

coverage remains in place for the remainder of FY2004. Despite the recent appreciation of the Australian dollar against the US dollar, the Company's guidance on FY2004 remains unchanged with both revenue and profits expected to grow by 10 to 15% over the prior year.

An interim half-year fully franked dividend of 1.9 cents per share has been declared in line with the



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Company's dividend policy. The record date to determine entitlements to the dividend distribution is 10 March 2004 and the date on which the dividend distribution is payable will be 24 March 2004.

The Electronic Catalogues Division (ECD) continued to show positive subscriber base increases across most major franchise groups with the Microcat®, PartsImager® and PartFinder® systems. Following the successful pilot program with Toyota Europe for Microcat FRESH™ (Infomedia's dealer-to-trade online cataloguing and ordering solution), the product has now been launched to Toyota dealers in Sweden. The first revenue from this transaction-based product was received in December, and an evaluation of rollout to other markets is now underway.

In further good news for ECD, a five-year agreement was recently signed with Cadillac Europe BV (Cadillac Europe) for the exclusive supply of Microcat.

The Business Systems division secured a licence agreement with one of Queensland's largest automotive dealers, AP Eagers, for the AutoLedgers dealer management system (DMS). This ASP installation of AutoLedgers will be hosted from one of Infomedia's Application Hosting Centres (AHC), and will provide the dealership group with a cost effective IT outsourcing solution. Recently, The Bradstreet Motor Group – one of New South Wales largest and most respected regional automotive dealers – also entered into a software license arrangement for AutoLedgers.

Following a successful pilot program of the Data Management Division's Superservice Menus™ (SSM) product, it was released to all Mitsubishi Australia dealers in mid November. The first six weeks of rollout saw 10 percent of dealers subscribe to SSM. The remaining quarters should see subscriptions continue to increase due to strong

dealer support as well as the Dealer Management System vendors expected to finalise the integration of SSM into their systems by the third quarter. Superservice Menus for Toyota Australia continues to show positive support from dealers and the new Toyota Klugger Service manual was also delivered to Toyota for release to its dealer network.

In November, the company announced that it intends to make changes to its European distribution model in order to better manage its go-to-market strategy. It has established a wholly-owned subsidiary, IFM Europe Ltd, which from July 1, 2004, will be handling all administrative, sales and distribution activities for Microcat and the company's other products in Europe. Infomedia management are currently working on activities which will leverage this transition to direct representation, and initiatives that will strengthen the company's international market presence.

In December, the company announced the purchase of new offices in Frenchs Forest for \$16.5M (excluding tax and other associated costs). The new premises will enable the company to consolidate its headquarters under one facility. The move to the new premises is scheduled for April 2004.

Finally, the company was again recognised for its outstanding export success and was judged the national winner in the Information and Communications Technology category of the 2003 Australian Export Awards. Presented by Austrade and the Australian Chamber of Commerce and Industry, the awards recognise Australia's leading exporters and showcase some of the most innovative companies in Australia. With over 450 businesses entering the awards this year, Infomedia qualified for the national awards after winning the Information and Communications Technology category at the NSW Export Awards in October.

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CONSOLIDATED SECOND QUARTER FINANCIALS

\$'000	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000	FY 1999
Sales revenue	17,338	15,756	11,216	8,302	4,154	2,288
less						
Cost of sales	3,773	3,152	2,231	1,738	853	510
Gross profit	13,565	12,604	8,985	6,564	3,301	1,778
less						
Expenses	6,220	6,641	5,043	2,326	773	527
Net profit before tax	7,345	5,963	3,942	4,238	2,528	1,251
less						
Taxation	2,108	1,701	1,186	1,528	843	500
Net profit after tax	5,237	4,262	2,756	2,710	1,685	751

CONSOLIDATED FIRST HALF FINANCIALS

\$'000	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000	FY 1999
Sales Revenue	34,100	28,890	20,692	15,909	7,985	4,297
less						
Cost Of Sales	7,557	5,796	4,254	3,135	1,608	908
Gross Profit	26,543	23,094	16,438	12,774	6,377	3,389
less						
Expenses	12,519	11,385	8,034	4,209	1,706	1,028
Net Profit Before Tax	14,024	11,709	8,404	8,565	4,671	2,361
less						
Taxation	4,107	3,435	2,575	3,039	1,659	673
Net Profit After Tax	9,917	8,274	5,829	5,526	3,012	1,688