2004

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2004 EPC Versions

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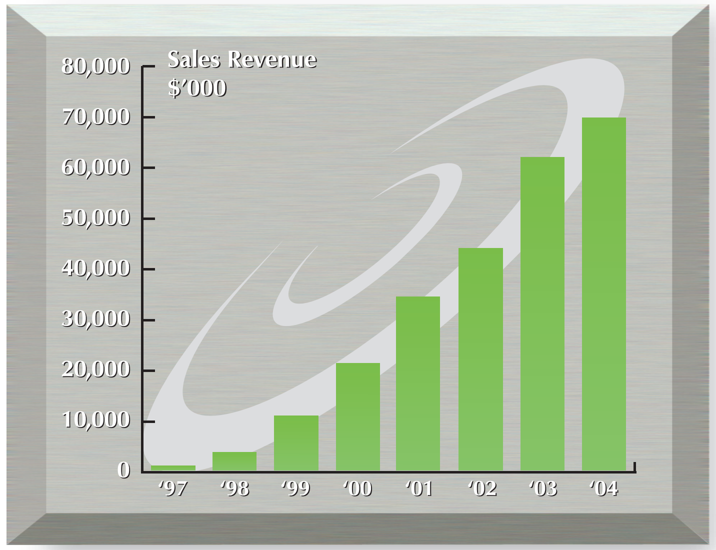
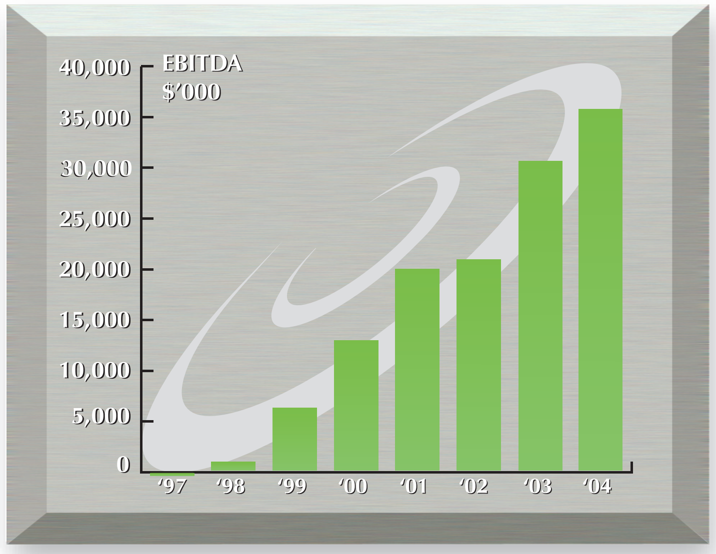
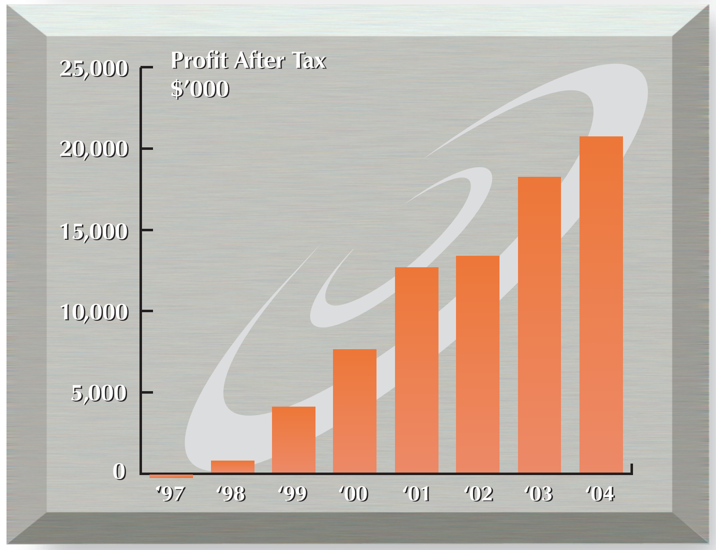
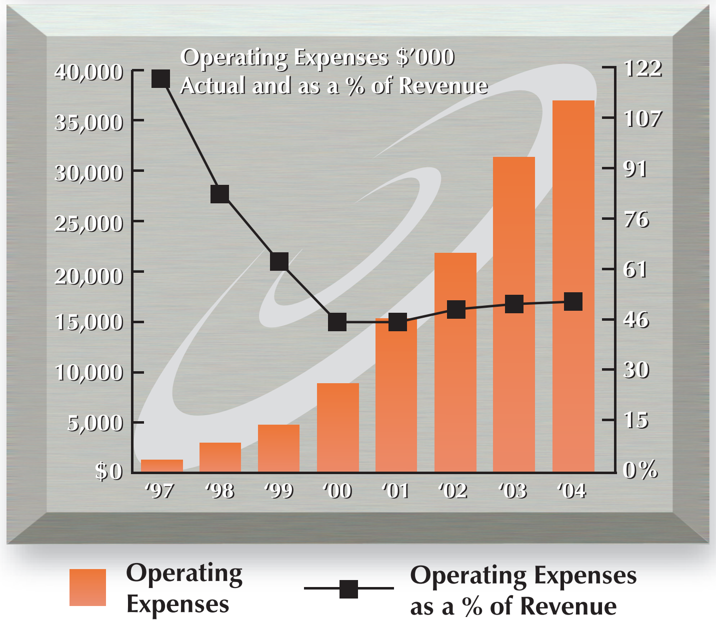
WHIRLPOOL

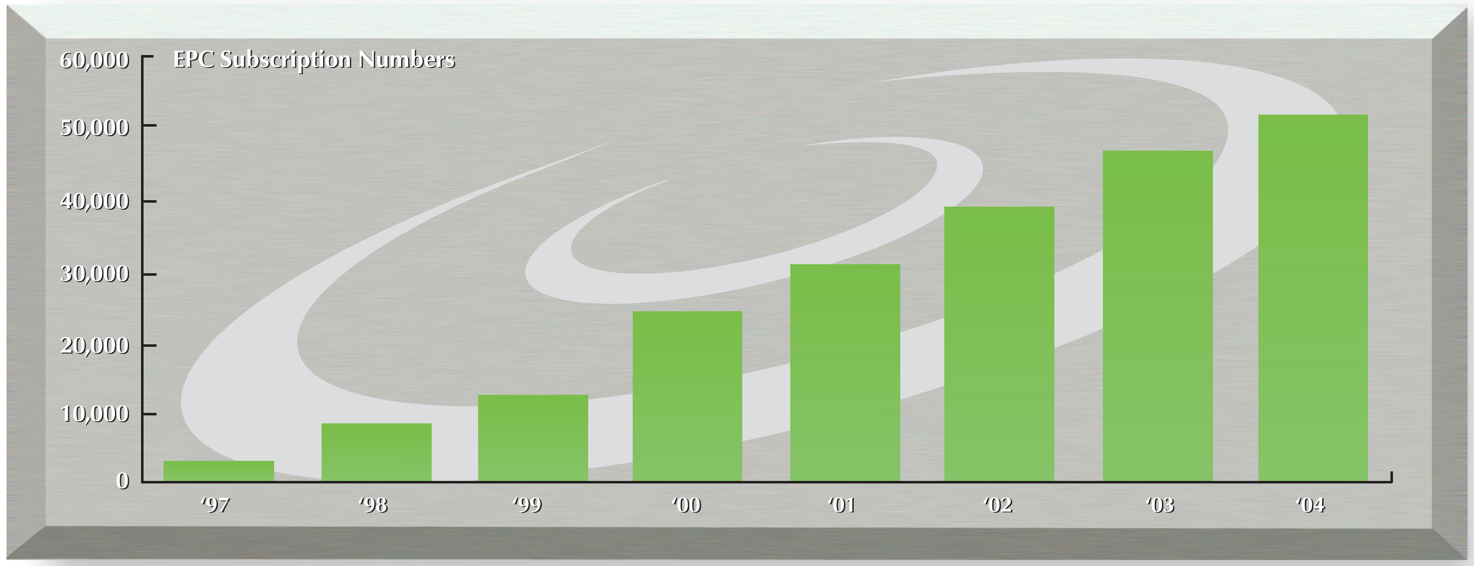
results and achievements at a glance











Results and achievements at a glance

Continued financial growth

Sales revenue increased by 12.5 per cent to $69.6 million. Net profit after tax increased 12.9 per cent over the previous financial year to $20.7 million.

Continued subscription growth

Subscriptions to our Electronic Catalogues Division products grew by 10.6 per cent to 51,524 units through organic expansion in all markets.

Continued strong EBITDA margins

Our EBITDA margin (i.e. EBITDA/sales) for the year was 51.3 per cent, even after taking into account setup costs associated with the creation of our European subsidiary in the fourth quarter.

Continued record R&D investment

Our investment into research and development was $3.6 million, as we continue to improve and expand our portfolio of software products.

Continued employment expansion

Employee numbers increased by 19.9 per cent to 205 and arose mainly from the creation of the international Customer Service Centre in Sydney, Australia, the European office in Cambridge, England, and production and development personnel in all divisions.

Continued product commercialisation

The Data Management Division began to commercialise Superservice Menus™ in Australia. The subscription results for the first 10 months of introduction exceeded the first 24 months of the original introduction of Microcat®.

Continued good governance

The Committees of the Board, (Audit & Risk, Corporate Governance and Remuneration & Nomination) determined the appropriate approaches to adopt in applying the ASX *Good Corporate Governance and Best Practice Recommendations* to Infomedia's circumstances.

Established IFM Europe Limited

From 1 July 2004 our wholly owned subsidiary, IFM Europe Limited, took over the obligations previously performed by our European agent, positioning Infomedia to sell directly and support its industry-leading products.

Established new headquarters

During the year Infomedia purchased, and relocated to, its new corporate headquarters at Frenchs Forest, NSW. The new facility is expected to serve the growth of the Company for many years and will preserve the substantial capital improvements required for the kind of work the Company performs.

Established international Customer Service Centre

Infomedia established its new international Customer Service Centre, concurrent with the opening of the new headquarters. The Centre's team of professional, multilingual staff currently serve European customers during their local business hours.


nfomed

chairman's letter

Dear Fellow Shareholders,

I take pleasure in presenting your company's Annual Report for the 2004 financial year and commending it to you.

Infomedia has achieved its eighth consecutive year of revenue and profit growth. Sales revenue increased by 12.5 per cent over FY2003 to $69.6 million. Net profit after tax increased by 12.9 per cent over the previous financial year to $20.7 million.

Earnings per share rose by 12.7 per cent from 5.65¢ per share in FY2003 to 6.37¢ per share in FY2004. A fully franked dividend of 1.9¢ was paid to shareholders of record at 7 September 2004. This, combined with the earlier interim dividend declared on 24 February 2004 of 1.9¢, brings the total franked dividend for the year to 3.8¢ per share.

You can review the financial performance in more detail in the Audited Financial Report starting on page 18 of this Report and in the Statement of Financial Performance.

It has been an active year on all fronts. The Electronic Catalogues Division's EPC subscriptions grew by 10.6 per cent from 46,580 subscriptions at the start of the year to 51,524 at 30 June 2004. The Data Management Division began commercialising its new Superservice Menus™ product which has received positive customer reactions. The Business Systems Division revenues grew by 24.5 per cent as the Australian dealer management system market continues to consolidate toward two or three major providers.

Throughout the year, the Board has worked diligently to analyse the approach to adopt in applying the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* in a way that is appropriate to Infomedia's particular circumstances. You'll be pleased with the professionalism with which the Directors have applied themselves to this task. Details of our practices can be found commencing on page 64, entitled Corporate Governance Statement.

There are many good people who make Infomedia the special company that it is and who enable it to produce the results it has for many years. However, like they say in the fine print, 'previous performance is no assurance of future performance', as challenges and challengers constantly seek their own advantage. That aside, I can let you know that your Company's staff, Management and Directors are committed to its long term growth and viability, and will do all that is in their power to achieve those objectives.

I hope to see you at the Annual General Meeting in October.

Respectfully Yours,

Richard David Graham
Chairman and CEO

company profile

Infomedia Ltd provides specialised IT software solutions and services to automotive associated businesses throughout the world and appliance whitegoods businesses in the Asia Pacific region.

The Company was established in Frenchs Forest (Sydney) in 1988 as a distributor of computer products.

In 1990, Infomedia established a software development division to create specialised electronic selling and cataloguing solutions, incorporating multimedia and advanced programming technology.

Infomedia's new headquarters in Frenchs Forest

In late 1991, it introduced its first product, Microcat®. Since then, Microcat has been the Company's flagship product and has gone on to become a leading electronic parts catalogue (EPC) for the global automotive industry.

> "The Company's flagship product, Microcat, has gone on to become a leading electronic parts catalogue (EPC) for the global automotive industry."

In 1994, the Company sold its computer products distribution business to Unisys, to exclusively focus on software development.

During the balance of the 1990s the Company continued to develop its methods and expertise in this genre of software, domestically at first and then internationally from 1996.

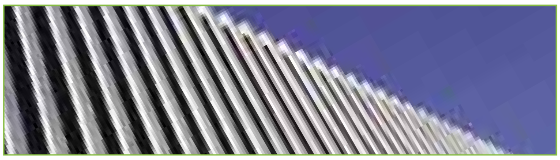
In early 2000, the Company began to supplement its organic expansion with the acquisition of another Australian EPC maker, Datateck Publishing Pty Ltd, who also brought content development and strong automotive data analysis skills with them. Later that year, Infomedia became a public company, listing its shares on the Australian Stock Exchange in August.

> "Infomedia is an innovator in automotive selling solutions and is a market leader in EPC reliability, performance and customer service."

Further acquisitions followed over the subsequent years, providing greater depth to our EPC core, while positioning the Company to take advantage of further software supply opportunities within the same customer base. Two of these acquisitions took us into the pivotal centre of automotive dealership businesses – dealer management systems – while another expanded our American EPC market share.

Currently our EPC products have achieved more than 51,000 subscriptions in 166 countries, and are published in 25 languages.

The Company has a solid domestic business providing a range of information technology solutions associated with retail automotive, vehicle servicing and appliance whitegoods businesses.



More than 51,000 subscribers in 166 countries benefit from Infomedia's EPC products

Infomedia produces versions of its automotive EPC products for most leading automotive franchises in Australia, including Daihatsu, Ford, Holden, Honda, Hyundai, Isuzu, Mitsubishi, Suzuki and Toyota; and its whitegoods EPC products serve Electrolux and Whirlpool traders in Australia and New Zealand.

International versions of Microcat are produced for Daihatsu, Ford, Hyundai, General Motors, Land Rover, Lexus, Saturn and Toyota dealers. Around the world, Microcat is synonymous with high quality, 'industrial strength' EPC solutions. Infomedia is an innovator in automotive selling solutions and is a market leader in EPC reliability, performance and customer service.

The combined market share of the Company's AutoLedgers® and Nova™ dealer management system (DMS) products, makes it a top domestic provider, a position that grew further last year.

Our unique range of service data publications are compiled and published by our Data Management Division. The Datateck Lubrication & Tune-up Guide™, Service Information Publications® (SIP®) and the Lubricant Recommendation Guides™ are used throughout Australia by franchised dealers and independent repair garages alike.

The Company has a track record of continuous product improvement and practical research and development. As a result, its EPC products have remained at the forefront of the genre and new product innovations, such as its Superservice Menus™, AutoMotives® (CRM), and Microcat® LIVE™ add to the growth momentum of its portfolio.

the year in review

Richard Graham
Chairman and CEO
Infomedia Ltd

During FY2004, Infomedia continued to mature as a public company and in its business genre. I am pleased that our financial achievements were within the guidance provided at the beginning of the year. The results represent another year of growth in both revenue and profit and are in line with our strategy of developing products that generate a steady recurring revenue stream.

Each division has contributed to the Company in terms of growing revenues, new product development and management maturity and strength. All of this is certain to reflect well on our future results too.

The Data Management Division is beginning to commercialise its recent development of the Superservice Menus product, the release of which has been a milestone in the Company's progress this year.

> "Each division has contributed to the Company in terms of growing revenues, new product development and management maturity and strength."

The Business Systems Division's AutoLedgers and Nova dealer management system (DMS) products continued to be accepted by more and more domestic dealers, winning ground and a positive reputation against incumbent suppliers.

We established our first overseas subsidiary, IFM Europe Limited, which took over the activities previously performed by our former European agent. IFM Europe will represent and support the international products of all our divisions. This is a very exciting prospect – one that we expect will enhance our goodwill with current and new customers as only personal representation can do.

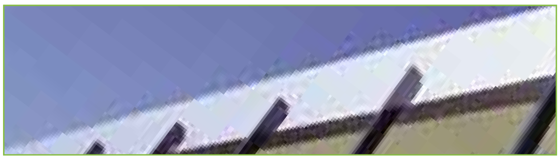
Company Director, Andrew Pattinson, took up the role of Managing Director of IFM Europe and relocated with his family to England earlier this year.

One of the year's major achievements was the formation of an international Customer Service Centre, located at Frenchs Forest. This professional and multilingual team currently serve our European customers during their normal business hours.

Since their North American launch in 1999, our electronic parts catalogue (EPC) products have been growing in acceptance and reputation. I am especially encouraged by our results when one takes into account that we came into a market with several established and strong competitors.

Despite this competition, we have played a good game and have won acceptance, by both dealers and automakers alike, as good competitors who bring fresh life and quality to retail automotive IT. Our North American subscriptions grew by 15 per cent during the financial year. We are confident that our North American EPC business will continue to grow and our Superservice Menus products will find similar acceptance.

Cambridge, England – home to IFM Europe Limited



Management continues to value the good and cordial relationships with our Asian automaker licensors. Without a doubt, the trust and goodwill that has developed between Asia's leading automakers and Infomedia during the past decade will continue to grow into mutually beneficial endeavours. Our staff skills include fluency in Chinese, Japanese and Korean and each year our understanding and respect for the cultural distinctions of Asia grow greater.

In December 2003, the Company purchased new corporate headquarters at Frenchs Forest, New South Wales, and relocated to the property following fit-out in April. Our new headquarters remove a number of environmental and occupational risks inherent in our previous Narrabeen location, where the Company had resided since 1995.

There is still immense potential yet to be tapped for specialist automotive and appliance industry software solutions. A large share of the EPC market is still held by the car manufacturers, many of whom use cataloguing and service systems developed in-house, and whitegoods cataloguing is often still based on paper or microfiche. So the Company continues to seek contracts with manufacturers around the world for new catalogue data licenses.

"There is still immense potential yet to be tapped for specialist automotive and appliance industry software solutions."

Such in-house EPC systems generally do not exhibit the level of flexibility of Infomedia's products, nor do any of them provide a multi-franchise solution so vital to dealership cost and productivity performance. I believe the Company has considerable opportunity to continue growing its market share in all regions.

In FY2004, some automakers began to accept that our products can play a valuable role beyond their dealers and can bring self-service parts interpretation to the dealers' customers. In Europe, Ford and Toyota became the first data providers to allow us to initially release Microcat FRESH® to our customers' customers on a limited basis.

Microcat® MARKET™ (previously branded Microcat FRESH) initiates a new era in parts commerce, where dealers will assist their trade

The international Customer Service Centre communicates with customers and prospects across Europe

customers in serving themselves, using our online EPC. This is a breakthrough that represents immense potential to dealership subscribers to better serve their customers at a lower cost per transaction and to do so '24/7'. As Microcat MARKET grows in acceptance, its licensing model is expected to make a meaningful contribution to the Company's revenues from FY2006 onward.

As we say in Australia, Infomedia has become a 'tall poppy' in its field. From humble beginnings just 15 years ago, Microcat has become a leading global EPC product.

With this distinction come challenges as well as accolades. In particular, because of our transparency and well-run business, we have begun to attract the attention of various challengers.

However, if we have done our job right, which I believe we have, we've built a sound commercial and technological foundation; we've invested in future product development; and we've nurtured a business culture that is committed to creating a company 'built to last'. We cannot avoid the challengers and challenges, but we can face them, we can address them and we can surpass them.

Richard David Graham

Chairman and CEO

financial review

Peter Adams
Chief Financial Officer
Infomedia Ltd

The 2004 financial year represents another year of positive financial growth for the Company.

At the beginning of the year we announced an expected growth of sales revenue and profits of between 10 and 15 per cent over the previous corresponding year. I am pleased to confirm the actual sales revenue and profit increase achieved is near the midpoint of that guidance, at 12.5 per cent and 12.9 per cent respectively.

Subscriptions for our Electronic Catalogues Division products grew by 10.6 per cent to 51,524 units, driven by new sales in the North American market and the continuing rollout of Microcat to Toyota's European dealers. Subscription growth is one of the primary means by which we measure our business as each subscription represents a recurring unit of revenue.

The Company's revenue has exposure to foreign currencies – principally the US dollar and the Euro. We have historically entered into foreign currency forward exchange contracts to manage our exposure to currency fluctuations.

Infomedia has benefited over the last couple of financial years from a favourable currency hedge rate relative to the spot market. For the US dollar, our average hedge rate for FY2004 was below US57.5 cents (FY2003: US55 cents). We have taken out hedging for FY2005 at rates averaging US66.4 cents to the Australian dollar for a substantial portion of our US dollar revenue stream.

Our EBITDA margin (i.e. EBITDA/sales) for the year was 51.3 per cent even after taking into account setup costs associated with the creation of our own European subsidiary in the fourth quarter. Our EBITDA margins have now averaged around 50 per cent for the last three financial years and demonstrate the Company's ability to control costs over an increasing revenue base.

Cost control, however, has not been at the expense of the future. Our annual investment into research and development was at a record $3.6 million, as we continue to improve and expand our portfolio of software products in all divisions.

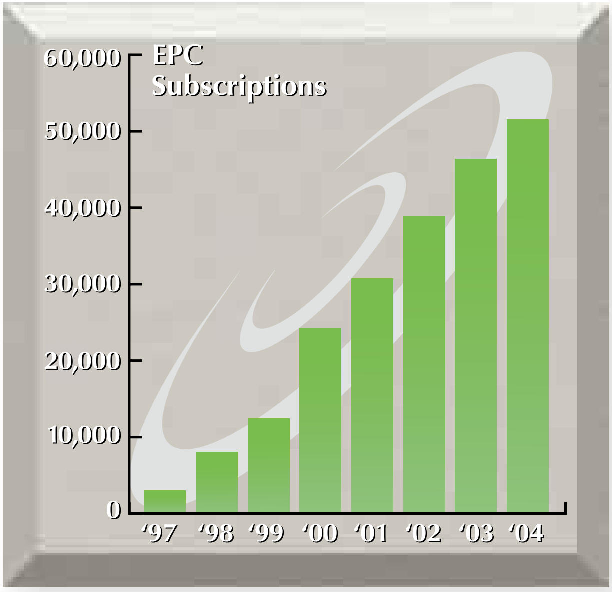
Infomedia and Toyota staff visiting a Microcat FRESH pilot customer in Sweden

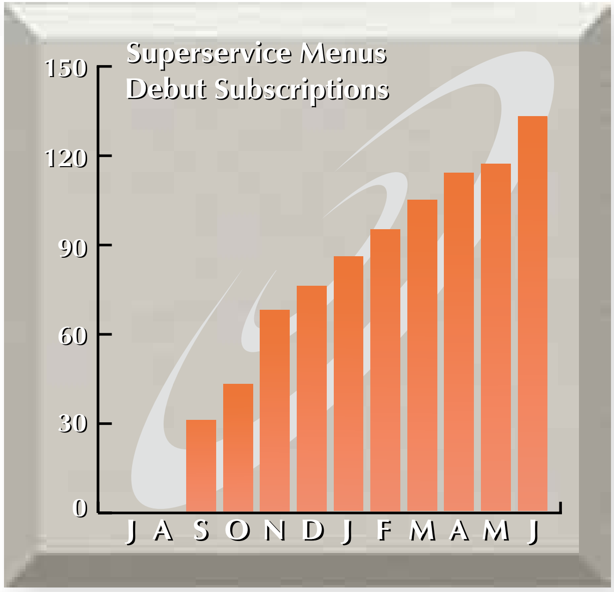
> "Subscriptions for our ECD products grew by 10.6 per cent to 51,524 units, driven by new sales in the North American market and the continuing rollout of Microcat to Toyota's European dealers."

Employee numbers have increased by 19.9 per cent over the year to 205, with most of the increase arising in the fourth quarter from the creation of an international Customer Service Centre that operates from our new headquarters in Sydney, Australia, and our new European subsidiary in Cambridge, England. We anticipate that this will add future synergies and reduce future costs overall.

I believe the most significant event for the Data Management Division during FY2004 was the successful launch of Superservice Menus in Australia. From a financial perspective, Superservice Menus has a recurring revenue model similar to Microcat, where dealers subscribe to the product on a monthly basis.

Our Business Systems Division emerged during the FY2004 year with a string of new dealerships signing up for the AutoLedgers and Nova DMS products. The competition for dealer management systems is very strong and to win this new business is a credit to the quality of our products and the people behind them. Much of the incremental recurring revenue from these new licenses will be recognised during FY2005.





With a recurring revenue model, Superservice Menus has the potential to become as successful as Microcat

Our European financial business model faces some additional challenges going into FY2005. Historically, the Company's accounting processes have leveraged off third parties and, in some cases, the automakers who have performed a centralised billing and collection function.

> "Our EBITDA margins have now averaged around 50 per cent for the last three financial years and demonstrate the Company's ability to control costs over an increasing revenue base."

While these processes remain as they were for most of our European business, from 1 July 2004 Infomedia took direct responsibility for billing our Ford subscribers across Europe, in many different languages and currencies.

In FY2005, the Company will face new challenges:

- our revenues will be translated higher currency exchange hedge rates;
- we will face new competition entering the European EPC marketplace; and
- we will have greater accounts receivable administration and collection exposure.

Helping to moderate these challenges will be:

- the continued organic growth from our EPC business;
- a stronger contribution from our Data Management Division and its Superservice Menus products; and
- an improving contribution from our Business Systems Division's AutoLedgers and Nova products as they build on new business successes and their growing market profile.

P. J. Adams

Peter Adams

Chief Financial Officer

electronic catalogues division

Gary Martin
General Manager
Electronic Catalogues Division

The Electronic Catalogues Division (ECD) develops and licenses electronic parts and service catalogues to the international automotive industry. It is presently the largest of the three divisions.

The Division's core product, Microcat, has become a benchmark for electronic parts catalogues (EPCs) in its industry. It is an advanced EPC that enables automotive dealers to increase efficiency, customer satisfaction and parts sales.

Microcat identifies the correct fitting part rapidly by matching vehicle identification criteria to the application criteria for parts made by an automaker. The objective of this identification process is to contribute to the vehicle being repaired quickly and accurately by selling the right part the first time. It is a fast and accurate EPC that also offers effective integration with numerous dealership invoicing and inventory control systems.

I look back on FY2004 as a year of opportunity and challenge, where the collective effect has been the forging of a stronger and more competitively-enabled Electronic Catalogues Division.

EPC subscriptions continued to grow in all regions. There was a total growth of 10.6 per cent or a net increase of 4,944 subscriptions during the year. During much of the year the Division's operational objectives focused on: readying the new fortified versions of Microcat LIVE and Microcat MARKET for release in the first half of FY2005; planning for transitioning North American General Motors dealers from PartsImager™ to a more feature-rich version of Microcat; dealing with the unexpected changes in European and North American representation; and preparing for the important transition from exclusive to non-exclusive EPC supplier to European Ford dealers.

"Microcat LIVE is a dramatic evolution of automotive EPC and will deliver the long-awaited ability for dealers to receive 'interim updates'."

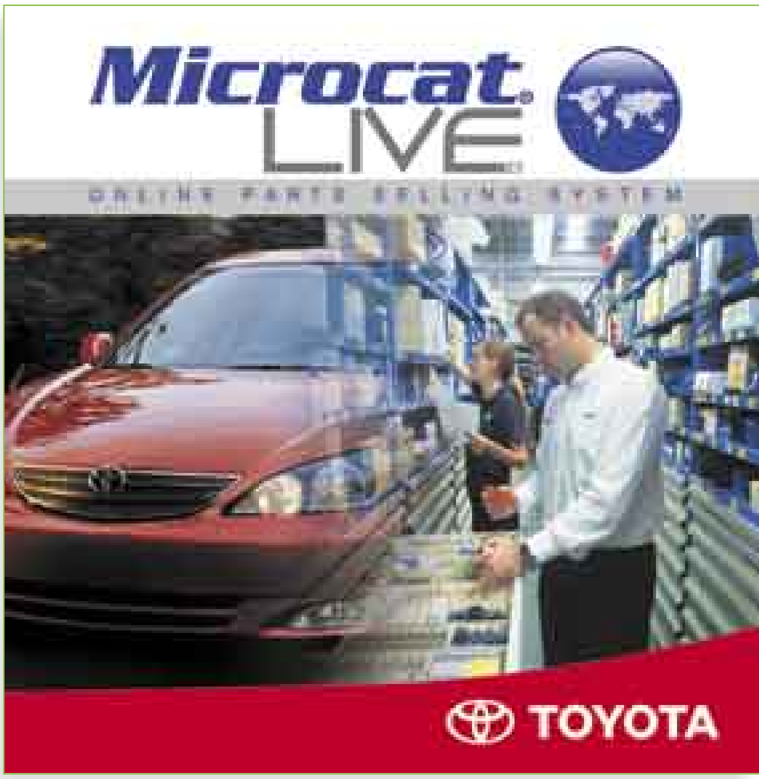
Microcat LIVE

Microcat LIVE is a dramatic evolution of automotive EPC, that is a hybrid of traditional fixed-media (DVD-Rom) and online access. Our developers have been evolving the complex behind-the-scenes programming for LIVE, while our commercial teams have been readying the European market for its launch during the first half of the new financial year. Toyota and Ford dealers in Europe will be the first dealers to experience the improved performance and potential of Microcat LIVE.

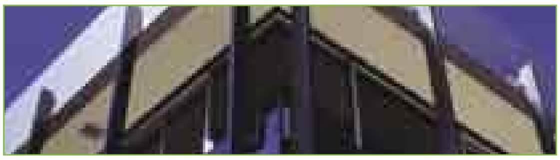
Totally reprogrammed using Microsoft's .net technology, Microcat LIVE will deliver the long-awaited ability for dealers to receive 'interim updates'; that is to say, changes to the catalogue data that may occur between the normal monthly DVD releases. However, dealers can take this concept a step further by running the application 'live' and accessing Infomedia's realtime data servers via the Internet.

Microcat LIVE also introduces numerous new functional features that will empower all parts professionals to sell more quickly and more accurately.

In time, all current versions of Microcat will be converted to Microcat LIVE. We anticipate that this will be completed during FY2006. Once completed, the transition is expected to deliver savings to the Company by reducing costs to maintain, produce and support our current technology.



Microcat LIVE on DVD



Microcat MARKET

For a number of years the Company has possessed a version of Microcat suitable for use by dealers' trade customers that would identify parts they need and allow them to order those parts from the dealer 24 hours a day, 7 days a week. We've called that Microcat FRESH. Its use was generally restricted by our licensors who wanted to feel more certain that parts e-commerce would be received well by their dealers, especially after the negative impression left in their minds as a result of the aggressive behaviour of 'parts aggregators' and 'parts exchange portals' during the heyday of the dot-com bubble.

> "Microcat MARKET will deliver tangible productivity and financial savings to both the dealership and its customers, while extending 'trading hours' from 8am–5pm/Monday–Friday, to 24/7."

However, after limited trials in Europe during FY2004, we will commence a broader rollout of this technology in FY2005; initially to European Toyota and Ford dealers and then to dealers in other regions. Rebranded now as Microcat MARKET, this browser-based system will allow a dealer to empower its customers to serve themselves, to select parts and place orders directly into the dealer's order processing system. Microcat MARKET will deliver tangible productivity and financial savings to both the dealership and its customers, while extending 'trading hours' from 8am-5pm/Monday-Friday, to '24/7'.

Microcat MARKET for Ford

Microcat for North American General Motors dealers

During FY2004, members of our ECD development and product management teams worked diligently to prepare for the first new EPC offering in a decade for North American General Motors

The upgrade for GM customers from PartsImager to Microcat has been a significant achievement

dealers. This new version of Microcat will upgrade all current PartsImager users, with greater features and less installation complexity. Infomedia developers regularly met with GM parts specialists to ensure that this version of Microcat achieved the higher standards that dealers and automakers want from an EPC today.

Our teams learned a lot from the extensive dealer feedback received during nearly six months of field trials. We created certain new functionality for Microcat, as GM has some unique ways to utilise their parts data that give their dealers added depth and accessibility. The transition from PartsImager to Microcat commenced in August 2004 and is expected to conclude during Q3 FY2005. The transition is being managed by our North American distributor, Automotive Retail Group ADP-Dealer Services.

IFM Europe Limited

In October 2003, our European agent notified the Company that it was exercising its option to terminate the agency agreement. The termination notice caused us to immediately put plans into action to replace the services that it had provided, plus those we anticipated

electronic catalogues division

Gary Martin
General Manager
Electronic Catalogues Division

it to provide, post 1 July 2004, when Microcat for European Ford dealers entered into its competitive period.

Management formed a multi-disciplined taskforce to successfully deal with the situation. As a result of this work, we amongst other things: established a wholly owned subsidiary, IFM Europe Limited, to be the *body in situ* to direct our European operations and to liaise with our subscribers and licensors; contracted with European collections specialists, Intrum Justitia, to support our finance team's expanded accounts receivable responsibilities; worked with Telstra to establish an innovative and affordable system of pan-European telecommunication links between our users and the Company; and recruited, trained and outfitted a professional international Customer Service Centre in Sydney – all of which was in place and operational by 1 July 2004.

Electronic Catalogues Division Production team

North American distribution change

During March 2004, we were informed by our distributor in the Americas, EDS, that its Automotive Retail Group (ARG) was going to be acquired by ADP Inc., a large American IT company with significant representation and influence in the automotive dealership market. As ARG was a division that had serviced Infomedia and our EPC distribution since August 2002, ADP invited the Company to assign that agreement to it and hence become our new distributor. Our first impression was that such a change would be positive for Microcat distribution. During the next 12 weeks or so, we met with ADP management to learn more about their company and to negotiate a suitable assignment document. In August 2004, we executed the assignment to ADP for the duration of the original term.

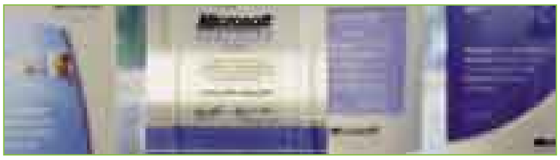
Training services

Infomedia's online support resources already lead the EPC industry. To provide an even better experience for our customers, we are now raising the bar for EPC training.

Customer training is currently accessed in a number of ways, including self-paced computer based training (CBT), video-on-demand training, online interactive broadcast, and online user-group sites that operate in local languages at appropriate local times for dealership groups and individuals.

Initially, the video-on-demand training and online interactive broadcasts will be provided to our European customers. To facilitate this world-class service, we have built three small online video training studios as part of our new international Customer Service Centre at Frenchs Forest. The first of these went online in August 2004. A user can participate in an interactive broadcast through their Internet browser. Participants can ask questions or give specific examples of things they wish to understand.

We see training as an integral part of providing good customer service and securing good customer satisfaction. It is yet another feature that distinguishes Microcat from the competition.



Online training videos are created in house and delivered via the Internet for customers to access at any time

Opportunities and challenges

ECD began to positively address its new opportunities and challenges in the FY2004 and will continue to do so during the FY2005 year.

> "We see training as an integral part of providing good customer service and securing good customer satisfaction. It is yet another feature that distinguishes Microcat from the competition."

We did so in direct and obvious ways referred to above, such as: contributing to the establishment of IFM Europe; readying the new online Microcat products; and implementing a competitive marketing strategy in the European Ford dealer arena.

Less obvious, however, was the maturing and cross-integration of many ECD functions such as sales, marketing, brand management and distribution, to begin to forge a united market-management force for the products of all the Company's divisions. To achieve this, we have realigned resources in terms of staff responsibilities and we have also revisited fundamentals such as packaging and branding to further strengthen the key Infomedia brands.

In terms of FY2005, it has its uncertainties particularly as they relate to the transition of the Ford Europe business from exclusive to non-exclusive. At the time of this Report closing off for typesetting (late-August 2004), it is still too early to gauge what the level of subscription movement will be. However, I can say to you that whatever it may be, ECD will use that level to build a bigger market upon.

Aside from the temporary uncertainty associated with that transition, I am confident that our other markets for subscriptions will continue to grow.

Gary Martin
General Manager, Electronic Catalogues Division

data management division

Michael Roach
General Manager
Data Management Division

The Data Management Division (DMD) researches, processes and publishes technical repair-side data, illustrations and documentation to facilitate more cost effective vehicle servicing by automotive dealers and independent repairers.

As General Manager of DMD, I couldn't be happier with the prospects for the Division. DMD had a strong 16 per cent revenue growth in FY2004, primarily through its traditional print publications and analytical consultancy. A small part of the growth came through the partial domestic introduction of our new Superservice Menus product.

Before I report about that exciting new product, let me provide you with an update about the publication and analysis side of the business.

Publications

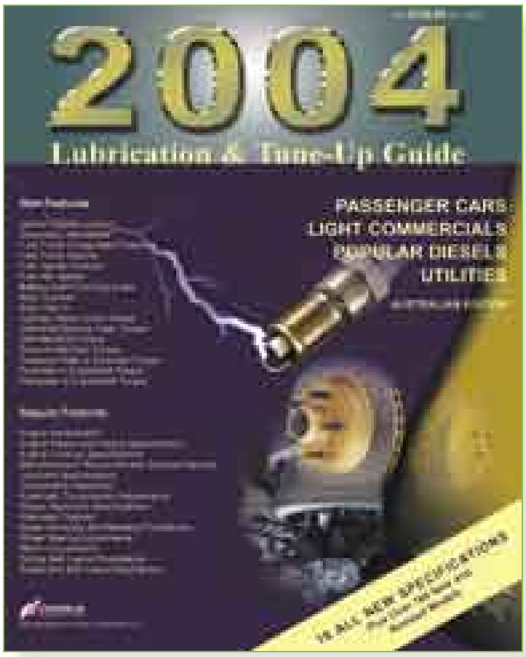
During the financial year we published the 43rd annual edition of the Datateck Lubrication & Tune-up Guide (LTG). This 968-page repair-side reference book is arguably the most widely-used guide of its kind in Australia. The (calendar year) 2004 edition went on sale in March and the first quarter sales of the guide are 107 per cent higher than those of the 2003 edition, despite having a higher cover price.

Our analysts made several structural enhancements to the LTG format, such as removing the older carburettor and distributor sections and updating them with the newer electronic fuel injection specifications and wheel alignment sections. Of course, all the new model-year vehicles were added too.

> "During the year, we won regular contracts to produce pricing, service and accessories guides for Holden and Toyota."

Our Lubricant Recommendation Guides™ (LRGs), which we produce for Australia's leading lubricant product distributors also had a good year. The LRG is both a traditional (paper) and online database publication where one can find each distributor's correct products for a range of machinery, including automobiles, jet skis, lawn mowers and chain-saws, to name a few. Our LRG is the data source behind-the-scenes supporting the distributors' product recommendation websites.

It was great to welcome Pennzoil to join the other 12 distributors who use our LRG, PCLube™ and NetLube™ products. On several occasions throughout the year, we were also able to assist a number of current customers by providing them with lubricant data to support their entry into new vertical product streams.



2004 Lubrication & Tune-Up Guide™

Partfinder® Whitegoods EPC

DMD creates and publishes the Partfinder® EPC for the appliance whitegoods industry. In FY2004, Whirlpool Australia Pty Ltd signed a 3-year agreement for Partfinder to be supplied to their agents in the region. Whirlpool joins Electrolux in recognising and adopting the many advantages of our Partfinder EPC solution for their Australian and New Zealand appliance agents. I am confident that this product segment will continue to provide growth impetus for the Division, both domestically and overseas.

Analytical consulting

Our automotive analyst section is well recognised for its ability to produce accurate data. During the year, we won contracts to produce pricing, service and accessories guides for Holden and Toyota.

We were awarded a parts cataloguing contract with Holden to catalogue data for their SUP (import) vehicles such as Astra, Barina and Vectra. Daewoo also awarded the Division with a parts cataloguing contract which involves both the cataloguing of parts data as well as supporting their dealer network with its parts enquiries. Like the others, this area of our business continues to grow as a result of the excellent service that DMD offers in the area of automotive research.

Superservice Menus

During FY2004, DMD launched a new and exciting application called Superservice Menus, which has the potential to become as widely used as Microcat, both domestically and internationally.

Superservice Menus is a high-performance service quoting application that helps dealers provide an accurate, detailed, competitive and profitable service quotation in seconds. It does this by combining in-depth DMD service repair research, vehicle identification information, and detailed repair checklists with its unique interpretation application.

Within Australia, we currently produce Superservice Menus for Ford, Mitsubishi and Toyota dealerships, and are piloting the product with Daihatsu and Hyundai dealers. Response from North American and European interests for the product is also very encouraging and holds a lot of potential to make a material recurring revenue contribution in the coming years.

"Superservice Menus has the potential to become as widely used as Microcat, both domestically and internationally."

The substantial development work which is initially required to create Superservice Menus for any given automotive franchise also forms a significant barrier to entry. Our team of technical analysts gathers information from six to eight different data sources, then analyses and processes it into individual service quotations, check-sheets and invoicing detail. We have raised the bar even higher by making the system multilingual and multi-franchise.

The other main element that sets us apart from would-be competitors is the quality of our work. It is immediately apparent to customers

Superservice Menus provides accurate, detailed service quotations in seconds

and prospects, when they look at the product, that the menus are of high quality and have been prepared by experts.

Opportunities

Since joining Infomedia in 2000, the Data Management Division (Datateck) has been making modest but steady revenue growth in our traditional and continuing endeavours of publications, analytical consulting and whitegoods EPC.

During the past two years, we have also invested skill and financial resources into the development of the innovative Superservice Menus and a small portfolio of other online resources. This dual approach of investing in the future, while realising the worth of existing assets, is proving to be sound and shrewd leadership by our senior management team and the Board.

Our staff in the Division are exceptionally committed to our success and have delivered quality products, while under the pressure of tight timelines to meet specific commercial windows of opportunity. I can say personally that it is an honour to work with them. I believe we will realise the potential of all our DMD products, especially that potential which Superservice Menus holds in store.

Michael Roach

General Manager, Data Management Division

business systems division

Damon Fieldgate
General Manager
Business Systems Division

Infomedia's Business Systems Division (BSD) develops and provides the comprehensive information and data processing solutions required to operate and manage today's complex full-service automotive dealerships.

These systems, referred to as dealer management systems (DMS), help account for all aspects of dealership operations and processes: from inventory control to accounting statements; from vehicle sales contract generation to customer relationship management; from OEM reporting to service workshop scheduling.

"DMS customer expectations of the software, the services and the supplier are rising. Infomedia is well prepared to meet these changing expectations."

BSD is a leader in domestic DMS sales and installations. Our AutoLedgers and Nova brand systems have positive reputations among their users. During FY2004 the Division contracted for new dealership installations, up to the limit of its current installation capacity, and experienced a growth of 25 per cent over FY2003.

In early FY2003 the Division commenced a process of changing the way we had previously gone to market with our products. We began to withdraw from selling computer hardware, third party software and telecoms facilities, and transitioned solely to selling and supporting its DMS software solutions. With the professional aid of Infomedia's corporate systems team we had, by the end of FY2004, succeeded in making the withdrawal from non-core activities and, in particular, telecoms provisioning. In the process, an improved telecommunication strategy was implemented that gave the dealers greater bandwidth at a lower cost. Doing so made our core strategy of delivering our AutoLedgers DMS via online access more affordable too.

Our annual revenue was reduced by approximately $750,000 as we phased out these non-core activities. However, it boosted our focus onto our core business of software development, sales and support which, by the end of the financial year, had delivered net revenue growth, greater customer satisfaction and less staff and management distraction on low margin activities.

To give you a very broad understanding of where our AutoLedgers and Nova systems are positioned, let me offer the following:

- AutoLedgers is a powerful high-end DMS suitable for the largest to medium-sized automotive dealerships. Its primary form of delivery is via an online ASP method. It is a mature and proven system that is continuously improved and serves all areas of dealership business. A number of new features were added during FY2004 to keep pace with the changing needs of our clients and the competitive nature of the market.

- Nova is also a very effective DMS that is primarily used by medium to smaller dealerships in Australia, and as of FY2005, New Zealand. While it also supports all areas of a dealer's business, its efficient and compact design makes it easy for a dealership with limited local IT resources to operate reliably day after day. In FY2004, the Nova development team completed version 10 of the system, which introduced a dynamic new graphical user interface.

DMS customer expectations of the software, the services and the supplier are rising. Infomedia is well prepared to meet these changing expectations and, to some degree, is in fact driving them. For example, we have set the commercial agenda by:

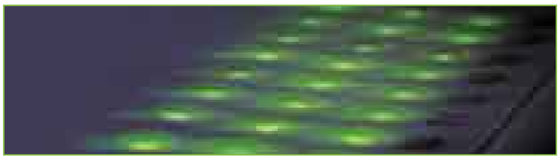
- publishing transparent subscription prices, which allow dealers to determine a precise price for DMS 'subscriptions' or 'seats', fully inclusive of licensing, upgrades and support;

- quickly incorporating new obligations imposed by their OEM or by changes in legislation, without an extra charge; and

- unbundling computer hardware and telecoms, while supporting dealers to purchase them from a best-price supplier;

to mention just a few ways.

Infomedia's Future Motors™ Showcase replicates the operational structures of a dealership and showcases the entire Infomedia product portfolio



On track

Even though Infomedia has only been involved with DMS since 2000, its acceptance, influence and reputation has grown remarkably in that short time to where we are one of the top providers in Australia. We have seen a remarkable growth in acceptance of our DMS products during the FY2004 year. So much so that at the time of writing, the FY2005 sales pipeline is already nearing our limit for accepting new customers.

"One of the biggest influences on prospective clients when considering a new system is the opinion and experience of currently satisfied customers – these are our best references."

During the year, a number of influential dealers signed to make the transition to one of our dealer management systems, including: AC McGrath Group, Bradstreet Group, Essendon Nissan, Tony Leahey Ford, and SunFord, to name just a few. Our new FY2004 DMS subscribers are anticipated to add over 800 new 'seats' by the time of their full installation.

In addition, many our of current DMS users began to subscribe to a number of our new speciality extension products, such as our AutoMotives customer/showroom management application, our AutoTerm® point and click terminal emulator, and our new AutoDocs™ electronic stationery management system. Subscriptions to our range of Auto-extension products grew significantly across the range.

Because we can clearly see that the domestic demand for an Infomedia dealer management system is on the rise, we have been actively recruiting and managing the development of an expanded customer field support team. During the year we consolidated our east and west coast helpdesks into a single operation. These human resource commitments are making Infomedia's DMS support stand out at a time when other competitors are cutting back on customer service activities.

We know that the way to increase our number of clients is to provide superior products and exceptional customer support. One of the biggest influences on prospective clients when considering a new system is the opinion and experience of currently satisfied customers – these are our best references.

Building for the future – rising to the challenge

A full-service automotive dealership is a complex, highly regulated and dynamic business. This is true both domestically and internationally. While we believe that AutoLedgers and Nova are the best Australian dealer management systems in their respective classes, we know that we cannot rest on our laurels.

To that end, the Company makes a strong annual investment in the continuous improvement of our current products, as well as complete product renewal when it comes to developing the next generation dealership management platform. Currently our team of programmers, analysts and system designers are working on such a next generation system which, in my opinion, will set a much higher competitive bar for comprehensiveness, system performance and ease of functionality than anything on offer today. This internationally focused DMS will bring the power of online computing to dealers in many regions beyond our home shores.

Our business principles at BSD are simple:

1) Conduct our business affairs ethically;

2) Add value to each customer's business by delivering innovative products and reliable services;

3) Nurture an environment of mutual respect and honest communication between our customers and our staff; and

4) Charge fair and transparent prices.

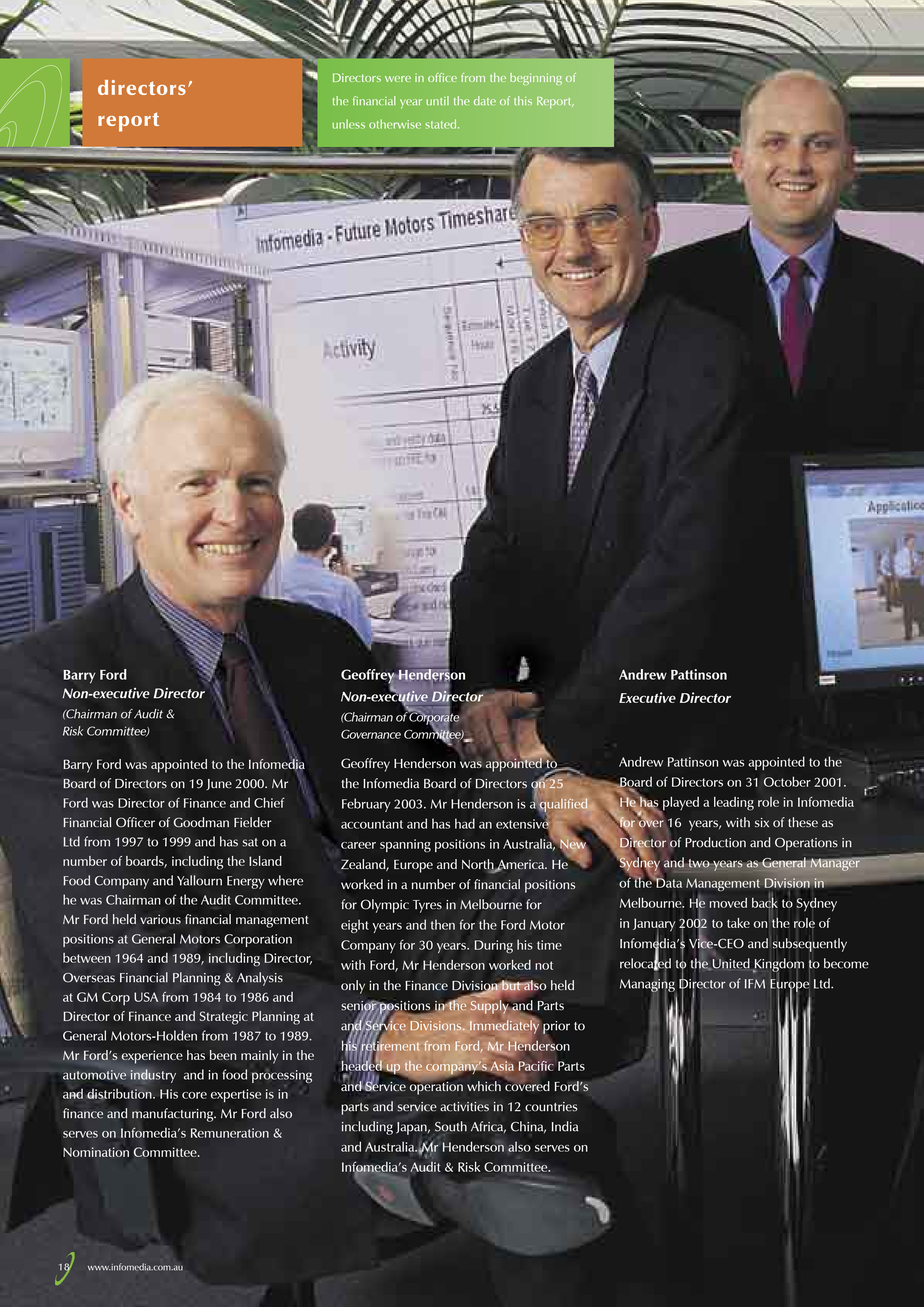
These simple principles, plus our great products, our professional and committed staff and our satisfied customers, fill me with excitement for our potential and the future.

Damon Fieldgate

General Manager, Business Systems Division

directors' report

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



Barry Ford
Non-executive Director
(Chairman of Audit & Risk Committee)

Barry Ford was appointed to the Infomedia Board of Directors on 19 June 2000. Mr Ford was Director of Finance and Chief Financial Officer of Goodman Fielder Ltd from 1997 to 1999 and has sat on a number of boards, including the Island Food Company and Yallourn Energy where he was Chairman of the Audit Committee. Mr Ford held various financial management positions at General Motors Corporation between 1964 and 1989, including Director, Overseas Financial Planning & Analysis at GM Corp USA from 1984 to 1986 and Director of Finance and Strategic Planning at General Motors-Holden from 1987 to 1989. Mr Ford's experience has been mainly in the automotive industry and in food processing and distribution. His core expertise is in finance and manufacturing. Mr Ford also serves on Infomedia's Remuneration & Nomination Committee.

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

Geoffrey Henderson was appointed to the Infomedia Board of Directors on 25 February 2003. Mr Henderson is a qualified accountant and has had an extensive career spanning positions in Australia, New Zealand, Europe and North America. He worked in a number of financial positions for Olympic Tyres in Melbourne for eight years and then for the Ford Motor Company for 30 years. During his time with Ford, Mr Henderson worked not only in the Finance Division but also held senior positions in the Supply and Parts and Service Divisions. Immediately prior to his retirement from Ford, Mr Henderson headed up the company's Asia Pacific Parts and Service operation which covered Ford's parts and service activities in 12 countries including Japan, South Africa, China, India and Australia. Mr Henderson also serves on Infomedia's Audit & Risk Committee.

Andrew Pattinson
Executive Director

Andrew Pattinson was appointed to the Board of Directors on 31 October 2001. He has played a leading role in Infomedia for over 16 years, with six of these as Director of Production and Operations in Sydney and two years as General Manager of the Data Management Division in Melbourne. He moved back to Sydney in January 2002 to take on the role of Infomedia's Vice-CEO and subsequently relocated to the United Kingdom to become Managing Director of IFM Europe Ltd.

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

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

Richard Graham
Chairman and CEO

Richard Graham has held senior management positions in the American and Australian computer industry since 1977. Mr Graham has been Managing Director/CEO and Chairman of Infomedia since 1988. His previous positions within the technology arena include: Marketing Director, ComputerLand Corp (USA) – 1977; General Manager, ComputerLand Australia Pty Ltd – 1980; Founder/Managing Director of Wiser-Microsoft – 1982; Founder/Managing Director of Osborne Computers (Australia) – 1982 and Founder/ Managing Director of Telecorp Pty Ltd – 1985. His personal interests include matters of the environment, nutrition, civil liberties, and democratic process.

Myer Herszberg
Non-executive Director

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

Mr Herszberg serves on the company's Audit & Risk, Corporate Governance, and Remuneration & Nomination Committees.

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

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

	Infomedia Ltd	
	Ordinary Shares fully paid	**Options over Ordinary Shares**
Wiser Laboratory Pty Limited	100,277,501	-
Yarragene Pty Limited	39,421,599	-
Andrew Pattinson	4,407,716	582,000
Wiser Centre Pty Limited	1,000,000	-
Richard Graham	926,559	-
Barry Ford	116,666	-
Frances Hernon	5,000	-
Geoffrey Henderson	-	-

Richard Graham is the sole director and beneficial shareholder of Wiser Laboratory Pty Limited. Richard Graham is a director of Wiser Centre Pty Limited, trustee for the Wiser Centre Pty Ltd Superannuation Fund (formerly Sidford Superannuation Fund). Myer Herszberg is a director and major shareholder of Yarragene Pty Limited.

PRINCIPAL ACTIVITIES

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

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

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

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

EMPLOYEES

The consolidated entity employed 205 (2003: 171) full time employees as at 30 June 2004.

DIVIDENDS

	$'000
Dividends paid or declared during the year:	
• Interim dividend - 1.9 cents per share - fully franked	6,170
• Final dividend - 1.9 cents per share - fully franked	6,174

NET TANGIBLE ASSETS PER SECURITY

	Cents
The consolidated entity's net tangible assets per security are as follows:	
• Net tangible assets per share at 30 June 2004	8.6
• Net tangible assets per share at 30 June 2003	4.9

REVIEW AND RESULTS OF OPERATIONS

The consolidated entity experienced improvement in sales and profits over the prior year. Revenue from ordinary activities increased by 16.5% and profit from ordinary activities after income tax expense increased by 12.9%.

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

The Directors anticipate the 2005 financial year will present some material challenges to the Company as it transitions from exclusive to non-exclusive in its largest EPC market – European Ford dealers – and as higher currency exchange rates make a negative impact on the Company's revenues and profits.

The Directors also anticipate that partially offsetting this negative impact will be:

- continued expansion of subscription revenues for Infomedia's products in selected regions;
- obtaining broad market acceptance of Infomedia's Internet trading versions of Microcat; and
- improving performance from non-EPC divisions.

Whilst there are several uncertain factors at the time of filing this report which can affect the Company's FY2005 revenue and profit potential, the Directors think it would be prudent to anticipate that the year's revenue and profits will decline rather than rise. The longer term outlook for the Company remains positive and growth oriented.

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

SHARE OPTIONS

Unissued shares

At the date of this report, there were 6,908,000 unissued ordinary shares under options. Refer to notes 27 and 29 for further details. Upon the recommendation of the Remuneration & Nomination Committee, following its review of ASX CGC Recommendation 9.3 relating to Non-executive Director remuneration, during the 2004 financial year Geoffrey Henderson voluntarily surrendered 100,000 options.

Shares issued as a result of the exercise of options

During the financial year, employees have exercised the option to acquire 16,000 fully paid ordinary shares in Infomedia Ltd at a weighted average exercise price of $0.88. Since the end of the financial year, no further options have been exercised.

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.

DIRECTORS' AND OTHER OFFICERS' EMOLUMENTS

The Remuneration & Nomination Committee of the Board of Directors is responsible for reviewing compensation arrangements for the Directors and the executive team. The Remuneration & Nomination Committee assesses the appropriateness of the nature and amount of these emoluments on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

The nature and amount of executive directors' and officers' emoluments was determined with regard to a number of factors, including the individual's specific responsibilities and performance, market benchmarking, and the Company's overall financial performance.

Details of the nature and amount of each element of the emolument of each Director of the Company and each of the five executive officers of the Company receiving the highest emolument for the financial year are as follows:

EMOLUMENTS OF DIRECTORS OF INFOMEDIA LTD

	Annual Emoluments			Long Term Emoluments		
				Options		
	Base fee $	Bonus $	Other $	Number Granted	Amortised Cost $	Super-annuation $
Andrew Pattinson	237,445	18,000	-	-	33,760	21,033
Richard Graham	197,697	-	28,554	-	-	17,635
Myer Herszberg	42,800	-	-	-	-	3,875
Barry Ford	42,800	-	-	-	-	3,875
Frances Hernon	42,800	-	-	-	-	3,875
Geoffrey Henderson	42,800	-	-	-	-	3,875

EMOLUMENTS OF EXECUTIVES OF INFOMEDIA LTD

	Annual Emoluments				Long Term Emoluments		
					Options		
	Base fee $	Bonus $	Other $	Employee Share Plan $	Number Granted	Amortised Cost $	Super-annuation $
Guy Bryant	158,304	24,000	1,497	2,000	450,000	8,149	13,947
Gary Martin	147,616	24,000	19,650	2,000	-	33,760	13,113
Peter Adams	145,104	12,000	-	2,000	-	5,220	12,816
Nick Georges	140,929	12,000	-	2,000	-	33,760	12,519
Michael Roach	108,114	6,000	-	2,000	-	3,480	9,619

(a) The category 'Other' includes the value of any non-cash benefits provided.

(b) The value attributed to the employee share plan is calculated as the total number of shares allotted multiplied by the weighted average market price of the five trading days on the Australian Stock Exchange preceding first date of offer.

(c) Options granted as part of remuneration have been valued using a Black Scholes option pricing model which takes into account factors such as the exercise price, the current level of volatility of the underlying share price, the dividend yield, share price at grant date, risk free rate and the time to maturity of the option.

DIRECTORS' MEETINGS

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

	Directors' Meetings	Meetings of Committees		
		Audit & Risk	**Corporate Governance**	**Remuneration & Nomination**
Number of meetings held:	9	4	4	5
Number of meetings attended:				
Richard Graham	9	-	-	-
Geoffrey Henderson	9	4	4	-
Andrew Pattinson	5	-	-	-
Myer Herszberg	9	3	4	5
Barry Ford	9	4	-	4
Frances Hernon	9	-	4	5

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Company under ASIC class Order 98/0100. The Company is an entity to which the Class Order applies.

TAX CONSOLIDATION

Effective 1 July 2002, for the purposes of income taxation, Infomedia Ltd and its 100% owned Australian subsidiaries have formed a tax consolidated group. Members of the group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries on a pro-rata basis. In addition the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

CORPORATE GOVERNANCE

In recognising the need for high standards of corporate behaviour and accountability, the Directors of Infomedia Ltd support and have adhered to the principles of corporate governance. The Company's Corporate Governance Statement begins on page 64.

Signed in accordance with a resolution of the Directors.

Richard David Graham

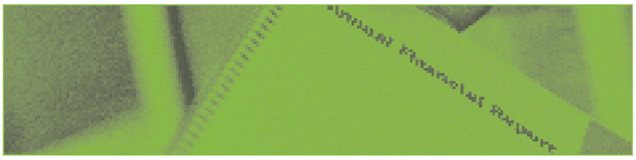
Chairman

Sydney, 25 August 2004

statement of financial performance

Year Ended 30 June 2004	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
Revenue from ordinary activities	2(i)	**73,005**	62,652	**68,817**	60,584
Expenses from ordinary activities excluding borrowing costs	2(ii)	**(42,994)**	(36,067)	**(38,361)**	(33,730)
Borrowing costs expense	2(iii)	**(283)**	(348)	**(283)**	(348)
Profit from ordinary activities before income tax expense		**29,728**	26,237	**30,173**	26,506
Income tax expense relating to ordinary activities	3	**(9,042)**	(7,912)	**(9,074)**	(7,888)
Profit from ordinary activities after income tax expense	5	**20,686**	18,325	**21,099**	18,618
Net exchange difference on translation of financial statements of foreign controlled entity		**9**	-	**-**	-
Total revenues, expenses and valuation adjustments attributable to Infomedia Ltd and recognised directly in equity		**9**	-	**-**	-
Total changes in equity other than those resulting from transactions with owners as owners		**20,695**	18,325	**21,099**	18,618
Basic earnings per share (cents per share)	23	**6.37**	5.65		
Diluted earnings per share (cents per share)	23	**6.36**	5.65		
Franked dividends per share (cents per share)	4	**3.80**	3.40		

statement of financial position



At 30 June 2004	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
CURRENT ASSETS					
Cash		**6,887**	19,352	**6,333**	19,001
Receivables	6	**9,389**	9,313	**8,565**	8,807
Inventories	7	**95**	106	**68**	86
Property held for resale		**1,534**	-	**-**	-
Other	8	**364**	540	**328**	529
TOTAL CURRENT ASSETS		**18,269**	29,311	**15,294**	28,423
NON-CURRENT ASSETS					
Receivables - wholly owned group	9	**-**	-	**23,180**	6,742
Investments	10	**-**	-	**247**	-
Property, plant and equipment	12	**23,026**	7,082	**5,344**	4,602
Intangible assets	13	**23,671**	27,265	**19,547**	22,520
Deferred research and development costs	14	**3,708**	2,748	**3,708**	2,748
Deferred tax assets	15	**748**	1,206	**678**	1,040
TOTAL NON-CURRENT ASSETS		**51,153**	38,301	**52,704**	37,652
TOTAL ASSETS		**69,422**	67,612	**67,998**	66,075
CURRENT LIABILITIES					
Payables	16	**5,103**	3,823	**4,713**	3,693
Interest-bearing liabilities	17	**-**	2,384	**-**	2,384
Provisions excluding tax liabilities	18	**1,140**	963	**950**	808
Provision for income tax		**1,673**	1,176	**1,673**	1,155
Deferred revenue	19	**1,503**	5,304	**1,057**	4,820
TOTAL CURRENT LIABILITIES		**9,419**	13,650	**8,393**	12,860
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	20	**4,173**	8,128	**4,173**	8,128
Provisions excluding tax liabilities	21	**704**	680	**296**	354
Deferred tax liabilities		**3,605**	2,004	**3,605**	1,977
TOTAL NON-CURRENT LIABILITIES		**8,482**	10,812	**8,074**	10,459
TOTAL LIABILITIES		**17,901**	24,462	**16,467**	23,319
NET ASSETS		**51,521**	43,150	**51,531**	42,756
EQUITY					
Contributed equity	22	**17,488**	17,474	**17,488**	17,474
Reserves	5	**9**	-	**-**	-
Retained profits	5	**34,024**	25,676	**34,043**	25,282
TOTAL EQUITY		**51,521**	43,150	**51,531**	42,756

statement of cash flows

Year Ended 30 June 2004	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		**67,616**	60,551	**63,771**	58,256
Payments to suppliers and employees		**(36,879)**	(30,463)	**(32,592)**	(29,692)
Interest received		**428**	723	**410**	845
Borrowing costs		**(283)**	(348)	**(283)**	(348)
Income tax paid		**(4,441)**	(7,225)	**(4,384)**	(7,204)
NET CASH FLOWS FROM OPERATING ACTIVITIES	24 (a)	**26,441**	23,238	**26,922**	21,857
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment		**(21,101)**	(1,332)	**(3,262)**	(1,296)
Proceeds from sale of property, plant and equipment		**2,515**	-	**1,770**	-
Purchase of EDS PartsImager catalogue business		**-**	(22,076)	**-**	(22,076)
Purchase of Australian Windows Publishing business		**-**	(596)	**-**	(596)
Purchase of VM Computer Services business		**-**	(1,583)	**-**	-
Purchase of shares in controlled entity		**-**	-	**(247)**	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(18,586)**	(25,587)	**(1,739)**	(23,968)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		**7,000**	21,779	**7,000**	21,779
Repayment of borrowings		**(14,982)**	(9,074)	**(14,982)**	(9,074)
Loan to controlled entity for property purchase		**-**	-	**(17,531)**	-
Dividends paid on ordinary shares		**(12,338)**	(9,730)	**(12,338)**	(9,730)
Proceeds from exercise of options by employees		**14**	-	**14**	-
Finance lease principal		**(14)**	(59)	**(14)**	(59)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**(20,320)**	2,916	**(37,851)**	2,916
NET (DECREASE)/INCREASE IN CASH HELD		**(12,465)**	567	**(12,668)**	805
Add opening cash brought forward		**19,352**	18,785	**19,001**	18,196
CLOSING CASH CARRIED FORWARD	24 (b)	**6,887**	19,352	**6,333**	19,001

30 June 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

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

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

(b) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous year.

(c) Principles of consolidation

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

Information from the financial statements of subsidiaries is included from the date the parent company obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company has control.

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

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

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

(d) Foreign currencies

Translation of foreign currency transactions

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

Amounts payable to and by the entities within the consolidated entity that are outstanding at the balance date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the financial year.

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

30 June 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Forward exchange contracts

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

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

Translation of financial reports of overseas operations

All overseas operations are deemed self-sustaining, as each is financially and operationally independent of Infomedia Ltd.

The financial reports of overseas operations are translated using the current rate method and any exchange differences are taken directly to the foreign currency translation reserve.

(e) Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at nominal values.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of outstanding bank overdrafts.

(f) Trade and other receivables

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

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

(g) Investments

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

(h) Inventories

Manufacturing

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials - purchase cost on a first-in-first-out basis; and
- Work-in-progress - cost of direct labour and materials.

(i) Property held for resale

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

(j) Recoverable amount

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

(k) Property, plant and equipment

Cost and valuation

Property, plant and equipment are carried at cost.

Depreciation

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

Major depreciation periods are:	2004	2003
Freehold buildings:	40 years	40 years
Leasehold improvements:	5 to 20 years	5 to 20 years
Plant and equipment:	3 to 15 years	3 to 15 years
Plant and equipment under lease:	3 years	3 years

(l) Leases

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

Operating leases

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

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

Finance leases

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

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

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

(m) Intangibles

Goodwill

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

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

Intellectual Property

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

(n) Trade and other payables

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

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

30 June 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Provisions

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

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

(p) Revenue in advance

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

(q) Loans and borrowings

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

Finance lease liability is determined in accordance with the requirements of AASB 1008: Leases.

(r) Share capital

Ordinary share capital is recognised at the fair value of the consideration received by the Company.

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

(s) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Subscriptions

Subscription revenue is recognised when the copyright article has passed to the buyer with related support revenue being recognised over the service period. Where the copyright article and related support revenue are inseparable then the revenue is recognised over the service period.

Interest

Control of a right to receive consideration for the provision of, or investment in, assets has been attained.

(t) Cost of goods sold

Cost of goods sold includes the direct cost of raw materials and agency costs associated with the manufacture and distribution of the product.

(u) Taxes

Income taxes

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

Goods and services tax (GST)

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

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

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

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Tax consolidation

Members of the group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries on a pro-rata basis. In addition the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

(v) Employee entitlements

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

Liabilities arising in respect of wages and salaries, annual leave and any other employee entitlements expected to be settled within 12 months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee entitlement liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to government bonds which have terms to maturity approximating the terms of the related liability are used.

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

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

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

The value of shares issued under the employee share scheme described in note 27 is not being charged as an employee entitlement expense.

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

(w) Research and development costs

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

30 June 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Earnings per share

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

Diluted EPS is calculated as net profit attributable to members, adjusted for:

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

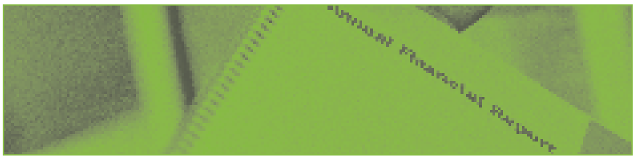
divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

30 June 2004	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2004	2003	**2004**	2003
		$'000	$'000	**$'000**	$'000
2. PROFIT FROM ORDINARY ACTIVITIES					
Profit from ordinary activities before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity:					
(i) Revenues from ordinary activities					
Sales revenue		**69,567**	61,813	**65,715**	59,623
Interest revenue					
- wholly owned group		**-**	-	**726**	141
- other persons/corporations		**428**	723	**411**	704
Total interest revenue		**428**	723	**1,137**	845
Gross proceeds on sale of non current assets		**2,515**	-	**1,770**	-
Foreign currency exchange gain		**193**	-	**195**	-
Other revenue		**302**	116	**-**	116
Revenues from ordinary activities		**73,005**	62,652	**68,817**	60,584
(ii) Expenses from ordinary activities excluding borrowing costs					
Cost of goods sold		**14,604**	12,647	**13,980**	12,306
Salaries and wages (including on-costs)		**15,191**	12,478	**12,291**	10,438
Depreciation of non-current assets					
- Buildings		**267**	62	**5**	7
- Leasehold improvements		**571**	96	**531**	55
- Office equipment		**1,022**	935	**904**	815
- Furniture and fittings		**68**	70	**64**	67
- Plant and equipment		**293**	243	**293**	243
- Plant and equipment under lease		**-**	6	**-**	6
Total depreciation of non-current assets		**2,221**	1,412	**1,797**	1,194
Amortisation of non-current assets					
- Goodwill		**1,276**	1,129	**805**	684
- Intellectual property		**1,829**	1,492	**1,679**	1,455
- Deferred research and development costs		**771**	732	**771**	732
Total amortisation of non-current assets		**3,876**	3,353	**3,255**	2,871
Net book value of non-current assets disposed		**1,893**	-	**1,214**	-
Management fee paid to controlled entities		**-**	-	**1,097**	1,097
Bad and doubtful debts		**103**	66	**103**	65
Operating lease rental		**563**	606	**903**	684
Foreign currency exchange loss		**-**	291	**-**	291
Foreign currency contract costs amortised		**345**	374	**345**	374
Costs incurred in establishing European operations		**487**	-	**-**	-
Industrial relations dispute resolution including legal costs		**-**	206	**-**	206
Costs incurred for non-renewal of overseas distribution services		**-**	909	**-**	909
Costs incurred for defending an international trademark		**-**	282	**-**	282
Other expenses		**3,711**	3,443	**3,376**	3,013
Expenses from ordinary activities		**42,994**	36,067	**38,361**	33,730

30 June 2004	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
2. PROFIT FROM ORDINARY ACTIVITIES (CONTINUED)					
(iii) Borrowing costs					
Interest expense - other corporations		**283**	346	**283**	346
Finance charges - lease liability		**-**	2	**-**	2
Borrowing costs		**283**	348	**283**	348
(iv) Profit on sale of non current assets					
Gross proceeds from the sale of non current assets		**2,515**	-	**1,770**	-
Net book value of non-current assets disposed		**(1,893)**	-	**(1,214)**	-
Profit on sale of non-current assets		**622**	-	**556**	-
(v) Research & Development Costs (included within item 2(ii) above)					
Total research and development costs incurred during the period		**3,551**	2,091	**3,551**	2,091
Less: research and development costs deferred	14	**(1,731)**	(977)	**(1,731)**	(977)
Net research and development costs expensed		**1,820**	1,114	**1,820**	1,114
3. INCOME TAX					
The prima facie tax on operating profit differs from the income tax provided in the financial statements as follows:					
Prima facie tax on operating profit		**8,918**	7,871	**9,052**	7,951
Tax effect of permanent differences:					
Legal expense		**152**	44	**152**	44
Entertainment		**35**	28	**32**	25
Non-deductible depreciation		**80**	2	**2**	2
Amortisation of intangible assets		**470**	399	**319**	267
Additional research and development deduction		**(421)**	(159)	**(421)**	(159)
Intellectual property - copyright deduction		**(24)**	(24)	**(24)**	(24)
Other		**(2)**	-	**-**	-
Over provision of previous year		**(166)**	(249)	**(38)**	(218)
Income tax expense attributable to operating profit		**9,042**	7,912	**9,074**	7,888

30 June 2004	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2004 **$'000**	2003 $'000	**2004** **$'000**	2003 $'000
4. DIVIDENDS PROPOSED OR PAID					
(a) Dividends paid during the year					
Franked interim - 1.90 cents (2003:1.50) per share		**6,170**	4,866	**6,170**	4,866
Final franked dividend - (2003: 1.90 cents)		**6,168**	4,864	**6,168**	4,864
Total dividends paid during the year		**12,338**	9,730	**12,338**	9,730
(b) Dividends proposed and not recognised as a liability					
Final franked dividend - 1.90 cents (2003: 1.90) per share		**6,174**	6,168	**6,174**	6,168
The tax rate at which dividends were franked is 30%					
Amount of franking credits available for the subsequent financial year are:					
- franking account balance as at the end of the financial year				**9,216**	5,340
- franking credits that will arise from the payment of income tax payable as at the end of the financial year				**1,673**	1,155
				10,889	6,495
The tax rate at which paid dividends have been franked is 30% (2003: 30%). Dividends proposed will be franked at the rate of 30% (2003: 30%).					
5. RETAINED PROFITS AND RESERVES					
(a) Retained profits					
Balance at the beginning of the year		**25,676**	12,217	**25,282**	11,530
Profit from ordinary activities after income tax expense		**20,686**	18,325	**21,099**	18,618
Adjustment arising from adoption of revised accounting standard: AASB1044: Provisions, Contingent Liabilities and Contingent Assets		**-**	4,864	**-**	4,864
Total available for appropriation		**46,362**	35,406	**46,381**	35,012
Dividends provided for or paid		**(12,338)**	(9,730)	**(12,338)**	(9,730)
Balance at the end of the year		**34,024**	25,676	**34,043**	25,282

30 June 2004	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
5. RETAINED PROFITS AND RESERVES (CONTINUED)					
(b) Foreign currency translation reserve					
(i) Nature and purpose of reserve					
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of self-sustaining operations.					
(ii) Movement in reserve					
Balance at the beginning of the year		**-**	-	**-**	-
Gain on translation of overseas controlled entity		**9**	-	**-**	-
Balance at end of the year		**9**	-	**-**	-
6. RECEIVABLES (CURRENT)					
Trade debtors		**8,486**	6,240	**7,653**	5,736
Provision for doubtful debts		**(140)**	(49)	**(140)**	(49)
		8,346	6,191	**7,513**	5,687
Other debtors		**278**	127	**287**	125
Net foreign currency forward contracts receivable		**765**	2,995	**765**	2,995
		9,389	9,313	**8,565**	8,807
(a) Terms and conditions relating to the above financial instruments are set out in Note 33.					
7. INVENTORIES (CURRENT)					
Raw materials					
At cost		**95**	106	**68**	86
Total inventories at the lower of cost and net realisable value		**95**	106	**68**	86
8. OTHER CURRENT ASSETS					
Prepayments		**364**	540	**328**	529
		364	540	**328**	529
9. RECEIVABLES (NON-CURRENT)					
Wholly owned group					
- subsidiary entities	31	**-**	-	**23,180**	6,742



30 June 2004	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
10. INVESTMENTS (NON-CURRENT)					
Investments at cost comprise:					
Controlled entities - unlisted	11	**-**	-	**247**	-
Total investments in balance sheet		**-**	-	**247**	-

11. INTERESTS IN SUBSIDIARIES

Name	Country of incorporation	Percentage of equity interest held by the consolidated entity		CONSOLIDATED		INFOMEDIA LTD	
		2004 %	2003 %	**2004 $'000**	2003 $'000	**2004 $'000**	2003 $'000
IFM Europe Ltd - ordinary shares	United Kingdom	**100**	-			**247**	-
Infomedia Investments Pty Ltd - ordinary shares - $2 only	Australia	**100**	100			**-**	-
Datateck Publishing Pty Ltd - ordinary shares - $4 only	Australia	**100**	100			**-**	-
AutoConsulting Pty Ltd - ordinary shares - $1 only	Australia	**100**	100			**-**	-
						247	-

30 June 2004	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
12. PROPERTY, PLANT AND EQUIPMENT					
Freehold land and buildings					
At cost		**17,531**	2,860	**-**	647
Provision for depreciation		**(210)**	(119)	**-**	(31)
		17,321	2,741	**-**	616
Leasehold improvements					
At cost		**2,664**	1,367	**2,391**	1,115
Provision for amortisation		**(419)**	(301)	**(283)**	(205)
		2,245	1,066	**2,108**	910
Total land and buildings		**19,566**	3,807	**2,108**	1,526
Office equipment					
At cost		**4,691**	4,291	**4,024**	3,817
Provision for depreciation		**(2,582)**	(2,241)	**(2,130)**	(1,907)
		2,109	2,050	**1,894**	1,910
Furniture & fittings					
At cost		**471**	592	**449**	571
Provision for depreciation		**(121)**	(221)	**(108)**	(213)
		350	371	**341**	358
Plant and equipment					
At cost		**2,325**	1,899	**2,325**	1,847
Provision for depreciation		**(1,324)**	(1,045)	**(1,324)**	(1,039)
		1,001	854	**1,001**	808
Plant and equipment under lease					
At cost		**-**	165	**-**	165
Provision for amortisation		**-**	(165)	**-**	(165)
		-	-	**-**	-
Total plant and equipment		**3,460**	3,275	**3,236**	3,076
Total property, plant and equipment					
At cost		**27,682**	11,174	**9,189**	8,161
Provision for depreciation and amortisation		**(4,656)**	(4,092)	**(3,845)**	(3,559)
Total written down amount		**23,026**	7,082	**5,344**	4,602

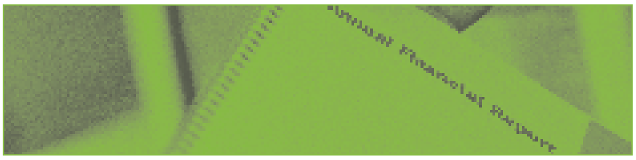
(a) Valuations

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

30 June 2004	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2004	2003	**2004**	2003
		$'000	$'000	**$'000**	$'000
12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)					
(b) Reconciliation of property, plant and equipment carrying values					
Freehold land and buildings					
Carrying amount - opening balance		**2,741**	2,803	**616**	623
Additions		**17,531**	-	**-**	-
Disposals		**(1,247)**	-	**(611)**	-
Transfer to property held for resale		**(1,437)**	-	**-**	-
Depreciation		**(267)**	(62)	**(5)**	(7)
Carrying amount - closing balance		**17,321**	2,741	**-**	616
Leasehold Improvements					
Carrying amount - opening balance		**1,066**	1,019	**910**	822
Additions		**1,945**	143	**1,827**	143
Disposals		**(98)**	-	**(98)**	-
Transfer to property held for resale		**(97)**	-	**-**	-
Depreciation		**(571)**	(96)	**(531)**	(55)
Carrying amount - closing balance		**2,245**	1,066	**2,108**	910
Office equipment					
Carrying amount - opening balance		**2,050**	2,197	**1,910**	1,986
Additions		**1,081**	705	**888**	671
Additions through acquisition of business		**-**	83	**-**	68
Depreciation		**(1,022)**	(935)	**(904)**	(815)
Carrying amount - closing balance		**2,109**	2,050	**1,894**	1,910
Furniture and fittings					
Carrying amount - opening balance		**371**	368	**358**	360
Additions		**47**	66	**47**	63
Additions through acquisition of business		**-**	7	**-**	2
Depreciation		**(68)**	(70)	**(64)**	(67)
Carrying amount - closing balance		**350**	371	**341**	358
Plant and equipment					
Carrying amount - opening balance		**854**	496	**808**	450
Additions		**498**	420	**498**	420
Additions through acquisition of business		**-**	181	**-**	181
Disposals		**(58)**	-	**(12)**	-
Depreciation		**(293)**	(243)	**(293)**	(243)
Carrying amount - closing balance		**1,001**	854	**1,001**	808
Plant and equipment under lease					
Carrying amount - opening balance		**-**	6	**-**	6
Depreciation		**-**	(6)	**-**	(6)
Carrying amount - closing balance		**-**	-	**-**	-

30 June 2004	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2004	2003	**2004**	2003
		$'000	$'000	**$'000**	$'000
13. INTANGIBLE ASSETS					
Goodwill - at cost		**12,680**	12,812	**7,968**	8,101
Accumulated amortisation		**(3,462)**	(2,207)	**(1,562)**	(778)
		9,218	10,605	**6,406**	7,323
Intellectual property - at cost		**18,019**	18,469	**16,519**	16,969
Accumulated amortisation		**(3,566)**	(1,809)	**(3,378)**	(1,772)
		14,453	16,660	**13,141**	15,197
		23,671	27,265	**19,547**	22,520
14. DEFERRED RESEARCH AND DEVELOPMENT COSTS					
Balance at beginning of year		**3,917**	2,940	**3,917**	2,940
Research and development costs incurred during the year and deferred		**1,731**	977	**1,731**	977
		5,648	3,917	**5,648**	3,917
Accumulated amortisation		**(1,940)**	(1,169)	**(1,940)**	(1,169)
Balance at end of year		**3,708**	2,748	**3,708**	2,748
15. DEFERRED TAX ASSETS					
Future income tax benefit		**748**	1,206	**678**	1,040
		748	1,206	**678**	1,040
16. PAYABLES (CURRENT)					
Trade creditors		**2,038**	1,137	**1,961**	1,120
Other creditors		**3,065**	2,686	**2,752**	2,573
		5,103	3,823	**4,713**	3,693

(a) Terms and conditions relating to the above financial instruments are set out in note 33.



30 June 2004	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2004	2003	**2004**	2003
		$'000	$'000	**$'000**	$'000
17. INTEREST-BEARING LIABILITIES (CURRENT)					
Bank loans		**-**	2,370	**-**	2,370
Lease liability		**-**	14	**-**	14
		-	2,384	**-**	2,384
18. PROVISIONS EXCLUDING TAX LIABILITIES (CURRENT)					
Employee entitlements	27	**1,140**	963	**950**	808
		1,140	963	**950**	808
19. DEFERRED REVENUE (CURRENT)					
Revenue in advance		**777**	697	**726**	213
Deferred gain on foreign currency forward contracts	20(i)	**726**	4,607	**331**	4,607
		1,503	5,304	**1,057**	4,820
20. INTEREST-BEARING LIABILITIES (NON-CURRENT)					
Bank loans		**4,173**	8,128	**4,173**	8,128
		4,173	8,128	**4,173**	8,128
Terms and conditions relating to the above financial instruments: (i) The bank loan drawings have been made pursuant to a multi-currency cash advance facility and are partially denominated in US dollars. The facility terminates in August 2005 and is provided on the condition of interlocking guarantees between the parent entity and its controlled entities (the guarantors). All outstanding US dollar denominated debt has been hedged at reporting date.					
21. PROVISIONS EXCLUDING TAX LIABILITIES (NON-CURRENT)					
Employee entitlements	27	**704**	680	**296**	354
		704	680	**296**	354

30 June 2004	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2004	2003	**2004**	2003
22. CONTRIBUTED EQUITY		**$'000**	$'000	**$'000**	$'000
Issued and paid up capital					
- shares fully paid 324,762,959 (2003: 324,422,732)		**17,488**	17,474	**17,488**	17,474
		17,488	17,474	**17,488**	17,474

		2004		2003	
		Number of shares	**$'000**	Number of shares	$'000
Movement in shares on issue					
Beginning of the financial year		**324,422,732**	**17,474**	323,734,073	17,474
Issued during the financial year:					
- Selective Share Plan	27	**-**	**-**	432,393	-
- Employee Share Plan	27	**324,227**	**-**	256,266	-
- Conversion of employee options		**16,000**	**14**	-	-
End of the financial year		**324,762,959**	**17,488**	324,422,732	17,474

(a) Employee Option Plan

A total of 550,000 options were issued to eligible employees during the year at an average exercise price of $0.76. Refer to Note 27.

(b) Terms and conditions of contributed equity

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

		2004	2003
23. EARNINGS PER SHARE		**$'000**	$'000
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:			
Earnings used in calculating basic and diluted earnings per share		**20,686**	18,325
		2004	2003
		No. of shares	No. of shares
Weighted average number of ordinary shares used in calculating basic earnings per share		**324,666,639**	324,335,454
Effect of dilutive securities:			
Share options		**372,599**	49,875
Employee share plan shares		**94,216**	83,725
Selective share plan shares		**-**	3,554
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share		**325,133,454**	324,472,608

30 June 2004	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
24. STATEMENT OF CASH FLOWS					
(a) Reconciliation of profit after tax to the net cash flows from operations					
Profit from ordinary activities after income tax expense		**20,686**	18,325	**21,099**	18,618
Depreciation of non-current assets		**2,221**	1,412	**1,797**	1,194
Amortisation of non-current assets		**3,876**	3,353	**3,255**	2,871
Provision for doubtful debts		**91**	4	**91**	4
Net profit from sale of non current assets		**(622)**	-	**(556)**	-
Changes in assets and liabilities					
Trade receivables and other debtors		**(2,254)**	(1,378)	**(851)**	(2,259)
Deferred research and development costs		**(1,731)**	(977)	**(1,731)**	(977)
Trade and other creditors		**806**	1,919	**545**	2,025
Provision for employee entitlements		**201**	349	**84**	310
Tax provision		**497**	151	**517**	52
Deferred income tax liability		**1,601**	1,220	**1,628**	1,195
Future income tax benefit		**458**	(585)	**362**	(567)
Prepayments		**521**	(372)	**546**	(377)
Inventories		**10**	(36)	**18**	(39)
Revenue in advance		**80**	(147)	**118**	(193)
Net cash flow from operating activities		**26,441**	23,238	**26,922**	21,857
(b) Reconciliation of cash					
Cash balance comprises:					
- cash on hand		**4,832**	2,292	**4,278**	1,941
- cash on deposit		**2,055**	17,060	**2,055**	17,060
		6,887	19,352	**6,333**	19,001
(c) Financing facilities available					
At reporting date, the following financing facilities had been negotiated and were available:					
Total Facilities:					
USD13Million multi-currency cash advance facility		**18,832**	19,496	**18,832**	19,496
Less: amortised portion		**-**	4,872	**-**	4,872
Facility available before utilisation		**18,832**	14,624	**18,832**	14,624
Facilities used at reporting date:					
Bank loans		**4,173**	10,498	**4,173**	10,498
Facilities unused at reporting date:					
Bank loans		**14,659**	4,126	**14,659**	4,126

30 June 2004	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
25. BUSINESSES ACQUIRED					
(a) Australian Windows Publishing business					
On 1 July 2002, Infomedia acquired the business of Australian Windows Publishing Pty Limited. The components of the acquisition were:					
Consideration paid:					
Prepaid option fee		-	60	-	60
Cash		-	596	-	596
		-	656	-	656
Net assets acquired:					
Inventory		-	4	-	4
Plant and equipment		-	70	-	70
Intellectual property including software code		-	450	-	450
Goodwill arising from acquisition		-	132	-	132
Total net assets acquired		-	656	-	656
(b) EDS PartsImager catalogue business					
On 28 August 2002, Infomedia acquired the EDS PartsImager catalogue business. The components of the acquisition were:					
Consideration paid:					
Cash		-	22,076	-	22,076
Net Assets Acquired:					
Intellectual property including software code		-	14,519	-	14,519
Plant and equipment		-	181	-	181
Goodwill arising from acquisition		-	7,376	-	7,376
Total net assets acquired		-	22,076	-	22,076
(c) VM Computer Services business					
On 31 March 2003, AutoConsulting Pty Ltd (a wholly owned controlled entity) acquired the VM Computer Services dealer management system business. The components of the acquisition were:					
Consideration paid:					
Cash		-	1,583	-	-
Net Assets Acquired:					
Inventory		-	5	-	-
Plant and equipment		-	20	-	-
Intellectual property including software code		-	1,500	-	-
Goodwill arising from acquisition		-	336	-	-
Creditors		-	(2)	-	-
Provisions		-	(38)	-	-
Revenue in advance		-	(238)	-	-
Total net assets acquired		-	1,583	-	-

30 June 2004	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2004	2003	**2004**	2003
		$'000	$'000	**$'000**	$'000
26. EXPENDITURE COMMITMENTS					
(a) Lease expenditure commitments					
(i) Operating leases (non-cancellable):					
Minimum lease payments					
- not later than one year		**540**	476	**337**	355
- later than one year and not later than five years		**625**	987	**500**	839
- aggregate operating lease expenditure contracted for at balance date		**1,165**	1,463	**837**	1,194
(ii) Finance leases:					
- not later than one year		**-**	15	**-**	15
- later than one year and not later than five years		**-**	-	**-**	-
- total minimum lease payments		**-**	15	**-**	15
- future finance charges		**-**	(1)	**-**	(1)
		-	14	**-**	14
- lease liability - current liability	17	**-**	14	**-**	14
- aggregate finance lease expenditure contracted for at balance date		**-**	14	**-**	14
(b) Assets which are the subject of finance leases include computer hardware and equipment.					
(c) Operating leases have an average lease term of two years (2003: two years). Assets which are the subject of operating leases include office space.					

30 June 2004	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
27. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS					
Employee Entitlements					
The aggregate employee entitlement liability is comprised of:					
Provisions (current)	18	**1,140**	963	**950**	808
Provisions (non-current)	21	**704**	680	**296**	354
		1,844	1,643	**1,246**	1,162

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	2004		2003	
		Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance at beginning of year	27(a)	**8,891,583**	**$1.07**	3,840,584	$1.47
- granted	27(b)	**550,000**	**$0.76**	6,619,000	$0.87
- forfeited		**(2,517,583)**	**$1.57**	(1,568,001)	$1.18
- exercised	27(c)	**(16,000)**	**$0.88**	-	-
Balance at end of year	27(d)	**6,908,000**	**$0.86**	8,891,583	$1.07

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

The following table summarises information about options held by employees at 1 July 2003

Number of options	**Grant date**	**Earliest vesting date**	**Expiry date**	**Weighted average exercise price**
54,333	20/4/2001	23/3/2002	20/4/2004	$2.00
431,750	20/4/2001	18/12/2001	20/4/2004	$1.80
450,000	20/4/2001	16/4/2002	20/4/2004	$1.73
1,288,500	23/4/2001	26/3/2002	20/4/2004	$1.59
18,000	8/10/2001	8/10/2002	8/10/2004	$1.29
30,000	12/11/2001	12/11/2002	12/11/2004	$1.43
5,949,000	5/7/2002	26/3/2004	20/5/2005	$0.88
570,000	1/7/2002	1/7/2004	1/8/2005	$0.73
100,000	25/2/2002	25/2/2004	25/4/2006	$1.00

(b) Options granted during the reporting period:

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

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
100,000	5/1/2004	5/1/2005	5/7/2007	$0.83
450,000	24/5/2004	24/5/2005	31/5/2007	$0.75

(c) Options exercised during the reporting period:

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

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

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

There were no options exercised during the year ended 30 June 2003.

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

The following table summarises information about options held by employees at 30 June 2004

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

Employee Share Plan

The Company provides employees, not including Directors, the opportunity to acquire shares in the Company. The scheme applies to employees with at least 12 months service and provides that offers be made to at least 75% of the persons employed by the Company for at least twelve months and not more than twice in each financial year. Each offer to each employee cannot exceed a market value of $1,000. The consideration for each share offered will be nil unless otherwise determined by the Board. Shares may not be offered to employees who are ineligible, being employees with legal or beneficial interest in more than 5% of the Company or who control or may cast more than 5% of the max imum votes at a general meeting of the Company. The total number of shares issued pursuant to the Employee Share Plan at the date of this report is 973,114 (2003: 625,715). The following table lists the number of shares issued by tranche since the inception of the plan:

Date of Issue	Number of shares	Rounded unit price $	Value of tranche $'000
5/2/2001	60,168	1.81	109
5/10/2001	64,872	1.57	102
21/1/2002	74,765	1.27	95
19/7/2002	125,280	0.77	96
6/2/2003	130,986	0.87	114
21/7/2003	169,644	0.79	134
23/1/2004	154,583	0.93	144
15/7/2004	192,816	0.75	145
Total	973,114		939

30 June 2004

27. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS (CONTINUED)

Selective Share Plan

Under the Selective Share Plan (SSP) and pursuant to the IPO, the Company has offered shares to selected persons on set offer dates. The participants are limited to 17 individuals named in the schedule to the SSP. As at the date of this report all shares under the plan have been issued. The consideration for each share offered was $nil. The set offer dates are provided below.

Date	Number of shares	Status
3 July 2002	432,393	Issued during the 2003 financial year

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 2004 were 9% (2003: 9%) of employee's wages and salaries which are legally enforceable in Australia. The superannuation plans provide accumulation benefits.

28. CONTINGENT LIABILITIES

(a) Interlocking Guarantees

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

29. DIRECTOR AND EXECUTIVE DISCLOSURES

(a) Details of Specified Directors and Specified Executives

(i) Specified directors	
Richard Graham	Chairman and Chief Executive Officer
Andrew Pattinson	Managing Director - IFM Europe Ltd
Barry Ford	Non-executive Director
Myer Herszberg	Non-executive Director
Geoffrey Henderson	Non-executive Director
Frances Hernon	Non-executive Director
(ii) Specified executives	
Gary Martin	General Manager - Electronic Catalogues Division
Guy Bryant	Director of Technology
Peter Adams	Chief Financial Officer
Nick Georges	Company Secretary and General Counsel
Michael Roach	General Manager - Data Management Division

29. DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

(b) Remuneration of Specified Directors and Specified Executives

The Remuneration & Nomination Committee of the Board of Directors is responsible for reviewing compensation arrangements for the directors and the executive team. The Remuneration & Nomination Committee assesses the appropriateness of the nature and amount of these emoluments on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

The nature and amount of executive directors' and officers' emoluments was determined with regard to a number of factors, including the individual's specific responsibilities and performance, market benchmarking, and the Company's overall financial performance.

Each executive director and officer has an employment contract with the company. The contracts provide a notice period not exceeding six months. At the date of this report, the employment contract with the Chief Executive Officer was subject to renewal.

	Primary			Post employment	Equity		Total
Specified Directors	Salary & fees	Cash bonus	Non monetary benefits	Super-annuation	Options	Employee/ Selective share plan	
Andrew Pattinson	237,445	18,000	-	21,033	33,760	-	310,238
Richard Graham	197,697	-	28,554	17,635	-	-	243,886
Barry Ford	42,800	-	-	3,875	-	-	46,675
Myer Herszberg	42,800	-	-	3,875	-	-	46,675
Geoffrey Henderson	42,800	-	-	3,875	-	-	46,675
Frances Hernon	42,800	-	-	3,875	-	-	46,675
Total Remuneration: Specified Directors							
2004	**606,342**	**18,000**	**28,554**	54,168	**33,760**	-	**740,824**
2003	474,082	-	9,210	44,384	39,747	296,498	863,921
Specified Executives							
Gary Martin	147,616	24,000	19,650	13,113	33,760	2,000	240,139
Guy Bryant	158,304	24,000	1,497	13,947	8,149	2,000	207,897
Nick Georges	140,929	12,000	-	12,519	33,760	2,000	201,208
Peter Adams	145,104	12,000	-	12,816	5,220	2,000	177,140
Michael Roach	108,114	6,000	-	9,619	3,480	2,000	129,213
Total Remuneration: Specified Executives							
2004	**700,067**	**78,000**	**21,147**	**62,014**	**84,369**	**10,000**	**955,597**
2003	642,380	-	11,668	46,675	77,960	9,000	787,683

30 June 2004

29. DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

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

During the financial year options were granted as equity compensation benefits to certain specified directors and certain specified executives as disclosed below. The options were issued free of charge. The options may only be exercised one year after grant date and expire three years from grant date. The options granted vest proportionately over a three year period.

	Vested number	Granted during the year - number	Grant date	Value per option at grant date ($)	Exercise price per share ($)	First exercise date	Last exercise date
Specified Directors							
Andrew Pattinson	388,000						
Specified Executives							
Gary Martin	388,000						
Nick Georges	388,000						
Guy Bryant	60,000	450,000	24/5/2004	0.19	0.75	24/5/2005	31/5/07
Peter Adams	60,000						
Michael Roach	40,000						

(d) Shares issued on exercise of remuneration options

No options were exercised during the year by either specified directors or specified executives.

(e) Option holdings of specified directors and specified executives

	Balance at beginning of period	Granted as Remuneration	Options Exercised	Net change other	Balance at end of period	Vested at 30 June 2004		
	1 July 2003				30 June 2004	Total	Not exercisable	Exercisable
Specified Directors								
Andrew Pattinson	648,000	-	-	(66,000)	582,000	388,000	-	388,000
Geoffrey Henderson	100,000	-	-	(100,000)	-	-	-	-
Specified Executives								
Gary Martin	648,000	-	-	(66,000)	582,000	388,000	-	388,000
Nick Georges	648,000	-	-	(66,000)	582,000	388,000	-	388,000
Guy Bryant	540,000	450,000	-	(450,000)	540,000	60,000	-	60,000
Peter Adams	189,750	-	-	(99,750)	90,000	60,000	-	60,000
Michael Roach	90,000	-	-	(30,000)	60,000	40,000	-	40,000
	2,863,750	450,000	-	(877,750)	2,436,000	1,324,000	-	1,324,000

(f) Shareholdings of Specified Directors and Specified Executives

	Balance 1 July 2003	Granted as remuneration	On exercise of options	Net change other	Balance 30 June 2004
Shares held in Infomedia Ltd (number)					
Specified Directors					
Richard Graham	102,204,060	-	-	-	102,204,060
Myer Herszberg	39,421,599	-	-	-	39,421,599
Andrew Pattinson	4,407,716	-	-	-	4,407,716
Barry Ford	116,666	-	-	-	116,666
Frances Hernon	5,000	-	-	-	5,000
Geoffrey Henderson	-	-	-	-	-
Specified Executives					
Gary Martin	1,685,538	2,347	-	(979,967)	707,918
Nick Georges	274,845	2,347	-	(260,416)	16,776
Michael Roach	6,929	2,347	-	-	9,276
Peter Adams	15,929	2,347	-	(11,500)	6,776
Guy Bryant	2,454	2,347	-	-	4,801
Total	148,140,736	11,735	-	(1,251,883)	146,900,588

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

(g) Loans to specified directors and specified executives

There were no loans at the beginning or the end of the reporting period to specified directors and specified executives. No loans were made available during the reporting period to specified directors or specified executives.

(h) Other transactions and balances with specified directors and specified executives

(i) Infomedia Ltd rents office space from Wiser Laboratory Pty Limited, a company in which Richard Graham is a director. The total rent payments for the year ended 30 June 2004 of $256,044 (2003: $277,999) were on commercial terms.

(ii) Infomedia Ltd rents office space from Richard Graham. The total rent payments for the year ended 30 June 2004 of $163,382 (2003: $171,713) were on commercial terms.

(iii) Infomedia Ltd rents office space to Wiser Laboratory Pty Limited, a company in which Richard Graham is a director. The total rent receipts for the year ended 30 June 2004 of $8,600 (2003: $10,053) were on commercial terms.

30 June 2004	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2004 $	2003 $	**2004 $**	2003 $
30. 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		**143,000**	130,000	**113,050**	110,500
- other services in relation to the entity and any other entity in the consolidated entity		**41,077**	145,645	**41,077**	123,322
		184,077	275,645	**154,127**	233,822

31. RELATED PARTY DISCLOSURES

Ultimate Parent

Infomedia Ltd is the ultimate Australian parent company

Wholly owned group transactions

(a) An unsecured, interest bearing loan of $18,987,298 (2003: $2,283,970) remains owing from Infomedia Investments Pty Limited to Infomedia Ltd. Interest is charged at commercial rates.

(b) An unsecured, interest free loan of $146,818 was repaid to Infomedia Investments Pty Limited by Infomedia Ltd.

(c) An unsecured, interest free loan of $2,753,338 (2003: $2,840,933) remains owing from Datateck Publishing Pty Limited to Infomedia Ltd. The loan is repayable in seven days upon demand.

(d) An unsecured, interest free loan of $1,350,873 (2003: $1,763,423) remains owing from AutoConsulting Pty Limited to Infomedia Ltd. The loan is repayable in seven days upon demand.

(d) An unsecured, interest free loan of $104,304 (2003: $nil) remains owing from IFM Europe Ltd to Infomedia Ltd. The loan is repayable in seven days upon demand.

(e) During the year a management fee of $1,097,484 (2003: $1,097,484) was paid to Datateck Publishing Pty Limited by Infomedia Ltd.

30 June 2004

32. SEGMENT INFORMATION

PRIMARY SEGMENT

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

30 June 2003

32. SEGMENT INFORMATION (CONTINUED)

PRIMARY SEGMENT

Business segments	Notes	Electronic Catalogue Division $'000	Other Divisions $'000	Eliminations $'000	Total $'000
REVENUE					
Sales revenue		56,739	5,074	-	61,813
Other revenue		116	-	-	116
Intersegment revenue		-	660	(660)	-
Total segment revenue		56,855	5,734	(660)	61,929
Unallocated revenue:					
Interest revenue					723
Total consolidated revenue	2(i)				62,652
RESULTS					
Segment result		28,192	(2,330)	-	25,862
Unallocated items:					
Interest revenue					723
Borrowing costs					(348)
Consolidated entity profit from ordinary activities before income tax expense	3				26,237
Income tax expense					7,912
Consolidated entity profit from ordinary activities after income tax expense					18,325
ASSETS					
Segment assets		41,376	6,884	-	48,260
Unallocated assets:					
Cash					19,352
Total assets					67,612
LIABILITIES					
Segment liabilities		23,105	1,357	-	24,462
Other segment information:					
Acquisition of property, plant and equipment, intangible assets and other non-current assets		23,571	2,016	-	25,587
Depreciation	2(ii)	901	511	-	1,412
Amortisation	2(ii)	2,445	908	-	3,353

SECONDARY SEGMENT

While the products of the consolidated entity are used globally, the Company has only one material distinguishable geographical segment, Australia.

Segment products and locations

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

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

All products are sourced from Australia.

Segment accounting policies

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

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

30 June 2004

33. FINANCIAL INSTRUMENTS

33 (a) Interest rate risk

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

Financial Instruments	Floating interest rate		Fixed interest rate maturing in:					
			1 year or less		Over 1 to 5 years		More than 5 years	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000	**2004 $'000**	2003 $'000	**2004 $'000**	2003 $'000
(i) Financial Assets								
Cash	**6,887**	19,352	**-**	-	**-**	-	**-**	-
Receivables - trade	**-**	-	**-**	-	**-**	-	**-**	-
Net foreign currency forward contracts	**-**	-	**-**	-	**-**	-	**-**	-
Total financial assets	**6,887**	19,352	**-**	-	**-**	-	**-**	-
(ii) Financial liabilities		-						
Trade and other creditors	**-**	-	**-**	-	**-**	-	**-**	-
Bank loans	**4,173**	10,498	**-**	-	**-**	-	**-**	-
Finance lease liability	**-**	-	**-**	14	**-**	-	**-**	-
Interest rate cap	**(4,173)**	(10,498)	**-**	2,370	**4,173**	8,128	**-**	-
Total financial liabilities	**-**	-	**-**	2,384	**4,173**	8,128	**-**	-

	Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000	**2004 %**	2003 %
(i) Financial Assets						
Cash	**-**	-	**6,887**	19,352	4.25	4.30
Receivables - trade	**8,346**	6,191	**8,346**	6,191	N/A	N/A
Net foreign currency forward contracts	**765**	2,995	**765**	2,995	N/A	N/A
Total financial assets	**9,111**	9,186	**15,998**	28,538		
(ii) Financial liabilities						
Trade and other creditors	**5,103**	3,823	**5,103**	3,823	N/A	N/A
Bank loans	**-**	-	**4,173**	10,498	3.64	2.08
Finance lease liability	**-**	-	**-**	14	N/A	8.26
Interest rate cap	**-**	-	**-**	-	2.68	2.68
Total financial liabilities	**5,103**	3,823	**9,276**	14,335		

30 June 2004

33. FINANCIAL INSTRUMENTS (CONTINUED)

33(b) Terms, conditions and accounting policies

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

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Terms and Conditions
(i) Financial Assets			
Receivables - trade	6	Trade receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer possible.	Credit sales are on terms up to 30 days.
Unlisted shares	10,11	Unlisted shares are carried at the lower of cost or recoverable amount. Dividend income is recognised when dividends are declared by the investee.	The unlisted shares held at balance date are ordinary shares.
(ii) Financial Liabilities			
Trade and other creditors	16	Liabilities are recognised for amounts to be paid in the future for goods ad services received, whether or not billed to the Company.	Trade liabilities are normally settled in 30 day terms.
Finance lease liability	17,20	The lease liability is accounted for in accordance with AASB 1008.	As at balance date, the Company had an average finance lease term of three years. The average discount rate implicit in the lease is 8%. The security over finance leases is disclosed in notes 17 and 20.
(iii) Equity			
Ordinary shares	22	Ordinary share capital is recognised at the fair value of the consideration received by the Company.	Details of shares issued at balance date are set out in note 22.
(iv) Derivatives			
Forward exchange contracts	34(d)	The consolidated entity enters into forward exchange contracts where it agrees to sell specified amounts of foreign currencies in the future at a predetermined rate. The objective is to protect the consolidated entity against the possibility of loss from future exchange rate fluctuations. The forward exchange contracts are charged to the profit and loss except those relating to hedges of specific commitments which are deferred and included in the measurement of specific commitments which are deferred and included in the measurement of the sale or purchase.	

33 (c) Net fair values

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

33 (d) Credit risk exposure

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

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

Forward exchange contracts - the full amount of the currency it will be required to pay or purchase when settling the forward exchange contract, should the counterparty not pay the currency it is committed to deliver to the company. At balance date the net amount was $765,000 (2003: $2,995,000).

Concentrations of credit risk

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

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

- credit sales are on terms up to 30 days;
- an agent acts on the company's behalf in foreign locations;
- subscribers must sign a standard user agreement, accepting terms and conditions.

34. IMPACT OF ADOPTING AASB EQUIVALENTS TO IASB STANDARDS

Infomedia Ltd has commenced transitioning its accounting policies and financial reporting from current Australian Standards to Australian equivalents of International Financial Reporting Standards (IFRS). The company has allocated internal resources and engaged expert consultants to perform diagnostics and conduct impact assessments to isolate key areas that will be impacted by the transition to IFRS. As a result of these procedures, Infomedia has graded impact areas as either high, medium or low and has established dedicated project teams to address each of the areas in order of priority as represented by the gradings. As Infomedia has a 30 June year end, priority has been given to considering the preparation of an opening balance sheet in accordance with AASB equivalents to IFRS as at 1 July 2004. This will form the basis of accounting for Australian equivalents of IFRS in the future, and is required when Infomedia prepares its first fully IFRS compliant financial report for the year ended 30 June 2006. Set out below are the key areas where accounting policies will change and may have an impact on the financial report of Infomedia. At this stage the company has not been able to reliably quantify the impacts on the financial report.

Hedge Accounting

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

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

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

30 June 2004

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

Goodwill

Under the Australian equivalent to IFRS 3 *Business Combinations* goodwill will no longer be able to be amortised but instead will be subject to annual impairment testing. This will result in a change in the Group's current accounting policy which amortises goodwill over its useful life but not exceeding 10 years. Under the new policy, amortisation will no longer be charged, but goodwill will be written down to the extent it is impaired. Reliable estimation of the future financial effects of this change in accounting policy is impracticable because the conditions under which impairment will be assessed are not yet known.

Impairment of assets

Under the Australian equivalent to IAS 36 *Impairment of Assets* the recoverable amount of an asset is determined as the higher of net selling price and value in use. This will result in a change in the Group's current accounting policy which determines the recoverable amount of an asset on the basis of discounted cash flows. Under the new standard there are more stringent tests that increase the risk that impairment of assets may occur and potentially lead to future write-downs.

Share based payments

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

Only 450,000 options have been issued after 7 November 2002 and remain outstanding at balance date. The notional expense to 30 June 2004 pertaining to these options is $3,000 and will reduce opening retained earnings upon transition.

The value of shares issued under the employee share plan after 7 November 2002 to balance date and not recorded as an expense was $392,000 and will reduce opening retained earnings upon transition.

directors' declaration

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

(1) In the opinion of the Directors:

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

(i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2004 and of their performance for the year ended on that date; and

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

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

On behalf of the Board.

Richard David Graham
Chairman
Sydney, 25 August 2004

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Independent audit report to members of Infomedia Ltd

Matters relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial report of Infomedia Ltd (the company) for the year ended 30 June 2004 included on the company's web site. The company's directors are responsible for the integrity of the company's web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the web site.

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Infomedia Ltd (the company) and the consolidated entity, for the year ended 30 June 2004. The consolidated entity comprises both the company and the entities it controlled during that year.

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

Audit approach

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

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

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

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

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

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

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Audit opinion

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

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of Infomedia Ltd and the consolidated entity at 30 June 2004 and of their performance for the year ended on that date; and

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

(b) other mandatory financial reporting requirements in Australia.

Ernst + Young

Ernst & Young

J K Haydon

Partner

Sydney, 25 August 2004

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CORPORATE GOVERNANCE STATEMENT

Introduction

Infomedia Ltd is committed to good corporate governance that enhances effectiveness and ensures an appropriate degree of accountability and transparency to shareholders and other stakeholders.

This statement, which is current as at 25 August 2004, addresses the approach adopted by the Company to the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations*[1].

The Board first began its consideration of the ASX Corporate Governance Guidelines during the course of the 2003 financial year. To aid the review process the Board has made adjustments to the structure of its Committees so that they now comprise the Audit & Risk Committee, the Remuneration & Nomination Committee and the Corporate Governance Committee. Each Committee is presently chaired by an Independent Director with its membership determined by the Board on the basis of greatest expertise in the areas of relevance to each Committee.

Background details and meeting attendance records during financial year 2004 for members of each of the Audit & Risk, Remuneration & Nomination and Corporate Governance Committees are set out on page 23 of the Directors' Report.

The Board and its Committees endorse the 'if not, why not?' framework adopted by the ASX Corporate Governance Council. Throughout the reporting year the Board has, upon the recommendation of the appropriate Committee, progressively updated existing charters, policies and procedures and also adopted additional charters, policies and procedures where deemed necessary. Together these documents support the ASX CGC Principles in a manner which the Board believes is appropriate to Infomedia's circumstances.

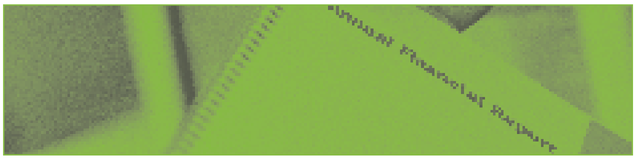
Summaries of these various charters, policies and procedures will be progressively added to Infomedia's website during the course of this year.

In considering the ASX CGC Recommendations, the Board and relevant Committees took as an overriding imperative the development and articulation of appropriate charters, policies and procedures having regard to, among others, those factors identified in the ASX CGC Commentary as relevant.

Of such factors, Infomedia's size was important and, as suggested in the ASX CGC Commentary, in prioritising, a high level, top down approach was adopted. Consequently, the various procedures and policies considered appropriate by Infomedia are at differing stages of development and organisational implementation as permitted by its resources and as discussed in more detail below. Each of the Board's Committees recognises the intent of the ASX CGC Corporate Governance Guidelines and in financial year 2005 will continue the process of considering the way relevant ASX CGC Recommendations should be applied in light of Infomedia's particular circumstances.

A series of corporate governance and legal information sessions are planned for financial year 2005. These are aimed at providing organisation-wide education about the existence, purpose and operating framework of the corporate governance initiatives, including the Company's *Code of Conduct*, *Risk Management Policy, Market Disclosure Policy* and policy for *Share Trading by Company Directors, Officers and Employees*.

The material set out in this Corporate Governance Statement has been prepared in accordance with the ASX Listing Rules and, in particular, ASX CGC Recommendations 2.5, 3.3, 4.5, 5.2, 7.1 and 9.5. Unless otherwise indicated, the ASX CGC Recommendations were in place for the whole financial year.



ASX CGC Principle 1 – Lay solid foundations for management and oversight

Recognise and publish the respective roles and responsibilities of board and management

ASX CGC Principle 2 – Structure the Board to add value

Have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties

ASX CGC Principle 8 – Encourage enhanced performance

Fairly review and actively encourage enhanced board and management effectiveness

ASX CGC Principle 9 – Remunerate fairly and responsibly

Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined

The Company's Constitution requires a minimum of three and a maximum of seven Directors, of whom at least two must ordinarily be resident in Australia. Under the Company's Constitution one third of the Directors, and any other Director not in such one third who has held office for three years or more, other than the Chief Executive Officer, must retire by rotation each year. If eligible, the retiring Directors may offer themselves for re-election.

The Infomedia Board comprises six Directors and details of the names, terms of office, committee memberships, meeting attendance record, skills, experience and expertise of each, along with photographs, appear in the Directors' Report on pages 18 and 19.

Since listing on the ASX CGC in August 2000 in particular, the composition and size of the Infomedia Board has been shaped by its Constitution and the contribution Directors are able to make, both individually and collectively. An emphasis has, and through the interaction of the Board and the Remuneration & Nomination Committee, will continue to be, placed on promoting, among other attributes, an appropriate mix of relevant skills, independence, expertise, business knowledge and executive and non-executive participation.

ASX CGC Recommendation 1.1

A formal *Charter of the Board of Directors* was adopted in early July 2004 following careful and considered deliberation by both the Corporate Governance Committee and the Board itself. As noted in the introduction above, the priority was to document an appropriate division of Board and Management responsibilities.

The Board's focus is on the Company's objectives, determining the strategy for achieving those objectives and setting the overall policy framework within which the business of the Company is conducted whilst ensuring that the Company operates in accordance with good management and governance practices.

The Corporate Governance Committee was established to support the Board in the areas not covered by Audit & Risk and Remuneration & Nomination Committees. The members of the Corporate Governance Committee are Geoffrey Henderson (Chair), Myer Herszberg and Frances Hernon. Each is a Non-executive Director.

ASX CGC Recommendation 2.1

Traditionally, the Board has applied an executive director/non-executive director classification to its members. Following the appointment of Geoffrey Henderson as an additional Non-executive Director in February 2003, the Infomedia Board has comprised four Non-executive Directors and two Executive Directors.

Three of the Company's Directors, Barry Ford, Frances Hernon and Geoffrey Henderson, clearly meet an objective assessment of quantitative, qualitative and cumulative criteria for independence. A fourth Non-executive Director, Myer Herszberg, whilst being a major shareholder is considered by the Board, having regard to quantitative, qualitative and cumulative criteria, to operate independently and objectively. As a result the Board believes it comprises a majority of independent directors and so complies with ASX CGC Recommendation 2.1.

This independence will be reviewed periodically by the Board to ensure its continued good practice in this area. Ultimately, however, the Board accepts that its members remain in office upon the vote of the Company's shareholders and that they may elect members to the Board regardless of their standing, independent or otherwise. In order to facilitate the discharge of their duties, including in respect of independent decision-making, the Board confirmed in April 2004 its policy for Directors obtaining independent professional advice at the expense of the Company.

ASX CGC Recommendation 2.2 and ASX CGC Recommendation 2.3

The Board has considered the appropriateness for Infomedia of appointing an independent Chairman and, in consequence, splitting the role of Chairman and Chief Executive Officer as proposed by ASX CGC Recommendations 2.2 and 2.3.

The Board is of the view that its independence as a whole is not compromised by the appointment of Richard Graham as Chairman and as Chief Executive Officer and that it is in the best interests of the Company to retain the current structure.

The Board believes that at this time, in its stage of growth, Infomedia is best served by keeping a strong focus on the development and implementation of strategic platforms. It believes that Richard Graham's industry knowledge, both technological and automotive, uniquely positions him for the kind of strategic thinking required of the Chairman and, that as its founder, his thorough understanding of the Company's business from its inception through its continued market and product expansion, positions him well for the day to day stewardship of the Company.

ASX CGC Recommendation 2.4 and ASX CGC Recommendation 9.2

The members of the Remuneration & Nomination Committee are Frances Hernon (Chair), Myer Herszberg and Barry Ford. Each is a Non-executive Director. Upon the recommendation of the Remuneration & Nomination Committee, in April 2004 the Board adopted an amended *Remuneration & Nomination Committee Charter*. During the reporting period the Remuneration & Nomination Committee also began reconsidering and then formalising a policy for the appointment of directors and the procedures for their selection. The Committee intends recommending both the policy and the procedures to the Board for consideration and adoption in the first six months of financial year 2005 and will then make a summary of them available on the Infomedia website shortly thereafter.

ASX CGC Recommendation 8.1 and ASX CGC Recommendation 9.1

Upon recommendation of the Remuneration & Nomination Committee a *Remuneration and Performance Evaluation Policy for Directors and Senior Executives* was adopted by the Board in July 2004.

The Policy clearly outlines the criteria for assessing the performance of the Board as a whole, the Directors as individuals, the Chairman of the Board and the Senior Executives, and aims to provide a framework for structuring total remuneration that will facilitate both the short and long term growth and success of the Company, that is competitive with the market place and that is demonstrably linked to the Company's overall performance.

It is anticipated that from financial year 2005 onwards the annual performance evaluation process will be conducted in accordance with the *Remuneration and Performance Evaluation Policy for Directors and Senior Executives*.

During this reporting period and in the process of developing the *Remuneration and Performance Evaluation Policy for Directors and Senior Executives*, the Remuneration & Nomination Committee, in conjunction with Infomedia's Human Resources Manager, reviewed the Company's remuneration and performance evaluation practices. The Committee made use of independent surveys commissioned from external specialist organisations, and also utilised external market evidence to make recommendations with respect to the Senior Executives' financial year 2005 salary packages.

In assessing remuneration levels of Non-executive Directors, regard was had to a number of factors including benchmarked industry practice and the assumption of additional Committee responsibilities. In assessing remuneration levels of Executive Directors and other Senior Executives, regard was had to a number of factors, including the individual's specific responsibilities and performance, market benchmarking and the Company's overall performance. In preparing the remuneration information contained on pages 48 and 49 of the Directors' Report, regard was had to the ASX CGC Commentary accompanying ASX CGC Recommendation 9.1 and, in particular, the suggestions for disclosure.

ASX CGC Recommendation 9.3

In formulating the *Remuneration and Performance Evaluation Policy for Directors and Senior Executives*, regard was had to both market practice and to the best practice guidance provided in the ASX CGC Commentary accompanying ASX CGC Recommendation 9.3.

Non-executive Directors are remunerated by way of fees and statutory superannuation contributions: they do not receive any additional retirement benefits and nor do they currently participate in any of the Company's incentive arrangements. Non-executive Directors have previously received options, but this practice was reconsidered with the introduction of the *Remuneration and Performance Evaluation Policy for Directors and Senior Executives*, as a result of Remuneration & Nomination Committee discussion on ASX CGC Recommendation 9.3 and the accompanying ASX CGC Commentary. The Remuneration & Nomination Committee and in turn the Board will continue to monitor the issue as each recognises that for smaller companies option-based remuneration may be an appropriate method of remunerating non-executive directors when accompanied by an appropriate framework and proper disclosure.

Geoffrey Henderson had received 100,000 options upon his appointment as a Non-executive Director on 25 February 2003 and voluntarily relinquished these on 4 June 2004.

ASX CGC Recommendation 9.4

The Company currently has two equity-based incentive plans: an Employee Option Plan applicable to certain eligible employees, including Senior Executives and an Employee Share Plan, applicable to all permanent employees of one or more years of service, including Senior Executives but excluding Executive Directors. These plans were established prior to Infomedia's listing in August 2000. They were disclosed in the 14 July 2000 prospectus and operate in accordance with both the Corporations Act and the ASX Listing Rules.

Given this background, there is no present intention to obtain shareholder approval ahead of the issue of further securities under the Employee Option Plan or the Employee Share Plan as proposed by ASX CGC Recommendation 9.4.

Further details of Senior Executive remuneration under these plans is included in the information contained on pages 22 and 50-51 of the Directors' Report.

ASX CGC Principle 3 – Promote ethical and responsible decision making

Actively promote ethical and responsible decision making

ASX CGC Principle 10 – Recognise the legitimate interests of stakeholders

Recognise legal and other obligations to all legitimate stakeholders

ASX CGC Recommendation 3.1 and ASX CGC Recommendation 10.1

A formal *Code of Conduct* was adopted in April 2004 following careful and considered deliberation during the financial year by both the Audit & Risk Committee and the Board itself.

The Infomedia *Code of Conduct* applies to all Infomedia personnel including Directors, Senior Executives and employees and was developed having regard to the ASX CGC Commentary accompanying ASX CGC Recommendations 3.1 and 10.1. Whilst Infomedia has long held and emphasised personal integrity, respect and ethical business practices as core tenets, the Infomedia Code of Conduct strengthens the Company's commitment to them by further articulating the cultural values which permeate the Company and better informing its interactions with all non-shareholder stakeholders.

Included in the series of corporate governance and legal information sessions planned for financial year 2005, will be sessions focusing on the existence, purpose and operating framework of the *Code of Conduct*. A key aim is to promote greater awareness and use of enhanced procedures for seeking guidance where areas of concern exist and for the notification of matters which potentially involve a compliance or business risk element.

ASX CGC Recommendation 3.2

A formal Policy on *Share Trading by Company Directors, Officers and Employees* was originally established in October 2001 and was reviewed, amended and adopted by the Infomedia Board in April 2004, upon the recommendation of the Corporate Governance Committee.

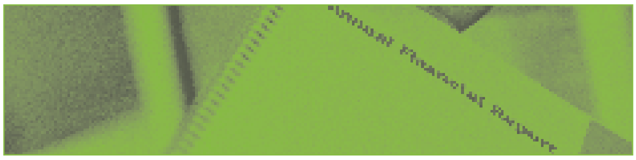
Principle 4 – Safeguard integrity in financial reporting

Have a structure to independently verify and safeguard the integrity of the company's financial reporting

Principle 7 – Recognise and manage risk

Establish a sound system of risk oversight and management and internal control

Infomedia was required, by virtue of its inclusion in the S&P/ASX CGC All Ordinaries Index at the beginning of financial year 2004 to fully comply throughout this reporting period with the ASX CGC Recommendations accompanying ASX CGC Principle 4, relating to audit committee composition, operation and responsibility.



ASX CGC Recommendation 4.1 and ASX CGC Recommendation 7.2

The Company's financial reporting obligations for year 2004 have been fulfilled, as they have in previous years, in accordance with applicable legal and accounting requirements: see the financial statements and notes contained in the Directors' Report commencing on page 18 and the Independent Audit Report appearing on page 62. Additionally, in response to ASX CGC Principle 7 external advisors recently commenced work on identifying, reviewing, and where necessary documenting the finance area's risk controls. At the date of this statement that process is not yet complete.

Against this background, and given also the stage of the Company's development and the associated difficulties in identifying future risk along with the inherent time and resource commitment involved in establishing and operating an effective risk management framework, the Chief Executive Officer and the Chief Financial Officer do not regard it as appropriate that they provide the certifications under ASX CGC Recommendation 7.2 and in turn, the certification under ASX CGC Recommendation 4.1.

It is intended that the Audit & Risk and Corporate Governance Committees will continue to forge the development of the Company's risk management and internal control framework, so that next year the Chief Executive Officer and the Chief Financial Officer will be better placed to provide the certifications proposed by ASX CGC Recommendation 7.2 and the certification required (as it then will be) by the Corporations Act equivalent of ASX CGC Recommendation 4.1.

ASX CGC Recommendation 4.2, ASX CGC Recommendation 4.3 and ASX CGC Recommendation 4.4, ASX CGC Principle 7

Infomedia originally established an Audit Committee prior to its listing on the ASX in August 2000. Today it is known as the Audit & Risk Committee and its members are Barry Ford (Chair), Myer Herszberg and Geoffrey Henderson. Each is a Non-executive Director.

The Board firmly believes the Audit & Risk Committee is of '…sufficient size, independence and technical expertise to discharge its mandate effectively'. As noted in the discussion around ASX CGC Recommendation 2.1 above, although traditionally the Board has applied an executive director/non-executive director classification to its membership, the Board believes that Barry Ford, Myer Herszberg and Geoffrey Henderson meet an objective assessment of quantitative, qualitative and cumulative criteria for independence. As such the Committee meets the requirements for an independent Chairman and a majority of independent directors.

A formal *Audit & Risk Committee Charter* was originally adopted in 2000 and an amended version approved by the Board in April 2004 following careful and considered deliberation during the financial year by both the Audit & Risk Committee and the Board itself.

The Audit & Risk Committee acknowledges the importance of external auditor independence. The Company's external auditor's engagement partner was rotated in financial year 2002. In response to both legislative change and to the ASX CGC Commentary, in the last quarter of financial year 2004 the Audit & Risk Committee began reconsidering the policy for the selection and appointment of the Company's external auditor and the rotation of engagement partners. The Committee intends recommending formalised procedures to the Board for consideration and adoption during financial year 2005, and will then make a summary of them available on the Infomedia website shortly thereafter.

ASX CGC Recommendation 7.1

Upon the recommendation of the Audit & Risk Committee, the Board adopted the *Risk Management Policy* in July 2004 following careful and considered deliberation during the financial year by both the Audit & Risk Committee and the Board itself.

The *Risk Management Policy* allocates oversight responsibility to the Audit & Risk Committee whilst the establishment of risk management procedures, compliance and control rests with Senior Executives and, at a daily operating level, with individuals as part of regular business conduct.

During the reporting period Senior Executives oversaw assessments of the Company's current risk management and control practices and discussed with the Audit & Risk Committee the process for further developing them in line with ASX CGC Principle 7.

Throughout financial year 2005 work will continue on updating and enhancing the Company's existing gap analysis, risk analysis and risk profile. As noted above, work recently commenced on reviewing, and where necessary documenting the finance area's risk controls. Other priorities identified by the gap analysis and risk profile will also be addressed in turn. With appropriate assistance from the Corporate Governance Committee, the outcomes of these actions will be used to assist in testing internal controls and by the Audit & Risk Committee in discharging its oversight and assessment functions.

ASX CGC Principle 5 – Make timely and balanced disclosure

Promote timely and balanced disclosure of all material matters concerning the company

ASX CGC Recommendation 5.1

A *Market Disclosure Policy* was adopted by the Board in April 2004 following careful and considered deliberation during the financial year by both the Corporate Governance Committee and the Board itself.

The Market Disclosure Policy was developed having regard to the ASX CGC Commentary and suggested content accompanying ASX CGC Recommendation 5.1.

ASX CGC Principle 6 – Respect the rights of the shareholders

Respect the rights of shareholders and facilitate the effective exercise of those rights

ASX CGC Recommendation 6. 1 and ASX CGC Recommendation 6.2

Through a series of initiatives Infomedia continues to demonstrate its commitment to promoting effective communication with all shareholders. Such initiatives include the continued development of the Company website, where this Corporate Governance Statement, annual, half yearly and quarterly reports, a synopsis of the Infomedia business model, media releases, achievements, share price information and the July 2000 prospectus, are available.

Infomedia is looking closely at how it might best and most cost effectively introduce e-communications to shareholders, and in the process, save paper and assist in preserving the environment. Infomedia will carefully consider any e-communication initiative its share registry, or any other provider, introduces in response to ASX CGC Recommendations 6.1 and 6.2.

Infomedia also acknowledges, and will consider and adopt as appropriate to its circumstances, the Guidelines for notices of meeting included in the ASX CGC Commentary accompanying ASX CGC Recommendation 6.1.

Shareholder participation at general meetings is encouraged and Infomedia's auditor, Ernst & Young, attends the annual general meeting and is available to answer shareholder questions.

(Footnotes)

[1] *The ASX Corporate Governance Guidelines containing the ASX CGC Principles, the ASX CGC Recommendations and the ASX CGC Commentary*

Top 20 shareholders as at 25 August 2004

Entity/Name	Shares	% of total	Rank
Wiser Laboratory Pty Ltd	100,277,501	30.86	1
Yarragene Pty Ltd	39,421,599	12.13	2
Westpac Custodian Nominees Ltd	35,989,252	11.08	3
RBC Global Services Australia Nominees Pty Ltd	30,125,227	9.27	4
JP Morgan Nominees Pty Ltd	24,832,929	7.64	5
Citicorp Nominees Pty Ltd	18,992,267	5.84	6
National Nominees Ltd	16,192,090	4.98	7
Mr Andrew Pattinson	4,407,716	1.36	8
Perpetual Trustee Company Limited	4,013,000	1.23	9
ANZ Nominees	3,421,515	1.05	10
Government Superannuation Office	2,075,085	0.64	11
Niako Investments Pty Ltd	1,345,106	0.41	12
The University of Melbourne	1,058,465	0.33	13
Wiser Centre Pty Ltd	1,000,000	0.31	14
Mr Richard Graham	926,559	0.29	15
HSBC Custody Nominees (Australia) Ltd	889,277	0.27	16
Victorian Workcover Authority	725,800	0.22	17
Mr Gary Martin	709,257	0.22	18
Mr Dan Salazar	641,248	0.20	19
Hot Springs Pty Ltd	500,000	0.15	20

Infomedia Ltd – Range of shares as at 25 August 2004

Range	Shareholders	Shares Held	% of Total
1 – 1,000	373	281,974	0.09
1,001 – 5,000	1,182	3,808,817	1.17
5,001 – 10,000	669	5,511,469	1.70
10,001 – 100,000	766	19,127,942	5.89
100,000 +	67	295,392,036	90.89
Escrowed		833,537	0.26
TOTAL	3,057	324,955,775	100.00

As at 25 August 2004 there were 137 shareholders holding less than a marketable parcel of 500 ordinary shares.

corporate directory

Infomedia Ltd

373 Warringah Road
Frenchs Forest NSW 2086

ABN 63 003 326 243

Telephone: (02) 9454 1500
Facsimile: (02) 9454 1844
Internet: www.infomedia.com.au

Directors

Richard Graham – Chairman and CEO

Andrew Pattinson – Executive Director and Managing Director, IFM Europe Limited

Barry Ford – Non-executive Director

Frances Hernon – Non-executive Director

Geoffrey Henderson – Non-executive Director

Myer Herszberg – Non-executive Director

Company officers

Nick Georges – Company Secretary

Peter Adams – Chief Financial Officer

Auditors

Ernst & Young
The Ernst & Young Building
321 Kent Street
Sydney NSW 2000

Share registry

Computershare Registry Services Pty Ltd
GPO Box 7045
Sydney NSW 1115

Lawyers

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

photographic index

Infomedia™