05 Annual Report

Infomedia®

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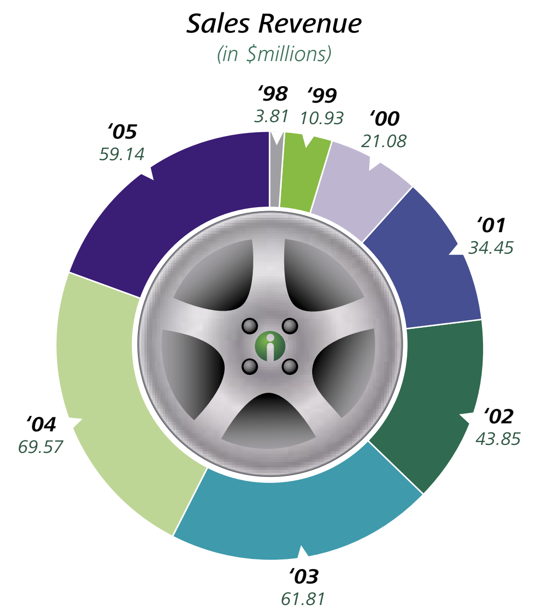
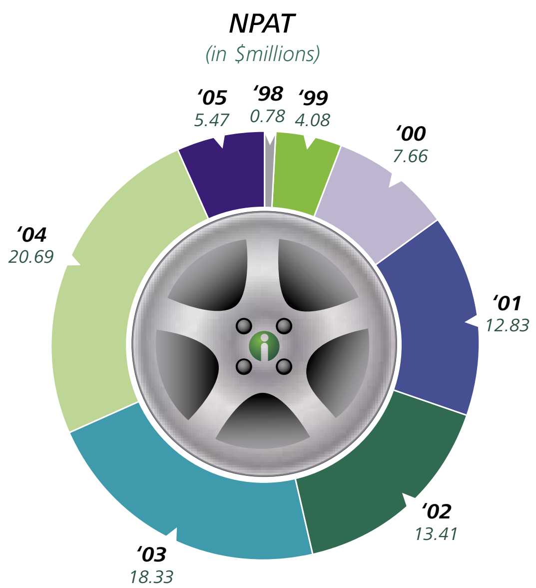
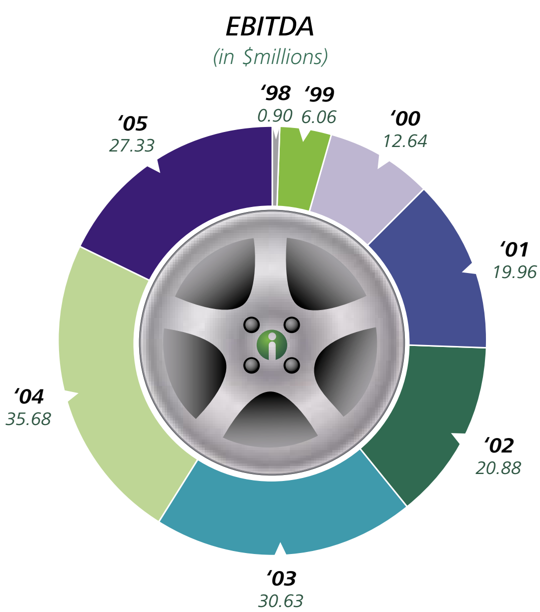
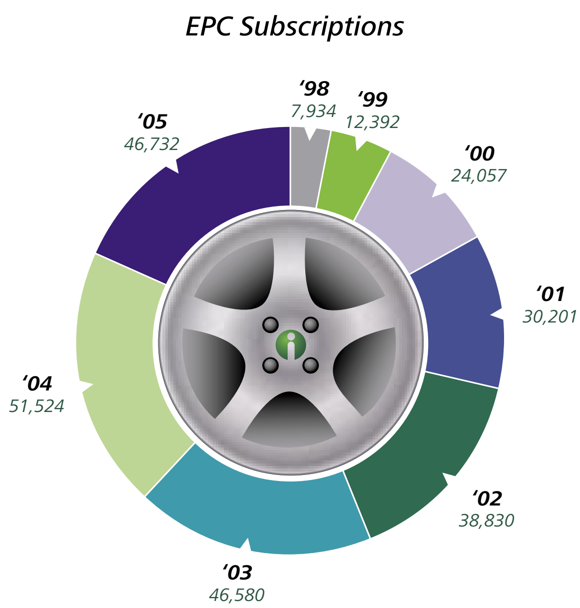
Results at a Glance

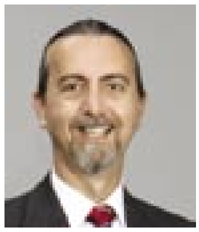








Chairman's Letter



Richard Graham
Chairman

Dear Fellow Shareholders,

The 2005 financial year mirrored our start-of-year expectations; this being a year having its challenges which we would have to manage well, and its opportunities that we would have to imbue with skill and confidence. As you will recall, the significant challenges for the Company in FY2005 were the rising strength of the Australian dollar and managing the transition to trading in a non-exclusive environment with our largest body of customers.

However, despite these challenges, it is pleasing to report that, overall, our business continued to perform strongly and is better for the experience. While our adjusted net profit after tax before significant items, of $14.5 million declined by $6.1 million over the previous year, Infomedia's currency hedging policy insulated us from the greatest impacts of the stronger A$. Even so, currency still accounted for approximately 60% of the normalised NPAT decline.

The most significant challenge to arise this year to our traditional business model was the move by Ford Europe and later by General Motors in North America to become more directly involved in their Electronic Parts Catalogues (EPC). We view this as a genuine desire on the part of the large automakers to explore and confirm "best value" for their dealers and themselves. In this context we stand with them as partners, as we are confident that after this exploration, their management will rediscover the excellence and all-inclusive-value that Microcat® represents, and the genuine added value of rapid professional results and ease of engagement that our people bring to the whole-of-business solution.

In terms of the transition to non-exclusive in Europe, our many years of good product development and customer support were acknowledged with the retention of more than 50% of our paying subscriptions overall, and more than 60% in several key influential countries. This strong retention and 12% organic growth in the rest of our EPC portfolio meant we ended the financial year with a strong showing of 46,732 subscriptions, a decline of only 9%.

Bolstering these results was the establishment of our European subsidiary which is now directly supporting our European customers with a fresh and genuine engagement of service and new business development. At the forefront of their work has been to successfully introduce Superservice Menus™ into a growing number of European vehicle distributors. IFM Europe is a great asset of the Company that will accelerate our product acceptance and hence our dividend potential there. You will read more about the Company's positive work in the Year in Review, following.

In terms of dividends to shareholders this year, a fully franked dividend of three point four cents

(3.4¢) was declared, comprised of half-year and final year dividends of one point seven cents (1.7¢) each time. The Board also took the decision this year to write-down $10.4 million in non-cash assets associated with acquired intellectual property. This is further explained in the Chief Financial Officer remarks and financial statements that follow.

In looking forward to FY2006, the marketplace will continue to present challenges of a similar nature to those that we have seen this year. However, we will reap the benefits in further new and organic growth of our EPC and Superservice Menus product lines. From my vantage point, Infomedia continues to be the leader in delivering high quality turn-key parts and service productivity products and we are committed to a future where we build upon our good qualities. Throughout FY2006, our teams around the world will strengthen our relationships with users and licensors alike and strive to identify and develop new market opportunities.

For these reasons and its overall financial performance, which you will read about herein, you can see why I continue to view Infomedia as both a good growth investment and a good yield investment.

I look forward to seeing you at the Annual General Meeting and commend this Annual Report to you.

Richard David Graham

Chairman of the Board

Company Profile

Infomedia's areas of expertise include:

- Electronic Parts Catalogues
- Integrated business management systems
- Integrated service menu system
- Client-branded pricing, service and accessories guides
- Client-branded user manuals
- Technical illustration and documentation
- Analytical consulting and data interpretation
- Software programming and project management

Infomedia development division was established in 1990 as a leading supplier of Electronic Parts Catalogues for the automotive industry.

Infomedia's Electronic Parts Catalogues have become the global standard for the automotive industry, shipping to more than 46,000 subscribers in over 160 countries and 25 languages.

In 2000, Infomedia acquired Datateck Publishing Pty Ltd, a data management company, and Online Computing Pty Ltd, an integrated business systems developer, resulting in an immediate broadening of the Infomedia product and service range.

Since then, the Company has worked steadily on both consolidating its position as an Electronic Parts Catalogue provider of choice for the global automotive industry, and exploring opportunities in other complex parts and service dependent industries.

As a result, Infomedia products have an international reputation for ease of use, productivity gains, high quality and mission critical reliability.

Infomedia is an Australian publicly listed company with headquarters in Sydney and support centres in Australia, Europe, Japan and North America.

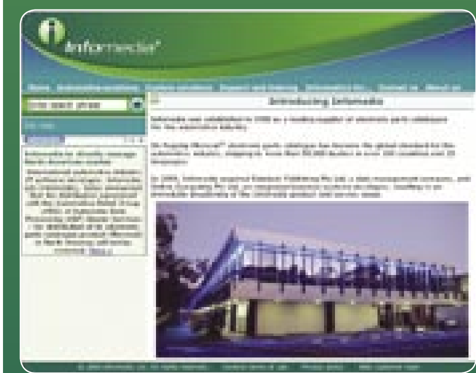
Green is the Colour

This year Infomedia is creating a fresh corporate identity. The refreshed corporate identity is a symbol of our drive to adapt and meet the challenges of a rapidly changing information age.

The inspiration for our new logo comes from a variety of sources:

- The green colour symbolises growth and is recognised as the colour for going forward and being switched on.
- It stands for our 15 years of positive environmental impact by eliminating the use of millions of tonnes of white paper, film and processing chemicals, previously used to deliver parts catalogues.
- The stylised human figure 'i' represents both our Company name and symbolises the genuine importance we place on considering the human dimension in both our technology developments and our social obligations to our customers and our staff.

Our new corporate identity covers everything from stationery to a new website.



The new Infomedia website

History

2005

- Superservice Menus™ for Hyundai Sweden and Daihatsu UK released
- Microcat® MARKET™ for Toyota Australia released
- Lubrication & Tune-Up Guide™ released on CD-ROM
- Awarded Australian Government Export Finance and Insurance Corporation Trailblazers award

2003

- Superservice Menus for Toyota Australia and Mitsubishi Australia released
- Internet version of Lubrication & Tune-Up Guide released
- Awarded NSW Exporter of the Year (Information & Communications Technology)
- Awarded Australian Exporter of the Year (Information & Communications Technology)

2001

- Microcat for Daihatsu Rest of World, Ford Asia Pacific, GM Asia Pacific, Hyundai Global and and Land Rover Global released
- Awarded Australian Manufacturing Exporter of the Year
- Awarded Australian Manufacturing Company of the Year
- Awarded Australian Manufacturing Best Use of New Technology

1999

- Microcat for Daewoo Australia, Daihatsu Europe and Ford North America released

1997

- Partfinder for Suzuki Australia and Microcat for Ford Europe released

1994

- Company sells wholesale operations to concentrate on developing and distributing software for the automotive industry and changed its name to Infomedia Australia Pty Ltd

1990

- Infomedia division formed to add software development capability to Infomagic
- Microcat for Ford Australia released

2004

- Microcat MARKET for Toyota Europe and Ford Europe released
- Microcat® LIVE™ for Toyota Germany released
- Superservice Menus for Ford Australia, Daihatsu Australia, Hyundai Australia and Holden Australia released
- Established office in Europe – IFM Europe Limited
- Established corporate headquarters in Australia
- Established multi-lingual international customer service centre
- Awarded NSW Exporter of the Year (Information & Communications Technology)

2002

- Microcat® for Hyundai USA, Toyota North America and Toyota Europe released
- Acquired PartsImager® EPC from EDS and commenced supporting GM and Saturn dealers in North America
- Holden Service and Maintenance Information CD-ROM released
- Awarded NSW Exporter of the Year (Information & Communications Technology)
- Awarded Australian Exporter of the Year (Information & Communications Technology)

2000

- Acquisition of Datateck Publishing Pty Ltd (publisher of the Lubrication & Tune-Up Guide)
- Listing on Australian Stock Exchange
- Acquisition of Online Computing Pty Ltd (integrated business systems developer)
- Microcat for Honda Australia and Hyundai Australia released and Partfinder® for Isuzu Australia released
- Awarded NSW Exporter of the Year (Information & Communications Technology)
- Finalist Australian Exporter of the Year (Emerging Exporter)

1998

- Partfinder for Mitsubishi Australia and Microcat for Toyota Australia released

1996

- Microcat for Daihatsu Australia and Nissan Australia released

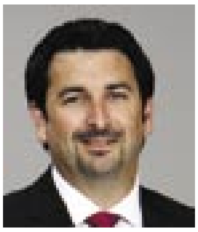
1992

- Partfinder for Holden version released

1988

- Software and peripherals importer and distributor Infomagic Australia Pty Ltd formed

The Year in Review



Gary Martin
Chief Executive Officer

Microcat LIVE
ONLINE PARTS SELLING SYSTEM

Microcat LIVE is the online parts selling system that provides auto dealerships with manufacturer parts information either straight from the internet in real time or from the latest DVD, helping dealerships remain as well informed and empowered as possible. The flexibility for dealers to retrieve data from the internet means that Infomedia can work with manufacturers to provide parts data that is updated more often than the current monthly cycle whilst ensuring that the dealers always have the certainty of the DVD.

Microcat LIVE's underlying technology also allows integration with other software applications.

Microcat MARKET
ONLINE PARTS ORDERING SYSTEM

Microcat MARKET is the online parts ordering system that provides 24/7 internet connectivity between independent auto trade repairers and their genuine parts dealers.

With trade repairers able to identify and order parts instantly and dealerships focused on parts supply, Microcat MARKET creates new efficiencies in supply chain management, saving administration time and costs, reducing human error, and increasing order turnaround.

I am pleased to report that our team at Infomedia met the significant challenges of the 2005 financial year and achieved our guidance goals.

Several events during the course of the year were particularly outstanding to me:

- the successful establishment of our European subsidiary;
- the loyalty and retention of the majority of our Microcat® European Ford subscriptions;
- continued global expansion and organic growth;
- outstanding Superservice Menus™ acceptance;
- further product advancements through Research and Development; and
- the successful generational transition of the Company's senior management.

Our European subsidiary team had its first full year of independent operation. Led by Managing Director, Andrew Pattinson, it delivered Infomedia's marketing messages and support directly to our European product users and licensors for the first time. Our customer service team was busy ensuring that our Microcat and Superservice Menus customers were well supported in their local language and enjoying the many benefits of our products.

Throughout the year, IFM Europe has been busy working with the new Toyota territories and dealers who are coming online with the Microcat Electronic Parts Catalogue (EPC) and our new leading edge Microcat® LIVE™ and Microcat® MARKET™ electronic parts selling products. Toyota subscriptions will continue to grow throughout FY2006. We are grateful to Toyota Europe management for their continued support in the region.

The realignment of Ford Europe's business model to a competitive marketplace has attracted its share of investor interest during the year. I am pleased to say that more than half of our loyal subscribers have thus far chosen to stay with Microcat. In fact, we are now seeing dealers who chose to try the competitive EPC offering returning to Microcat, exercising their right to choose the product best suited to their business requirements. We continue to experience a positive and respectful relationship with Ford Europe.

Despite the reduction of subscriptions in the European Ford customer base, it is pleasing to report that the rest of the Company's EPC subscription portfolio experienced 12% growth over the course of the year.

In North America, the Company continued to increase sales. A major milestone was reached with the transition from the PartsImager® EPC system for American and Canadian GM and Saturn dealers to our flagship EPC, Microcat. Our teams in North America and Australia ensured that the transition went smoothly. The Company acquired PartsImager from EDS in 2002.

While on the topic of North America, the Company secured the renewal of the Ford Canada and Ford Mexico agreement for the supply of the Microcat system to their respective dealers. The successful renewal process involved many months of preparation and presentations.

In another win for the team, Hyundai Motors America extended its agreement with Infomedia to supply Microcat through to March 2008. The Company appreciates the growth Hyundai contributes to our subscription numbers and is committed to supporting Hyundai customers with our best in class EPC. Hyundai Motors America management are proactive in their interaction with our staff. This environment provides a platform from which real advances and achievements are made and the benefits realised by the dealership customers of Microcat.

In Latin and South America, the Company continued to strengthen its offerings to customers in the region. Through a support and business development agreement with Lazar International Inc., customers are now receiving excellent local language support. We expect this focused service into the market will increase business in the region and add further data license agreements.

In November, Infomedia announced that it had entered into a three year agreement with Daitec Co Ltd. of Japan for the provision of distributor services for Microcat in Japan. Daitec currently performs technical information solution services to a wide range of different industries and has operations in Hiroshima, Kyoto, Fukuoka, Tokyo and Yokohama. In the field of automotive parts engineering information solution services, Daitec has an excellent reputation among the world's most demanding car manufacturers.

Infomedia chose Daitec for its commitment, professionalism and reputation in serving the automotive industry in Japan and the relationship is already realising good results for us.

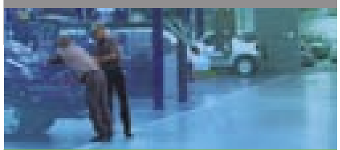
The growth from Superservice Menus continued its positive forward momentum in the European and domestic markets. The product achieved a subscription increase of 370% over the prior year. The Company provided the product for six different franchises (Daihatsu, Ford, Holden, Hyundai, Mitsubishi and Toyota) with further franchise coverage scheduled for FY2006.

Infomedia's Superservice Menus is the service quoting system for busy dealership service departments and contains a range of service, repair and accessory management tools that provide fast, accurate and reliable quotations. Our system replaces the typical manual or semi-automated

Superservice Menus

Superservice Menus is the tool that provides fast, accurate and reliable quotes for franchised automotive service departments and showrooms. It contains a range of management tools, service schedules, repair times and accessory information.

Taking the guesswork out of quoting and the paperwork out of processing, Superservice Menus requires little technical knowledge to operate, so accurate bookings can be made with confidence by anyone in the dealership.



AutoLedgers®

Developed to meet the specific complex business management needs of large multi-franchise dealers, AutoLedgers is a secure online dealership management system that resides either on the dealership's local area network (LAN) or on Infomedia's secure server network.

The system is made up of inter-dependent modules, that form an integrated accounting and business management system.

With AutoLedgers, dealers can manage their financials, reporting, debtors, creditors, servicing, vehicle sales, vehicles and parts inventory and more.

NOVA is the low-cost dealer management system that's suitable for small to medium sized automotive dealers. Easy-to-learn and use, NOVA provides integrated sales, service, parts, accounting and payroll functionality.

Whether operated as a stand-alone package or across multiple locations from a single server, NOVA has proven particularly popular with rural-based automotive and agriculture dealers, as well as motorcycle dealerships.

Data Analysis and Technical Communication

Working from engineering drawings, design specifications, manuals and even raw parts, Infomedia's data researchers, analysts, manufacturing experts, illustrators and software developers produce data to exacting specifications and deadlines.

As well as working on Infomedia-branded products, staff also work on a wide range of client-branded technical projects for the auto, defence and petroleum industries.

Projects have included the compilation and production of pricing, service and accessories guides for everything from trucks to tanks, submarines, radars, data interpretation and illustration for auto manufacturers' service manuals and parts catalogues.

'in-house' service menu compilation methods that can leave dealers exposed to under-quoting and losing profit, or over-quoting and losing the service sale altogether.

Improvement and development of our core products continued throughout the year. New generation systems and production platforms helped the Company remain commercially competitive and able to capitalise on opportunities with our new and prospective users. Our Sydney, Melbourne, Brisbane and Perth based developers and industry experts applied responsive can-do attitudes in programming product improvements for both our users and for our internal production processes. I am truly proud of their efforts.

Our new and comprehensive enterprise accounting and customer management system will enhance the ability for our people to successfully and economically:

- manage the accounts of the growing number of international customers;
- be more targeted with marketing and sales programs;
- gain greater depth and insight into our customers and their needs;
- build faster and leaner production processes; and
- have more robust and integrated financial and reporting structures.

In a first for the Company, Infomedia and Telstra eBusiness Services announced their collaboration to deliver the online solution, Microcat MARKET, to the Australian auto industry. The agreement between the companies saw the first online parts ordering EPC delivered to Australian Toyota dealers and their trade customers in May 2005. For the subscribing dealers, Microcat MARKET will increase parts sales and trade customer satisfaction by providing online access to interpreted parts information and illustrations, and the ability to place and receive orders 24 hours a day, 7 days a week.

Microcat MARKET bridges the gap between dealers and their trade customers (including panel beaters and suburban vehicle repairers) and makes their interaction and parts ordering processes seamless. Combining Telstra's strength in offering e-business solutions with Infomedia's recognised knowledge of the retail automotive IT industry, Microcat MARKET assists both parties to run more profitable businesses.

The AutoLedgers® and NOVA™ dealer management systems (DMS) continued to support hundreds of retail automotive dealers to operate their businesses efficiently and profitably. Every working day dealers benefit from this in-depth and highly specialised software, as well as the industry knowledge and know-how that the Company's DMS staff provides.

Advertising for Microcat MARKET

The ASP (online) platform used to deliver AutoLedgers without the requirement and cost for in-dealership servers, continued to gain even-greater acceptance by dealers wanting to lower their overall computing costs. The ASP service allows them to focus on their core business of selling and servicing vehicles rather than running in-house data processing centres.

Our NOVA DMS achieved its first international sale and installation this year with Red Baron Motorcycles in Auckland, New Zealand. Red Baron also uses NOVA in its locations in Australia, and was adamant that the system be installed in their Auckland operation.

Toward the end of the financial year, we moved to establish our wholly owned subsidiary in North America, IFM North America Inc. The team will work directly with our automaker partners and dealership customers, just as IFM Europe does in its territory. From the experience of opening our European subsidiary in April 2004, we expect North American customers to experience levels of satisfaction not normally associated with North American EPC providers.

I am optimistic about the near and long term outlook for the Company and the increased subscription opportunities our new business teams in Europe and North America will create for our suite of parts and service solutions – Microcat LIVE, Microcat MARKET and Superservice Menus.

Focus on protecting and fortifying our client base, resource management and expense control set the tone for FY2005. Our challenges are not over; however I know that we are equipped to meet them head-on, rising to a new level of recognition and success for the Company.

I believe the Company is now in a good position to commence extending the reach of its products to new franchises, territories and industries.

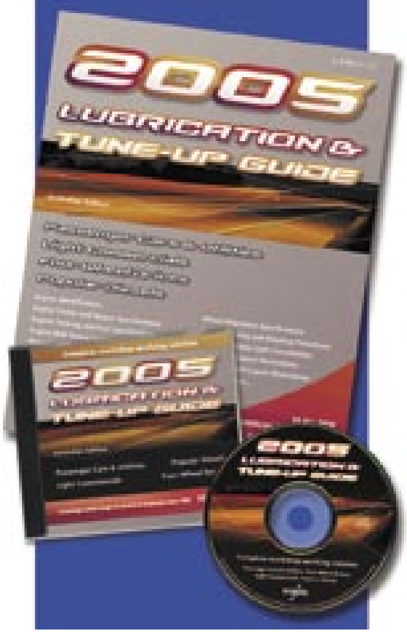
Lubrication & Tune-Up Guide™

Used every day by many thousands of workshop operators, mechanics and parts and supplies buyers, the Lubrication & Tune-Up Guide has been established for over forty years as the essential technical lubrication and tune-up reference book.

The Guide is a comprehensive compilation of valuable servicing data and diagrams covering the previous fifteen years for passenger cars, utilities and light commercials and popular diesels.

Consisting of 900+ pages, the printed Guide is published on an annual basis.

Catering for regular updates, the Guide is also available on the internet and on CD-ROM.



In closing, I would like to pay tribute to Richard Graham. Richard had served as the Company's Chairman and CEO for more than 17 years when, at the end of December, he retired as CEO. Richard's vision, passion and drive have made Infomedia what it is today. Richard continues to serve the Company and shareholders as the Chairman of the Board and his contributions in this capacity continue to guide our Company's forward growth trajectory.

I look forward to the year ahead and growing your Company and the return on your investment.

Gary Martin
Chief Executive Officer

Microcat MARKET goes racing!

In 2005 Infomedia has joined forces with a team and several drivers in the V8 Supercars series. Both John Bowe and Brad Jones, from Brad Jones Racing, are driving cars emblazoned with the Microcat® MARKET™ logo.

In the V8 Development Series, Infomedia is also supporting talented young driver Grant Denyer, from the Dick Johnson racing group. Outside of the racing world, Denyer moonlights as the weatherman on Channel 7's popular Sunrise breakfast program. A second car from the Dick Johnson team (driven by Dean Canto) also carries the Microcat MARKET logo.

Aligning the Microcat MARKET brand with a team and drivers in a motor racing event is a critical platform in the Company's marketing strategy. In an industry that tends not to perceive software as a 'tangible', the association has provided massive grass-roots exposure for the product in a high-powered and high-performance environment.

Financial Review

Peter Adams
Chief Financial Officer

The Company achieved 2005 financial year sales revenue of $59.1 million and net profit after tax before significant items of $14.5 million. These results are at the higher end of the guidance provided earlier this year. As anticipated, higher currency exchange rates and the introduction of competition within the Ford Europe dealer market had an adverse impact on the results. Operating cash flows remain strong with $19.9 million in cash generation.

A fully franked final dividend of one point seven cents (1.7¢) will be paid to shareholders of record at 8 September 2005, bringing the total franked dividends for the year to three point four cents (3.4¢); a payout ratio of 76% based upon pre-significant item profit.

The financial year ended with 46,732 EPC subscriptions versus 51,524 at the end the previous financial year. This decrease is a direct result of the realignment of Ford Europe's business model to a competitive marketplace. However, it is pleasing to report that the Company's other EPC subscriptions experienced 12% growth over the course of the year.

The Company recorded net significant items after tax charge of $9.1 million, resulting in reported profit from ordinary activities after tax of $5.5 million. These included a $10.4 million non-cash write-down of the PartsImager® intellectual property necessitated by the migration of PartsImager customers to Microcat® and the likely redundancy of the PartsImager intellectual property.

The 2005 financial year was characterised by two distinct halves. The first half of the year saw Electronic Parts Catalogue subscription numbers decline for the first time in the Company's history as we transitioned from a Ford European dealer market where we had 100% market share to a competitive landscape. At the commencement of the financial year, we were anticipating a decline though could not materially determine the size. The second half of the 2005 financial year had more certainty in that subscription losses began to level off to a point where modest growth returned.

"...it is pleasing to report that the Company's other EPC subscriptions experienced 12% growth over the course of the year."

The Company continues to enjoy strong cash flow generation despite some changes to the business model. The year commenced with much higher accounts receivable administration and collection exposure, with the Company becoming responsible for billing Ford European dealers directly, in multiple currencies and multiple languages. Whilst there was an initial build up of working capital, we believe that our accounts receivable processes have settled to a satisfactory level. At year end, the Company's day sales in debtors stood at 40 days. I attribute this achievement both to our third party collection agent in Europe and our internal finance team back home.

The 2005 financial year also marked a change in the Company's risk management process. The Company has now moved to a documented risk management system that is broadly based upon the Australian/New Zealand Standard 4360:2004 on "Risk Management". The Company has a Board endorsed risk management policy and a Board endorsed risk management plan which form the underlying backbone to our risk management process. For information, a summary of the risk management policy is available on the Company's website. Risk management is a continuous process and we look forward to improving our risk management systems in the 2006 financial year and beyond.

"The Company continues to enjoy strong cash flow generation despite some changes to the business model."

The 2006 financial year will represent the first year where the Company's financial reports will be prepared under the new Australian equivalents to International Financial Reporting Standards (AIFRS). As detailed in the financial report in note 32, the Company is well prepared to transition to the new standards.

Despite all of the Company developments in recent time, some caution needs to be taken with regard to the outlook for the 2006 financial year. The outlook for sales revenue is relatively flat as underlying organic sales growth is offset by the potential impact of higher currency exchange rates.

We anticipate that meaningful growth in the 2006 financial year, will be geared toward the end of the second half. During the first half of the 2006 financial year, management will focus on completing the transitionary process of replacing the third party distribution relationship in North America with direct representation. This direct representation in North America will provide another catalyst to stronger growth in the future.

Peter Adams
Chief Financial Officer

Directors' Report

Left to right: *Myer Herszberg, Gary Martin, Frances Hernon, Andrew Moffat, Richard Graham and Geoffrey Henderson*

Directors

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

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

Richard Graham
Chairman of the Board

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

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.

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

Frances Hernon
Non-executive Director

(Chairman of Remuneration & Nomination Committee)

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

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

Geoffrey Henderson
Non-executive Director

(Chairman of Corporate Governance Committee)

Geoffrey Henderson was appointed to the Infomedia Board of Directors in 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 the up the company's Asia Pacific Parts and Service operation which covered Ford's parts and service activities in 12 countries including Japan, South Africa, China, India and Australia. Mr Henderson also serves on Infomedia's Audit & Risk Committee.

Mr Henderson was elected to the Board in October 2004.

Gary Martin
Chief Executive Officer

Gary Martin was promoted to the position of Chief Executive Officer on 1 January 2005. Mr Martin has extensive experience in the automotive industry. He has been with Infomedia since 1998, when he joined the Company as International Sales Manager. Mr Martin was appointed General Manager, Electronic Catalogues Division in August 2001. Prior to joining Infomedia, Mr Martin spent a combined total of 12 years at automotive dealerships.

Mr Martin was elected to the Board in October 2004.

Andrew Moffat
Non-executive Director

(Chairman of Audit & Risk Committee)

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

Nick Georges
General Counsel, Company Secretary and Alternate Director

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

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

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

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

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

Infomedia Ltd		
	Ordinary Shares Fully Paid	**Options Over Ordinary Shares**
Wiser Laboratory Pty Limited	100,277,501	-
Yarragene Pty Limited	39,421,599	-
Wiser Centre Pty Limited	1,000,000	-
Richard Graham	926,559	-
Gary Martin (a)	74,257	-
Frances Hernon	5,000	-
Geoffrey Henderson	-	-
Andrew Moffat	-	-

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

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

PRINCIPAL ACTIVITIES

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

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

- developer and supplier of Electronic Parts Catalogues for the automotive industry globally;
- information management, analysis and creation for the domestic automotive and oil industries; and
- the provision of dealer management systems for the automotive industry.

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

EMPLOYEES

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

DIVIDENDS

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

NET TANGIBLE ASSETS PER SECURITY

	Cents
The company's net tangible assets per security are as follows:	
• Net tangible assets per share at 30 June 2005	11.2
• Net tangible assets per share at 30 June 2004	8.6

REVIEW AND RESULTS OF OPERATIONS

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

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

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

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

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

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

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

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

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

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

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

SHARE OPTIONS

Unissued shares

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

Shares issued as a result of the exercise of options

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

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the year, the Company paid a premium in relation to insuring Directors and other officers against liability incurred in their capacity as a Director or officer of the Company.

The insurance contract specifically prohibits the disclosure of the nature of the policy and amount of premium paid.

REMUNERATION REPORT

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

Remuneration Philosophy

The performance of the Company depends upon the quality of its Directors and executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and executives. To this end, the Company embodies the following principles in its remuneration framework:

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

Remuneration Committee

The Remuneration & Nomination Committee (Remuneration Committee) of the Board of Directors is responsible for recommending to the Board the Company's remuneration and compensation policy arrangements for the Directors and the five most senior executives. The Remuneration Committee assesses the appropriateness of the nature and amount of these emoluments on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

Remuneration Structure

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

Non-executive Director Remuneration

Objective

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

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was at the Annual General Meeting held on 30 October 2002 when shareholders approved an aggregate remuneration of $450,000 per year.

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

Senior Executive and Executive Director Remuneration

Objective

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

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

Structure

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

Remuneration consists of the following key elements:

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

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

Fixed Remuneration

Objective

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

Structure

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

Variable Remuneration – Short Term Incentive (STI)

Objective

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

Structure

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

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

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

Variable Remuneration – Long Term Incentive (LTI)

Objective

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

Structure

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

Employment Contracts

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

	Commencement Date per Latest Contract	Duration	Notice Period – Company	Notice Period - Executive
Gary Martin	1 January 2005	3 years	6 months*	6 months
Andrew Pattinson	5 April 2004	3 years	3 months	3 months
Nick Georges	3 April 2000	continuing	3 months	3 months
Peter Adams	1 January 2005	3 years	6 months*	6 months
Michael Roach	12 November 2001	continuing	5 weeks	5 weeks
Damon Fieldgate	10 March 2003	3 years	1 month	1 month
Linda Scott	6 November 2002	3 years	3 months	3 months

The Company may terminate each of the contracts at any time without notice if serious misconduct has occurred. Options that have not yet vested upon termination will be forfeited.

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

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 and the consolidated entity receiving the highest emolument for the financial year are as follows:

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

(a) Salary and fees for Richard Graham includes $176,819 of leave entitlements paid upon resignation as CEO effective 31 December 2004.
(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 binomial option-pricing model with the following weighted average assumptions used for grants made in the 2004 financial year. There were no grants to specified executives or specified Directors in the 2005 financial year.

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

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:

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

* Gary Martin was elected to the Board at the 2004 Annual General Meeting
** Andrew Moffat was appointed to the Board effective 31 March 2005
*** Andrew Pattinson resigned as a Director on 28 October 2004
**** Barry Ford retired from the Board effective 31 March 2005

ROUNDING

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

TAX CONSOLIDATION

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

CORPORATE GOVERNANCE

In recognising the need for high standards of corporate behaviour and accountability, the Directors of Infomedia Ltd support and have adhered to the principles of good corporate governance. The Company's Corporate Governance Statement begins on page 60.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

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

ERNST & YOUNG

Ernst & Young Centre
680 George Street
Sydney NSW 2000
Australia

GPO Box 2646
Sydney NSW 2001

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

Auditor's Independence Declaration to the Directors of Infomedia Ltd

In relation to our audit of the financial report of Infomedia Ltd for the financial year ended 30 June 2005, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst + Young

Ernst & Young

J K Haydon
Partner
Sydney
Date: 24 August 2005

NON-AUDIT SERVICES

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

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

Indirect tax advisory services: $20,280

Signed in accordance with a resolution of the Directors.

Richard David Graham
Chairman of the Board
Sydney, 24 August 2005

Statement of Financial Performance

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

Statement of Financial Position

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

Statement of Cash Flows

YEAR ENDED 30 June 2005	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	**2005**	2004
		$'000	$'000	**$'000**	$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		**64,097**	67,616	**48,754**	63,771
Payments to suppliers and employees		**(38,065)**	(36,879)	**(22,557)**	(32,592)
Interest received		**272**	428	**255**	410
Borrowing costs		**(97)**	(283)	**(97)**	(283)
Income tax paid		**(6,332)**	(4,441)	**(6,332)**	(4,384)
NET CASH FLOWS FROM OPERATING ACTIVITIES	23(a)	**19,875**	26,441	**20,023**	26,922
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment		**(1,801)**	(21,101)	**(1,679)**	(3,262)
Proceeds from sale of property, plant and equipment		**1,734**	2,515	**-**	1,770
Purchase of shares in controlled entity		**-**	-	**-**	(247)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(67)**	(18,586)	**(1,679)**	(1,739)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		**1,000**	7,000	**1,000**	7,000
Repayment of borrowings		**(5,173)**	(14,982)	**(5,173)**	(14,982)
Loan to controlled entity for property purchase		**-**	-	**-**	(17,531)
Dividends paid on ordinary shares		**(11,701)**	(12,338)	**(11,701)**	(12,338)
Proceeds from exercise of options by employees		**-**	14	**-**	14
Finance lease principal		**-**	(14)	**-**	(14)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**(15,874)**	(20,320)	**(15,874)**	(37,851)
NET (DECREASE)/INCREASE IN CASH HELD		**3,934**	(12,465)	**2,470**	(12,668)
Add opening cash brought forward		**6,887**	19,352	**6,333**	19,001
CLOSING CASH CARRIED FORWARD	23(b)	**10,821**	6,887	**8,803**	6,333

Notes to the Financial Statements

30 June 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

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

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

(b) Changes in accounting policies

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

(c) Principles of consolidation

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

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

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

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

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

(d) Foreign currencies

Translation of foreign currency transactions

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

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

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

Forward exchange contracts

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

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

Translation of financial reports of overseas operations

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 valued at the lower of cost or net realisable value.

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

(k) Property, plant and equipment
Cost and valuation
Property, plant and equipment are carried at cost.

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

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

(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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Intangibles

Goodwill

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

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

Intellectual property

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

(n) Trade and other payables

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

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

(o) Provisions

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

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

(p) Revenue in advance

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

(q) Loans and borrowings

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

(r) Contributed equity

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

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

(s) Revenue recognition

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

Subscriptions

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

Interest

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

(t) Cost of sales

Cost of sales includes the direct cost of raw materials, direct salary and wages, and agency costs associated with the manufacture and distribution of the product.

(u) Taxes

Income taxes

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 25 is not being charged as an employee entitlement expense.

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

(w) Research and development costs

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

(x) Earnings per share

Basic earnings per share (EPS) 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 2005	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	**2005**	2004
		$'000	$'000	**$'000**	$'000

2. PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity:

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

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

30 June 2005	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	**2005**	2004
		$'000	$'000	**$'000**	$'000
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		**2,653**	8,918	**2,466**	9,052
Tax effect of permanent differences					
Legal expense		**17**	152	**17**	152
Entertainment		**24**	35	**21**	32
Non-deductible depreciation		**104**	80	**-**	2
Amortisation of intangible assets		**427**	470	**277**	319
Additional research and development deduction		**(283)**	(421)	**(283)**	(421)
Intellectual property – copyright deduction		**(24)**	(24)	**(24)**	(24)
Decrement in value of non-current assets		**577**	-	**577**	-
Tax losses utilised		**64**	-	**-**	-
Other		**63**	(2)	**71**	-
Over provision of previous year		**(248)**	(166)	**(205)**	(38)
Income tax expense attributable to operating profit		**3,374**	9,042	**2,917**	9,074
4. DIVIDENDS PROPOSED OR PAID					
(a) Dividends paid during the year:					
Franked interim - 1.70 cents (2004:1.90) per share		**5,527**	6,170	**5,527**	6,170
Prior year final franked dividend – 1.90 (2003: 1.90 cents) per share		**6,174**	6,168	**6,174**	6,168
Total dividends paid during the year		**11,701**	12,338	**11,701**	12,338
(b) Dividends proposed and not recognised as a liability:					
Final franked dividend - 1.70 cents (2004: 1.90) per share		**5,533**	6,174	**5,533**	6,174
The tax rate at which dividends were franked is 30%					
The amount of franking credits available for the subsequent financial year are:					
– franking account balance as at the end of the financial year				**11,730**	9,216
– franking credits that will arise from the payment of income tax payable as at the end of the financial year				**1,215**	1,673
				12,945	10,889
The tax rate at which paid dividends have been franked is 30% (2004: 30%). Dividends proposed will be franked at the rate of 30% (2004: 30%).					

30 June 2005	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	**2005**	2004
		$'000	$'000	**$'000**	$'000
5. RETAINED PROFITS AND RESERVES					
(a) Retained profits					
Balance at the beginning of the year		**34,024**	25,676	**34,043**	25,282
Profit from ordinary activities after income tax expense		**5,469**	20,686	**5,304**	21,099
Total available for appropriation		**39,493**	46,362	**39,347**	46,381
Dividends provided for or paid		**(11,701)**	(12,338)	**(11,701)**	(12,338)
Balance at the end of the year		**27,792**	34,024	**27,646**	34,043
(b) Foreign currency translation reserve					
(i) Nature and purpose of reserve					
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of self-sustaining operations.					
(ii) Movement in reserve					
Balance at the beginning of the year		**9**	-	**-**	-
Gain/(loss) on translation of overseas controlled entity		**(28)**	9	**-**	-
Balance at end of the year		**(19)**	9	**-**	-
6. RECEIVABLES (CURRENT)					
Trade debtors		**6,464**	8,486	**4,717**	7,653
Provision for doubtful debts		**(877)**	(140)	**(562)**	(140)
		5,587	8,346	**4,155**	7,513
Other debtors		**455**	278	**452**	287
Net foreign currency forward contracts receivable		**-**	765	**-**	765
		6,042	9,389	**4,607**	8,565

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

30 June 2005	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	**2005**	2004
		$'000	$'000	**$'000**	$'000
7. INVENTORIES (CURRENT)					
Raw materials					
At cost		**88**	95	**44**	68
Total inventories at the lower of cost and net realisable value		**88**	95	**44**	68
8. OTHER CURRENT ASSETS					
Prepayments		**540**	364	**434**	328
		540	364	**434**	328
9. RECEIVABLES (NON-CURRENT)					
Wholly-owned group – subsidiary entities		**-**	-	**22,043**	23,180
Other		**1,260**	-	**1,260**	-
		1,260	-	**23,303**	23,180
10. INVESTMENTS (NON-CURRENT)					
Investments at cost comprise:					
Controlled entities – unlisted	11	**-**	-	**247**	247
Total investments at lower of cost and recoverable amount		**-**	-	**247**	247

11. INTERESTS IN SUBSIDIARIES

Name	Country of incorporation	Percentage of equity interest held by the consolidated entity		Infomedia Ltd 2005 $'000	Infomedia Ltd 2004 $'000
		2005	2004		
		%	%		
IFM Europe Ltd - ordinary shares	United Kingdom	**100**	100	**247**	247
Infomedia Investments Pty Ltd - ordinary shares - $2 only	Australia	**100**	100	**-**	-
Datateck Publishing Pty Ltd - ordinary shares - $4 only	Australia	**100**	100	**-**	-
AutoConsulting Pty Ltd - ordinary shares - $1 only	Australia	**100**	100	**-**	-
IFM North America Inc - ordinary shares	United States of America	**100**	-	**-**	-
				247	247

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

(a) Valuations

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

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

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

30 June 2005	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	**2005**	2004
		$'000	$'000	**$'000**	$'000
17. PROVISIONS EXCLUDING TAX LIABILITIES (CURRENT)					
Employee entitlements	25	**1,971**	1,140	**1,294**	950
		1,971	1,140	**1,294**	950
18. DEFERRED REVENUE (CURRENT)					
Revenue in advance		**810**	777	**367**	331
Deferred gain on foreign currency forward contracts		**-**	726	**-**	726
		810	1,503	**367**	1,057
19. INTEREST-BEARING LIABILITIES (NON-CURRENT)					
Bank loans		**-**	4,173	**-**	4,173
		-	4,173	**-**	4,173
20. PROVISIONS EXCLUDING TAX LIABILITIES (NON-CURRENT)					
Employee entitlements	25	**356**	704	**282**	296
Provision for non-cancellable surplus lease space	(a)	**178**	-	**178**	-
		534	704	**460**	296
(a) Movement in non-cancellable surplus lease space provision:					
Carrying amount at the beginning of the year		**-**	-	**-**	-
Additional provision		**178**	-	**178**	-
Carrying amount at the end of the year		**178**	-	**178**	-

The provision for non-cancellable lease space has been made as the space will not be used.

30 June 2005	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	**2005**	2004
		$'000	$'000	**$'000**	$'000
21. CONTRIBUTED EQUITY					
Issued and paid up capital					
– Shares fully paid 325,156,205 (2004: 324,762,959)		**17,488**	17,488	**17,488**	17,488
		17,488	17,488	**17,488**	17,488

		2005		2004	
		Number of Shares	**$'000**	Number of Shares	$'000
Movement in shares on issue					
Beginning of the financial year		**324,762,959**	**17,488**	324,422,732	17,474
Issued during the financial year:					
- Employee Share Plan	25	**393,246**	**-**	324,227	-
- Conversion of employee options		**-**	**-**	16,000	14
End of the financial year		**325,156,205**	**17,488**	324,762,959	17,488

(a) Employee Option Plan

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

(b) Terms and conditions of contributed equity

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

22. EARNINGS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:	**2005** **$'000**	2004 $'000
Earnings used in calculating basic and diluted earnings per share	**5,469**	20,686
	2005 Number of Shares	2004 Number of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share	**325,037,011**	324,666,639
Effect of dilutive securities		
Share options	**1,198**	372,599
Employee Share Plan shares	**7,416**	94,216
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**325,045,625**	325,133,454

30 June 2005	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	**2005**	2004
		$'000	$'000	**$'000**	$'000
23. STATEMENT OF CASH FLOWS					
(a) Reconciliation of profit after tax to the net cash flows from operations					
Profit from ordinary activities after income tax expense		**5,469**	20,686	**5,304**	21,099
Depreciation of non-current assets		**2,238**	2,221	**1,760**	1,797
Amortisation of non-current assets		**3,669**	3,876	**3,048**	3,255
Provision for doubtful debts		**737**	91	**422**	91
Decrement in value of non-current assets		**12,752**	-	**12,752**	-
Net profit from sale of assets		**(193)**	(622)	**-**	(556)
Changes in assets and liabilities					
Trade receivables and other debtors		**595**	(2,254)	**2,685**	(851)
Deferred research and development costs		**(1,489)**	(1,731)	**(1,489)**	(1,731)
Trade and other creditors		**(1,463)**	806	**(1,719)**	545
Provision for employee entitlements		**483**	201	**330**	84
Other provisions		**178**	-	**178**	-
Tax provision		**(458)**	497	**(593)**	517
Deferred income tax liability		**(2,267)**	1,601	**(2,508)**	1,628
Future income tax benefit		**(240)**	458	**(101)**	362
Prepayments		**(176)**	521	**(106)**	546
Inventories		**7**	10	**24**	18
Revenue in advance		**33**	80	**36**	118
Net cash flow from operating activities		**19,875**	26,441	**20,023**	26,922
(b) Reconciliation of cash					
Cash balance comprises:					
– Cash at bank		**8,189**	4,832	**6,171**	4,278
– Cash on deposit		**2,632**	2,055	**2,632**	2,055
		10,821	6,887	**8,803**	6,333
(c) Financing facilities available					
At reporting date, the following financing facilities had been negotiated and were available:					
Total Facilities:					
USD$13 million multi-currency cash advance facility		**17,060**	18,832	**17,060**	18,832
Facilities used at reporting date:					
Bank loans		**-**	4,173	**-**	4,173
Facilities unused at reporting date:					
Bank loans		**17,060**	14,659	**17,060**	14,659

30 June 2005	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	**2005**	2004
		$'000	$'000	**$'000**	$'000

24. EXPENDITURE COMMITMENTS

(a) Lease expenditure commitments					
Operating leases (non-cancellable):					
Minimum lease payments					
– Not later than one year		**505**	540	**334**	337
– Later than one year and not later than five years		**117**	625	**117**	500
– Aggregate operating lease expenditure contracted for at balance date		**622**	1,165	**451**	837

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

25. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

Employee entitlements

The aggregate employee entitlement liability is comprised of:

	Notes	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Provisions (current)	17	**1,971**	1,140	**1,294**	950
Provisions (non-current)	20	**356**	704	**282**	296
		2,327	1,844	**1,576**	1,246

Employee Option Plan

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

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

	Notes	2005		2004	
		Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Balance at beginning of year	25(a)	**6,908,000**	**$0.86**	8,891,583	$1.07
- Granted	25(b)	**100,000**	**$0.67**	550,000	$0.76
- Forfeited		**(6,281,000)**	**$0.88**	(2,517,583)	$1.57
- Exercised	25(c)	**-**	**-**	(16,000)	$0.88
Balance at end of year	25(d)	**727,000**	**$0.73**	6,908,000	$0.86

25. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS (CONTINUED)

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

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

Number of Options	Grant Date	Earliest Vesting Date	Expiry Date	Weighted Average Exercise Price
18,000	8/10/2001	8/10/2002	8/10/04	$1.29
30,000	12/11/2001	12/11/2002	12/11/04	$1.43
5,933,000	5/7/2002	26/3/2004	20/5/2005	$0.88
477,000	1/7/2002	1/7/2003	1/8/2005	$0.73
450,000	24/5/2004	24/5/2005	31/5/2007	$0.75

(b) Options granted during the reporting period:

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

Number of options	Grant Date	Earliest Vesting Date	Expiry Date	Weighted Average Exercise Price
100,000	20/9/2004	20/9/2005	20/9/2007	$0.67

(c) Options exercised during the reporting period:

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

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

Number of Options	Grant Date	Exercise Date	Expiry Date	Weighted Average Exercise Price	Proceeds 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.

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

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

Number of options	Grant Date	Earliest Vesting Date	Expiry Date	Weighted Average Exercise Price
477,000	1/7/2002	1/7/2003	1/8/2005	$0.73
150,000	24/5/2004	24/5/2005	31/5/2007	$0.75
100,000	20/9/2004	20/9/2005	20/9/2007	$0.67

25. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS (CONTINUED)

Employee Share Plan

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

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

Superannuation commitments

Contributions are made by the Company in accordance with the relevant statutory requirements. Contributions by the Company for the year ended 30 June 2005 were 9% (2004: 9%) of employee's wages and salaries which are legally enforceable in Australia. The superannuation plans provide accumulation benefits.

26. CONTINGENT LIABILITIES

(a) Interlocking guarantees

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

27. DIRECTOR AND EXECUTIVE DISCLOSURES

(a) Details of specified directors and specified executives

(i) Specified Directors	
Richard Graham[1]	Chairman
Gary Martin[2]	Chief Executive Officer
Andrew Pattinson[3]	Managing Director – IFM Europe Ltd
Barry Ford (resigned 31 March 2005)	Non-executive Director
Myer Herszberg	Non-executive Director
Geoffrey Henderson	Non-executive Director
Frances Hernon	Non-executive Director
Andrew Moffat (appointed 31 March 2005)	Non-executive Director
Nick Georges	Company Secretary, Legal Counsel and Alternate Director
(ii) Specified Executives	
Guy Bryant	Director Of Technology[4]
Peter Adams	Chief Financial Officer
Michael Roach	General Manager – Electronic Catalogue and Data Management
Damon Fieldgate	General Manager – Business Systems
Linda Scott	Human Resources Manager

1. Retired from the position of CEO effective 31 December 2004.
2. Appointed as an Executive Director on 31 October 2004 and promoted to the position of Chief Executive Officer effective 1 January 2005.
3. Resigned as a Director on 31 October 2004. Continues in capacity as an executive.
4. Position made redundant on 30 June 2005.

27. DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

(b) Remuneration of specified Directors and specified executives

The Remuneration & Nomination Committee (Remuneration Committee) of the Board of Directors is responsible for recommending to the Board the Company's remuneration and compensation policy arrangements for the Directors and the five most senior executives. The Remuneration Committee assesses the appropriateness of the nature and amount of these emoluments on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.
In determining the level and make-up of executive remuneration, the Remuneration Committee engaged an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles.

Remuneration consists of the following key elements:
- Fixed Remuneration
- Variable Remuneration
- Short Term Incentive ('STI'); and
- Long Term Incentive ('LTI').

The actual proportion of fixed remuneration and variable remuneration (potential short term and long term incentives) is established for the four highest positions of seniority by the CEO in conjunction with the Remuneration Committee, and in the case of the CEO, by the Chairman of the Board in conjunction with the Remuneration Committee. Other executive salaries are determined by the CEO with reference to market conditions.
Each Executive Director and officer has an employment contract with the Company. The contracts provide a notice period not exceeding six months.

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

27. DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

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

Footnotes to preceding two tables:

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

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

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

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

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

(d) Shares issued on exercise of remuneration options

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

(e) Option holdings of specified Directors and specified executives

	Balance at Beginning of Period	Granted as Remuneration	Options Exercised	Net Change Other	Balance at End of Period	Vested at 30 June 2005		
	1 July 2004				**30 June 2005**	**Total**	**Not Exercisable**	**Exercisable**
Specified Directors								
Andrew Pattinson	582,000	-	-	(582,000)	-	-	-	-
Gary Martin	582,000	-	-	(582,000)	-	-	-	-
Specified Executives								
Nick Georges	582,000	-	-	(582,000)	-	-	-	-
Guy Bryant	540,000	-	-	(390,000)	150,000	150,000	-	150,000
Peter Adams	90,000	-	-	(90,000)	-	-	-	-
Michael Roach	60,000	-	-	(60,000)	-	-	-	-
	2,436,000	**-**	**-**	**(2,286,000)**	**150,000**	**150,000**	**-**	**150,000**

(f) Shareholdings of specified Directors and specified executives

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

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

(g) Loans to specified Directors and specified executives

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

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

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

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

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

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

30 June 2005	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2005	2004	**2005**	2004
		$	$	**$**	$
28. AUDITORS' REMUNERATION					
Amounts received or due and receivable by the auditors of Infomedia Ltd for:					
– an audit or review of the financial report of the entity and any other entity in the consolidated entity		**170,075**	143,000	**152,675**	113,050
– other services in relation to the entity and any other entity in the consolidated entity		**20,280**	41,077	**20,280**	41,077
		190,355	184,077	**172,955**	154,127

29. RELATED PARTY DISCLOSURES

Ultimate Parent

Infomedia Ltd is the ultimate Australian parent company

Wholly-owned group transactions

(a) An unsecured, interest bearing loan of $17,137,846 (2004: $18,987,298) remains owing from Infomedia Investments Pty Limited to Infomedia Ltd. Interest is charged at commercial rates.

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

(c) An unsecured, interest free loan of $2,217,581 (2004: $2,753,338) remains owing from Datateck Publishing Pty Limited to Infomedia Ltd. The loan is repayable in seven days upon demand.

(d) An unsecured, interest free loan of $1,231,967 (2004: $1,350,873) remains owing from AutoConsulting Pty Limited to Infomedia Ltd. The loan is repayable in seven days upon demand.

(e) An unsecured, interest free loan of $1,456,912 (2004: $104,304) remains owing from IFM Europe Ltd to Infomedia Ltd.

(f) During the year, a management fee of $917,484 (2004: $1,097,484) was paid to Datateck Publishing Pty Limited by Infomedia Ltd.

(g) During the year, Infomedia Ltd received $9,171,249 from IFM Europe Ltd for intra-group sales.

(h) During the year, Datateck Publishing Pty Limited received $80,451 from IFM Europe Ltd for intra-group sales.

(i) During the year, IFM Europe Ltd received $1,425,621 from Infomedia Ltd for intra-group distribution services.

30. SEGMENT INFORMATION

PRIMARY SEGMENT

30 June 2005

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

30. SEGMENT INFORMATION (CONTINUED)

PRIMARY SEGMENT (CONTINUED)

30 June 2004

Business Segments	Notes	Electronic Catalogue Division $'000	Other Divisions $'000	Eliminations $'000	Total $'000
REVENUE					
Sales revenue		62,868	6,699	-	69,567
Other revenue		495	-	-	495
Intersegment revenue		-	717	(717)	-
Total segment revenue		63,363	7,416	(717)	70,062
Unallocated revenue:					
Interest revenue					428
Proceeds on 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. SEGMENT INFORMATION (CONTINUED)

SECONDARY SEGMENT

30 June 2005

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

SECONDARY SEGMENT

30 June 2004

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

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

Segment products and locations

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

Included within "other divisions" are the Data Management and Business Systems divisions. Data Management 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.

31. FINANCIAL INSTRUMENTS

31 (a) Interest rate risk

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

Financial Instruments	Floating Interest Rate		Fixed interest rate maturing in: 1 Year or Less		Over 1 to 5 Years		More than 5 Years		Non-interest Bearing		Total Carrying Amount as per the Balance Sheet		Weighted Average Effective Interest Rate	
	2005 $'000	2004 $'000	**2005 $'000**	2004 $'000	**2005 $'000**	2004 $'000	**2005 $'000**	2004 $'000	**2005 $'000**	2004 $'000	**2005 $'000**	2004 $'000	**2005 %**	2004 %
(i) Financial assets														
Cash	**10,821**	6,887	**-**	-	**-**	-	**-**	-	**-**	-	**10,821**	6,887	**4.95**	4.25
Receivables – trade	**-**	-	**-**	-	**-**	-	**-**	-	**5,587**	8,346	**5,587**	8,346	**N/A**	N/A
Net foreign currency forward contracts	**-**	-	**-**	-	**-**	-	**-**	-	**-**	765	**-**	765	**N/A**	N/A
Total financial assets	**10,821**	6,887	**-**	-	**-**	-	**-**	-	**5,587**	9,111	**16,408**	15,998		
(ii) Financial liabilities														
Trade and other creditors	**-**	-	**-**	-	**-**	-	**-**	-	**3,640**	5,103	**3,640**	5,103	**N/A**	N/A
Bank loans	**-**	4,173	**-**	-	**-**	-	**-**	-	**-**	-	**-**	4,173	**N/A**	3.64
Finance lease liability	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**N/A**	N/A
Interest rate cap	**-**	(4,173)	**-**	-	**-**	4,173	**-**	-	**-**	-	**-**	-	**N/A**	2.68
Total financial liabilities	**-**	-	**-**	-	**-**	4,173	**-**	-	**3,640**	5,103	**3,640**	9,276		

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

FINANCIAL INSTRUMENTS (CONTINUED)

31 (b) Terms, conditions and accounting policies

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

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Terms and Conditions
(i) 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 probable.	Credit sales are on terms up to 30 days.
Unlisted shares	10,11	Unlisted shares are carried at the lower of cost or recoverable amount. Dividend income is recognised when dividends are declared by the investee.	The unlisted shares held at balance date are ordinary shares.
(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.
(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 21.
(iv) Derivatives			
Forward exchange contracts	31(d)	The consolidated entity enters into forward exchange contracts where it agrees to sell specified amounts of foreign currencies in the future at a predetermined rate. The objective is to protect the consolidated entity against the possibility of loss from future exchange rate fluctuations. The forward exchange contracts are charged to the profit and loss except those relating to hedges of specific commitments which are deferred and included in the measurement of specific commitments which are deferred and included in the measurement of the sale or purchase.	

31 (c) Net fair values

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

31. FINANCIAL INSTRUMENTS (CONTINUED)

31 (d) Credit risk exposure

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

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

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

Concentrations of credit risk

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

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

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

32. IMPACT OF ADOPTING AASB EQUIVALENTS TO IASB STANDARDS

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

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

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

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

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

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

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

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

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

(i) Under AASB 3 ***Business Combinations,*** goodwill would not be permitted to be amortised but instead is subject to impairment testing on an annual basis or upon the occurrence of triggers which may indicate impairment. This will result in a change in the group's current accounting policy which amortises goodwill over its useful life but not exceeding 10 years. The Company has not elected to apply AASB 3 retrospectively and hence, prior amortisation would not be written-back as at the transition date.

(ii) Under AASB 136 ***Impairment of Assets,*** the recoverable amount of an asset is determined as the higher of net selling price and value in use. This will result in a change in the group's current accounting policy which determines the recoverable amount of an asset on the basis of discounted cash flows. The Company's assets, including goodwill, were tested for impairment on transition and each subsequent reporting date as part of the cash generating unit to which they belong. This would result in impairment losses being recognised under AIFRS.

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

33. SUBSEQUENT EVENTS

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

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

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

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

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

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

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

Directors' Declaration

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

(1) In the opinion of the Directors:
  (a) the financial statements and notes of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
    (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2005 and of their performance for the year ended on that date; and
    (ii) complying with Accounting Standards and Corporations Regulations 2001; and
  (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial period ending 30 June 2005.

On behalf of the Board

Richard David Graham
Chairman of the Board

Sydney, 24 August 2005

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Independent audit report to members of Infomedia Ltd

Scope

The financial report and Directors' responsibility

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

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

Audit approach

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

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

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

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

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

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

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the financial report. The provision of these services has not impaired our independence.

Audit opinion

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

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of Infomedia Ltd and the consolidated entity at 30 June 2005 and of their performance for the year ended on that date; and

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

(b) other mandatory financial reporting requirements in Australia.

Ernst + Young

Ernst & Young

JKHaydon

J K Haydon
Partner
Sydney, 24 August 2005

Corporate Governance Statement

Introduction

Infomedia Ltd remains committed to corporate governance practices that are compatible with the Company's age and size, enhance effectiveness and which ensure an appropriate degree of accountability and transparency to shareholders and other stakeholders.

This Corporate Governance Statement, which is current as at the date of the Directors' Report, addresses the approach adopted by the Company to the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations*[1] and has been updated to reflect the actions taken by the Company since its last annual report.

By way of background, 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 made adjustments to the structure of its Committees so that they comprise the Corporate Governance Committee, the Audit & Risk Committee and the Remuneration & Nomination Committee. Each Committee continues to be 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 FY2005 for members of each of the Corporate Governance, Audit & Risk and Remuneration & Nomination Committees are set out in the Directors' Report.

The Board and its committees endorse the 'if not, why not?' framework adopted by the ASX Corporate Governance Council and in FY2005 the Company continued the process of considering how it will apply the relevant ASX CGC Recommendations in light of Infomedia's particular circumstances. In their approach to the ASX CGC Recommendations, the Board and relevant committees continued to develop the Company's corporate governance practices in ways which were both pragmatic and appropriate to its age and size. In allocating resources and prioritising tasks, a high level, top down approach continued. Consequently, the various procedures and policies considered appropriate by Infomedia continue at differing stages of development and organisational implementation, as permitted by its resources.

Throughout the reporting year, the Board has, through the appropriate committee, monitored the charters, policies and procedures adopted by the Company in support of the ASX CGC Principles and is satisfied that the Company's corporate governance practices are consistent with the spirit and intent of the ASX Corporate Governance Guidelines.

Some policies have been refined, as in the areas of risk management and securities trading. In other areas supporting documents have been adopted, as with Director nomination and induction procedures and the risk management plan. As noted above, in each instance the Board and relevant committee has continued to apply the ASX Corporate Governance Guidelines in a manner which is appropriate to Infomedia's circumstances.

Summaries of the Company's various charters, policies and procedures were progressively added to Infomedia's website during the first half of the financial year and subsequently updated as required by the Board and committees' ongoing review process. Corporate governance and legal information sessions were held in FY2005 and 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 on Share Trading by Company Directors, Officers and Employees*. Educational sessions, with a specific focus on risk management, were also conducted during the financial year.

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, 7.3 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.

Since listing on the ASX 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 been, 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.

Changes to the composition of the Company's Board of Directors, Committees and Senior Executives during FY2005

There were a number of changes to the Company's Board of Directors, committees and senior executives during the 2005 financial year. In relation to Board appointments, each of the Remuneration & Nomination Committee and the Board, as appropriate, considered the nominees both in respect of their individual merits and overall Board composition.

Under the Company's Constitution, Frances Hernon and Geoffrey Henderson retired from office at the 2004 Annual General Meeting. Frances Hernon and Geoffrey Henderson offered themselves for election, and upon the recommendation of the Board, were elected as Non-executive Directors.

Executive Director Andrew Pattinson also retired during that meeting and, although eligible, did not offer himself for re-election given that he had relocated with his family to the United Kingdom to lead the Company's European operations. To fill this vacancy, Gary Martin, who was then General Manager of the Company's Electronic Catalogues Division, was elected by shareholders upon the recommendation of the Board, as an Executive Director.

On 31 December 2004, Richard Graham, who continues as Non-executive Chairman, retired as Chief Executive Officer and, with effect from 1 January 2005, Gary Martin succeeded him as Chief Executive Officer.

Andrew Moffat was appointed as a Non-executive Director by the Board with effect from 31 March 2005 as a replacement for Barry Ford, who resigned with effect from 31 March 2005. The appointment was made with the intention that he would then be appointed by the Board as a member of both the Audit & Risk Committee and the Remuneration & Nomination Committee and that he would also be appointed as Chairman of the Audit & Risk Committee by the Chairman of the Board. These committee appointments were confirmed by the Board and the Chairman of the Board respectively in April 2005.

As noted above, details of members of the Board of Directors including skills, experience and expertise appear in the Directors' Report.

ASX CGC Recommendation 1.1 – *Formalise and disclose the functions reserved to the board and those delegated to management*

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 the 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.

Under the direction of the Corporate Governance Committee, a series of policy document reviews commenced during the financial year and as part of the process the Share Trading Policy was refined.

ASX CGC Recommendation 2.1 – *A majority of the board should be independent directors*
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 then comprised four Non-executive Directors and two Executive Directors until 31 December 2004. The ratio of Executive to Non-executive Directors then altered when, as discussed above, Richard Graham, who continues as Non-executive Chairman, retired as Chief Executive Officer. Since then the Board has comprised five Non-executive Directors and one Executive Director.

Neither Gary Martin, in his role as Executive Director, nor Richard Graham, who has only recently retired from his role as Chief Executive Officer, are considered by the Board as independent. However, three of the Company's Directors, Frances Hernon, Geoffrey Henderson and Andrew Moffat, 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 – *The chairperson should be an independent director* and
ASX CGC Recommendation 2.3 – *The roles of chairperson and chief executive should not be exercised by the same individual*
As noted above, Richard Graham continues as Non-executive Chairman, having retired as Chief Executive Officer with effect from 31 December 2004 and consequently 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 Richard Graham's appointment as Non-executive Chairman and that it is in the best interests of the Company for Richard Graham to continue in the role of Chairman. The Board continues to believe that during this 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.

ASX CGC Recommendation 2.4 – *The board should establish a nomination committee* and
ASX CGC Recommendation 9.2 – *The board should establish a remuneration committee*
The members of the Remuneration & Nomination Committee are Frances Hernon (Chair), Myer Herszberg and Andrew Moffat. 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.*

As noted above, there were a number of changes to the Company's Board of Directors during FY2005. Each of the Remuneration & Nomination Committee and the Board, as appropriate, considered all nominations both in respect of their individual merits and overall Board composition. In each case the recommendations of the Remuneration & Nomination Committee were endorsed, as appropriate, either by the Board or by shareholders upon the recommendation of the Board.

During the reporting period, the Remuneration & Nomination Committee formalised a policy for the nomination and induction of Directors which was adopted by the Board in early July 2005. A summary of the *Director Nomination & Induction Policy* was made available on the Infomedia website thereafter.

In preparing the Director Nomination & Induction Policy, regard was had to the ASX CGC Commentary accompanying ASX CGC Recommendation 8.1 and, in particular, the suggestions for an induction program. Both Gary Martin and Andrew Moffat were inducted as Directors of Infomedia under the guidance of the Remuneration & Nomination Committee and in accordance with the Director Nomination & Induction Policy.

ASX CGC Recommendation 8.1 – *Disclose the process for performance evaluation of the board, its committees and individual directors and key executives* and
ASX CGC Recommendation 9.1 – *Provide disclosure in relation to the company's remuneration policies to enable investors to understand (i) the costs and benefits of those policies and (ii) the link between remuneration paid to directors and key executives and corporate performance.*
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 as discussed more fully in the Remuneration Report included within the Directors' Report.

In preparing the remuneration information contained in the Remuneration Report, regard was had to the ASX CGC Commentary accompanying ASX CGC Recommendation 9.1 and, in particular, the suggestions for disclosure in box 9.1.

ASX CGC Recommendation 9.3 – *Clearly distinguish the structure of non-executive directors' remuneration from that of executives*

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.

In contrast to Executive Directors, Non-executive Directors are remunerated by way of fees and statutory superannuation contributions only: 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* in FY2004, 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.

ASX CGC Recommendation 9.4 – *Ensure that the payment of equity based executive remuneration is made in accordance with thresholds set in plans approved by shareholders*

The Company has two equity-based incentive plans: an Employee Option Plan applicable to certain eligible employees, including senior executives and Executive Directors and an Employee Share Plan, applicable to all permanent employees of one or more years of service, including senior executives but excluding both Executive and Non-executive Directors. These plans were established prior to Infomedia's listing in August 2000 in accordance with both the Corporations Act and the ASX Listing Rules and were disclosed in the 14 July 2000 prospectus. In anticipation of altered accounting treatment required under the *International Financial Reporting Standards*, in June 2005 the Board resolved to indefinitely suspend the Employee Share Plan with effect immediately following the scheduled July 2005 allocation.

Given this background, there is no present intention to obtain shareholder approval of the Employee Option Plan (or, if re-activated, the Employee Share Plan) as proposed by ASX CGC Recommendation 9.4 unless otherwise required by the ASX Listing Rules.

Further details of senior executive remuneration under these plans is included in the Remuneration 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 – *Establish a code of conduct to guide the directors, the chief executive officer and any other key executives as to:*

3.1.1 the practices necessary to maintain the confidence in the company's integrity

3.1.2 the responsibility and accountability of individuals for reporting and investigating reports of unethical practices and

ASX CGC Recommendation 10.1 – *Establish a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders*

A formal Code of Conduct was adopted in April 2004 following careful and considered deliberation during the financial year by both the Corporate Governance 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 guiding dealings with all non-shareholder stakeholders.

Included in the series of corporate governance and legal information sessions conducted during FY2005 were sessions focusing on the existence, purpose and operating framework of the Code of Conduct. A key aim was 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 businessrisk element.

A review of the *Code of Conduct* was commenced by the Corporate Governance Committee as part of its review calendar in the last quarter of the FY2005 and is expected to conclude in the first half of FY2006.

ASX CGC Recommendation 3.2 – *Disclose the policy concerning trading in company securities by directors, officers and employees*

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. It was further reviewed by the Corporate Governance Committee as part of its review calendar and, in turn by the Board, in the last quarter of FY2005. In July 2005, a revised *Policy on Securities Trading by Company Directors, Officers and Employees* was adopted by the Board and a summary was placed on the Company's website shortly thereafter.

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, as was required by the ASX Listing Rules, fully complied 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 – *Require the chief executive officer and the chief financial officer to state in writing to the board that the company's financial reports present a true and fair view, in all material respects of the company's financial condition and operational results and are in accordance with relevant accounting standards* and

ASX CGC Recommendation 7.2 – *The chief executive officer (or equivalent) and the chief financial officer (or equivalent) should state to the board in writing that:*

7.2.1 the statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board

7.2.2 the company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects

The Company's financial reporting obligations for FY2005 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 and the independent Audit Report.

Having acted in accordance with the Company's Board endorsed revised *Risk Management Policy* and Board endorsed *Risk Management Plan,* the Chief Executive Officer and the Chief Financial Officer have provided to the Board the certifications under ASX CGC Recommendation 7.2 and in turn, the certifications under ASX CGC Recommendation 4.1. and the *Corporations Act*.

ASX CGC Recommendation 4.2 – *The board should establish an audit committee*

ASX CGC Recommendation 4.3 – *Structure the audit committee so that it consists of only*

- non-executive directors
- a majority of independent directors
- an independent chairperson, who is not chairperson of the board
- at least three members and

ASX CGC Recommendation 4.4 – *The audit committee should have a formal charter*

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 Andrew Moffat (Chair), Myer Herszberg and Geoffrey Henderson. Each is a Non-executive Director.

As noted above, following Barry Ford's retirement, Andrew Moffat was appointed by the Board as a member of the Audit & Risk Committee and by the Chairman of the Board as its Chair.

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 Andrew Moffat, 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 under ASX CGC Recommendation 4.3.

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. Consistent with the Company's policy, a summary of the Charter was placed on the Company's website during the first half of the financial year.

The Audit & Risk Committee acknowledges the importance of external auditor independence. The Company's external auditor's engagement partner was rotated in FY2002. In response to both legislative change and to the ASX CGC Commentary, in the last quarter of FY2004 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 now intends recommending formalised procedures to the Board for consideration and adoption during FY2006, and will make a summary of them available on the Infomedia website shortly thereafter.

ASX CGC Recommendation 7.1 – *The board or appropriate committee should establish policies on risk oversight and management*

Upon the recommendation of the Audit & Risk Committee, the Board adopted the *Risk Management Policy* in July 2004. During the reporting period the Audit & Risk Committee reviewed it closely and recommended that the Board adopt a revised *Risk Management Policy* and a *Risk Management Plan* which would better promote the establishment and implementation of an effective and appropriate risk management framework for the Company.

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

A summary of the Company's *Risk Management Policy* is available on the Company's website, however, given the strategic nature of its content, the Board does not feel it is appropriate for details of the Company's *Risk Management Plan* to be made publicly available as contemplated by ASX CGC Recommendation 7.5.

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 - *Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.*

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 – *Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings* and

ASX CGC Recommendation 6.2 – *Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the audit*

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, along with the 2005 Notice of Annual General Meeting and Explanatory Statement are all available.

Infomedia continues to look 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 has considered and adopted 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, will attend the Annual General Meeting and be available to answer shareholder questions.

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

Additional Information

Top 20 Shareholders as at 31 August 2005

Name	Shares	% of Total	Rank
WISER LABORATORY PTY LIMITED	100,277,501	30.80	1
YARRAGENE PTY LIMITED	39,421,599	12.11	2
J P MORGAN NOMINEES AUSTRALIA LIMITED	17,099,741	5.25	3
WESTPAC CUSTODIANS	7,147,906	2.20	4
ANZ NOMINEES LIMITED	4,987,228	1.53	5
NATIONAL NOMINEES LIMITED	3,980,251	1.22	6
CITICORP NOMINEES PTY LIMITED	2,831,681	0.87	7
MR ANDREW PATTINSON	2,547,567	0.78	8
BIG BEAR ENTERPRISES PTY LTD	2,000,000	0.61	9
TOM HADLEY ENTERPRISES PTY LTD	1,500,000	0.46	10
MR YET-KWONG CHIANG MRS HO YUK LIN CHIANG	1,300,000	0.40	11
WISER CENTRE PTY LTD	1,000,000	0.31	12
RICHARD GRAHAM	926,559	0.28	13
WARBONT NOMINEES PTY LTD	804,970	0.25	14
DAN SALAZAR	641,248	0.20	15
UBS PRIVATE CLIENTS AUSTRALIA NOMINEES PTY LTD	620,166	0.19	16
MR SCOTT ANSON TURNER	600,000	0.18	17
BRAZIL FARMING PTY LTD	500,000	0.15	18
DR KWAI GAN	500,000	0.15	19
MR PETER ALEXANDER BROWN	350,000	0.11	20

Range of shares as at 31 August 2005

Range	Shareholders	Shares Held	% of Total
1 - 1,000	496	418,425	0.13
1,001 - 5,000	3,013	10,062,434	3.09
5,001 - 10,000	2,631	21,864,933	6.72
10,001 - 100,000	3,236	86,365,824	26.53
100,001+	127	206,759,957	63.53
Total	**9,503**	**325,471,573**	**100**

As at 31 August 2005 there were 201 shareholders holding less than a marketable parcel of 953 ordinary shares.

Corporate Directory

Infomedia Ltd

357 – 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 of the Board

Myer Herszberg – Non-executive Director

Frances Hernon – Non-executive Director

Geoffrey Henderson – Non-executive Director

Gary Martin – Chief Executive Officer

Andrew Moffat – Non-executive Director

Company officers

Nick Georges – Company Secretary

Peter Adams – Chief Financial Officer

Auditors

Ernst & Young
Ernst & Young Centre
680 George 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

Notes

Infomedia®