INFOMEDIA™

ANNUAL REPORT

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AR2017

INFOMEDIA™

ABN 63 003 326 243

This Annual Report may contain forward looking statements. Please refer to page 70 for an explanation of forward looking statements and the risks, uncertainties and assumptions to which they are subject.

CHAIRMAN'S REPORT

Thank you for your support of Infomedia Ltd in the 2017 Financial Year.

The 2017 financial year was characterised by three major themes. First, we lifted our engagement with customers to a new level and delivered strong momentum in new global sales. Second, we accelerated the pace and scale of our product development across all products to meet the needs of our customers and the new sales contracts. Third, we have continued to build the strong leadership team to take this business forward in the years to come.

Infomedia remains focused on growth in its core business, expanding our footprint in our three key products in the three regions in which the Group operates.

In the 2017 financial year, Infomedia secured contract wins with its customers, global automakers and their dealership partners, in each product, the Electronic Parts Catalogue (EPC), Superservice Menus™ and Superservice™ Triage™, across the Asia-Pacific, Europe and the Americas.

We also welcomed a new global partnership with Nissan Motors on the back of a competitive and successful bid to build and supply an EPC to Nissan's global dealership network. Our existing relationship with Nissan Europe, for the rollout of our Superservice Menus™ and Superservice™ Triage™ products, also expanded into new markets on the continent.

FY17 Performance

Infomedia's results for the financial year ended 30 June 2017 (FY17) are in line with the Company's expectation of modest revenue growth and managing costs to similar levels to the preceding half financial year.

Infomedia reported revenue growth of $2.4m to $70.5m for the 12 months to 30 June 2017, an increase of 4% on the previous year (FY16: $68.1m) although underlying revenue growth was stronger at 7% on a constant currency basis.

Net profit after tax (NPAT) was $12.0m, up 16% (FY16: $10.3m), in line with our expectation to maintain double digit growth on the prior year.

Infomedia's financial position remains strong with net current assets of $12.5m at 30 June 2017 (FY16: $13.2m) including cash and cash equivalents of $13.3m (FY16: $14.7m).

Infomedia's operating costs slightly decreased in the year to $54.8m, down 1% (FY16: $55.3m). Investment will continue as the company remains committed to driving near term growth but also investing in development and delivery to support sustainable growth into the future.

Infomedia's 2017 financial performance is the result of a strategic focus on our core business, investing in new product development to support current and future growth and rigorous commercial decision making by Infomedia's management along with the full support of the Board.

Infomedia will continue to invest in infrastructure and resources to build a larger and more resilient organisation. We also continue to invest in our employees at the leadership and development level and in the processes that stabilise our products and support systems.

Infomedia's online Electronic Parts Catalogue, Microcat® EPC, automatically updates to the latest automaker (OEM) parts data to support growth in dealer part sales, productivity and customer satisfaction.

Infomedia's Microcat® EPC platform is used by over 120,000 parts department professionals around the world. Infomedia produces the flagship Microcat® EPC for manufacturers including Daihatsu, Fiat Chrysler, Ford, Honda, Hyundai, KIA, Lexus, Nissan and Toyota.

"Infomedia welcomed a new global partnership with Nissan Motors in FY17"

CHAIRMAN'S REPORT

We are deliberately investing in tomorrow instead of cost saving for today and improving the core of the business to execute and realise growth. The renewed customer engagement and significant sales contract wins are direct outcomes of these investments.

Developing performance culture

Within the business, there has been an emphasis during the year on developing a high performing and customer centric culture.

Infomedia introduced a set of Core Values that were defined by our employees. These Core Values form the basis of discussions and decisions at every level determining who we are, what we stand for in principle and how we work together as a team.

Our aim is to empower our automotive partners by improving their profitability and supporting their customers' service and brand experience.

As Infomedia continues to grow in the ever-evolving global technology landscape, our Core Values will guide Infomedia toward our objectives and the objectives of our customers.

Infomedia's Core Values are highlighted in detail on the following page.

Looking ahead

Software as a service (SaaS) is a global growth industry. The parts and service sectors of the global automotive industry are also growing. We continue to believe that we have the right model and we are playing in the right arena.

We remain focused on sticking close to our core business to capitalise on the assets and expertise within our business. As a SaaS provider in a growing industry, the opportunity to support the growth of our customers and their brands remains strong.

Dividend

This time last year, the company indicated the Dividend Policy was under review. Capital management continues to be an ongoing and active discussion for the Board. The dividend for the 2017 financial year of 2.9 cents per share fully franked is at the lower end of the dividend payout ratio of 75%-85% of NPAT, reflecting our commitment to retain capital for investment.

Acknowledgement

Infomedia's management team, under the leadership of Jonathan Rubinsztein has, made great strides in ensuring Infomedia continues to provide innovative, market leading software to the global automotive industry today and into the future. A concerted focus on leveraging our global presence and large customer base has contributed to our growth in the 2017 financial year.

Thank you to Jonathan, his team and all of Infomedia's dedicated employees around the world.

I'd also like to thank Anne O'Driscoll, Clyde McConaghy, and Paul Brandling for their expertise and systematic dedication to governance.

The Board looks forward to an exciting 2018 financial year ahead as the Company continues to build on the momentum and achievements realised this year.

Bart Vogel
Chairman

OUR CORE VALUES

Together we create success by:

Accelerating Performance

We're action orientated and always accountable to our customers.

Driving Innovation & Service

Our technology leadership empowers our customers.

Navigating Global, Steering Local

Our customers benefit from a unified Infomedia approach with local execution.

Having Fun in the Fast Lane

We balance hard work with a fun and vibrant workplace.

CEO'S REPORT

It has been just over a year since I joined Infomedia as CEO and most of that time has been focused on getting to the core of our business, identifying it, investing in it and improving our delivery.

The 2017 financial year was defined by strong sales results, investment in product development and building on our existing customer relationships to deliver increased revenue in all regions.

Internally, we have concentrated on building a culture around a core set of values highlighted by the Chairman and illustrated on the preceding page.

Infomedia's culture is built on the foundation of who we are, what we stand for and how we work. Our Core Values are central to the way we engage with each other, our customers, our partners and our shareholders.

Infomedia's business is in three core products, our Electronic Parts Catalogue (EPC), and our Superservice Menus™ and Superservice™ Triage™ products.

Our products deliver high quality, automaker original data in a digital and user-friendly format that improves the productivity and profitability of our dealership customers.

We create software solutions for our automaker partners, the original equipment manufacturers, that enable them to track original parts and service levels globally, invaluable data that supports their own focus on original parts sales, customer loyalty and brand retention efforts.

The opportunity within our current core products, in the geographic regions that we operate and our existing global relationships with original equipment manufacturers, are enough to support what I believe will become an Australian-based global success story.

Our ability to execute well is imperative to realising that success. Our customers are central to accomplishing this goal and we are committed to developing a culture with a customer mindset, aligning what we say and do at every level of our organisation.

Since joining Infomedia in March 2016, the team and I uncovered challenges due to a lack of investment. We also see more opportunity than I initially anticipated when joining Infomedia.

This time last year, I identified the areas that we would focus on to address some of the obstacles that arose from an extended period of underinvestment.

Since then, we have invested in our future. Investment in Infomedia has been critical to our evolution and we will continue to invest in product development and delivery capability to support recurring revenue generation, meet current demand and support future growth.

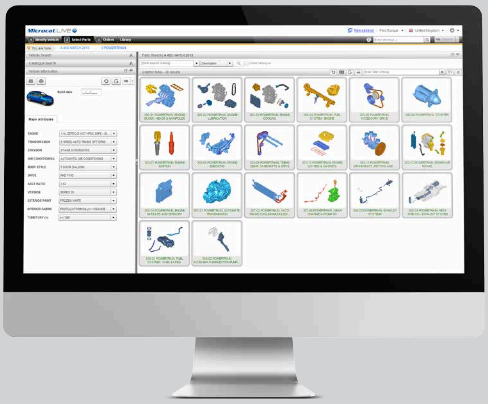
I am pleased to say we are feeling positive about progress so far.

Winning new business is the key driver by our increased investment.

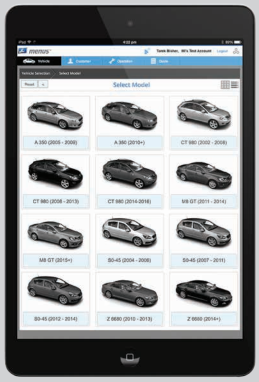
During the year, we introduced new systems including business management software, sales systems and customer management tools. We are investing in new functionality in our existing products and growing business in Europe and the Americas. We are also supporting further growth in Asia Pacific.

We've invested in our global sales and marketing initiatives to leverage our relationships with global automakers. We've also devoted resources to our commercial efforts to ensure an efficient and competitive contract negotiation process.

> "The Nissan EPC contract win followed a global tender. It is significant in size and signifies the competitiveness of Infomedia's products globally."



Microcat Live



Superservice Menus™

These initiatives are paying dividends.

FY17 Highlights

Infomedia has undergone change at every level of the organisation and those changes are resulting in progress. Revenue increased 7% on a constant currency basis in the 2017 financial year, meeting the expectations set by management and announced to the market.

During the year, we announced the Company's largest global contract win with Nissan Motors to deliver an EPC product for Nissan dealerships around the world. The win, following a global tender, is significant in size and signifies the competitiveness of our products globally.

The Nissan rollout is scheduled to commence early in the 2018 calendar year. Annualised revenue from the Nissan EPC contract should represent approximately 10 percent of FY16 revenue after complete installation across the Nissan dealership network.

We have also extended our contract with Nissan in Europe for our Superservice Menus™ and Superservice™ Triage™ products to additional countries not covered in the initial contract announced mid-year 2015.

We continue to expand our reach with automakers not previously using Infomedia's products in Europe and the Americas.

Announcing contract wins individually is limited to large contracts that will have a material impact on annual revenue. However, Infomedia has won additional contracts during the 2017 financial year across product and region and varying in size.

We have also introduced new senior executives to the leadership team in the areas of IT, sales, operations and legal.

Regional update

In the Asia Pacific, the team have done a terrific job this year securing the global contract with Nissan for a global EPC and signing several small contracts in the region. In the period, we have seen some growth in China for our Superservice products.

"I am very enthused by our acquisition of the CRM software product that will become Microcat CRM." – Jonathan Rubinsztein

CEO'S REPORT

In the Americas, we have seen growth in our existing relationships including KIA's Customer Value Innovation System (CVIS) and welcomed many smaller contracts with new automaker relationships. We also successfully launched the Superservice products in Mexico.

In Europe, we are seeing growth in our products with existing relationships including Mitsubishi who has signed contracts for Superservice Menus™ in new markets in Europe. We have also secured contracts for our Superservice™ Triage™ product in new markets with existing and new automaker relationships. The pilot programs and roll-out of our initial Nissan Superservice Menus™ contract is on track.

Operational performance

FY17 revenue growth of $2.4m (4% pcp), or 7% on a constant currency basis was in line with our expectations and guidance.

During FY17, we adopted cash EBITDA as a key performance measure to provide a transparent view of the underlying level of activity and investment in our products, particularly in a period where upfront cash investment is critical to deliver future revenue growth.

Mergers & acquisitions

Since the end of the financial year, we completed the acquisition of a CRM software product known as FieldForce. This will be rebranded as Microcat CRM and will extend our parts portfolio for our customers. For a modest initial investment we have acquired an Australian developed complementary product which will support original parts sales for both automakers and dealers worldwide.

Outlook

Looking ahead, the management and the Board of Infomedia believe the Company will continue to drive earnings growth at a similar rate to the 2017 financial year.

The product development decisions made in the last year are an investment in future sustainable growth. Infomedia will continue to invest in the core business where ongoing growth opportunities exist with our current and new customers. Further growth may come via acquisition in areas close to the core.

The outlook for FY18 is a financial year that will be defined in two distinct halves. The remainder of the 2017 calendar year will recognise the completion of a contract due to roll-off by the end of December 2017. The global Nissan EPC contract is on track to start generating revenue in the first three months of the 2018 calendar year with the full rollout due to be completed in October 2018.

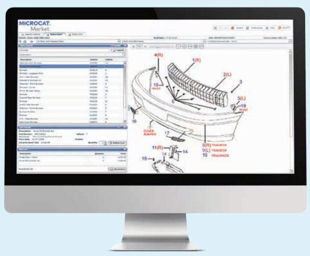
These combined events are expected to result in a subdued first-half FY18 for the six months to the end of December 2017 and a stronger second-half for the six months ending 30 June 2018. Overall for the 2018 financial year, Infomedia expects to maintain underlying growth momentum for year on year revenue and profitability.

Jonathan Rubinsztein
Chief Executive Officer

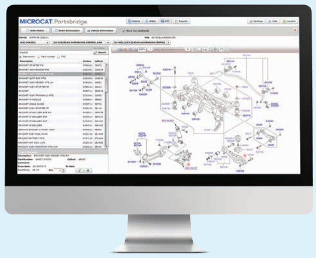
PRODUCT OVERVIEW

MICROCAT®
Parts Selling Software

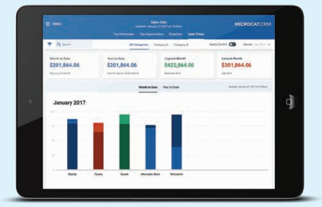
MICROCAT® Live™
Electronic Parts Catalogue



MICROCAT® Market™
Trade Parts Ordering

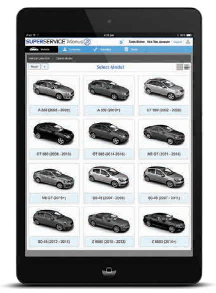


MICROCAT® Partsbridge®
Collision Parts Ordering

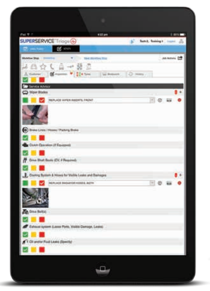


MICROCAT® CRM™
Wholesale Parts CRM

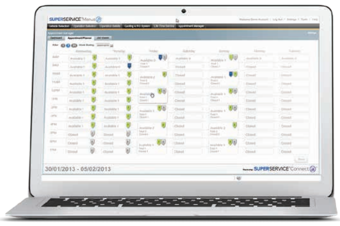
SUPERSERVICE™



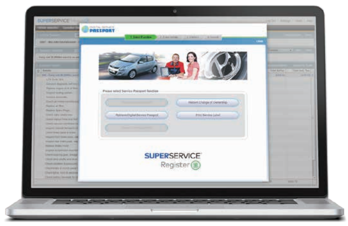
SUPERSERVICE™ Menus
Digital Precision Quoting



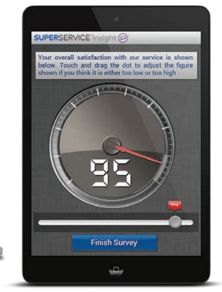
SUPERSERVICE™ Triage
Digital Vehicle Inspection



SUPERSERVICE™ Connect
Self service booking and quoting



SUPERSERVICE™ Register
Online service history



SUPERSERVICE™ Insight
Customer surveys

VOICE OF THE CUSTOMER

"Having gone through a global competitive tender, we are very excited to have selected Infomedia as our partner. We believe that they have the best technology, people and organisation for our global rollout, and we look forward to implementing their EPC throughout our business to drive the business change needed to get us on to a world leading platform."

Mr Shigeru Narita, Nissan Global Executive

"Superservice has exceeded our expectations. It enables us to work smarter and more efficiently, which builds sales and profitability. Just as importantly, Superservice is an incredible customer service tool that builds trust and relationships."

Peter Lanzavecchia, President of Burns Hyundai & Burns Buick GMC.

"I can always count on Microcat to identify the right parts and give completely accurate, up-to-date parts information. Microcat is the right EPC for us."

Alan Vice, Parts Manager at Lucas Ford

"Using Superservice has increased our parts and service sales 34% and our dollars per RO (repair order) are up over 18%. Superservice is the best."

Abe Razick & Adli Kakish, Co-Owners, Hyundai of Yuma, AZ
Fastest growing Hyundai dealership in America in 2015

"I've seen it all after 28 years in Parts. Microcat is the best EPC. It's a tried and true EPC that just doesn't let us down."

Jared Martz, Parts Director, for Deery Brothers Ford-Lincoln

"We identified approximately £430 pounds per vehicle health check, of that £430 we sold £185. It's not just a question of securing ROI; it's how big it will be."

Andrew Christmas, Aftersales Manager, Marshall Volvo

"Parts sales are up 15 – 18% since using Microcat EPC, and that has a very significant impact on our profitability."

Danton Goulet, Parts Director for Zeigler Auto Group

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Bart Vogel

Jonathan Rubinsztein

Paul Brandling

Clyde McConaghy

Anne O'Driscoll

BART VOGEL BCom (Hons), FCA, GAICD
Independent Non-Executive Chairman

Mr Vogel joined the Infomedia Board on 31 August 2015. He serves on the Audit & Risk Committee and Remuneration & Nominations Committee.

Mr Vogel is also a director of Macquarie Telecom Group Limited, BAI Communications Ltd, Salmat Limited and the Children's Cancer Institute Australia. He has had extensive commercial experience from a range of sectors including telecommunications, information technology and business services. His executive career included CEO roles with Asurion Australia and Lucent Technologies (Australia and Asia Pacific), Computer Power Group, and over 20 years in the management consulting industry as a partner with Bain & Company, A.T. Kearney and Deloitte.

JONATHAN RUBINSZTEIN BCom (Hons), MBA, FAICD
Chief Executive Officer (CEO) & Managing Director

Jonathan Rubinsztein commenced his appointment as CEO & Managing Director on the Board of Infomedia in March 2016. Mr Rubinsztein has a proven track record of leading high performance teams in the technology sector.

Mr Rubinsztein was a founding partner, CEO and shareholder of UXC Red Rock Consulting. He also served as a founding Director of RockSolid SQL, a private technology company specialising in automated data management solutions. He has been involved in a number of Private Equity Investments in the global technology sector and is also on the Advisory board of the Missionvale charity based in Port Elizabeth, South Africa.

Mr Rubinsztein has been a guest lecturer at the University of Sydney Business School and a regular participant at TED (Technology, Entertainment and Design) conferences. Mr Rubinsztein was awarded the IT Professional of the Year 2013 (AIIA award NSW).

PAUL BRANDLING, BSc Hons, MAICD
Independent Non-Executive Director

Paul Brandling was appointed to the Infomedia Board of Directors on 1 October 2016. Mr Brandling has 30 years' experience in the local and international technology sector. He previously held the position of Vice President and Managing Director of Hewlett-Packard South Pacific from 2002 to 2012. Prior to that time, Mr Brandling was Vice President and Managing Director of Compaq South Pacific between 2000 and 2002. Mr Brandling was also a member of the International CEO Forum (Australia) from 2001 to 2012 and served as a Director of the Australian Information Industry Association (AIIA) from 2002 to 2011.

Mr Brandling began his career as an engineer in the motor industry working for major manufacturers in both Europe and Australia.

Mr Brandling currently serves as a Non-Executive Director of Integrated Research Ltd and Tesserent Limited. Previously he also served as a Non-Executive Director of Amcom Telecommunications Ltd and Vocus Communications Ltd.

CLYDE MCCONAGHY BBus, MBA, FAICD
Independent Non-Executive Director

Clyde McConaghy was appointed to the Infomedia Board of Directors on 1 November 2013. Mr McConaghy serves as chair of the Remuneration & Nominations Committee.

Mr McConaghy has in excess of 15 years' experience as a senior international board director and executive of publicly listed and private companies. His experience encompasses both multinational and early stage companies, in the technology, media and publishing, and venture capital sectors. He also held a number of senior positions within BMW Australia.

Mr McConaghy was a director in The Economist Intelligence Unit in London and a founding director of World Markets Research Centre Plc, both including Automotive industry analysis divisions. He is currently a director of Serko. He is also Managing Director of Optima Boards, a Board advisory firm for companies and non-for-profit entities worldwide.

ANNE O'DRISCOLL FCA, GAICD, ANZIIF (Fellow)
Independent Non-Executive Director

Ms O'Driscoll was appointed to the Infomedia Board of Directors on 15 December 2014. Ms O'Driscoll serves as chair of the Audit & Risk Committee. Ms O'Driscoll has over 35 years of business experience, having qualified as a chartered accountant in 1984. She was CFO of Genworth Australia from 2009 to 2012 and spent over 13 years with Insurance Australia Group.

Ms O'Driscoll is on the boards of Commonwealth Bank's insurance subsidiaries (CommInsure), Steadfast Group Limited and MDA National Insurance Pty Ltd.

The Directors present their report, together with the consolidated financial statements of Infomedia Ltd (referred to hereafter as the 'Company') and its subsidiaries ('Infomedia' or the 'Group') for the financial year ended 30 June 2017, along with the auditor's report.

DIRECTORS

The following persons were directors of Infomedia Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Bart Vogel	Chairman & Independent Non-Executive Director
Jonathan Rubinsztein	Managing Director & Chief Executive Officer
Paul Brandling	Independent Non-Executive Director (appointed 1 October 2016)
Clyde McConaghy	Independent Non-Executive Director
Anne O'Driscoll	Independent Non-Executive Director
Fran Hernon	Independent Non-Executive Director (resigned 30 September 2016)

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Directorships of other listed companies held by the Directors in the three years preceding the end of the financial year are as follows:

Name	Company	Period of directorship
Bart Vogel	Macquarie Telecom Ltd	Since 2014
	Sedgman Ltd	From 2014 to 2015
	Salmat Limited	Since 2017
Jonathan Rubinsztein	None	
Paul Brandling	Integrated Research Limited	Since 2015
	Tesserent Limited	Since 2015
	Vocus Communications Limited	From 2015 to 2016
Clyde McConaghy	Serko Limited (NZX)	Since 2014
	Integrated Research Limited (ASX)	From 2007 to 2014
Anne O'Driscoll	Steadfast Group Limited	Since 2013

Particulars of the Directors' qualifications and experience are set out under Board of Directors on page 13.

PRINCIPAL ACTIVITIES

Infomedia is a global technology company, incorporated in New South Wales and listed on the Australian Securities Exchange (ASX:IFM). The Company is headquartered in Sydney, Australia with regional offices in Australia, the United Kingdom and the USA, serving the Group's customers across the world.

During the financial year, the principal continuing activities of the consolidated entity consisted of:
- development and supply of Software as a Service (SaaS) offerings, including electronic parts catalogues and service quoting software systems, for the parts and service sectors of the global automotive industry; and
- information management, analysis and data creation for the domestic automotive and oil industries.

DIVIDENDS

Details of dividends paid or declared by the Company during the financial year ended 30 June 2017 are set out in Note 6.

OPERATING AND FINANCIAL REVIEW

Infomedia reported revenue growth of 4% to $70.474 million for the year ended 30 June 2017 ('FY17'), although underlying revenue growth was stronger at 7% on a constant currency basis. This modest growth is line with guidance.

The Company's net profit after tax ('NPAT') was $11.953 million, a 16% growth from the previous corresponding period.

Infomedia has adopted adjusted earnings before interest, tax, depreciation and amortisation "Cash EBITDA" as another key performance measure along with profitability (NPAT). Cash EBITDA acknowledges the cash impact of investing in development costs that are capitalised in reported NPAT. The Company believes Cash EBITDA offers a more transparent view of the underlying level of activity and investment in products.

Reflecting the increased investment, the Company reported a decline of 10% in Cash EBITDA when compared with the previous corresponding year ended 30 June 2016.

A summary of the results is shown below:

	2017 $'000	2016 $'000	Movement %
Revenue (a)	**70,474**	68,087	4%
NPAT	**11,953**	10,323	16%
EBITDA (b)	**25,219**	20,897	21%
Development expenses capitalised	**(13,715)**	(8,054)	70%
Cash EBITDA	**11,504**	12,843	(10%)
Earnings per share (cents)	**3.85**	3.33	16%
Dividend per share (cents), excluding special dividend	**2.90**	2.65	9%
Special dividend per share (cents)	**-**	0.25	(100%)

(a) Revenue details:

By geographical location (local currency)	2017 '000	2016 '000	Movement %
Worldwide revenue (AUD)	**70,474**	68,087	4%*
Asia Pacific (AUD)	**17,054**	15,749	8%
EMEA (EUR)	**20,476**	19,958	3%
Americas (USD)	**17,874**	16,044	11%

* Worldwide revenue grew 7% on constant currency basis.

(b) Reconciliation of EBITDA to NPAT

	2017 $'000	2016 $'000	Movement %
EBITDA	**25,219**	20,897	21%
Finance income (interest)	**36**	71	
Depreciation and amortisation expenses	**(9,717)**	(8,347)	
Income tax expense	**(3,585)**	(2,298)	
NPAT	**11,953**	10,323	16%

The 2017 financial year delivered some strong outcomes for Infomedia. The year was defined by strong sales results, investment in product development and building on the existing customer relationships to deliver increased revenue in all regions.

The Company remains focused on growth in the core business, expanding the footprint in the three key products in the three regions in which the Group operates. Infomedia has delivered a positive momentum in sales securing global and regional contract wins in FY17. To meet increased demand, the Company has continued to invest in product development and delivery capability to reduce the time between contract wins and recognising initial monthly recurring revenue.

The financial position of the Company remains strong with net current assets of $12.530 million as at 30 June 2017 (30 June 2016: $13.213 million) including cash and cash equivalents of $13.313 million (30 June 2016: $14.748 million). The Company has no debt.

BUSINESS OBJECTIVES, STRATEGY AND PROSPECTS

BUSINESS OBJECTIVES

Infomedia is a Software as a Service ('SaaS') provider to the parts and service sectors of the global automobile industry. The Group's focus is assisting the global automotive manufacturers drive productivity and profitability through their distributor and dealer channels (Infomedia's customers).

The Group strives to deliver sustainable, long-term performance for the shareholders by focusing on core strategic plans and objectives values including:

- **Accelerating performance:** Infomedia is a global organisation supporting global customers to drive efficiencies and increase revenue in the customers' own businesses. In doing so, Infomedia aims to meet anticipated increases in demand and develop highly scalable networks to create market leading SaaS products and services for its partners, clients and customers.
- **Driving innovation and service:** Infomedia is committed to delivering innovative software products and services. Investment into ongoing product research and development efforts is essential to remain abreast of the ever-evolving requirements of the customer base both in the immediate and the longer term. Innovation powers Infomedia's service software and assists clients to serve their customers quickly and efficiently.
- **Thinking global, acting local:** Infomedia seeks to identify and capitalise on new and emerging trends. The Group has a strong presence in North America, Europe and the Asian Pacific markets and anticipates growth opportunities over the next decade, as the rate of technology adoption increases, in new and emerging markets throughout Asia, the Middle East and Latin and South America. The Group's diverse employee demographic enables Infomedia to engage with global customers at a local level to both develop and maintain long standing relationships with approximately 40 global automakers and their partners and dealers.

Growth is pursued in accordance with appropriate risk appetites, and is balanced against ongoing delivery of tangible shareholder returns.

STRATEGIES

Infomedia remains focused on growth in its three core products, Microcat Electronic Parts Catalogue ('EPC'), Superservice™ Menus™ and Triage™ products.

Investment in product development has been critical to progress. The Group will continue to invest to support recurring revenue generation, meet current demand and underwrite future growth.

The Group is also looking to supplement the organic growth through new product enhancements, leveraging existing information and evaluating opportunities in adjacent markets as well as smaller-scale merger and acquisition opportunities close to the core of Infomedia's business.

Internally, the Group has concentrated on building a culture around a core set of values. Infomedia's culture is built on the foundation of 'who we are, what we stand for and how we work'. Infomedia's core values are central to 'the way we engage with each other, our customers, our partners and our shareholders'.

OUTLOOK

Looking ahead, the Board and management of Infomedia believe the Company will continue to drive earnings growth at a similar rate to FY17.

The product development decisions made in the last year are an investment in future sustainable growth. Infomedia will continue to invest in the core business where ongoing growth opportunities with our current and new customers exist. Further growth may come via acquisitions in areas close to its core operations that will further Infomedia's strategic objectives.

The 2018 financial year will be defined by two distinct halves. The remainder of the 2017 calendar year will recognise the completion of a contract due to roll-off by the end of December 2017. The global Nissan EPC contract is on-track to start generating revenue in the first three months of the 2018 calendar year with the full rollout to be completed by October 2018.

These combined events are expected to result in a subdued first-half FY18 for the six months to the end of December 2017 and a stronger second-half for the six months ending 30 June 2018. Overall for the 2018 financial year, Infomedia expects to maintain underlying growth momentum for year on year revenue and profitability.

RISKS

In seeking to achieve its strategic goals, Infomedia is subject to a number of risks which may have material adverse effect on operating and financial performance. The Group adopts a rigorous risk management process which is an integral part of the Group's corporate governance structure, however some risks remain outside Infomedia's control. Some of the key risks (in no particular order and non-exhaustively) include:

Risk	Description	Risk management strategies
Loss of key licence agreements	• Continued access to Original Equipment Manufacturer ('OEM') parts information is integral to several of the Group's product lines	• Management of key account relationships • Continued investment to sustain market leading products • Customer service focus, including working with customers to modify offerings to meet their needs
Loss of key customers	• The relatively concentrated automotive industry leads to a degree of revenue concentration	• Global accounts management receiving increased focus • Continuing focus on identification of new OEM licence agreements to reduce concentration • Participation in industry forums and other marketing opportunities to ensure prominent industry positioning • Adding value to the customer solutions in order to remain as a technology of choice.
Competitive risk	• Risk from existing and new market entrants	• Focus on client satisfaction via continuous improvements in delivery of high-speed, high uptime solutions with evolving feature sets with intrinsic value propositions • Leveraging accrued experience and capability in the sector with a global reputation as a leading solutions provider in the parts space • Regional directors charged with maintaining key relationships with OEM clientele and maintaining a watching
Product obsolescence or substitution	• Products do not keep pace with developments in market needs or technological advancements • Competitors or OEMs may develop superior products	• Close monitoring of market developments and direction and OEM strategies • Continued investment in research and development to sustain market leading position
Product outages caused by software or hardware errors	• Customer dissatisfaction with the Company's software products which fail to facilitate their critical business operations • Customers cancel subscriptions or switch to competitive solutions	• Real time monitoring of the Company's software products and online hosting environments to identify and correct errors quickly
Intellectual property risk	• Protecting data integrity and data privacy	• Network and product structuring and monitoring to identify and limit unauthorised access • Legal restraints • Migration from disc based products
Cyber risk, privacy & data sovereignty	• Risk of targeted cyber-attack against Company assets • Unauthorised access to or loss of customer data including personally identifiable data • Increasingly onerous regulatory environments governing use and cross border transfer of data (e.g. European General Data Protection Regulation)	• Dedicated internal resources to monitor and address cyber and information risks as and when they arise • Measures to detect and prevent unauthorised access to Company IT assets • Robust redundancy measures allowing compromised environments to be seamlessly severed and replaced • Re-architecture of hosting environments to support regulatory requirements relevant to customers

Risk	Description	Risk management strategies
People risk	• Loss of key executives • Loss of key customer relationships	• Multiple touch points with key customers as part of relationship management • Appropriate incentives and career development opportunities for key executives and senior management • Identification and management of high potential employees

SIGNIFICANT CHANGES IN THE AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Other than matters listed below, there have been no matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years:

- the Board declared a final dividend of 1.20 cents per share, fully franked;
- on 25 August 2017, the Group completed the acquisition of a CRM software product for its customers.

ENVIRONMENTAL REGULATION

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

COMPANY SECRETARIES

Daniel Wall BBA, LLB

Mr Wall is a lawyer, admitted to the Supreme Court of New South Wales and the High Court of Australia in 2007. He gained experience across a range of practice areas including finance, corporate restructuring and insolvency, prior to joining Infomedia in 2011. He also holds a Certificate in Governance Practice from the Governance Institute of Australia.

Mark Grodzicky BSc, LLB, appointed 3 July 2017

Mr Grodzicky joined Infomedia Ltd as General Counsel, leading the legal and company secretariat team for Infomedia's worldwide operations. Mr Grodzicky was also appointed an additional Company Secretary in July 2017. He holds degrees in Law and Science. Prior to joining Infomedia, Mr Grodzicky, over a 30 year career, held general counsel and company secretarial roles with global IT companies including Wang, Sun Microsystems, Digital Equipment, Compaq, HP, Getronics, UXC, CSC and DXC. Most recently, Mr Grodzicky was the Commercial Director of CSC where he led a group of contract management negotiators and was also General Counsel and Company Secretary of UXC Limited.

Nick Georges BA, LLB, resigned 3 July 2017

Mr Georges is a lawyer, admitted to the Supreme Courts of Victoria in 1991 and New South Wales in 1999. Prior to joining Infomedia in 1999, Mr Georges worked in general practice as a solicitor in Victoria and was an executive with Altium Limited.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors (the Board) and of each Board committee held during the year ended 30 June 2017, and the number of meetings attended by each director were:

	Board		Remuneration & Nominations Committee		Audit & Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Bart Vogel	12	12	4	4	4	4
Jonathan Rubinsztein	12	12	-	-	-	-
Clyde McConaghy	11	12	4	4	4	4
Anne O'Driscoll	12	12	-	-	4	4
Paul Brandling	8	8	2	2	-	-
Fran Hernon	4	4	2	2	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Subsequent to 30 June 2017, the Company set up a new committee and changed the membership of the two exisiting committees as follows:

- Audit & Risk Committee: Anne O'Driscoll (Chairman), Clyde McConaghy, Paul Brandling;
- Remuneration & Nominations Committee: Clyde McConaghy (Chairman), Anne O'Driscoll, Bart Vogel; and
- Technology & Innovation Committee: Paul Brandling (Chairman), Bart Vogel, Jonathan Rubinsztein.

REMUNERATION REPORT – AUDITED

A. INTRODUCTION

The Directors present the Company's Remuneration Report for the financial year ended 30 June 2017 (FY17). As noted in last year's report, the Group undertook a review of its existing Executive Incentive Plan and remuneration philosophy during FY16. Following that review, the Group adjusted elements of its executive remuneration framework. Those changes were made effective from 1 July 2016 and represent a timely realignment of executive remuneration to the Group's future strategies and objectives.

The Remuneration Report is structured as follows:

TABLE 1 – STRUCTURE OF REMUNERATION REPORT

Section	Details
B	Remuneration governance
C	Executive remuneration structure
D	Executive remuneration details
E	Non-Executive Directors remuneration
F	Non-Executive Directors remuneration details
G	Additional information

KEY MANAGEMENT PERSONNEL

This report outlines Infomedia's remuneration philosophy, framework and outcomes for FY17 for all key management personnel ('KMP'), including all Non-Executive Directors and the KMP executives, being the Chief Executive Officer & Managing Director ('CEO & Managing Director') and the Chief Financial Officer ('CFO'). KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company and the Group.

The following persons were KMP during FY17:

Table 2 – Independent Non-Executive Directors

Current Directors	Date of appointment
Bart Vogel	31 August 2015
Paul Brandling	1 October 2016
Clyde McConaghy	1 November 2013
Anne O'Driscoll	15 December 2014

Clyde McConaghy is Chairman of the Remuneration & Nominations Committee.
Anne O'Driscoll is Chairman of Audit & Risk Committee.
Fran Hernon, former independent Non-Executive Director, retired on 30 September 2016.

Table 3 – KMP executives

Current executives	Role	Date of appointment
Jonathan Rubinsztein	CEO & Managing Director	14 March 2016
Richard Leon	CFO	29 March 2016

B. REMUNERATION GOVERNANCE

This report meets the remuneration reporting requirements of the Corporations Act 2001 and Accounting Standard AASB 124 Related Party Disclosures. The term remuneration used in this report has the same meaning as compensation as prescribed in AASB 124.

Remuneration is a technical subject in the current regulatory and reporting environment. In writing this report, the Board's aim is to present information in a way which is easily understood whilst meeting legal reporting obligations.

I. REMUNERATION & NOMINATIONS COMMITTEE

The Remuneration & Nominations Committee of the Board is responsible for reviewing and determining remuneration arrangements for the Non-Executive Directors and the KMP executives. The Committee is charged with responsibility to assist and advise the Board to fulfil its responsibilities on matters relating to:

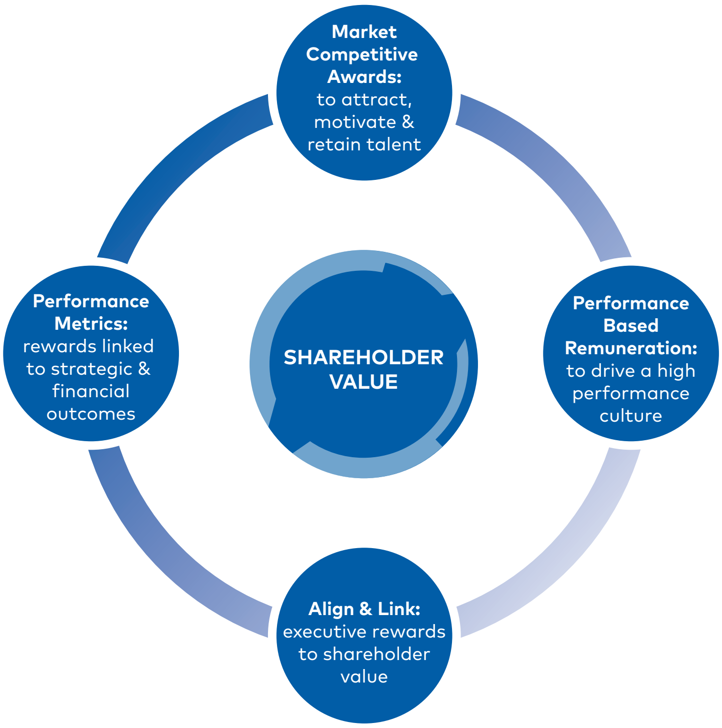
- the composition and quantum of compensation, bonuses, incentives and remuneration issues relating to KMP and other senior management personnel;
- policies relating to remuneration, incentives and superannuation for all employees;
- remuneration of Non-Executive Directors; and
- other matters as required.

The Committee operates in accordance with its charter, a copy of which is available on the Company's website.

II. REMUNERATION PHILOSOPHY

The Group's remuneration framework aligns executive reward with achievement of strategic objectives and shareholder returns. The performance of the Group relies upon the quality of its Directors and executives. The Group must attract, motivate and retain skilled Directors and executives to deliver on key strategic goals. Compensation must be competitive and appropriate for the results delivered.

The Group follows the core remuneration philosophies as summarised in the diagram below to drive shareholder value:



III. INVOLVEMENT OF EXTERNAL REMUNERATION ADVISORS

The Remuneration & Nominations Committee ('Committee'), subject to Board approval, directly engages with and considers market remuneration data from external remuneration consultants as required.

No external remuneration advice was procured during the period. However, the Committee referred to several sources in order to remain informed on market developments.

IV. 2016 AGM – REMUNERATION REPORT

At the 2016 Annual General Meeting held in October 2016, no comments were made in relation to the Group's Remuneration Report. The Remuneration Report was passed with 84.3% of votes cast in favour of the adopting of the report.

C. EXECUTIVE REMUNERATION STRUCTURE

Infomedia aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group, and their ability to influence shareholder value.

The remuneration framework links rewards with the strategic goals and performance of the Group, and provides a market competitive mix of both fixed and variable rewards. In determining the level and make-up of executive compensation, the Group periodically engages with external consultants to provide independent remuneration advice, but more typically conducts its own market salary review of similar companies to determine the level and make-up of executive compensation.

In the financial year ended 30 June 2016, the Group has undertaken a comprehensive internal review of its STI and LTI structures and transitioned to a revised structure as of 1 July 2016.

I. REMUNERATION STRUCTURE OVERVIEW

The remuneration strategy is implemented via the following framework:

Fixed Remuneration		Variable Reward		Total Reward Potential
Base salary + Superannuation + other benefits	+	Short term incentive (Cash) + Long term incentive (performance rights and share options)	=	Total potential remuneration package

II. REMUNERATION STRUCTURE RATIONALE

The target remuneration mix is designed to balance reward for achievement of short term objectives and long term strategies which, when combined, drive shareholder value. The at-risk (or variable) remuneration components of the KMP executives are set by reference to current market practices. The targeted remuneration mix for FY17 was 40% fixed and 60% at-risk.

REMUNERATION MIX – KMP EXECUTIVES

Table 4 provides a snapshot of the key elements comprising KMP executives remuneration and any relevant performance hurdles (where applicable) and the FY17 outcome.

Table 4 – Snapshot of Executive remuneration structure and FY17 outcome

Form of remuneration	Purpose and link to strategy	Operation and outcome for FY17	Opportunity	Performance metrics
a. Fixed remuneration				
Cash salary and superannuation	Attract, motivate and retain high calibre executives Reflects individual role, experience and performance	Reviewed periodically by the Remuneration & Nominations Committee and fixed for at least 12 months. Decision influenced by: role, experience and performance; reference to comparative remuneration in the market; and overall Group budget. ***FY17 outcome*** In FY17, there was no change in fixed remuneration for the incumbent KMP executives.	Target at 40% to 60% of total potential remuneration package	Personal objectives set each year
Non-monetary benefits	Attract, motivate and retain high calibre executives	KMP executives are provided with flexibility to utilise salary packaging solutions such as novated vehicle leasing and/or salary sacrificing into superannuation.		N/A

Form of remuneration	Purpose and link to strategy	Operation and outcome for FY17	Opportunity	Performance metrics
b. Variable remuneration				
STI	Recognises the contributions and achievements of the KMP executives and helps to attract and retain talent	STI Plan is a cash bonus dependent upon a combination of individual performance objectives and Group objectives being met. ***FY17 outcome*** STI was awarded at 71% of fixed remuneration approved by Board. Refer to Table 7 for details of STI awarded.	Both STI and LTI are discretionary, performance based, at-risk reward arrangements. The combined total of STI and LTI is targeted at 40% to 60% of total potential remuneration package	***STI – Cash bonus*** Refer Table 6 below
LTI	Provides opportunity for the KMP executives to acquire ordinary shares in the Group as a reward for increasing EPS over the longer term and helps to attract and retain talent	LTI Plan is in the form of performance rights and share options dependent upon a combination of individual performance objectives and Group's financial objectives (e.g. EPS target) being met. ***FY17 outcome*** Refer to section III.b of the report for details of LTI awarded based on the service agreements of the CEO and CFO.		***LTI – Performance rights*** N/A

Table 5 provides a breakdown of the three elements of the total remuneration for the current KMP executives, measured at maximum level and FY17 and FY16 actual. FY17 and FY16 actual represents:

- Fixed remuneration – amount received in cash during the financial year;
- STI in the form of cash bonus – amount to be received in cash as approved by the Board in relation to the performance period of the financial year; and
- LTI in the form of performance rights and share options – zero value of performance rights and share options as no rights or options vested during FY17 and FY16. In FY16, an entitlement to three years' worth of LTI were granted to the KMP executives. The first potential vesting of LTI entitlements relating to the FY17 performance period will not occur until September 2017. Accordingly, any vested or exercised entitlements will be reflected in the FY18 remuneration report.

Table 5 – Maximum potential and FY17 and FY16 actual remuneration

	Maximum potential	FY17 Actual	FY16 Actual
Fixed remuneration	40%	**40%**	40%
At-risk			
STI – cash bonus	30%	**29%**	30%
LTI – performance rights	22%	**-**	-
LTI – share options	8%	**-**	-
Total at-risk	60%	**29%**	30%
	100%	**69%**	70%

III. REMUNERATION OUTCOME FOR FY17

The following sections provide further detail as to how the 'at-risk' components (being STI and LTI) of the KMP executives remuneration were determined, and how STI outcome is linked to overall Group performance.

a. Short term incentive

Details of the STI Plan are explained in Table 6 below.

TABLE 6 – KEY DETAILS OF THE STI PLAN FOR FY17

<table>
<tr><td>Why was the STI Plan introduced?</td><td>The STI Plan is designed to recognise the contributions and achievements of the KMP executives when financial results and individual performance objectives are achieved.</td></tr>
<tr><td>Who participates in the STI Plan?</td><td>All members of the KMP executives participate in the STI Plan.</td></tr>
<tr><td>What form do the STI Plan awards take?</td><td>100% in the form of cash bonus, normally calculated and approved by the Board in July and generally paid following the release of annual audited results for the financial year.</td></tr>
<tr><td>What quantum of STI were the participants eligible to receive for FY17?</td><td>Eligible to receive an STI representing 30% of total potential reward.</td></tr>
<tr><td>Is there an STI Gateway?</td><td>The Executive Incentive Plan Rules dictate baseline performance which must be achieved to allow participation in the STI scheme. In FY17, KMP executives STI payments were subject to the following qualifying gateway:
• Company achieves over 100% of budgeted NPAT: STI plan operates at 100%
• Company achieves between 95% and 100% of budgeted NPAT: STI plan operates at 80%
• Company achieves less than 95% of budgeted NPAT: STI plan does not operate</td></tr>
<tr><td>What performance metrics applied and how were FY17 STI entitlements determined?</td><td>For FY17, the following metrics applied to determine STI entitlements:
<table>
<tr><th>Metric</th><th>Relative weighting</th><th>Payout ratios</th><th></th><th>Payout FY17</th></tr>
<tr><td>Personal performance goals (Strategic deliverables)</td><td>40%</td><td>Exceeds expectation:
Above expectation:
Meets expectation:
Below expectation:</td><td>100%-120%
80%-100%
60%-80%
0%</td><td>90%</td></tr>
<tr><td>Achievement of Budgeted Group NPAT</td><td>60%</td><td>>95% of target:
At 95%-99.9%:
At 100% or more:</td><td>0%
80%
100%</td><td>100%</td></tr>
</table></td></tr>
<tr><td>How are performance measures tested and approved?</td><td>The Board, acting through the Remuneration & Nominations Committee, assessed the KMP executives relative to the performance goals to determine the FY17 STI outcome for each of KMP executives. The result of that review was approved by the Board to arrive at the final STI payout ratio. More information on the rationale for choosing the performance metrics is set out in table 7 below.</td></tr>
<tr><td>What is the rationale for choosing the performance measures?</td><td>The performance measures applicable to the KMP executives are reflective of the personal performance goals and objectives aimed at stabilising the business and setting a platform for growth in FY17 and beyond.
NPAT: Net profit after tax is utilised to ensure that the KMP executives' interests are aligned with shareholders and encourages executives to exercise collective oversight over the entire spectrum of the Group's profit and loss statement.</td></tr>
<tr><td>What forfeiture conditions apply?</td><td>If a participant leaves the employment of the Group during any Performance Period, the STI component is automatically forfeited unless the Board determines otherwise.</td></tr>
</table>

TABLE 7 – ACTUAL STI OUTCOMES FOR FY17

	Maximum STI potential FY		17 Actual STI outcome	
	(% of fixed pay)	(% of maximum STI potential)	(% of fixed pay)	($)
Jonathan Rubinsztein	74%	96%	71%	360,000
Richard Leon	74%	96%	71%	192,000

b. Long term incentive

The Group has contractual arrangements with the KMP executives which include an entitlement to participate in the Group's LTI Plan. The KMP executives received an entitlement to three years' worth of LTI grants at the time of their appointment in the 2016 financial year (in a combination of performance rights and share options) in advance in accordance with their service agreements. The grants cover FY17, FY18 and FY19 performance periods and represent 30% of their annualised total potential remuneration package at that time.

Refer to section G.II, G.III and G.IV for further details of performance rights and share options granted.

IV. SHAREHOLDING REQUIREMENTS

There is no specific policy requiring the KMP executives to hold any Infomedia shares. Table 16 provides details of Infomedia's ordinary shares held by the KMP executives during FY17.

V. HISTORICAL ANALYSIS OF FINANCIAL PERFORMANCE

The following table outlines the returns of the Group delivered to its shareholders over the past five years:

Table 8 – Key financial performance indicators

	2013 $'000	2014 $'000	2015 $'000	2016 $'000	2017 $'000
Revenue	48,689	57,143	60,385	68,087	**70,474**
Net profit after tax	10,066	12,279	13,232	10,323	**11,953**
Earnings per share (cents)	3.32	4.02	4.30	3.33	**3.85**
Dividends per share, exclude special dividend (cents)	2.82	3.78	3.64	2.65	**2.90**
Special dividend per share (cents)	-	-	0.25	-	**-**
Share price at 30 June ($)	0.47	0.75	1.20	0.69	**0.73**

D. EXECUTIVE REMUNERATION DETAILS

The table below provides remuneration details for KMP executives.

For an executive who was newly appointed during either financial year, the remuneration information provided in the table below relates to the period from the date of their appointment as KMP to the year ended 30 June. Refer Table 2 above for a listing of KMP who were appointed during the prior reporting period.

TABLE 9 – TOTAL KMP EXECUTIVES REMUNERATION

	Short term employment benefits			Post-employment benefits		Long term benefits	Share based payments	Total
Table note	(1)	(2)		(3)		(4)	(5)	
	Cash salary and leave accruals	Short term incentive	Non-monetary benefits	Super-annuation	Termination payments	Long service leave accruals	Performance rights and share options (refer to Table 10)	
	$	$	$	$	$	$	$	$
Current KMP executives:								
Jonathan Rubinsztein, CEO & Managing Director, KMP since 14 March 2016								
2017	**490,796**	**360,000**	**-**	**25,000**	**-**	**10,492**	**405,304**	**1,291,592**
2016	162,037	111,986	-	7,692	-	-	171,056	452,771
Richard Leon, CFO, KMP since 29 March 2016								
2017	**263,683**	**192,000**	**-**	**19,605**	**-**	**5,237**	**226,487**	**707,012**
2016	72,039	51,506	-	5,124	-	-	82,911	211,580

I. Footnote to Table 9

(a) The remuneration mix for the current KMP executives are:

- Jonathan Rubinsztein: 41% fixed and 59% at-risk (2016: 37% fixed and 63% at-risk); and
- Richard Leon: 41% fixed and 59% at-risk (2016: 36% fixed and 64% at-risk).

(b) During FY17, the Board re-assessed Nick Georges' classification as KMP and determined that he was no longer involved in strategic planning, direction and control of the activities of the Group. Effective from 1 July 2016, Nick Georges ceased as KMP, his total FY16 remuneration was $282,440.

(c) During FY16, Andrew Pattinson and Russel King ceased as KMP. Their total FY16 remuneration until the date of ceasing as KMP was: Andrew Pattinson $546,068; and Russel King $299,402.

II. Table note

(1) Cash salary includes amounts paid in cash plus any salary sacrifice items. Annual leave accruals are determined in accordance with Accounting Standard, AASB 119 Employee Benefits.

(2) The FY17 short term incentive was awarded and approved by the Board and will be paid in cash in September 2017.

(3) Superannuation contributions are paid in line with legislative requirements.

(4) Long service leave accruals are determined in accordance with Accounting Standard, AASB 119 Employee Benefits.

(5) The share based payments value in Table 9 above represents the amount of LTI (in the form of performance rights and share options) granted for the three financial years commencing 1 July 2016 from the date of service agreements signed in accordance with Accounting Standard, AASB 2 Share-based Payments. Further information is provided in section G.II and G.III in this report.

TABLE 10 – BREAKDOWN OF SHARE BASED PAYMENTS

	Performance rights $	Share options $	Total share based payments $
Current KMP executives:			
Jonathan Rubinsztein, CEO & Managing Director, KMP since 14 March 2016			
2017	**335,554**	**69,750**	**405,304**
2016	141,618	29,438	171,056
Richard Leon, CFO, KMP since 29 March 2016			
2017	**188,282**	**38,205**	**226,487**
2016	68,925	13,986	82,911

E. NON-EXECUTIVE DIRECTORS' REMUNERATION

I. STRUCTURE AND POLICY

Non-Executive Directors' fees are determined within an aggregate Directors' fee pool limit. The aggregate fee pool limit is approved by shareholders.

II. BOARD AND COMMITTEE FEES

Independent Non-Executive Director remuneration consists of three elements:

- Board fees;
- Committee chair fees; and
- superannuation which is paid in line with legislative requirements.

The current service agreements with Non-Executive Directors provide for statutory superannuation contributions and no incentive or termination payments.

Directors may also be reimbursed for travel and other expenses incurred in attending to the Group's affairs.

At the Annual General Meeting ('AGM') held on 3 November 2016, the shareholders approved an increase in the maximum aggregate Directors' fee pool from $450,000 to $550,000 per annum. The Constitution of the Company, as revised by special resolution at the AGM, now states that superannuation contributions are included from the director fee cap, consistent with governance practice and the ASX Listing Rules.

Table 11 – Infomedia's Board or committee annual fee (exclusive of superannuation)

Board/Committee	Role	$
Board	Chairman	175,000
	Non-Executive Directors	75,000
Audit & Risk Committee	Chairman	15,000
Remuneration & Nominations Committee	Chairman	15,000

F. NON-EXECUTIVE DIRECTORS' REMUNERATION DETAILS

The table below provides remuneration details for the Non-Executive Directors on the Company's Board.

Paul Brandling was appointed as a Non-Executive Director from 1 October 2016. The remuneration information provided in the table below relates to the period from the date of his appointment to the year ended 30 June 2017.

The table below also contains remuneration information of Fran Hernon who retired during the financial year. Fran Hernon held her position from 1 July 2016 until 30 September 2016.

TABLE 12 – TOTAL NON-EXECUTIVE DIRECTORS REMUNERATION OF THE GROUP

	Short term Employment benefits	Post employment benefits	Total
	Board and committee fees	Superannuation	
	$	$	$
Current Non-Executive Directors:			
Bart Vogel, Director since 31 August 2015			
2017	**150,000**	**14,250**	**164,250**
2016	57,043	5,419	62,462
Paul Brandling, Director since 1 October 2016			
2017	**56,250**	**5,344**	**61,594**
Clyde McConaghy			
2017	**90,000**	**8,550**	**98,550**
2016	78,216	7,431	85,647
Anne O'Driscoll			
2017	**90,000**	**8,550**	**98,550**
2016	78,216	7,431	85,647
Non-Executive Directors ceased as KMP during FY17:			
Fran Hernon, Director until 30 September 2016			
2017	**43,750**	**4,156**	**47,906**
2016	145,230	13,797	159,027

SHAREHOLDING REQUIREMENTS

There is no specific policy requiring the Non-Executive Directors to hold any Infomedia shares.

Table 16 provides details of Infomedia's shares held by the Non-Executive Directors during FY17.

G. ADDITIONAL INFORMATION

I. EXECUTIVE SERVICE AGREEMENTS

Infomedia has service agreements with KMP executives. The service agreements outline the components of remuneration paid to KMP executives. The service agreements do not require the Group to increase base salary, pay a short term incentive or offer a long term incentive in any given year.

The table below contains the key terms of the KMP executives' service agreements. The executive service agreements do not provide for any termination payments, other than payment in lieu of notice by the Group.

Table 13 – Key terms of executive service agreements

Name	Commencement date of latest contract	Duration	Notice period – Group	Notice period – Employee	Termination payment in lieu of notice
Jonathan Rubinsztein	14 March 2016	Continuing	6 months	6 months	6 months fixed remuneration
Richard Leon	29 March 2016	Continuing	3 months	3 months	3 months fixed remuneration

Termination payments may include the payment of amounts owing pursuant to an industrial instrument as permitted by the Corporations Act 2001.

a. Redundancy entitlements

Name	Redundancy at instance of Company
Jonathan Rubinsztein	12 months' fixed pay payable following the notice period, plus accrued and unpaid STI and LTI entitled, if remained employed to the end of the relevant notice period
Richard Leon	12 months' fixed pay payable following the notice period

b. Termination in other situations

The Group may immediately terminate the KMP executives' service agreements without notice, or any payment in lieu of notice, in certain circumstances as stated in the agreements, including any material breach incapable of remedy, conduct which has a material adverse effect on the Group's reputation, or if the executive commits an act justifying termination at common law, becomes bankrupt or is absent from work for more than three months in any 12-month period without approval.

II. PERFORMANCE RIGHTS

LTI in the form of performance rights were granted to the KMP executives during FY17. Further details of the performance rights are disclosed in Note 18 Share-based remuneration.

The table below provides the number of performance rights held by the KMP executives at 30 June 2016 and 30 June 2017.

Table 14 – Movement in performance rights

Name	Rights held at 30 June 2016	Rights granted during FY17	Rights exercised during FY17(a)	Rights lapsed during FY17	Rights held at 30 June 2017(a)
	Number	Number	Number	Number	Number
Current KMP executives:					
Jonathan Rubinsztein	-	1,418,067	-	-	1,418,067
Richard Leon	-	756,302	-	-	756,302
	-	2,174,369	-	-	2,174,369

Table note

(a) In accordance with the terms of the LTI Plan, unvested performance rights will automatically lapse upon cessation of employment with the Group.

III. SHARE OPTIONS

The Group provides the KMP executives with the opportunity to subscribe for ordinary shares in the Company through the Performance Rights and Option Plan. As noted earlier, the KMP executives were granted rights and options covering the three financial years ending 30 June 2019 as part of their appointment in 2016. Further details of the share options are disclosed in the share based remuneration note to the financial statements.

The table below provides the number of share options held by members of the KMP executives at 30 June 2016 and 30 June 2017.

Table 15 – Movement in share options

Name	Options held at 30 June 2016	Options granted during FY17	Options exercised during FY17 Number	Options lapsed during FY17 Number	Options held at 30 June 2017 Number	Options vested during FY17 Number	Options vested and exercisable at 30 June 2017 Number
Current KMP executives:							
Jonathan Rubinsztein	-	3,750,000	-	-	3,750,000	-	-
Richard Leon	-	2,000,000	-	-	2,000,000	-	-
	-	5,750,000	-	-	5,750,000	-	-

IV. VALUATION OF PERFORMANCE RIGHTS AND SHARE OPTIONS

The table below details the fair value of the performance rights and share options issued affecting remuneration of KMP executives in the previous, current or future reporting periods:

Description	Recipient	Grant date	Vesting date	Fair value at grant date ($)
FY16 Performance rights	CEO	29 January 2016	30 June 2017 to 30 June 2019	0.53-0.57
FY16 Performance rights	CFO	17 February 2016	30 June 2017 to 30 June 2019	0.53-0.57
FY16 Share options	CEO	29 January 2016	30 June 2019	0.07
FY16 Share options	CFO	17 February 2016	30 June 2019	0.07

V. KEY TERMS OF PERFORMANCE RIGHTS AND SHARE OPTIONS

Key terms relate to all performance rights ('rights') and share options ('options') granted:

- the rights and options granted to CEO and CFO are deemed to be granted on the date when their service agreements were signed;
- the rights and options are granted for nil consideration;
- the vesting conditions of the rights and options are conditional on continuous employment and meeting performance hurdles as below:
  - rights – Company Annual Growth Rate target: Compound earnings per share ('EPS') Growth percentage above FY16 EPS;
  - options – the Company share price exceeds the exercise price of 92.2 cents;
- when vesting:
  - rights – each right will be converted into one Infomedia ordinary share for nil consideration;
  - options – each option will be converted into one Infomedia ordinary share by paying an exercise price of 92.2 cents;
- the rights will vest in three equal tranches after on, two and three years from the grant date. For any unvested rights tested before 30 June 2019, retesting will be performed each year until the last testing date on 30 June 2019.

VI. LOANS TO KMP

There were no loans at the beginning or at the end of the financial year ended 30 June 2017 to the KMP. No loans were made available during FY17 to the KMP.

VII. SHAREHOLDINGS OF DIRECTORS AND THE KMP EXECUTIVES

Table 16 below summarises the movement in holdings of Infomedia ordinary shares during the year and the balance at the end of the financial year, both in total and held indirectly by related parties of KMP.

Table 16 – Movement of shareholding interests of Directors and the other KMP executive

Name	Balance at 30 June 2016	Grant as compen-sation	Exercise of share options	Exercise of perform-ance rights	Net other changes	Total shares held at 30 June 2017[b]	Shares held indirectly at 30 June 2017[a],[b]
	Number	Number	Number	Number	Number	Number	Number
Non-Executive Directors:							
Bart Vogel	152,000	-	-	-	148,000	300,000	300,000
Paul Brandling[c]	-	-	-	-	144,020	144,020	144,020
Clyde McConaghy	12,000	-	-	-	68,000	80,000	-
Anne O'Driscoll	45,000	-	-	-	-	45,000	45,000
Current KMP executives:							
Jonathan Rubinsztein	500,000	-	-	-	-	500,000	500,000
Richard Leon	119,000	-	-	-	-	119,000	119,000
Director who ceased as key management personnel during FY17:							
Fran Hernon[d]	28,300	-	-	-	1,250	-	-

Footnote to Table 16

(a) Shares held indirectly are included in the column headed Total shares held at 30 June 2017. Total shares are held directly by the KMP and indirectly by the KMP's related parties, inclusive of domestic partner, dependants and entities controlled, jointly controlled or significantly influenced by the KMP.

(b) For the Directors, total shares held directly and indirectly also represented the relevant interest in the listed securities, being ordinary shares of the Group, as notified by the Directors to the ASX in accordance with section 205G(1) of the Corporations Act 2001, at the date of this Directors' Report.

(c) Paul Brandling became KMP from 1 October 2016.

(d) Individual shareholdings information is provided until the date of cessation as KMP.

VIII. KMP AND OTHER RELATED PARTY TRANSACTIONS

During the year, there were no related party transactions with KMP and KMP related parties other than those disclosed in this report.

THIS CONCLUDES THE REMUNERATION REPORT, WHICH HAS BEEN AUDITED.

SHARE OPTIONS

At the date of this report, there are 5,750,000 options issued in respect of ordinary shares of Infomedia Ltd.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were 836,667 shares issued as a result of the exercise of options during the financial year.

Since the end of the financial year, there have been no options exercised.

PERFORMANCE RIGHTS

At the date of this report, there are 3,757,154 performance rights issued in respect of ordinary shares of Infomedia Ltd.

SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

There were no ordinary shares of Infomedia Ltd issued on the exercise of performance rights during the year ended 30 June 2017 and up to the date of this report.

INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

AUDITOR

Deloitte Touche Tohmatsu continues in office in accordance with section 327C of the Corporations Act 2001.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 23 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in Note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

CORPORATE GOVERNANCE

Infomedia strives to achieve compliance with the governance recommendations set out in the Corporate Governance Principles and Recommendations 3rd Edition, published by the ASX Corporate Governance Council (the ASX Principles). The Company addresses the ASX Principles in a manner consistent with its relative size and resourcing capabilities. Infomedia's latest Corporate Governance Statement was lodged with the ASX on the same date as this report and is available on the Company's website, http://www.infomedia.com.au/investors/corporate-governance/

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Bart Vogel
Chairman
28 August 2017

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
Infomedia Ltd
3 Minna Close,
Belrose
SYDNEY NSW 2085

28 August 2017

Dear Board Members

Infomedia Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Infomedia Ltd.

As lead audit partner for the audit of the financial statements of Infomedia Ltd for the financial year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Sandeep Chadha
Sandeep Chadha
Partner
Chartered Accountants

For the year ended 30 June 2017

	Note	Consolidated 2017 $'000	Consolidated 2016 $'000
REVENUE	16	**70,474**	68,087
Finance income		**36**	71
EXPENSES			
Research and development expenses	17	**(13,980)**	(16,124)
Sales and marketing expenses		**(22,846)**	(21,292)
General and administration expenses		**(18,002)**	(17,897)
Net foreign currency translation losses		**(144)**	(224)
Profit before income tax expense		**15,538**	12,621
Income tax expense	7	**(3,585)**	(2,298)
Profit after income tax expense for the year attributable to the owners of Infomedia Ltd		**11,953**	10,323
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that may be reclassified subsequently to profit or loss			
Net change in the fair value of cash flow hedges taken to equity, net of tax		**(158)**	548
Foreign currency translation		**(367)**	237
Other comprehensive income/(loss) for the year, net of tax		**(525)**	785
Total comprehensive income for the year attributable to the owners of Infomedia Ltd		**11,428**	11,108
		Cents	**Cents**
Basic earnings per share	5	**3.85**	3.33
Diluted earnings per share	5	**3.83**	3.31

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

As at 30 June 2017

	Note	Consolidated 2017 $'000	2016 $'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		**13,313**	14,748
Trade and other receivables	9	**7,826**	6,295
Derivative financial instruments - forward exchange contracts		**-**	250
Income tax refund due	7	**2,175**	870
Prepayments		**1,529**	958
Total current assets		**24,843**	23,121
NON-CURRENT ASSETS			
Property, plant and equipment		**2,634**	2,373
Intangibles	8	**39,530**	34,783
Total non-current assets		**42,164**	37,156
Total assets		**67,007**	60,277
LIABILITIES			
CURRENT LIABILITIES			
Trade payables		**2,150**	693
Other payables		**6,025**	4,952
Employee benefits		**3,146**	2,938
Deferred revenue		**992**	1,325
Total current liabilities		**12,313**	9,908
NON-CURRENT LIABILITIES			
Deferred tax	7	**4,415**	5,684
Employee benefits		**423**	527
Total non-current liabilities		**4,838**	6,211
Total liabilities		**17,151**	16,119
Net assets		**49,856**	44,158
EQUITY			
Issued capital	10	**12,923**	12,449
Treasury shares held in trust	10	**(602)**	-
Foreign currency reserve		**905**	1,272
Share-based payments reserve		**3,499**	711
Cash flow hedge reserve		**(10)**	148
Retained profits		**33,141**	29,578
Total equity		**49,856**	44,158

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

For the year ended 30 June 2017

Consolidated – 2016	Share capital $'000	Treasury shares held in trust $'000	Foreign currency reserve $'000	Share-based payments reserve $'000	Cash flow hedge reserve $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2015	12,074	-	1,035	720	(400)	30,400	43,829
Profit after income tax expense for the year	-	-	-	-	-	10,323	10,323
Other comprehensive income for the year, net of tax	-	-	237	-	548	-	785
Total comprehensive income for the year	-	-	237	-	548	10,323	11,108
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:							
Share-based payments	-	-	-	(9)	-	-	(9)
Share options exercised	375	-	-	-	-	-	375
Dividends paid (Note 6)	-	-	-	-	-	(11,145)	(11,145)
Balance at 30 June 2016	12,449	-	1,272	711	148	29,578	44,158

Consolidated – 2017	Share capital $'000	Treasury shares held in trust $'000	Foreign currency reserve $'000	Share-based payments reserve $'000	Cash flow hedge reserve $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2016	**12,449**	**-**	**1,272**	**711**	**148**	**29,578**	**44,158**
Profit after income tax expense for the year	**-**	**-**	**-**	**-**	**-**	**11,953**	**11,953**
Other comprehensive loss for the year, net of tax	**-**	**-**	**(367)**	**-**	**(158)**	**-**	**(525)**
Total comprehensive income/(loss) for the year	**-**	**-**	**(367)**	**-**	**(158)**	**11,953**	**11,428**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:							
Share-based payments	**-**	**-**	**-**	**812**	**-**	**-**	**812**
Tax effect related to share-based payments	**-**	**-**	**-**	**1,976**	**-**	**-**	**1,976**
Share options exercised	**474**	**-**	**-**	**-**	**-**	**-**	**474**
Purchase of treasury shares	**-**	**(602)**	**-**	**-**	**-**	**-**	**(602)**
Dividends paid (Note 6)	**-**	**-**	**-**	**-**	**-**	**(8,390)**	**(8,390)**
Balance at 30 June 2017	**12,923**	**(602)**	**905**	**3,499**	**(10)**	**33,141**	**49,856**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

For the year ended 30 June 2017

	Note	Consolidated 2017 $'000	2016 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**70,048**	65,208
Payments to suppliers and employees		**(44,039)**	(41,483)
		26,009	23,725
Interest received		**36**	71
Income taxes paid		**(4,183)**	(4,753)
Net cash from operating activities	19	**21,862**	19,043
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		**(1,768)**	(1,898)
Payments for development costs capitalised		**(13,146)**	(7,719)
Proceeds from disposal of property, plant and equipment		**135**	-
Net cash used in investing activities		**(14,779)**	(9,617)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options	10	**474**	375
Payments for purchase of treasury shares		**(602)**	-
Dividends paid	6	**(8,390)**	(11,145)
Net cash used in financing activities		**(8,518)**	(10,770)
Net decrease in cash and cash equivalents		**(1,435)**	(1,344)
Cash and cash equivalents at the beginning of the financial year		**14,748**	16,092
Cash and cash equivalents at the end of the financial year		**13,313**	14,748

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1. GENERAL INFORMATION

The financial statements cover Infomedia Ltd as a Group consisting of Infomedia Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Infomedia Ltd's functional and presentation currency.

Infomedia Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

3 Minna Close
Belrose, Sydney NSW 2085

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 August 2017. The directors have the power to amend and reissue the financial statements.

Consistent with prior year, the information contained in this year's financial report has been structured to facilitate greater understanding for the reader. The flow of information is grouped as follows:
- critical accounting judgements, estimates and assumptions – Note 3;
- key financial performance of the Group – Notes 4 to 7;
- significant operating assets and liabilities – Notes 8 to 9;
- capital and financial risk management matters – Notes 10 to 14;
- group structure – Note 15; and
- additional information and disclosures required by Accounting Standards – Notes 16 to 24.

Significant accounting policies applied are provided at the end of each note, where appropriate.

Other significant accounting policies and the new and revised accounting standards not applicable for the financial year are provided in Note 24.

NOTE 2. BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The accounting policies adopted in the preparation of the financial statements have been consistently applied to all the years presented, unless otherwise stated.

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

HISTORICAL COST CONVENTION

The financial statements have been prepared under the historical cost convention, except for, where applicable, financial assets and liabilities at fair value through profit or loss.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Infomedia Ltd ('Company' or 'parent entity') as at 30 June 2017 and the results of all subsidiaries for the year then ended. Infomedia Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

RECLASSIFICATION OF COMPARATIVES

Certain prior period comparative information has been revised in this financial report to conform with the current period's presentation. The reclassifications are:

- expenditure by function presented on the face of the consolidated statement of profit or loss is based on the current structure of the business;
- realised foreign currency gain/loss on hedge contracts is included in general and administration expenses; and
- payments for development expenses capitalised is included in cash flows from investing activities.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

RESEARCH AND DEVELOPMENT

Research and development expenses incurred relate to works provided by third parties and internal salaries and on-costs of employees.

Research costs are expensed in the period in which they are incurred.

Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility, and the costs can be measured reliably.

The key judgements relate to:

- determining the portion of the internal salary and on-costs that are directly attributable to development of the Group's product suite and software; and
- identifying and assessing the technical feasibility of completing the intangible asset and generating future economic benefits.

An impairment loss is recognised if the carrying amount of the development asset exceeds its recoverable amount.

The Group determines the estimated useful lives for the capitalised development costs. The useful lives could change significantly as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or items no longer in use will be written off or written down.

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS continued

GOODWILL

Goodwill is assessed annually for impairment or when there is an evidence of impairment.

The recoverable amounts of goodwill of the relevant reportable segments have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

INCOME TAX

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax based on the Group's current understanding of the relevant tax regulations. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

NOTE 4. OPERATING SEGMENTS

IDENTIFICATION OF REPORTABLE SEGMENTS

The Group is organised into three reportable segments:

- Asia Pacific;
- Europe, Middle East and Africa ('EMEA'); and
- Americas, representing the combined North America and Latin & South America regions.

These reportable segments are based on the internal reports that are reviewed and used by the Chief Executive Officer & Managing Director (who is identified as the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of reportable segments.

The reportable segments are identified by management based on the region in which the product is sold. Discrete financial information about each of these operating businesses is reported to the Board of Directors regularly.

The CODM reviews earnings before interest and tax ('EBIT'). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

MAJOR CUSTOMERS

The Group has many customers to which it provides products. There is no significant reliance on any single customer.

REPORTABLE SEGMENT INFORMATION

Consolidated - 2017	Asia Pacific $'000	EMEA $'000	Americas $'000	Unallocated $'000	Total $'000
Revenue					
Revenue from external customers	17,054	29,649	23,771	-	70,474
Finance income	-	-	-	36	36
Total revenue	17,054	29,649	23,771	36	70,510
EBIT	13,661	22,749	9,071	(29,979)	15,502
Finance income	-	-	-	36	36
Profit/(loss) before income tax expense	13,661	22,749	9,071	(29,943)	15,538
Income tax expense					(3,585)
Profit after income tax expense					11,953

Consolidated - 2016	Asia Pacific $'000	EMEA $'000	Americas $'000	Unallocated $'000	Total $'000
Revenue					
Revenue from to external customers	15,749	30,297	22,041	-	68,087
Finance income	-	-	-	71	71
Total revenue	15,749	30,297	22,041	71	68,158
EBIT	11,953	22,263	8,626	(30,292)	12,550
Finance income	-	-	-	71	71
Profit/(loss) before income tax expense	11,953	22,263	8,626	(30,221)	12,621
Income tax expense					(2,298)
Profit after income tax expense					10,323

Unallocated EBIT

Unallocated EBIT is represented by the following costs:

	Consolidated	
	2017 $'000	2016 $'000
Research and development expenses	**13,980**	16,124
General and administration expenses	**15,999**	14,168
	29,979	30,292

NOTE 5. EARNINGS PER SHARE

	Consolidated	
	2017 $'000	2016 $'000
Profit after income tax attributable to the owners of Infomedia Ltd	**11,953**	10,323
	Cents	Cents
Basic earnings per share	**3.85**	3.33
Diluted earnings per share	**3.83**	3.31
	Number '000	Number '000
Weighted average number of ordinary shares issued	**310,531**	309,644
Weighted average number of treasury shares held in trust	**(136)**	-
Weighted average number of ordinary shares used in calculating basic earnings per share	**310,395**	309,644
Adjustments for calculation of diluted earnings per share:		
Share options and performance rights	**1,573**	2,061
Weighted average number of ordinary shares used in calculating diluted earnings per share	**311,968**	311,705

NOTE 5. EARNINGS PER SHARE continued

ACCOUNTING POLICY FOR EARNINGS PER SHARE

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Infomedia Ltd by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued at no consideration received in relation to dilutive potential ordinary shares.

NOTE 6. EQUITY - DIVIDENDS

DIVIDENDS

Dividends paid during the financial year were as follows:

	Consolidated	
	2017 $'000	2016 $'000
Interim dividend for the year ended 30 June 2017 (2016: 30 June 2016) of 1.70 cents fully franked (2016: 1.65 cents unfranked) per ordinary share	**5,287**	5,115
Final dividend for the year ended 30 June 2016 (2016: 30 June 2015) of 1.00 cents unfranked (2016: 1.70 cents unfranked) per ordinary share	**3,103**	5,257
Special dividend of 0.25 cents fully franked per ordinary share	**-**	773
	8,390	11,145

On 28 August 2017, the directors declared a final dividend of 1.20 cents per share, fully franked, to be paid on 6 October 2017. As this occurred after the reporting date, the dividends declared have not been recognised in this financial report.

During the financial year ended 30 June 2016, the Company launched a Dividend Reinvestment Plan ('DRP') that allows equity holders to elect to receive their dividend entitlement in the form of the Company's ordinary shares. The price of DRP shares is the average share market price, less a discount if any (determined by the directors) calculated over the pricing period (which is at least five trading days) as determined by the directors for each dividend payment date.

The Company's DRP will operate by purchasing shares on market. No discount will be applied. Election notices for participation in the DRP in relation to this final dividend must be received by 5 September 2017.

FRANKING CREDITS

	Consolidated	
	2017 $'000	2016 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	**4,350**	3,124

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

ACCOUNTING POLICY FOR DIVIDENDS

Dividends are recognised when declared during the financial year.

NOTE 7. INCOME TAX

	Consolidated 2017 $'000	Consolidated 2016 $'000
INCOME TAX EXPENSE		
Current tax	**2,837**	2,488
Movement in deferred tax	**695**	(35)
Adjustments for current tax of prior periods	**53**	(155)
Aggregate income tax expense	**3,585**	2,298
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets	**(803)**	(248)
Increase in deferred tax liabilities	**1,498**	213
Movement in deferred tax	**695**	(35)
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	**15,538**	12,621
Tax at the statutory tax rate of 30%	**4,661**	3,786
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Additional research and development deduction	**(1,196)**	(1,386)
Effects of foreign tax rates difference	**5**	-
Share-based payments trust contributions	**(308)**	-
Income tax paid in China	**-**	9
Non-deductible expenses	**370**	44
	3,532	2,453
Adjustments for current tax of prior periods	**53**	(155)
Income tax expense	**3,585**	2,298

	Consolidated 2017 $'000	Consolidated 2016 $'000
Amounts charged/(credited) directly to equity		
Deferred tax assets	**(1,976)**	-
Deferred tax liabilities	**12**	236
	(1,964)	236

For the year ended 30 June 2017

NOTE 7. INCOME TAX continued

	Consolidated 2017 $'000	Consolidated 2016 $'000
DEFERRED TAX ASSET		
Deferred tax asset comprises temporary differences attributable to:		
Provisions	**1,951**	1,070
Share-based payments	**1,976**	-
Other payables	**(4)**	198
Currency exchange	**4**	(120)
Offset against deferred tax liabilities	**(3,927)**	(1,148)
	-	-
Movements:		
Credited to profit or loss	**803**	248
Credited to equity	**1,976**	-
Reversal of offset against deferred tax liabilities	**1,148**	900
Offset against deferred tax liabilities	**(3,927)**	(1,148)
Closing balance	**-**	-

	Consolidated 2017 $'000	Consolidated 2016 $'000
DEFERRED TAX LIABILITY		
Deferred tax liability comprises temporary differences attributable to:		
Derivatives	-	75
Deferred development costs	**8,169**	6,757
Share-based payment trust contributions	**173**	-
Offset against deferred tax assets	**(3,927)**	(1,148)
Deferred tax liability	**4,415**	5,684
Movements:		
Opening balance	**5,684**	5,483
Charged to profit or loss	**1,498**	213
Charged to equity	**12**	236
Reversal of offset against deferred tax assets	**1,148**	900
Offset against deferred tax assets	**(3,927)**	(1,148)
Closing balance	**4,415**	5,684

	Consolidated 2017 $'000	Consolidated 2016 $'000
INCOME TAX REFUND DUE		
Income tax refund due	**2,175**	870

ACCOUNTING POLICY FOR INCOME TAX

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

NOTE 8. NON-CURRENT ASSETS - INTANGIBLES

	Consolidated	
	2017 $'000	**2016 $'000**
Goodwill	**12,237**	12,367
Capitalised development costs	**43,837**	36,848
Less: Accumulated amortisation	**(16,544)**	(14,432)
	27,293	22,416
	39,530	34,783

NOTE 8. NON-CURRENT ASSETS - INTANGIBLES continued

RECONCILIATIONS

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill* $'000	Capitalised development costs** $'000	Total $'000
Balance at 1 July 2015	12,990	21,808	34,798
Additions	-	8,054	8,054
Revaluation on cost (foreign exchange movements)	(525)	-	(525)
Revaluation on amortisation	222	-	222
Disposal - cost	-	(34,198)	(34,198)
Disposal - accumulated depreciation	-	34,198	34,198
Amortisation expense	(320)	(7,446)	(7,766)
Balance at 30 June 2016	**12,367**	**22,416**	**34,783**
Additions	**-**	**13,715**	**13,715**
Revaluation on cost (foreign exchange movements)	**(65)**	**-**	**(65)**
Revaluation on amortisation	**(22)**	**-**	**(22)**
Disposal - cost	**-**	**(6,174)**	**(6,174)**
Disposal - accumulated amortisation	**-**	**6,174**	**6,174**
Impairment of assets - cost	**-**	**(553)**	**(553)**
Impairment of assets - accumulated amortisation	**-**	**189**	**189**
Amortisation expense	**(43)**	**(8,474)**	**(8,517)**
Balance at 30 June 2017	**12,237**	**27,293**	**39,530**

* Goodwill was acquired through business/territory acquisition. The balance in the table above includes intellectual property related to copyright and software coded over key products and other identifiable intangibles. The gross and written down value of the separately identified intellectual property and other intangibles are immaterial and fully amortised during FY17 and are included as goodwill for disclosure purposes. The intellectual property and other intangibles have finite life and are amortised over four to five years.

** The cost and accumulated amortisation associated with capitalised development costs that have $Nil carrying value and are no longer in use have been eliminated from the reconciliation in both current and prior financial years.

IMPAIRMENT TESTING

The Group performed impairment testing for all goodwill on an annual basis and intangibles (capitalised development costs) which had impairment indicators.

Capitalised development costs

An impairment loss of $0.364 million was recognised for the year ended 30 June 2017 (2016: no impairment provision). The impairment loss arose from the regular review of capitalised development costs. Management determined to write off all items with net written down value below $1,000 and any projects which were cancelled in FY17.

Goodwill

Goodwill acquired through business combinations or territory acquisition has been allocated to a reportable segment (refer Note 3) for impairment testing as follows:

	Consolidated 2017 $'000	2016 $'000
Asia Pacific	**2,777**	2,796
EMEA	**5,837**	5,878
Americas	**3,623**	3,650
	12,237	12,324

The total goodwill in the table above does not include intellectual property and other intangibles acquired through business/territory acquisitions.

Impairment assessment

The methodology used in the impairment testing is value in use – a discounted cash flow model, based on a five year projection from the approved budget for the year ending 30 June 2018 ('FY18') of the tested segments with a terminal value.

Key assumptions are those to which the recoverable amount of reportable segment is most sensitive.

The following key assumptions were used in the discounted cash flow model for the different reportable segments:

- growth rates applied based on the FY18 budget applied are 5% to 10% for Asia Pacific, 1% to 5% for EMEA and 5% to 10% for Americas;
- terminal growth rates applied are 2.5% for Asia Pacific and Americas and 1% for EMEA;
- post tax weighted average cost of capital applied is 11.5% for Asia Pacific, 10.5% for EMEA and 10.8% for Americas;
- Exchange rates used in the cash flow projections for foreign operations are: AUD/USD exchange rate - $0.75 and AUD/EUR exchange rate - $0.67.

As at 30 June 2017, the recoverable amount of net assets of the Group is greater than the carrying value of the assets and therefore, the goodwill and other indefinite life intangible assets is not considered to be impaired.

The following describes each key assumption on which management has based its cash flow projections when determining the value in use of its reportable segments:

- the Group will continue to have access to the data supply from automakers over the projection period;
- the Group will not experience any substantial adverse movements in currency exchange rates;
- the Group's research and development program will ensure that the current suite of products remains leading edge; and
- the Group is able to maintain its current gross margins.

No reasonable possible change in assumptions would result in the recoverable amount of a reportable segment being materially less than the carrying value.

ACCOUNTING POLICY FOR INTANGIBLE ASSETS

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed if the related asset subsequently increases in value.

NOTE 8. NON-CURRENT ASSETS - INTANGIBLES continued

Capitalised development costs

Research costs are expensed in the period in which they are incurred. Capitalised development costs represent the up-front costs of developing new products or enhancing existing products to meet customer needs. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 years.

NOTE 9. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	Consolidated	
	2017 $'000	2016 $'000
Trade receivables	**7,880**	6,679
Less: Provision for impairment of receivables	**(396)**	(398)
	7,484	6,281
Other receivables	**342**	14
	7,826	6,295

IMPAIRMENT OF RECEIVABLES

The aging of the impaired receivables provided for above are as follows:

	Consolidated	
	2017 $'000	2016 $'000
0 to 60 days overdue	**-**	109
Over 60 days overdue	**396**	289
	396	398

PAST DUE BUT NOT IMPAIRED

Customers with balances past due but without provision for impairment of receivables amount to $1.764 million as at 30 June 2017 (2016: $1.785 million).

The Group did not consider credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices.

The aging of the past due but not impaired receivables are as follows:

	Consolidated	
	2017 $'000	2016 $'000
0 to 60 days overdue	**1,108**	1,551
Over 60 days overdue	**656**	234
	1,764	1,785

ACCOUNTING POLICY FOR TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 to 60 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted as the effect of discounting is immaterial.

NOTE 10. EQUITY - ISSUED CAPITAL AND TREASURY SHARES HELD IN TRUST

	Parent			
	2017 Shares '000	2016 Shares '000	2017 $'000	2016 $'000
Ordinary shares - fully paid	**310,824**	309,987	**12,923**	12,449
Treasury shares held in trust - fully paid	**(841)**	-	**(602)**	-
	309,983	309,987	**12,321**	12,449

MOVEMENTS IN ORDINARY SHARE CAPITAL

Details	Date	Shares '000	Issue price	$'000
Balance	1 July 2015	309,240		12,074
Share options exercised		747	$0.50	375
Balance	30 June 2016	**309,987**		**12,449**
Share options exercised		**837**	**$0.57**	**474**
Balance	30 June 2017	**310,824**		**12,923**

MOVEMENTS IN TREASURY SHARES HELD IN TRUST

Details	Date	Shares '000	Acquisition cost	$'000
Balance	1 July 2015	-		-
Balance	30 June 2016	**-**		**-**
Purchase of treasury shares		**(841)**	**$0.72**	**(602)**
Balance	30 June 2017	**(841)**		**(602)**

ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of shares held, taking into account amounts paid on those shares. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

NOTE 10. EQUITY - ISSUED CAPITAL AND TREASURY SHARES HELD IN TRUST continued

TREASURY SHARES HELD IN TRUST

Treasury shares are ordinary shares of Infomedia bought on market by the trustee (a wholly owned subsidiary of the Group) of the Employee Performance Rights and Option Plan for meeting future obligations under that plan when performance rights and share options vest and shares are allocated to participants.

CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue its listing on the ASX, provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and take on borrowings.

The capital risk management policy remains unchanged from the 2016 Annual Report.

ACCOUNTING POLICY FOR ISSUED CAPITAL

Ordinary shares are classified as equity.

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

NOTE 11. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks where appropriate. Finance reports to the Board on a regular basis.

The Group uses derivative financial instruments, zero cost collar contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange, aging analysis for credit risk.

MARKET RISK

Foreign currency risk

The Group operates and trades in three major economic currency regions (Asia Pacific, Europe, Middle East and Africa (EMEA) and Americas including North America and Latin & South Americas), as a result, exposures to exchange rate fluctuations arise. These exposures mainly arise from the subscriptions of the Group's products and to a lesser extent the associated cost relating to these products. As the Group's product offerings are typically made on a recurring monthly subscription basis, there is a relatively high degree of reliability in estimating a proportion of future net cash flow exposures. The Group seeks to mitigate exposure to movements in these currencies in extreme situations by entering into zero cost collar contracts under an approved hedging policy.

In addition to the transactional sale of products, the Group's investment in both its European and United States subsidiaries, the Group's statement of financial position can be affected by movements in both the Euro (EUR) and United States dollar (USD) against the Australian dollar (AUD).

As at 30 June 2017, there are no outstanding derivative financial instruments in place.

At 30 June 2017, the carrying value of foreign currency denominated cash and cash equivalents are as follows:

	Consolidated 2017 $'000	2016 $'000
US Dollar	**5,831**	3,841
Euro	**2,896**	5,961
	8,727	9,802

The Group had cash denominated in foreign currencies of $8.727 million as at 30 June 2017 (30 June 2016: $9.802 million). Based on this exposure, had the Australian dollar weakened by 15%/strengthened by 10% (30 June 2016: weakened by 15%/strengthened by 10%) against these foreign currencies with all other variables held constant, the Group's profit after tax for the year would have been $0.916 million higher/$0.611 million lower (30 June 2016: $0.799 million higher/$0.411 million lower) and equity would have been $0.916 million higher/$0.611 million lower (30 June 2016: $0.799 million higher/$0.411 million lower). The percentage change is the expected overall volatility of the significant currencies, based on management's assessment of reasonable possible fluctuations. The actual foreign exchange loss for the year ended 30 June 2017 was $0.144 million (30 June 2016: loss of $0.224 million).

Interest rate risk

The Group is not exposed to any significant interest rate risk. As at the reporting date, the Group had the following variable rate cash and cash equivalents:

	2017		2016	
Consolidated	Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Cash at bank	**-**	**9,919**	-	11,442
Cash on Deposit	**0.82%**	**3,394**	1.30%	3,306
		13,313		14,748

CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk of the Group mainly arises from cash and cash equivalents and trade and other receivables.

The cash and cash equivalents are placed with major banks in those countries where the Group operates and therefore the credit risk is minimal.

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

NOTE 11. FINANCIAL INSTRUMENTS continued

Since the Company trades only with recognised third parties, collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. The aging analysis as disclosed in Note 9 shows that majority of the Group's trade receivables are within the normal credit term and the receivables impairment loss is immaterial.

LIQUIDITY RISK

The Group's exposure to liquidity risk is minimal given the relative strength of the statement of financial position and cash flows from operations.

Given the nature of the Group's operations and no borrowings, the Group does not have fixed or contracted payments at balance date other than operating leases. Consequently the remaining contractual maturity of the Group's financial liabilities is as stated in the statement of financial position and is less than 60 days.

The Group's financial instruments exposed to interest rate and liquidity risk are:
- cash and cash equivalents, minimal exposure to interest rate risk;
- trade and other receivables and trade and other payables are non-interest bearing and with credit terms of 30 to 60 days; and
- as at 30 June 2017, the Group has a total of cash and cash equivalents and trade and other receivables of $21.139 million (2016: $21.043 million) to meet its future cash outflows of trade and other payables of $8.175 million (2016: $5.645 million) when due for payment.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

NOTE 12. CONTINGENCIES

There were no contingent assets or contingent liabilities as at 30 June 2017 and 30 June 2016.

NOTE 13. COMMITMENTS

Contracted non-cancellable leases for property committed at the reporting date but not recognised as liabilities or payables are provided below.

	Consolidated 2017 $'000	Consolidated 2016 $'000
LEASE COMMITMENTS - OPERATING		
Within one year	**2,079**	1,764
One to five years	**6,851**	7,115
More than five years	**956**	2,519
	9,886	11,398
Sublease income to be received	**(1,438)**	(1,500)

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

The Company has provided a bank performance guarantee to a maximum value of $1.231 million (2016: $1.231 million) relating to the lease commitments on its corporate headquarters.

NOTE 14. EVENTS AFTER THE REPORTING PERIOD

Apart from the matters listed below, no other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years:

- the Board declared a final dividend of 1.20 cents per share, fully franked, refer to Note 6 for further details; and
- on 25 August 2017, the Group completed the acquisition of a CRM software product for its customers.

NOTE 15. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described and the end of each relevant note and Note 24:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2017 %	2016 %
IFM Europe Ltd	United Kingdom	**100%**	100%
IFM Americas Inc.	USA	**100%**	100%
IFM Germany GmbH*	Germany	**-**	100%
IFM China (WOFE)	China	**100%**	100%

* The entity was liquidated and de-registered during FY17.

NOTE 16. REVENUE

	Consolidated	
	2017 $'000	2016 $'000
Subscription revenue	**70,474**	68,087

ACCOUNTING POLICY FOR REVENUE RECOGNITION

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Subscription revenue

The Group's recurring revenue is through subscription. Subscription revenue is recognised when customers are licensed to access the software and/or the database. Subscription revenue together with related support revenue (if any) is recognised over the service period.

NOTE 17. EXPENSES

	Consolidated 2017 $'000	Consolidated 2016 $'000
Profit before income tax includes the following specific expenses:		
DEPRECIATION, AMORTISATION AND IMPAIRMENT		
Depreciation	**836**	580
Amortisation	**8,517**	7,767
Impairment	**364**	-
Total depreciation, amortisation and impairment	**9,717**	8,347
NET FOREIGN EXCHANGE LOSS		
Cash flow hedges (gain)/loss	**(346)**	1,583
Net foreign exchange loss	**144**	224
	(202)	1,807
RENTAL EXPENSE RELATING TO OPERATING LEASES		
Minimum lease payments	**2,066**	2,712
SUPERANNUATION EXPENSE		
Defined contribution superannuation expense	**1,888**	1,669
SHARE-BASED PAYMENTS EXPENSE		
Share-based payments expense	**812**	(9)
EMPLOYEE BENEFITS EXPENSE EXCLUDING SUPERANNUATION		
Employee benefits expense excluding superannuation	**30,959**	31,194
RESEARCH AND DEVELOPMENT EXPENSES		
Total research and development costs incurred during the financial year	**18,857**	16,732
Amortisation of deferred development costs	**8,474**	7,446
Impairment on capitalised development costs	**364**	-
Less: development costs capitalised	**(13,715)**	(8,054)
Net research and development costs expensed	**13,980**	16,124

ACCOUNTING POLICIES

Foreign currency translation

The financial statements are presented in Australian dollars, which is Infomedia Ltd's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenue and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 18. SHARE-BASED REMUNERATION

The ultimate objective of share based remuneration is to align the participants with delivery of shareholder value. Long term incentives, with appropriate performance hurdles, align participants to the longer term strategies, goals and objectives of the Group, and provide greater incentive to have broader involvement and participation in the Group beyond their immediate role. Equity participation also assists the Group to attract and retain skilled and experienced senior employees.

The obligations under share based payment arrangements are settled by issuing new ordinary shares in the Company, or acquiring ordinary shares of the Company on market.

Trading in the Company's ordinary shares awarded under the share based remuneration arrangements is governed by the Company's Share Trading Policy. The policy restricts employees from trading in the Company's shares when they are in a position to be aware, or are aware, of price sensitive information. The policy also implements blackout periods which prohibit trading in the Company's shares in the lead up to the Group's half year and annual result announcements, unless Board express approval is obtained.

The Group has the following types of share based remuneration arrangements provided to employees, each arrangement has different purposes:

- Executive Incentive Plan – under which offers of Share Options (Options) and/or Performance Rights (Rights) may be made to Executive Team of the Company; and
- Employee Performance Rights and Option Plan – under which Options and/or Rights may be made to eligible employees of the Company.

Both arrangements are governed by the terms of the Company's Performance Rights and Option Plan Rules. The Executive Incentive Plan is also supplemented by the Executive Incentive Plan Rules.

NOTE 18. SHARE-BASED REMUNERATION continued

EXECUTIVE INCENTIVE PLAN

The Board of Directors first approved the Executive Incentive Plan in the financial year ended 30 June 2015. Effective from 1 July 2016, the Executive Incentive Plan has been amended by the Board as part of a review into the Group's remuneration objectives and philosophies, as noted in the Remuneration Report.
The Executive Incentive Plan is an integral part of the Company's remuneration policy.

The Group provides eligible employees (including the key management personnel but excluding non-executive directors) with the opportunity to receive short term incentives in the form of annual cash bonuses and long term incentives in the form of Options and/or Rights. The Board, based on recommendations from the Remuneration & Nominations Committee, approves the participation of each individual (participants) in the plan.

Long term incentive – Performance rights

The Board approves the issue of Rights to eligible employees. The following general terms relate to all Rights currently on issue:

- Rights are granted for nil consideration;
- the vesting conditions of the Rights is not market related and is conditional on meeting the performance hurdles described below;
- participants must remain employed at any relevant vesting and/or exercise date, subject to limited exceptions contained in the plan rules;
- participants do not receive dividends and do not have voting rights until the rights are exercised and converted into shares;
- before vesting, the Board will determine the number of Rights to vest based on the outcome of the performance hurdles;
- when vesting, each Right will be converted into one Infomedia ordinary share per Right for nil consideration upon exercise by the participants; and
- if the vesting conditions are not met then the Rights automatically lapse unless a retesting event was specified in the original grant.

The following performance hurdles and vesting scales apply to the outstanding Rights on issue during the financial year:

Rights granted on 1 October 2014

- Testing date: 1 August 2017
- Rights tested on testing date: 100% - if unvested, Rights lapsed as performance hurdle not met
- Performance hurdle: Earnings per shares (EPS) target of 8.5 cents to be achieved in FY17
- Vesting scale: Maximum – 120% when EPS exceeds EPS target by 10%; Minimum – nil if EPS target is not met

Rights granted on 13 October 2015

- Testing date: 1 October 2016; 1 October 2017 and 1 October 2018
- Rights tested on testing date: 50% on 1 October 2016 and retest unvested Rights on 1 October 2017 and test remaining 50% plus any unvested Rights on 1 October 2018
- Performance hurdle: EBIT growth target
- Vesting scale: Maximum – EBIT growth target of 5% for rights tested on 1 October 2016; EBIT growth target of 10% for rights tested on 1 October 2017; and EBIT growth target of 15% for rights tested on 1 October 2018.

Rights granted on 1 July 2016 (CEO and CFO only)

- Grant dates: 29 January 2016 and 17 February 2016 (being signing dates of service agreements) are deemed grant date for CEO and CFO, respectively;
- Testing date: Tranche 1: 33% of Rights measured over 1 July 2016-30 June 2017; 33% of Rights measured over 1 July 2017-30 June 2018; 33% of Rights measured over 1 July 2018-30 June 2019;
- Rights retested on testing date: Tranche 2: Rights measured over 1 July 2017-30 June 2019 (final testing for unvested Rights);
- Performance hurdle: Company Annual Growth Rate ('CAGR') target: Compound EPS Growth percentage above FY16 EPS;
- Vesting scale: Maximum – Below 10% CAGR: Nil; At 10% CAGR: 25%; Between 10% and 15% CAGR: straight line pro-rata vesting between 25%-100%; At or above 15% CAGR: 100%;
- Post vesting disposal restrictions: Shares acquired upon vesting of Rights can only be disposed following the announcement of the audited results for the year ended 2021.

Rights granted on 1 July 2016 (other participants)

- Testing date: 1 October 2019;
- Rights tested on testing date: 100% - if unvested, Rights lapse
- Performance hurdle: Company Annual Growth Rate ('CAGR') target: Compound EPS Growth percentage above FY16 EPS
- Vesting scale: Maximum – Below 10% CAGR: Nil; At 10% CAGR: 25%; Between 10% and 15% CAGR: straight line pro-rata vesting between 25%-100%; At or above 15% CAGR: 100%

The fair value of the Rights granted under the Executive Incentive Plan is estimated as at the grant date using a Monte-Carlo Simulation model taking into account the term and conditions upon which the Rights were granted.

The following information relates to the Rights issued under the Executive Incentive Plan:

2017

Grant date	Expiry date	Fair value at grant date	Balance at the start of the year	Granted	Exercised	Lapsed	Balance at the end of the year
01/10/2014	01/08/2017	$1.15	**424,184**	**-**	**-**	**-**	**424,184**
13/10/2015	01/10/2018	$0.75	**760,000**	**-**	**-**	**(125,000)**	**635,000**
29/01/2016	01/10/2019	$0.53-$0.57	**-**	**1,418,067**	**-**	**-**	**1,418,067**
17/02/2016	01/10/2019	$0.53-$0.57	**-**	**756,302**	**-**	**-**	**756,302**
01/07/2016	01/10/2019	$0.48	**-**	**716,766**	**-**	**-**	**716,766**
			1,184,184	**2,891,135**	**-**	**(125,000)**	**3,950,319**

2016

Grant date	Expiry date	Fair value at grant date	Balance at the start of the year	Granted	Exercised	Lapsed	Balance at the end of the year
01/10/2014	01/08/2017	$1.15	614,702	-	-	(190,518)	424,184
13/10/2015	01/10/2018	$0.75	-	826,000	-	(66,000)	760,000
			614,702	826,000	-	(256,518)	1,184,184

No Rights are vested and exercisable as at 30 June 2017 (2016: Nil). However, 724,790 Rights are expected to become exercisable during FY18 based on the growth of 15.6% in EPS achieved in FY17

Long term incentive – Options (CEO and CFO only)

The Company provides CEO and CFO with the opportunity to subscribe for ordinary shares in the form of Options in the Company through the Performance Rights and Option Plan.

NOTE 18. SHARE-BASED REMUNERATION continued

The key terms of the Options are:
- options granted during FY17: the grant dates of 29 January 2016 and 17 February 2016 (being signing dates of service agreements) are deemed grant date for CEO and CFO, respectively;
- granted for nil issue consideration;
- each Option entitles the participants to subscribe for one Infomedia ordinary share;
- Options will become exercisable when the Company's share price exceed the exercise price of 92.2 cents;
- Options may not be exercised prior to the release of the Company's audited results for the year ending 30 June 2019;
- participants must remain employed at any relevant vesting and/or exercise date, subject to limited exceptions contained in the plan rules;
- when Options are exercised by participants, the Company has discretion to transfer existing shares, or to issue new ordinary shares to satisfy the allocation; and
- post vesting disposal restrictions: 50% of shares following the exercise of the Options subject to a disposal restriction until after the release of the Company's audited results for the year ending 30 June 2021.

The fair value of the Options granted under the Executive Incentive Plan is estimated as at the grant date using a Monte-Carlo Simulation model taking into account the term and conditions upon which the Options were granted.

The following information relates to the Options issued under the Executive Incentive Plan:

2017

Grant date	Expiry date	Fair value at grant date	Balance at the start of the year	Granted	Exercised	Lapsed	Balance at the end of the year
29/01/2016	01/10/2019	$0.07	-	3,750,000	-	-	3,750,000
17/02/2016	01/10/2019	$0.07	-	2,000,000	-	-	2,000,000
			-	5,750,000	-	-	5,750,000

No Options are vested and exercisable as at 30 June 2017.

EMPLOYEE SHARE OPTIONS PLAN

The Group provides eligible employees (including the key management personnel) with the opportunity to subscribe for ordinary shares in the form of Options in the Company through the Performance Rights and Option Plan.

The key terms of the Options are:
- granted for nil issue consideration, unless otherwise determined by the Board;
- each Option entitles the participants to subscribe for one Infomedia ordinary share;
- Options generally vest in three equal tranches over a three-year period, subject to the achievement of performance hurdles. Any un-exercised Options shall lapse on the expiry date;
- participants must remain employed at any relevant vesting and/or exercise date, subject to limited exceptions contained in the plan rules;
- when Options are exercised by participants, the Company has discretion to transfer existing shares, or to issue new ordinary shares to satisfy the allocation; and
- the Options on issue during the financial year were subject to the following additional performance hurdles and vesting scales.

Options granted on 27 September 2013

- Vesting dates: the options were to vest in 3 equal tranches. 1/3 of the options vest on 27 September 2014, 27 September 2015 and 27 September 2016 respectively
- Exercise price: $0.565
- Performance hurdles: The 5-day variable weighted average price of the Company's share price must exceed the strike price immediately prior to exercise as follows - 10% for tranche 1; 20% for tranche 2; and 30% for tranche 3
- Expiry date: 31 October 2016

Options granted on 16 December 2013

- Vesting dates: the options were to vest in 3 equal tranches. 1/3 of the options vest on 16 December 2014, 16 December 2015 and 16 December 2016 respectively
- Exercise price: $0.565
- Performance hurdles: The 5-day variable weighted average price of the Company's share price must exceed the strike price immediately prior to exercise as follows - 10% for tranche 1; 20% for tranche 2; and 30% for tranche 3
- Expiry date: 31 December 2016

The following information relates to the Options issued under the Employee Share Option Plan:

2017

Grant date	Expiry date	Fair value at grant date	Balance at the start of the year	Granted	Exercised	Lapsed	Balance at the end of the year
16/12/2013	31/12/2016	$0.30	**876,667**	**-**	**(836,667)**	**(40,000)**	**-**
			876,667	**-**	**(836,667)**	**(40,000)**	**-**
Weighted average exercise price			**$0.57**	**$0.00**	**$0.57**	**$0.57**	**$0.00**

2016

Grant date	Expiry date	Fair value at grant date	Balance at the start of the year	Granted	Exercised	Lapsed	Balance at the end of the year
13/03/2013	01/02/2016	$0.21	160,000	-	(160,000)	-	-
27/09/2013	31/10/2015	$0.30	750,000	-	(500,000)	(250,000)	-
16/12/2013	31/12/2016	$0.30	1,043,334	-	(86,667)	(80,000)	876,667
			1,953,334	-	(746,667)	(330,000)	876,667
Weighted average exercise price			$0.55	$0.00	$0.51	$0.57	$0.57

ACCOUNTING POLICY FOR SHARE-BASED PAYMENTS

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, options over shares or rights that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using a pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

NOTE 19. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	Consolidated	
	2017 $'000	2016 $'000
Profit after income tax expense for the year	**11,953**	10,323
Adjustments for:		
Depreciation and amortisation	**9,353**	8,347
Impairment of intangibles	**364**	-
Net loss on disposal of property, plant and equipment	**4**	-
Share-based payments	**812**	(9)
Foreign exchange differences	**(144)**	-
Loss on hedging instruments	**-**	1
Change in operating assets and liabilities:		
Increase in trade and other receivables	**(1,531)**	(692)
Decrease in derivative assets	**92**	-
Decrease/(increase) in prepayments	**(571)**	641
Increase in trade and other payables	**2,393**	1,405
Decrease in provision for income tax	**(1,305)**	(2,449)
Increase/(decrease) in deferred tax liabilities	**707**	(34)
Increase in employee benefits	**104**	204
Increase in deferred revenue	**(369)**	1,306
Net cash from operating activities	**21,862**	19,043

NOTE 20. RELATED PARTY TRANSACTIONS

PARENT ENTITY
Infomedia Ltd is the parent entity.

SUBSIDIARIES
Interests in subsidiaries are set out in Note 15.

KEY MANAGEMENT PERSONNEL
Disclosures relating to key management personnel are set out in Note 21 and the remuneration report included in the directors' report.

TRANSACTIONS WITH RELATED PARTIES
There were no transactions with related parties during the current and previous financial year.

RECEIVABLE FROM AND PAYABLE TO RELATED PARTIES
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

LOANS TO/FROM RELATED PARTIES
There were no loans to or from related parties at the current and previous reporting date.

NOTE 21. KEY MANAGEMENT PERSONNEL DISCLOSURES

COMPENSATION

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2017 $	2016 $
Short-term employee benefits	**1,736,479**	1,439,320
Post-employment benefits	**85,455**	118,224
Long-term benefits	**15,729**	(1,721)
Termination benefits	**-**	396,693
Share-based payments	**631,791**	242,012
	2,469,454	2,194,528

NOTE 22. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Parent	
	2017 $'000	2016 $'000
Profit after income tax	**7,284**	12,623
Total comprehensive income	**7,284**	13,173

STATEMENT OF FINANCIAL POSITION

	Parent	
	2017 $'000	2016 $'000
Total current assets	**21,674**	15,813
Total assets	**60,955**	56,760
Total current liabilities	**9,720**	6,211
Total liabilities	**14,546**	12,352
Equity		
Issued capital and treasury shares held in trust	**12,923**	12,451
Cash flow hedge reserve	**(10)**	148
Share-based payments reserve	**3,499**	711
Retained profits	**29,997**	31,098
Total equity	**46,409**	44,408

GUARANTEES ENTERED INTO BY THE PARENT ENTITY IN RELATION TO THE DEBTS OF ITS SUBSIDIARIES

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2017 and 30 June 2016.

NOTE 22. PARENT ENTITY INFORMATION continued

CONTINGENT LIABILITIES

Other than the following guarantee, there were no contingent liabilities as at 30 June 2017:

The parent entity has provided a bank performance guarantee to a maximum value of $1.231 million (2016: $1.231 million) relating to the lease commitments on its corporate headquarters.

CAPITAL COMMITMENTS - PROPERTY, PLANT AND EQUIPMENT

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2017 and 30 June 2016.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 24, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

NOTE 23. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company:

	Consolidated	
	2017 $	2016 $
AUDIT SERVICES - DELOITTE TOUCHE TOHMATSU (2016: BDO)		
Audit or review of the financial statements	**198,000**	117,417
OTHER SERVICES - DELOITTE TOUCHE TOHMATSU (2016: BDO)		
Taxation compliance and advisory services	-	25,000
Other assurance services	-	10,000
	-	35,000
	198,000	152,417

NOTE 24. OTHER ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or reportable segments to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a reportable segment.

RESERVES

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Cash flow hedge reserve

The reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees as part of their remuneration.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2017. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group will adopt this standard from 1 July 2018. It is expected that application of this standard will not have significant financial impact on the basis that:
- the financial assets only consist of cash and cash equivalents and trade and other receivables;
- the financial liabilities only consist of trade and other payables;
- there are no financial instruments such as zero cost collar contracts outstanding at reporting date;
- both financial assets and liabilities do not carry any financing component as at 30 June 2017; and
- all the financial assets and liabilities carrying values are close to fair value.

NOTE 24. OTHER ACCOUNTING POLICIES continued

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Group will adopt this standard from 1 July 2018. The Group's revenue is primarily through subscription. Subscription revenue is recognised when customers are licensed to access the software and/or the database with related support revenue (if any) being recognised over the service period. In FY17, the Group has made a preliminary analysis of the types on revenue and support revenue. The Group is currently undertaking a comprehensive review of the implementation impacts of AASB 15. The Group has not yet reached a determination as to the impacts of this accounting standard.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. Under the new standard, a lessee is in essence required to: (a) recognise all right of use assets and lease liabilities, with the exception of short term (under 12 months) and low value leases, on the balance sheet. The liability is initially measured at the present value of future lease payments for the lease term. This includes variable lease payments that depend on an index or rate but excludes other variable lease payments. The right of use asset reflects the lease liability, initial direct costs, any lease payments made before the commencement date of the lease, less any lease incentives and, where applicable, provision for dismantling and restoration. (b) recognise depreciation of right of use assets and interest on lease liabilities in the income statement over the lease term. (c) separate the total amount of cash paid into a principal portion (presented within financing activities) and interest portion (which the Group presents in operating activities) in the cash flow statement. This standard will have an impact on the Group's earnings and shareholders' funds at transition and in future years. It must be implemented retrospectively, either with the restatement of comparatives or with the cumulative impact of application recognised as at 1 January 2019 under the modified retrospective approach. AASB 16 contains a number of practical expedients, one of which permits the classification of existing contracts as leases under current accounting standards to be carried over to AASB 16. Under the modified retrospective approach, on a lease-by-lease basis, the right of use of an asset may be deemed to be equivalent to the liability at transition or calculated retrospectively as at inception of the lease. Under AASB 16 the present value of the Group's operating lease commitments as defined under the new standard, excluding low value leases and short term leases, will be shown as right of use assets and as lease liabilities on the balance sheet. Information on the undiscounted amount of the Group's operating lease commitments under AASB 16, the current leasing standard, is disclosed in Note 13. The Group is considering the available options for transition. To date, work has focused on the identification of the provisions of the standard which will most impact the Group. In the next financial year, work on the detailed review of contracts and financial reporting impacts will commence.

DIRECTORS' DECLARATION

For the year ended 30 June 2017

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Bart Vogel
Chairman
28 August 2017

Deloitte.

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Independent Auditor's Report to the members of Infomedia Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Infomedia Ltd (the "Entity") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Director's declaration.

In our opinion the accompanying financial report of the Entity is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Entity's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter and why it was considered to be a matter of most significance in the audit	How the Key Audit Matter was addressed in the audit
Capitalised labour development costs As at 30 June 2017, the Group's carrying value of the product and software development costs capitalised as intangibles is $27.3m of which $13.7m is attributable to capitalisation in the current financial year as disclosed in Note 8 to the financial statements. Judgment is involved in determining whether the labour costs are directly attributable to develop the Group's product suite and new software, and are appropriate to capitalise.	Our procedures included, but were not limited to: • Holding discussion with department heads involved in product development to understand the basis and rationale for capitalising labour costs; • Testing on a sample basis, capitalised labour costs through reviewing timesheets and holding discussions with staff members outside the finance department; • Testing on a sample basis, employees timesheet's to assess that all employees are included; • Challenging management's key assumptions in the labour capitalisation calculation including the treatment of employee on-costs and contractors; • Testing mathematical accuracy of management's labour capitalisation schedule; and We also assessed the appropriateness of the disclosure in Note 3 and Note 8 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves a fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Deloitte.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 29 of the directors’ report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Infomedia Ltd, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of Infomedia Ltd are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

DELOITTE TOUCHE TOHMATSU

Sandeep Chadha
Partner
Chartered Accountants
Sydney, 28 August 2017

As at 18 August 2017

The following information is presented in compliance with ASX Listing Rules 4.10 (as relevant). The information is current as at 18 August 2017.

1. Number of shareholders

As at 18 August 2017 there were 5,419 shareholders holding a total of 310,823,521 fully paid ordinary shares.

2. Distribution of quoted equity securities & small holdings

Range	Securities	%	No. of holders
1 to 1,000	345,152	0.11	564
1,001 to 5,000	5,477,732	1.76	1,800
5,001 to 10,000	8,772,887	2.82	1,080
10,001 to 100,000	54,696,109	17.60	1,837
100,001 and over	241,531,641	77.71	138
Total	**310,823,521**	**100.00**	**5,419**

The number of holders holding less than a marketable parcel is 250.

3. Top 20 shareholders

Name	Number held	%
J P Morgan Nominees Australia Limited	56,136,114	18.06%
Citicorp Nominees Pty Limited	39,296,392	12.64%
HSBC Custody Nominees (Australia) Limited	33,811,508	10.88%
Bell Potter Nominees Ltd (BB NOMINEES A/C)	26,404,709	8.50%
BNP Paribas Nominees Pty Ltd (AGENCY LENDING DRP A/C)	17,542,225	5.64%
National Nominees Limited	10,853,335	3.49%
Brispot Nominees Pty Ltd (HOUSE HEAD NOMINEE A/C)	7,566,657	2.43%
BNP Paribas Nominees Pty Ltd (DRP)	7,392,036	2.38%
AMP Life Limited	3,839,352	1.24%
Bond Street Custodians Limited (MACQUARIE SMALLER CO'S A/C)	3,114,402	1.00%
RBC Investor Services Australia Nominees Pty Limited (BKCUST A/C)	2,875,192	0.93%
BNP Paribas Nominees Pty Ltd (HUB24 Custodial Serv Ltd DRP)	1,369,165	0.44%
Mr Peter Alexander Brown	1,350,000	0.43%
Pacific Custodians Pty Limited	1,317,297	0.42%
Anacacia Pty Limited (WATTLE FUND A/C)	1,313,673	0.42%
Warbont Nominees Pty Limited (UNPAID ENTREPOT A/C)	1,111,014	0.36%
Citicorp Nominees Pty Limited (COLONIAL FIRST STATE INV A/C)	895,657	0.29%
Invia Custodian Pty Limited (SELECTCOR A/C)	654,431	0.21%
Bond Street Custodians Ltd (MACQ AUS EMERGING COMPANIES)	625,902	0.20%
Escor Equities Consolidated Pty Ltd	600,000	0.19%
Ms Gail Gorham	600,000	0.19%
Total	218,669,061	70.34%

4. Substantial shareholders

The following information is extracted from substantial shareholder notices received by the Company

Shareholder	Number of shares	Voting power	Date of last notice
Viburnum Funds Pty Ltd ACN 126 348 990	41,967,578	13.50%	21 February 2017
Spheria Asset Management Pty Limited ACN 611 081 326	17,127,262	5.51%	25 July 2017
TOTAL	**64,588,319**	**19.01%**	

5. Unquoted equity securities

	Number on issue	Number of holders
Unquoted share options		
Employees	5,750,000	2
Directors	-	-
Unquoted performance rights		
Employees	3,757,154	28
Directors	-	-

6. Voting rights

Fully Paid Ordinary Shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll shall have one vote for each share represented.

Unquoted share options and performance rights: No voting rights apply unless and until the unquoted securities are converted to Fully Paid Ordinary Shares.

7. Share buy-back

Infomedia Ltd does not have a current on-market buy-back in operation.

8. Shares purchased on-market

During the reporting period 841,403 shares were purchased on-market at an average price of 72 cents per share for the purpose of satisfying the entitlements of the holders of options or other rights to acquire Infomedia securities in future periods, as granted under an employee incentive scheme.

9. Corporate Governance Statement

Infomedia's 2017 Corporate Governance Statement is available on the Company's website
http://www.infomedia.com.au/investors/corporate-governance/

INFOMEDIA LTD (ASX:IFM)
ABN 63 003 326 243

DIRECTORS

Bart Vogel – Non-Executive Chairman
Jonathan Rubinsztein – CEO & Managing Director
Paul Brandling
Clyde McConaghy
Anne O'Driscoll

COMPANY SECRETARIES

Daniel Wall
Mark Grodzicky

CHIEF FINANCIAL OFFICER

Richard Leon

REGISTERED OFFICE

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All statements other than statements of historical fact included within this presentation, including statements regarding future goals and objectives of Infomedia, are forward-looking statements. Forward-looking statements can be identified by such words as 'looking forward', 'anticipate', 'believe', 'could', 'estimate', 'expect', 'future', 'intend', 'may', 'opportunity', 'plan', 'potential', 'project', 'seek', 'will' and other similar words. Future looking statements involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and based on assumptions and estimations regarding future conditions, events and actions. Such statements do not guarantee future performance, involve risk, and uncertainty. Factors such as these are beyond the control of the company, its directors and management and could cause Infomedia's actual results to differ materially from the results expressed in these statements. The Company does not give any assurance that the results, performance or achievements expresses or implied by the forward-looking statements contained in this presentation will actually occur. Investors are cautioned not to place reliance on these forward-looking statements. Infomedia will where required by applicable law and stock exchange listing requirements, revise forward-looking statements or publish prospective financial information in the future. Whilst all care has been exercised in the preparation of these materials they are not warranted as free from error. Investors should rely on the Company's published statutory accounts when forming any investment decisions.

INFOMEDIA™