

Infomedica

Ltd

ABN 63 003 326 243



prospectus

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This Prospectus is dated 14 July 2000 and was lodged with ASIC on 14 July 2000. Neither ASX nor ASIC takes any responsibility for the contents of this Prospectus. No securities will be allotted, issued or transferred on the basis of this Prospectus later than thirteen months after the date of issue of this Prospectus.

This Prospectus does not constitute an offer in any place where, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside the Commonwealth of Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Applicants should read this Prospectus in its entirety, together with the instructions on the reverse of the Application Form before deciding to apply for Shares. An investment in Infomedia has the general risks associated with any investment in the sharemarket as well as the specific risks referred to in this Prospectus. The price of Shares may rise or fall according to a number of factors. You should carefully consider these risks in light of your personal circumstances (including financial and taxation implications) and seek professional advice from your financial or other professional adviser before deciding whether to invest.

Certain technical and other terms used in this Prospectus are defined in the Glossary.

ELECTRONIC PROSPECTUS

This Prospectus is available electronically on the Internet at www.infomedia.com.au. Any person accessing the electronic version of this Prospectus for the purpose of investing in Infomedia must access the Prospectus from within Australia. The Corporations Law prohibits any person from passing on to another person the Application Form unless it is attached to a hard copy of this Prospectus, or accompanies the complete and unaltered online Form of this Prospectus. Investors should read the Prospectus before completing the Application Form. During the Offer period, any person may obtain a hard copy of this Prospectus by contacting the Underwriter.

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Chairman's Letter

Dear Investor

It is my pleasure to extend to you the opportunity to become a shareholder in Infomedia Ltd. Infomedia is a dynamic company that has proven itself in the competitive information technology industry by focusing and excelling in a profitable niche of the industry called electronic parts catalogues (“EPCs”).

During the past decade, Infomedia has become one of the world’s leading developers and suppliers of EPCs for the automotive industry globally. Our expertise in this arena has been praised and rewarded by many, including Ford Motor Company, who in 1999 awarded Infomedia executives the prestigious President’s Award for Customer Driven Quality.

Monthly subscription fees for our EPC products have grown to more than 24,000 units. Our Microcat® and Partfinder™ brand EPC products have become instrumental business tools used by automotive dealers to bring productivity, efficiency and profitability improvements to their parts and service departments. Our products are supplied to 75 countries and in 22 different languages. Prior to EPC products such as Microcat and Partfinder, dealers used paper and microfiche catalogues to determine the correct part to provide to their customer or to use on a service operation.

Little did we know when we began this work 10 years ago that we would find ourselves in the middle of one of the most revolutionary commercial processes of the past 100 years – Internet e-commerce. E-commerce promoters are discovering that ‘e-sales’ start with a catalogue, a catalogue like ours. The very existence of e-commerce depends on accurate assisted product or service selection, and this is Infomedia’s core occupation.

Infomedia is a well-managed and profitable information technology company. In the course of continuing to expand its business, Infomedia is becoming a strategic supplier of enabling technology for automotive parts commerce around the world.

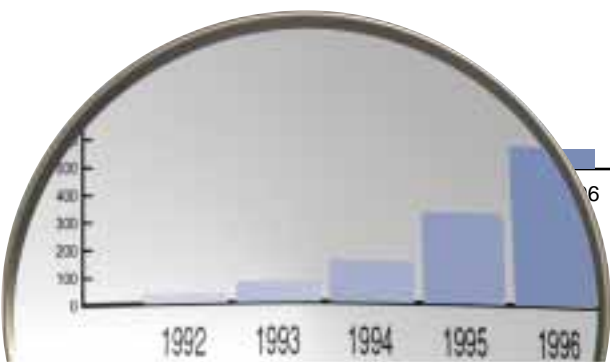
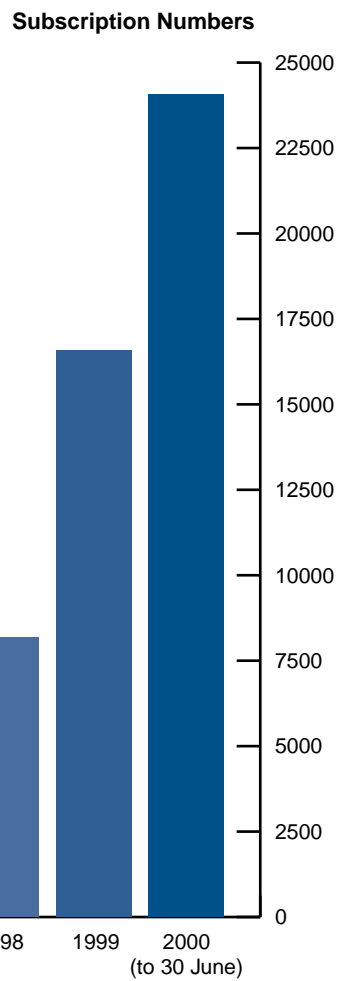
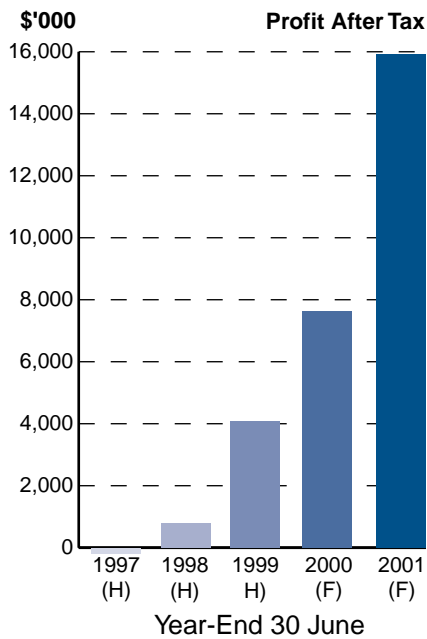
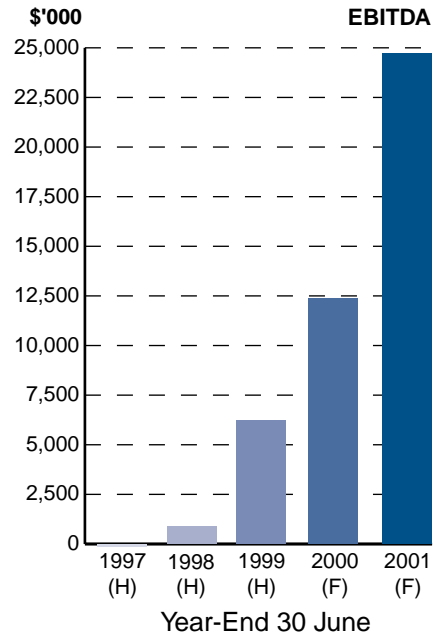
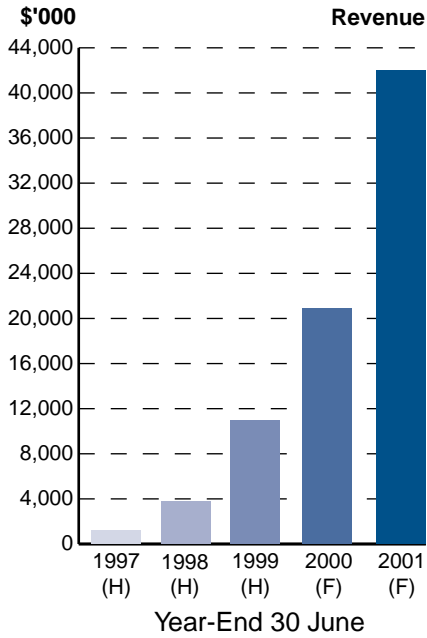
I trust you will enjoy reading this informative Prospectus. Through it you will learn about our Company, our products, our culture and the financial information that is so important in assisting you to make an informed investment decision. On behalf of the Directors of Infomedia Ltd, I commend this Offer to you.

Yours faithfully,



Richard D. Graham
Chairman and CEO
Infomedia Ltd

Offer at a Glance



Infomedia is one of the world's leading suppliers of automotive electronic parts catalogues ("EPCs").

*LEADING GLOBAL
SUPPLIER*

In excess of 24,000 subscription fees for its lead products, Microcat and Partfinder, are currently received each month, providing Infomedia with strong, recurring cash flow.

*STRONG RECURRING
CASH FLOW*

Sales are recurring and subscription based. Subscriptions have grown at a compound annual growth rate of 159% over the last 5 years to 31 December 1999.

*STRONG HISTORICAL
GROWTH*

Over 92% of Infomedia's Microcat revenues are generated internationally, predominantly in US dollars.

GLOBAL REVENUE

Infomedia develops and supplies Microcat or Partfinder for some of the world's leading car brands - Daewoo, Daihatsu, Ford, General Motors-Holden, Honda, Hyundai, Isuzu, Mitsubishi, Nissan and Toyota.

STRONG BRANDS

Infomedia's flagship EPC, Microcat, will expand from CD/DVD-ROM to Internet delivery using an Application Service Provider model during the coming financial year.

INTERNET ENABLING

Additional Business to Business ("B2B") and Business to Consumer ("B2C") products are also forecast for release in the 2001 financial year.

B2B PRODUCTS

All research and development costs are fully expensed when they are incurred.

R & D EXPENSED

The Directors forecast profit after tax of \$7.6 million for the year ending 30 June 2000 and profit after tax of \$15.9 million for the year ending 30 June 2001.

*STRONG PROFIT
GROWTH*

79 million Shares are being offered under this Prospectus, representing 25% of the total Shares on issue at the completion of the Offer.

LIQUIDITY

The Shares are being offered at \$1.00 per Share, capitalising the Company at \$315 million.

OFFER DETAILS

Testimonials

“Over the years our parts department has seen the progression from parts books to microfiche and now electronic cataloguing. Microcat is far superior to any I’ve seen in the marketplace.”

Trevor Cash, Parts Manager
B.S. Stillwell Ford
South Australia, Australia

“As the number one Ford Parts Supplier in New Zealand, the results we have gained from Microcat have been extensive. The lack of down time and the efficiency have both improved dramatically providing our customers with superior service. Microcat has been an excellent investment for our company and I would have no hesitation in recommending this product to any dealership.”

Mike Lightfoot, Director of Parts
Auckland Auto Collection
Auckland, New Zealand

“...the finest, most user-friendly electronic cataloguing system on the market... I find the younger members of our staff adapt to Microcat as if they have always been users of the system. The older staff initially tend to be dubious both of the PC and Microcat but adapt quickly after some short training sessions... I have absolutely no hesitation in recommending Microcat...”

P.A. Scurfield, Parts Manager
Southside Ford
Queensland, Australia

“Like a lot of kit car builders I spend a lot of my time going backwards and forwards to my local Ford dealer to look up and identify parts on the excellent Microcat system so that they can then be ordered up. I find Microcat especially useful for identifying parts that have broken when being removed from the old vehicle, and also in the absence of workshop manuals, as a useful aide memoir on how parts of the system fit together.”

Mark Gale, Kit Car Builder
Berkshire, England

“We embraced Microcat from the moment that we first saw it demonstrated... Microcat has put us well ahead of our competitors and we have been more than pleased to have been party to helping in its further development. Every dollar spent has been well and truly repaid by our improved performance levels.”

Peter Smith, General Manager Parts & Accessories
Sydney City Toyota
New South Wales, Australia



Overview



THE COMPANY – INFOMEDIA LTD

This section provides a general overview of Infomedia's business. It should be read in conjunction with the information contained in other sections of this Prospectus before you make a decision whether to invest in Infomedia.

A Global Leader

Infomedia is an Australian company that is one of the global leaders in the electronic parts catalogue field for the automobile industry. Infomedia's flagship product is the Microcat EPC. It enables the sales and service staff of vehicle dealers to swiftly and accurately find the replacement parts a customer or service mechanic requires. Infomedia has been an innovator in the development of electronic parts catalogues since 1992 and intends to continue to be so with the release of its products utilising the Internet.

Subscriptions

In excess of 24,000 Microcat and Partfinder subscription fees are currently received each month with more than 92% of sales generated offshore, mainly denominated in US dollars. The Company is licensed to source information for the following leading car brands: Daewoo, Daihatsu, Ford, General Motors-Holden, Honda, Hyundai, Isuzu, Mitsubishi, Nissan and Toyota.

Developing the Microcat Intellectual Property

Commencing business in 1988 as Infomagic Australia Pty Limited, the Company was originally a successful distributor of computer products. However, management concluded that to create a long-term sustainable company it needed to have its own products and its own intellectual property. Consequently management acquired the intellectual property associated with an EPC project, Microcat, and later divested the distribution business. Since then, the Company has worked with vehicle manufacturers to develop and expand the features and capabilities of the Microcat system. As a result, Microcat assists the replacement parts identification processes that are vital to the success of the automotive dealers' parts and service sales operations. Infomedia continues to work closely with manufacturers and dealers to enhance Microcat.

Business Model

Infomedia's business model has been structured so that many labour and capital intensive functions such as sales, duplication and distribution of CD/DVD-ROMs and customer help desk services are undertaken with alliance partners, distributors or service agents, rather than solely by the Company.

This model reduces the engagement of Company capital, financial carrying costs and managerial resources. The Company maintains no material physical goods inventories. EPC products are built each month to fulfil orders to hand.

Alliance & Distribution Partners



● Customer Service Centre ● Duplication Centre

Offshore Expansion

In 1997, after Microcat was proven and established in Australia, Infomedia launched Microcat in Europe. Microcat now has more than 16,000 subscriptions in Europe. In late 1999 Microcat was launched in North America, receiving a very positive response at the recent National Automobile Dealers Association exhibition. Microcat already has more than 2,400 Ford North America subscriptions, exceeding Infomedia's expectations for the period.

Revenue and Profit Growth

Profit after tax grew by 422% in 1999, to \$4.1 million, on revenue of \$10.9 million. The Directors forecast profit after tax of \$7.6 million for the year ending 30 June 2000 on revenue of \$20.9 million. They further forecast profit after tax of \$15.9 million for the year ending 30 June 2001 on revenue of \$41.9 million. This represents a profit after tax growth rate of 87% for the 2000 financial year and of 109% for the 2001 financial year.

Infomedia acquired Datateck Publishing Pty Limited ("Datateck") on 31 March 2000 and will consolidate its results from that date. Consequently the Forecast for the six months ending 30 June 2000 and the 12 months ending 30 June 2001 include the financial results of Datateck from 31 March 2000.

Growth Prospects

Acquisitions

Infomedia acquired Melbourne-based Datateck on 31 March 2000. Datateck's key EPC product, Partfinder, complements the Company's product offerings. Partfinder currently has 2,100 subscriptions. As a result of the acquisition, the number of Australian vehicle franchise groups whose manufacturers provide their data has increased. Infomedia can now provide a choice of EPC solutions for more than 80% of the Australian automotive market.

Acquisitions increase the breadth of Infomedia's data licence agreements and introduce new subscribers and additional products into its stable. Infomedia expects that it will continue to acquire other organisations and intellectual property, both domestically and internationally, to complement its business.

Internet Enabled and Enabling

Over the current financial year, a new edition of Infomedia's EPCs will become accessible over the Internet. Additional Business-to-Business and Business-to-Consumer products are also scheduled for release, based around dealer-to-dealer and dealer-to-customer trading systems. Revenue from the systems will be derived from user subscriptions and targeted advertising.

New Industries

Although Microcat and Partfinder were developed for the automotive industry, the systems are equally relevant to any industry that manufactures and distributes products that are: defined by models; repairable; made of many replaceable parts; and supported by a significant repair-centre infrastructure.



With the acquisition of Datateck, Infomedia acquired the licence to develop and supply Partfinder for some whitegoods manufactured and distributed by Email Limited. Infomedia intends to continue to develop its entry into the whitegoods industry. Over the longer term, Infomedia may enter other global industries such as recreational marine, motorsport, military/defence and rolling stock. The Directors believe that these initiatives and opportunities represent significant potential for Infomedia to continue to increase both its revenue base and its profitability.

The Field of Electronic Parts Cataloguing

A Global Industry

The automotive industry is one of the largest global industries. Its dealers represent a large and identifiable market for EPCs. Worldwide, there are over 60 auto makers with combined revenue of more than US\$1 trillion per year. The after-sales parts and services sector is expected to constitute US\$113 billion in calendar year 2000. A relatively small number of specialist suppliers such as Infomedia service the automotive EPC field. Most major EPC suppliers are based in the USA.

The Automotive Industry

Producing an EPC in the automotive industry requires the cooperation of the vehicle manufacturers. They own the original data and license its use to EPC suppliers. The catalogue producer also relies on the manufacturer for the information needed to update the catalogue in relation to changes to existing parts, pricing, safety alerts, part application and new models. Data licensing agreements are generally for three to five years. The Company has maintained excellent relationships with its data licensors. For example, in 1999, Infomedia executives received the prestigious Ford Motor Company President's Award for Customer Driven Quality.



EPC: Improving Productivity

The needs of automotive dealers drive the demand for electronic parts catalogues. After-sales service and repairs represents a material proportion of a dealer's income and profitability. Infomedia's experience suggests that excellent after-sales service increases the likelihood that a customer will return to the same dealer next time they require service or need to buy a vehicle. Delivering excellent and profitable after-sales service requires dealers to provide the right replacement part the first time and with a minimum of fuss. Unaided, this can be surprisingly difficult due to the diversity of vehicle and model types available. Microcat and Partfinder provide a higher level of precision and are much less time consuming than paper or microfiche-based catalogues. The Directors believe industry developments such as built-to-order vehicles will increase the demand for electronic parts catalogues as vehicle complexity increases.



Summary of Financial Information

The table below shows the adjusted historical financial performance of Infomedia for the years ended 30 June 1997, 1998 and 1999, and for the six months ended 31 December 1999. It also presents the forecast financial performance for the six months ending 30 June 2000 and the 12 months ending 30 June 2001. A more detailed analysis of the Company's historic and forecast financial performance can be found in Sections 6 and 7.

\$ '000	30/6/97 Full Year Historical Audited	30/6/98 Full Year Historical Audited	30/6/99 Full Year Historical Audited	31/12/99 Six Months Historical Audited	30/6/00 Full Year* Forecast	30/6/01 Full Year Forecast
Revenue	1,167	3,811	10,933	8,316	20,900	41,974
EBITDA	(104)	901	6,247	4,879	12,370	24,689
EBIT	(170)	819	6,022	4,685	11,839	23,675
Profit after tax	(182)	781	4,075	3,012	7,638	15,930
EBITDA margin %	-9%	24%	57%	59%	59%	59%
Revenue growth %	NM	227%	187%	NM	91%	101%
NPAT growth %	NM	NM	422%	NM	87%	109%

NM = Not meaningful figure

* Full year forecast includes 6 months audited results to 31 December 1999, three months unaudited management results to 31 March 2000, and three months forecast results to 30 June 2000.

Prospective investors should review the Forecast in conjunction with the assumptions on which the Forecasts are based and the risk factors, set out in Section 6. Investors should be aware that Infomedia's ability to achieve its Forecasts is influenced by many factors, many of which are outside the Company and its Directors' control. Examples of the sensitivity of the Forecasts to change in key variables are also included in Section 6.

The table below shows Infomedia's summarised historical and proforma balance sheet as at 31 December 1999. The proforma balance sheet has been prepared as if the Offer had taken place at 31 December 1999 and the net proceeds of the issue of New Shares had been applied as described in Section 1, Purpose of the Issue and Use of Proceeds of New Shares. The proforma balance sheet also consolidates Datateck as if it had been acquired on 31 December 1999.

31 December 1999	Historical Audited \$'000	Proforma Reviewed \$'000
Current assets	5,121	18,287
Non current assets	1,972	6,531
Total assets	7,093	24,818
Current liabilities	2,421	7,010
Non-current liabilities	328	328
Total liabilities	2,749	7,338
Net assets	4,344	17,480
Shareholders' equity	4,344	17,480

Details of the Offer

The table below shows a summary of the Offer Forecast statistics based on the financial information detailed in Sections 6 and 7 and Offer Price of \$1.00 per Share.

Market capitalisation of the Company following completion of the Offer at Offer Price	\$315 million	
	FORECAST Year to 30 June	
	2000	2001
Earnings per Share (cents)	2.4	5.0
Price to earnings multiple at Offer Price (times)	41.3	19.8
Fully diluted earnings per Share (cents)	2.3	4.9
Fully diluted price to earnings multiple at Offer Price (times)	42.6	20.4
EBITDA per share (cents)	3.9	7.8
EBITDA multiple at Offer Price (times)	25.5	12.8
Fully diluted EBITDA per share (cents)	3.8	7.6
Fully diluted EBITDA multiple at Offer Price (times)	26.3	13.2
Forecast dividend per share (cents) (fully franked)	-	2.5
Forecast annualised dividend yield	-	2.5%

Fully franked dividends paid during the year ending 30 June 2000 were \$8.7 million which related to retained profits to 31 March 2000.

Indicative Timetable

Offer opens	24 July 2000
Offer closes	7 August 2000
Trading of Shares on ASX expected to commence	16 August 2000

All dates are indicative only and may change. The Directors reserve the right, with the consent of the Underwriter, either to close the Offer early or to extend it. Doing either of those things may cause other dates shown in this Prospectus to change.

Structure of the Offer

The Offer is comprised of 19.0 million New Shares raising \$19.0 million and the sale by the Vendors of 60.0 million Existing Shares. This will enable the Vendors to realise a portion of their investment in the Company. As these Existing Shares are being sold by the Vendors, the Company will not receive any proceeds from the sale of the Existing Shares under the Offer.

Purpose of the Issue and Use of Proceeds of New Shares

The purpose of the Issue is to enable the Company to:

- repay debt facilities utilised for the acquisition of Datateck Publishing Pty Limited
- fund the acquisition of other businesses that will complement Infomedia's product offering and business model
- expand the capital equipment infrastructure
- extend the Company's product suite onto Internet e-commerce platforms, and
- establish the employee share plans described in Section 9 to facilitate a broader shareholding in the Company by employees of Infomedia.

The Company expects to use the \$19.0 million raised from the issue of New Shares as follows:

Use of Funds	\$ million
Repayment of Datateck acquisition loan	5.0
Possible acquisitions	8.0
Product development and expansion capital	4.0
Costs of the Offer	2.0
Total	\$19.0 million

Control of the Company

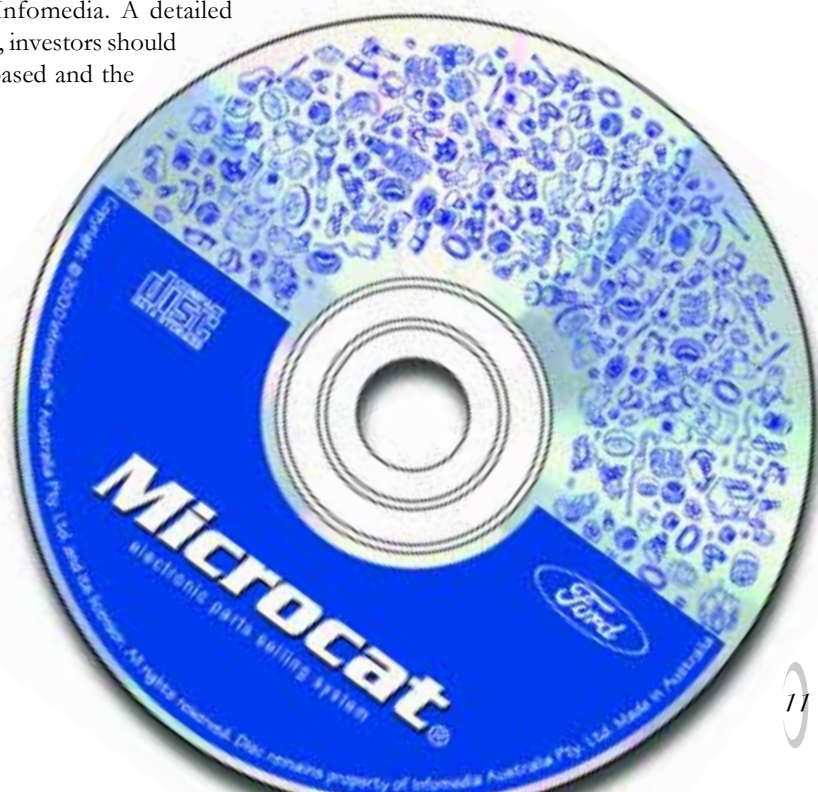
Following the Offer, the Existing Shareholders will, in aggregate, own approximately 75% of the Shares outstanding. Should the Existing Shareholders choose to act in concert, they will be able to control the Company, elect all members of the Board, generally direct the affairs of the Company and prevent a change in control of the Company.

Escrow

The Existing Shareholders have stated that they will voluntarily escrow the Shares retained by them after the Offer on the following basis: after completion of transfers pursuant to the Offer 100% of each Existing Shareholders' Shares will be voluntarily escrowed until the announcement of the Company's 2000 financial year results after which 80% continues to be voluntarily escrowed until the announcement of the Company's 2001 financial year results.

Risk Factors

An investment in Infomedia is susceptible to the same risks associated with any sharemarket investment although there are also a number of risk factors that are specific to an investment in the EPC field of information technology and therefore specific to Infomedia. A detailed description of the risks is outlined in Section 6. Further, investors should review the assumptions on which the forecasts are based and the accompanying sensitivities in Section 6.



Overview

Microcat Leading Edge Parts Analysis

Microcat For Windows - Catalogue: Mondeo 97 (GD), V.I.N. (WF0NXXG8BBNXC65909), 3/1999

Catalogue Navigation Order List Views Service Preferences Help

English Retail Inc Vat

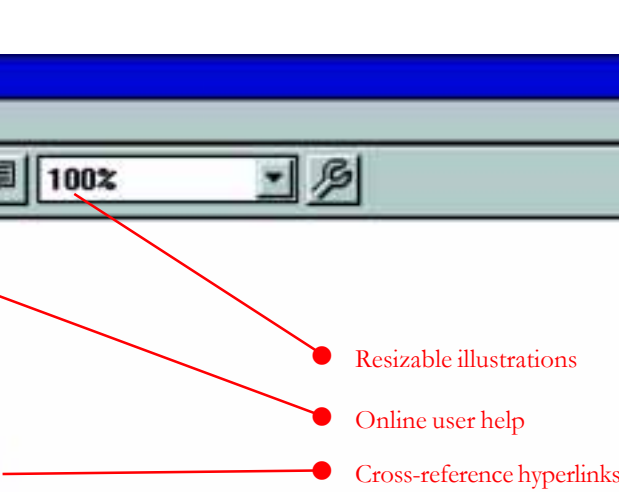
- 22 language selection
- User pricing selection
- Positive vehicle identification
- Unique flexibility that adjusts to the user's skill and experience level

Instantaneous inventory status

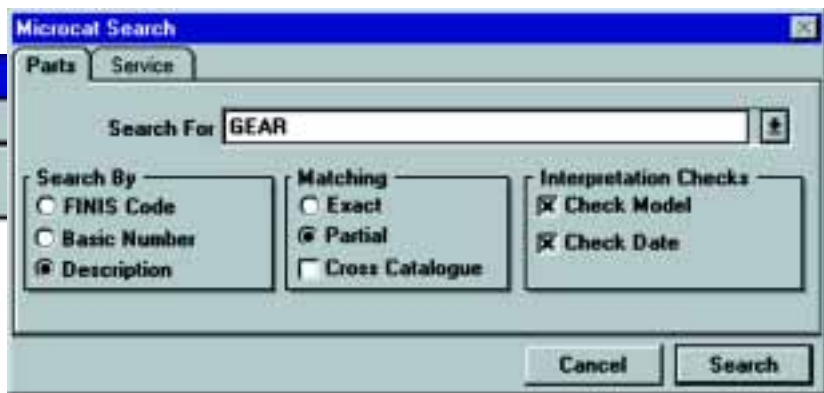
Ancillary cross references

Accurate description

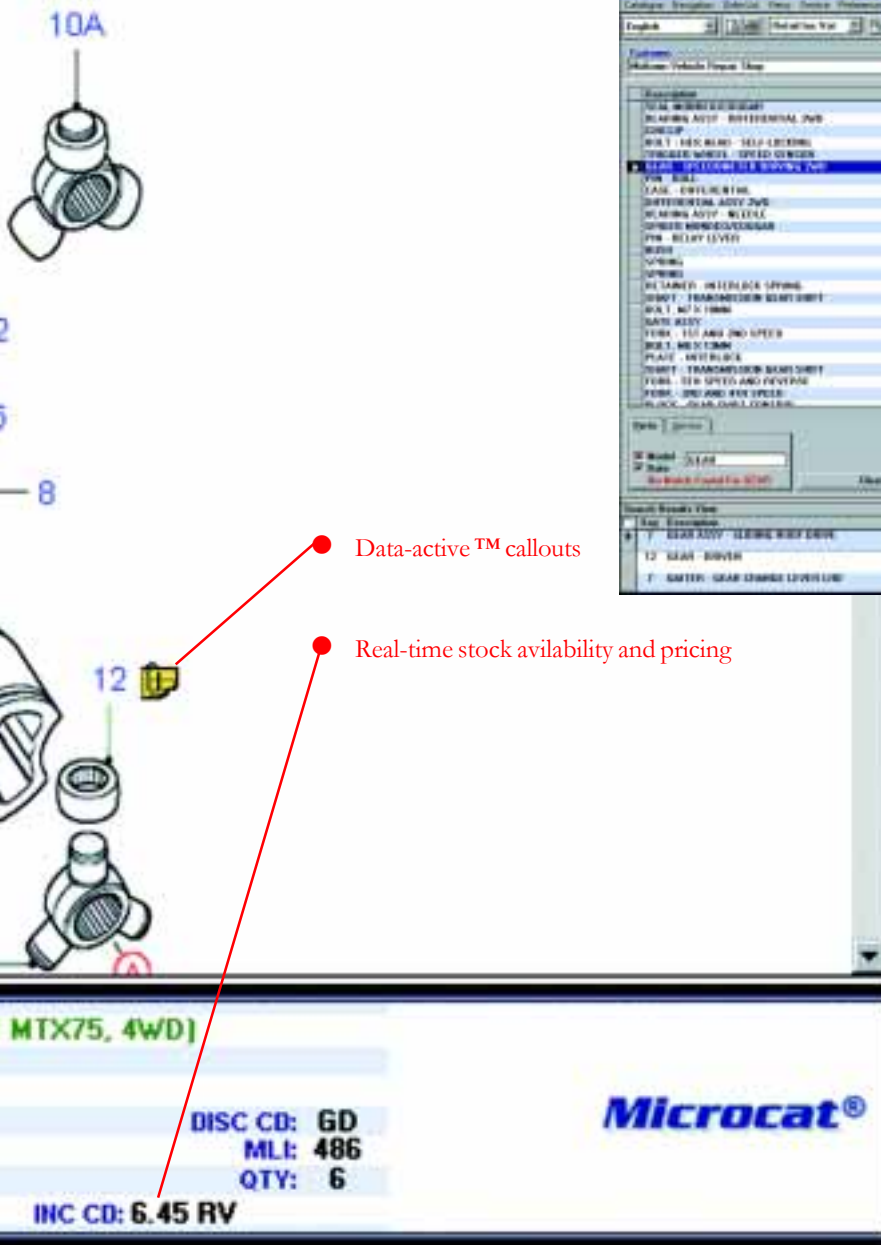
SECT: AKM11.030 TRANSAXLE DIFFERENTIAL COMPONENTS (MTX75, 2WD OR
KEY: 12 FINIS: 1046894 OSI: 2 FROM: 08/1996 TO:
DESC: BEARING ASSY - NEEDLE
NEW PART: 1066397 MOTORCRAFT: CG 480 X SURCHARGE: 5.00



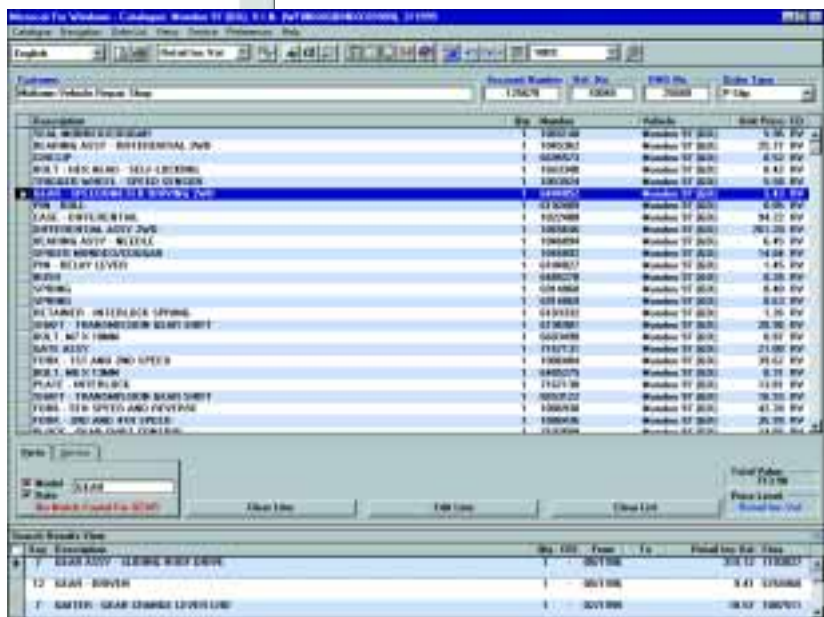
- Resizable illustrations
- Online user help
- Cross-reference hyperlinks



- Fast search and display time



- Data-active™ callouts
- Real-time stock availability and pricing



- In-built order entry, edit and transfer

- High-quality illustrations
- Use of ergonomic colour coding
- Easy installation



Australia: A World IT Centre It is no longer necessary for technology service organisations to be located in a major manufacturing centre to provide vital services to industry. Australia has all the right tools to take on this role including:

- world-class telecommunications infrastructure,
- a talented, educated and highly motivated workforce,
- a time zone which during an extended business day allows communication with Asia, the Pacific Rim, the Americas and Europe.

Rapid and successful international expansion of the Microcat system powerfully demonstrates that Australia is a world centre for automotive industry services such as Infomedia provides.



Industry Profile



Industry Profile

Infomedia's Current Niche: Motor Vehicle Parts Outlets - Globally

The automotive industry is one of the world's largest industries. Worldwide there are over 60 manufacturers of automobiles with combined revenue of more than US\$1 trillion per year. The after-sale parts and services sector is projected to contribute US\$113 billion in calendar year 2000. It is the role of franchised and independent dealers, outlets and service shops to realise this revenue as efficiently and profitably as possible. Parts catalogues are products that assist these businesses in achieving this.

Vehicle manufacturers have been using parts catalogues since the introduction of mass-produced cars, and EPC's are the latest medium by which vehicle makers provide information to their distributors and dealers about the serviceable parts on the vehicles they make.

Paper catalogues, which are still in use today, were the first method of providing information in relation to car parts. With the development and increased acceptance of microfiche technology, many vehicle makers began to offer versions of their catalogues to parts outlets utilising this medium. Microfiche catalogues had the advantage of taking up much less space and being much lighter to ship than paper based catalogues.

With the introduction of the personal computer during the 1980s early EPCs for car dealerships appeared. Often these EPCs were seen to offer dealers little performance, operational or economic benefit over the older paper and microfiche products. Despite this, vehicle makers and independent third party organisations continued to develop EPCs. Some organisations worked in alliance with auto makers while others remained independent. Microcat has been developed in close consultation with manufacturers and dealers. As a result, the Directors believe that when compared to manual systems and earlier generations of EPCs, Microcat achieves results that are more accurate, faster, and easier to use. These improvements:

- increase dealer efficiency and productivity
- deliver a higher level of customer satisfaction
- enable staff to spend more time selling, and
- reduce costs from interpretive errors.



The Need for Electronic Parts Catalogues in the Automotive Industry

The needs of automotive dealers drive the demand for electronic parts catalogues. In the USA for example, after-sales service and repairs form approximately 14% of a dealer's revenue. Perhaps even more importantly, experience suggests excellent after-sale service increases the likelihood that a customer will return to the same dealer the next time he or she needs to service or buy a vehicle.

Delivering excellent service requires dealers to provide the right replacement part the first time and with a minimum of fuss. This can be surprisingly difficult to do because of:

- the diversity of vehicle types
- the diversity of models for each vehicle type
- the diversity of parts suppliers, and
- the increasing technical complexity of vehicles.

The diversity of vehicle types and models is likely to increase as manufacturers seek to produce vehicles built-to-order. This trend for increased vehicle customisation can reasonably be expected to increase the level of complexity in the after-sales area. Paper, microfiche and early generation electronic parts catalogues were best suited to high-volume model production. In this evolving era of vehicles built-to-order, the Directors believe that multi-function EPCs are the most efficient way yet devised to quickly and accurately identify a replacement part correctly.

Complexity is increasing with rapid developments in technology. In Europe, for example, one vehicle manufacturer has details on more than 19.5 million vehicles, 500,000 parts and 6,000 service operations which Microcat stores and processes. The Directors envisage that this increasing vehicle diversity and complexity will expand the range of parts that dealers need to be able to provide and will require the flexibility and information processing power of an EPC.

Parts and service staff need to be certain that the information they are viewing in the catalogue relates to their specific customer's vehicle. Infomedia's products provide that certainty. They enable the user to search the catalogue on the basis of the unique Vehicle Identification Number (VIN) of the customer's own vehicle (along with various other search methods), providing dealers with confidence in their selection.



Industry Profile

Key Competition

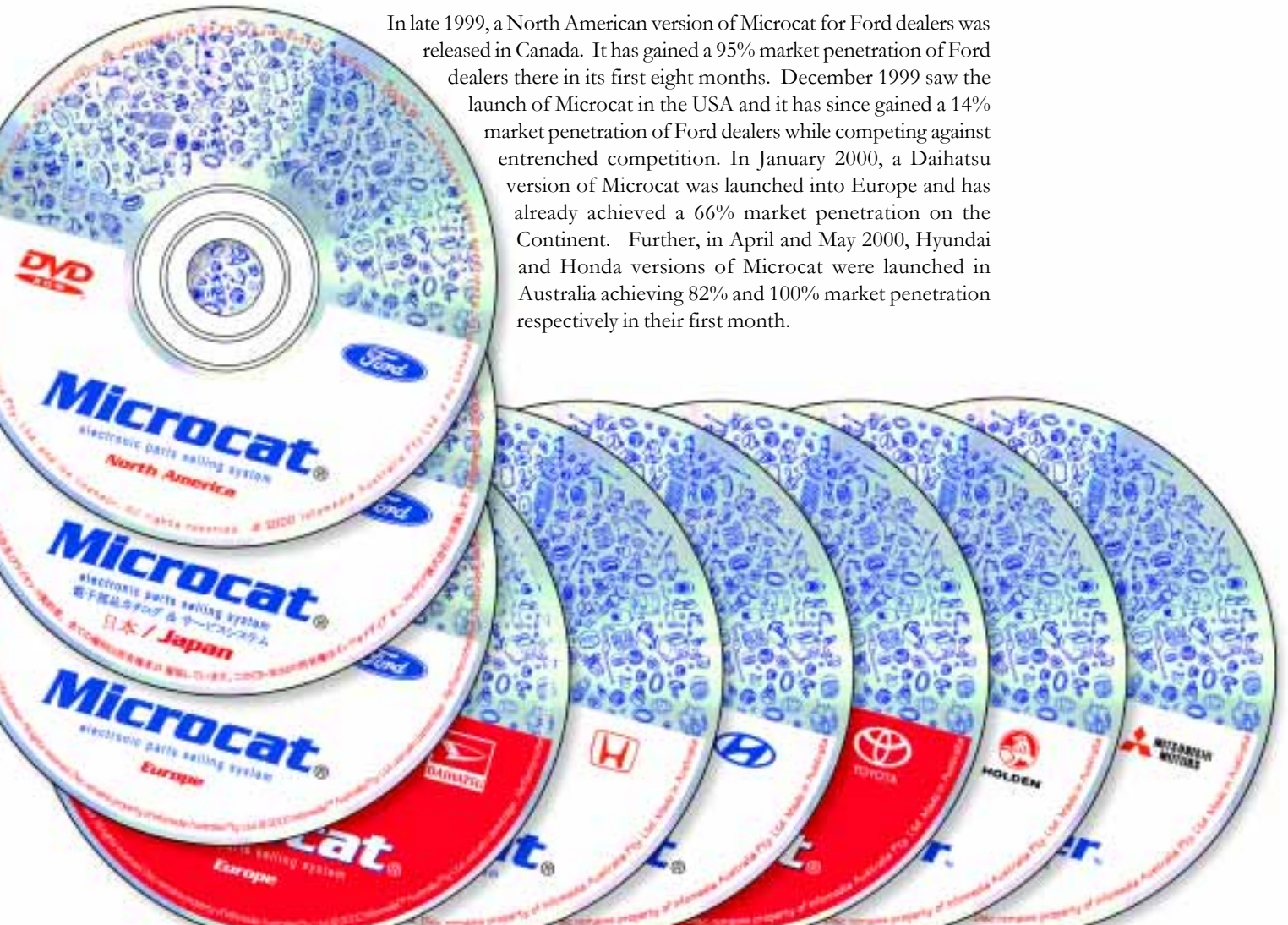
The Directors believe that the major competition to the Company's Microcat and Partfinder products include the traditional paper and microfiche catalogues (which are being phased out by some vehicle makers) along with other EPC products. A small number of specialist organisations such as Infomedia serve the automotive electronic parts cataloguing field globally. The Directors believe that its key EPC competitors are concentrated in the USA, where their trading terms generally require their customers to commit to long-term contracts ranging up to five years. Infomedia on the other hand has more flexible trading terms, which, together with Microcat's advanced features, the Directors believe are valued by subscribers.

Infomedia's applications and processing capabilities, combined with effective customer service and flexible commercial terms, keeps it at the forefront of the EPC industry. While it is difficult to determine with great accuracy Infomedia's ranking in the EPC hierarchy, the Directors believe Microcat and Partfinder, with more than 24,000 paying subscriptions, makes Infomedia one of the global leaders in its field. It is the Directors' intention, through the continued development and marketing of the Company's EPCs, to attain the number one position.

Recent Successes

The Directors believe that the Company is well situated to succeed with its products in the automotive industry. It has during the past three years competed aggressively and has succeeded in winning business in North America, Europe and Australia against competitors.

In late 1999, a North American version of Microcat for Ford dealers was released in Canada. It has gained a 95% market penetration of Ford dealers there in its first eight months. December 1999 saw the launch of Microcat in the USA and it has since gained a 14% market penetration of Ford dealers while competing against entrenched competition. In January 2000, a Daihatsu version of Microcat was launched into Europe and has already achieved a 66% market penetration on the Continent. Further, in April and May 2000, Hyundai and Honda versions of Microcat were launched in Australia achieving 82% and 100% market penetration respectively in their first month.



Company Profile



Company Profile

Company History

The Early Days

The Company commenced business in January 1988 as Infomagic Australia Pty Limited. Initially it imported and distributed software and peripherals for Apple Macintosh and Microsoft Windows computers. It exclusively represented many leading manufacturers and followed the traditional value-added distributor model by establishing a national dealer network.

Despite Infomagic's success, management concluded that to create a long-term sustainable enterprise the Company needed to have its own products, based on its own intellectual property - rather than rely solely on distributing other companies' products. Consequently, in 1991 the Company established a product development division, and purchased the complete intellectual property rights to an automotive electronic parts catalogue project called Microcat. In January 1992 Microcat was launched in the Australian automotive market for Ford dealerships.

Focus on Microcat

In October 1994, the Company sold its importation and distribution business plus the Infomagic trade-name. The Company then changed its name to Infomedia Australia Pty Limited. With limited resources, Infomedia focused exclusively on expanding Microcat's market penetration and obtaining more data licences from auto makers.

Infomedia's goal is to make the Microcat electronic parts selling system the universal parts interpretation system in the automobile industry. The Company works consistently to expand the features and capabilities of the Microcat system to better meet the needs of both vehicle dealers and manufacturers.

International Expansion

In July 1997, Microcat was launched internationally when Ford Europe exclusively licensed its parts catalogue data to Infomedia to produce a multilingual version of Microcat for Ford's European dealers.

In 1999, Ford operations in Canada, Japan, Mexico and the USA granted Infomedia distribution or licensing rights to expand Microcat into those countries. The North American version of Microcat for Ford dealers was launched in the USA in late 1999. It received a positive response at the recent National Automobile Dealers Association exhibition and consequently the number of Ford USA subscribers has exceeded Infomedia's pre-launch projections. This success builds upon the demonstrated advantages that Ford users have experienced in Australia and Europe.

Recent Acquisition

Infomedia recently acquired Datateck, based in Melbourne. Datateck provides:

- Partfinder brand electronic parts catalogues
- a range of Internet databases and printed publications used by the leading oil companies and petroleum product agents and consumers. Management intend to escalate the development of these products for greater Internet commercialisation
- data analysis and cataloguing services to Australian automobile manufacturers
- software maintenance of the Telstra Australia "White Pages on CD-ROM", and
- other original analysis and data management services.

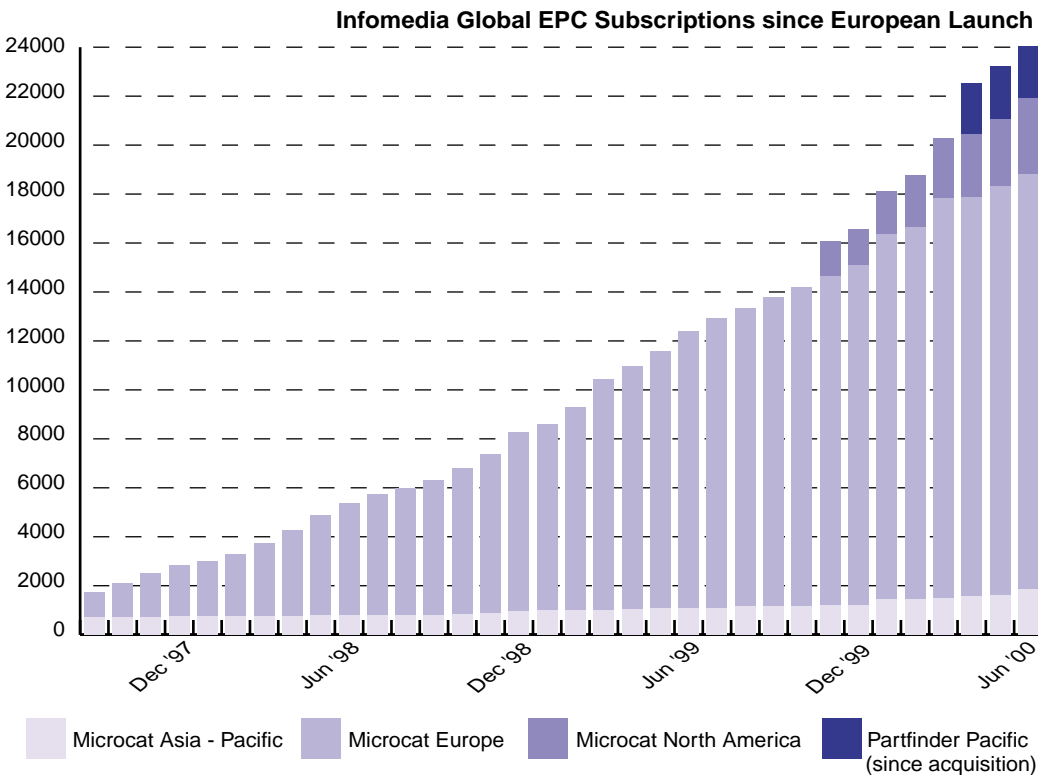
Infomedia's Business Model

Infomedia's business model has been structured so that many labour and capital intensive functions such as sales, duplication and distribution of CD/DVD-ROMs and customer help desk services are undertaken with alliance partners, distributors or service agents, rather than solely by the Company.

This model reduces the engagement of Company capital, financial carrying costs and managerial resources. The Company maintains no material physical goods inventories. Microcat and Partfinder are made each month to fulfil orders-to-hand.

The Company's key commercial proposition is based upon providing its electronic parts catalogues for a reasonable monthly subscription price, without tying the customer to a long-term contract or mandatory equipment purchase (as is common among some of Infomedia's competitors). The Company has found that due to this, potential subscribers are readily willing to trial the products. The simple, user-friendly nature of the products means that once a dealer has become accustomed to it, they will be reluctant to terminate their subscription without great consideration. The Directors believe this, together with Microcat's advanced features, represents a significant barrier to the advancement of competitors. This business model has delivered a strong recurring cash flow.

In keeping with Infomedia's business model, a majority of its monthly subscriptions are invoiced directly to vehicle manufacturers or their national distributors. Consequently, rather than Infomedia collecting in excess of 24,000 individual subscription fees every month, it receives monthly payments from a small number of highly-credible companies. As a result of this collection method, bad debts are not material, especially for a Company with such a large and diverse subscriber base across 75 countries.



Company Profile

Products - Intellectual Property

Infomedia has several products that it owns and markets. These are:

- Electronic Parts Catalogues
 - Microcat
 - Partfinder
- Oil Industry Analysis and Publications
 - PC Lube™ and NetLube™ software
 - Internet Lubrication Specification Analysis Data
- Automotive Servicing Guide
 - Datateck Lubrication & Tune-up Manual

The Infomedia Electronic Parts Catalogue Systems

Infomedia produces electronic parts catalogue systems for automotive dealers. These systems are specialised business tools designed to make the selection and sale of replacement parts quick, easy and accurate. At the heart of Infomedia's products are sophisticated parts analysis programs. The systems deliver information in a variety of user-friendly ways that have been developed with input both from the vehicle manufacturers and the dealership users.

The Company recently acquired its second electronic parts catalogue brand, Partfinder, with the acquisition of Datateck. Partfinder is similar in application to Microcat with minimal overlap of data licences between the two products. During 2000 and 2001, Infomedia plans to consolidate overlapping coverage and will undertake a generational update to bring Partfinder's features in line with Microcat.

The Technology

Infomedia's systems can operate on both local area networks or in stand-alone environments. They are currently provided in CD-ROM and DVD-ROM form on either a monthly or quarterly basis and are designed to operate on a Pentium PC platform. Each edition is easy to install and can be integrated with most of the leading dealership order and billing systems. Microcat and Partfinder dispatch their order-lists directly into the dealership's order-entry and billing system. This integration helps dealers to manage their inventory, order entry and accounts.



To protect the Company's intellectual property from unauthorised use, Microcat employs a physical security device known as a "dongle". Each dongle has an individual serial number and is programmed by Infomedia to allow a user to install and operate a specific version of the Microcat system. It is difficult for dongle security to be thwarted because the device is a physical piece of hardware and not practical to replicate. These dongles are not sold to the subscribers. They remain the property of the Company and must be returned in the event of a subscription cancellation. If lost or stolen the dongle is deactivated from accessing future releases of the system.

Four rapid steps to parts interpretation...



Start by entering the unique Vehicle Identification Number. Microcat now knows the specific customer vehicle and instantly reconfigures itself for fast selection of the required parts.

Next, use the various searching methods to identify either the specific part or service required.

A second later, select the needed parts. Microcat pre-filters from hundreds of thousands of parts only the parts that will fit the vehicle.

Finally, having selected the necessary parts, electronically transfer the list to the dealership's order-entry system so the repair or service can be completed to the customer's satisfaction.

Company Profile

PC Lube

Infomedia, through its subsidiary Datateck, researches, collects and maintains lubricant information and data pertaining to the servicing of automotive and other mechanical devices sold in Australia and New Zealand. The database is called "PC Lube". It assists lubricant stockists to identify the lubricant specified by the original equipment manufacturer for a range of different applications including:

Agricultural Machinery	Earth Moving Equipment
Farm Tractors	Fork Lifts and Industrial Vehicles
Heavy Commercials	Lawn Mowers
Light Commercials	Light Power Products
Marine Engines	Motor Cycles
Passenger Cars	Stationary Engines
4WDs	

Currently, Datateck compiles specific lubricant data from eight of the leading petroleum suppliers in Australia and New Zealand.

PC Lube and NetLube Data Online

Datateck supplies the same lubricant information electronically to subscribing oil companies which in turn supply the information to their outlets. Some companies, for example Mobil and Shell, choose to make this information available on their Internet websites.



Lubrication & Tune-up Data and Manuals

Datateck also develops and publishes the Lubrication & Tune-up Manual. The manual is produced for Australian vehicles and is very popular with service garages and independent mechanics. The manual is sold over-the-counter at replacement parts shops and service garages.

Infomedia plans to make the manual available electronically in this financial year through its established EPC subscriber base and via the Internet.



INFOMEDIA'S GROWTH STRATEGY

Increase Microcat and Partfinder Subscriptions

The main platform for Infomedia's domestic and international growth strategy will continue to be its EPC products. The Directors Forecast that these products will have approximately 34,000 monthly subscribers by 30 June 2001.

The Company intends to increase the subscriber base by:

- pursuing further vehicle manufacturers' data licence agreements so that Infomedia can create additional versions of its electronic catalogue products
- continuing its present sales activities to achieve deeper penetration of its products within its presently installed customer base, especially into service department utilisation
- negotiating with vehicle manufacturers to allow Infomedia's licensed products to be used by non-franchised users such as fleet buyers, insurance assessors and independent repairers
- introducing Internet versions of Microcat to serve potential non-dealer catalogue users such as the European and American trade customers and the public
- negotiating to have some of its current data licences expanded to new territories, and
- marketing ancillary products directly to dealers and in association with agents.

Selective Acquisitions

The second tenet of growth-management is through selective acquisitions which can increase the breadth of Infomedia's data licence agreements, introduce new subscribers or provide core intellectual property assets and products. Infomedia expects that it will continue to acquire other organisations and intellectual property, both domestically and internationally, to complement its business. In making acquisitions, Infomedia will seek:

- intellectual property associated with new and enabling technologies applicable to automotive business tools (for example, products that will assist Infomedia to leverage its valuable subscriber and distribution network) and extending Infomedia's product suite into new industries
- data licence agreements not presently represented, or
- additional EPC product subscribers or licensees.

Internet e-commerce Facilitator - "car parts.everywhere"

The substantial size and complexity of electronic parts catalogues has, until recently, prevented them from being commercially published over the Internet. The large volume of data that an EPC holds did not permit quick enough response times for B2B commercialisation. However, the Directors believe new compression and data modelling strategies, increasing growth of broadband capabilities and reduced bandwidth costs will enable the Company to deliver Microcat and Partfinder (as a new subscription product) over the Internet.

Internet delivery is proposed to enable:

- real-time data updating
- computer platform independence
- utilisation monitoring
- new commercial subscription models, and
- advertising revenue streams.

Pilot runs of these products are anticipated to commence in September 2000 in Europe and December 2000 for North America.

Company Profile

Online Trading Facilitator

The Company is also extending its Internet Microcat™ technology by developing three specific variations:



- **Dealer-to-Dealer Extensions** - Once released, the disc and Internet versions of Microcat will provide a dealer-to-dealer platform for inventory trading. Dealerships carry a variety of excess replacement parts. The Directors believe that dealers are likely to trade parts with one another once this function is available to them. In addition to searching for and accessing specific parts, the Microcat system will enable a dealer to list excess stock and trade it with other Microcat users. The dealer is forecast to pay a fee for utilising the “selling” functionality of the Microcat system.



- **Dealer-to-Trade Microcat** - This product, known as the Microcat Direct-Seller (“MDS”) is targeted at centralised dealers at the hub of extended parts and service networks. The MDS product is designed to allow dealers to provide a version of Internet Microcat to selected trade customers who will direct requests for parts back to that sponsoring dealer via the Internet. The MDS system is based on the same version of Microcat that will be released for franchised dealers.



- **Dealer-to-Public Microcat** - Dealers will be able to “plug-in” a special public version of Microcat onto their own dealership websites to enable parts selection and e-commerce ordering directly by the public. This will allow dealership parts and service managers to exploit their local market position. This B2C version of Microcat will provide “bricks and mortar” dealers with an enabling, turn-key e-commerce selling tool.

Microcat as an Advertising Medium

Internet Microcat has the potential to generate advertising revenue since it will be ideal for banner, pay-per-click and pay-per-transaction advertising. Internet Microcat will be a “targetable affinity site”, meaning that advertisers will be able to target specific demographic audiences (for example, trade repairers or motor enthusiasts). As specific demographic advertising is desired by advertisers, sites with this capacity are able to charge higher rates. Personalisation of each user will make it possible to serve even more targeted ads. The Directors believe that the operational nature of Internet Microcat will ensure that several of its content pages are viewed per user visit, with each page providing new advertising revenue opportunity.

New Industries for Microcat and Partfinder

Although Infomedia developed its EPC products specifically for the automotive industry, the systems are equally relevant to any industry that manufactures or distributes merchandise that is:

- defined by models
- repairable
- made of many replaceable parts, and
- supported by a significant number of decentralised repair outlets.

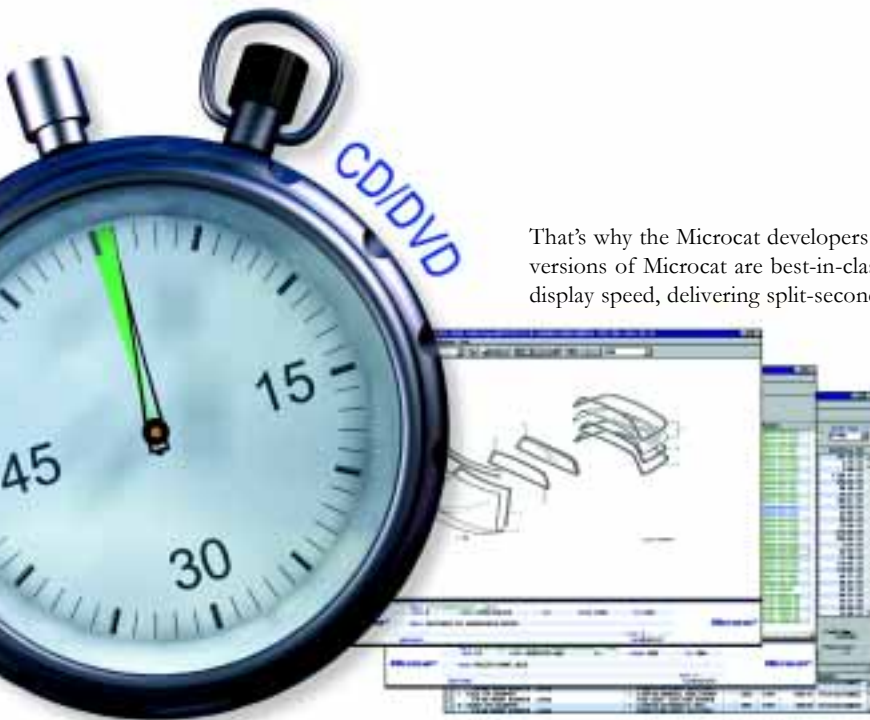
While Infomedia is currently focused on the global automotive industry, in the future it may enter other markets with modified or new versions of its EPC products. The range of possible global industries include motor sport, marine, military/defence, electronics and rolling stock. Each of these industries lends itself to the benefits that EPCs offer. The Company already produces a whitegoods version of Partfinder for some Australian whitegoods manufactured and distributed by Email Limited. Infomedia intends to continue to develop this opportunity internationally.



Company Profile

Man Waits for No Time

Waiting 30 seconds for an Internet web screen to appear may be fine for someone with nothing to do, but for a customer-facing salesman it's just not good enough.



That's why the Microcat developers excel at acceleration. The disc versions of Microcat are best-in-class for interpretation and display speed, delivering split-second performance.



With the B2C version of Internet Microcat, the system interprets and displays in just seconds using normally available equipment and is even faster with higher bandwidth alternatives!* That's the kind of Internet speed that really means business!

Board and Management



Management

COMPANY STRUCTURE

The Company is divided into six departments: Executive, Product Development, Production & Operations, Sales & Marketing, Finance & Human Resources and Legal & Security. Corresponding functions within subsidiaries report through to these six departments.



EXECUTIVE

Corporate Management
Strategic Planning



The nature of Infomedia's raw material resource is creative talent in the form of programmers, graphic artists, data analysts and production specialists.

In highly competitive areas of recruitment such as programming, the Company operates apprentice and intern programs. As the field of electronic media is constantly evolving the Company grants to employees annual scholarship funds which the employees apply to their further educational needs and growth objectives.

Company Core Values

As a talent based organisation, Infomedia has built the enterprise upon four basic tenets:

- **Product Innovation**
- **Transaction Simplicity**
- **Retention of Revenue Streams, and**
- **Personal Integrity.**

Staff and management are encouraged to be innovative, imaginative, analytical, action-oriented and communicative. These qualities address the core of our corporate culture. Personnel use this environment of creativity to invent the products and carry out the processes of the business with skill, enthusiasm and commitment.

Corporate Governance

The Board

The Board presently comprises five Directors, two of whom are Directors of private companies which will collectively control 64% of the Company following the Offer. One of these two Directors, Richard Graham, is also CEO and Chairman of the Company.

Under Infomedia's constitution, the maximum number of Directors is five, and the minimum is three. At each annual general meeting, one-third of all Directors, any Director who has held office for three years and any Director appointed by Directors in the preceding year must retire, then being eligible for re-election.

The CEO is not required to retire by rotation. The quorum for a Directors' meeting is three, or such other number as is determined by the Directors to constitute a quorum. The Chairman has a casting vote at Directors' meetings unless only two Directors competent to vote are present at the meeting.

Board Committees

To assist the Board in fulfilling its responsibilities, it has established Audit, Corporate Governance and Remuneration Committees.

The Board determines the membership of each committee. Committee members are chosen on the basis of their expertise in the area of relevance to the committee. The composition of each committee is reviewed annually by the Board.

INFOMEDIA ENVIRONMENTAL CONTRIBUTION

Infomedia has the privilege of having its work contribute to a healthier environment for our planet. With its Microcat and Partfinder electronic catalogue products and its Internet lubrication guides, Infomedia has been at the forefront of greening the automotive industry.

Infomedia's Microcat and Partfinder products have made it possible to replace paper and microfiche parts catalogues for tens of thousands of automotive catalogue users around the world. Subsequent to the success of the Infomedia products, Ford Motor Company in Europe and Australia has ceased production of microfiche parts catalogues. In February, Ford Motor Company in America announced that as of July 2000 it would cease its annual production of paper catalogues for cars and trucks. This represents a reduced paper consumption greater than 60 tonnes annually.

Board Members

Richard Graham

Chairman and CEO, Age 47

Richard Graham has held senior management positions in the American and Australian computer industry since 1977. Mr. Graham has been Managing Director of Infomedia since 1988. He commenced his technology career at ComputerLand Corp (USA) and ComputerLand Australia Pty Limited, where he held the positions of Marketing Director and General Manager respectively. In 1982 he founded Wiser-Microsoft, Microsoft's first full service distributor in Australia.



Linda Graham-McCann

Executive Director, Human Resources, Age 47

Linda Graham-McCann has held senior management positions in the Australian computer industry since 1980. She commenced her career at ComputerLand Australia Pty Limited. From 1983 to 1988 she was Managing Director of Microsoft Australia Pty Ltd, where she presided over the introductions in Australia and New Zealand of MS-DOS, MS-Windows, Excel, MS-Word and other well-known applications. Ms. Graham-McCann retired to her NSW country property for a decade before joining Infomedia in 1999 as Director of Human Resources.



Myer Herszberg

Non-Executive Director, Age 52

Myer Herszberg has been a director of Infomedia since 1992. Mr. Herszberg has extensive consumer electronics experience and was active in bringing home computers to Australia in the early 1980s. As founder and proprietor of Melbourne's Denman Audio chain 25 years ago, he has also brought many leading edge electronic products to Australia. Mr. Herszberg is active in Melbourne community affairs.



Barry Ford

Non-Executive Director, Age 55

Barry Ford joined the Infomedia Board of Directors in 2000. Mr. Ford was Director of Finance and Chief Financial Officer of Goodman Fielder Limited from 1997 to 1999 and has sat on a number of boards, including The Island Food Company and Yallourn Energy where he was Chairman of the Audit Committee. Mr. Ford held various financial management positions at General Motors Corporation between 1964 and 1989 including Director, Overseas Financial Planning & Analysis at GM Corp USA from 1984 to 1986 and Director of Finance and Strategic Planning at General Motors-Holden from 1987 to 1989.



Fran Heron

Non-Executive Director, Age 48

Fran Heron joined the Infomedia Board of Directors in 2000. Ms. Heron has a background in publishing. She has held various senior editorial and publicity positions at Channel 10, the Sunday Telegraph and New Woman magazine. Since joining the NRMA in 1993 as Managing Editor of Open Road magazine she has held several senior positions including Manager of Business Communications (design and production of NRMA's printed and online customer communication) and most recently, Manager of Multi-Business Solutions for NRMA Information Services Division.



Nick Georges

Company Secretary & General Counsel, Age 34

Nick Georges is a qualified solicitor, admitted to the Supreme Courts of Victoria and New South Wales. Mr. Georges has worked in general practice as a solicitor and has had extensive experience in the IT world with Protel International Limited, where he was International Distribution Manager for two and a half years prior to joining Infomedia in early 1999. Mr. Georges has secured international trademarks for the Company, as well as new data licensing and other agreements.



Management

Ian Joicey

Director of Product Development, Age 35

Ian Joicey joined the Company in 1990 and in 1991 he was the first staff programmer on the Microcat project. In 1993, Mr. Joicey became Programming Manager and then later Technology Director, when he led the development of one of the first Australian e-commerce systems, InfoExpress. Under his direction, the Company developed more capable versions of its Microcat products for Australia, Europe and North America. In 1997, Mr. Joicey initiated a successful apprentice-mentoring program for young Australians to become professional programmers.



Andrew Pattinson

General Manager, Datateck, Age 35

Andrew Pattinson has played a leading role in Infomedia for 12 years and for the past six years has been Director of Production and Operations, overseeing the day-to-day production and distribution of our internationally renowned products. Mr. Pattinson and his team of graphic artist, catalogue assembly and shipping operations staff have been instrumental in the success of Microcat by providing timely and reliable product delivery, worldwide. He became General Manager of Datateck in April 2000.



Gary Martin

Director of Sales & Marketing, Age 32

Gary Martin has extensive experience in the automotive replacement parts field. Mr. Martin was Parts Manager at Lanes Ford and General Manager, Parts & Accessories at Kloster Ford for a total of 12 years. He was Chairman of the Ford Parts Association for two years. In his time with Ford dealers, Mr. Martin was awarded the Ford Management Excellence Award four years in a row. He has been with Infomedia since early 1998 and travels extensively worldwide expanding the use of Infomedia's products.



John Peterson
Chief Accountant, Age 59

John Peterson joined Infomedia in 1989, after being Bursar at Sydney's prestigious Ascham School for 15 years. Previous to his appointment at Ascham School, Mr. Peterson worked for Deloitte Touche Tohmatsu for 13 years where he held the position of Audit Manager for six years. As Infomedia's Chief Accountant for 10 years, Mr. Peterson has been instrumental in maintaining sound accounting practices and audit procedures for the Company. As the Company has grown, he has guided the necessary procedural growth to support a profitable global enterprise. Mr. Peterson also represents Infomedia in local Narrabeen community activities.



Frank Cirillo
Commercial Strategist, Age 40

Frank Cirillo was one of the two founding members of Datateck. Since 1994, he has been involved with establishing the identity of Datateck in the market place and refocusing Datateck's staff to develop a new range of electronic products, which have achieved international recognition. He has been an associate member of CPA Australia since 1985 and has 19 years experience in both the manufacturing and service industries.



Michael Foster
Production & Operations Manager, Sydney, Age 28

Michael Foster joined Infomedia in 1995 and is presently responsible for the management of graphic arts, process control and manufacturing personnel. Mr. Foster has progressed through the Production & Operations department. In addition to local management responsibilities, Mr. Foster manages the Company's relationship with the Sony duplication plants in the USA, Europe and Australia.



Management

Douglas Wright
Systems Manager, Age 35

Doug Wright has 15 years experience in the personal computer industry encompassing systems installation, configuration and training. For the past six years, he has been responsible for the configuration and welfare of Infomedia's in-house networks. Recently, Mr. Wright configured and installed a major technology refresh at the Company, encompassing a dual secure network infrastructure, and major facilities remodelling.



Tony Magnus
Quality Services Manager, Age 34

Tony Magnus joined Infomedia in 1999 after eight years in the health field, where he managed ISO quality control processes and Y2K assurance certification. Mr. Magnus' managerial ability in the area of process results management and complex project monitoring is put to good use in the Company's quality assurance practices. He has worked with the product developers to create new QA automation tools to reduce the amount of time it takes to authorise products for release.



Michael Roach,
Production & Operations Manager, Melbourne, Age 38

Michael Roach joined Datateck in January 1979 as an apprentice compositor. Mr. Roach has held various positions in Production & Operations, including Production Manager for six years and has been Production & Operations Manager for the past 12 months. He is presently responsible for the management of a team of technical writers/illustrators, graphic artists and planning, scheduling and operational resources, including relationships with outside suppliers.



Details of the Offer



Details of the Offer

The Offer – New Shares and Existing Shares

This Prospectus invites applications for a total of 79,000,000 Shares at a the Offer Price of \$1.00 each. There are two types of Shares offered. Each type has the same rights and will rank equally in all respects with other Shares on issue. The two types of Shares offered are as follows:

- **19,000,000 New Shares to be issued by Infomedia at \$1.00 each to raise \$19.0 million.**
- **60,000,000 Existing Shares offered for sale by Vendors at \$1.00 each to raise \$60.0 million.**

For details of rights attaching to Shares, see Section 9.

On completion of the Offer, the capital structure of Infomedia will be as follows:

Shares held by Existing Shareholders and associates	236.5m	75%
Shares held by public pursuant to the Offer	79.0m	25%
Total number of Shares after the Offer	315.5m	100%
Offer Price (per Share)	\$1.00	
Market Capitalisation at Offer Price	\$315.5m	

Online Prospectus

This Prospectus may be viewed, accessed and downloaded from Infomedia's website:

www.infomedia.com.au

Offer of New Shares

Infomedia offers for subscription 19,000,000 New Shares at \$1.00 each to raise \$19,000,000.

Offer of Existing Shares

The Vendors as principals offer for sale 60,000,000 Existing Shares at \$1.00 each. The proceeds from the sale of Existing Shares, after the payment of the underwriting fee in respect of the Existing Shares and stamp duty on the transfer of the Existing Shares, will be retained by the Vendors.

How to Subscribe for Shares in the Offer

Ensure that you read this Prospectus in full.

Applications

Applications, in whatever form, must be for a minimum of 2,500 Shares, and thereafter in multiples of 100 Shares. Applications are payable in full when submitted. Your Application constitutes an offer to subscribe for New Shares or purchase Existing Shares on the terms set out in this Prospectus. Acceptance of your Application is at the discretion of the Directors and the Underwriter.

Applications can be made by:

Completing the Application Form attached to this Prospectus. Please follow the guidelines to ensure that you submit a valid Application Form or completing and submitting an Online Application Form in accordance with the instructions set out below and on the Online Application Form itself.

How to Lodge Your Application

Hard Copy Applications

Hard Copy Application Forms must be accompanied by a cheque or bank draft, in Australian dollars, for the Application Monies made payable to “Infomedia Ltd Float Account” and crossed “Not Negotiable”. Payments by cheque must be cleared by the bank on which it is drawn. Applicants must ensure sufficient funds are available when the cheque is presented (generally the day of receipt by the Share Registry). If a cheque is dishonoured, it will not be represented to the bank and the Application will be rejected.

Applications to subscribe for Shares under the Offer will only be considered if submitted on an Application Form and lodged with the Application Monies to Computershare Registry Services Pty Limited (“Computershare”):

Infomedia Ltd Share Offer Computershare Registry Services GPO Box 7045 SYDNEY NSW 1115	or	Infomedia Ltd Share Offer Computershare Registry Services Level 3 60 Carrington Street SYDNEY NSW 2000.
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Online Applications

This Prospectus may be viewed online at www.infomedia.com.au. The Prospectus is available as a PDF document which may be viewed online one page at a time using the Adobe Acrobat Reader program.

An Online Application facility has been established for Applicants to submit their Application Form electronically over the Internet and pay their Application Monies either using the BPAY facility or by Cheque.

To apply using the Online Application facility you agree that:

- you have accessed the Internet site from within Australia and you are an Australian resident, and
- you have read the Prospectus.

To enter the Online Application facility, click the Online Application link appearing at the end of the How to Apply section. You will need to acknowledge certain matters before being granted access to the Online Application Form. Complete the Online Application Form in accordance with the instructions therein. “Help” buttons have been included against each of the fields to be completed to assist you. You may also telephone 1800 269 981 to ask any questions with respect to the Online Application Form.

Transmit the Online Application Form by clicking on the relevant button and acknowledging certain matters before proceeding.

After transmitting your Online Application, Computershare will transmit to you a Confirmation Form which will inform you of your Application number, confirm the Application Monies due under your Application and provide you with a BPAY Biller Code to be used to pay, using the BPAY facility. You should print and retain a copy of this Confirmation Form for your records. Receipt of the Application number does not constitute an acceptance by Infomedia of your Application, nor does it indicate an entitlement to Shares.

After printing your Confirmation Form, proceed to the Payment Form, and select your method of Payment.

Details of the Offer

BPAY Payment Facility

Applications will be submitted and processed on an entirely paperless basis. You will be provided with a BPAY table setting out participating BPAY institutions and your method of BPAY payment. You can select to purchase your Shares by using BPAY phone banking or BPAY Internet banking facilities. If you are unable to pay by BPAY you will need to pay your Application Monies by cheque using the Cheque Payment Form.

Cheque Payment Facility

For those Applicants that wish to submit their Online Application Forms using the Online Application facility but pay their Application Monies by cheque, the Payment Form will also include a facility that allows you to link to a Cheque Payment Form. The Cheque Payment Form will contain your Application reference number, confirm the number of Shares for which you have applied and specify the Application Monies due. The Form must be printed out, completed in respect of the cheque details and then remitted, with a cheque or bank draft for the Application Monies, to Computershare at the address given. You should retain a copy of the Cheque Payment Form for your records. Receipt of an Application reference number does not constitute an acceptance by Infomedia of your Application, nor does it indicate an entitlement to Shares.

Where to Lodge Applications

Online Applications are lodged when transmitted via the Internet and a Confirmation Number has been returned to you. Online Applications are valid when cleared funds by BPAY have been received into the Infomedia Ltd Float Account or a Cheque Payment Form has been received by Computershare and the banked cheque is cleared.

Completed Hard Copy Application Forms and accompanying cheques or bank drafts payable to "Infomedia Ltd Float Account" for the Application Monies should be crossed "Not Negotiable" and mailed or delivered to Computershare at the address above.

Applicants offered firm stock by their broker should return their completed Application Form to that broker who will lodge the application with Computershare.

Closing Date for Applications

All applications must be received by 5.00pm Sydney time on Monday, 7 August 2000. However, the Directors may, at their discretion and with the consent of the Underwriter, close the offer before, or extend the offer beyond, this date. Therefore, you are encouraged to submit your applications and payments as early as possible.

Application Monies

Until Shares are allotted or transferred to Applicants, Infomedia will hold all Application Monies received in trust in a bank account established solely for the purpose of depositing Application Monies.

General Terms Applying to Offer of New Shares and Existing Shares

No Stamp Duty

If you buy any Shares under the Offer (either New Shares or Existing Shares), you will not have to pay the stamp duty. The Vendors will bear the cost of stamp duty payable on the transfer of Existing Shares to successful Applicants. No stamp duty is payable on the purchase of New Shares.

New Shares or Existing Shares

The Directors and the Vendors, in consultation with the Underwriter, will determine whether any allocation of Shares to any Applicant is to be satisfied by the allotment of New Shares or the transfer of Existing Shares or both.

Timing of Allocation

The Directors will allocate Shares to successful Applicants as soon as possible after the Offer is closed.

Allocation Discretion

The final allocation of Shares is at the discretion of the Directors and the Underwriter. The Directors and the Underwriter reserve the right to satisfy any Application in full or in part.

Allotment, Issue and Transfer of Shares

Allotment and issue of New Shares and transfer of Existing Shares will commence immediately after the offer has closed. The Directors reserve the right to allot an Applicant:

- the full number of Shares the Applicant applied for
- any lesser number of Shares - in which case, the surplus Application Monies will be returned to that Applicant within 14 days of the allocation date without interest, or
- no Shares at all - in which case, the amount tendered on application will be returned to that Applicant in full within 14 days of the allocation date.

CHESS notices confirming details of shareholding will be dispatched to successful Applicants within 14 days of the allocation date. Computershare will send initial holding statements to successful issuer-sponsored Applicants.

Minimum Number of Shares for Which You Can Apply

The minimum number of Shares you can apply for under this Prospectus is 2,500 (that is, \$2,500.00 worth) and in multiples of 100 (that is, \$100.00) thereafter.

No Provision for Oversubscriptions

There is no provision to accept oversubscriptions.

ASX Listing

Within seven days after the date of this Prospectus, the Company will apply to the ASX:

- to be admitted to the official list of ASX, and
- for the official quotation of the Shares offered under this Prospectus.

If listing and quotation are granted, then quotation of the Shares will commence as soon as practicable after holding statements are dispatched.

The fact that ASX may admit the Company to its Official List is not to be taken in any way as an indication of the merits of the Company or the Shares now offered. ASX takes no responsibility as to the contents of this Prospectus.

Details of the Offer

If permission for official quotation is not granted by ASX within three months after the date of this Prospectus none of the Shares offered by this Prospectus will be allotted or transferred. If no allocation is made, all Application Monies will be refunded without interest to Applicants within the time prescribed under the Corporations Law.

Underwriting

The Offer has been fully underwritten by BNP Paribas Equities (Australia) Limited. The main provisions of the Underwriting Agreement including the circumstances in which the Underwriter may terminate its obligations are set out in Section 9.

CHESS

Infomedia will apply to participate in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement and Transfer Corporation Pty Limited, a wholly-owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the SCH Business Rules. On admission to CHESS, Infomedia will operate an issuer sponsored subregister. CHESS and Infomedia sponsored subregister will together make up the Infomedia register of Shares.

This means that Infomedia will not issue certificates to successful Applicants. Instead, as soon as practicable after allotment and transfer of Shares, Applicants will receive a holding statement – similar to a bank account statement – which sets out the Shares transferred to the Applicant under this Prospectus.

The holding statement will provide details of the shareholder's unique Holder Identification Number (in the case of Shares held on the CHESS subregister) or Securityholder Reference Number (in the case of Shares held on the issuer sponsored subregister).

After distribution of these initial holding statements, an updated statement will only be issued to shareholders at the end of the month during which changes occur to the number of Shares held. Shareholders may also request a statement at any time, for which an administration fee may be charged.

Non-resident Investors

The distribution of this Prospectus in jurisdictions outside the Commonwealth of Australia may be restricted by law and persons into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. This Prospectus may not be supplied to the public in any jurisdiction outside the Commonwealth of Australia in which any registration, qualification or other requirement exists with respect to any public offering of securities.

Financial Information



Financial Information

Overview of Consolidated Profit and Loss

This section provides historical and forecast financial information for Infomedia and should be read in conjunction with the Independent Accountant's Report contained in Section 7 and the Report on Forecasts contained in Section 8. A summary of the consolidated historical profit and loss statement for the financial years ended 30 June 1997, 1998 and 1999, and for the six months ended 31 December 1999 and the Forecasts for the six months ending 30 June 2000 and the 12 months ending 30 June 2001 are shown in the table below.

The Company acquired 100% of Datateck on 31 March 2000 and has consolidated its results from that date. As a result, the Forecast for the six months ending 30 June 2000 and for the 12 months ending 30 June 2001 includes the forecast financial results of Datateck from 31 March 2000. Details of Datateck's unaudited financial results for the 12 months ending 30 June 1997, 30 June 1998, 30 June 1999 and for the nine months ended 31 March 2000 have not been consolidated with Infomedia's corresponding historical results as Datateck was not owned by Infomedia until 31 March 2000. An overview of Datateck's financial results for the two years ending 30 June 1999 is separately detailed on page 46.

The Forecasts for the six months ending 30 June 2000 and the 12 months ending 30 June 2001 reflect the judgement of the Directors based on present circumstances, of the most likely set of operating and economic conditions and Infomedia's most likely course of action. The Forecasts are based on a number of assumptions and are subject to significant business, economic, regulatory and competitive uncertainties, many of which are outside the control of the Company and the Directors. In addition, the information technology industry is particularly difficult to forecast due to the rapid pace of technological change.

\$'000	30/6/97	30/6/98	30/6/99	30/12/99	30/6/00*	30/6/01
	Historical Audited	Historical Audited	Historical Audited	Historical Audited	Forecast	Forecast
Revenue	1,167	3,811	10,933	8,316	20,900	41,974
EBITDA	(104)	901	6,247	4,879	12,370	24,689
Depreciation and amortisation	(66)	(82)	(225)	(194)	(531)	(1,014)
EBIT	(170)	819	6,022	4,685	11,839	23,675
Interest (net)	(12)	(38)	(36)	(14)	(2)	462
Profit before tax	(182)	781	5,986	4,671	11,837	24,137
Tax	-	-	(1,911)	(1,659)	(4,199)	(8,207)
Profit after tax	(182)	781	4,075	3,012	7,638	15,930
Revenue growth	NM	227%	187%	NM	91%	101%
Profit after tax growth	NM	NM	422%	NM	87%	109%
EBITDA margin	-9%	24%	57%	59%	59%	59%

NM = Not meaningful figure

* Incorporates six months audited results to 31 December 1999, three months unaudited management results to 31 March 2000 and three months forecast results to 30 June 2000.

Revenue

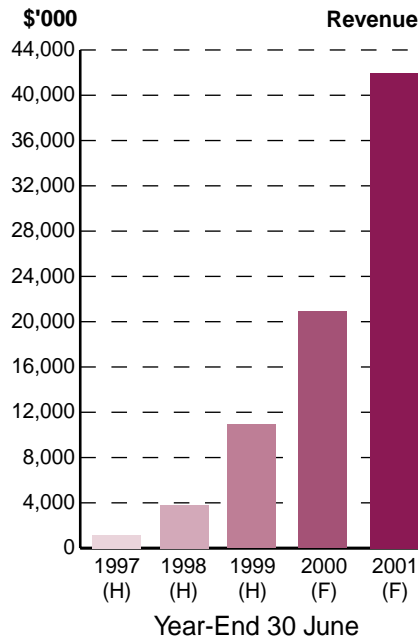
During the year to 30 June 1998 the Company generated revenue of \$3.8 million. This represented an increase of 227% over revenues of \$1.2 million generated in the year to 30 June 1997. During the 1998 financial year Infomedia's international subscriptions grew substantially. In the year to 30 June 1999, revenue increased by 187% to \$10.9 million, as a result of continued European growth and the

domestic launch of Microcat for Toyota. The Directors forecast that revenue will increase by a further 91% in the 2000 financial year to \$20.9 million, and by a further 101% to \$41.9 million in the 2001 financial year. These forecast increases are based on an increase in penetration of the Company's EPC products in the European and other existing markets, penetration of the products into new markets (including non-dealers), revenue from acquisition products and in the 2001 financial year new revenue being generated from Internet advertising and Internet commerce facilitation. While the European markets will continue to provide the most significant levels of revenue for the Company, the Americas are forecast to increase their level of revenue on both an actual basis and as a percentage of total revenue.

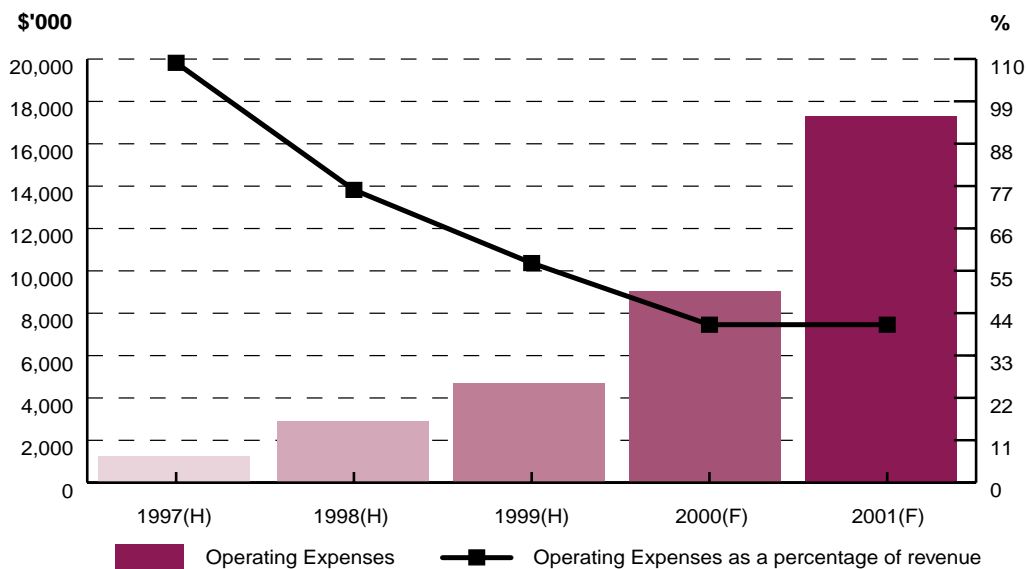
Expenses

Expenses include research & development, sales & marketing and administration costs. All research and development costs are expensed as incurred.

In the 1998 financial year expenses totalled \$2.9 million, an increase of 129% over 1997's expenses of \$1.3 million. This increase was primarily attributable to overseas distribution and marketing costs as well as continuing intellectual property development. In the 1999 financial year expenses rose to \$4.7 million, an increase of 61%. This increase was again as a result of higher overseas distribution and marketing costs, and intellectual property development. The Directors are forecasting expenses to rise to \$8.5 million in the 2000 financial year, and to \$17.3 million in the 2001 financial year. These increases are largely as a result of increases in the number of employees and in sales and marketing required to manage the forecast increase in revenue.



Operating Expenses - Actual and As A % of Revenue



Financial Information

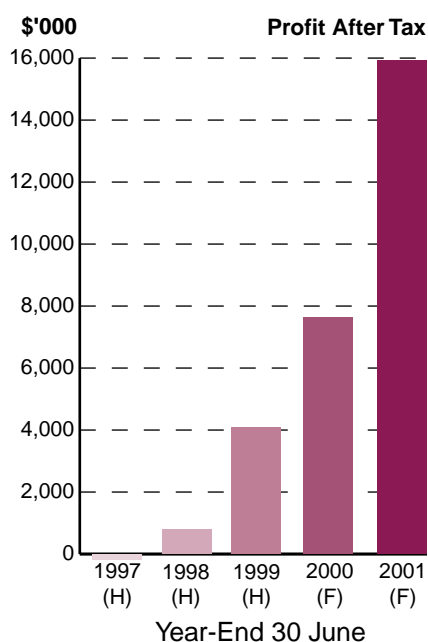
While Infomedia's expenses have risen since 1997, and are forecast to continue to rise over the forecast period, when expressed as a percentage of sales revenue, Infomedia's expense to revenue ratio has fallen. In the 1997 financial year, Infomedia's expenses to revenue ratio was 109%. In the 1998 financial year, Infomedia's expenses to revenue ratio fell to 76%. In the 1999 financial year, the operating expenses to revenue ratio fell to 57%, reflecting the generally fixed nature of the Company's costs. The Company's expenses ratio is forecast to remain steady at 41% in the 2000 and 2001 financial years.

Depreciation and Amortisation

The Company incurs depreciation and amortisation for plant, equipment and goodwill. Infomedia acquired goodwill of \$4.0 million as a result of the acquisition of Datateck. This goodwill is being written off over a period of 10 years.

Profit After Tax

The Company reported profit after tax of \$781,000 in 1998, an increase over the 1997 financial year loss of \$182,000. In 1999 the Company increased profit after tax by over 422% to \$4.1 million, predominantly as a result of the operating factors detailed above. The Directors are forecasting that profit after tax will rise 87% to \$7.6 million in the 2000 financial year, and will rise a further 109% to \$15.9 million in the 2001 financial year. The Forecast consolidates 100% of the financial results of Datateck from 31 March 2000.



Datateck

Historical financial information down to the EBITDA line in relation to Datateck is presented below. Infomedia acquired Datateck on 31 March 2000 and consolidated Datateck's financial results from that date. Consequently Infomedia's Forecast for the three months ending 30 June 2000 and for the 12 months ending 30 June 2001 includes forecasts for Datateck.

Datateck's Historical Financial Results

\$'000	12 Months Ended 30 June 1998 Historical (Unaudited)	12 Months Ended 30 June 1999 Historical (Unaudited)
Sales revenue	2,923	3,263
EBITDA	155	263

In the 12 months to 30 June 1999 Datateck recorded revenues of \$3.28 million, an increase of 12% over the 1998 financial year's revenue of \$2.9 million. The Directors forecast that this revenue will continue to grow.

Datateck recorded EBITDA of \$263,000 for the twelve months to 30 June 1999, an increase of 70% over its 1998 EBITDA of \$155,000. Its strong growth reflects the strong increase in revenue and the high levels of fixed costs inherent in the business.

Assumptions Used in the Forecast

- The Directors' Forecast assumes that there will be no material beneficial or adverse effects from changes in technology, the actions of competitors or in current methods of production or distribution.
- The Directors' Forecast assumes that there will be no material benefits or adverse effects from changed economic conditions in any one or more of the markets in which Infomedia operates.
- The Directors have assumed there will be no changes in statutory, legal, accounting, government legislation or regulatory requirements in these markets that would have a material effect on the Company's results.
- The Directors' Forecast assumes that, apart from the introduction of a GST in Australia from 1 July 2000 and a forecast reduction in the Australian company tax rate to 34% from July 2000, the prevailing taxation treatment of income and expenditure in each geographic region is unchanged.
- The Directors' Forecast assumes that the Company's EPC products will have approximately 34,000 monthly subscribers by 30 June 2001.
- It is assumed that \$19.0 million will be raised from the issue of New Shares under the Offer.
- Interest income has been forecast at a fixed rate of 5% per annum on any cash held by the Company.
- Labour costs have been forecast based on existing employee levels adjusted for expected new appointments for the period under review. It has been assumed that salary levels will increase commensurate with market over the forecast period.
- Infomedia intends to expand its operations and acquire intellectual property or products where appropriate. It is difficult to accurately forecast the impact of any potential acquisitions given uncertainties as to specific opportunities that may arise during the forecast period. In addition to retiring debt on the acquisition of Datateck, the Directors have assumed a cash outflow of \$8 million on future strategic acquisitions during the forecast period. No effect on profit for any such acquisitions has been included in the Forecast.
- Forecast transactions denominated in foreign currency have been converted to Australian dollars at the following exchange rates:

	Six months ending 30 June 2000	Year ending June 30 2001
USD/A\$	0.658	0.633
GBP/A\$	0.429	0.430

- In making the above assumptions the Directors note that the Company has the following forward exchange contracts:

	Six months ending 30 June 2000	Year ending 30 June 2001
USD/A\$		
Average exchange rate	0.65	0.633
Hedged amount \$'000	9,000	26,546

Financial Information

Sensitivity Analysis

Forecast profit for the year ending 30 June 2000 consists of historical results for the nine months to 31 March 2000 and forecast results for the three months to 30 June 2000. Forecast profits are sensitive to variations in certain assumptions used in their preparation. The table below shows how variations in some of the assumptions might be expected to affect profits after tax.

Care should be taken in interpreting this table. The table treats each movement as an assumption in isolation to the others, which will not normally be the case as movements in variables will usually result in a flow-on or offsetting change in other variables. In practice, Infomedia's management would respond to an adverse change in variables by taking action to minimise the net effect on profits.

Key Assumptions	Change	Impact on EBIT	
		Year-end 30 June 2000 \$000	Year-end 30 June 2001 \$000
Subscription price	+5%	850	1,449
Subscription growth rate	+5%	132	836
Wages and salary costs	+10%	157	588
Internet Commerce Revenue:			
Direct-Seller penetration rate	+10%	-	249
Direct-Seller subscription price	+10%	-	249
Dealer-to-Dealer system Penetration rate	+10%	-	204
Dealer-to-Dealer system Subscription price	+10%	-	204

Consolidated Balance Sheet

The consolidated balance sheet at 31 December 1999 is derived from the audited financial statements. The proforma balance sheet reflects the audited consolidated balance sheet of the Company adjusted for the impact of significant transactions that occurred after 31 December 1999 (for example the acquisition of Datateck) or that may occur, contingent upon the completion of this Offer. The proforma adjustments are detailed in the Independent Accountant's Report in Section 7 of this prospectus.

The consolidated balance sheet and the proforma balance sheet should be read in conjunction with the notes set out in the consolidated financial statements in Section 7.

\$'000	Historical 31 Dec 1999 Audited	Proforma 31 Dec 1999 Reviewed
CURRENT ASSETS		
Cash	3,128	15,220
Receivables	1,811	2,646
Investments	139	139
Inventories	-	170
Other	43	112
TOTAL CURRENT ASSETS	5,121	18,287
NON-CURRENT ASSETS		
Property, plant and equipment	1,722	2,212
Intangibles	-	4,000
Other	250	319
TOTAL NON-CURRENT ASSETS	1,972	6,531
TOTAL ASSETS	7,093	24,818
CURRENT LIABILITIES		
Accounts payable	479	656
Borrowings	65	65
Provisions	1,877	5,971
Other	-	318
TOTAL CURRENT LIABILITIES	2,421	7,010
NON-CURRENT LIABILITIES		
Borrowings	263	263
Provisions	65	65
TOTAL NON-CURRENT LIABILITIES	328	328
TOTAL LIABILITIES	2,749	7,338
NET ASSETS	4,344	17,480
SHAREHOLDERS' EQUITY		
Share capital	480	17,480
Retained profits	3,864	-
TOTAL SHAREHOLDERS' EQUITY	4,344	17,480

Financial Information

Dividend Policy

The Directors' current intention is to distribute, as a franked dividend, in the order of 40-60% of the Company's profit after tax. It is expected that the Company's interim and final dividends will be paid in March and September respectively.

Subject to Infomedia's financial position and the achievement of forecast profits, the Company expects to pay its first dividend as a listed company in respect of the period from 1 July 2000 to 31 December 2000 in March 2001. The forecast dividend for the 2001 financial year is 2.5 cents per Share.

The Director's cannot give any assurance concerning the extent of future dividends, or the franking of such dividends, as they are dependent on future profits, the financial and taxation position of the Company and the impact of taxation laws. The level of franking of future dividends will depend upon the proportion of the Company's profits taxed in Australia.

Risk Factors

The business activities of Infomedia are subject to risks and there are many factors which may impact on the future performance of the Company. Some of these risks can be minimised or even overcome by the use of safeguards and appropriate systems and actions, but many are outside the control of the Company and the Directors and cannot be minimised or avoided.

There are a number of risk factors which investors should consider before making a decision whether or not to apply for Shares. The principal factors include, but are not limited to, those stated below.

Share Investment

There are always general risks with any investment in the stock market. There can be no guarantee that an active market in the Company's Shares will develop or that the market price of the Shares will not fall below the Issue Price. The price of shares, including Infomedia's, can fall as well as rise depending upon a range of factors beyond the control of Infomedia.

Non-renewal or Alteration of a Data Licence with an Automobile Manufacturer


Infomedia has data licence agreements in place with automobile manufacturers. These are usually renegotiated as they expire. If an agreement is not renewed or is prematurely terminated, then Infomedia will be unable to continue to produce EPCs such as Microcat and Partfinder for distribution to that manufacturers' dealerships.

Some automobile manufacturers still have divisions or joint ventures which produce parts catalogues: paper, microfiche or EPC. They also may use external specialists such as Infomedia for EPCs. Whilst the trend is for the automobile manufacturers to move to EPCs, there can be no assurance that these automobile manufacturers will not develop the EPCs through internal divisions which may increase the competition for Infomedia or result in the loss of a data licence agreement, with a corresponding decrease in revenue.

In addition, if the terms of the data licence are significantly altered, such as the cost of access to the automotive manufacturers' information, this could affect the profit margins that Microcat and Partfinder generate.

Reliance on Key Personnel

Infomedia's senior executives are key to its continued success and it has in place service agreements with all of its key executives. In addition as the Company continues to expand, especially internationally, Infomedia intends to employ additional key executives. Competition for senior executives is intense and there can be no guarantee that Infomedia will retain its current key employees beyond their contracted period (generally, two to three years) or attract other suitable executives.



However, Infomedia provides attractive employment conditions including share and option plans. All senior executives participate in the share and option plans. It is expected that new senior executives will be offered the opportunity to participate in the share and option plans.

Protection of Intellectual Property and Copyright

Infomedia has put in place systems for the identification, security, backup and storage of its intellectual property. However there is no assurance that these systems will protect the Company's intellectual property in all situations from unforeseen or unexpected events.

Microcat, Partfinder and other items of intellectual property are the copyright and registered trademarks of Infomedia. Laws relating to copyright and trademarks assist Infomedia to protect its intellectual property. The Company has a policy to protect and defend its intellectual property from unauthorised infringement. However, protection provided by these laws can vary from country to country and enforcement costs can be commercially prohibitive.

Control of Infomedia

Following the Offer, the Existing Shareholders will in aggregate hold 75% of Infomedia's issued capital. In addition, companies associated with Richard Graham and Myer Herszberg will hold 64% of Infomedia's issued capital.

Should the Existing Shareholders who retain their Shares choose to act in concert, they will be able to control the Company, elect all members of the Board, generally direct the affairs of the Company and prevent a change in control of the Company.

The Vendors, including the companies associated with two Directors, have entered into voluntary share escrow arrangements with the Company. These arrangements are outlined in Section 9. As these shares become free from escrow arrangements, the Vendors may choose to sell some or all of their shares into the market. If they were to do so, it could have a material adverse effect on the market price of Infomedia Shares.

Competition

Infomedia operates in a competitive market and the Directors believe that the Company has a competitive product. Infomedia has recently entered the US market, the domicile of many of Infomedia's major competitors. There can be no assurance that these competitors or others will not use their resources, manufacturer relationships and distribution bases to develop and sell their product more successfully than Infomedia, either in the USA or anywhere else in the world.

Economic Conditions

The performance of Infomedia will be influenced by the general condition of the global economy which by its nature is cyclical and subject to change, as recent movements in global stock exchange prices, exchange rates, inflation and interest rates as well as recent recessions in various regions have again demonstrated.

Reliable Performance of the Internet Globally for Advertising

Infomedia is forecasting to generate revenue from advertising as a result of enabling new versions of its products for Internet usage. These Internet enabled products and the advertising revenue forecast to be generated in association with them, will be dependent upon the continued good operation and maintenance of the global Internet infrastructure, such as reliable network backbones with the necessary speed, data capacity and security for providing reliable Internet access. The Internet has experienced, and is likely to continue to experience, significant growth in the number of users and the amount of traffic. There can be no assurance that the Internet infrastructure will continue to support the demands

Financial Information

placed on it by this continued growth, or that the performance or reliability of the Internet will not be adversely affected to such an extent as to adversely affect the successful commercialisation of the Company's products on it.

Effect of Goods and Services Tax

Goods and Services Tax ("GST") is being charged from 1 July 2000 to Australian customers on taxable supplies typically for use in Australia. Supplies that are not consumed in Australia such as exports will be GST-free. Given Infomedia exports the majority of its products and services to overseas customers, the impact of GST on sales is likely to be minimal. GST will, however, be paid on all taxable supplies purchased by the Company. The Company will then be entitled to claim an input tax credit to recover the amount of GST paid. Therefore, the Company's net exposure to the GST is a cash flow timing issue. The GST may differentially affect Infomedia's Australian customers. However, no view about the wider effect of the GST on the level of demand for the Company's products or services can yet be established.

Reliance on the Ford Motor Company Group

Infomedia currently generates approximately 92% of its revenues from the Ford Motor Company group of companies. The Company has separate and independent contracts with various Ford companies, namely Ford Motor Company (USA), Ford of Germany (Europe & Japan), Ford of Canada and Ford of Mexico. Each contract has a number of years still to run or an extension is presently being renegotiated. However, should these contracts not be renewed, or be terminated for whatever reason, and the Company has not sourced additional contracts with other auto manufacturers to replace them, then Infomedia's profitability and outlook would be substantially and adversely affected.

Exchange Rate Fluctuations

The majority of Infomedia's export sales and non-local direct costs, including agency fees, are billed in US dollars. This provides the Company with a degree of natural hedging through the US dollar current account against foreign exchange risk. Infomedia also takes forward currency contracts that reduce downside exchange risk as well as upside potential.

Sustainability of Growth, Margins and Dividends

The Company has achieved strong growth in revenue and profit after tax and the Directors are forecasting strong growth over the forecast period. The sustainability of this growth is dependent upon many factors. There is no assurance that the recent performance of the Company is indicative of future operating results and future dividend payments.

Rapid Technological Change

The products Infomedia produces and the industries it operates in are subject to rapid technological change, new product introductions and evolving industry standards and customer requirements. The introduction of new products embodying new technologies and the increasing sophistication of customer requirements can render existing products obsolete and unmarketable. The Company's success is dependent upon it adapting its products and services to meet this changing environment. Failure by the Company to respond on an adequate or timely basis to these requirements and developments for whatever reason could lead to significantly reduced revenues and profits.

Regulatory and Government

Other than laws and regulations applicable to businesses generally, there are currently few laws or regulations expressly applicable to access to and commerce on the Internet. Changes in the regulatory environment relating to Internet connectivity, the computer industry generally, or the information technology industry (including regulatory changes which directly affect telecommunications, Internet information, compliance or computing costs) could have an effect upon Infomedia's future business, operations and financial condition. The possible imposition of regulations and laws could affect content, exclusivity, competition, user privacy, pricing, characteristics and the quality and profitability of Infomedia's products.

Lack of Long-term Subscriber Contracts

The Company sells its flagship Microcat product to subscribers on a monthly basis. Its use is regulated by an End-User Software Agreement; however, there are no long-term supply contracts with individual subscribers. Subscribers are free to not renew their subscription without material notice to the Company. Should a number of subscribers not renew their subscriptions in the same month, this may have a materially adverse effect upon the Company's financial position. For an assessment of the impact this may have on the Company's Forecast, please see the Sensitivity Analysis presented earlier in this Section.

Internet Product Acceptance

Forecast figures rely on assumptions of Internet product subscription growth rates that may not be achieved. Further, Internet versions of Microcat are new products and may not be accepted in the marketplace. Advertising revenue may not reach the level expected, or at the time anticipated.

In-House Design

In-House Design

Infomedia's marketing and graphic arts staff collaborate to create professional and innovative advertisements, brochures, newsletters and promotional materials. By working together the teams achieve co-ordinated international campaigns, assured trademark and style utilisation and reduced costs for the Company. Below are some examples of their work.



Microcat Brochure



Magazine four page ad



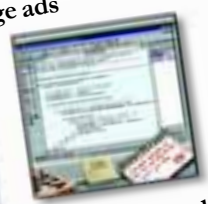
Magazine single page ads



Holiday Greeting Card

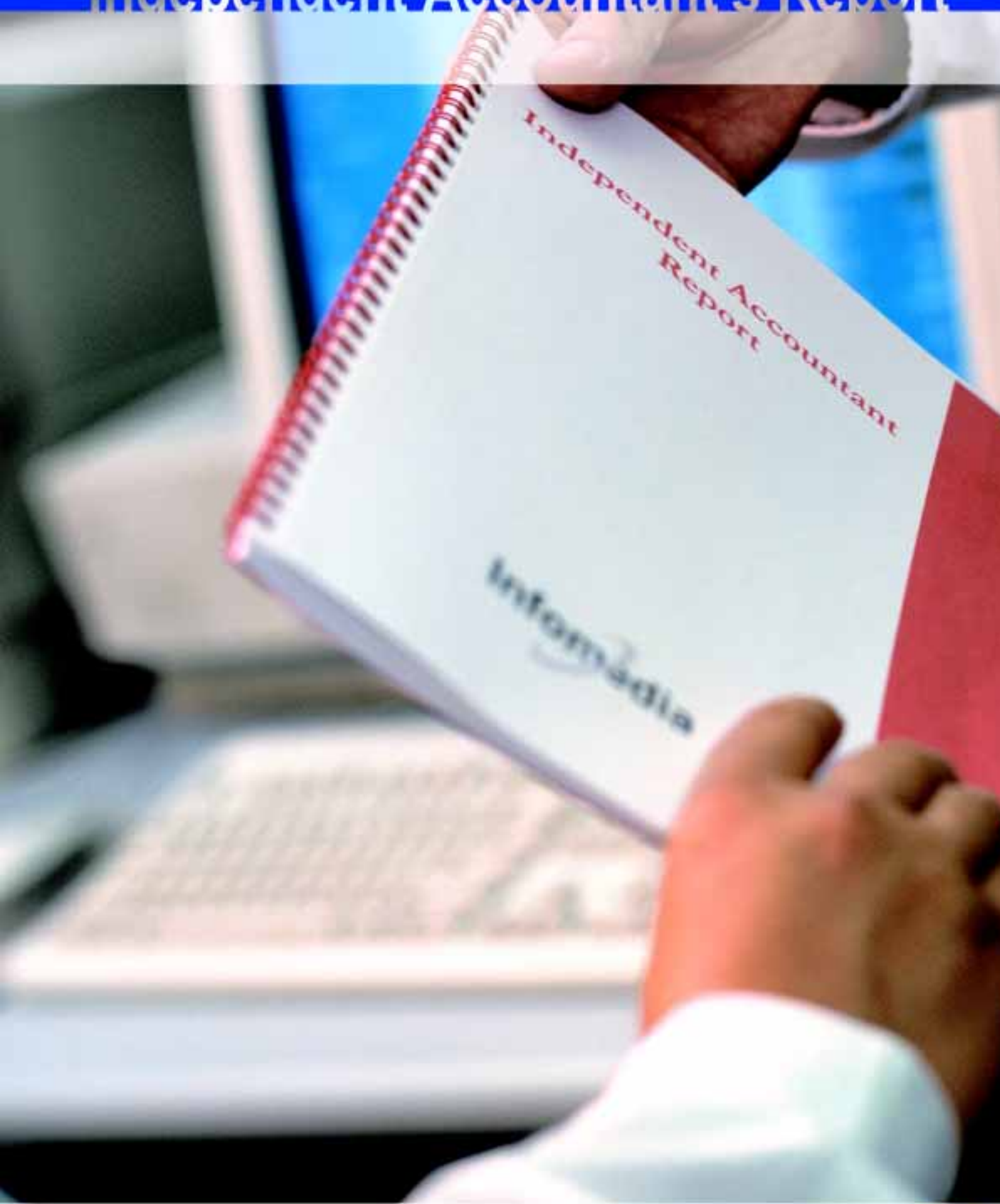


Campaign Postcards



Recruitment ad

Independent Accountant's Report



Independent Accountant's Report



■ The Ernst & Young Building
321 Kent Street
Sydney NSW 2000
Australia
GPO Box 2646
Sydney NSW 2001

■ Tel 61 2 9240 5555
Fax 61 2 9262 6565
DX Sydney Stock
Exchange 10172

14 July 2000

The Directors
Infomedia Ltd
1300 Pittwater Road
NARRABEEN NSW 2101

Dear Directors

Independent Accountant's Report

1. Introduction

This report in respect of Infomedia Ltd has been prepared at the request of the Directors, for inclusion in a Prospectus to be dated on or about 14 July 2000. This Prospectus relates to the fully underwritten offer of 79,000,000 shares in Infomedia Ltd, and the Company's listing on the ASX.

Infomedia Ltd will offer 19,000,000 New Shares of \$1.00 each to raise \$19,000,000. The Prospectus will also offer 60,000,000 Existing Shares of the current Shareholders for sale at \$1.00 each.

Expressions and other terminology defined in the Prospectus have the same meaning in this report.

2. Background

Infomedia Ltd was incorporated on 26 June 1987 and changed its status from a proprietary company to a public company on 14 July 2000.

Ernst & Young were appointed auditors of the Company during 1988 and have remained so since that time.

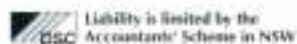
3. Financial Information

Scope of Our Report

Historical financial information

The historical financial information of the Company as set out in the Annexure to this report comprises the:

- consolidated profit and loss statement for the years ended 30 June 1997, 30 June 1998, 30 June 1999 and the six months ended 31 December 1999;
- consolidated balance sheet as at 31 December 1999;
- consolidated cash flow statement for the years ended 30 June 1997, 30 June 1998, 30 June 1999 and the six months ended 31 December 1999; and
- notes to the financial information.





We have audited the historical financial information of Infomedia Ltd as detailed above and set out in the Annexure.

Infomedia Ltd's Directors are responsible for the historical financial information.

Our audits of the historical financial information contained in the Annexure, have been conducted in accordance with Australian Auditing Standards applicable to audit engagements, to provide reasonable assurance as to whether the historical financial information is free of material misstatement. Our audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the historical financial information, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the historical financial information is presented fairly in accordance with the measurement requirements (but not all the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of Infomedia Ltd's financial position, the results of its operations and its cash flows.

It is noted that the historical financial information for the years ended 30 June 1997 and 30 June 1998 have been extracted from the audited special purpose financial reports of the company. The historical financial information for the year ended 30 June 1999 and the six months ended 31 December 1999 have been extracted from the audited general purpose financial reports of the company. The audit reports issued on those statutory financial reports by Ernst & Young were unqualified.

Proforma financial information

The proforma consolidated balance sheet of Infomedia Ltd as at 31 December 1999 has been presented in the Annexure in accordance with the policies and assumptions which form part of the financial information as detailed in the notes to the proforma consolidated balance sheet. We have reviewed the proforma consolidated balance sheet as set out in the Annexure to this Report.

The Directors of Infomedia Ltd are responsible for the proforma balance sheet as at 31 December 1999, which incorporates the effect of the issue of Shares, net of expenses, under the Offer as described in the Prospectus, as if they had occurred at 31 December 1999. On 31 March 2000 Infomedia Ltd entered into an agreement to acquire 100% of the issued capital of Datateck Publishing Pty Ltd. The proforma consolidated balance sheet reflects the financial position of Infomedia Ltd as if Datateck Publishing Pty Ltd had been acquired on 31 December 1999.

We have performed a review of the 31 December 1999 proforma consolidated balance sheet of Infomedia Ltd and related assumptions and policies supporting this information as detailed in the notes to the proforma consolidated balance sheet in the Annexure, in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the proforma financial information is not presented fairly in accordance with the measurement requirements (but not all the disclosure requirements) of applicable Accounting Standards and other mandatory reporting requirements in Australia to the extent to which they are relevant to the information presented, as if the proforma transactions set out in Note 2 of the Annexure had occurred as at 31 December 1999.

Our review procedures were limited primarily to inquiries of Infomedia Ltd's personnel, analytical review procedures applied to the assumptions and financial data, review of accounting records and other documentation and the performance of certain limited verification procedures. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit of the 31 December 1999 proforma

Independent Accountant's Report



consolidated balance sheet and, accordingly, we do not express an audit opinion.

Opinion and Statement

Historical financial information

In our opinion, the historical financial information of Infomedia Ltd, comprising the:

- consolidated profit and loss statement for the years ended 30 June 1997, 30 June 1998, 30 June 1999 and the six months ended 31 December 1999;
- consolidated balance sheet as at 31 December 1999;
- consolidated cash flow statements for the years ended 30 June 1997, 30 June 1998, 30 June 1999 and the six months ended 31 December 1999; and
- notes to the financial information,

presents fairly in accordance with the measurement requirements (but not all the disclosure requirements) of applicable Accounting Standards and other mandatory reporting requirements in Australia, the state of affairs of Infomedia Ltd as at 30 June 1997, 30 June 1998, 30 June 1999 and 31 December 1999, and the results of its operations and cash flows for the periods then ended.

Proforma financial information

Based on our review of the proforma financial information, nothing has come to our attention to indicate that the consolidated proforma balance sheet as at 31 December 1999 has not been compiled in accordance with the measurement requirements (but not all the disclosure requirements) of stated policies and assumptions in the Annexure so as to present fairly the proforma financial position of Infomedia Ltd as at 31 December 1999 in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia to the extent to which they are relevant to the information presented as if the proforma transactions set out in Note 2 to the Annexure had occurred as at 31 December 1999.

4. Subsequent Events

To the best of our knowledge and belief, there have been no material items, transactions or events subsequent to 31 December 1999 requiring further comment or adjustment to the content of this report or which would cause the information in this report to be misleading.

5. Disclosure

Ernst & Young does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in this matter. Ernst & Young is the auditor of Infomedia Ltd. Ernst & Young will receive a professional fee for the preparation of this report.

Consent to the inclusion of the Independent Accountant's Report in the Prospectus, in the form and context in which it appears, has been given. At the date of this report, this consent has not been withdrawn.

Yours faithfully

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive, stylized font.

Ernst & Young

HISTORICAL AND PROFORMA FINANCIAL INFORMATION

ANNEXURE

CONSOLIDATED PROFIT AND LOSS STATEMENT

FOR THE YEARS ENDED 30 JUNE 1997, 30 JUNE 1998 AND 30 JUNE 1999 AND SIX MONTHS ENDED 31 DECEMBER 1999

	Note	30/6/97 Historical Audited \$'000	30/6/98 Historical Audited \$'000	30/6/99 Historical Audited \$'000	31/12/99 Historical Audited \$'000
Operating revenue	3	1,167	3,811	10,933	8,316
EBITDA		(104)	901	6,247	4,879
EBIT		(170)	819	6,022	4,685
Operating profit/(loss) before income tax		(182)	781	5,986	4,671
Income tax expense	4	-	-	(1,911)	(1,659)
Operating profit/(loss) after income tax		(182)	781	4,075	3,012

The consolidated profit and loss statements of Infomedia Ltd do not include the results of Datateck Publishing Pty Ltd.

Independent Accountant's Report

HISTORICAL AND PROFORMA FINANCIAL INFORMATION

ANNEXURE

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 1999

	Note	Historical 1999 Audited \$'000	Proforma 1999 Reviewed \$'000
CURRENT ASSETS			
Cash		3,128	15,220
Receivables	5	1,811	2,646
Investments	6	139	139
Inventories	7	-	170
Other	10	43	112
TOTAL CURRENT ASSETS		5,121	18,287
NON-CURRENT ASSETS			
Property, plant & equipment	8	1,722	2,212
Intangibles	9	-	4,000
Other	10	250	319
TOTAL NON-CURRENT ASSETS		1,972	6,531
TOTAL ASSETS		7,093	24,818
CURRENT LIABILITIES			
Accounts payable	11	479	656
Borrowings	12	65	65
Provisions	13	1,877	5,971
Other	14	-	318
TOTAL CURRENT LIABILITIES		2,421	7,010
NON-CURRENT LIABILITIES			
Borrowings	12	263	263
Provisions	13	65	65
TOTAL NON-CURRENT LIABILITIES		328	328
TOTAL LIABILITIES		2,749	7,338
NET ASSETS		4,344	17,480
SHAREHOLDERS' EQUITY			
Share capital	15	480	17,480
Retained profits		3,864	-
TOTAL SHAREHOLDERS' EQUITY		4,344	17,480

The consolidated balance sheets should be read in conjunction with the accompanying notes, with particular reference to the assumptions relating to the proforma balance sheet set out in Note 2.

HISTORICAL AND PROFORMA FINANCIAL INFORMATION

ANNEXURE

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEARS ENDED 30 JUNE 1997, 30 JUNE 1998 AND 30 JUNE 1999 AND SIX MONTHS ENDED 31 DECEMBER 1999

	30/6/97 Historical Audited \$'000	30/6/98 Historical Audited \$'000	30/6/99 Historical Audited \$'000	31/12/99 Historical Audited \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	1,153	3,412	9,131	8,839
Payments to suppliers and employees	(1,496)	(2,746)	(4,040)	(3,867)
Interest received	9	9	73	90
Grants received	-	-	-	21
Borrowing costs	(12)	(37)	(8)	(15)
Income tax paid	-	-	-	(1,838)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(346)	638	5,156	3,230
CASH FLOWS FROM INVESTING ACTIVITIES				
Advances - related party	-	-	-	(240)
Repayment of advance - related party	-	-	-	240
Acquisition of property, plant & equipment	-	(176)	(1,154)	(646)
Deposit paid on purchase of property	-	-	(39)	(250)
Purchase of listed investments	-	-	-	(99)
NET CASH FLOWS FROM INVESTING ACTIVITIES	0	(176)	(1,193)	(995)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	(14)	(29)	-	(111)
Proceeds from borrowings	147	-	190	-
Dividends paid on ordinary shares	-	-	(374)	(3,120)
Finance lease principal	(9)	(18)	(23)	(29)
NET CASH FLOWS FROM FINANCING ACTIVITIES	124	(47)	(207)	(3,260)
NET INCREASE/(DECREASE) IN CASH HELD	(222)	415	3,756	(1,025)
Cash at beginning of the financial period	204	(18)	397	4,153
CASH AT END OF FINANCIAL PERIOD	(18)	397	4,153	3,128
RECONCILIATION				
Reconciliation of operating profit after income tax to the net cash from operating activities :				
Operating profit/(loss) after tax	(182)	781	4,075	3,012
Depreciation and amortisation	66	82	225	194
Provision for employee entitlements	20	26	49	56
Trade and other receivables	(16)	(396)	(1,717)	533
Trade and other creditors	(234)	145	613	(385)
Tax provisions	-	-	1,911	(180)
Net cash flow from operating activities	(346)	638	5,156	3,230

Independent Accountant's Report

HISTORICAL AND PROFORMA FINANCIAL INFORMATION

ANNEXURE

NOTES TO THE FINANCIAL INFORMATION

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial information included in the Annexure in respect of Infomedia Ltd has been prepared consistently throughout the reporting period in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the specific accounting policies detailed in this Note 1 and the assumptions detailed in Note 2.

Certain of the disclosure requirements under applicable Accounting Standards and other mandatory reporting requirements have not been included where the information that would be disclosed is not considered material or relevant to potential investors.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its controlled entities. The effects of all inter-entity transactions are eliminated in full.

The proforma consolidated balance sheet reflects the financial position of the consolidated entity as if the Company had acquired 100% of Datateck Publishing Pty Ltd at 31 December 1999.

Cash

For the purposes of the cash flow statement, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

Recoverable amount

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

Investments

Current investments are carried at the lower of cost and recoverable amount.

Inventories

Inventories are carried at the lower of cost or net realisable value.

NOTES TO THE FINANCIAL INFORMATION

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Cost and valuation

Property, plant and equipment are carried at cost.

Depreciation

Depreciation is calculated on all property, plant and equipment, other than freehold land, at rates calculated to allocate the cost less estimated residual value at the end of the useful lives of the assets, against revenue over those estimated useful lives.

Depreciation is provided on a straight line basis. Major depreciation periods are :

- Buildings 40 years
- Leasehold improvements 6 years
- Plant and equipment 3 to 15 years
- Plant and equipment under lease 5 years
- Motor vehicles under lease 7 years

Leases

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

Operating leases

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

Finance leases

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

Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and charged directly to the profit and loss.

Intangibles

Goodwill

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

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

Independent Accountant's Report

HISTORICAL AND PROFORMA FINANCIAL INFORMATION

ANNEXURE

NOTES TO THE FINANCIAL INFORMATION

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

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

Where assets are revalued no provision for potential capital gains tax has been made.

Trade payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

Loans and borrowings

All borrowings are carried at the principal amount. Interest is charged as an expense as it accrues.

Finance leases are accounted for in accordance with the requirements of AASB 1008: Leases.

Provision for dividend

Dividends payable are recognised when a legal obligation to pay the dividend arises, typically following approval of the dividends at a meeting of shareholders.

Share capital

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

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

Foreign currency transactions

Transactions in foreign currencies are converted to Australian dollars at the rate of exchange ruling at the date of the transaction. Amounts payable to or by the Company that are outstanding at the balance date and are denominated in foreign currencies have been converted to Australian dollars using rates of exchange ruling at the end of the financial period. All resulting exchange differences arising on settlement or restatement are brought to account in determining the profit and loss for the financial period.

Employee entitlements

Provision is made for the long service leave and annual leave estimated to be payable to employees on the basis of statutory and contractual requirements. The contributions made to superannuation funds by the company are charged against profits.

NOTES TO THE FINANCIAL INFORMATION

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and the revenue can be reliably estimated. The following specific recognition criteria must also be met before revenue is recognised.

Microcat Subscriptions

Use of goods under period licence.

Financial instruments

The accounting policies adopted in relation to financial instruments are set out in Note 19.

Share issue expenses

Share issue expenses, estimated to be \$2,000,000 have been charged against equity in the consolidated proforma balance sheet at 31 December 1999.

2. ADJUSTMENTS APPLIED IN PREPARING THE FINANCIAL INFORMATION

Proforma consolidated balance sheet

The proforma consolidated balance sheet has been prepared to reflect the financial position of the Company as at 31 December 1999 after accounting for material transactions subsequent to year end 31 December 1999 that are associated with the Offer and Prospectus. The proforma balance sheet has been compiled as if the following transactions and events had occurred as at 31 December 1999.

(a) Cash	\$'000
<i>Cash held as at 31 December 1999 as per historical balance sheet</i>	3,128
Proceeds due to Infomedia Ltd from the Offer (Note 2(b))	19,000
Costs of the Offer (Note 2(b))	(2,000)
Repayment of commercial bill *	(4,978)
Net cash acquired (Note 2(c))	70
<i>Cash held as per proforma balance sheet</i>	15,220

* The commercial bill was taken out by Infomedia Ltd to fund the acquisition of Datateck Publishing Pty Ltd. (Refer Note 2(c)).

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HISTORICAL AND PROFORMA FINANCIAL INFORMATION

ANNEXURE

NOTES TO THE FINANCIAL INFORMATION

2. ADJUSTMENTS APPLIED IN PREPARING THE FINANCIAL INFORMATION (continued)

(b) Share capital	\$'000
<i>Share capital as at 31 December 1999 as per historical balance sheet</i>	480
Offer Pursuant to the Offer under this Prospectus, Infomedia Ltd will issue 19,000,000 Shares at \$1.00 each.	19,000
Costs of the Offer Costs directly attributable to the issue of Shares under the Offer have been offset against funds raised.	(2,000)
Share capital as per proforma balance sheet	17,480
(c) Acquisition of Datateck Publishing Pty Ltd	
Acquisition of assets and liabilities (Refer Note 22)	
Cash	113
Debtors	835
Inventories	170
Prepayments	69
Plant and equipment	490
Future income tax benefit	69
	1,746
Accounts payable	(177)
Provision for employee entitlements	(230)
Revenue in advance	(318)
Fair value of net tangible assets	1,021
Goodwill arising on acquisition	4,000
Cash consideration paid	5,021
Acquisition funded by:	
Short term secured commercial bill	(4,978)
Cash	(43)
	(5,021)

HISTORICAL AND PROFORMA FINANCIAL INFORMATION

ANNEXURE

NOTES TO THE FINANCIAL INFORMATION

2. ADJUSTMENTS APPLIED IN PREPARING THE FINANCIAL INFORMATION (continued)

(d) Proposed dividend at 31 March 2000	
Retained profits reconciled as follows:	\$'000
<i>Retained profits as at 31 December 1999 as per historical balance sheet</i>	3,864
Amount of dividend proposed from pre-float profits	(3,864)
Retained profits as per proforma balance sheet	-

A fully franked dividend of \$5,601,600, which includes retained profits detailed above, has been distributed to existing shareholders from retained profits at 31 March 2000. The dividend utilised all franking credits, available to the Company arising out of income to 31 March 2000.

3. OPERATING REVENUE

	30/6/97 Historical \$'000	30/6/98 Historical \$'000	30/6/99 Historical \$'000	31/12/99 Historical \$'000
Microcat subscriptions	1,079	3,513	10,388	7,985
Production charge	59	151	262	212
Interest received	2	2	73	93
Grant income	15	27	50	6
Other income	12	56	32	20
Foreign exchange gains	-	62	128	-
Total operating revenue	1,167	3,811	10,933	8,316

4. INCOME TAX

	30/6/97 Historical \$'000	30/6/98 Historical \$'000	30/6/99 Historical \$'000	31/12/99 Historical \$'000
The prima facie tax on operating profit/(loss) of the total business, differs from the income tax provided in the financial information as follows :				
Prima facie tax on operating profit/(loss)	(66)	281	2,155	1,682
Other items (net)	(44)	14	32	(23)
FITB not brought to account	110	3	(32)	-
Tax losses recovered	-	(298)	(244)	-
Income tax expense	-	-	1,911	1,659

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HISTORICAL AND PROFORMA FINANCIAL INFORMATION

ANNEXURE

NOTES TO THE FINANCIAL INFORMATION

5. RECEIVABLES

	Historical 1999 \$'000	Proforma 1999 \$'000
Current		
Trade debtors	1,721	2,556
Other debtors	90	90
Total current receivables	1,811	2,646

6. INVESTMENTS

	Historical 1999 \$'000	Proforma 1999 \$'000
Current		
Options - listed on ASX, at cost	39	39
Shares - listed on ASX, at cost	100	100
Total current investments	139	139

7. INVENTORIES

	Historical 1999 \$'000	Proforma 1999 \$'000
Current		
Work in progress	-	170
Total current inventories	-	170

HISTORICAL AND PROFORMA FINANCIAL INFORMATION

ANNEXURE

NOTES TO THE FINANCIAL INFORMATION

8. PROPERTY, PLANT AND EQUIPMENT

	Historical 1999 \$'000	Proforma 1999 \$'000
Land & buildings - at cost	647	647
Provision for depreciation	(9)	(9)
	638	638
Furniture & equipment - at cost	1,306	1,793
Provision for depreciation	(407)	(407)
	899	1,386
Leasehold improvements - at cost	143	146
Provision for depreciation	(61)	(61)
	82	85
Plant & equipment under lease - at cost	213	213
Provision for amortisation	(110)	(110)
	103	103
Total property, plant & equipment - at cost	2,309	2,799
Provision for depreciation	(587)	(587)
Total written down amount	1,722	2,212

9. INTANGIBLES

	Historical 1999 \$'000	Proforma 1999 \$'000
Non-current		
Goodwill - at cost	-	4,000
Total intangibles	-	4,000

Independent Accountant's Report

HISTORICAL AND PROFORMA FINANCIAL INFORMATION

ANNEXURE

NOTES TO THE FINANCIAL INFORMATION

10. OTHER ASSETS

	Historical 1999 \$'000	Pro forma 1999 \$'000
Current		
Prepayments	43	112
	43	112
Non-current		
Deposit paid on property purchase	250	250
Future income tax benefit	-	69
Total other assets	250	319

Infomedia Investments Pty Ltd has entered into a contract for the acquisition of property with a total purchase price of \$1.34 million. The balance of the purchase consideration amounting to \$1.09 million has not been brought to account as the completion of the contract is conditional upon registration of the proposed strata plan pertaining to the property. The details of this commitment for future expenditure are detailed at Note 20.

11. ACCOUNTS PAYABLE

	Historical 1999 \$'000	Proforma 1999 \$'000
Current		
Trade creditors	403	580
Sundry creditors	76	76
Total accounts payable	479	656

HISTORICAL AND PROFORMA FINANCIAL INFORMATION

ANNEXURE

NOTES TO THE FINANCIAL INFORMATION

12. BORROWINGS

	Historical 1999 \$'000	Proforma 1999 \$'000
Current		
Lease liability	65	65
	65	65
Non-current		
Lease liability	66	66
Secured bank loan	197	197
Total borrowings	263	263

The lease liability is secured by a charge over the leased assets.

The bank loan noted above is secured by first mortgage over the company's freehold land and buildings as well as a mortgage debenture over all of the company's assets.

13. PROVISIONS

	Historical 1999 \$'000	Proforma 1999 \$'000
Current		
Employee entitlements	186	416
Income tax	1,691	1,691
Dividend	-	3,864
	1,877	5,971
Non-current		
Employee entitlements	24	24
Deferred income tax liability	41	41
Total provisions	65	65

14. OTHER LIABILITIES

	Historical 1999 \$'000	Proforma 1999 \$'000
Current		
Revenue in advance	-	318
Total other liabilities	-	318

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HISTORICAL AND PROFORMA FINANCIAL INFORMATION

ANNEXURE

NOTES TO THE FINANCIAL INFORMATION

15. SHARE CAPITAL

	Historical 1999		Proforma 1999	
	Number of Shares	\$'000	Number of Shares	\$'000
Issued capital of the Existing Shareholders	480,000	480	236,499,190	480
Shares sold under the Offer by the Existing Shareholders	-	-	60,000,000	-
Shares issued on the Offer (Note 2(b))	-	-	19,000,000	19,000
Costs of Share issues(Note 2(b))	-	-	-	(2,000)
Total issued capital	480,000	480	315,499,190	17,480

a) Capital Restructure

Prior to listing on ASX, the ordinary shares of the Company were split on the basis of 617.707 for 1 Share to provide Shares of 296,499,190.

b) Share Plans

The Company has established the following option and share plans:

Employee Option Plan

The Employee Option Plan entitles the Company to offer 'eligible employees' options to subscribe for shares in the Company. Options will be granted at a nil issue price unless otherwise determined by the directors of the Company and each Option enables the holder to subscribe for one Share. The exercise price for the Options granted will be as specified on the option certificate or, if not specified, the volume weighted average price for Shares of the Company for the five days trading immediately before the day on which the options were granted. The Options may be exercised in accordance with the date determined by the Company which must be within three years of the option being granted. The total number of Options issued at the date of this report is 1,300,000.

Employee Share Plan

The Company provides employees, not including Directors, the opportunity to acquire Shares in the Company. The scheme applies to employees with at least 12 months service and provides that offers be made to at least 75% of the persons employed by the Company for at least 36 months and not more than twice in each financial year. The offer to each employee cannot exceed a market value of \$1,000. The consideration for each Share offered will be nil unless otherwise determined by the Directors. Shares may not be offered to employees who are ineligible, being employees with legal or beneficial interest in more than 5% of the Company or that they control or may cast more than 5% of the maximum votes at a general meeting of the Company.

HISTORICAL AND PROFORMA FINANCIAL INFORMATION

ANNEXURE

NOTES TO THE FINANCIAL INFORMATION

15. SHARE CAPITAL (continued)

Selected Share Plan

The Company will offer Shares to selected persons on set offer dates. The total number of Shares offered will be 8,802,320. The consideration for each Share offered will be nil unless otherwise determined by the Directors.

16. EMPLOYEE ENTITLEMENTS & SUPERANNUATION COMMITMENTS

	Historical 1999 \$'000	Proforma 1999 \$'000
Employee entitlements		
The aggregate employee entitlement liability is comprised of:		
Provision for annual leave	164	245
Provision for long service leave	46	190
Provision for RDO	-	5
	210	440

Superannuation commitments

Contributions are made by the Company in accordance with the relevant statutory requirements. Contributions by the Company of up to 7% to 30 June 2000 and 8 % from 1 July 2000 of employees wages and salaries are legally enforceable in Australia. The superannuation plans provide accumulated benefits.

17. RELATED PARTY DISCLOSURES

Directors

The directors of Infomedia Ltd during the six months ended 31 December 1999 and up to the date of the Prospectus were:

- Richard Graham (appointed 24/12/87)
- Myer Herszberg (appointed 11/06/92)
- Linda Graham-McCann (appointed 11/05/00)
- Barry Ford (appointed 19/06/00)
- Fran Hennon (appointed 19/06/00)

Directors interests in equity of the Company

	Number of Ordinary Shares Held	
	Historical 1999	Proforma 1999
Wiser Laboratory Pty Ltd	237,000	116,277,501
Rentamobile Pty Ltd	72,800	35,717,154
Yarragene Pty Ltd	116,800	57,304,445

Independent Accountant's Report

HISTORICAL AND PROFORMA FINANCIAL INFORMATION

ANNEXURE

NOTES TO THE FINANCIAL INFORMATION

17. RELATED PARTY DISCLOSURES (continued)

Richard Graham is a director and major shareholder of Wiser Laboratory Pty Ltd. Myer Herszberg is a director and major shareholder of Rentamobile Pty Ltd and Yarragene Pty Ltd.

At the date of this report the Company has issued the following Options, at the exercise price of \$1.00, to the Directors pursuant to its Employee Option Plan:

Richard Graham	450,000
Myer Herszberg	450,000
Barry Ford	200,000
Fran Hernon	200,000
Total	1,300,000

Richard Graham and Myer Herszberg may exercise their Options at any time after 19 June 2001 and prior to 19 June 2003. Barry Ford and Fran Hernon may exercise their Options in three approximately equal tranches on each anniversary of their engagement by the Company and prior to 28 June 2003.

The Company intends to issue the following shares to Directors under the Selective Share Plan as follows:

Richard Graham will be issued 308,853 shares on 1 September 2000, 3 July 2001 and 3 July 2002.

Linda Graham-McCann will be issued 277,968 shares on 1 September 2000 and 3 July 2001.

Transactions with director-related entities during the period ended 31 December 1999

Infomedia Ltd rents office space from Wiser Laboratory Pty Ltd, a company in which Richard Graham is a director. The total rent payments for the six months ended 31 December 1999 of \$49,992 were on normal commercial terms and have continued up to the date of our report.

Infomedia Ltd provided a loan for an amount of \$240,000 to Yarragene Pty Ltd, a company in which Myer Herszberg is a director. The loan was fully repaid during the period to 31 December 1999. Interest has been charged at 6% per annum.

18. SUBSEQUENT EVENTS

Details of subsequent events which have been reflected in the proforma consolidated balance sheet are described in Note 2. There have been no other material transactions which significantly affect the financial or operational position of the Company since 31 December 1999.

19. FINANCIAL INSTRUMENTS

Terms, conditions and accounting policies

The Company's accounting policies, including the terms and conditions of major classes of recognised financial asset, financial liability and equity instrument as at 31 December 1999 are set out below. There were no unrecognised financial assets, financial liabilities or equity instruments as at 31 December 1999.

Trade debtors

Trade debtors are carried at nominal amounts due less any provision for doubtful debts. Invoices are typically issued in accordance with specific contract agreements or on 30 day terms.

NOTES TO THE FINANCIAL INFORMATION**19. FINANCIAL INSTRUMENTS (continued)***Bank loans*

The bank loans are carried at the principal amount. Interest is charged as an expense as it accrues. The bank loan is repayable monthly and interest is charged at a rate of 6.65% per annum. Details of the security held over the bank loan is set out in Note 12.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company. Accounts payable are normally settled on 30 day terms.

Finance lease liability

The lease liability is accounted for in accordance with AASB 1008. As at balance date, the consolidated entity had finance leases with an average lease term of four years. The average discount rate implicit in the leases is 9.3% per annum. The security over finance leases is disclosed at Note 12.

Ordinary shares

Ordinary share capital is recognised at the fair value of the consideration received by the Company. Details of the ordinary shares issued and options relating to ordinary shares are included in Note 15.

Forward exchange contracts

The consolidated entity enters into forward exchange contracts where it agrees to sell specified amounts of foreign currencies in the future at a predetermined exchange rate. The objective is to protect the consolidated entity against the possibility of loss from future exchange rate fluctuations arising from customers paying in foreign currencies. The forward exchange contracts are usually for no longer than twelve months. Exchange gains or losses on forward exchange contracts are charged to the profit and loss except those relating to hedges of specific commitments which are deferred and included in the measurement of the sale or purchase.

At 31 December 1999, the Company had entered into six forward exchange contracts totalling US\$5,850,000 converting into Australian dollars at rate of AUD\$1.00 for US\$0.65. The contracts progressively matured before 30 June 2000 and were a general hedge of anticipated receipts from current debtors and future sales and for the payment of creditor amounts payable in US dollars.

Net fair values

The aggregate net fair values of financial assets and financial liabilities are not materially different from their carrying amounts included in the 31 December 1999 balance sheet.

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HISTORICAL AND PROFORMA FINANCIAL INFORMATION

ANNEXURE

NOTES TO THE FINANCIAL INFORMATION

20. EXPENDITURE COMMITMENTS

	Historical 1999 \$'000	Proforma 1999 \$'000
Finance leases:		
- not later than one year	73	73
- later than one year and not later than two years	50	50
- later than two years and not later than five years	19	19
- total minimum lease payments	142	142
- future finance charges	(11)	(11)
- lease liability	131	131
- current liability (refer note 12)	65	65
- non-current liability (refer note 12)	66	66
	131	131
Operating leases:		
- not later than one year	-	93
Capital expenditure commitments:		
- payable not later than one year	1,090	1,090

a) The above capital expenditure commitment represents the payment due on completion of the acquisition of an office suite in a proposed strata plan. The strata plan is unregistered and completion is conditional upon the registration of the strata plan by 30 November 2001. The Company expects that the vendor will be able to complete the contract within 12 months.

21. INVESTMENTS IN CONTROLLED ENTITIES

Name of controlled entity	Country of Incorporation	Class of Shares	Equity Holding %	
			Historical	Proforma
Infomedia Investments Pty Ltd	Australia	Ordinary	100	100
Datateck Publishing Pty Ltd	Australia	Ordinary	-	100
Infomagic New Zealand Pty Ltd	New Zealand	Ordinary	100	100

Datateck Publishing Pty Ltd was incorporated on 18 November 1994. This company was acquired on 31 March 2000 as detailed in Note 22.

Infomagic New Zealand Pty Ltd is a dormant company that is in the process of entering into voluntary liquidation and it is expected that the company will be deregistered by 31 July 2000.

22. ACQUISITION OF ENTITY

On 31 March 2000, Infomedia Ltd acquired 100% of the share capital in Datateck Publishing Pty Ltd, being four ordinary shares of \$1 each. As a condition of the 'Share Sale Agreement', Infomedia Ltd agreed to loan Datateck Publishing Pty Ltd an amount of \$4,978,288 to discharge the debt of the same amount payable by Datateck Publishing Pty Ltd to Datateck Investments Pty Ltd as trustee for the CK Family Trust.

NOTES TO THE FINANCIAL INFORMATION

22. ACQUISITION OF ENTITY (continued)

On the same day, and immediately prior to the above transaction, Datateck Publishing Pty Ltd acquired certain assets (detailed below) from Datateck Investments Pty Ltd as trustee for the CK Family Trust.

	\$'000
Cash	113
Debtors	835
Inventories	170
Prepayments	69
Plant and equipment	490
Future income tax benefit	69
	1,746
Accounts payable	(177)
Provision for employee entitlements	(230)
Revenue in advance	(318)
Fair value of net tangible assets	1,021
Goodwill arising on acquisition	4,000
Cash consideration paid	5,021

The acquisition of net assets, by Datateck Publishing Pty Ltd was financed by secured short-term borrowings which will be repaid from the proceeds of the Offer. Refer Note 2(c).

23. FOREIGN CURRENCY

At balance date, the Company had entered into six forward exchange contracts totalling US\$5,850,000 converting into Australian dollars at rate of AUD\$1.00 per US\$ 0.65. The contracts progressively matured before 30 June 2000 and were a general hedge of anticipated receipts from current debtors and future sales and for the payment of creditor amounts payable in US dollars.

Australian dollar equivalents of cash held in foreign currencies at 31 December 1999, translated at US\$0.65 per AUD\$1.00 and effectively hedged by the above forward exchange contracts:

United States dollars	\$1,334,199
New Zealand dollars	\$10,587

Australian dollar equivalents of amounts receivable in foreign currency at 31 December 1999, translated at US\$0.65 per AUD\$1.00 and effectively hedged by the above forward exchange contracts:

United States dollars	\$1,567,234
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Australian dollar equivalents of amounts payable in foreign currency at 31 December 1999, translated at US\$0.65 per AUD\$1.00 and effectively hedged by the above forward exchange contracts:

United States dollars	\$204,064
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Forecast Report

 **ERNST & YOUNG**
CORPORATE FINANCE PTY LIMITED

■ Holder of Dealer License
(Corporations Law)
ACN 003 599 844

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Sydney NSW 2000
Australia

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■ Tel 61 2 9240 4420
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14 July 2000

The Directors

Infomedia Ltd
1300 Pittwater Road
NARRABEEN NSW 2101

Dear Directors

INDEPENDENT REVIEW OF DIRECTORS' PROFIT FORECASTS

Introduction

This report has been prepared at the request of the directors of Infomedia Ltd ("the Directors") for inclusion in a prospectus to be dated 14 July 2000 relating to the issue of 19,000,000 million New Shares and the sale of 60,000,000 Existing Shares ("the Prospectus").

Scope

We have reviewed the Directors' profit forecast for the six months ended 30 June 2000 and the year ending 30 June 2001 as set out in Section 6 on pages 44 to 53 of the Prospectus, which has been prepared on the basis of their assumptions set out on page 47. The directors are responsible for the preparation and presentation of the forecast and the information contained therein, including the assumptions on which the forecast is based. We disclaim any assumption of responsibility for any reliance on this report or on the Directors' profit forecast to which it relates for any purpose other than that for which it was prepared.

We have performed an independent review of the Directors' profit forecast in order to state whether, on the basis of the procedures described, anything has come to our attention which causes us to believe that the directors' assumptions set out on page 47 of the Prospectus do not provide a reasonable basis for the preparation of the forecast, and whether, in all material respects, the forecast is properly prepared on the basis of the assumptions and is presented on a basis consistent with the accounting policies disclosed in the Independent Accountant's Report and with those to be adopted by Infomedia Ltd and are in accordance with the bases and methods prescribed by applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. Our review consisted of inquiries as to the process used in preparing the forecast, consideration and discussion with the directors and management of the data supporting the assumptions and testing of the expression of the assumptions in the forecast. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

The Directors' profit forecast reflects their judgement based on present circumstances as to both the most likely set of operating and economic conditions and the course of action Infomedia Ltd is most likely to take. The Directors' profit forecast is based on a large number of assumptions and is subject to significant uncertainties and contingencies many of which are outside the control of the Directors of Infomedia Ltd. Accordingly, actual results during the forecast period may vary materially from the forecast as it is often the case that some events and circumstances do not occur as expected, or are not anticipated. We do not express an opinion as to whether the actual results of Infomedia Ltd for the six months ending 30 June 2000 and the year ending 30 June 2001 will approximate those forecast because assumptions regarding future events by their nature are not capable of independent substantiation.

As the directors' profit forecast is sensitive to certain key assumptions referred to above, investors should also give due regard to the sensitivity analysis of the Directors' profit forecast prepared by the directors and included in Section 6 on page 48 of the Prospectus.

Statement

Based on our review, which is not an audit:

- (i) nothing has come to our attention which causes us to believe that the Directors' assumptions, which are subject to the business risks set out in Section 6, do not provide a reasonable basis for the Directors' profit forecast;
- (ii) the Directors' profit forecast gives effect in all material respects to their assumptions; and
- (iii) we believe the Directors' profit forecast is presented on a basis consistent with the accounting policies disclosed in the Independent Accountants' Report and with those to be adopted by Infomedia Limited and are in accordance with the bases and methods prescribed by applicable Accounting Standards and other mandatory professional reporting requirements in Australia. It is in the nature of forecasts that it is not feasible to present all the disclosures which would be required by applicable Accounting Standards.

Without qualification to the above statement, attention is drawn to the following matters:

Expanded Focus of the Business

As discussed in the Prospectus, Infomedia's business focus is forecast to expand significantly in the year ending 30 June 2001. This is a result of the proposed international marketing of the Internet commerce products and the recently completed acquisition of Datateck Publishing Pty Limited. Accordingly, the achievement of the Directors' profit forecasts is materially dependent on the performance and management of the ongoing business in line with this expanded focus.

Impact of the Introduction of a Goods and Services Tax and the Review of Business Taxation (the Ralph Report)

Legislation establishing a goods and services tax (GST) has been passed by the Commonwealth Government. We note that the impact of this tax reform on the business of Infomedia Ltd is difficult to fully assess at this time. There may be additional or reduced business costs as a consequence of the implementation of the GST.

As part of their response to Mr John Ralph's report on business taxation, the government indicated its intention to fundamentally redesign the business taxation system. Whilst not expected to be material, there may be changes in the company's taxation obligations during and beyond the forecast period as a consequence of the implementation of the intended reforms.

Forecast Report



Ernst & Young Corporate Finance Pty Limited does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in relation to this matter. Ernst & Young has provided audit services and will receive a professional fee for the preparation of this Report. The Directors of Ernst & Young Corporate Finance do not hold nor have any interest in any ordinary shares of the company or its subsidiaries.

Consent to the inclusion of the Independent Review of Directors' Profit Forecasts in this Prospectus in the form and context in which it appears has been given. At the date of this Report consent has not been withdrawn.

Yours faithfully

Ernst & Young Corporate Finance Pty Limited

A handwritten signature in black ink, appearing to read "David Holmes". The signature is fluid and cursive.

David Holmes

Director

Additional Information



Additional Information

Change of Status to a Public Company and Split of Shares

On 31 May 2000, the Company changed its name to “Infomedia Pty Ltd”.

On 19 June 2000, the existing 480,000 shares in the Company were split into 296,499,190 Shares.

On 14 July 2000, the Company changed its status from a proprietary company to a public company.

Shares on Issue and Market Capitalisation on Completion of the Offer

On completion of the Offer the number of Shares on issue and their market capitalisation will be as follows:

	Number of Shares	\$
Existing Shares offered for sale	60,000,000	60,000,000
New Shares offered for subscription	19,000,000	19,000,000
Total Shares held by public pursuant to the Offer	79,000,000	79,000,000
Total Shares retained by Existing Shareholders on completion of the Offer	236,499,190	236,499,190
Total Shares and market capitalisation on completion of the Offer	315,499,190	315,499,190

Issue of Options

On 19 June 2000 the Directors resolved to grant the following Options at the exercise price of \$1.00 equalling the Offer Price. Mr Ford and Ms Hernon may exercise their Options in three approximately equal tranches after each anniversary of their engagement by the Company and prior to 28 June 2003. In recognition of their past service with the Company Mr Graham and Mr Herszberg may exercise their Options at any time after 19 June 2001 and prior to 19 June 2003.

Option Type	Option Holder	Number of Options
Ordinary	Richard Graham	450,000
Ordinary	Myer Herszberg	450,000
Ordinary	Barry Ford	200,000
Ordinary	Fran Hernon	200,000

Clearing House Sub-register System

The Company will apply to the ASX to participate in the Clearing House Sub-register System, known as CHESS. ASX Settlement and Transfer Corporation Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the SCH Business Rules. Additionally, the Company will operate an issuer sponsored sub-register. The two sub-registers make up the Company's register of securities.

The Company will not be issuing certificates to shareholders. Instead, Shareholders will receive a statement that sets out the number of Shares allocated to them under this Prospectus. In the case of a holding on the CHESS sub-register, the statement will be sent by CHESS and will include the details of the Shareholder's Holder Identification Number. In regard to a holding on the issuer sponsored sub-register, the statement will be sent by the Company and will set out the shareholder's Security Holder's Reference Number. Periodic statements will also be sent to shareholders at the end of any month during which the balance of their shareholding changes. A shareholder may request a statement at any other time; however, a charge may be made for additional statements.

Constitution and Rights Attaching to Shares

The rights attaching to the shares are detailed in the constitution of the Company. The following is a summary of certain of the terms of the constitution. This summary is not complete and is qualified in its entirety by reference to the Company's full constitution.

Voting

At a general meeting, every member present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll for share held (with proportionate adjustments for partly paid shares). The number of votes to which a holder of partly paid shares is entitled on a poll is equivalent to the proportion that the amount paid on the share is of the Issue Price of the share (ignoring amounts paid in advance).

Dividends

The profits or otherwise of the Company which the Directors from time to time determine to distribute by way of dividends are to be apportioned amongst the members in proportion to the number of issued shares held by them (subject to any special rights or restrictions attaching to the shares) at the time at which the right to participate in the distribution of dividends is determined.

Issues of Further Shares and Options

The Directors may, (subject to the constitution, the Listing Rules and the Corporations Law) allot, grant Options in respect of, or otherwise issue further Shares on such terms and conditions as they see fit.

Transfers of Shares

Holders of Shares may transfer them by a transfer effected in accordance with the SCH Business Rules and the Listing Rules, and as otherwise permitted by the Corporations Law. The Board may decline to register a transfer of Shares (other than a proper SCH transfer) where to do so would not contravene the Corporations Law, the Listing Rules or the SCH Business Rules.

Winding Up

Subject to any special or preferential rights attaching to any class or classes of Shares, members will be entitled on a winding up to Share in any surplus assets of the Company in proportion to the Shares held by them, less any amounts which remain unpaid on the shares at the time of distribution.

Directors

The minimum number of Directors is three and the maximum is fixed by the Directors but may not be more than five unless the Company in general meeting passes a resolution varying that number.

Meetings and Notice

Each shareholder is entitled to receive notice of, and to attend, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the constitution of the Company, the Corporations Law or the Listing Rules.

Remuneration of Directors

The constitution of the Company provides that Directors are entitled to remuneration out of funds of the Company as determined by the Directors but the remuneration of the Directors in their capacities as Directors may not exceed \$300,000 in any year or such other amount as may be fixed by the Company in general meeting.

The Directors have determined that the aggregate remuneration payable over the next 12 months (excluding the executive Options detailed below and the amounts payable to Richard Graham and

Additional Information

Linda Graham-McCann under their respective executive service agreements) of the Directors in their capacities as Directors will be no more than \$200,000.

The Company's constitution also entitles the Directors to be reimbursed any reasonable travelling, accommodation and other expenses properly incurred for the Company as Directors.

Option and Share Plans

The Company has established an Employee Option Plan ("EOP"), an Employee Share Plan ("ESP") and a Selective Share Plan ("SSP") ("Option and Share Plans").

The entitlements under the SSP are limited to a maximum of 8,802,320 Shares. The number of Options that may be granted under the EOP and the number of Shares that may be issued under the ESP are limited as set out below.

The full terms and conditions of the Option and Share Plans may be inspected during normal business hours at the Registered Office of the Company.

The main features of the Option and Share Plans are as follows:

Employee Option Plan

Participation

All permanent employees and Directors of the Company, its related bodies corporate, agents and contractors are eligible to participate in the EOP, at the election of the Board. The Options are to be issued in accordance with ASIC Class Order 00/220.

Offers

The Board may determine in its discretion the number of Options granted to persons under the EOP, subject to the overall limit that unexercised options must not exceed 5% of the issued capital. It is intended that Options will be issued for free.

Exercise Price for Options

The exercise price for each Option under the EOP will be the volume weighted average market price per Share for the five trading days immediately prior to the date the Options were granted, or such other price as determined by the Board.

Timing of Grant of Options

The Options may be granted at any time, subject to the Listing Rules and the Corporations Law.

Exercise of Options

Optionholders may exercise the Options as follows:

- in circumstances where the exercise of the Option would not breach the insider trading provisions of the Corporations Law
- during the period of one month after the Company has announced to ASX interim or final financial results
- after the Options vest and prior to the lapsing of the Option, and
- in multiples of 100 or such smaller number as is held by the Optionholder.

If a public proposal for a takeover bid is made to acquire any issued Shares in the Company, and no such offer is made in respect of the Options, the Board may give written notice to the Optionholders that the Options may be exercised within 30 days from the date of such written notice.

If a resolution is passed for the voluntary winding up of the Company (except for the purposes of reconstruction or amalgamation); any Options may be exercised in whole or part within three months of the date of the resolution.

The Company will apply for quotation on ASX of any Shares arising from the exercise of the Options.

Lapse and Cancellation of Options

In any event, the Options will lapse three years from the date they are granted.

If an Optionholder ceases to be an eligible employee within three years of the date the Options were granted, for any reason other than injury, ill health, disability, retirement, pregnancy or redundancy, the Options will automatically lapse on the date on which he or she ceases to be an eligible employee.

If an Optionholder is dismissed for misconduct or has committed an act which the Board reasonably considers may bring the Company into disrepute, the Board may cancel the Options.

If an Optionholder breaches any of the terms contained in the offer the Board may cancel the Options.

Adjustments upon a Reconstruction

The terms of the Options contain provisions to adjust the number of Options and the exercise price of the Options to take into account the effect of any capital reconstruction or bonus issue of the Company.

Employee Share Plan

Participation

In order to participate in the ESP, an individual has to have been employed by the Company for at least 12 months, or be approved by the Board for participation in the plan.

Ineligible Employees

Persons with a Shareholding in the Company of greater than 5% of its issued capital, or who have the capacity to control over 5% of the voting rights attaching to the Company's issued capital are prohibited from participating in the ESP.

Offers

Under the ESP, offers must be made:

- (a) to at least 75% of persons employed by the Company for at least 36 months
- (b) for that number of Shares having a market value which does not exceed \$1,000.00
- (c) in the same amounts to all offerees, and
- (d) not more than twice per financial year.

Consideration for Shares

The consideration payable in respect of each Share under the ESP at the time of the completion of the offer will be \$Nil or such other amount as is specified by the Board.

Limitation on Timing and Number of Shares

The Board is limited to offering the participants Shares on the conditions set out above to a maximum of twice each financial year.

Quotation of Shares

The Company will apply for quotation on ASX of any Shares issued pursuant to the ESP, but they cannot be disposed of until three years after issue.

Additional Information

Selective Share Plan

Participation

Under the SSP, the participants are called “Selected Employees” and are limited to 17 individuals named in the Schedule to the SSP.

Offers

Under the SSP, the offers must be made to all persons eligible to accept offers under the plan.

Consideration for Shares

The consideration payable in respect of each Share under the SSP at the time of the completion of the Offer will be \$Nil or such other amount as is specified by the Board.

Limitation on Number of Shares

Under the SSP, offers of up to 8,802,320 Shares in total must be made to all participants on the following dates:

Date	Number of Shares
1 September 2000	3,675,352
30 March 2001	988,331
3 July 2001	2,594,368
30 March 2002	988,331
3 July 2002	555,938

Timing of Grant of Shares

Under the SSP, the Shares are to be offered on the specified dates only.

Listing of Shares

The Company will apply for listing on the ASX of any Shares issued pursuant to the SSP.

Dividend Reinvestment Plan

The Company has approved a Dividend Reinvestment Plan (“DRP”) which it may implement at a time the Board considers appropriate. The full terms and conditions of the DRP may be inspected during normal business hours at the Registered Office of the Company.

The main features of the DRP are as follows:

Registered holders of Shares are eligible to participate in the DRP, except those persons with a registered address in any place in which, in the opinion of the Board, participation in the DRP is or would be illegal or impractical.

Eligible shareholders may participate in the DRP in respect of all of their shareholding or a specified number of Shares. They may vary the level of their participation or cease to participate.

Subject to any withholding taxes, the Company is entitled to apply dividends payable on Shares participating in the DRP, to subscribe for Shares. The Shares will be issued at the average market price per Share (weighted by volume) of Shares during the five trading days beginning on the day on which the Shares entitled to the dividend are quoted ex-dividend, although the Directors can grant a maximum discount of 5%. The number of Shares issued will be rounded up to the nearest whole number.

Shares issued under the DRP will, rank equally in all respects with Existing Shares.

Each participating shareholder will receive a statement which will include details of the amount of dividend which has been applied to subscription for Shares and the number of Shares allotted.

If Shares participating in the DRP are transferred, they are automatically withdrawn from the DRP.

The Board may limit the amount of dividends which may be reinvested under the DRP or modify, suspend or terminate the DRP.

The Company will apply for the Official Quotation on the ASX of Shares allotted under the DRP.

Material Contracts

Various contracts entered into by the Company may be material to the business of the Company. The following is a summary of certain of the provisions of the important contracts to which the Company is a party.

Underwriting Agreement

The Offerors (being the Company and certain Vendors) have entered into an Underwriting Agreement with the Underwriter to underwrite the offer of 19.0 million Shares at an Issue Price of \$1.00 per Share and the sale of 60.0 million Shares at \$1.00 to raise a total of \$79.0 million.

The Offerors will pay to the Underwriter an underwriting commission of 2.85% of the value of all underwritten Shares. The obligation to pay the commission will be apportioned between the Offerors on a pro rata basis according to the proportion of the proceeds of the issue and sale of Shares offered pursuant to this Prospectus.

The Company is also liable to pay the Underwriter a management fee of 0.1% of the market capitalisation at the Issue Price.

If the Company notifies the Underwriter in writing that there is a shortfall, then the Underwriter must procure valid applications for the Shares comprising that shortfall within five Business Days of receipt of the notice. The Company is not permitted to provide such a notice to the Underwriter until three Business Days have elapsed from the closing of the Offer.

The Company has agreed with the Underwriter not to make, resolve to make, announce or agree to make any further issue of securities in the capital of the Company (including Options) for a period of 180 days after the issue of this Prospectus without the prior written consent of the Underwriter, such consent not to be unreasonably withheld.

Subject to clause 13 of the Underwriting Agreement, the Underwriter is entitled to terminate the Underwriting Agreement on the happening of a number of events which are specified in the Underwriting Agreement. A summary of those events is as follows:

- (a) the Underwriter becomes aware of any information in the Prospectus which is false or misleading, a material matter is omitted from the Prospectus or the Offer of the Prospectus is false or misleading;
- (b) the Prospectus does not contain all such information as investors or their professional advisors would reasonably require to make an informed assessment of the Company's financial position, including profits and losses, assets and liabilities and prospects of the Company as well as the market value of the Shares following quotation on ASX or the rights and liabilities attaching to those Shares;
- (c) the information, made available by on behalf of the Company in relation to the issue is false, misleading and deceptive;
- (d) there is an adverse change in the Company's financial position which affects the statements made in the Prospectus;
- (e) there is a material adverse change or disruption in a major financial market or the Australian economy which would render it an inopportune time to issue the Shares;
- (f) after the issue of the Prospectus any of the following occur:
 - (i) the issue of a replacement Prospectus becomes necessary;

Additional Information

- (ii) there is a deficiency in the Prospectus within the meaning of section 719 of the Corporations Law;
 - (iii) the Company withdraws the Prospectus;
 - (iv) the Company or a subsidiary resolves to reduce its share capital in any way or to split or consolidate its share capital;
 - (v) the Company or a subsidiary enters into or resolves to approve a buy-back agreement under Part 2J.1 Division 2 of the Corporations Law;
 - (vi) the Company or a subsidiary makes and allotment or grant of options to subscribe for Shares, other than as disclosed in the Prospectus;
 - (vii) the Company or a subsidiary becomes insolvent or resolves to be wound up, or is ordered by a Court to be wound up, or a receiver, manager or provisional liquidator is appointed;
 - (viii) the Company or a subsidiary disposes of the whole, or a substantial part, of its business or property;
 - (ix) the Company or a subsidiary charges the whole or a substantial part of its business or property; or
 - (x) any change in the current Board or management of the Company without the prior written consent of the Underwriter;
- (g) there is any outbreak or escalation of hostilities, after the date of the Underwriting Agreement involving any of Australia, Japan, the United Kingdom, the United States of America, Canada, any member of NATO or the CIS, Indonesia, Malaysia, Singapore, Thailand, Hong Kong or the People's Republic of China;
 - (h) there is a 10% fall in the All Ordinaries Index or the Small Ordinaries Index from the closing value at the date of the Underwriting Agreement for three consecutive Business Days;
 - (i) any law is introduced or proposed to be introduced in the Parliament of the Commonwealth of Australia or any of the legislatures of the States or Territories of Australia, or a new policy is adopted or proposed to be adopted by the Reserve Bank of Australia or any State or Commonwealth authority, having the effect of prohibiting or regulating in a material adverse way the principal business of the Company, the Offer made under the Prospectus, capital issues generally or stock markets generally;
 - (j) any litigation, arbitration or other legal proceedings (other than proceedings already commenced at the date of the Underwriting Agreement) are commenced against the Company or a subsidiary;
 - (k) any person commences proceedings or otherwise asserts that the Company's or its subsidiary's use of any trademarks, tradenames or logo referred to in the Prospectus infringes that person's intellectual property rights;
 - (l) a Director of the Company is charged with an indictable offence;
 - (m) any of the material contracts are varied, rescinded, repudiated or otherwise terminated without the Underwriter's prior written consent;
 - (n) a warranty given by the Company to the Underwriter in the Underwriting Agreement becomes untrue or incorrect;
 - (o) the Company breaches a term of the Underwriting Agreement;
 - (p) ASIC issues an order, indicates an intention to hold a hearing or commences investigations in relation to the Offer;
 - (q) a person having consented to the inclusion of their name in the Prospectus withdraws that consent;
 - (r) ASX fails, on or before the listing date of the Shares, to approve the Official Quotation of all the Shares offered, or imposes conditions on the quotation which the Underwriter on reasonable grounds considers unacceptable;
 - (s) the Company or any subsidiary contravenes the Corporations Law, its constitution, any of the Listing Rules or the SCH Business Rules;
 - (t) the Company fails to provide the Underwriter with a notification of the shortfall in accordance with clause 6 of the Underwriting Agreement;

The Underwriting Agreement also provides that, except for certain events specified in the Underwriting Agreement, no other specified events shall entitle the Underwriter to exercise its rights to terminate the Underwriting Agreement unless, in the reasonable opinion of the Underwriter, the event has, or is likely to have, a material adverse effect on the success of the Offer. The Underwriting Agreement also provides that all monies payable pursuant to the Underwriting Agreement are stated exclusive of GST. Should GST be payable on the Underwriter's commission, management fee and other such fees and charges payable by the Offerors under the Underwriting Agreement, the Offerors will pay such GST amounts so that the Underwriter is placed in the same position as it would have been immediately prior to the introduction of the GST. The Underwriter agrees to refund the Offerors any GST so charged and collected from them should it be later determined by the Australian Taxation Office that it was charged in error.

Supplier, Customer and Agency Agreements

Supplier and Customer Agreements

Microcat End-User Software Usage Agreement

This standard end-user agreement (as varied from time to time) accompanies each delivery of Microcat software and appears automatically on installation and requires the end-user's acceptance of and agreement to its terms and conditions.

The terms and conditions of use cover:

- ownership of intellectual property
- permitted software use
- maintenance services provided by the Company
- the Company's warranties, and
- liability for taxes and duties.

Ford Data Agreements - USA, Europe (incorporating Turkey, India and Japan) and Australia

The Company has entered into agreements in similar terms in respect of each of:

- Ford - USA (North America)
- Ford - Europe (incorporating Turkey, India and Japan)
- Ford - Australia

(each being a **Ford Territory**) with the relevant Ford entity.

Under the agreements, the Company is granted:

- a licence to incorporate the relevant Ford Territory's parts catalogue data into the Company's software products; and
- the right to supply the relevant Ford Territory's version of the Microcat system to authorised Ford dealers within that Ford Territory.

The agreements are exclusive in respect of Europe and non-exclusive in respect of USA (North America) and Australia.

The terms of the agreements are:

- Ford – USA (North America):
5 years expiring 30 June 2004
- Ford – Europe:
2 ¼ years expiring 30 June 2002
- Ford – Australia:
currently being re-negotiated*

* This agreement commenced on 21 August 1991 and expired on 20 August 1998. The parties continue to perform generally in accordance with its terms and conditions. The Company has had discussions with and is in the process of negotiating its renewal with Ford Motor Company of Australia Limited, and believes the terms and conditions will be substantially the same as currently being honoured. Further, the Directors have no reason to believe that the agreement will not be renewed.

Additional Information

Each of the agreements provides for termination events of the usual nature, including by one party where the other party has failed to rectify a material breach after receiving notice of it. Upon termination or expiration of the agreement relating to Ford Motor Company (USA), the licence continues for a maximum of five years for the sole purpose of supporting the Company's then existing customers who have contracts extending beyond the termination period. Similarly, upon termination by Ford Motor Company of Australia Pty Limited, the licence continues for a further year and the Company is required to provide Microcat system updates to authorised Ford dealers.

Either the agreements themselves or an ancillary agreement includes provision for the protection of the parties' confidential information. The Company has also entered into marketing and distribution agreements with Ford Motor Company of Canada and with FA de CV Mexico and these are summarised below in this Section.

Daihatsu Data Agreement

An agreement with Daihatsu Motor Co. Ltd ("Daihatsu") to supply non-exclusively Daihatsu data to the Company for the purpose of producing a Microcat system to be utilised for Daihatsu brand name vehicles in territories including Australia, Europe, Africa and South America.

The agreement commenced on 15 May 1999 and expires on 15 May 2004. The agreement provides for termination events of the usual nature, including by one party where the other party has failed to rectify a material breach after receiving notice of it. An ancillary agreement provides for the protection of the parties' confidential information.

Nissan Australia Data Agreement

An agreement with Nissan Motor Co (Australia) Pty Ltd ("Nissan") for the non-exclusive supply of Nissan data for incorporation and use by the Company in conjunction with the Microcat system and supply by the Company of the Nissan version of the Microcat system to authorised Nissan dealers within Australia.

The agreement commenced on 1 October 1995 and expires on 30 September 2000. The agreement provides for termination events of the usual nature, including by one party where the other party has failed to rectify a material breach after receiving notice of it. The agreement also provides for the protection of the parties' confidential information.

Daewoo Australia Data Agreement

An agreement with Daewoo Automotive Australia Pty Limited ("Daewoo") for the non-exclusive supply of Daewoo data for incorporation and use by the Company in conjunction with the Microcat system and supply by the Company of the Daewoo version of the Microcat system to authorised Daewoo dealers within Australia.

The agreement commenced on 23 July 1999 and expires on 23 January 2003 subject to Daewoo's right to extend. The agreement provides for termination events of the usual nature, including by one party where the other party has failed to rectify a material breach after receiving notice of it. The agreement also provides for the protection of the parties' confidential information.

Toyota Australia Data Agreement

An agreement with Toyota Motor Corporation Australia Limited ("Toyota") for the non-exclusive supply of Toyota data to the Company for incorporation in and use with the Microcat system and supply by the Company of the Toyota version of the Microcat system to authorised Toyota dealers within Australia.

The agreement commenced on 25 November 1997 and expires on 24 November 2000. The Directors have no reason to believe that the Company's relationship with Toyota will not continue beyond the term of the agreement. The agreement provides for termination events of the usual nature, including

by one party where the other party has failed to rectify a material breach after receiving notice of it. The agreement also provides for the protection of the parties' confidential information.

Honda Australia Data Agreement

An agreement with Honda Australia Pty Limited ("Honda") for the supply of Honda data for incorporation by the Company and use in conjunction with the Microcat system and supply by the Company of the Honda version of the Microcat system to authorised Honda dealers in Australia. The agreement is exclusive for the first 3 years of its term.

The agreement commenced on 24 March 2000 and expires on 24 March 2005. It may be renewed for a further 12 months at Honda's election. The agreement provides for termination events of the usual nature, including by one party where the other party has failed to rectify a material breach after receiving notice of it. The agreement also provides for the protection of the parties' confidential information.

Mitsubishi Australia Data Agreement

An agreement between Datateck and Mitsubishi Motors Australia Limited ("Mitsubishi") for the non-exclusive supply of Mitsubishi data to Datateck for incorporation and use in conjunction with the Partfinder system and supply by Datateck of the Mitsubishi version of the Partfinder system to authorised Mitsubishi dealers in Australia.

The agreement commenced on 21 December 1998 and expires on 20 December 2001. Either party may renew the agreement for an additional 3 years by giving written notice of the intention to renew no later than 90 days prior to the expiry of the agreement. The agreement provides for termination events of the usual nature, including by one party where the other party has failed to rectify a material breach after receiving notice of it. The agreement also provides for the protection of the parties' confidential information.

Holden Limited Service Agreement

An agreement between the Datateck and Holden Limited ("Holden") for the exclusive supply of Services by Datateck. Services include: creating and updating technical drawings and index to parts data, read validate and download Holden's magnetic tapes into parts databases, merging and indexing to combine illustration data and parts data into Partfinder and Partviewer format.

The agreement commenced on 1 January 2000 and expires on 1 January 2003. The agreement provides for termination events of the usual nature, including by one party where the other party has failed to rectify a material breach after receiving notice of it. The agreement also provides for the protection of the parties' confidential information.

Agency Agreements

Ford Canada Software Marketing Agreement

An agreement by which the Company appoints Ford Motor Company of Canada Limited ("Ford Canada") as the exclusive marketer and distributor of the Ford North American version of Microcat within Canada ("Software Marketing Agreement").

The Software Marketing Agreement commenced on 12 May 1999 and its initial term expires on 12 May 2004, after which Ford Canada may, at its option, and having provided the requisite notice, extend it for a further period of three years. Thereafter the Software Marketing Agreement will automatically renew for further two year terms unless terminated by either party providing one year's notice.

Under the Software Marketing Agreement, the Company has agreed to provide "Internet functionality" to Ford Canada by 31 December 2000. The Directors are satisfied that this requirement will be fulfilled by the due date.

Additional Information

Ford Canada is entitled to immediately terminate the Software Marketing Agreement if the Company's agreement with the Ford Motor Company (USA) is terminated. Finally, the Software Marketing Agreement also provides for termination events of the usual nature, including by one party where the other party has failed to rectify a material breach after receiving notice of it, or where the "Internet functionality" is not provided by the due date. Finally, it also provides for the protection of the parties' confidential information.

Ford Mexico Data Management Agreement

An agreement by which the Company appoints Ford Motor Company SA de CV ("Ford Mexico") to market and distribute Microcat to authorised Ford dealers in Mexico on substantially the same terms and conditions as provided for in the Software Marketing Agreement.

The agreement commenced on 2 August 1999 and its initial term expires on 12 May 2004, after which Ford Mexico may, at its option, and having provided the requisite notice, extend it for a further period of three years. Thereafter the agreement will automatically renew for further two year terms unless terminated by either party providing one year's notice.

Ford Mexico is entitled to immediately terminate the Data Management Agreement if the Company's agreement with the Ford Motor Company (USA) is terminated. The agreement also provides for termination events of the usual nature, including by one party where the other party has failed to rectify a material breach after receiving notice of it. The agreement also provides for the protection of the parties' confidential information.

Service Agency Agreement

Under this agreement, the Company has appointed Clifford Thames Limited to act as its non-exclusive agent to assist the Company in complying with its duties and obligations under certain data agreements and in other agreed capacities in promoting the Microcat system in Europe.

The agreement commenced on 1 July 1997 and expires on 31 December 2001 or such other date as the parties may agree in writing from time to time. The agreement provides for termination events of the usual nature, including by one party where the other party has failed to rectify a material breach after receiving notice of it. A separate agreement provides for the protection of the parties' confidential information.

Sales And Distribution Agreement

Under this agreement, the Company has appointed Clifford Thames Inc to act as a non-exclusive distributor and sales representative for the Microcat system in the USA.

The agreement commenced on 1 July 1999 and expires on 31 December 2001 or such other date as the parties may agree in writing from time to time. The agreement provides for termination events of the usual nature, including by one party where the other party has failed to rectify a material breach after receiving notice of it. A separate agreement provides for the protection of the parties' confidential information.

Agreements relating to Datateck Acquisition

Datateck Purchase Agreement

An agreement dated 31 March 2000 completes the Company's purchase of all the issued capital in Datateck Publishing Pty Limited.

As a condition of the "Share Sale Agreement" under which the Company acquired 100% of the capital of Datateck Publishing Pty Limited for consideration of \$4.00, the Company also agreed to loan Datateck Publishing Pty Limited an amount of \$4,978,288 to discharge the debt of the same amount payable by Datateck Publishing Pty Limited to Datateck Investments Pty Limited as trustee for the CK Family Trust. On the same day and immediately prior to this transaction Datateck Publishing Pty Limited acquired certain net assets (detailed in Note 22 of the Independent Accountant's Report) from Datateck Investments Pty Limited as trustee for the CK Family Trust.

Richard Graham and Myer Herszberg both became Directors of Datateck on 31 March 2000 and Andrew Pattinson was appointed General Manager on 17 April 2000.

Westpac Loan Facility

By a Letter of Variation dated 25 February 2000, the Company's Business Finance Agreement dated 24 June 1998 with Westpac Banking Corporation ("Westpac") was varied and a secured commercial bill loan facility with a limit of \$6,000,000 was approved.

On 29 March 2000 Westpac released the bulk of this loan facility (\$5,000,000) into the Company's account enabling it to settle the Datateck Acquisition on 31 March 2000. The Company intends using part of the proceeds of the Offer to repay the loan facility.

Agreements Relating to Senior Management and Members

Executive Service Agreement – Richard Graham

Mr. Graham has entered into an Executive Service Agreement with the Company for a term of three years effective from 3 April 2000. Under this Agreement, Mr. Graham will continue in his present role as Chief Executive Officer.

Mr. Graham's remuneration will be \$150,000 per annum, plus superannuation, a motor vehicle, an allowance of \$15,000 and reimbursement of expenses incurred on behalf of the company. His remuneration will be reviewed by the Board annually. Mr. Graham will be eligible for a performance bonus each year if he achieves financial and other targets set by the Board. Mr. Graham will also be eligible to participate in the EOP.

The agreement contains early termination rights of the usual kind for both the Company and Mr. Graham, and provisions restricting Mr. Graham from competing with the Company for up to one year after the date of cessation of his employment with the Company. The agreement also provides that any invention or improvement conceived by Mr. Graham according to the terms of the agreement will be owned by the Company.

Voluntary Escrow Agreements

On or about 23 June 2000, Rentamobile Pty Limited, Yarragene Pty Limited, Wiser Laboratory Pty Limited and all other Existing Shareholders entered into separate deeds with the Company voluntarily restricting their respective rights to transfer the Existing Shares retained by them after transfer pursuant to the Offer. After completion of transfers pursuant to the Offer 100% of each Existing Shareholders' Shares will be voluntarily escrowed until the announcement of the Company's 2000 financial year results after which 80% continues to be voluntarily escrowed until the announcement of the Company's 2001 financial year results.

Additional Information

Deeds of Indemnity

The Company has entered into separate Deeds of Indemnity with the Directors in their capacity as Directors and officers. Under these Deeds, the Company indemnifies each of those Directors against any liability, damages, costs or expenses which that Director incurs or for which that Director becomes liable as a consequence of any act or omission by the Director when acting as a director or officer of the Company or any subsidiary.

This indemnity is in addition to, and not in derogation of, any other indemnity given to each Director including any indemnity given by or pursuant to the Corporations Law or the constitution of the Company, but is subject at all times to the requirements, restrictions and the limitations imposed by the Corporations Law and, in particular, Division 1 of Part 2D.2 of that law.

Under each deed, the Company covenants to use all reasonable endeavours to take out, and pay the premiums and stamp duty applying to, directors and officers indemnity policies of insurance with a recognised insurer.

In addition, each deed vests in each Director a limited right of access after he has ceased to be a Director or officer to Board papers, minutes of Directors' meetings, minutes of relevant committee meetings and any other documents referred to in those Board papers and minutes relating to the period when the Director was a director or officer of the Company for the purpose of defending any litigation commenced or threatened against him.

Agreements Relating to the Company's Premises

The Company operates or intends to operate from the following premises:

- 1298 Pittwater Road, Narrabeen, NSW
- 1300 Pittwater Road, Narrabeen, NSW
- 18 Waterloo Street, Narrabeen, NSW
- 1-7 Lagoon Street, Narrabeen, NSW and
- 602 South Road, Moorabbin, VIC.

The premises at 1300 Pittwater Road, Narrabeen are leased by the Company from Wiser Laboratory Pty Limited ("Wiser") for a term of 2 years and which terminates on 28 February 2002.

Wiser is a substantial shareholder in the Company and Richard Graham is its sole director. The rent payable by the Company in respect of the lease is \$90,000 per annum. The Company has obtained an independent opinion as to market rent of the premises from a certified practising valuer which is dated 10 February 2000. The market rent is estimated at \$90,000 per annum.

Taxation Considerations for Investors

The acquisition or disposal of Shares, and the receipt of dividends, by persons resident in the Commonwealth of Australia for tax purposes carries tax consequences for each such individual. The taxation laws of the Commonwealth of Australia will affect each individual differently, depending upon his or her personal circumstances. The Company is not in a position to offer advice to potential investors because of the range and diversity of their individual financial positions, and strongly recommends that investors should seek independent professional advice in relation to their personal taxation situations. Non-resident investors should consider the taxation implications relevant to their country of residence.

Investors who have any questions about the taxation considerations of Share ownership should consult a suitably qualified independent adviser.

Litigation

In November 1999, Mr. Wayne Sinclair, a former employee of the Company who left its employ in 1994, commenced proceedings against the Company in the Supreme Court of New South Wales seeking to set aside two 1994 deeds which varied earlier royalty arrangements in relation to Microcat.

The Company denies, and vigorously defends and counter claims against Mr. Sinclair's claim, and the Directors of the Company have formed the view, on the evidence currently available, that the claim is speculative and without merit and that Mr. Sinclair is unlikely to succeed.

By a formal deed executed prior to the issue of this Prospectus, companies associated with Richard Graham and Myer Herszberg (who are Directors of the Company) ("the Indemnifiers") severally indemnify the Company against any and all monies which the Company may be required to pay to Mr. Sinclair (excluding legal costs) in the event that Mr. Sinclair succeeds in whole or part in the proceedings.

By a separate deed, also executed prior to the date of this Prospectus, the Indemnifiers have also agreed to indemnify the Company in relation to the legal costs of these proceedings up to a maximum of \$300,000.

There are no current or pending legal proceedings which in the Directors' opinion may have a material adverse effect on the business or financial position of the Company.

Costs of the Offer

The expenses of the offer payable by the Company, including commission and the management fee payable to the Underwriter, accounting fees, legal fees, printing, advertising and other miscellaneous expenses are estimated to be approximately \$2.0 million.

Directors' Interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director is a partner has, or during the last two years has had, any interest in the promotion of, or in property proposed to be acquired by, the Company.

No amount of any kind whether in cash, shares or otherwise, has been paid or agreed to be paid to any Director or to any firm of which a Director is a partner to induce him or her to become, or to qualify, as a Director, or otherwise for services rendered by him or her or any firm of which the Director is a partner, in connection with the promotion or formation of the Company.

Directors' Shareholdings and Options

Directors are not required under the constitution of the Company to hold any shares in the Company.

As at the date of this Prospectus, shareholdings and entitlements to Options and Shares under the EOP and SSP of Directors or companies associated with them are as follows:

Director	Shares	Options
Wiser Laboratory Pty Limited/ Richard Graham	147,323,035	450,000
Rentamobile Pty Limited & Yarragene Pty Limited/ Myer Herszberg	117,117,180	450,000
Linda Graham-McCann	555,936	NIL
Barry Ford	NIL	200,000
Fran Hernon	NIL	200,000

Additional Information

Following completion of the Offer, the Directors or companies associated with them will have the following direct or indirect interests in Shares and Options held under the SSP and EOP and as otherwise disclosed above.

Director	Shares	Options
Wiser Laboratory Pty Limited*/ Richard Graham	117,204,061	450,000
Rentamobile Pty Limited*& Yarragene Pty Limited*/ Myer Herszberg	93,021,599	450,000
Linda Graham-McCann	555,936	NIL
Barry Ford	NIL	200,000
Fran Hernon	NIL	200,000

* On or about 23 June 2000 the Company entered into voluntary escrow agreements with each of these 3 corporate member entities in respect of Shares in the Company and with Richard Graham in respect of any Shares he might receive pursuant to the SSP (see 'Voluntary Escrow Agreements' above).

Interests of Named Persons

Other than as set out below, no expert or any firm of which that expert is a partner, has or has had in the two years before the lodgement of this Prospectus any interest in the promotion of the Company or any property proposed to be acquired by the Company except as disclosed in this Prospectus. All amounts paid or agreed to be paid to or claimed by any expert or firm for services rendered in connection with the promotion of the Company are set out below. No form of payment of any kind will be made or agreed to be made to any such expert, adviser, or firm other than in cash except as has been disclosed in this Prospectus.

Ernst & Young, the Company's auditors acted as Independent Accountant in relation to the Offer. The Company has paid or agreed to pay approximately \$175,000 for these services.

Ernst & Young Corporate Finance Pty Limited has prepared the Independent Review of Forecasts included in Section 8 for which they will be paid approximately \$125,000.

Cowley Hearne has acted as legal advisor to the Company in relation to the Offer and has been involved in due diligence enquiries in relation to relevant legal matters (other than taxation). The Company has paid or agreed to pay Cowley Hearne approximately \$375,000 for those services (including the costs of the Datateck acquisition) to the date of this Prospectus. Subsequently, fees will be charged in accordance with normal charge-out rates.

BNP Paribas Equities (Australia) Limited has acted as Underwriter in relation to the Offer and will be paid an underwriting commission of 2.85% of the value of all underwritten Shares and a management fee of 0.1% of the market capitalisation of the Company at the Issue Price.

Consents and Responsibility Statements

Ernst & Young has given and has not, at the date of this Prospectus, withdrawn its written consent to being named in this Prospectus as Independent Accountant and to the issue of this Prospectus with its Independent Accountants' Report dated 14 July 2000 in the form and context in which it is included. Ernst & Young has authorised the issue of their report and has not otherwise authorised or caused the issue of any part of this Prospectus.

Ernst & Young Corporate Finance Pty Limited has given and has not, at the date of this Prospectus, withdrawn its written consent to being named in this Prospectus and to the issue of this Prospectus with its Independent Review of Directors' Forecasts dated 14 July 2000, in the form and context in which it is included. Ernst & Young Corporate Finance has authorised the issue of their report and has not otherwise authorised or caused the issue of any part of this Prospectus.

Cowley Hearne has given and has not, at the date of this Prospectus, withdrawn its written consent to being named in this Prospectus as solicitors to the Offer. Cowley Hearne has not otherwise authorised or caused the issue of any part of this Prospectus.

BNP Paribas Equities (Australia) Limited has given and has not, at the date of this Prospectus, withdrawn its written consent to being named in this Prospectus as underwriter to the Offer. BNP Paribas Equities (Australia) Limited has not otherwise authorised or caused the issue of any part of this Prospectus.

Computershare Registry Services Pty Limited has given and has not, at the date of this Prospectus, withdrawn its written consent to being named in this Prospectus as Share Registry to the Offer. Computershare Registry Services Pty Limited has not otherwise authorised or caused the issue of any part of this Prospectus.

Wiser Laboratory Pty Limited, Rentamobile Pty Limited and Yarragene Pty Limited have not, at the date of this Prospectus, withdrawn their consent to the issue of this Prospectus.

Documents Available for Inspection

Copies of the following documents are available for inspection free of charge by any person at the registered office of the Company between 9am and 5pm on each weekday (excluding public holidays) for 13 months from the date of this Prospectus:

- the Company's constitution, and
- the terms and conditions of the EOP, ESP, SSP and DRP .

ASIC Class Orders

The options issued under the Employee Option Plan are to be issued in accordance with ASIC Class Order 00/220.

Pursuant to ASIC Class Order 00/44 the ASIC has exempted compliance with certain provisions of the Corporations Law to allow distribution of an online Prospectus on the basis of a hard copy Prospectus lodged with ASIC and the allocation of Shares in response to an online Application Form, subject to compliance with certain provisions.

If you have received this Prospectus as an online Prospectus please ensure that you have received the entire Prospectus accompanied by a hyperlink to the online Application Form. If you have not or would prefer to apply by mail, please email the Company at prospectus@infomedia.com.au and the Company will send you, free of charge, a hard copy.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when the person was given access to the online Application Form, the Form was not provided together with the online Prospectus and any relevant supplementary or replacement Prospectus or any of those documents were incomplete or were altered. In such case, the Application Monies received will be dealt with in accordance with Section 722 of the Corporations Law.

Directors' Statement

This Prospectus has been duly signed by or on behalf of each Director of the Company whose names appear below and each Director of the Company consents to the lodgement of this Prospectus with ASIC.

Dated: 14 July 2000

Signed on behalf of Infomedia Ltd



Richard Graham

Chairman and CEO



Linda Graham-McCann

Executive Director



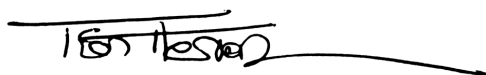
Myer Herszberg

Non-executive Director



Barry Ford

Non-executive Director



Fran Herson

Non-executive Director

Glossary

A\$, AUD\$ or \$	The lawful currency of Australia
Applicant	A person who applies for Shares in accordance with this Prospectus
Application	An application for Shares offered under this Prospectus
Application Form	The application form which is attached to and forms part of this Prospectus which must be completed in order to apply for Shares offered under this Prospectus
Application Monies	The Offer Price multiplied by the number of Shares applied for
ASIC	Australian Securities & Investments Commission
ASTC	ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532)
ASX	Australian Stock Exchange Limited (ABN 98 008 624 691)
BNP Paribas Equities or Underwriter	BNP Paribas Equities (Australia) Limited (ABN 99 002 580 832)
Business Day	Any day upon which major Australian trading banks are open for and conduct their normal business operations and activities in New South Wales
CHESS	Clearing House Electronic Subregister System operated by ASTC in accordance with the Corporations Law
Closing Date	7 August 2000 or such other date as the Directors determine in accordance with this Prospectus and the Underwriting Agreement
Datateck	Datateck Publishing Pty Ltd (ABN 45 067 230 399)
Directors or Board	The directors of Infomedia
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPC	Electronic parts catalogue
Existing Shareholders	Owners of 296,499,190 Shares in the Company
Existing Shares	60,000,000 Shares on issue held by the Vendors and offered for sale by the Vendors pursuant to this Prospectus
Forecast	The Directors' Forecast for the six months ending 30 June 2000 and the 12 months ending 30 June 2001
Infomedia or the Company	Infomedia Ltd (ABN 63 003 326 243)
Issue	The invitation made pursuant to this Prospectus to subscribe for the New Shares
Issue Price	\$1.00 per Share

Glossary

Listing Rules	Official listing rules of ASX
Market Capitalisation	Total Shares on issue multiplied by the Offer Price
New Shares	19,000,000 Shares offered for subscription by Infomedia under this Prospectus
Offer	The invitation to apply for subscription of New Shares and the purchase of Existing Shares offered under this Prospectus
Offer Price	Issue Price
Official List	The official list of ASX
Official Quotation	Official quotation of the Company's issued shares by ASX
Opening Date	24 July 2000.
Options	Options offered to employees and Directors of Infomedia pursuant to the EOP
Prospectus	This prospectus dated 14 July 2000
Sale shares	Existing Shares
SCH	Securities Clearing House
SCH Business Rules	The business rules of the SCH regarding the operation of CHESS
Shares	Fully paid ordinary shares in the capital of the Company
Subsidiary	A subsidiary under the Corporations Law
Underwriter	BNP Paribas Equities (Australia) Limited ABN 99 002 580 832
Underwriting Agreement	The underwriting agreement between the Underwriter, Vendors and the Company dated 14 July 2000
US\$	The lawful currency of the United States of America
Vendors	Existing Shareholders who are selling Existing Shares

Application Form

Click on this button to access the Online Application facilities:



Click on this button to access the Online Application facilities for priority applicants. You will be required to enter a code supplied by BNP Paribas Equities:



Corporate Directory

Infomedia Ltd

Registered and Head Office
1300 Pittwater Road
Narrabeen Sydney NSW 2101
Telephone: (02) 9913 4700
Facsimile: (02) 9970 8833
Internet: www.infomedia.com.au

Directors

Mr Richard Graham, Chairman and CEO
Ms Linda Graham-McCann, Executive Director
Mr Myer Herszberg, Non-executive Director
Mr Barry Ford, Non-executive Director
Ms Fran Heron, Non-executive Director

Company Secretary

Mr Nick Georges

Lawyers

Cowley Hearne

Level 10
60 Miller Street
North Sydney NSW 2000

Underwriter

BNP Paribas Equities (Australia) Limited

Level 6
60 Castlereagh Street
Sydney NSW 2000

Investigating Accountant

Ernst & Young Corporate Finance Pty Ltd

The Ernst & Young Building
321 Kent Street
Sydney NSW 2000

Auditors

Ernst & Young

The Ernst & Young Building
321 Kent Street
Sydney NSW 2000

Share Registry

Computershare Registry Services Pty Ltd

GPO Box 7045
Sydney NSW 1115

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