Annual Report '07

Infomedia®

Annual Report '07

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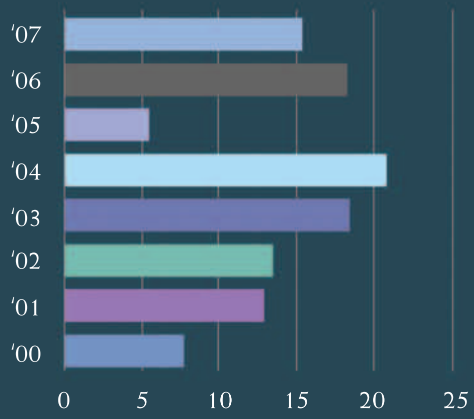
Infomedia®

Results at a Glance

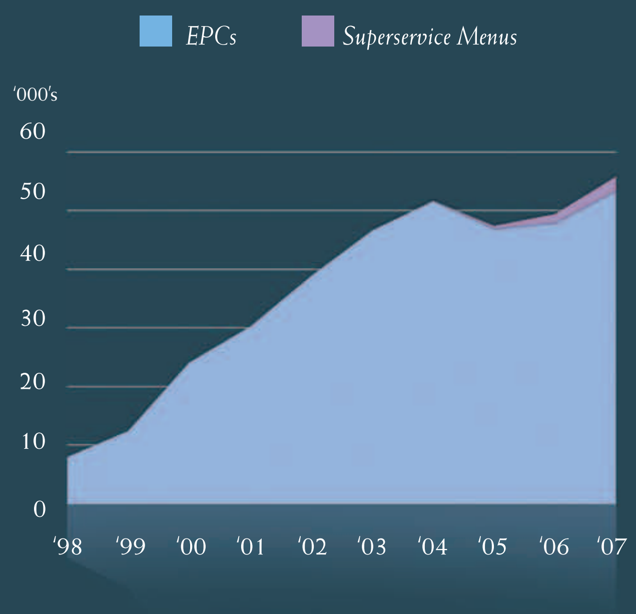
Sales Revenue
(in $ millions)

NPAT
(in $ millions)



EBITDA
(in $ millions)

Product Subscriptions



Chairman's Letter

Microcat and PartFinder grew by an impressive 11.4% overall...while Superservice Menus brought the Company's total recurring subscription numbers to 55,779, an all time record.

Dear Fellow Shareholders,

I believe it is fair to characterise FY2007 as having been a year of rejuvenation for the Company. This is borne out by:

- Our continuing release of category leading new generation Electronic Parts Catalogue (EPC) applications to a broader range of customers;
- Our record levels of product subscriptions and of new product launches both by country and by automakers;
- Our development and release of a new subscription application genre, and;
- Our internal business streamlining.

Microcat® and PartFinder® grew by an impressive 11.4% overall, to a record 53,165 subscriptions, while Superservice Menus™ brought the Company's total recurring subscription numbers to 55,779, an all-time record. Our world-class EPC also expanded to support the commercial bus industry, with the introduction of Microcat for Temsa in Europe.

The Auto PartsBridge™ system, initially developed for Toyota in the USA, represents a major new application technology from Infomedia's latest generation of product inventors. This achievement is destined to become an important product for both the Company and the automotive industry, and it is encouraging to see such innovative and successful work coming from the newest branches of our tree.

I'm sure you have also been pleased by our announcements of the many important data licenses which have been renewed this year, and the many promising new licenses that have also been entered into. Of particular note, the renewal of our licenses with Ford in the USA and Europe sees our positive support of Ford dealers continuing towards its third decade. Our new data license with General Motors USA which allows us to develop Superservice Menus for its vast league of North American dealers is equally exciting. So too are the new engagements between Infomedia and Daihatsu, Hyundai and Kia around the world, which means that our Company now supplies Superservice Menus for nine automotive manufacturers in 20 countries.

These new and renewed licenses, the new generation of product invention, the widening of our customer base and the record subscription numbers have strengthened our Company and its product brands, thus reducing its economic risks.

As projected, due to higher currency translations and subscription reductions in our total General Motors (GM) USA numbers, revenue declined by 2.0% from $56.5 million in FY2006 to $55.4 million in FY2007, and normalised Net Profit After Tax (NPAT) declined by 7.3% from $16.5 million in FY2006 to $15.3 million in FY2007.

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...the renewal of our licenses with Ford in the USA and Europe sees our positive support of Ford dealers continuing towards its third decade.

Chairman's Letter

The greater percentage decline between revenue and NPAT is primarily a reflection of three factors: the first being our higher investment this year in new product development, such as Auto PartsBridge and more Superservice Menus country/automaker versions, which we fully expect will make material contributions to the business beginning in FY2009; the second being our relatively fixed internal cost structure, especially in overseas subsidiaries; and finally, the third being the impact of leasing our Corporate Headquarters since its sale in 2006. On all these matters, I believe that our Management has a firm grasp, and in the face of sustainable growth, they will work to the Company's long term advantage.

In line with market expectation and despite the year on year reduction of NPAT, the fully-franked dividend of 4.0¢ remained constant and within our payout policy. In addition, the Company paid a special dividend of 3.5¢ in October 2006.

During the year, the Board supported Management's recommendation to consolidate the Company's focus onto our enabling-technology applications, thus releasing our financial and managerial resources from our Dealer Management System platforms, whose results after six years had not realised the expectations we had for them. Accordingly, Management arranged the sale of the Business Systems Division to Reynolds & Reynolds Australia.

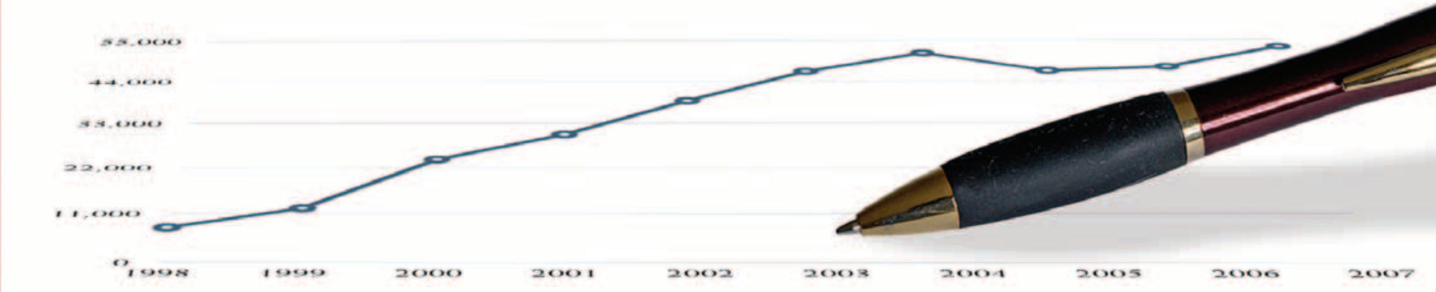
Also during the year, upon the retirement of Mr Geoffrey Henderson, the Board took the opportunity to reconsider its own structure. This resulted in the activities of the Remuneration & Nomination Committee being re-absorbed into the whole of the Board, and the Corporate Governance Committee and the Audit & Risk Committee being merged, with Mr Andrew Moffat as Chairman. Ms Fran Hernon, who was Chairman of the Remuneration & Nomination Committee, remains the lead Director on the Board for such matters. As a result of these changes, the Board has reduced from six Directors to five.

If you haven't visited the Company website, **www.infomedia.com.au** in a while, you may not be aware that it, too, has had a major rejuvenation that I believe makes it much more informative and interesting to customers and investors. Its clean fresh look and much improved navigation design were created in-house by our Marketing and Information Systems teams. Please take the time to have a visit.

In closing, I'd like you to know that I continue to be optimistic about the outlook for the Company. If you are like me, then you recognise and take into account the swings and roundabouts of currency effects, such as those headwinds the Company has been pushing against for several years. This perspective gives me added comfort and insight into the underlying wellbeing of the Company when considered in conjunction with the progress I share with you in this Report.

For these reasons and for its overall performance that you will read about herein, I commend this Annual Report to you, and look forward to seeing you at the Annual General Meeting if you are able to attend in person.

Richard David Graham
Chairman of the Board



Company Profile

Infomedia

INFOMEDIA LTD IS A LEADING PROVIDER OF INFORMATION SOLUTIONS TO THE POST-SALE PARTS AND SERVICE SECTOR OF THE GLOBAL AUTOMOTIVE INDUSTRY. The Company's automotive products are subscribed to by over 55,000 users from franchised dealers to independent auto dealers and independent auto trade repairers. Infomedia's Microcat® Electronic Parts Catalogues, or EPCs, enable dealers to perform the critical function of quickly and accurately identifying for sale replacement auto parts manufactured by the world's leading auto manufacturers – often referred to as "genuine" or Original Equipment (OE) replacement parts. Infomedia also provides other high-value, complementary products to the dealer and trade repairer market, including its Superservice Menus™ for quick and accurate service quotations and other parts and service related data products. The Company is also utilising its proprietary technology and process expertise to introduce EPCs into other complex parts and service dependent industries, including the whitegoods industry with its PartFinder® brand EPC.

The Company's products are used every day by dealership staff in over 160 countries and in 28 languages and have a PC based user/client interface. There are thousands of parts in an average car and a significant portion of the manufacturers' parts data will change on a monthly basis. An ongoing monthly subscription with Infomedia ensures that customers receive and access the very latest parts information on CD-ROM, DVD-ROM or via the Internet.

Timeline

1988–1996

- Software and peripherals importer and distributor Infomagic Australia Pty Ltd formed (1988)
- Infomedia Ltd formed to add software development capability to Infomagic (1990)
- Microcat for Ford Australia released (1991)
- PartFinder for GM/Holden released (1992)
- Microcat for Nissan Australia released (1995)

1997–1999

- Microcat for Ford Europe and PartFinder for Suzuki Australia released (1997)
- Microcat for Mitsubishi Australia and Toyota Australia released (1998)
- Microcat for Daewoo Australia, Daihatsu Australia, Daihatsu Europe and Ford North America released (1999)
- PartFinder for Electrolux Australia released (1999)

2000

- Acquisition of Datateck Publishing Pty Ltd and Online Computing Pty Ltd
- Listed on Australian Stock Exchange
- Microcat for Honda, Hyundai and Isuzu released in Australia
- Awarded NSW Exporter of the Year (Information & Communications Technology)

2001

- Microcat for Daihatsu Rest of World, Ford Asia Pacific, GM Asia Pacific, Hyundai Global and Land Rover Global released
- PartFinder for Electrolux New Zealand released

2002

- Microcat for GM North America, Hyundai USA, Toyota Europe and Toyota North America released
- Awarded Australian Exporter of the Year (Information & Communications Technology)

Regional Overview

	Asia Pacific	North & Latin America	Europe & Rest of World
Microcat	✓	✓	✓
Microcat LIVE	✓		✓
Microcat MARKET	✓		✓
auto partsbridge Genuine Parts. Genuine Satisfaction.		✓	
Superservice Menus	✓		✓

2003

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

2004

- Microcat MARKET for Toyota Europe released
- PartFinder for Whirlpool Australia released
- Superservice Menus for Daihatsu Australia, Daihatsu UK, Ford Australia, Holden Australia and Hyundai Australia released
- Established European office and new corporate headquarters in Australia

2005

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

2006

- Microcat for Isuzu (medium duty trucks) released in North America
- Microcat for Kia released worldwide (excluding China, Korea and USA)
- Microcat LIVE for Mazda Japan released
- Superservice Menus for Cadillac Corvette Europe, Daihatsu Germany and Subaru UK released
- Sale of the Company's Business Systems Division

2007

- Auto PartsBridge for Toyota Motor Sales, US released
- Microcat for Temsa buses released (Infomedia's first customer in the bus segment)
- Microcat MARKET for Ford Australia released
- Superservice Menus for Daihatsu Austria, Hyundai Belgium, Hyundai Finland, Hyundai Luxembourg, Hyundai Netherlands, Hyundai Norway, Kia Australia and Kia UK released

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CEO Report

Superservice Menus subscription numbers grew by 56% to 2,614 over the previous corresponding period.

As Chief Executive Officer of Infomedia Ltd, I am proud of our achievements during the past 12 months. I commend the commitment, initiative and focus the team has shown, resulting in the launch of a number of new products to new customers, as well as a successful renewal of existing agreements. These new product offerings and renewals position the Company well for the future.

Our objectives in the past year have been to:

- Maintain **focus** on our core automotive business by delivering quality products;
- **Renew** our existing data licence contracts so we have a commitment from our partners well into the future;
- Successfully deliver **new technologies** and products for existing customers;
- **Explore** opportunities in complementary segments; and
- **Deliver** returns for shareholders.

Operational review

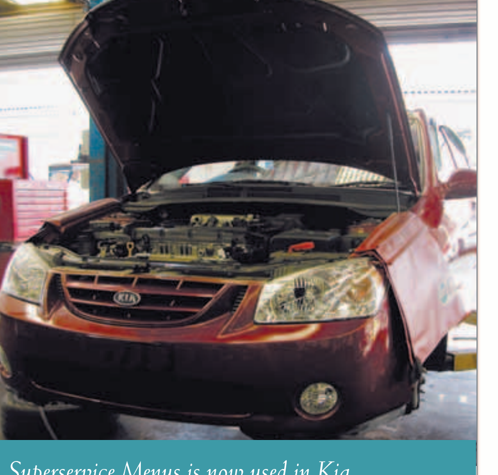
Key operational highlights:

- Growth in Superservice Menus adoption;
- Development of Auto PartsBridge;
- Diversification into the bus segment;
- Renewal of a number of the Company's key data licence contracts;
- Consolidation of the Company's business.

Superservice Menus subscriptions continue to grow

As reported last year, Superservice Menus continues to be received favourably by both new markets and new manufacturers. This past year has seen the release of Superservice Menus for Daihatsu Austria, Hyundai Belgium, Hyundai Finland, Hyundai Luxembourg, Hyundai Netherlands, Hyundai Norway, Kia Australia and Kia UK. Subscriptions across other markets and franchises also continue to grow.

As at the end of the financial year, the Company now supplies Superservice Menus for nine automotive manufacturers in 20 countries. 2008 will see the first steps taken to deliver Superservice Menus into the North American and Latin American markets. We will commence sales to more countries and more automakers, adding to our recurring revenue stream.

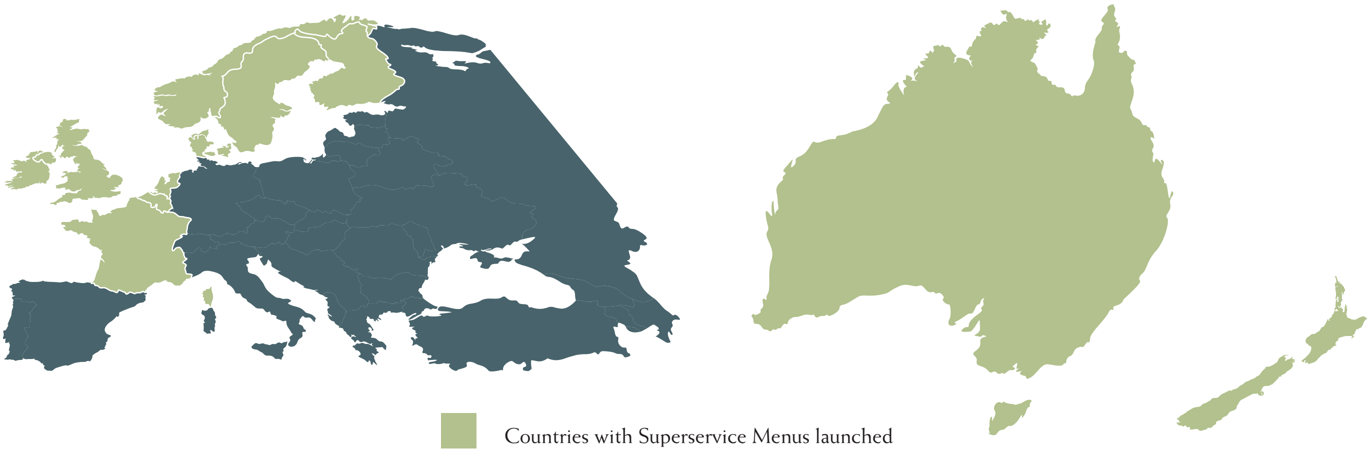


Superservice Menus is now used in Kia dealerships in Australia and the UK

Annual Report '07

"I am excited about Auto PartsBridge and the opportunities it creates for Infomedia in this new market segment of the automotive industry. We're delighted that Toyota has chosen Infomedia as their partner for this latest industry leading solution."

CEO Report



Countries with Superservice Menus launched

Broadening our core product range

This year saw the opportunity to increase the productivity tools on offer from Infomedia. The first opportunity was to create a version of the Company's Microcat® Electronic Parts Catalogue (EPC) for the Temsa bus company. This product represented the Company's first foray outside of the passenger vehicle segment while still remaining within the core automotive sector. Temsa is a Turkish bus manufacturer and produces 7% of all buses manufactured in Western Europe. The company has experienced year on year growth and is seeking to increase its share of the bus manufacturing business.

Infomedia is now supplying Microcat to all dealers in the territories where Temsa buses are distributed and serviced (over 30 countries; predominantly within Europe).

The second opportunity came via the development of a solution designed to link parts dealers with their collision repair customers. Discussions began in late 2005, and Infomedia was invited by Toyota Motor Sales (TMS), USA to participate in a quotation process to produce an online solution that would make it possible for parts dealers to transact with collision repairers. The result of our success in that process is Auto PartsBridge™. Infomedia since then has worked closely with Toyota, Toyota dealers and collision repairers

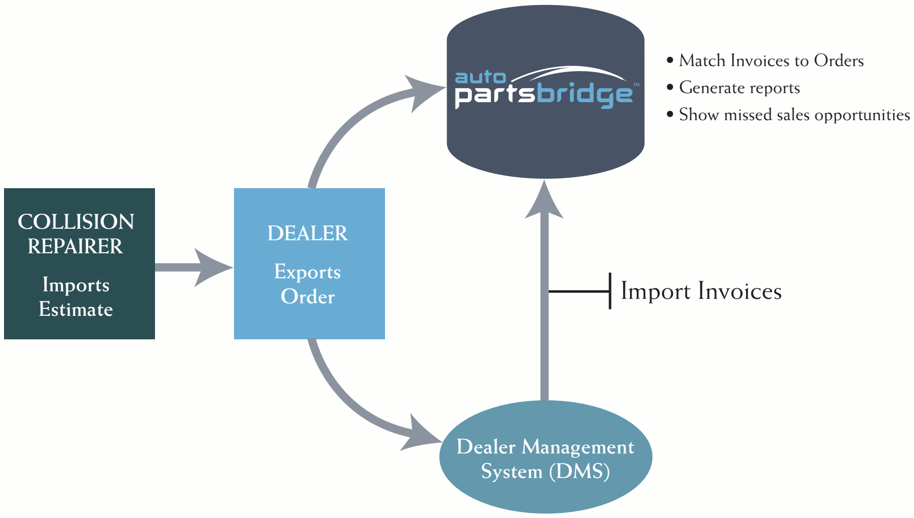
Karl Krug (TMS) and Steve Fogarty (Infomedia) at the first Auto PartsBridge pilot dealership in the USA

CEO Report

"It was critical for Toyota to find a business partner who can help us provide this data in a way that offers the full value of the data, yet is simple for the shops to use and understand. What impressed us most about Infomedia was their dedication to understanding the end users and designing a system that is primarily built around the needs of the dealerships and collision centres."

Karl Krug – Senior Wholesale Collision Parts Administrator, Toyota Motor Sales, USA.

Auto PartsBridge business process flow



to develop and refine Auto PartsBridge. The product introduces a new level of transparency regarding the parts required for a collision repair and helps Toyota dealerships provide higher quality service to their collision repair customers. At the same time, the system provides accurate parts data to the collision repairers to help them prepare estimates and improve their production processes. A pilot program for Auto PartsBridge commenced in April 2007 in selected markets across the United States and is proceeding positively.

Ongoing commitment from partners

This year saw the renewal of a number of key contracts that the Company holds with our automotive partners. The first contract to be renewed in this financial year was the Company's contract with Land Rover. The renewed contract ensures the supply of Microcat to Land Rover dealers globally through to at least June 2010. Early in 2007, the Company renewed our agreement with Ford Canada, until 2009, which will also mark a 10 year relationship between the two companies.

The renewal of our agreement with Ford Europe was testament to the regard in which the Microcat solution is held throughout the Ford European dealerships and its importance as an independent and mission critical business tool for professional parts sales. Competition in this marketplace has intensified in recent years; however, the Company remains confident that we deliver products which assist dealers in increasing sales and productivity. The Company will also launch both Microcat® LIVE™ and Microcat® MARKET™ during FY2008 and these

Microcat is used every day by over 53,000 subscribers, in more than 160 countries and in 28 languages.

products will be offered to all Ford dealers across Europe.

Just before the close of this financial year Infomedia also renewed its data licence agreement with Ford North America through to 2010. The Company has a strong product advocate base within the USA and the dedicated team in the IFM North America office continues to provide outstanding service to our customers there.

Consolidation of the business

Late in 2006, the Company sold its Business Systems Division, enabling the Company to focus on its key areas of expertise: developing and supplying Electronic Parts Catalogues and service quoting systems for the automotive industry globally; plus information creation and management for the domestic automotive and oil industries.

Financial results

In terms of financial results for 2007, the Company is pleased to report net profit after tax of $15.3 million. This figure is within the guidance previously provided to the market in December 2006.

Key highlights

- Electronic Parts Catalogue subscription numbers grew by 11% to 53,165. This subscription growth was driven primarily through the successful worldwide launch into Kia markets coupled with organic growth within the existing portfolio.
- Superservice Menus subscription numbers grew by 56% to 2,614 over the previous corresponding period. Subscription growth was driven primarily across European markets with particular emphasis on Daihatsu and Hyundai.
- Electronic Catalogue and Publishing sales revenue increased by 3% to $53 million over the equivalent prior period. This growth was impaired as a result of the rising strength of the Australian dollar throughout the year.
- Consolidated sales revenue of $54.6 million only included five months of the Business Systems Division compared to the full 12 months of the comparative period following the sale of the division. The division was sold on 1 December 2006 for gross proceeds of $1.5 million. The absence of the Business Systems Division in the second half had little impact on reported profits as this business was operating on a near breakeven basis.
- Cash flows from operations remain strong with $14 million in cash generation. Total dividend payments to shareholders over the 2007 financial year amounted to $24.4 million. Notwithstanding these returns, the balance sheet remains in a strong position with $15.7 million cash on hand at 30 June 2007.

CEO Report

Put simply, we turn data into meaningful information.

Looking forward

Operational outlook

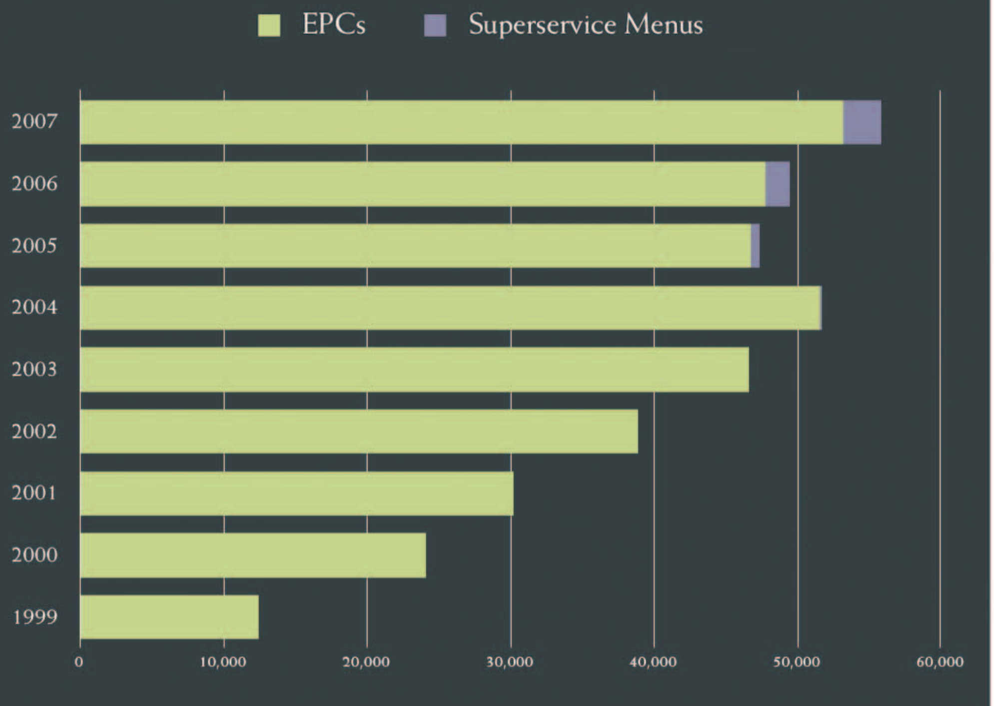
Infomedia regularly reviews our product development approach, how we are positioned to address future challenges, and our capacity to respond to the changing needs of our customers. The Company remains agile in its approach and is committed to developing superior products which deliver genuine value for our customers, and in turn, our shareholders. We have the people, knowledge, infrastructure and commitment from our partners, to develop and deliver new products for existing customers as well as future customers.

The coming year will see many releases of Microcat LIVE and Microcat MARKET globally. These exciting products will gain traction in all markets and increase the customer touch points with Infomedia. We are also confident about the release of Auto PartsBridge for Toyota Motor Sales in the US and the benefits it brings to the parts dealer and collision repairer supply chain.

Financial outlook

In the year ahead, the Company will incorporate higher data licence costs and experience the previously communicated reduction in General Motors subscriptions in North America. Despite anticipated net

Subscription History



CEO Report

Commitment to delivering high quality, sought after products for our expanding customer base.

growth in software subscription volumes, the projected strength of the Australian dollar during the course of the 2008 year is likely to have a dampening affect on reported profit.

The recent successful contract renewals in Europe, North America and Asia Pacific, along with the positive reception of our new products, provide a solid platform for growth in subscription volumes. Further advances in EPC technology for both the franchised automotive dealer and the independent motor trade will create increased sales momentum and diversification of the Company's customers and product portfolio over the medium term.

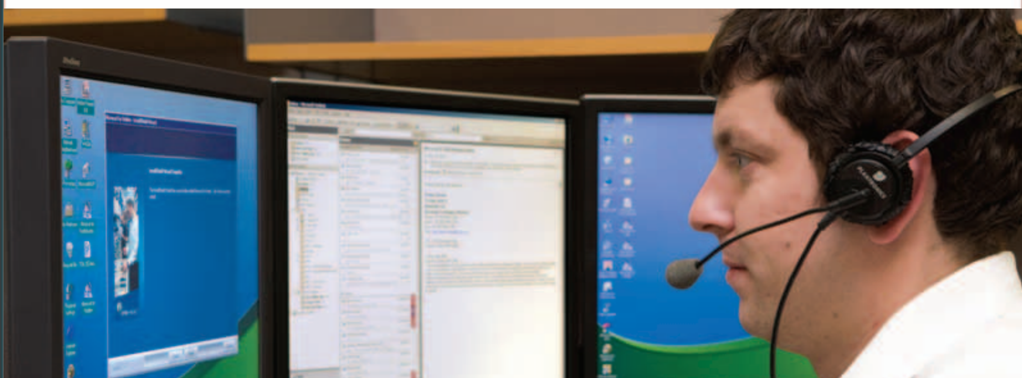
The outlook for Superservice Menus remains strong, with continuing growth expected into 2008 and beyond. The Company continues to expand both domestically and internationally, with new automakers and organic growth from current releases.

In last year's Annual Report I spoke about a Company of strength. Again this year, I am proud of the achievements of our management and dedicated staff around the world. Their commitment to delivering high quality, sought after products for our expanding customer base is why I am confident that our foundations are solid, and our prospects are bright when looking beyond 2008. Your Company continues to expand its product portfolio and reputation for truly understanding what our customers need and translating that into tools that empower and enrich our customers' daily work lives. Put simply, we turn data into meaningful information.

I look forward to a year ahead that continues to develop great people and great products.

Gary Martin
Chief Executive Officer

Infomedia staff provide outstanding service to our customers



The Quality Assurance Team test all products every month ensuring a robust and reliable product

Prue Elvy

Position: Instructional Designer, Education Services

Qualifications: Bachelor of Education, Certificate IV in Workplace Assessment and Training, Masters in Adult Education (in progress)

Length of service: 5 years

"I have had the opportunity to be involved in the design and development of all the different training materials and courses that educate Infomedia's multi-lingual global customers.

My passion is adult learning and training so I enjoy supporting our trainers globally to ensure an effective, professional and consistent approach to training. I have a strong user focus and in my design I highlight the simplicity and consistency of Infomedia products through the 3-step model (identify a vehicle, select parts/service, finalise order/quote). I also like to promote the training department internally to ensure all employees are aware of what materials are available to support them in their roles."

Community

Infomedia recognises that it is our responsibility as good corporate citizens to help strengthen the societies in which we live and work. We also understand that employees are attracted to companies who acknowledge this responsibility and allow them the opportunity to give something back to the community. Hence, this year we launched our own corporate volunteering program – an initiative that encourages employees to become involved in their communities, lending their voluntary support to programs that enrich the quality of life and opportunities for society.

Infomedia's corporate volunteering program was created as an extension of our existing program of financial support for community groups, and we have found that it provides many more benefits over traditional donations such as cash. These include:

- positive visibility within the local community and enhanced relationships with community organisations and stakeholders;
- team building and enhanced employee morale as staff members work together on volunteering projects; and
- staff training via an appreciation of diversity with improved communication skills and social awareness.

Specifically, the program encourages Infomedia employees to volunteer eight hours of their work time per quarter to support selected local charities with whom we have developed close relationships. Initially, partnerships were created in the local community. In our North America office we encouraged staff to generate their own ideas about which organisations to partner with.

Australians and businesses are volunteering more than ever before, with around 70% of companies in Australia offering paid volunteer leave.[1] Research also shows that the 35 – 44 age group volunteers more than any other age group.[2] With the majority of Infomedia's own staff falling within this age bracket, we are discovering that many of our employees are keen to take part in volunteering programs and report positive feelings of self worth and satisfaction after participating. They have also expressed their gratitude that the Company encouraged and supported this activity. As Lara Wasley, Human Resources Administration Assistant noted after volunteering for Meals on Wheels, "It does make you feel happier to know you work for a company that is prepared to go that extra mile and give back to the local community."

Lara Wasley, HR Administration Assistant volunteering for Meals on Wheels

People, Community and the Environment

It does make you feel happier to know you work for a company that is prepared to go that extra mile and give back to the local community.

We now advise of our corporate volunteering policy in our recruitment advertisements and have found that this has been a contributing factor for many applicants in applying for a job with Infomedia. Not only does our corporate volunteering program engage potential employees, but it generates a sense of pride and satisfaction in our workplace – helping to increase employee morale and therefore retention.

Environment

Supplementing Infomedia's existing commitment to the environment, an environmental strategy, entitled 'Project Green', was also established this year. Encouraging staff to play a part in environmental sustainability, Project Green creates positive change with responsible energy management, waste management, recycling and water conservation.

Staff are reminded and educated about sustainable office initiatives, for example:

- Energy – all equipment is switched off before leaving the office and lights are turned off whenever a room is empty. 'Lights off Planet on' stickers are affixed next to applicable light switches;
- Water – water is conserved by reporting leaks and turning off taps properly;
- Recycling – paper, glass and plastic recycling bins are appropriately labelled and located around the office.

A new online payroll system has also been introduced this year. Instead of distributing printed payroll receipts every two weeks, the receipts are now available as a downloadable PDF that is accessed from a secure website. Leave applications are also sent electronically from the website rather than via traditional paper based methods.

This year's Annual Report also represents an effort to minimise the environmental impact of our business. In line with the new legislation introduced in May 2007, Infomedia now only sends a paper copy of the Annual Report to shareholders who request one. All other shareholders receive notification of the Report's availability online at the Infomedia website. This change represents a significantly lower use of paper and also savings to shareholders over the traditional method of printing and posting the Report. Shareholders can update their preference for how they receive the Annual Report at any time. To update your preference, visit:

www.computershare.com.au/holderupdate/ifm

1. *Volunteering Australia/Australia Cares. Corporate Volunteering Survey; 2006.*

2. *Giving Australia: Research on Philanthropy in Australia. www.volunteering.com.au*

Clinton Ennis

Position: Development Team Leader of Rich Internet Applications

Qualifications: MCP (Microsoft Certified Professional)

Length of service: 8 years

"The most rewarding part of my career at Infomedia is its global business relationships. I've been fortunate enough to work and meet with end users, customers, partners and Infomedia staff all over the world with varying cultures and interesting personalities. It's the people I work with that are the highlight of my daily work.

Infomedia has a great infrastructure, allowing my team to keep pushing our technology implementations further ahead of IT in the automotive industry. My team builds Rich Internet Applications, bringing our flagship desktop software to the Internet in a distributed and connected environment and giving end users a Web 2.0 experience they expect from technology today."

Directors' Report

YOUR DIRECTORS SUBMIT THEIR REPORT FOR THE YEAR ENDED 30 JUNE 2007.

DIRECTORS

Directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated. Geoffrey Henderson was a Non-executive Director and Chairman of the Corporate Governance Committee until his resignation on 28 February 2007. In June 2007, the Board resolved to appoint Frances Hernon to the Audit & Risk Committee and to subsequently merge that Committee and the Corporate Governance Committee into the Audit, Risk & Governance Committee. It was also resolved that the Board itself would re-absorb the Remuneration & Nomination Committee functions. These changes took effect from 1 July 2007, with the exception of Ms Hernon's appointment to the Audit & Risk Committee (as it then was), which took effect on 25 June 2007. Refer to the Corporate Governance Statement for further details.

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

Names, Qualifications, Experience and Special Responsibilities

Richard Graham – *Chairman of the Board*

Richard Graham has held senior management positions in the American and Australian computer industry since 1977. Mr Graham co-founded the Company in 1988 and was its Chairman and Managing Director/CEO from its establishment until he retired as CEO in December 2004. Since then, Mr Graham has continued as Chairman. Mr Graham was last re-elected to the Board in October 2005.

Gary Martin – *Chief Executive Officer*

Gary Martin was promoted to the position of Chief Executive Officer on 1 January 2005. Mr Martin has extensive experience in the automotive industry. He has been with Infomedia since 1998, when he joined the Company as International Sales Manager. Mr Martin was appointed as General Manager, Electronic Catalogues Division in August 2001. Prior to joining Infomedia, he had 12 years of experience at automotive dealerships, including as General Manager, Parts & Accessories of a large multi-franchised dealership group. In his time with Ford dealers, Mr Martin was awarded the Ford Management Excellence Award in four consecutive years and participated on various Automaker committees. Mr Martin was elected to the Board in October 2004.

Frances Hernon – *Non-executive Director*

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

Ms Hernon serves on the Audit, Risk & Governance Committee and also serves the Board as Lead Non-executive Director for all matters that formerly fell within the ambit of the Remuneration & Nomination Committee. Ms Hernon was last re-elected to the Board in October 2006.

Myer Herszberg – *Non-executive Director*

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 well as many other leading edge electronic products. He also has extensive experience in the commercial property market, and is active in a number of community service organisations. Mr Herszberg currently serves on the Company's Audit, Risk & Governance Committee. Mr Herszberg was last re-elected to the Board in October 2005.

Andrew Moffat – *Non-executive Director (Chairman of Audit, Risk & Governance Committee)*

Andrew Moffat was appointed to the Infomedia Board of Directors on 31 March 2005. Mr Moffat has more than 20 years of corporate and investment banking experience and is the sole principal of Cowoso Capital Pty Ltd, a company providing strategic corporate advisory services. Mr Moffat was a Director of Equity Capital Markets & Advisory for BNP Paribas Equities (Australia) Limited with principal responsibility for mergers and acquisition advisory services and a range of equity capital raising mandates including placements, initial public offerings, rights issues and dividend reinvestment plan underwritings. His corporate banking experience was gained whilst working in the United Kingdom and Australia with Standard Chartered Bank Group, National Westminster Banking Group and BNP Paribas. Mr Moffat was elected to the Board in October 2005.

COMPANY SECRETARY

Nick Georges – *General Counsel & Company Secretary*

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

Directors' Report

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

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

Infomedia Ltd		
	Ordinary shares fully paid	Options over ordinary shares
Wiser Equity Pty Limited	100,277,501	-
Yarragene Pty Limited	23,421,599	-
Wiser Centre Pty Limited	1,000,000	-
Richard Graham	926,559	-
Gary Martin	407,590	666,667
Frances Hernon	5,000	-
Andrew Moffat	-	-

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

Directorships of other publicly listed entities

During the past four years, Andrew Moffat has been the non-executive Chairman of Pacific Star Network Limited. He is also a non-executive Director of Cash Converters International Ltd and an executive Director of Ausron Limited.

PRINCIPAL ACTIVITIES

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

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

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

There have been no significant changes in the nature of those activities during the year, with the exception of the sale of the Company's Business Systems Division on 1 December 2006, which was the division responsible for the provision of dealer management systems for the automotive industry.

EMPLOYEES

The Company employed 204 (2006: 230) full time employees as at 30 June 2007.

DIVIDENDS

	Cents	$'000
Final dividends recommended:		
On ordinary shares – final – fully franked	2.10	6,845
Dividends paid in the year:		
On ordinary shares – 2007 interim – fully franked	1.90	6,194
On ordinary shares – special – fully franked	3.50	11,391
Final for the 2006 year:		
On ordinary shares – as recommended in the 2006 report	2.10	6,836

NET TANGIBLE ASSETS PER SECURITY

The Company's net tangible assets per security are as follows:

	Cents
Net tangible assets per share at 30 June 2007	4.8
Net tangible assets per share at 30 June 2006	7.5

REVIEW AND RESULTS OF OPERATIONS

The following table presents sales revenue and profit after tax after excluding non-recurring significant items:

	CONSOLIDATED	
	2007 $'000	2006 $'000
Sales revenue – Catalogue and Publishing	**52,990**	51,635
Sales revenue – Business Systems (sold 1 December 2006)	**1,576**	3,942
Consolidated sales revenue	**54,566**	55,577
Reported profit after tax	**15,294**	18,146
Adjustments:		
Sale and leaseback transaction after tax	**-**	(1,616)
Profit after tax excluding sale and leaseback transaction and significant items	**15,294**	16,530

The Company is pleased to report net profit after tax of $15,294,000 for the 2007 financial year, which is within the guidance previously provided to the market in December 2006.

Electronic Parts Catalogue subscription numbers grew by 11% to 53,165 and Superservice Menus subscription numbers grew by 56% to 2,614 over the previous corresponding period.

Electronic Parts Catalogue subscription growth was driven primarily through the successful worldwide launch into Kia markets, coupled with organic growth within the existing portfolio. Superservice Menu subscription growth was driven primarily across European markets, with particular emphasis on Daihatsu and Hyundai.

Directors' Report

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

Catalogue and Publishing sales revenue increased by 3% to $52,990,000 over the equivalent prior period. This growth was impaired as a result of the rising strength of the Australian dollar throughout the year. Consolidated sales revenue of $54,566,000 only included five months of the Business Systems Division compared to the full 12 months of the comparative period following the sale of the division. The division was sold on 1 December 2006 for gross proceeds of $1,500,000. The absence of the Business Systems Division in the second half had little impact on reported profits, as this business was operating on a near breakeven basis.

Cash flows from operations remain strong, with $14,044,000 in cash generation. Total dividend payments to shareholders over the 2007 financial year amounted to $24,421,000. Notwithstanding these returns, the balance sheet remains in a strong position, with $15,690,000 cash on hand at 30 June 2007.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There has been no significant change in the state of affairs of the Company since the last Directors' Report, with the exception of the sale of the Company's Business Systems Division on 1 December 2006, which was the division responsible for the provision of dealer management systems for the automotive industry.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

In the year ahead, the Company will incorporate higher data licence costs and experience the previously communicated reduction in General Motors subscriptions in North America. Despite anticipated net growth in software subscription volumes, the projected strength of the Australian dollar during the course of the 2008 year is likely to have a dampening affect on reported profit.

The recent successful contract renewals in Europe, North America and Asia Pacific, along with the positive reception of our new products, provide a solid platform for growth in subscription volumes. Further advances in EPC technology for both the franchised automotive dealer and the independent motor trade will create increased sales momentum and diversification of the Company's customers and product portfolio over the medium term.

The outlook for Superservice Menus remains strong, with continuing growth expected into 2008 and beyond. The Company continues to expand both domestically and internationally, with new automakers and organic growth from current releases.

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

SHARE OPTIONS

Unissued shares

At the date of this report, there were 1,300,001 unissued ordinary shares under options. Refer to Note 24 of the financial statements for further details of the options outstanding.

Shares issued as a result of the exercise of options

During the financial year, executives have exercised options to acquire 499,999 (2006: nil) fully paid ordinary shares in Infomedia Ltd at a weighted average price of $0.50. Since the end of the financial year, there have been no further options exercised.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the year, the Company paid a premium in relation to insuring Directors and other officers against liability incurred in their capacity as a Director or officer of the Company. The insurance contract specifically prohibits the disclosure of the nature of the policy and amount of premium paid.

REMUNERATION REPORT

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

Infomedia Ltd has adopted the option available under the Corporation Regulations 2M.6.04 (as amended by the Corporation Amendments Regulation 2006 (No. 4)) which permits listed companies to transfer the remuneration disclosures required under AASB124 para Aus 25.4 – Aus 25.7.2 out of the Financial Report and into the Remuneration Report. The transferred AASB124 disclosures are subject to audit.

Compensation philosophy (audited)

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

- provide competitive rewards to attract high calibre executives;
- link executive rewards to shareholder value;
- establish appropriate performance hurdles in relation to variable executive compensation.

Remuneration Committee

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

Compensation structure

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

Non-executive Director compensation (audited)

Objective

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

REMUNERATION REPORT (CONTINUED)

Structure

The Constitution and the Australian Securities Exchange (ASX) Listing Rules specify that the aggregate compensation of non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then available between the Directors as appropriate (for the year ended 30 June 2007, non-executive Directors' compensation totalled $350,136 (2006: $311,489)). The latest determination was at the Annual General Meeting held on 30 October 2002, when shareholders approved a maximum aggregate compensation of $450,000 per year.

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

Senior executive and executive director compensation (audited)

Objective

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

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

Structure

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

Compensation consists of the following key elements:

– Fixed Compensation

– Variable Compensation – Short Term Incentive (STI); and

– Variable Compensation – Long Term Incentive (LTI).

The actual proportion of fixed compensation and variable compensation (potential short term and long term incentives) is established for Key Management Personnel (excluding the CEO and non-executive Directors) by the CEO in conjunction with the Remuneration Committee, and in the case of the CEO, by the Chairman of the Board in conjunction with the Remuneration Committee. Other executive salaries are determined by the CEO with reference to market conditions.

Fixed compensation

Objective

The level of fixed compensation is set so as to provide a base level of compensation which is both appropriate to the position and competitive in the market. Fixed compensation is reviewed periodically by the CEO in conjunction with the Remuneration

Committee for the Key Management Personnel (excluding the CEO and non-executive Directors), and in the case of the CEO, by the Chairman of the Board in conjunction with the Remuneration Committee. All other executive positions are reviewed periodically by the CEO. As noted above, the Committee has access to external advice independent of management.

Structure

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

Variable compensation – Short Term Incentive (STI) (audited)

Objective

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

Structure

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

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

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

Variable compensation – Long Term Incentive (LTI) (audited)

Objective

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

Structure

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

Directors' Report

REMUNERATION REPORT (CONTINUED)

Specified Directors and five highest remunerated specified executives for the year ended 30 June 2007 and 30 June 2006 (audited)

	Short term			Post employment	Share based payments		Long term	Total	Percentage performance related
2007 Financial Year	Salary and Fees	Bonus	Non monetary benefits	Superannuation	Options	Employee share plan	Other	$	%
Directors									
Richard Graham	115,000	-	-	10,350	-	-	-	125,350	-
Gary Martin	280,000	83,200	-	25,200	48,846	-	3,267	440,513	30%
Myer Herszberg	56,300	-	-	5,067	-	-	-	61,367	-
Frances Hernon	56,250	-	-	5,062	-	-	-	61,312	-
Andrew Moffat	56,250	-	-	5,062	-	-	-	61,312	-
Geoffrey Henderson	37,427	-	-	3,368	-	-	-	40,795	-
Executives									
Andrew Pattinson	314,276	24,746	15,258	28,285	-	-	5,238	387,803	6%
Peter Adams	190,742	38,000	-	17,220	17,961	-	2,225	266,148	21%
Mark Kujacznski	182,692	25,641	12,434	-	-	-	-	220,767	12%
Michael Roach	167,215	25,000	-	14,850	7,332	-	2,787	217,184	15%
Nick Georges	165,000	23,000	-	14,850	5,700	-	1,925	210,475	14%
	1,621,152	219,587	27,692	129,314	79,839	-	15,442	2,093,026	
2006 Financial Year									
Directors									
Richard Graham	118,019	-	-	10,350	-	-	-	128,369	-
Gary Martin	280,000	63,000	-	24,445	51,232	-	3,267	421,944	27%
Myer Herszberg	42,000	-	-	3,780	-	-	-	45,780	-
Geoffrey Henderson	42,000	-	-	3,780	-	-	-	45,780	-
Frances Hernon	42,000	-	-	3,780	-	-	-	45,780	-
Andrew Moffat	42,000	-	-	3,780	-	-	-	45,780	-
Executives									
Andrew Pattinson	305,523	-	14,537	27,497	-	1,000	5,092	353,649	-
Peter Adams	190,742	38,000	-	17,167	17,742	1,000	2,225	266,876	21%
Nick Georges	170,290	12,500	-	15,326	13,050	1,000	1,987	214,153	12%
Michael Roach	153,558	14,000	-	13,820	6,286	1,000	2,559	191,223	11%
Mark Kujacznski	170,186	-	9,589	-	-	-	-	179,775	-
	1,556,318	127,500	24,126	123,725	88,310	4,000	15,130	1,939,109	

Directors and Executives also represent Key Management Personnel as defined by AASB124.

Contract for services (audited)

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

	Commencement date per latest contract	Duration	Notice period – Company	Notice period – executive
Gary Martin	1 January 2005	3 years	6 months*	6 months
Nick Georges	1 January 2005	3 years	6 months*	6 months
Peter Adams	1 January 2005	3 years	6 months*	6 months
Michael Roach	1 January 2005	3 years	3 months	3 months
Mark Kujacznski	22 August 2005	3 years	3 months	3 months

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

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

Compensation options: Granted during the year (audited)

There were no options granted during the year.

Shares issued on exercise of compensation options (Consolidated) (audited)

30 June 2007	Shares issued Number	Paid per share $	Unpaid per share $
Directors			
Gary Martin	333,333	0.50	-
Executives			
Peter Adams	166,666	0.50	-

No options were exercised during the prior year by Key Management Personnel.

Directors' Report

REMUNERATION REPORT (CONTINUED)

Option holdings of Key Management Personnel (Consolidated) (audited)

30 June 2007	Balance at beginning of period	Granted as compensation	Options exercised	Net change other	Balance at end of period	Vested at 30 June 2007		
	1 July 2006				30 June 2007	Total	Not exercisable	Exercisable
Directors								
Gary Martin	1,000,000	-	(333,333)	-	666,667	666,667	333,334	333,333
Executives								
Peter Adams	250,000	-	(166,666)	-	83,334	83,334	83,334	-
Nick Georges	250,000	-	-	-	250,000	250,000	166,667	83,333
Michael Roach	200,000	-	-	-	200,000	200,000	133,334	66,666
	1,700,000	-	(499,999)	-	1,200,001	1,200,001	716,669	483,332

30 June 2006	Balance at beginning of period	Granted as compensation	Options exercised	Net change other	Balance at end of period	Vested at 30 June 2006		
	1 July 2005				30 June 2006	Total	Not exercisable	Exercisable
Directors								
Gary Martin	-	1,000,000	-	-	1,000,000	1,000,000	666,667	333,333
Executives								
Peter Adams	-	250,000	-	-	250,000	250,000	166,667	83,333
Nick Georges	-	250,000	-	-	250,000	250,000	166,667	83,333
Michael Roach	-	200,000	-	-	200,000	200,000	200,000	-
	-	1,700,000	-	-	1,700,000	1,700,000	1,200,001	499,999

DIRECTORS' MEETINGS

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

	Directors' meetings	Committee meetings		
		Audit & Risk	Corporate Governance	Remuneration & Nomination
Number of meetings held:	13	5	2	4
Number of meetings attended:				
Richard Graham	13	-	-	-
Gary Martin	13	-	-	-
Geoffrey Henderson	7	4	2	-
Myer Herszberg	12	4	1	4
Frances Hernon	12	1	2	4
Andrew Moffat	13	5	-	4

In June 2007, the Board resolved to appoint Ms Hernon to the Audit & Risk Committee and to subsequently merge that Committee and the Corporate Governance Committee into the Audit, Risk & Governance Committee. It was also resolved that the Board itself would re-absorb the Remuneration & Nomination Committee functions. These changes took effect from 1 July 2007, with the exception of Ms Hernon's appointment to the Audit & Risk Committee (as it then was), which took effect on 25 June 2007.

ROUNDING

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

CORPORATE GOVERNANCE

In recognising the need for high standards of corporate behaviour and accountability, the Directors of Infomedia Ltd support and have adhered to the principles of good corporate governance. The Company's corporate governance statement is after the independent audit report.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The Directors received an auditor's independence declaration from the auditor of the Company (refer page 26).

NON-AUDIT SERVICES

Ernst & Young did not provide any non-audit services during the financial year ended 30 June 2007.

Signed in accordance with a resolution of the Directors.

Richard David Graham

Chairman

Sydney, 22 August 2007

Independence Declaration

ERNST & YOUNG

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Auditor's Independence Declaration to the Directors of Infomedia Ltd

In relation to our audit of the financial report of Infomedia Ltd for the financial year ended 30 June 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Garry Wayling

Garry Wayling
Partner
Sydney, 22 August 2007

Liability limited by a scheme approved
under Professional Standards Legislation

Income Statement

YEAR ENDED 30 June 2007	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2007	2006	2007	2006
		$'000	$'000	$'000	$'000
Sales revenue		54,566	55,577	42,967	46,112
Rental revenue		-	646	-	-
Finance revenue		791	268	778	1,164
Revenue		55,357	56,491	43,745	47,276
Cost of sales	3(i)	(17,448)	(17,472)	(11,106)	(13,436)
Gross profit		37,909	39,019	32,639	33,840
Other income	3(ii)	-	2,892	-	677
Net profit/(loss) on sale of business	22	15	-	(76)	-
Employee benefits expense	3(iii)	(8,374)	(8,009)	(7,017)	(6,851)
Depreciation and amortisation	3(iv)	(3,492)	(3,355)	(3,016)	(2,689)
Finance costs		(134)	(197)	(134)	(197)
Operating lease rental		(1,072)	(534)	(533)	(912)
Other expenses		(4,119)	(5,002)	(1,868)	(5,302)
Profit before income tax		20,733	24,814	19,995	18,566
Income tax expense	4	(5,439)	(6,668)	(5,498)	(4,866)
Profit after income tax		15,294	18,146	14,497	13,700
Basic earnings per share (cents per share)	5	4.70	5.58		
Diluted earnings per share (cents per share)	5	4.68	5.57		
Dividends per share – ordinary (cents per share)	6	4.00	4.00		
Dividends per share – special (cents per share)	6	-	7.00		

Balance Sheet

AT 30 June 2007	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2007	2006	2007	2006
		$'000	$'000	$'000	$'000
CURRENT ASSETS					
Cash and cash equivalents	21(b)	15,690	26,021	13,544	25,089
Trade and other receivables	7	6,944	6,751	3,818	4,409
Inventories	8	52	84	52	71
Prepayments		432	544	297	448
Derivatives	31	-	229	-	229
TOTAL CURRENT ASSETS		23,118	33,629	17,711	30,246
NON-CURRENT ASSETS					
Intercompany	9	-	-	1,623	451
Other financial assets	10	335	804	583	1,052
Property, plant and equipment	12	2,817	4,066	2,222	3,402
Intangible assets and goodwill	13	17,139	17,375	13,465	12,754
Deferred tax assets	4	1,443	1,790	1,250	1,592
TOTAL NON-CURRENT ASSETS		21,734	24,035	19,143	19,251
TOTAL ASSETS		44,852	57,664	36,854	49,497
CURRENT LIABILITIES					
Trade and other payables	15	2,482	3,974	1,752	2,988
Interest bearing loans and borrowings	16	-	500	-	500
Provisions	17	2,284	2,711	1,612	2,001
Income tax payable		2,272	3,451	2,228	3,126
Deferred revenue	18	506	816	254	405
TOTAL CURRENT LIABILITIES		7,544	11,452	5,846	9,020
NON-CURRENT LIABILITIES					
Provisions	19	1,706	2,339	1,568	2,187
Deferred tax liabilities	4	2,700	2,062	2,353	1,576
TOTAL NON-CURRENT LIABILITIES		4,406	4,401	3,921	3,763
TOTAL LIABILITIES		11,950	15,853	9,767	12,783
NET ASSETS		32,902	41,811	27,087	36,714
EQUITY					
Contributed equity	20	17,738	17,488	17,738	17,488
Reserves	20	978	1,010	1,023	976
Retained profits		14,186	23,313	8,326	18,250
TOTAL EQUITY		32,902	41,811	27,087	36,714

Cash Flow Statement

YEAR ENDED 30 June 2007	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2007	2006	2007	2006
		$'000	$'000	$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		54,284	54,522	43,535	46,229
Payments to suppliers and employees		(35,448)	(31,036)	(25,438)	(23,556)
Interest received		791	268	778	1,164
Borrowing costs		(3)	(197)	(3)	(197)
Income tax paid		(5,580)	(4,528)	(5,239)	(4,528)
NET CASH FLOWS FROM OPERATING ACTIVITIES	21 (a)	14,044	19,029	13,633	19,112
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment		(873)	(1,625)	(692)	(1,121)
Proceeds from sale of business	22	1,169	-	185	-
Proceeds from sale of property, plant and equipment including property held for resale	3(vi)	-	23,000	-	1,750
Non refundable payment for capital works	3(vi)	-	(500)	-	-
Purchase of intellectual property		-	(2,096)	-	(2,096)
Purchase of shares in controlled entity		-	-	-	(1)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		296	18,779	(507)	(1,468)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from exercise of share options		250	-	250	-
Proceeds from borrowings		-	8,000	-	8,000
Repayment of borrowings		(500)	(7,500)	(500)	(7,500)
Repayment of loan from controlled entity		-	-	-	21,250
Dividends paid on ordinary shares	6	(24,421)	(23,108)	(24,421)	(23,108)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		(24,671)	(22,608)	(24,671)	(1,358)
NET INCREASE/(DECREASE) IN CASH HELD		(10,331)	15,200	(11,545)	16,286
Add opening cash brought forward		26,021	10,821	25,089	8,803
CLOSING CASH CARRIED FORWARD	21 (b)	15,690	26,021	13,544	25,089

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Statement of Changes in Equity

YEAR ENDED 30 June 2007	CONSOLIDATED			
	Contributed equity	Retained earnings	Other reserves	Total
	$'000	$'000	$'000	$'000
At 1 July 2006	17,488	23,313	1,010	41,811
Currency translation differences	-	-	(79)	(79)
Profit for the year	-	15,294	-	15,294
Cost of share based payments	-	-	47	47
Exercise of options	250	-	-	250
Equity dividends	-	(24,421)	-	(24,421)
At 30 June 2007	17,738	14,186	978	32,902

YEAR ENDED 30 June 2006	CONSOLIDATED			
	Contributed equity	Retained earnings	Other reserves	Total
	$'000	$'000	$'000	$'000
At 1 July 2005	17,488	28,275	706	46,469
Currency translation differences	-	-	53	53
Profit for the year	-	18,146	-	18,146
Cost of share based payments	-	-	251	251
Equity dividends	-	(23,108)	-	(23,108)
At 30 June 2006	17,488	23,313	1,010	41,811

YEAR ENDED 30 June 2007	INFOMEDIA LTD			
	Contributed equity	Retained earnings	Other reserves	Total
	$'000	$'000	$'000	$'000
At 1 July 2006	17,488	18,250	976	36,714
Profit for the year	-	14,497	-	14,497
Exerercise of options	250	-	-	250
Cost of share based payments	-	-	47	47
Equity dividends	-	(24,421)	-	(24,421)
At 30 June 2007	17,738	8,326	1,023	27,087

YEAR ENDED 30 June 2006	INFOMEDIA LTD			
	Contributed equity	Retained earnings	Other reserves	Total
	$'000	$'000	$'000	$'000
At 1 July 2005	17,488	27,658	725	45,871
Profit for the year	-	13,700	-	13,700
Cost of share based payments	-	-	251	251
Equity dividends	-	(23,108)	-	(23,108)
At 30 June 2006	17,488	18,250	976	36,714

30 June 2007

1. CORPORATE INFORMATION

The financial report of Infomedia Ltd for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of the Directors on 22 August 2007.

Infomedia Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Company are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Certain Australian Accounting Standards and UIG interpretations have recently been issued or amended but are not yet effective. These Standards have not been adopted by the Company for the year ended 30 June 2007. The Directors have yet to finalise their assessment of the impact of the new or amended standards (to the extent relevant to the Company).

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Infomedia Ltd and its subsidiaries (the Company). The financial statements of subsidiaries are prepared for the same reporting period as for the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered. Subsidiaries are consolidated from the date on which control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Company. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Infomedia Ltd has control.

(d) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Significant accounting judgements, estimates and assumptions (continued)

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of goodwill

The Company determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in Note 14.

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, using the assumptions detailed in Note 24.

(e) Foreign currencies

Translation of foreign currency transactions

Transactions in foreign currencies of the Company are converted to local currency at the rate of exchange ruling at the date of the transaction.

Amounts payable to and by the Company that are outstanding at the balance date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the reporting period.

All currency exchange differences in the consolidated financial report are taken to the income statement.

Derivative financial instruments

The Company uses derivative financial instruments such as foreign currency contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are stated at fair value. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to net profit or loss for the reporting period.

Translation of financial reports of overseas operations

Both the functional and the presentation currency of Infomedia Ltd and its Australian subsidiaries is Australian dollars ($A).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Foreign currencies (continued)

The functional currencies of the overseas subsidiaries are as follows:

IFM Europe Ltd	Euros
IFM Germany GmbH	Euros
IFM North America Inc	United States Dollars (USD)

As at the reporting date, the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of Infomedia Ltd at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the period.

The exchange differences arising on the retranslation are taken directly to a separate component of equity.

(f) Cash and cash equivalents

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

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 three months, net of outstanding bank overdrafts.

(g) Trade and other receivables

Trade receivables, which generally have 30–60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(h) Investments and other financial assets

Financial assets in the scope of AASB139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. For the Company the relevant category is listed below:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Investments in Subsidiaries

Investments in subsidiaries are recorded at cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Inventories

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

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

- Raw materials – purchase cost on a first-in-first-out basis.

(j) Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Company are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Company at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Company's primary or the Company's secondary reporting format determined in accordance with AASB114 Segment Reporting.

Impairment is determined by assessing the recoverable amount of the cash generating unit (group of cash generating units) to which the goodwill relates. When the recoverable amount of the cash generating unit (group of cash generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash generating unit (group of cash generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

(k) Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Intangible assets (continued)

are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

Research and development costs

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project commencing from the commercial release of the project.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use, or more frequently when an indication of impairment arises during the reporting period.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(l) Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Impairment of assets (continued)

indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset or cash generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed (with the exception of goodwill) only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(m) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Land and buildings are measured at cost less accumulated depreciation on buildings and less any impairment losses recognised.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Major depreciation periods are:	2007	2006
Freehold buildings:	40 years	40 years
Leasehold improvements:	5 to 20 years	5 to 20 years
Other plant and equipment:	3 to 15 years	3 to 15 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Property, plant and equipment (continued)

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(n) Leases

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

(i) Company as a lessee

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

(ii) Company as a lessor

Leases in which the Company retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income (i.e. on a straight-line basis).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(p) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(q) Deferred revenue

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

(r) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowing costs are recognised as an expense when incurred.

(s) Contributed equity

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Revenue recognition

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

Subscriptions

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

Interest

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

(u) Cost of sales

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

(v) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Income tax (continued)

differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The tax consolidated current tax liability and other deferred tax assets are required to be allocated to the members of the tax consolidated group in accordance with UIG 1052. The group uses a group allocation method for this purpose where the allocated current tax payable, deferred tax assets and other tax credits for each member of the tax consolidated group are determined as if the company is a stand-alone taxpayer but modified as necessary to recognise membership of a tax consolidated group. Recognition of amounts allocated to members of the tax consolidated group has regard to the tax consolidated group's future tax profits.

(w) Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

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

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Other taxes (continued)

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

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

(x) Employee leave benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash flows.

(y) Share based payment transactions

The Company provides benefits to employees in the form of share based payment transactions, whereby employees render services in exchange for shares or options over shares (equity-settled transactions).

There are currently two plans in place to provide these benefits:

(i) the Employee Share Plan (ESP); and

(ii) the Employee Option Plan (EOP).

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Infomedia Ltd ('market conditions').

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Share based payment transactions (continued)

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the option (vesting date).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met, as the effect of these conditions is included in the determination of fair value at grant date.

Where the terms of an equity-settled option are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled option is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the option is recognised immediately. However, if a new option is substituted for the cancelled option, and designated as a replacement option on the date that it is granted, the cancelled and new option are treated as if they were a modification of the original option, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(z) Earnings per share

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

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

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

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

30 June 2007	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2007	2006	2007	2006
		$'000	$'000	$'000	$'000
3.REVENUE AND EXPENSES					
(i) Cost of sales					
Direct wages		11,642	10,922	6,015	6,009
Other		5,806	6,550	5,091	7,427
Total cost of sales		17,448	17,472	11,106	13,436
(ii) Other income					
Net gain on disposal of property, plant and equipment including property held for resale	3(vi)	-	2,432	-	194
Unrealised gain on forward foreign currency exchange contracts		-	231	-	254
Fair value change on derivatives	31	-	229	-	229
Total other income		-	2,892	-	677
(iii) Employee benefit expense					
Salaries and wages (including on-costs)		8,327	7,758	6,970	6,600
Share based payment expense		47	251	47	251
Total employee benefit expense		8,374	8,009	7,017	6,851
(iv) Depreciation and amortisation					
Depreciation of non-current assets:					
Buildings		-	333	-	-
Leasehold improvements		180	531	121	487
Office equipment		1,140	1,135	993	1,006
Furniture and fittings		42	55	26	44
Plant and equipment		219	389	219	389
Total depreciation of non-current assets		1,581	2,443	1,359	1,926
Amortisation of non-current assets:					
Intellectual property		744	283	681	134
Deferred development costs		1,167	629	976	629
Total amortisation of non-current assets		1,911	912	1,657	763
Total depreciation and amortisation		3,492	3,355	3,016	2,689

30 June 2007	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2007	2006	2007	2006
		$'000	$'000	$'000	$'000
3.REVENUE AND EXPENSES (continued)					
(v) **Research and development costs**					
Total research and development costs incurred during the period		5,182	4,510	4,629	3,680
Less: development costs deferred	13	(3,235)	(2,221)	(2,682)	(1,424)
Net research and development costs expensed		1,947	2,289	1,947	2,256
(vi) **Profit on sale of assets**					
Gross proceeds from the sale of property, plant and equipment		-	23,000	-	1,750
Non-refundable payment for capital works		-	(500)	-	-
Net proceeds from the sale of assets		-	22,500	-	1,750
Net book value of assets disposed:					
Freehold land and buildings	12	-	(16,644)	-	-
Leasehold improvements	12	-	(1,309)	-	(1,309)
Office equipment	12	-	(29)	-	(29)
Furniture and fittings	12	-	(218)	-	(218)
Net book value of assets disposed		-	(18,200)	-	(1,556)
Gross profit on sale of assets		-	4,300	-	194
Non-cancellable surplus lease space and other non-recoverable lease incentives on corporate headquarters		-	(1,868)	-	-
Net profit on sale of assets		-	2,432	-	194

30 June 2007	CONSOLIDATED		INFOMEDIA LTD	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
4. INCOME TAX				
The major components of income tax expense are:				
Income statement				
Current income tax:				
Current income tax charge	4,853	5,469	4,497	3,799
Adjustments in respect of current income tax of previous years	(84)	(327)	(118)	(225)
Adjustments in respect of capital gains tax of previous years	(315)	-	-	-
Deferred income tax:				
Relating to origination and reversal of temporary differences	985	1,526	1,119	1,292
Income tax expense reported in the income statement	5,439	6,668	5,498	4,866
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:				
Accounting profit before income tax	20,733	24,814	19,995	18,566
At the Company's statutory income tax rate of 30% (2006: 30%)	6,220	7,444	5,999	5,570
Adjustments in respect of current income tax of previous years	(84)	(327)	(118)	(225)
Adjustments in respect of capital gains tax of previous years	(315)	-	-	-
Additional research and development deduction	(388)	(660)	(347)	(601)
Expenditure not allowable for income tax purposes	145	211	138	122
Other	(139)	-	(174)	-
Income tax expense reported in the income statement	5,439	6,668	5,498	4,866

Tax consolidation

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

Members of the tax consolidated group have also entered into a tax funding agreement. The tax funding agreement provides for the funding of allocated tax liabilities, tax losses and foreign tax credits for the current period based on recognition, applying the recognition criteria set out in the accounting policy for income taxes. Allocations under the tax funding agreement are made after the finalisation of the group's income tax return. The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' intercompany accounts with the tax consolidated group head company, Infomedia Ltd.

30 June 2007	BALANCE SHEET		INCOME STATEMENT	
	2007	2006	2007	2006
4. INCOME TAX (CONTINUED)	$'000	$'000	$'000	$'000
Deferred income tax				
Deferred income tax at 30 June relates to the following:				
CONSOLIDATED				
Deferred tax liabilities				
Prepayments	(1)	(8)	(7)	8
Derivatives	-	(69)	(69)	69
Property plant and equipment	(120)	(150)	(30)	150
Deferred development costs	(2,195)	(1,574)	621	477
Intellectual property	(384)	(243)	141	2
Currency exchange	-	(18)	(18)	18
	(2,700)	(2,062)		
Deferred tax assets				
Allowance for doubtful debts	77	75	(2)	(94)
Copyright intellectual property	-	176	176	176
Other payables	116	97	(19)	15
Employee entitlement provisions	551	710	159	47
Other provisions	565	732	167	681
Currency exchange	134	-	(134)	(23)
Gross deferred income tax assets	1,443	1,790		
Deferred tax expense			985	1,526
PARENT				
Deferred tax liabilities				
Prepayments	(2)	(5)	(3)	5
Derivatives	-	(69)	(69)	69
Property plant and equipment	(120)	(150)	(30)	150
Deferred development costs	(1,847)	(1,335)	512	238
Intellectual property	(384)	-	384	-
Currency exchange	-	(17)	(17)	17
	(2,353)	(1,576)		
Deferred tax assets				
Allowance for doubtful debts	75	69	(6)	(100)
Copyright intellectual property	-	176	176	176
Other payables	107	91	(16)	28
Employee entitlement provisions	389	524	135	51
Other provisions	565	732	167	681
Currency exchange	114	-	(114)	(23)
	1,250	1,592		
Deferred tax expense			1,119	1,292

30 June 2007

5. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options).

The following reflects the income and share data used in the total operations' basic and diluted earnings per share computations:

	CONSOLIDATED	
	2007	2006
	$'000	$'000
Net profit attributable to equity holders from continuing operations	15,294	18,146
	Number of shares	Number of shares
Weighted average number of ordinary shares for basic earnings per share	325,693,490	325,456,844
Effect of dilution:		
Employee share plans	-	14,729
Share options	899,919	132,313
Adjusted weighted average number of ordinary shares for diluted earnings per share	326,593,409	325,603,886

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

30 June 2007	CONSOLIDATED		INFOMEDIA LTD	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
6. DIVIDENDS PROPOSED OR PAID				
(a) Dividends paid during the year				
Franked interim dividend – 1.9 cents (2006: 1.9 cents) per share	6,194	6,184	6,194	6,184
Prior year final franked dividend – 2.1 cents (2006: 1.7 cents) per share	6,836	5,533	6,836	5,533
Special dividend – 3.5 cents (2006: 3.5 cents) per share	11,391	11,391	11,391	11,391
Total dividends paid during the year	24,421	23,108	24,421	23,108
(b) Dividends proposed and not recognised as a liability				
Final franked dividend – 2.1 cents (2006: 2.1 cents) per share	6,845	6,836	6,845	6,836
Special franked dividend – nil (2006: 3.5 cents) per share	-	11,391	-	11,391
	6,845	18,227	6,845	18,227
(c) Franking credit balance				
The amount of franking credits available for the subsequent financial year are:				
– franking account balance as at the end of the financial year			1,135	6,362
– franking credits that will arise from the payment of income tax payable as at the end of the financial year			2,228	3,126
			3,363	9,488
The tax rate at which paid dividends have been franked is 30% (2006: 30%). Dividends proposed will be franked at the rate of 30% (2006: 30%).				
7. TRADE AND OTHER RECEIVABLES (CURRENT)				
Trade debtors	6,850	6,707	3,553	4,180
Allowance for doubtful debts	(487)	(480)	(250)	(228)
	6,363	6,227	3,303	3,952
Other debtors	581	524	515	457
	6,944	6,751	3,818	4,409

(a) Trade debtors are non-interest bearing and are generally on 30 – 60 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade debtor is impaired. The amount of the allowance/impairment loss is recognised as the difference between the carrying amount of the debtor and the estimated future cash flows expected to be received from the relevant debtors.

30 June 2007	Notes	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	INFOMEDIA LTD 2007 $'000	INFOMEDIA LTD 2006 $'000
8. INVENTORIES					
Raw materials					
At cost		52	84	52	71
Total inventories at the lower of cost and net realisable value		52	84	52	71
9. INTERCOMPANY (NON-CURRENT)					
Wholly-owned controlled entities		-	-	1,623	451
		-	-	1,623	451
10. OTHER FINANCIAL ASSETS (NON-CURRENT)					
Investments in controlled entities	11	-	-	248	248
Other receivables		335	804	335	804
		335	804	583	1,052

11. INTERESTS IN CONTROLLED ENTITIES

Name	Country of incorporation	Percentage of equity interest held by the Company (directly or indirectly) 2007 %	2006 %	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	INFOMEDIA LTD 2007 $'000	INFOMEDIA LTD 2006 $'000
IFM Europe Ltd – ordinary shares	United Kingdom	100	100			247	247
Infomedia Investments Pty Ltd – ordinary shares – $2 only	Australia	100	100			-	-
Datateck Publishing Pty Ltd – ordinary shares – $4 only	Australia	100	100			-	-
AutoConsulting Pty Ltd – ordinary shares – $1 only	Australia	100	100			-	-
IFM North America Inc – ordinary shares	United States of America	100	100			1	1
IFM Germany GmbH*	Germany	100	-			-	-
						248	248

* Investment is held by IFM Europe Ltd.

30 June 2007	CONSOLIDATED		INFOMEDIA LTD	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
12. PROPERTY, PLANT AND EQUIPMENT				
Leasehold improvements				
At cost	944	1,286	515	915
Accumulated amortisation	(380)	(369)	(101)	(148)
	564	917	414	767
Office equipment				
At cost	5,675	6,925	4,583	5,834
Accumulated depreciation	(4,075)	(4,616)	(3,321)	(3,943)
	1,600	2,309	1,262	1,891
Furniture and fittings				
At cost	266	334	123	212
Accumulated depreciation	(93)	(119)	(57)	(93)
	173	215	66	119
Plant and equipment				
At cost	2,800	2,597	2,800	2,597
Accumulated depreciation	(2,320)	(1,972)	(2,320)	(1,972)
	480	625	480	625
Total property, plant and equipment				
At cost	9,685	11,142	8,021	9,558
Accumulated depreciation and amortisation	(6,868)	(7,076)	(5,799)	(6,156)
Total written down amount	2,817	4,066	2,222	3,402

30 June 2007	CONSOLIDATED		INFOMEDIA LTD	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)				
(b) Reconciliation of property, plant and equipment carrying values				
Freehold land and buildings				
Carrying amount – opening balance	-	16,976	-	-
Disposals	-	(16,644)	-	-
Depreciation	-	(332)	-	-
Carrying amount – closing balance	-	-	-	-
Leasehold Improvements				
Carrying amount – opening balance	917	2,138	767	2,039
Additions	81	619	15	524
Disposals	(254)	(1,309)	(247)	(1,309)
Depreciation	(180)	(531)	(121)	(487)
Carrying amount – closing balance	564	917	414	767
Office equipment				
Carrying amount – opening balance	2,309	2,192	1,891	1,957
Additions	686	1,281	602	969
Disposals	(255)	(29)	(238)	(29)
Depreciation	(1,140)	(1,135)	(993)	(1,006)
Carrying amount – closing balance	1,600	2,309	1,262	1,891
Furniture and fittings				
Carrying amount – opening balance	215	387	119	378
Additions	31	101	-	3
Disposals	(31)	(218)	(27)	(218)
Depreciation	(42)	(55)	(26)	(44)
Carrying amount – closing balance	173	215	66	119
Plant and equipment				
Carrying amount – opening balance	625	889	625	889
Additions	74	125	74	125
Depreciation	(219)	(389)	(219)	(389)
Carrying amount – closing balance	480	625	480	625

30 June 2007	CONSOLIDATED				INFOMEDIA LTD			
	Development costs[1]	Intellectual property[2]	Goodwill[2]	Total	Development costs[1]	Intellectual property[2]	Goodwill[2]	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
13. INTANGIBLE ASSETS AND GOODWILL								
At 1 July 2006								
Cost (gross carrying amount)	6,229	3,910	8,837	18,976	5,432	2,410	6,026	13,868
Accumulated amortisation	(980)	(621)	-	(1,601)	(980)	(134)	-	(1,114)
Net carrying amount	5,249	3,289	8,837	17,375	4,452	2,276	6,026	12,754
Year ended 30 June 2007								
At 1 July 2006, net of accumulated amortisation and impairment	5,249	3,289	8,837	17,375	4,452	2,276	6,026	12,754
Additions – internal development	3, 235	-	-	3,235	2,682	-	-	2,682
Disposals – Business Systems assets	-	(950)	(296)	(1,246)	-	-	-	-
Other movements	-	(314)	-	(314)	-	(314)	-	(314)
Amortisation	(1,167)	(744)	-	(1,911)	(976)	(681)	-	(1,657)
At 30 June 2007, net of accumulated amortisation and impairment	7,317	1,281	8,541	17,139	6,158	1,281	6,026	13,465
At 30 June 2007								
Cost (gross carrying amount)	9,464	2,096	8,541	20,101	8,114	2,096	6,026	16,236
Accumulated amortisation	(2,147)	(815)	-	(2,962)	(1,956)	(815)	-	(2,771)
Net carrying amount	7,317	1,281	8,541	17,139	6,158	1,281	6,026	13,465

[1.] Internally generated.

[2.] Purchased as part of business/territory acquisition.

Development costs have been capitalised at cost. This intangible asset has been assessed as having a finite life and is amortised using the straight-line method over a period not exceeding four years commencing from the commercial release of the project. If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Intellectual property includes intangible assets acquired through business or territory acquisition and relates primarily to copyright and software code over key products. Intellectual property is amortised over its useful life, being 10 years.

	CONSOLIDATED				INFOMEDIA LTD			
	Development costs	Intellectual property	Goodwill	Total	Development costs	Intellectual property	Goodwill	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
13. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)								
At 1 July 2005								
Cost (gross carrying amount)	4,008	1,500	8,837	14,345	4,008	-	6,026	10,034
Accumulated amortisation	(351)	(338)	-	(689)	(351)	-	-	(351)
Net carrying amount	3,657	1,162	8,837	13,656	3,657	-	6,026	9,683
Year ended 30 June 2006								
At 1 July 2005, net of accumulated amortisation and impairment	3,657	1,162	8,837	13,656	3,657	-	6,026	9,683
Additions – internal development	2,221	-	-	2,221	1,424	-	-	1,424
Purchased intellectual property	-	2,410	-	2,410	-	2,410	-	2,410
Amortisation	(629)	(283)	-	(912)	(629)	(134)	-	(763)
At 30 June 2006, net of accumulated amortisation and impairment	5,249	3,289	8,837	17,375	4,452	2,276	6,026	12,754
At 30 June 2006								
Cost (gross carrying amount)	6,229	3,910	8,837	18,976	5,432	2,410	6,026	13,868
Accumulated amortisation	(980)	(621)	-	(1,601)	(980)	(134)	-	(1,114)
Net carrying amount	5,249	3,289	8,837	17,375	4,452	2,276	6,026	12,754

14. IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLES WITH INDEFINITE LIVES

Goodwill acquired through business combinations has been allocated to two individual cash generating units for impairment testing as follows:

- Electronic Catalogue and Publishing cash generating unit;
- Business Systems (NOVA product group) cash generating unit.

Electronic Catalogue and Publishing cash generating unit

The recoverable amount of the Electronic Catalogue and Publishing cash generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management.

The pre-tax discount rate applied to cash flow projections is 14% (2006: 14%), covering a five year period. The discount rates reflect management's estimate of the time value of money and the risks specific to the unit. In determining the discount rate for the unit, regard has been given to the yield on a government bond.

Business Systems (NOVA product group) cash generating unit

There is no carrying value at 30 June 2007 for Business Systems due to its sale on 1 December 2006. For the 2006 financial year, the recoverable amount of the Business Systems (NOVA product group) cash generating unit has also been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management.

The pre-tax discount rate applied to cash flow projections was 14% covering a five year period.

Carrying amount of goodwill allocated to each of the cash generating units is as follows:

	Catalogue and Publishing		Business Systems (NOVA product group)		Total	
	2007	2006	**2007**	2006	**2007**	2006
CONSOLIDATED	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Carrying amount of goodwill	**8,541**	8,541	**-**	296	**8,541**	8,837
PARENT						
Carrying amount of goodwill	**6,026**	6,026	**-**	-	**6,026**	6,026

Key assumptions used in value in use calculations for 30 June 2007 and 30 June 2006

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

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

With regard to the assessment of the value in use of the Electronic Catalogue and Publishing cash generating unit, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

30 June 2007	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2007	2006	2007	2006
		$'000	$'000	$'000	$'000
15. TRADE AND OTHER PAYABLES (CURRENT)					
Trade creditors	15(a)	443	1,131	139	565
Other creditors		2,039	2,843	1,613	2,423
		2,482	3,974	1,752	2,988
(a) Trade creditors are non-interest bearing and are normally settled on 30 day terms.					
16. INTEREST BEARING LOANS AND BORROWINGS (CURRENT)					
Bank loans	16(a)	-	500	-	500
		-	500	-	500
(a) The bank loan drawings have been made under a multi-currency cash advance facility. The drawings at balance date are denominated in Australian dollars. The USD13 million facility terminates in August 2008 (refer also Notes 21(c), 23(c) and 31).					
17. PROVISIONS (CURRENT)					
Employee benefits		1,790	2,063	1,118	1,353
Provision for non-cancellable surplus lease space and other lease incentives	19(a)	494	648	494	648
		2,284	2,711	1,612	2,001
18. DEFERRED REVENUE (CURRENT)					
Revenue in advance		506	816	254	405
		506	816	254	405

30 June 2007	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2007	2006	2007	2006
		$'000	$'000	$'000	$'000
19. PROVISIONS (NON-CURRENT)					
Employee benefits		315	545	177	393
Provision for non-cancellable surplus lease space and other lease incentives	19(a)	891	1,294	891	1,294
Make good provision	19(b)	500	500	500	500
		1,706	2,339	1,568	2,187
(a) Movement in non-cancellable surplus lease space and other lease incentives provision:					
Carrying amount at the beginning of the year		1,942	178	1,942	178
Arising during the year		-	1,868	-	1,868
Utilised		(688)	(104)	(688)	(104)
Discount rate adjustment		131	-	131	-
Carrying amount at the end of the year		1,385	1,942	1,385	1,942
Current	17	494	648	494	648
Non-current		891	1,294	891	1,294
		1,385	1,942	1,385	1,942
The provision for non-cancellable lease space and other lease incentives has been made pursuant to the lease obligations under contract to the extent that no future benefits are anticipated.					
(b) Movement in make good provision:					
Carrying amount at the beginning of the year		500	-	500	-
Arising during the year		-	500	-	500
Carrying amount at the end of the year		500	500	500	500
The provision for make good has been estimated pursuant to the Company's obligation to restore leased premises to original condition at the end of the lease term.					

30 June 2007	CONSOLIDATED		INFOMEDIA LTD	
	2007	2006	2007	2006
20. CONTRIBUTED EQUITY AND RESERVES	$'000	$'000	$'000	$'000
Ordinary shares	17,738	17,488	17,738	17,488
	17,738	17,488	17,738	17,488

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the parent does not have authorised capital nor par value in respect of its issued shares.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Notes	Number	$'000
Movement in ordinary shares on issue			
At 1 July 2005		325,156,205	17,488
Employee Share Plan issuance	24	315,368	-
At 30 June 2006		325,471,573	17,488
Employee options exercised	24	499,999	250
At 30 June 2007		325,971,572	17,738

Employee Option Plan

There were no options issued during the current year. A total of 1,700,000 options were issued to eligible employees during the prior year at an average exercise price of $0.50. Refer to Note 24.

30 June 2007	CONSOLIDATED			INFOMEDIA LTD
	Employee equity benefits reserve	Foreign currency translation reserve	Total	Employee equity benefits reserve
	$'000	$'000	$'000	$'000
Movement in reserves				
At 1 July 2005	725	(19)	706	725
Currency translation differences	-	53	53	-
Share based payments	251	-	251	251
At 30 June 2006	976	34	1,010	976
Currency translation differences	-	(79)	(79)	-
Share based payments	47	-	47	47
At 30 June 2007	1,023	(45)	978	1,023

Nature and purpose of reserves

Employee equity benefits reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their compensation. Refer to Note 24 for further details.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

30 June 2007	CONSOLIDATED		INFOMEDIA LTD	
	2007	2006	2007	2006
21. STATEMENT OF CASH FLOWS	$'000	$'000	$'000	$'000
(a) Reconciliation of profit after tax to the net cash flows from operations				
Profit from ordinary activities after income tax expense	15,294	18,146	14,497	13,700
Depreciation of non-current assets	1,581	2,443	1,359	1,926
Amortisation of non-current assets	1,911	912	1,657	763
Amortisation of employee options	47	251	47	251
Net (profit)/loss on sale of business	(15)	-	76	-
Gross profit on sale of property, plant and equipment including property held for resale	-	(4,300)	-	(194)
Changes in assets and liabilities				
(Increase)/decrease in trade and other debtors	415	(31)	(1,279)	2,475
(Increase)/decrease in inventories	32	4	20	(29)
(Increase)/decrease in prepayments	97	(4)	144	(14)
(Increase)/decrease in future income tax benefit	348	(803)	341	(813)
(Increase)/decrease in deferred development costs	(3,235)	(2,221)	(2,682)	(1,424)
Decrease/(increase) in trade and other creditors	(1,168)	21	(917)	(320)
Decrease/(increase) in allowance for doubtful debts	8	(399)	23	(332)
Decrease/(increase) in provision for employee entitlements	(505)	178	(485)	66
Decrease/(increase) in other provisions	(270)	1,868	(270)	1,868
Decrease/(increase) in income tax payable	(1,180)	2,236	476	673
Decrease/(increase) in deferred income tax liability	639	721	777	478
Decrease/(increase) in revenue in advance	45	7	(151)	38
Net cash flow from operating activities	14,044	19,029	13,633	19,112
(b) Reconciliation of cash				
Cash balance comprises:				
– cash at bank	4,404	25,853	3,116	25,079
– cash on deposit	11,286	168	10,428	10
	15,690	26,021	13,544	25,089
(c) Financing facilities available				
At reporting date, the following financing facilities had been negotiated and were available:				
Total facilities				
USD13 million multi-currency cash advance facility	15,350	17,580	15,350	17,580
Facilities used at reporting date				
Bank loans	-	500	-	500
Facilities unused at reporting date				
Bank loans	15,350	17,080	15,350	17,080

30 June 2007	CONSOLIDATED		INFOMEDIA LTD	
	2007	2006	2007	2006
22. SALE OF BUSINESS	$'000	$'000	$'000	$'000
On 1 December 2006, Infomedia sold its Business Systems Division to an unrelated third party. The components of the disposal were:				
Gross consideration	1,500	-	150	-
Net working capital adjustments	(331)	-	35	-
Cash proceeds	1,169	-	185	-
Net book value of assets and liabilities disposed:				
– Plant and equipment	540	-	512	-
– Intangible assets	1,245	-	-	-
– Other net liabilities	(631)	-	(251)	-
Total net assets disposed	1,154	-	261	-
Net profit on sale of business	15	-	(76)	-
23. COMMITMENTS & CONTINGENCIES				
(a) Lease expenditure commitments				
Operating leases (non-cancellable)				
Minimum lease payments				
– not later than one year	1,540	1,657	1,098	1,199
– later than one year and not later than five years	4,093	4,483	3,463	3,453
– aggregate operating lease expenditure contracted for at balance date	5,633	6,140	4,561	4,652

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

(b) Performance bank guarantee

Infomedia Ltd has a performance bank guarantee to a maximum value of $700,000 relating to the lease commitments of its corporate headquarters.

(c) Interlocking guarantees

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

24. SHARE BASED PAYMENT 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 Board, which must be within four years of the option being granted.

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

	Notes	2007		2006	
		Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	24(a)	1,950,000	$0.52	727,000	$0.73
– granted	24(b)	-	-	1,700,000	$0.50
– forfeited		(150,000)	$0.75	(477,000)	$0.73
– exercised	24(c)	(499,999)	$0.50	-	-
Balance at end of year	24(d)	1,300,001	$0.51	1,950,000	$0.52

(a) Options held at the beginning of the year

The following table summarises information about options held by employees at 1 July 2006:

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
150,000	24/5/2004	24/5/2005	31/5/2007	$0.75
100,000	20/9/2004	20/9/2005	20/9/2007	$0.67
250,000	8/7/2005	5/1/2006	5/2/2008	$0.50
1,000,000	27/10/2005	5/1/2006	5/2/2008	$0.50
250,000	6/10/2005	5/1/2006	5/2/2008	$0.48
200,000	16/12/2005	16/12/2006	16/1/2009	$0.49

(b) Options granted during the year

There were no options granted during the year ended 30 June 2007.

(c) Options exercised during the year

The following table summarises information about options exercised by employees during the year:

Number of options exercised	Weighted average exercise price	Weighted average share price at date of exercise
499,999	$0.50	$0.79

24. SHARE BASED PAYMENT PLANS (CONTINUED)

(d) Options held at the end of the year

The following table summarises information about options held by employees at 30 June 2007:

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
100,000	20/9/2004	20/9/2005	20/9/2007	$0.67
83,334	8/7/2005	5/1/2006	5/2/2008	$0.50
666,667	27/10/2005	5/1/2006	5/2/2008	$0.50
250,000	6/10/2005	5/1/2006	5/2/2008	$0.48
200,000	16/12/2005	16/12/2006	16/1/2009	$0.49

(e) Other details regarding options

The weighted average fair value of options granted during the prior year was $0.087 (there were no options granted during the current year).

The fair value of the equity-settled options granted under the option plan is estimated as at the grant date using a binomial model taking into account the term and conditions upon which the options were granted.

The following table lists the inputs to the model used for the year:

	2007	2006
Dividend yield (%)	n/a	6.8%
Expected volatility (%)	n/a	37.9%
Risk free rate (%)	n/a	5.4%
Option exercise price	n/a	$0.50
Weighted average share price at grant date	n/a	$0.50

25. PENSIONS AND OTHER POST-EMPLOYMENT PLANS

Superannuation Commitments

Contributions are made by the Company in accordance with the relevant statutory requirements. Contributions by the Company for the year ended 30 June 2007 were 9% (2006: 9%) of employees' wages and salaries, which are legally enforceable in Australia. The superannuation plans provide accumulation benefits.

26. KEY MANAGEMENT PERSONNEL DISCLOSURES

Infomedia Ltd has adopted the option available under the Corporation Regulations 2M.6.04 (as amended by the Corporation Amendments Regulation 2006 (No. 4)) which permits listed companies to transfer the remuneration disclosures required under AASB124 para Aus 25.4 – Aus 25.7.2 out of the Financial Report and into the Remuneration Report. The transferred AASB124 disclosures are subject to audit.

(a) Details of Key Management Personnel

(i) Directors

Richard Graham	Chairman
Gary Martin	Chief Executive Officer
Myer Herszberg	Non-executive Director
Geoffrey Henderson (resigned 28 February 2007)	Non-executive Director
Frances Hernon	Non-executive Director
Andrew Moffat	Non-executive Director

(ii) Executives

Andrew Pattinson	Managing Director – IFM Europe Ltd
Peter Adams	Chief Financial Officer
Mark Kujacznski	Vice President – IFM North America Inc
Michael Roach	General Manager – Electronic Catalogue and Data Management
Nick Georges	Company Secretary and Legal Counsel

(b) Compensation of Key Management Personnel

(i) Compensation by Category: Key Management Personnel

	CONSOLIDATED		INFOMEDIA LTD	
	2007	2006	2007	2006
	$	$	$	$
Short term	1,868,431	1,707,944	1,101,169	1,040,551
Post employment	129,314	123,725	86,179	82,408
Other long term	15,442	15,130	7,417	7,479
Termination benefits	-	-	-	-
Share based payments	79,839	92,310	72,507	84,024
	2,093,026	1,939,109	1,267,272	1,214,462

26. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(c) Shareholdings of Key Management Personnel

30 June 2007 Number of shares held in Infomedia Ltd	Balance 30 June 2006	Granted as compensation	On exercise of options	Net change other	Balance 30 June 2007
Directors					
Richard Graham	102,204,060	-	-	-	102,204,060
Myer Herszberg	39,421,599	-	-	(16,000,000)	23,421,599
Gary Martin	74,257	-	333,333	-	407,590
Frances Hernon	5,000	-	-	-	5,000
Executives					
Andrew Pattinson	2,447,567	-	-	-	2,447,567
Peter Adams	11,421	-	166,666	(78,087)	100,000
Nick Georges	24,421	-	-	-	24,421
Michael Roach	18,721	-	-	-	18,721
Total	144,207,046	-	499,999	(16,078,087)	128,628,958

30 June 2006 Number of shares held in Infomedia Ltd	Balance 1 July 2005	Granted as compensation	On exercise of options	Net change other	Balance 30 June 2006
Directors					
Richard Graham	102,204,060	-	-	-	102,204,060
Myer Herszberg	39,421,599	-	-	-	39,421,599
Gary Martin	74,257	-	-	-	74,257
Frances Hernon	5,000	-	-	-	5,000
Executives					
Andrew Pattinson	2,545,571	1,996	-	(100,000)	2,447,567
Nick Georges	22,425	1,996	-	-	24,421
Michael Roach	16,725	1,996	-	-	18,721
Peter Adams	9,425	1,996	-	-	11,421
Total	144,299,062	7,984	-	(100,000)	144,207,046

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

(d) Loans to Key Management Personnel

There were no loans at the beginning or the end of the reporting period to Key Management Personnel. No loans were made available during the reporting period to Key Management Personnel.

(e) Other transactions and balances with Key Management Personnel (including related entities)

(i) Infomedia Ltd previously rented office space from Wiser Equity Pty Limited (formerly Wiser Laboratory Pty Limited), a company of which Richard Graham is a Director. A lease termination payment of $170,000 was made on 9 August 2005 to Wiser Equity Pty Limited to relinquish the Company from its future lease commitments as the space was no longer used.

26. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(e) Other transactions and balances with Key Management Personnel (including related entities) (continued)

(ii) Infomedia Ltd rented office space from Richard Graham. The total rent payments for the year ended 30 June 2007 of $79,209 (2006: $176,898) were on commercial terms.

(iii) Infomedia Ltd received financial consulting services from Cowoso Capital Pty Limited, a company of which Andrew Moffat is a Director. The total consulting services paid for the year ended 30 June 2007 of $57,500 (2006: $12,500) were on commercial terms.

30 June 2007	CONSOLIDATED		INFOMEDIA LTD	
	2007	2006	**2007**	2006
	$	$	**$**	$
27. AUDITOR'S REMUNERATION				
Amounts received or due and receivable by the auditor of Infomedia Ltd for:				
– an audit or review of the financial report of the entity and any other entity in the consolidated entity	**191,900**	183,350	**165,850**	158,350
– other services in relation to the entity and any other entity in the consolidated entity	**-**	-	**-**	-
	191,900	183,350	**165,850**	158,350

28. RELATED PARTY DISCLOSURES

Ultimate parent

Infomedia Ltd is the ultimate Australian parent company.

Wholly-owned group transactions

(a) An unsecured, interest free loan of $5,002 (2006: $Nil) remains owing from IFM Germany GmbH to Infomedia Ltd.

(b) An unsecured, interest free loan of $3,131,065 (2006: $2,793,213) remains owing to Infomedia Investments Pty Limited from Infomedia Ltd.

(c) An unsecured, interest free loan of $2,767,113 (2006: $2,126,248) remains owing from Datateck Publishing Pty Limited to Infomedia Ltd. The loan is repayable in seven days upon demand.

(d) An unsecured, interest free loan of $386,219 (2006: $987,913) remains owing from AutoConsulting Pty Limited to Infomedia Ltd. The loan is repayable in seven days upon demand.

(e) An unsecured, interest free loan of $59,810 (2006: $1,013,333) remains owing from IFM Europe Ltd to Infomedia Ltd.

(f) An unsecured, interest free loan of $1,535,477 (2006: $1,143,345) remains owing from IFM North America Inc. to Infomedia Ltd.

(g) During the year a management fee of $480,000 (2006: $480,000) was paid to Datateck Publishing Pty Limited by Infomedia Ltd.

(h) During the year, Infomedia Ltd received $13,117,364 (2006: $7,004,846) from IFM Europe Ltd for intra-group sales.

(i) During the year, Datateck Publishing Pty Limited received $746,110 (2006: $279,441) from IFM Europe Ltd for intra-group sales.

(j) During the year, IFM Europe Ltd received $565,934 (2006: $1,571,822) from Infomedia Ltd for intra-group distribution services.

(k) During the year, Infomedia Ltd received $10,363,329 (2006: $8,827,526) from IFM North America Inc. for intra-group sales.

(l) During the year, IFM North America Inc. received $554,699 (2006: $813,558) from Infomedia Ltd for intra-group distribution services.

(m) During the year, IFM Europe paid $398,384 (2006: $nil) to IFM Germany GmbH for intra-group distribution services.

Entity with deemed significant influence over the Company

Wiser Equity Pty Limited, a company of which Richard Graham is a Director, owns 30.8% of the ordinary shares in Infomedia Ltd (2006: 30.8%).

29. SEGMENT INFORMATION

(a) Primary segment

30 June 2007

Business Segments	Notes	Catalogue and Publishing	Business Systems*	Total
		$'000	$'000	$'000
REVENUE				
Sales revenue		52,990	1,576	54,566
Rental income		-	-	-
Total segment revenue		52,990	1,576	54,566
Unallocated revenue:				
Finance revenue				791
Total consolidated revenue				55,357
Segment result		20,019	57	20,076
Unallocated items:				
Finance revenue				791
Finance costs				(134)
Consolidated profit before income tax				20,733
Income tax expense	4			(5,439)
Consolidated profit after income tax				15,294
ASSETS				
Segment assets		29,162	-	29,162
Unallocated assets:				
Cash				15,690
Total assets				44,852
LIABILITIES				
Segment liabilities		11,950	-	11,950
Other segment information:				
Capital expenditure		873	-	873
Depreciation	3(iv)	1,479	102	1,581
Amortisation	3(iv)	1,848	63	1,911

* The Business Systems Division was sold on 1 December 2006 for $1,500,000 (refer Note 22). As a result, the segment result shown above represents five months of trading only.

29. SEGMENT INFORMATION (CONTINUED)

(a) Primary segment (continued)

30 June 2006

Business Segments	Notes	Catalogue and Publishing	Business Systems	Total
		$'000	$'000	$'000
REVENUE				
Sales revenue		51,635	3,942	55,577
Rental income		646	-	646
Total segment revenue		52,281	3,942	56,223
Unallocated revenue:				
Finance revenue				268
Total consolidated revenue				56,491
Segment result		24,634	109	24,743
Unallocated items:				
Finance revenue				268
Finance costs				(197)
Consolidated profit before income tax				24,814
Income tax expense	4			(6,668)
Consolidated profit after income tax				18,146
ASSETS				
Segment assets		28,889	2,754	31,643
Unallocated assets:				
Cash				26,021
Total assets				57,664
LIABILITIES				
Segment liabilities		14,754	1,099	15,853
Other segment information:				
Capital expenditure		1,522	103	1,625
Depreciation	3(iv)	2,149	294	2,443
Amortisation	3(iv)	762	150	912

29. SEGMENT INFORMATION (CONTINUED)

(b) Secondary Segment

30 June 2007

Geographical segments	Europe	North America	Asia Pacific	Latin and South America	Total
	$'000	$'000	$'000	$'000	$'000
REVENUE					
Segment revenue	20,511	16,343	13,870	3,842	54,566
Unallocated revenue:					
Finance revenue					791
Total consolidated revenue					55,357
ASSETS					
Segment assets	1,345	1,480	26,337	-	29,162
Unallocated assets:					
Cash					15,690
Total assets					44,852
Capital expenditure	8	4	861	-	873

30 June 2006

Geographical segments	Europe	North America	Asia Pacific	Latin & South America	Total
	$'000	$'000	$'000	$'000	$'000
REVENUE					
Segment revenue	18,437	17,876	15,779	3,485	55,577
Unallocated revenue:					
Finance revenue					268
Rental income					646
Total consolidated revenue					56,491
ASSETS					
Segment assets	556	1,514	29,573	-	31,643
Unallocated assets:					
Cash					26,021
Total assets					57,664
Capital expenditure	19	211	1,395	-	1,625

(c) Segment products and locations

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

All products are sourced from Australia.

29. SEGMENT INFORMATION (CONTINUED)

(d) Segment accounting policies

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

Segment accounting polices are the same as the Company's accounting policies described in Note 2. The geographical segment revenue is classified according to customer destination as opposed to the billing source. This classification represents a change in presentation from the prior years with the 2006 comparative figures restated accordingly. The change in classification has been driven by enhancements to internal management reporting.

Geographical assets have been classified according to location of the asset. The Asia Pacific disclosures include corporate assets.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments, other than derivatives, comprise bank loans, cash and short term deposits.

The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The Company also enters into derivative transactions through forward currency contracts. The purpose is to manage the currency risks arising from the Company's operations. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

Cash flow interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's cash holdings with a floating interest rate.

The Company's policy is to accept the floating interest rate risk with both its cash holdings and bank loans. Cash is held primarily with leading Australian banks for periods not exceeding 30 days. Bank loans are drawn with varying bill maturities ranging from 30 to 180 days accepting the floating rate of interest.

Foreign currency risk

The Company has transactional currency exposures. These exposures mainly arise from the transactional sale of products and to a lesser extent the associated cost of sales component relating to these products. As the Company's product offerings are typically made on a recurring monthly subscription basis, there is a relatively high degree of reliability in estimating a proportion of future cash flow exposures. Approximately half of the Company's sales are denominated in United States dollars and around one third of the Company's sales are denominated in Euro. The Company seeks to mitigate exposure to movements in these currencies by entering into forward exchange derivative contracts periodically.

As a result of the Company's recent investment in both its European and its United States subsidiaries, the Company's balance sheet can be affected by movements in both the Euro and the United States dollar against the Australian dollar. As the net earnings from these operations are repatriated back to Australia on a regular basis, the Company does not seek to hedge this exposure.

Credit risk

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

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, available-for-sale financial assets and certain derivative instruments, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Since the Company trades only with recognised third parties, there is no requirement for collateral.

Liquidity risk

The Company's exposure to liquidity risk is minimal given the relative strength of the balance sheet and strong cash flows from operations.

31. FINANCIAL INSTRUMENTS

Fair values

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments recognised in the financial statements. The fair values of derivatives have been calculated by discounting the expected future cash flows at prevailing interest rates.

	Carrying amount		Fair value	
CONSOLIDATED	2007	2006	2007	2006
Financial assets	$'000	$'000	$'000	$'000
Cash and cash equivalents	15,690	26,021	15,690	26,021
Trade receivables	6,363	6,227	6,363	6,227
Forward currency contracts	-	229	-	229
Other financial assets (non-current)	335	804	335	804
Financial liabilities				
Trade payables	2,482	3,974	2,482	3,974
Interest bearing loans and borrowings	-	500	-	500
Off balance sheet				
Contingencies	-	-	700	700

	Carrying amount		Fair value	
PARENT	2007	2006	2007	2006
Financial assets	$'000	$'000	$'000	$'000
Cash and cash equivalents	13,544	25,089	13,544	25,089
Trade receivables	3,303	3,952	3,303	3,952
Forward currency contracts	-	229	-	229
Intercompany	1,623	451	1,623	451
Other financial assets (non-current)[1]	583	1,052	6,150	5,901
Financial liabilities				
Trade payables	1,752	2,988	1,752	2,988
Interest bearing loans and borrowings	-	500	-	500
Off balance sheet				
Contingencies	-	-	700	700

[1.] Other financial assets for the parent entity include investment in wholly-owned subsidiaries. The fair value of the underlying net assets of the subsidiaries is higher than the carrying amount in the parent entity accounts.

Contingencies

The Company and certain controlled entities have potential financial liabilities that may arise from certain contingencies disclosed in Note 22. As explained in that note, no material losses are anticipated in respect of any of those contingencies and the fair value disclosed above is the Directors' estimate of amounts that would be payable by the Company as consideration of the assumption of those contingencies by another party.

31. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

The following table sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

Year ended 30 June 2007	CONSOLIDATED				PARENT			
	Less than one year	Two to five years	Greater than five years	Weighted average effective interest rate %	Less than one year	Two to five years	Greater than five years	Weighted average effective interest rate %
Floating rate	$'000	$'000	$'000		$'000	$'000	$'000	
Cash and cash equivalents	15,690	-	-	5.7	13,544	-	-	5.7
Interest bearing liabilities	-	-	-	-	-	-	-	-

Year ended 30 June 2006	CONSOLIDATED				PARENT			
	Less than one year	Two to five years	Greater than five years	Weighted average effective interest rate %	Less than one year	Two to five years	Greater than five years	Weighted average effective interest rate %
Floating rate	$'000	$'000	$'000		$'000	$'000	$'000	
Cash and cash equivalents	26,021	-	-	5.7	25,089	-	-	5.7
Interest bearing liabilities	(500)	-	-	6.3	(500)	-	-	6.3

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instrument. The other financial instruments of the group and parent that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

Derivative contracts

There were no derivative contracts on hand at 30 June 2007. The following table summarises the forward exchange contracts on hand at 30 June 2006:

	CONSOLIDATED			PARENT		
Maturity	Company buys	Company sells	Exchange rate	Company buys	Company sells	Exchange rate
Company sells United States Dollars (USD)	$A'000	USD'000		$A'000	USD'000	
Quarter 1 2007 financial year	1,392	1,000	0.7186	1,392	1,000	0.7186
Quarter 2 2007 financial year	2,087	1,500	0.7186	2,087	1,500	0.7186
Quarter 3 2007 financial year	-	-	-	-	-	-
Quarter 4 2007 financial year	-	-	-	-	-	-
Company sells Euros (E)	$A'000	E '000		$A'000	E '000	
Quarter 1 2007 financial year	3,077	1,775	0.5768	3,077	1,775	0.5768
Quarter 2 2007 financial year	3,248	1,875	0.5773	3,248	1,875	0.5773
Quarter 3 2007 financial year	3,248	1,875	0.5773	3,248	1,875	0.5773
Quarter 4 2007 financial year	3,248	1,875	0.5773	3,248	1,875	0.5773

The mark to market valuation of these contracts at 30 June 2006 was $229,000.

32. SUBSEQUENT EVENTS

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

Directors' Declaration

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

(1) In the opinion of the Directors:

(a) the financial statements and notes and all the additional disclosures included in the Directors' Report designated as audited, of the Company and the consolidated entity are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and

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

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

(2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial period ended 30 June 2007.

On behalf of the Board

Richard David Graham

Chairman

Sydney, 22 August 2007

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Independent audit report to members of Infomedia Ltd

We have audited the accompanying financial report of Infomedia Ltd (the company) and the consolidated entity, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' declaration.

The company has disclosed information as required by paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard 124 Related Party Disclosures ("remuneration disclosures"), under the heading "Remuneration Report" on pages 20 to 25 of the Directors' Report, as permitted by Corporations Regulation 2M.6.04.

Directors' Responsibility for the Financial Report
The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the Directors also state that the financial report, comprising the financial statements and notes complies, with International Financial Reporting Standards. The Directors are also responsible for the remuneration disclosures contained in the Directors' Report.

Auditor's Responsibility
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that the remuneration disclosures comply with Accounting Standard AASB 124 Related Party Disclosures.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence
In conducting our audit we have met the independence requirements of the Corporations Act 2001. We have given to the Directors of the company a written Auditor's Independence Declaration, a copy of which is included after the Directors' Report.

Auditor's Opinion
In our opinion:

1. the financial report of Infomedia Ltd is in accordance with:
   (a) the Corporations Act 2001, including:
      (i) giving a true and fair view of the financial position of Infomedia Ltd and the consolidated entity at 30 June 2007 and of their performance for the year ended on that date; and
      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and
   (b) other mandatory financial reporting requirements in Australia.

2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

3. the remuneration disclosures that are contained on pages 20 to 25 of the Directors' Report comply with Accounting Standard AASB 124 Related Party Disclosures.

Ernst & Young

Ernst & Young

Garry Wayling

Garry Wayling
Partner
Sydney, 22 August 2007

Liability limited by a scheme approved under Professional Standards Legislation.

Corporate Governance

How to Read this Corporate Governance Statement

This Corporate Governance Statement is divided into the following sections:

- an introduction, providing an overview of Infomedia's approach to corporate governance;
- changes to the composition of the Board of Directors and Committees during FY2007;
- a discussion of major corporate governance initiatives during the reporting period;
- a discussion of the major areas where Infomedia Ltd reports under the 'if not, why not?' obligation; and
- a subject based commentary on Infomedia Ltd's approach to the ASX CorporateGovernance Council Guidelines.

INTRODUCTION

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

By way of background, the Board first began its consideration of the ASX Corporate Governance Council Guidelines during the course of the 2003 financial year. To aid the review process, the Board made initial adjustments to the structure of its Committees so that they comprised the Corporate Governance Committee, the Audit & Risk Committee and the Remuneration & Nomination Committee. Each Committee was chaired by an independent Director, with its membership determined by the Board on the basis of greatest expertise in the areas of relevance to each Committee.

Background details and meeting attendance records during FY2007 for members of each of the Corporate Governance, Audit & Risk and Remuneration & Nomination Committees are set out in the Directors' Report.

The Board continues to endorse the 'if not, why not?' framework adopted by the ASX Corporate Governance Council. However, in the last quarter of FY2007, almost exactly three years after the Company initially began implementing relevant ASX CGC Recommendations, the Board requested that the Remuneration & Nomination Committee revisit the question of how the Company could best maintain its corporate governance practices in ways that are, given the level of implementation reached, pragmatic and appropriate to its size and available resources. These adjustments are discussed in more detail in the section headed 'Changes to the Composition of the Board of Directors and Committees' below.

The material set out in this Corporate Governance Statement has been prepared in accordance with the ASX Listing Rules and, in particular, the various 'Guide(s) to reporting...' included in the ASX CGC Recommendations. Unless otherwise indicated, the ASX CGC Recommendations were in place for the whole financial year.

CHANGES TO THE COMPOSITION OF THE BOARD OF DIRECTORS AND COMMITTEES

In early 2007 the Company announced that Mr Geoffrey Henderson had tendered notice of his intention to resign, due to overseas family commitments, as a Non-executive Director of the Board with effect from 28 February 2007. Mr Henderson had served on the Board of Directors since February 2003 and occupied several Board Committee positions, including Chairman of the Corporate Governance Committee. The Company then commenced searching for a suitably qualified replacement, and in the interim, Mr Richard Graham was appointed as acting Chair of the Corporate Governance Committee.

In June 2007, upon the recommendation of the Remuneration & Nomination Committee, the Board approved a number of changes to the structure, composition and responsibilities of the Board itself and its Committees. The Board canvassed various options regarding Board and Committee composition, function and responsibility.

After some discussion, which focussed on the importance of the audit aspect of the Audit & Risk Committee's work and which also noted the firm establishment of the Company's corporate governance charters, policies and practices, the option of amalgamating the Audit & Risk Committee and the Corporate Governance Committee emerged with strong support. The Board also approved the re-absorption of the remuneration and nomination functions, with the Board to utilise the support of Ms Frances Hernon as Lead Non-executive Director for all matters that formerly fell within the ambit of the Remuneration & Nomination Committee.

To coincide with the Company's financial year and reporting obligations, these changes took effect from 1 July 2007, with the exception of Ms Hernon's appointment to the Audit & Risk Committee, which was effective from 25 June 2007.

The re-named 'Audit, Risk & Governance Committee' comprises:

- Andrew Moffat (Chair);
- Myer Herszberg; and
- Frances Hernon.

At that same June 2007 meeting, the Board also resolved to suspend its search for a suitably qualified replacement for Mr Henderson.

Given their effective date, these changes will be the subject of further discussion in the FY2008 Corporate Governance Statement.

MAJOR CORPORATE GOVERNANCE INITIATIVES

During the reporting year, the Board continued, through the appropriate Committee, to monitor the charters, policies and procedures adopted by the Company in support of the ASX CGC Principles and remains satisfied that the Company's corporate governance practices are consistent with the spirit and intent of the ASX Corporate Governance Council Guidelines. The Company continued, as it had since 2004, to engage a part-time external consultant whose primary role is to facilitate the Company's corporate governance initiatives.

In FY2006, the Corporate Governance Committee entrenched the rolling review process it had introduced in FY2005, under which the Company's various corporate governance documents, and in particular the various policies, are reviewed and refined. Briefly, the process involves:

- selecting a corporate governance document and taking a 'snapshot' of its effectiveness by examining, through sounding a randomly selected representative sample of employees, how well the existence, purpose and operating framework of that corporate governance document is understood;
- reporting the outcome of the sounding process to the Corporate Governance Committee, along with any recommendations; and

- Senior Management implementing those recommendations adopted (for example publishing summary documents, increasing employee awareness through further education sessions, improving access to corporate governance documents by establishing a governance page on the Company's website and including certain governance documents in employee induction packages).

The Performance Evaluation and Remuneration Policy is currently being reviewed in accordance with this process. In a separate exercise, the Audit & Risk Committee and Board Charters are also in the process of being amended to reflect the changes to the Board and Committee structures noted above. As with last year, once again representatives from both the Audit & Risk Committee and the Corporate Governance Committee worked together with Senior Management to examine the effectiveness of Infomedia's risk management initiatives. This process once again bridged the gap between the FY2007 Risk Management Plan and the FY2008 Risk Management Plan. The FY2008 Risk Management Plan was considered and, as appropriate, approved by both the Audit & Risk Committee and the Board in June and August 2007 (respectively).

In May 2006, the Remuneration & Nomination Committee, with some assistance from external consultants, turned its attention to establishing the framework for the first formal 'whole of Board' review. At the 23 August 2006 Board meeting, the Chair of the Remuneration & Nomination Committee, Ms Hernon, provided an overview of the key findings – the major one being that *the Board regarded itself as meeting needs/performing well in most areas*.

In December 2006, the Remuneration & Nomination Committee reported more formally to the Board, identifying areas for improvement and suggested actions for improved performance. A number of the recommendations contained in the Remuneration & Nomination Committee's report have already been adopted, including:

- scheduling dedicated Board sessions to further develop strategy and people; and
- formalising the Company's director development program through Australian Institute of Company Directors (AICD) memberships and continuing director education.

At its 24 and 25 May 2006 meeting, the Board considered recommendations from the Remuneration & Nomination Committee regarding changes to the remuneration of the Company's Non-executive Directors. The Remuneration & Nomination Committee's recommendations were based around independent external advice and survey data which revealed increases in both individual Non-executive Director fees and maximum Non-executive Director fee pools.

Data in respect of non-executive directors included that: (i) for the companies with smaller market capitalisation, median total remuneration for non-executive directors was around $67,000 and for their non-executive chair around $120,000; and (ii) the medium fee level per committee membership was approximately $8,750 whilst for chairing a committee it was approximately $15,000.

At that meeting, the Board acknowledged that the increased time commitments and responsibilities of Non-executive Directors, coupled with the fact that Non-executive Director remuneration had not been reviewed for a number of years, rendered an upward remuneration review appropriate. Further benchmarking was then obtained and in late July 2006 the Board approved, with effect from 1 July, an increase in Non-executive Director remuneration, more detail in respect of which may be found in the Directors' Report.

The summaries of the Company's various charters, policies and procedures included on Infomedia's website have been updated as required by the Board and Committees' ongoing review process.

'IF NOT, WHY NOT?'

ASX CGC Recommendation 2.1 – A majority of the board should be independent directors

ASX CGC Recommendation 2.2 – The chairperson should be an independent director and

ASX CGC Recommendation 2.3 – The roles of chairperson and chief executive should not be exercised by the same individual

Traditionally, the Board has applied an Executive Director/Non-executive Director classification to its members. Until the resignation of Mr Henderson as a Non-executive Director in February 2007, the Infomedia Board comprised five Non-executive Directors and one Executive Director. Since then the Board has comprised four Non-executive Directors and one Executive Director.

The role of Chairman and Chief Executive Officer has, as contemplated by ASX CGC Recommendation 2.3, been split since 31 December 2004. However, having retired within the past three years as an executive, Mr Richard Graham is not considered by the Board as an independent Chairman. Accordingly, the Company does not comply with ASX CGC Recommendation 2.2 that the chairperson be an independent director. Nevertheless, the Board remains of the view that its independence as a whole is not compromised and that it is in the best interests of the Company for Mr Graham to continue as Chairman. The Board believes that during this stage of growth, Infomedia is best served by keeping a strong focus on the development and implementation of strategic platforms. It believes that Mr Graham's industry knowledge, both technological and automotive, uniquely positions him for the kind of strategic thinking required of the Chairman. As suggested in the commentary accompanying ASX CGC Recommendation 2.2, under the Board Charter, Board members may elect a lead Non-executive Director to chair informal discussion meetings of Non-executive Directors.

Mr Gary Martin, in his role as Director and Chief Executive Officer, is also not considered by the Board as independent. However, two of the Company's continuing Directors, Ms Hernon and Mr Andrew Moffat, meet an objective assessment of quantitative and qualitative criteria for independence. A third Non-executive Director, Mr Myer Herszberg, whilst being a major shareholder, is considered by the Board, having regard to the quantitative, qualitative and cumulative criteria, to operate independently and objectively.

The Board is firmly of the view that good, or sound, leadership and judgement and ethical practice are driven by the culture of an organisation, not process. Infomedia has long had a strong and well developed informal culture of corporate governance and compliance. Originally grounded in proprietary company roots, this culture has now become more formalised as is appropriate for a publicly listed company.

The Board's approach finds support in this view in other corporate governance commentary, including in the observations of the Royal Commissioner, Mr Justice Owen, who in his official report into the collapse of HIH stated that the critical issue is not so much whether, on objective criteria, the director is independent but rather whether he or she is subjectively capable of exercising independent judgement. Mr Justice Owen also said that, "...I am not convinced that a mandatory requirement for boards to have a majority of non-executive directors is either necessary or desirable. In most cases it will be desirable (assuming the non-executive directors are truly independent) but flexibility ought to be maintained to enable corporations to be structured in a way that best suits their circumstances".

Accordingly, the Board believes it comprises a majority of independent Directors and so complies with ASX CGC Recommendation 2.1.

This independence will continue to be reviewed periodically by the Board to ensure its continued good practice in this area. Ultimately, however, the Board accepts that its members remain in office upon the vote of the Company's shareholders and that they may elect members to the Board regardless of their standing, independent or otherwise.

In order to facilitate the discharge of their duties, including in respect of independent decision making, the Board confirmed in April 2004 its policy for Directors obtaining independent professional advice at the expense of the Company.

COMMENTARY

The Board and Senior Management – Structure and Remuneration

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

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

ASX CGC Principle 2 – Structure the board to add value

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

ASX CGC Principle 8 – Encourage enhanced performance

Fairly review and actively encourage enhanced board and management effectiveness

ASX CGC Principle 9 – Remunerate fairly and responsibly

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

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

The Infomedia Board currently comprises five Directors and details of the names, terms of office, Committee memberships, meeting attendance record, skills, experience and expertise of each, along with photographs, appear in the Directors' Report.

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

Changes to the Board and Committee composition impacting FY2008 are discussed under the heading 'Changes to the Composition of the Board of Directors and Committees' above.

Corporate Governance

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

A formal Charter of the Board of Directors was adopted in early July 2004, following careful and considered deliberation by both the Corporate Governance Committee and the Board itself. The priority was to document an appropriate division of Board and management responsibilities. The Board's focus is on the Company's objectives, determining the strategy for achieving those objectives and setting the overall policy framework within which the business of the Company is conducted whilst ensuring that the Company operates in accordance with good management and governance practices.

The Corporate Governance Committee was established following the introduction of the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* to support the Board in the areas not covered by the Audit & Risk and Remuneration & Nomination Committees.

ASX CGC Recommendation 2.1 – A majority of the board should be independent directors

ASX CGC Recommendation 2.2 – The chairperson should be an independent director and

ASX CGC Recommendation 2.3 – The roles of chairperson and chief executive should not be exercised by the same individual

Commentary on these three ASX CGC Recommendations is found under the heading 'If Not, Why Not?' above.

ASX CGC Recommendation 2.4 – The board should establish a nomination committee and

ASX CGC Recommendation 9.2 – The board should establish a remuneration committee

Upon the recommendation of the Remuneration & Nomination Committee, in April 2004 the Board adopted an amended Remuneration & Nomination Committee Charter.

The Remuneration & Nomination Committee and the Board, as appropriate, consider all Board nominees, having regard to both the nominee's individual merits and overall Board composition. In each case the recommendations of the Remuneration & Nomination Committee are then endorsed by the Board and then by shareholders upon the recommendation of the Board.

The Remuneration & Nomination Committee formalised a policy for the nomination and induction of Directors, which was adopted by the Board in early July 2005. A summary of the Director Nomination & Induction Policy was then made available on the Infomedia website. In preparing the Director Nomination & Induction Policy, regard was had to the ASX CGC Commentary accompanying ASX CGC Recommendation 8.1 and, in particular, the suggestions for an induction program. Both Mr Martin and Mr Moffat were inducted as Directors of Infomedia under the guidance of the Remuneration & Nomination Committee and in accordance with the Director Nomination & Induction Policy.

ASX CGC Recommendation 8.1 – Disclose the process for performance evaluation of the board, its committees and individual directors and key executives

ASX CGC Recommendation 9.1 – Provide disclosure in relation to the company's remuneration policies to enable investors to understand (i) the costs and benefits of those policies and (ii) the link between remuneration paid to directors and key executives and corporate performance

Upon recommendation of the Remuneration & Nomination Committee, a Remuneration & Performance Evaluation Policy for Directors and Senior Executives was adopted by the Board in July 2004. The Policy clearly outlines the criteria for assessing the performance of the Board as a whole, the Directors as individuals, the Chairman of the Board and the senior executives, and aims to provide a framework for structuring total remuneration that will facilitate both the short and long term growth and success of the Company, that is competitive with the market place and that is demonstrably linked to the Company's overall performance as discussed more fully in the Remuneration Report included within the Directors' Report. In preparing the remuneration information contained in the Remuneration Report, regard was had to the ASX CGC Commentary accompanying ASX CGC Recommendation 9.1 and, in particular, the suggestions for disclosure in box 9.1. Commentary on the work undertaken during this and the preceding reporting period by the Remuneration & Nomination Committee regarding a 'whole of board' self-assessment is found under the heading 'Major Corporate Governance Initiatives' above.

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

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

In contrast to Executive Directors, Non-executive Directors are remunerated by way of fees and statutory superannuation contributions only: they do not receive any additional retirement benefits and nor do they currently participate in any of the Company's incentive arrangements. Non-executive Directors have previously received options, but this practice was reconsidered with the introduction of the Remuneration and Performance Evaluation Policy for Directors and Senior Executives in FY2004, as a result of Remuneration & Nomination Committee discussion on ASX CGC Recommendation 9.3 and the accompanying ASX CGC Commentary. The Company will continue to monitor the issue as it recognises that for smaller companies option based remuneration may be an appropriate method of remunerating Non-executive Directors when accompanied by an appropriate framework and proper disclosure.

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

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

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

Further detail of senior executive remuneration under these plans is included in the Remuneration Report.

Corporate Governance

Business Conduct

ASX CGC Principle 3 – Promote ethical and responsible decision making

Actively promote ethical and responsible decision making

ASX CGC Principle 10 – Recognise the legitimate interests of stakeholders

Recognise legal and other obligations to all legitimate stakeholders

ASX CGC Recommendation 3.1 – Establish a code of conduct to guide the directors, the chief executive officer and any other key executives as to:

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

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

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

A formal Code of Conduct was adopted in April 2004 following careful and considered deliberation by both the Corporate Governance Committee and the Board itself.

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

Under the direction of the Corporate Governance Committee, the Code of Conduct was refined during FY2006, primarily to formalise guidelines for the resolution of internal grievances. The soundings conducted as part of the review process served to promote greater awareness and use of enhanced procedures for seeking guidance where areas of concern exist, for the management of grievance issues and for the notification of matters which potentially involve a compliance or business risk element.

The implications of the Work Choices legislation for Infomedia's employees were the subject of an Australia wide joint presentation by the Human Resources Manager and the Chief Executive Officer in FY2006. The 'face to face' approach was designed to alleviate any concerns employees may have had regarding loss of entitlements or benefits. The presentations were both well attended and warmly received, particularly in light of the negative publicity surrounding the introduction of the legislation.

In FY2006, Infomedia voluntarily took part in the University of Technology, Sydney (UTS) – Centre for Corporate Governance Research Project on *The changing roles and responsibilities of company boards and directors*. This involved the General Counsel/Company Secretary participating in a one on one interview during which Infomedia's response was canvassed to some 42 questions drawn largely from the 10 principles and 28 recommendations which comprise the ASX Corporate Governance Council Guidelines. This involvement allowed the Company to demonstrate its willingness to be a part of the wider corporate governance community and provided an invaluable opportunity to undertake a self-assessment of the corporate governance work it had done to date. In addition, as the UTS – Centre for Corporate Governance Research Project moved toward finalising its June 2006 *Interim Report*, the Corporate Governance Committee sought out Infomedia specific feedback from the UTS Centre for Corporate Governance regarding the perceived effectiveness of its corporate governance initiatives.

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

A formal Policy on Share Trading by Company Directors, Officers and Employees was originally established in October 2001 and was reviewed, amended and adopted by the Infomedia Board in April 2004, upon the recommendation of the Corporate Governance Committee. It was further reviewed by the Corporate Governance Committee as part of its review calendar and, in turn by the Board, in the last quarter of FY2005. In July 2005, a revised Policy on Securities Trading by Company Directors, Officers and Employees was adopted by the Board and a summary was placed on the Company's website.

Financial Reporting and Risk Management

ASX CGC Principle 4 – Safeguard integrity in financial reporting

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

ASX CGC Principle 7 – Recognise and manage risk

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

During this reporting period Infomedia complied with the ASX CGC Recommendations accompanying ASX CGC Principle 4, relating to audit committee composition, operation and responsibility. Following Mr Henderson's resignation, the Board appointed Ms Hernon to the Audit & Risk Committee.

ASX CGC Recommendation 4.1 – Require the chief executive officer and the chief financial officer to state in writing to the board that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards and

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

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

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

The Company's financial reporting obligations for FY2007 have been fulfilled, as they have in previous years, in accordance with applicable legal and accounting requirements: see the financial statements and notes contained in the Directors' Report and the independent Audit Report.

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

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

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

- *non-executive directors;*
- *a majority of independent directors;*

- *an independent chairperson, who is not chairperson of the board; and*
- *at least three members.*

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

Infomedia originally established an audit committee prior to its listing on the ASX in August 2000. The Board continues to firmly believe the Audit & Risk Committee is of '...sufficient size, independence and technical expertise to discharge its mandate effectively'. As noted in the discussion around ASX CGC Recommendation 2.1 above, although traditionally the Board has applied an Executive Director/Non-executive Director classification to its membership, the Board believes that the Audit & Risk Committee's members meet an objective assessment of quantitative and qualitative criteria for independence. Therefore, the Committee meets the requirements for an independent Chairman and a majority of independent Directors under ASX CGC Recommendation 4.3.

A formal Audit & Risk Committee Charter was originally adopted in 2000 and an amended version approved by the Board in April 2004 following careful and considered deliberation by both the Audit & Risk Committee and the Board itself. Consistent with the Company's policy, a summary of the Charter was placed on the Company's website during FY2005.

In response to both legislative change and to the ASX CGC Commentary, in FY2004 the Audit & Risk Committee began reconsidering the policy for the selection and appointment of the Company's external auditor and the rotation of engagement partners and during FY2006 the Committee recommended, and the Board approved, formalised procedures, and made a summary of them available on the Infomedia website. The Audit & Risk Committee acknowledges the importance of external auditor independence. The Company's external auditor's engagement partner was rotated in FY2007.

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

Upon the recommendation of the Audit & Risk Committee, the Board adopted the Risk Management Policy in July 2004. During the FY2006 reporting period, the Audit & Risk Committee reviewed it closely and recommended that the Board adopt a revised Risk Management Policy and a Risk Management Plan which would better promote the establishment and implementation of an effective and appropriate risk management framework for the Company.

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

Work undertaken during FY2007 examining the effectiveness of Infomedia's risk management initiatives is discussed under the heading 'Major Corporate Governance Initiatives' above.

A summary of the Company's Risk Management Policy is available on the Company's website; however, given the strategic nature of its content, the Board does not feel it is appropriate for details of the Company's Risk Management Plan to be made publicly available as contemplated by the guidance accompanying ASX CGC Recommendation 7.3.

ASX CGC Principle 5 – Make timely and balanced disclosure

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

ASX CGC Recommendation 5.1 – Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance

A Market Disclosure Policy was adopted by the Board in April 2004 following careful and considered deliberation by both the Corporate Governance Committee and the Board itself. The Market Disclosure Policy was developed having regard to the ASX CGC Commentary and suggested content accompanying ASX CGC Recommendation 5.1.

A review of the Market Disclosure Policy was conducted by the Corporate Governance Committee as part of its review calendar in the final quarter of FY2006. The review concluded that both the continuous and periodic reporting obligations imposed under the ASX Listing Rules, and the Company's internal procedures in respect of them, were well understood by Senior Management.

Shareholders

ASX CGC Principle 6 – Respect the rights of the shareholders

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

ASX CGC Recommendation 6.1 – Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings and

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

Through a series of initiatives, Infomedia continues to demonstrate its commitment to promoting effective communication with all shareholders. Such initiatives include the continued development of the Company website, where this Corporate Governance Statement, summaries of the various corporate governance charters, policies and guidelines, annual, half yearly and quarterly reports, a synopsis of the Infomedia business model, media releases, achievements, share price information and the July 2000 prospectus, along with the FY2007 Notice of Annual General Meeting and Explanatory Statement are all available.

The Australian Government recently introduced legislation allowing the default option for receiving annual reports to be via a company's website. Shareholders will now receive timely, cost effective and more environmentally friendly online annual reports, unless they specifically request a printed copy.

Infomedia has considered and adopted, as appropriate to its circumstances, the Guidelines for notices of meeting included in the ASX CGC Commentary accompanying ASX CGC Recommendation 6.1.

Shareholder participation at general meetings is encouraged and Infomedia's auditor, Ernst & Young, will attend the Annual General Meeting and be available to answer shareholder questions.

[1] The ASX Corporate Governance Council Guidelines containing the ASX CGC Principles, the ASX CGC Recommendations and the ASX CGC Commentary, March 2003.

Additional Information

TOP 20 HOLDERS OF SHARES AS AT 30 AUGUST 2007			
Name	Shares	% of Total	Rank
WISER EQUITY PTY LTD	100,277,501	30.76	1
J P MORGAN NOMINEES AUSTRALIA LIMITED	24,461,938	7.50	2
YARRAGENE PTY LIMITED	23,421,599	7.19	3
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,123,644	3.11	4
ANZ NOMINEES LIMITED CASH INCOME A/C	7,764,947	2.38	5
NATIONAL NOMINEES LIMITED	5,579,807	1.71	6
CITICORP NOMINEES PTY LIMITED	3,503,614	1.07	7
MR ANDREW PATTINSON	2,447,567	0.75	8
BIG BEAR ENTERPRISES PTY LTD	2,000,000	0.61	9
TOM HADLEY ENTERPRISES PTY LTD	1,000,000	0.31	10
WISER CENTRE PTY LTD WISER CENTRE P/L S/F A/C	1,000,000	0.31	11
MR RICHARD GRAHAM	926,559	0.28	12
MR YET KWONG CHIANG MRS HO YUK LIN CHIANG	847,225	0.26	13
AUSTRALIAN REWARD INVESTMENT ALLIANCE	835,895	0.26	14
MR JOHN KENDALL PERRETT	740,000	0.23	15
BRAZIL FARMING PTY LTD	600,000	0.18	16
WOODCLIFF SUPER PTY LTD	500,000	0.15	17
GOLD HOLDINGS PTY LTD GOLD HOLDINGS P/L S/F A/C	486,000	0.15	18
MR GARY JOHN MARTIN	407,590	0.13	19
APPLIED SENSORS PTY LTD MULLIGAN PENSION FUND A/C	400,000	0.12	20

RANGE OF SHARES AS AT 30 AUGUST 2007			
Range	Shareholders	Shares held	% of total
1 – 1,000	530	439,237	0.13
1,001 – 5,000	2685	8,714,817	2.67
5,001 – 10,000	2079	17,325,139	5.31
10,001 – 100,000	3216	90,156,516	27.66
100,001+	156	209,335,863	64.23
TOTAL	**8666**	**325,971,572**	**100**

As at 30 August 2007 there were 171 shareholders holding less than a marketable parcel of shares (minimum parcel $500.00)

Corporate Directory

INFOMEDIA LTD

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Frenchs Forest NSW 2086

ABN 63 003 326 243

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

DIRECTORS

Richard Graham – Chairman of the Board

Myer Herszberg – Non-executive Director

Frances Hernon – Non-executive Director

Gary Martin – Chief Executive Officer and Executive Director

Andrew Moffat – Non-executive Director

COMPANY OFFICERS

Nick Georges – Company Secretary

Peter Adams – Chief Financial Officer

AUDITOR

Ernst & Young
Ernst & Young Centre
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Sydney NSW 2000

SHARE REGISTRY

Computershare Registry Services Pty Ltd
GPO Box 7045
Sydney NSW 1115

LAWYERS

Thomson Playford Lawyers

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Sydney NSW 2000

Infomedia®