Infomedia Ltd

ABN 63 003 326 243

Appendix 4E

Year Ended 30 June 2012

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Appendix 4E

Preliminary final report

Name of entity

Infomedia Ltd

ABN or equivalent company reference	Half yearly (tick)	Preliminary final (tick)	Financial year ended ('current period')
A.B.N 63 003 326 243		✓	12 months ended 30 June 2012

Results for announcement to the market

				$A'000
Sales revenue	Up	3.6%	to	45,677
Profit after income tax attributable to members	Down	15.7%	to	8,461
Profit (loss) from extraordinary items after tax attributable to members				Nil
Net profit for the period attributable to members	Down	15.7%	to	8,461

Dividends (distributions)	Amount per security	Franked amount per security
Current Year:		
Final dividend – declared and not paid	1.37¢	1.37¢
Special dividend – paid	-	-
Interim dividend – paid	1.03¢	1.03¢
Previous Corresponding Period:		
Final dividend	1.2¢	1.2¢
Special dividend	-	-
Interim dividend	1.2¢	1.2¢

Record date for determining entitlements to the dividend	**5 September 2012**
Date the dividends are payable	**19 September 2012**

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Infomedia Ltd

Year Ended 30 June 2012

The report is based on accounts that have been audited.

Commentary on the results for the period:

The earnings per security and nature of any dilution aspects:

Earnings per share were 2.79 cents (2011: 3.31 cents). Refer to income statement and note 5 to the accounts for more information.

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 2012	0.7
• Net tangible assets per share at 30 June 2011	2.2

Return to shareholders including distributions and buy backs:

Final dividend distributions:

The Company is pleased to announce a fully franked final dividend payment of 1.37 cents. This, together with the fully franked interim dividend of 1.03 cents, results in a fully franked dividend of 2.4 cents for the full year. The record date to determine entitlements to the dividend distribution is 5 September 2012 and the date on which the dividend is payable is 19 September 2012.

Significant features of operating performance:

The Company reports net profit after tax (NPAT) of $8,461,000 which at the upper end of the previously advised guidance.

Sales revenue was $45.7m against $44.1m for the previous financial year. The increase was driven by growth in all product lines including $1.2m of sales obtained through the acquisition of Different Aspect Software Ltd earlier in the year.

In constant currency terms, sales revenue rose by $3.5m and operating costs increased $2m. The impact of foreign currency translations was significant and net profit was reduced by $1.6m.

All products lines saw constant currency sales growth during the 2012 financial year with revenue from Superservice being the major contributor, increasing by $2.7m.

Cash flows from operations reduced from $11.3m (in the previous corresponding period) to $9.7m primarily due to currency impacts.

The Company is pleased to announce a fully franked final dividend payment of 1.37 cents. This, together with the fully franked interim dividend of 1.03 cents, results in a fully franked dividend of 2.4 cents for the full year. The record date to determine entitlements to the dividend distribution is 5 September 2012 and the date on which the dividend is payable is 19 September 2012.

With regards to FY 2013, the Company advises that it expects both constant currency and actual sales revenue growth. Accordingly, the Company provides guidance that it anticipates its 2013 financial year sales revenue to be between $47m and $50m. However, increased amortisation of approximately $2m due to the continued release of its next generation products coupled with the relative strength of the Australian dollar, results in forecasted net profit after tax of between $8m and $9m.

The result of segments that are significant to an understanding of the business as a whole:

Details of segmental results are located in the Financial Report (Note 24).

A discussion of trends in performance:

In the year ahead the Company expects to continue to release its internet-based products and to continue increasing its Superservice revenue.

<u>Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified</u>

Factors that may influence or affect future results either favourably or unfavourably include:

- Movements in foreign currency exchange rates
- Renewal of data licence contracts with automakers and other key suppliers
- Continuous research & development of leading edge technology products
- Rate of rollout & growth of new and existing products

Infomedia Ltd

ABN 63 003 326 243

Annual Financial Report

for the year ended 30 June 2012

ABN 63 003 326 243

Directors
Richard Graham – Executive Chairman
Frances Hernon
Myer Herszberg
Geoffrey Henderson*
(Chairman of Audit, Risk & Governance Committee)
*appointed 25 August 2011

Company Secretary
Nick Georges

Chief Financial Officer
Jonathan Pollard

Registered Office
357 Warringah Road
Frenchs Forest NSW Australia 2086

Auditors
BDO East Coast Partnership

Share Register
Boardroom Pty Ltd

Solicitors
Thomsons Lawyers

Internet Address
www.infomedia.com.au

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DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2012.

DIRECTORS

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

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 Executive Chairman	Mr 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 2008.
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 Corporate Affairs Manager for Nestlé Australia Ltd. Ms Hernon currently 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 November 2011.
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 2010.
Geoffrey Henderson Non-executive Director * *appointed 25 August 2011	Mr Henderson is a qualified accountant and has had an extensive career spanning positions in Australia, New Zealand, Europe and North America. He worked in a number of financial positions for Olympic Tyres in Melbourne for 8 years and then for the Ford Motor Company for 30 years. During his time with Ford, Mr Henderson worked not only in the Finance Division but also held senior positions in the Supply and Parts and Service Divisions. Immediately prior to his retirement from Ford, Mr Henderson headed up the company's Asia Pacific Parts and Service operation which covered Ford's parts and service activities in 12 countries including Japan, South Africa, China, India and Australia. Mr Henderson also serves on Infomedia's Audit & Risk Committee as its chairman. Mr Henderson was elected to the Board in November 2011.

DIRECTORS' REPORT

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.

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	101,464,342	-
Yarragene Pty Limited	23,421,589	-
Yarragene Pty Ltd atf Yenzick Trust	10	-
Rentamobile Pty Ltd	15,000	
Wiser Centre Pty Limited	1,000,000	-
Richard Graham	926,559	-
Frances Hernon	5,000	-
Geoffrey Henderson	0	-

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 and Rentamobile Pty Ltd.

DIRECTORS' REPORT

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 group were:

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

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

EMPLOYEES

The company employed 231 (2011: 212) full time employees as at 30 June 2012.

DIVIDENDS

	Cents	$'000
Final dividends recommended:		
On ordinary shares – final – fully franked	1.37	4,155
Dividends paid in the year:		
On ordinary shares – 2012 interim – fully franked	1.03	3,124
Final for the 2011 year:		
On ordinary shares – as recommended in the 2011 report, fully franked	1.2	3,639

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 2012	0.7
• Net tangible assets per share at 30 June 2011	2.2

REVIEW AND RESULTS OF OPERATIONS

The following table presents sales revenue and profit after tax. There were no non-recurring significant items during the 2012 or 2011 financial years:

	CONSOLIDATED	
	2012	2011
	$'000	$'000
Sales revenue	45,677	44,093
Foreign exchange movement on hedges closed out during the period	2,620	4,821
	48,297	48,914
Profit after tax	8,461	10,039

DIRECTORS' REPORT

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

The Company reports net profit after tax (NPAT) of $8,461,000 which at the upper end of the previously advised guidance.

Sales revenue was $45.7m against $44.1m for the previous financial year. The increase was driven by growth of all product lines including $1.2m of sales obtained through the acquisition of Different Aspect Software Ltd earlier in the year.

In constant currency terms, sales revenue rose by $3.5m and operating costs increased $2.0m. The impact of foreign currency translations was significant and net profit was reduced by $1.6m.

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With regards to FY 2013, the Company advises that it expects both constant currency and actual sales revenue growth. Accordingly, the Company provides guidance that it anticipates its 2013 financial year sales revenue to be between $47m and $50m. However, increased amortisation of approximately $2m due to the continued release of its next generation products coupled with the relative strength of the Australian dollar, results in forecasted net profit after tax of between $8m and $9m.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

In the year ahead the Company expects to continue to release its internet-based products. The company expects to continue increasing Superservice™ revenue.

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 5,470,000 unissued ordinary shares under options. Refer to Note 19 of the financial statements for further details of the options outstanding.

Shares issued as a result of the exercise of options

There were no shares issued as a result of the exercise of options during the year. Since the end of the financial year there have been no options exercised.

DIRECTORS' REPORT

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 – AUDITED

This remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Details of Key Management Personnel

(i) Directors	
Richard Graham	Executive Chairman
Frances Hernon	Non-executive Director
Myer Herszberg	Non-executive Director
Geoffrey Henderson	Non-executive Director*
(ii) Executives	
Karen Blunden	Director of Global Business Development and Sales
Nick Georges	Company Secretary and Legal Counsel
Andrew Pattinson	Director of Operations and Global Solutions
Jonathan Pollard	Chief Financial Officer
Michael Roach	General Manager Asia Pacific

*Appointed 25 August 2011

Compensation Philosophy

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

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

Remuneration Decisions

Ms. Hernon, in her capacity as lead director for all matters that formally fell within the former Remuneration & Nomination 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. Ms. Hernon, together with the non-executive members of the Board assess 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

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.

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED) – AUDITED

Structure

The Constitution and the 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 ending 30 June 2012 non-executive Directors' compensation totalled $301,560 (2011: $270,529). 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

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 lead director (Ms. Hernon) for all remuneration matters, and in the case of the CEO, by the Chairman of the Board in conjunction with Ms. Hernon. 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 is competitive in the market. Fixed compensation is reviewed periodically by the CEO or Executive Chairman in conjunction with Ms. Hernon 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 Ms. Hernon. All other executive positions are reviewed periodically by the CEO or Executive Chairman. As noted above, Ms. Hernon 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.

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED) - AUDITED

Variable Compensation – Short Term Incentive (STI)

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 & 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)

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 such LTI grants are made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance against the relevant long term performance hurdle.

Structure

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

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED) - AUDITED

Key Management Personnel and the five highest remunerated specified executives for the year ended 30 June 2012 and 30 June 2011.

	Short-Term			Post Employment	Share Based Payments	Long Service leave	Termination payments	Total	Percentage Performance Related	Percentage Attributable to Options
2012 Financial Year:	**Salary & Fees**	**Bonus**	**Non Monetary Benefits**	**Superannuation**	**Options**					
	$	$	$	$	$	$	$	$	%	%
Directors:										
Richard Graham	115,000	-	-	10,350	-	-	-	125,350	-	-
Myer Herszberg	56,300	-	-	5,067	-	-	-	61,367	-	-
Frances Hernon	56,250	-	-	5,062	-	-	-	61,312	-	-
Geoff Henderson^	49,111	-	-	4,420	-	-	-	53,531	-	-
Executives:										
Karen Blunden	208,155	47,121	707	-	8,871	-	-	264,854	18%	3%
Nick Georges	202,000	32,595	-	18,808	6,983	3,367	-	263,753	12%	3%
Andrew Pattinson	285,769	46,261	-	25,719	7,473	4,867	-	370,089	12%	2%
Jonathan Pollard	228,462	37,182	-	20,562	7,394	2,730	-	296,330	13%	2%
Michael Roach	204,795	33,169	-	18,519	7,409	3,533	-	267,425	12%	3%
	1,405,842	**196,328**	**707**	**108,507**	**38,130**	**14,497**	**-**	**1,764,011**		
2011 Financial Year:										
Directors:										
Richard Graham	115,000	-	-	10,350	-	-	-	125,350	-	-
Myer Herszberg	56,300	-	-	5,067	-	-	-	61,367	-	-
Frances Hernon	56,250	-	-	5,062	-	-	-	61,312	-	-
Gary Martin**	50,000	-	-	4,500	4,230	833	101,538	161,102	-	-
Andrew Moffat***	20,553	-	-	1,947	-	-	-	22,500	-	-
Executives:										
Karen Blunden****	128,956	24,653	718	-	5,175	-	-	159,501	15%	3%
Nick Georges	190,000	33,250	-	17,126	1,056	3,167	-	244,599	14%	0%
Andrew Pattinson	280,000	39,200	-	25,200	1,589	4,667	-	350,656	11%	0%
Jonathan Pollard	208,889	36,000	-	18,800	1,644	2,100	-	267,433	13%	1%
Michael Roach	200,000	28,000	-	18,000	1,512	3,333	-	250,845	11%	1%
	1,305,947	161,103	718	106,052	15,206	14,100	101,538	1,704,665		

**Resigned 31 August 2010
***Resigned 05 November 2010
****Appointed 21 November 2010
^Appointed 25August 2011
The amounts above are based on individual contracts with each person. The proportion of remuneration that is based on performance is dependent on their individual achievement of KPI's.

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED) - AUDITED

Contract for Services

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
Nick Georges	15 January 2012	3 years	3 months	3 months
Jonathan Pollard	15 January 2012	3 years	3 months	3 months
Michael Roach	15 January 2012	3 years	3 months	3 months
Andrew Pattinson	15 January 2012	3 years	3 months	3 months
Karen Blunden	21 November 2010	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.

Shares issued on exercise of compensation options (Consolidated)

No options were exercised during the year.

Compensation options: Granted during the year 30 June 2012

		Terms and Conditions for each Grant			
Executives	**Options Issued No.**	**Grant date**	**Fair value per option at grant date ($)**	**Exercise price per option ($)**	**Expiry date**
Andrew Pattinson	450,000	15/01/2012	0.050	0.19	14/03/2015
Nick Georges	450,000	15/01/2012	0.050	0.19	14/03/2015
Michael Roach	450,000	15/01/2012	0.050	0.19	14/03/2015
Jonathan Pollard	450,000	15/01/2012	0.050	0.19	14/03/2015
Total	1,800,000				

Compensation options: Vested during the year 30 June 2012

		Terms and Conditions for each Grant				Vested	
Executives	**Options Issued No.**	**Grant date**	**Fair value per option at grant date ($)**	**Exercise price per option ($)**	**Expiry date**	**No.**	**%**
Andrew Pattinson	450,000	15/01/2012	0.050	0.19	14/03/2015	-	0.0%
Nick Georges	450,000	15/01/2012	0.050	0.19	14/03/2015	-	0.0%
Michael Roach	450,000	15/01/2012	0.050	0.19	14/03/2015	-	0.0%
Karen Blunden	250,000	21/11/2010	0.058	0.245	20/12/2013	83,333	33.0%
Jonathan Pollard	450,000	15/01/2012	0.050	0.19	14/03/2015	-	0.0%
Total	**2,050,000**					**83,333**	**4.1%**

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED) – AUDITED

Compensation options: Granted during the year 30 June 2011

		Terms and Conditions for each Grant			
Executives	**Options Issued No.**	**Grant date**	**Fair value per option at grant date ($)**	**Exercise price per option ($)**	**Expiry date**
Karen Blunden	250,000	21/11/2010	0.058	0.245	20/12/2013

Compensation options: Vested during the year 30 June 2011

		Terms and Conditions for each Grant				Vested	
Executives	**Options Issued No.**	**Grant date**	**Fair value per option at grant date ($)**	**Exercise price per option ($)**	**Expiry date**	**No.**	**%**
Jonathan Pollard	250,000	01/10/2008	0.061	0.37	31/10/2011	166,667	66.6%
Michael Roach	250,000	01/01/2009	0.032	0.29	05/01/2012	166,667	66.6%
Andrew Pattinson	250,000	01/02/2009	0.031	0.29	05/02/2012	166,667	66.6%
Karen Blunden	250,000	21/11/2010	0.058	0.245	20/12/2013	-	0.0%
Total	**1,000,000**					**500,001**	**50.0%**

Additional information

Executive rewards are linked to the creation of shareholder value by providing incentives that positively impact the earnings of the company. The earnings of the consolidated entity for the five years to 30 June 2012 are summarised below:

	2008	2009	2010	2011	2012
	$'000	$'000	$'000	$'000	$'000
EBITDA	20,004	15,857	18,175	18,788	17,653
EBIT	16,019	12,415	14,430	13,172	11,087
Profit after income tax	13,066	10,536	11,336	10,039	8,461

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2008	2009	2010	2011	2012
	$'000	$'000	$'000	$'000	$'000
Dividends per share (cents)	3.2	2.8	2.4	2.4	2.4
Share price at financial year end (cents)	37.0	30.0	28.0	22.0	20.0

This concludes the remuneration report, which has been audited.

DIRECTORS' REPORT

DIRECTORS' MEETINGS

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

	Directors' Meetings	Committee Meetings Audit, Risk & Governance
Number of meetings held:	**9**	**4**
Number of meetings attended:		
Richard Graham	9	-
Myer Herszberg	8	2
Frances Hernon	8	4
Geoffrey Henderson*	7	3

*Appointed 25/08/2011

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.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 22 to the financial statements.

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

The directors are of the opinion that the services as disclosed in note 42 to the financial statements do not compromise the external auditor's independence for the following reasons:

all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and

none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

AUDITOR INDEPENDENCE

The Directors received an auditor's independence declaration from the auditor of the Company (refer page 14).

Signed in accordance with a resolution of the Directors.

Richard David Graham

Chairman

Sydney, 23 August 2012

BDO

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Australia

DECLARATION OF INDEPENDENCE BY GRANT SAXON TO THE DIRECTORS OF INFOMEDIA LIMITED

As lead auditor of Infomedia Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; or
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect Infomedia Limited and the entities it controlled during the year.

Grant Saxon
Partner

BDO East Coast Partnership

Sydney 23 August 2012

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 June 2012	Notes	CONSOLIDATED	
		2012	2011
		$'000	$'000
Sales revenue		**45,677**	44,093
Foreign exchange movement on hedges closed out during the period		**2,620**	4,821
		48,297	48,914
Cost of sales	3(i)	**(19,278)**	(19,769)
Gross Profit		**29,019**	29,145
Finance revenue		**151**	184
Employee benefits expense	3(ii)	**(10,674)**	(8,944)
Depreciation and amortisation	3(iii)	**(6,567)**	(5,616)
Finance costs		**(50)**	-
Operating lease rental		**(1,197)**	(1,246)
Capitalisation of Research & Development costs	3(iv)	**6,396**	5,245
Other expenses		**(5,890)**	(5,412)
Profit before income tax		**11,188**	13,356
Income tax expense	4	**(2,727)**	(3,317)
Profit after income tax		**8,461**	10,039
Other comprehensive income			
Foreign currency translation differences for foreign operations		**(192)**	141
Effective cashflow hedges movement recognised in equity		**(978)**	(656)
Other comprehensive expense for the period, net of tax		**(1,170)**	(515)
Total comprehensive income for the period		**7,291**	9,524
Basic earnings per share (cents per share)	5	**2.79**	3.31
Diluted earnings per share (cents per share)	5	**2.79**	3.31
Dividends per share - ordinary (cents per share)	6	**2.40**	2.40

STATEMENT OF FINANCIAL POSITION

AT 30 June 2012	Notes	CONSOLIDATED	
		2012	2011
CURRENT ASSETS		**$'000**	$'000
Cash and cash equivalents	17(b)	**6,646**	8,820
Trade and other receivables	7	**4,033**	4,044
Inventories	8	**7**	48
Prepayments		**1,015**	2,517
Derivatives	26	**693**	2,091
TOTAL CURRENT ASSETS		**12,394**	17,520
NON-CURRENT ASSETS			
Property, plant and equipment	9	**1,389**	1,408
Intangible assets and goodwill	10	**34,106**	28,875
TOTAL NON-CURRENT ASSETS		**35,495**	30,283
TOTAL ASSETS		**47,889**	47,803
CURRENT LIABILITIES			
Trade and other payables	12	**2,901**	2,667
Provisions	13	**1,812**	1,770
Income tax payable		**835**	1,525
Deferred revenue	14	**564**	356
TOTAL CURRENT LIABILITIES		**6,112**	6,318
NON-CURRENT LIABILITIES			
Provisions	15	**425**	395
Deferred tax liabilities	4	**5,107**	5,425
TOTAL NON-CURRENT LIABILITIES		**5,532**	5,820
TOTAL LIABILITIES		**11,644**	12,138
NET ASSETS		**36,245**	35,665
EQUITY			
Contributed equity	16	**10,798**	10,798
Reserves	16	**337**	2,661
Retained profits		**25,110**	22,206
TOTAL EQUITY		**36,245**	35,665

STATEMENT OF CASH FLOWS

YEAR ENDED 30 June 2012	Notes	CONSOLIDATED	
		2012	2011
		$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**48,250**	49,459
Payments to suppliers and employees		**(35,464)**	(36,171)
Interest received		**151**	184
Interest paid		**(50)**	-
Income tax paid		**(3,148)**	(2,152)
NET CASH FLOWS FROM OPERATING ACTIVITIES	17 (a)	**9,739**	11,320
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(534)**	(674)
Payment for purchase of business, net of cash acquired		**(4,616)**	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(5,150)**	(674)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share buy back payment	16	**-**	(333)
Dividends paid on ordinary shares	6	**(6,763)**	(7,282)
Proceeds of borrowings		**3,748**	-
Repayment of borrowings		**(3,748)**	-
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(6,763)**	(7,615)
NET INCREASE/(DECREASE) IN CASH HELD		**(2,174)**	3,031
Add opening cash brought forward		**8,820**	5,789
CLOSING CASH CARRIED FORWARD	17 (b)	**6,646**	8,820

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 June 2012

CONSOLIDATED

	Contributed equity	Retained earnings	Employee equity benefits reserve	Cashflow hedge reserve	Foreign currency translation reserve	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2011	10,798	22,206	1,210	1,463	(12)	35,665
Profit for the year	-	8,461	-	-	-	8,461
Other comprehensive income	-	-	-	(978)	(192)	(1,170)
Total comprehensive income for the year	-	8,461	-	(978)	(192)	7,291
Transfer	-	1,206	(1,206)	-	-	-
Share based payments	-	-	52	-	-	52
Equity dividends	-	(6,763)	-	-	-	(6,763)
At 30 June 2012	10,798	25,110	56	485	(204)	36,245

YEAR ENDED 30 June 2011

CONSOLIDATED

	Contributed equity	Retained earnings	Employee equity benefits reserve	Cashflow hedge reserve	Foreign currency translation reserve	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2010	11,131	19,449	1,195	2,119	(153)	33,741
Profit for the year	-	10,039	-	-	-	10,039
Other comprehensive income	-	-	-	(656)	141	(515)
Total comprehensive income for the year	-	10,039	-	(656)	141	9,524
Share based payments	-	-	15	-	-	15
Share buy back	(333)	-	-	-	-	(333)
Equity dividends	-	(7,282)	-	-	-	(7,282)
At 30 June 2011	10,798	22,206	1,210	1,463	(12)	35,665

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012

1. CORPORATE INFORMATION

The financial report of Infomedia Ltd for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the Directors on 23 August 2012.

Infomedia Ltd is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian stock exchange (ASX:IFM). 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 and Interpretations as appropriate for profit oriented entities. The financial report has also been prepared on an historical cost basis, except for derivative financial instruments that have been measured at fair value.

(b) Statement of compliance

This financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board. This financial report also complies with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

New/revised standards and interpretations applicable for the year commencing 1 July 2012 have been reviewed and it has been determined that those new/revised standards and interpretations do not have a material effect on the measurement and recording of items in the balance sheet and statement of comprehensive income.

Certain Australian Accounting Standards and interpretations have recently been issued or amended but are not yet effective and have not been adopted by Infomedia Ltd for the current reporting period. The Directors have not yet assessed the impact of these new or amended standards (to the extent relevant to Infomedia Ltd) and interpretations.

(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 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 judgments, estimates and assumptions

Significant accounting estimates and assumptions
The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. 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 11.

- 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 19.

- Research & Development
  Development costs are only capitalised by the Group when it is assessed that the technical feasibility of completing the intangible asset is valid so that the asset will be available for use or sale. Refer to note 2(k) for further discussion.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Foreign currency translation

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.

Translation of financial reports of overseas operations
Both the functional and presentation currency of Infomedia Ltd 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.
The functional currency of the overseas subsidiaries is as follows:

IFM Europe Ltd	Euros
IFM Germany GmbH	Euros
IFM North America Inc	United States Dollars (USD)
Different Aspect Software Ltd	Great British Pounds (GBP)

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 Statement of Cash Flows, 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 AASB 139 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 categories are 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.

(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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 AASB 8 Operating Segments.

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 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.

Research costs are expensed as incurred. Development costs are capitalised and an intangible asset for 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 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.
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:	**2012**	**2011**
Leasehold improvements:	5 to 20 years	5 to 20 years
Other plant and equipment:	3 to 15 years	3 to 15 years

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

(i) 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

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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) 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.

(s) Revenue recognition

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

Subscriptions

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

Interest

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

(t) Cost of sales

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

(u) Derivative financial instruments and hedging

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Derivative financial instruments are measured at fair value.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

The fair value of forward currency contracts are calculated by reference to current forward exchange rates for contacts with similar maturity profiles.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when they hedge the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a highly probable forecast transaction. Infomedia Limited currently has cash flow hedges attributable to highly probable future foreign currency sales.

Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with anticipated future sales that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs. The Group tests each of the designated cash flow hedges for effectiveness on a monthly basis both retrospectively and prospectively using the "matched terms" principle.

At each balance date, hedge effectiveness is measured in the first instance by determining whether there have been any changes to these "matched terms". When there have been no changes to these "matched terms", the hedge is considered to be highly effective. Where there has been a change to these terms, effectiveness is measured using the hypothetical derivative method.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The parent entity (Infomedia Ltd) sells software to its wholly owned subsidiaries (i.e. IFM North America Inc and IFM Europe Ltd). Sales to IFM North America Inc are denominated in USD. Sales to IFM Europe Ltd are denominated in Euros. Sales to these wholly owned subsidiaries ('distributors') are immediately on-sold to customers in the same currency. There is no inventory held by the subsidiaries with the exception of fulfilling new first time through orders. First time through orders will not be hedged. The Group hedges foreign exchange exposure on intra-group sales as this exposure affects consolidated profit when the sale is made to the external customer.

(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 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.

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 Interpretation 1052 – Tax Consolidation Accounting. 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 is 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 groups future tax profits.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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 are classified as operating cash flows.

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

(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 and current provisions respectively 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. 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 cashflows.

(iii) *Post employment and termination benefits*
A Superannuation expense at 9% of salaries is recognised on a straight line basis. Termination benefits are recognised at the point of being incurred where relevant.

(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').
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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(aa) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012	Notes	CONSOLIDATED	
		2012	2011
		$'000	$'000
3. EXPENSES			
(i) Cost of sales			
Direct wages		**12,000**	12,307
Other		**7,278**	7,462
Total cost of sales		**19,278**	19,769
(ii) Employee benefit expense			
Salaries and wages (including on-costs)		**10,622**	8,929
Share based payment expense	19	**52**	15
Total employee benefit expense		**10,674**	8,944
(iii) Depreciation and amortisation			
Depreciation of non-current assets:			
- Leasehold improvements		**5**	30
- Office equipment		**431**	368
- Furniture and fittings		**44**	40
- Plant and equipment		**90**	112
Total depreciation of non-current assets		**570**	550
Amortisation of non-current assets			
- Intellectual property		**421**	147
- Deferred development costs		**5,575**	4,919
Total amortisation of non-current assets		**5,996**	5,066
Total depreciation and amortisation		**6,567**	5,616
(iv) Research & development costs			
Total research & development costs incurred during the period		**11,081**	9,312
Less: development costs deferred	10	**(6,396)**	(5,245)
Net research and development costs expensed		**4,685**	4,067

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012	Notes	CONSOLIDATED	
		2012	2011
4. INCOME TAX		**$'000**	$'000
The major components of income tax expense are:			
Income statement			
Current income tax			
Current income tax charge		**2,809**	3,089
Adjustments in respect of current income tax of previous years.		**(183)**	(78)
Deferred income tax			
Relating to origination and reversal of temporary differences		**101**	306
Income tax expense reported in the income statement		**2,727**	3,317

(b) Disclosure of tax effects relating to each component of other comprehensive income		
Movement in cash flow hedges	**(419)**	(281)
	(419)	(281)

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	**11,189**	13,356
At the Company's statutory income tax rate of 30% (2011: 30%)	**3,357**	4,007
Adjustments in respect of income tax of previous years	**(158)**	(153)
Additional research and development deduction	**(531)**	(606)
Expenditure not allowable for income tax purposes	**59**	69
Income tax expense reported in the income statement	**2,727**	3,317

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012

4. INCOME TAX (CONTINUED)	Notes	STATEMENT OF FINANCIAL POSITION		INCOME STATEMENT	
		2012	2011	**2012**	2011
		$'000	$'000	**$'000**	$'000
Deferred income tax					
Deferred income tax at 30 June relates to the following:					
CONSOLIDATED					
Deferred tax liabilities					
Derivatives		**(208)**	(627)	**-**	-
Deferred development costs		**(6,310)**	(6,065)	**245**	100
Intellectual property		**-**	(37)	**(37)**	(44)
Other		**-**	-	**-**	(78)
Gross deferred income tax liabilities		**(6,518)**	(6,729)		
CONSOLIDATED					
Deferred tax assets					
Allowance for doubtful debts		**27**	19	**(8)**	27
Other payables		**91**	115	**24**	30
Employee entitlement provisions		**616**	495	**(121)**	242
Other provisions		**418**	420	**2**	41
Currency exchange		**259**	255	**(4)**	(12)
Gross deferred income tax assets		**1,411**	1,304		
Deferred tax income/ (expense)				**101**	306
Net deferred income tax liabilities		**(5,107)**	(5,425)		

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:

	Notes	CONSOLIDATED	
		2012	2011
		$'000	$'000
Net profit attributable to equity holders from continuing operations		**8,461**	10,039
		Number of shares	Number of shares
Weighted average number of ordinary shares for basic earnings per share		**303,276,855**	303,483,292
Effect of dilution:			
Share options		**347,329**	-
Adjusted weighted average number of ordinary shares for diluted earnings per share		**303,624,184**	303,483,292

Since the reporting date, prior to the completion of these financial statements, the company has not repurchased any further shares through its buy back program.

Total equivalent shares outstanding on out-of-the-money options that were not dilutive for the respective periods but could potentially dilute earnings per share in the future were 250,000 (2011: 1,000,000)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012	Notes	CONSOLIDATED 2012 $'000	2011 $'000
6. DIVIDENDS PROPOSED OR PAID			
(a) Dividends paid during the year:			
Interim dividend – 1.03 cents fully franked (2011: 1.2 cents fully franked) per share		**3,124**	3,641
Prior year final dividend – 1.2 cents unfranked (2011: 1.2 cents, unfranked) per share		**3,639**	3,641
Total dividends paid during the year		**6,763**	7,282
(b) Dividends proposed and not recognised as a liability:			
Final dividend – 1.37 cents fully franked. (2011: 1.2 cents, fully franked) per share		**4,155**	3,639
(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		**927**	716
– franking credits that will arise from the payment of income tax payable as at the end of the financial year		**685**	1,647
		1,612	2,363

If fully franked, the tax rate on dividends is 30% (2011: 30%).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012 **CONSOLIDATED**

7. TRADE AND OTHER RECEIVABLES (CURRENT)	**2012**	2011
	$'000	$'000
Trade debtors	**4,203**	4,133
Allowance for impairment loss (a)	**(210)**	(136)
	3,993	3,997
Other debtors	**40**	47
	4,033	4,044

(a) Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 30-60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment loss of $121,000 (2011: $41,000 loss) has been recognised by the group in the current year. These amounts have been included in the other expenses item. 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.

Movements in the provision for impairment loss were as follows:

	2012	2011
At 1 July	**136**	218
Charge/(release) for the year	**121**	41
Foreign exchange translation	**(10)**	7
Amounts written off	**(37)**	(130)
At 30 June	**210**	136

At 30 June the aging analysis of trade receivables is as follows:

		Total	0-60 days NI*	0-60 days CI*	61-120 days NI*	61-120 days CI*	121+ days NI*	121+ days CI*
2012	Consolidated ($'000)	4,203	3,652	36	281	30	76	128
2011	Consolidated ($'000)	4,133	3,630	42	310	30	57	64

* Not impaired (NI)
Considered impaired (CI)
All trade receivables over 60 days are considered past due.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012	Notes	CONSOLIDATED	
		2012	2011
8. INVENTORIES		$'000	$'000
Raw materials			
At cost		**7**	48
Total inventories at the lower of cost and net realisable value		**7**	48

	Notes	CONSOLIDATED	
		2012	2011
9. PROPERTY, PLANT & EQUIPMENT		$'000	$'000
(a)			
Leasehold improvements			
At cost		**434**	428
Accumulated amortisation		**(407)**	(402)
		27	26
Office equipment			
At cost		**7,871**	7,336
Accumulated depreciation		**(6,784)**	(6,308)
		1,087	1,028
Furniture and fittings			
At cost		**399**	380
Accumulated depreciation		**(237)**	(193)
		162	187
Plant and equipment			
At cost		**3,287**	3,251
Accumulated depreciation		**(3,174)**	(3,084)
		113	167
Total property, plant and equipment			
At cost		**11,991**	11,395
Accumulated depreciation and amortisation		**(10,602)**	(9,987)
Total written down amount		**1,389**	1,408

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012	CONSOLIDATED	
9. PROPERTY, PLANT & EQUIPMENT (CONTINUED)	**2012**	2011
	$'000	$'000
(b) Reconciliation of property, plant and equipment carrying values		
Leasehold Improvements		
Carrying amount – opening balance	**26**	55
Additions	**6**	-
Disposals	**-**	-
Depreciation	**(5)**	(29)
Carrying amount – closing balance	**27**	26
Office equipment		
Carrying amount – opening balance	**1,028**	842
Additions	**492**	561
Disposals	**(2)**	(6)
Depreciation	**(431)**	(369)
Carrying amount – closing balance	**1,087**	1,028
Furniture and fittings		
Carrying amount – opening balance	**187**	242
Additions	**19**	-
Disposals	**-**	(15)
Depreciation	**(44)**	(40)
Carrying amount – closing balance	**162**	187
Plant and equipment		
Carrying amount – opening balance	**167**	166
Additions	**36**	113
Depreciation	**(90)**	(112)
Carrying amount – closing balance	**113**	167
Total property, plant and equipment		
Carrying amount – opening balance	**1,408**	1,305
Additions	**553**	674
Disposals	**(2)**	(21)
Depreciation	**(570)**	(550)
Carrying amount – closing balance	**1,389**	1,408

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012

10. INTANGIBLE ASSETS AND GOODWILL

	CONSOLIDATED				
	Development costs[1] $000	Intellectual Property[2] $'000	Other Intangibles[2] $'000	Goodwill [2] $'000	Total $'000
At 1 July 2011					
Cost (gross carrying amount)	33,916	2,537	-	8,541	44,994
Accumulated amortisation	(13,705)	(2,414)	-	-	(16,119)
Net carrying amount	20,211	123	-	8,541	28,875
Year ended 30 June 2012					
At 1 July 2011, net of accumulated amortisation and impairment	20,211	123	-	8,541	28,875
Additional amounts recognised from purchase of subsidiary occurring during the year (note 27)	-	578	1,071	3,182	4,831
Additions	6,396	-	-	-	6,396
Amortisation	(5,575)	(242)	(179)	-	(5,996)
At 30 June 2012, net of accumulated amortisation and impairment	21,032	459	892	11,723	34,106
At 30 June 2012					
Cost (gross carrying amount)	40,312	3,115	1,071	11,723	56,221
Accumulated amortisation	(19,280)	(2,656)	(179)	-	(22,115)
Net carrying amount	21,032	459	892	11,723	34,106

1. Internally generated
2. Purchased as part of business/territory acquisition

Development costs that meet the recognition criteria as an intangible asset 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 3 years.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012

10. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

CONSOLIDATED

	Development costs $000	Intellectual Property $'000	Other Intangibles $'000	Goodwill $'000	Total $'000
At 1 July 2010					
Cost (gross carrying amount)	28,671	2,537	-	8,541	39,749
Accumulated amortisation	(8,786)	(2,267)	-	-	(11,053)
Net carrying amount	19,885	270	-	8,541	28,696
Year ended 30 June 2011					
At 1 July 2010, net of accumulated amortisation and impairment	19,885	270	-	8,541	28,696
Additions	5,245	-	-	-	5,245
Amortisation	(4,919)	(147)	-	-	(5,066)
At 30 June 2011, net of accumulated amortisation and impairment	20,211	123	-	8,541	28,875
At 30 June 2011					
Cost (gross carrying amount)	33,916	2,537	-	8,541	44,994
Accumulated amortisation	(13,705)	(2,414)	-	-	(16,119)
Net carrying amount	20,211	123	-	8,541	28,875

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012

11. IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through business combinations or territory acquisition have been allocated to four individual cash generating units, each of which is a reportable segment (refer note 24) for impairment testing as follows:

- Asia Pacific;
- Europe;
- North America; and
- Latin and South America

The recoverable amount of each cash generating unit has been determined based on a value in use calculation using cash flow projections as at 30 June 2012 based on financial budgets approved by The Board for the 2013 financial year extrapolated for a five year period on the basis of 5% growth together with a terminal value.

The discount rate applied to cash flow projections is 14% (2011: 14 %). The discount rate reflects management estimate of the time value of money and the rates specific to the unit.

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

	Asia Pacific	Europe, Middle East & Africa	North America	Latin and South America	**Total**
	$'000	$'000	$'000	$'000	$'000
CONSOLIDATED Carrying amount of goodwill 2011	1,938	4,074	1,954	575	8,541
Movement	722	1,518	728	214	3,182
Carrying amount of goodwill 2012	**2,660**	**5,592**	**2,682**	**789**	**11,723**

Key assumptions used in value in use calculations:
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;
- The Company's research and development program will ensure that the current suite of products remain leading edge;
- The Company is able to maintain its current gross margins; and
- The discount rates estimated by management are reflective of the time value of money; and
- Management has used an AUD/USD exchange rate of $1.03 and an AUD/EUR exchange rate of $0.81 in its cash flow projections.

Sensitivity to changes in assumptions:

Growth rate assumptions –Management notes if negative growth rates are applied to revenues, by 5% over the five year period, this still yields a recoverable amount to be above its carrying amount.

Discount rate assumptions – Management recognises that the time value of money may vary from what they have estimated. Management notes that applying a discount rate of double the current rate still yields the recoverable amount to be above its carrying amount.

Foreign exchange rate assumptions –Management notes that applying an AUD/USD exchange rate of $1.20 and an AUD/EUR exchange rate of $0.85 still yields the recoverable amount to be above its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012	Notes	CONSOLIDATED	
		2012	2011
12. TRADE AND OTHER PAYABLES (CURRENT)		$'000	$'000
Trade creditors	12(a)	467	326
Other creditors		2,434	2,341
		2,901	2,667

(a) Trade creditors are non-interest bearing and are normally settled on 30 day terms.

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

13. PROVISIONS (CURRENT)

Employee benefits	15(a)	1,812	1,770
		1,812	1,770

14. DEFERRED REVENUE (CURRENT)

Revenue in advance		564	356
		564	356

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012	Notes	CONSOLIDATED	
		2012	2011
15. PROVISIONS (NON-CURRENT)		$'000	$'000
Employee benefits		425	395
		425	395
(a) Movement in employee benefit provision:			
Carrying amount at the beginning of the year		2,165	2,306
Utilised		(1,320)	(1,512)
Arising during the year		1,392	1,371
Carrying amount at the end of the year		2,239	2,165
Current	13	1,812	1,770
Non-current		425	395
		2,237	2,165

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012	Notes	CONSOLIDATED	
		2012	2011
16. CONTRIBUTED EQUITY AND RESERVES		**$'000**	$'000
Ordinary shares		**10,798**	10,798
		10,798	10,798

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 2010		**304,575,076**	**11,131**
Shares repurchased		**(1,298,221)**	**(333)**
At 30 June 2011		**303,276,855**	**10,798**
Shares repurchased		-	-
At 30 June 2012		**303,276,855**	**10,798**

On 1 April 2008 the company commenced a share buy back (on market within 10/12 limit). This was reinitiated on 1 April 2009, 1 April 2010 and 1 April 2011. As at 30 June 2012 the company had repurchased 22,694,717 shares for a total consideration of $6,939,000.

Capital management

When managing capital, the company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

Subject to the company's financial position and future financial performance, the company's current dividend policy is to distribute, in the order of 75-85% of profit after tax.

During the 2012 financial year, the company paid dividends of $6.8 million (2011: $7.3 million).

The company has no current plans to issue further shares on the market but may further reduce the capital structure through its share buy back program.

NOTES TO THE FINANCIAL STATEMENTS

16. CONTRIBUTED EQUITY AND RESERVES (CONTINUED)

Employee Option Plan

There were 5,220,000 (2010: 250,000) options issued during the current year at an average exercise price of $0.19 (2010: $0.245).

30 June 2012	CONSOLIDATED			
	Employee equity benefits reserve	Foreign currency translation reserve	Cashflow hedge reserve	Total
	$'000	$'000	$'000	$'000
Movement in reserves:				
At 1 July 2011	1,195	(153)	2,119	3,161
Currency translation differences	-	141	-	141
Share based payments	15	-	-	15
Derivatives marked to market	-	-	(656)	(656)
At 30 June 2011	1,210	(12)	1,463	2,661
Currency translation differences	-	(192)	-	(192)
Share based payments	52	-	-	52
Transfer to retained profit	(1,206)	-	-	(1,206)
Derivatives marked to market	-	-	(978)	(978)
At 30 June 2012	56	(204)	485	337

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 19 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.

Cashflow hedge reserve
The derivatives reserve is used to record the mark to market valuation of forward currency contracts at the balance sheet date that are considered effective hedges.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012	Notes	CONSOLIDATED 2012	2011
17. STATEMENT OF CASH FLOWS		**$'000**	$'000
(a) Reconciliation of profit after tax to the net cash flows from operations			
Profit from ordinary activities after income tax expense		**8,461**	10,039
Depreciation of non-current assets		**570**	550
Amortisation of non-current assets		**5,996**	5,066
Amortisation of employee options		**52**	15
Disposal of property, plant, and equipment		**2**	21
Changes in assets and liabilities			
(Increase)/decrease in trade and other debtors		**(41)**	339
(Increase)/decrease in inventories		**48**	8
(Increase)/decrease in prepayments		**1,535**	740
(Increase)/decrease in deferred development costs		**(6,396)**	(5,245)
Increase/(decrease) in trade and other creditors		**(107)**	(1,070)
Increase/(decrease) in allowance for doubtful debts		**74**	(82)
Increase/(decrease) in provision for employee entitlements		**72**	(141)
Increase/(decrease) in other provisions		**-**	-
Increase/(decrease) in income tax payable		**(662)**	898
Increase/(decrease) in deferred income tax liability		**202**	306
Increase/(decrease) in revenue in advance		**(67)**	(124)
Net cash flow from operating activities		**9,739**	11,320

(b) Reconciliation of cash			
Cash balance comprises:			
– cash at bank		**1,999**	2,478
– cash on deposit		**4,647**	6,342
		6,646	8,820

NOTES TO THE FINANCIAL STATEMENTS

30 June 2012	**Notes**	**CONSOLIDATED**	
		2012	2011
18. COMMITMENTS & CONTINGENCIES		**$'000**	$'000
(a) Lease expenditure commitments			
Operating leases (non-cancellable):			
Minimum lease payments			
– not later than one year		**1,197**	1,118
– later than one year and not later than five years		**4,099**	4,598
– later than five years		**-**	620
– aggregate operating lease expenditure contracted for at balance date		**5,296**	6,336

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 $508,000 (2011: $700,000) relating to the lease commitments of its corporate headquarters.

NOTES TO THE FINANCIAL STATEMENTS

19. 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	2012		2011	
		Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance at beginning of year	19(a)	**1,000,000**	**0.30**	2,150,000	0.45
- granted	19(b)	**5,220,000**	**0.19**	250,000	0.245
- expired	19(c)	**(750,000)**	**0.32**	(1,400,000)	0.51
- exercised	19(d)	-	-	-	-
Balance at end of year	19(e)	**5,470,000**	**0.19**	1,000,000	0.30

(a) Options held at the beginning of the year:

The following table summarises information about options held by employees at 1 July 2011

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
250,000	1/02/2009	1/02/2010	5/02/2012	0.29
250,000	1/01/2009	1/01/2010	5/01/2012	0.29
250,000	1/10/2008	1/10/2009	31/10/2011	0.37
250,000	21/11/2010	20/12/2011	20/12/2013	0.245

(b) Options granted during the year:

The following table summarises information about options granted during the year.

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
1,800,000	15/01/2012	15/01/2013	14/03/2015	$0.19
3,420,000	30/05/2012	30/05/2013	30/05/2015	$0.19

NOTES TO THE FINANCIAL STATEMENTS

19. SHARE BASED PAYMENT PLANS (CONTINUED)

(c) Options expired during the year:

The following table summarises information about options expired during the year.

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
250,000	1/02/2009	1/02/2010	05/02/2012	$0.29
250,000	1/01/2009	1/01/2010	05/01/2012	$0.29
250,000	1/10/2008	1/10/2009	30/10/2011	$0.37

(d) Options exercised during the year:
There were no options exercised during the year.

(e) Options held at the end of the year:

The following table summarises information about options held by employees at 30 June 2012:

Number of options	Grant date	Earliest vesting date	Expiry date	Weighted average exercise price
250,000	21/11/2010	20/12/2011	20/12/2013	$0.245
1,800,000	15/01/2012	15/01/2013	14/03/2015	$0.19
3,420,000	30/05/2012	30/05/2013	30/05/2015	$0.19

(e) Other details regarding options:

The weighted average fair value of options granted during the year was $0.04 (2011: $0.058).

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:

	Granted 21/11/2010	Granted 15/01/2012	Granted 30/05/2012
Dividend yield (%)	7.5%	10.0%	10.0%
Expected volatility (%)	44%	41%	39%
Risk free rate (%)	5.59%	3.95%	3.08%
Option exercise price	$0.245	$0.19	$0.19
Weighted average share price at grant date	$0.245	$0.19	$0.19

The expense recognised for employee services received during the year is shown in the table below:

	CONSOLIDATED	
	2012	2011
	$'000	$'000
Expense arising from equity-settled share-based payment transactions	**52**	15

20. 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 2012 were 9% (2011: 9%) of employee's wages and salaries which are legally enforceable in Australia. The superannuation plans provide accumulation benefits.

NOTES TO THE FINANCIAL STATEMENTS

21. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Compensation of Key Management Personnel

(i) Compensation by Category: Key Management Personnel

	CONSOLIDATED	
	2012	2011
	$	$
Short-Term	**1,602,877**	1,467,768
Post Employment	**108,507**	106,053
Other Long-Term	**14,497**	14,100
Termination benefits	**-**	101,538
Share-based Payments	**38,130**	15,206
	1,764,011	1,704,665

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

30 June 2012	**Balance at beginning of period**	**Granted as compensation**	**Options exercised**	**Expired**	**Balance at end of period**	**Vested at 30 June 2012**		
	1 July 2011				**30 June 2012**	**Total**	**Not exercisable**	**Exercisable**
Executives								
Karen Blunden	**250,000**	-	-	-	**250,000**	**83,333**	**83,333**	-
Nick Georges	-	**450,000**	-	-	**450,000**	-	-	-
Michael Roach	**250,000**	**450,000**	-	**(250,000)**	**450,000**	-	-	-
Andrew Pattinson	**250,000**	**450,000**	-	**(250,000)**	**450,000**	-	-	-
Jonathan Pollard	**250,000**	**450,000**	-	**(250,000)**	**450,000**	-	-	-
	1,000,000	**1,800,000**	-	**(750,000)**	**2,050,000**	**83,333**	**83,333**	-

30 June 2011	Balance at beginning of period	Granted as compensation	Options exercised	Net change other	Balance at end of period	Vested at 30 June 2011		
	1 July 2010				30 June 2011	Total	Not exercisable	Exercisable
Directors								
Gary Martin**	1,000,000	-	-	(1,000,000)	-	-	-	-
Executives								
Karen Blunden***	-	250,000	-	-	250,000	-	-	-
Nick Georges	250,000	-	-	(250,000)	-	-	-	-
Michael Roach	250,000	-	-	-	250,000	166,667	166,667	-
Andrew Pattinson	250,000	-	-	-	250,000	166,667	166,667	-
Jonathan Pollard	250,000	-	-	-	250,000	166,667	166,667	-
	2,000,000	250,000	-	(1,250,000)	1,000,000	500,001	500,001	-

** Resigned 31 August 2010
*** Appointed 21 November 2010

NOTES TO THE FINANCIAL STATEMENTS

21. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(c) Shareholdings of Key Management Personnel

30 June 2012 **Number of shares held in Infomedia Ltd**	**Balance 30 June 2011**	**Granted as compensation**	**On exercise of options**	**Net change other**	**Balance 30 June 2012**
Directors					
Richard Graham	103,390,901	-	-	-	103,390,901
Myer Herszberg	23,421,589	-	-	15,010	23,436,599
Geoff Henderson*	-	-	-	-	-
Frances Hernon	5,000	-	-	-	5,000
Executives					
Andrew Pattinson	2,447,567	-	-	-	2,447,567
Nick Georges	24,421	-	-	-	24,421
Michael Roach	18,721	-	-	-	18,721
Jonathan Pollard	1,996	-	-	-	1,996
Karen Blunden	-	-	-	-	-
Total	129,310,195	-	-	15,010	129,325,205

***Appointed 25/08/11**

30 June 2011 Number of shares held in Infomedia Ltd	Balance 1 July 2010	Granted as compensation	On exercise of options	Net change other	Balance 30 June 2011
Directors					
Richard Graham	103,004,060	-	-	386,841	103,390,901
Myer Herszberg	23,421,589	-	-	-	23,421,589
Gary Martin*	655,590	-	-	(655,590)	-
Frances Hernon	5,000	-	-	-	5,000
Andrew Moffat**	300,000	-	-	(300,000)	-
Executives					
Andrew Pattinson	2,447,567	-	-	-	2,447,567
Nick Georges	24,421	-	-	-	24,421
Michael Roach	18,721	-	-	-	18,721
Jonathan Pollard	1,996	-	-	-	1,996
Karen Blunden***	-	-	-	-	-
Total	129,878,944	-	-	(568,749)	129,310,195

* Resigned 31/8/10
** Resigned 5/11/10
***Appointed 21/11/10

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.

NOTES TO THE FINANCIAL STATEMENTS

22. AUDITORS' REMUNERATION

	CONSOLIDATED	
	2012	2011
	$	$
Amounts received or due and receivable by the auditors of Infomedia Ltd:		
BDO East Coast Partnership/PKF East Coast Practice		
– an audit or review of the financial report of the entity and any other entity in the consolidated entity	121,800	-
– Non-audit services	72,700	-
Ernst & Young	-	-
– an audit or review of the financial report of the entity and any other entity in the consolidated entity	-	159,650
	194,500	159,650

23. RELATED PARTY DISCLOSURES

Ultimate Parent

Infomedia Ltd is the ultimate Australian parent company

Wholly-owned group transactions

(a) An unsecured, trade receivable of $483,736 (2011: $270,693) remains owing to IFM Europe Ltd from Infomedia Ltd.

(b) An unsecured, trade receivable of $859,545 (2011: $1,520,419) remains owing from IFM North America Inc. to Infomedia Ltd.

(c) An unsecured, trade receivable of $18,919 (2011: $nil) remains owing to Different Aspect Software Ltd. from Infomedia Ltd.

(d) During the year Infomedia Ltd received $15,485,980 (2011: $15,475,220) from IFM Europe Ltd for intra-group sales.

(e) During the year Infomedia Ltd received $6,145,616 (2011: $7,113,411) from IFM North America Inc. for intra-group sales

(f) During the year IFM Europe paid $466,317 (2010: $483,820) to IFM Germany GmbH for intra-group distribution services.

Entity with deemed significant influence over the Company

Wiser Equity Pty Limited, a company in which Richard Graham is a Director, owns 34.10% of the ordinary shares in Infomedia Ltd (2011: 34.10%).

NOTES TO THE FINANCIAL STATEMENTS

24. SEGMENT INFORMATION

30 June 2012

Business Segments	Notes	Asia Pacific	Europe	North America	Latin & South America	Corporate	Total
		$'000	$'000	$'000	$'000	$'000	$'000
REVENUE							
Sales revenue		12,350	21,129	9,665	2,533	-	45,677
Consolidated revenue							45,677
Segment result		9,809	17,358	7,159	2,028	(25,266)	11,088
Finance revenue		-	-	-	-	150	150
Finance cost		-	-	-	-	(50)	(50)
Consolidated profit before income tax		9,809	17,358	7,159	2,028	(25,166)	11,188
Income tax expense	4						(2,727)
Consolidated profit after income tax							8,461
Assets							
Segment assets		-	2,902	42	-	-	2,944
Unallocated assets							44,945
Total assets							47,889
Liabilities							
Segment liabilities		-	881	310	-	-	1,191
Unallocated liabilities							10,453
Total liabilities							11,644
Capital Expenditure		-	22	16	-	498	536
Amortisation		-	-	-	-	5,996	5,996
Depreciation		-	18	72	-	480	570

NOTES TO THE FINANCIAL STATEMENTS

24. SEGMENT INFORMATION (CONTINUED)

30 June 2011

Business Segments	Notes	Asia Pacific $'000	Europe $'000	North America $'000	Latin & South America $'000	Corporate $'000	Total $'000
REVENUE							
Sales revenue		11,837	19,847	9,880	2,529	-	44,093
Consolidated revenue							44,093
Segment result		8,740	15,028	6,292	2,054	(18,942)	13,172
Finance revenue		-	-	-	-	184	184
Consolidated profit before income tax		8,740	15,028	6,292	2,054	(18,758)	13,356
Income tax expense	4						(3,317)
Consolidated profit after income tax							10,039
Assets							
Segment assets		-	1,759	897	-	-	2,656
Unallocated assets							45,147
Total assets							47,803
Liabilities							
Segment liabilities		-	611	219	-	-	830
Unallocated liabilities							11,308
Total liabilities							12,138
Capital Expenditure		-	-	-	-	674	674
Amortisation		-	-	-	-	5,066	5,066
Depreciation		-	7	77	-	466	550

Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

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

The reportable segments are based on aggregated operating segments determined by the similarity of the products produced and sold as these are the sources of the Group's major risks and have the most effect of the rates of return.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 2 to the accounts and in the prior period.

The group accounting policies for segments are applied to the respective segments up to the segment result level.

Major customers

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

NOTES TO THE FINANCIAL STATEMENTS

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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 and range forward 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.

(a) Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates solely to the Company's cash holding of $6,646,000 (2011: $8,820,000) 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, as such any reasonably expected change in interest rates (+/- 1%) would not have a significant impact on post tax profit or other comprehensive income.

(b) 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 cashflow exposures. Approximately 40% of the Company's sales are denominated in United States Dollars and 40% are denominated in Euros (measured using the spot foreign exchange rates in existence in the current financial year). The Company seeks to mitigate exposure to movements in these currencies by entering into forward exchange derivative contracts under an approved hedging policy.

As a result of the Company's investment in both its European and United States subsidiaries, the Company's statement of financial position can be affected by movements in both the Euro and United States dollar against the Australian dollar.

At 30 June, the Group had the following exposure to US$ foreign currency that is not designated in cash flow hedges:

	Consolidated	
	2012	2011
	$'000	$'000
Financial Assets		
Cash and cash equivalents	**15**	811
Derivatives	**160**	1,406
	175	2,217

NOTES TO THE FINANCIAL STATEMENTS

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

At 30 June, the Group had the following exposure to EUR foreign currency that is not designated in cash flow hedges:

	Consolidated	
	2012	2011
	$'000	$'000
Financial Assets		
Cash and cash equivalents	**374**	1,013
Derivatives	**536**	605
	910	1,618

The following sensitivity is based on the foreign currency risk exposures in existence at the balance date:

At 30 June, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, post tax profit and total equity would have been affected as follows:

Judgments of reasonably possible movements:

	Post tax profit Higher/(Lower)		Total equity Higher/(Lower)	
	2012 $'000	2011 $'000	**2012 $'000**	2011 $'000
Consolidated				
AUD/USD +10%	**(1)**	(51)	**482**	578
AUD/USD – 15%	**2**	100	**(928)**	(575)
AUD/EUR +10%	**(23)**	(64)	**401**	529
AUD/EUR – 15%	**46**	125	**(762)**	(1,004)

Management believe the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

(c) Credit risk

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

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, 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, collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

(d) Price risk

There are no items on the statement of financial position as at 30 June 2012 that are subject price risk.

NOTES TO THE FINANCIAL STATEMENTS

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Liquidity risk

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

Given the nature of the Company's operations and no borrowings, the Company does not have fixed or contracted payments at balance date other than with respect of its cash flow hedges which are disclosed below. Consequently the remaining contractual maturity of the group entity's financial liabilities is as stated in the statement of financial position and is less than 60 days. Deferred revenue requires no cash outflow.

Liquidity and Interest rate risk

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

CONSOLIDATED

YEAR ENDED 30 JUNE 2012	**Less than one year $'000**	**Two to five years $'000**	**Greater than five years $'000**	**Weighted average effective interest rate %**
Floating rate				
Cash and cash equivalents	**6,646**	-	-	**3.0**
Trade and other receivables	**4,033**	-	-	-
Trade and other payables	**(2,901)**	-	-	-

CONSOLIDATED

YEAR ENDED 30 JUNE 2011	Less than one year $'000	Two to five years $'000	Greater than five years $'000	Weighted average effective interest rate %
Floating rate				
Cash and cash equivalents	8,820	-	-	3.2
Trade and other receivables	4,044	-	-	-
Trade and other payables	(2,667)	-	-	-

Interest on cash and cash equivalents 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 that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Fair value

Derivative instruments use valuation techniques other than quoted prices in active markets with only observable market inputs for the asset or liability, either directly (as prices) or indirectly (derived from prices)to determine the fair value of foreign exchange contracts

Derivative contracts
The following table summarises the forward exchange contracts on hand at 30 June 2012.

	CONSOLIDATED		
Maturity	**Company buys**	**Company sells**	**Exchange rate**
Company sells United States Dollars (USD)	**$A'000**	**USD'000**	
Less than one year	7,738	7,600	0.982
Company sells Euros (E)	**$A'000**	**E'000**	
Less than one year	7,130	5,240	0.735

The mark to market valuation of these contracts at 30 June 2012 was $699,000 which is booked directly in equity.

The following table summarises the range forward contracts on hand at 30 June 2012.

	CONSOLIDATED		
	Company sells	**Floor rate**	**Ceiling rate**
Maturity	**USD'000**		
Less than one year	3,975	0.8825	1.100
Less than one year	700	0.8800	0.9900

The mark to market valuation of these range forwards at 30 June 2012 was a loss of $6,000 which is booked directly in equity.

Derivative contracts
The following table summarises the forward exchange contracts on hand at 30 June 2011.

	CONSOLIDATED		
Maturity	**Company buys**	**Company sells**	**Exchange rate**
Company sells United States Dollars (USD)	**$A'000**	**USD'000**	
Less than one year	7,585	6,361	0.839
Company sells Euros (E)	**$A'000**	**E'000**	
Less than one year	8,396	5,665	0.675
Company sells Euros (E)	**$A'000**	**E'000**	
Greater than one year and not greater than two years	1,420	1,000	0.704

The mark to market valuation of these contracts at 30 June 2011 was $2,055,000, which is booked directly in equity.

	CONSOLIDATED		
	Company sells	**Floor rate**	**Ceiling rate**
Maturity	**USD'000**		
Greater than one year and not greater than two years	3,975	0.8825	1.100

NOTES TO THE FINANCIAL STATEMENTS

The mark to market valuation of these range forwards at 30 June 2011 was $36,000 which has been included in the Statement of Comprehensive Income as Other Income.

26. 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	**2012**	2011	**2012**	2011
Financial assets	**$'000**	$'000	**$'000**	$'000
Cash and cash equivalents	**6,646**	8,820	**6,646**	8,820
Trade and other debtors	**4,033**	4,044	**4,033**	4,044
Derivatives	**693**	2,091	**693**	2,091
Financial liabilities				
Trade and other creditors	**2,901**	2,667	**2,901**	2,667

27. ACQUISITION OF SUBSIDIARY

On 2 September 2011, Infomedia Ltd acquired 100% of the share capital of Different Aspect Software Ltd for $4,719,000 in cash. Different Aspect Software Ltd is a UK based software developer specialising in the provision of IT application solutions to the automotive industry.

As a result of the acquisition, the group is expected to further improve its offerings of software products in the automotive space. Goodwill of $3,182,000 arising from the acquisition is attributable to the assembled workforce and potential for cost saving synergies and cross selling opportunities. None of the goodwill recognised is expected to be deductible for income tax purposes.

The following table summarises the consideration paid for Different Aspect Software Ltd, the fair value of assets acquired and liabilities assumed at the acquisition date.

Consideration at 2 September 2011	**$'000**
Cash	4,719
Total consideration transferred	**4,719**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	103
Property, plant and equipment	19
Inventories	5
Trade and other receivables	246
Intellectual property	578
Other intangibles	1,071
Trade and other payables	(339)
Deferred revenue	(275)
Deferred tax liability	100
Provision for tax	29
Total identifiable net assets	1,537
Goodwill	3,182
Total	**4,719**

Acquisition-related costs of $158,000 are included in Other expenses in the consolidated income statement for the year ended 30 June 2012. The revenue included in the consolidated statement of comprehensive income since 2 September 2011 contributed by Different Aspect Software Ltd was $1.2m. Different Aspect Software Ltd contributed profit $214,000 over the same period.

NOTES TO THE FINANCIAL STATEMENTS

Had the acquisition of Different Aspect Software Ltd been effected at 1 July 2011, management estimates revenue of the group for the 12 months ended 30 June 2012 would have been $1.45m and the profit would have been $250,000.

28. 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.

29. PARENT ENTITY INFORMATION

	Parent Entity	
	2012	2011
	$'000	$'000
Current assets	**9,601**	14,532
Total assets	**45,411**	46,079
Current liabilities	**4,873**	4,961
Total liabilities	**10,453**	10,709
Contributed equity	**10,798**	10,798
Retained earnings	**23,619**	21,899
Employee equity benefit reserve	**56**	1,210
Cashflow hedge reserve	**485**	1,463
Total shareholders' equity	**34,958**	35,370
Profit or loss of the parent entity	**7,273**	10,014
Total comprehensive income of the parent entity	**6,295**	9,358

30. INTERESTS IN CONTROLLED ENTITIES

Name	Country of incorporation	Percentage of equity interest held by the Company (directly or indirectly)		Parent entity	
		2012	2011	**2012**	2011
		%	%	**$**	$
IFM Europe Ltd - ordinary shares	United Kingdom	**100**	**100**	**247**	247
Different Aspect Software Ltd** - ordinary shares	United Kingdom	**100**	-	**4,719**	-
IFM North America Inc - ordinary shares	United States of America	**100**	**100**	**1**	1
IFM Germany GmbH* - ordinary shares	Germany	**100**	**100**	-	-
				4,967	248

* Investment is held by IFM Europe Ltd.
** Entity was purchased on 2 September 2011

Directors' Declaration

In accordance with a resolution of the directors of Infomedia Limited, I state that:

In the opinion of the directors:

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

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of their performance for the year ended on that date; and

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

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2b

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

(d) 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 year ending 30 June 2012.

On behalf of the Board

Richard David Graham
Chairman
Sydney
23 August 2012

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Fax: 61 2 9240 9821
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Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Infomedia Limited

Report on the Financial Report

We have audited the accompanying financial report of Infomedia Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2(b), the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. 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.

BDO

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Infomedia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Infomedia Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Act 2001*; and

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

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to12 of the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Infomedia Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

BDO

Grant Saxon
Partner

Sydney, 23 August 2012