

Infomedia Ltd and controlled entities

Appendix 4D (rule 4.3A)

Preliminary final report for the half year ended 31 December 2016

Results for announcement to the market

(All comparisons to half year ended 31 December 2015)

	2016 \$'000	Up/(down) \$'000	% Movement
Revenues from ordinary activities	34,846	923	3%
Earnings before interest, tax, depreciation and amortisation expenses (EBITDA) (Note 1)	13,470	1,508	13%
Adjusted EBITDA (Cash) (Note 1)	6,625	(1,500)	(18%)
Profit from ordinary activities after income tax attributable to shareholders (NPAT)	6,973	949	16%
Net profit for the period attributable to shareholders	6,973	949	16%

Note 1:

	2016 \$'000	2015 \$'000
EBITDA*	13,470	11,962
Research and development expenses capitalised	(6,845)	(3,837)
Adjusted EBITDA (Cash)	6,625	8,125

*- refer to page 2 of the HY17 Financial report for the reconciliation between EBITDA and NPAT.

Dividend information

	Amount per share cents	Franked amount per share cents	Franking credit %
2017 Interim dividend per share	1.70	1.70	100%

Final dividend dates

Record date	6 March 2017
Payment date	3 April 2017

The Company's Dividend Reinvestment Plan (DRP) will operate with no discount. Shares will be acquired on market and transferred to participants in accordance with the DRP Rules. The last time for the receipt of an election notice to participate in the DRP is 5:00pm on 7 March 2017.

Eligible shareholders may lodge their DRP elections electronically by logging onto Infomedia's share registry, Link Market Services, via their website at <https://investorcentre.linkmarketservices.com.au> and clicking on the link to Investor Login. Further information about the DRP may be found at www.infomedia.com.au/investors.

Net tangible assets
2016
cents
2015
cents

Net tangible assets per ordinary share	3.7	3.2
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Other information

During the reporting period, Infomedia Ltd:

- had no change in investment in subsidiaries; and
- held no interest in associates or joint ventures.

Additional Appendix 4D disclosure requirements (including explanation of the figures reported above) can be found in the Half Year Financial Report which contains the directors' report and the 31 December 2016 financial statements and accompanying notes.

This report is based on the consolidated financial statements which have been reviewed by Deloitte Touche Tohmatsu.

Infomedia Ltd

ABN 63 003 326 243

Financial Report

For the half year ended 31 December 2016

Content	Page
Directors' report	1
Lead auditor's independence declaration	4
Consolidated statement of profit and loss and other comprehensive income	5
Consolidated statement of financial position	6
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	14
Independent auditor's report	15

Infomedia Ltd

Directors' Report

The Directors present their report, together with the consolidated financial statements of Infomedia Ltd (referred to hereafter as Infomedia or the Company) and its subsidiaries (Infomedia Group or the Group) for the half year ended 31 December 2016, along with the auditor's report.

DIRECTORS

The Directors of the Company at any time during or since the end of the half year are listed below. Directors were in office for the entire period unless otherwise stated.

Name	Date of appointment/resignation
CHAIRMAN Bart Vogel	Appointed 31 August 2015
CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR Jonathan Rubinsztein	Appointed 14 March 2016
OTHER DIRECTORS Paul Brandling Clyde McConaghy Anne O'Driscoll	Appointed 1 October 2016 Appointed 1 November 2013 Appointed 15 December 2014
FORMER DIRECTORS Fran Hernon	Appointed 19 June 2000 and retired 30 September 2016

PRINCIPAL ACTIVITIES

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

The principal activities of entities within the Group during the half year were:

- development and supply of Software as a Service (SaaS) offerings, including electronic parts catalogues and service quoting software systems, for the parts and service sectors of the global automotive industry; and
- information management, analysis and data creation for the domestic automotive and oil industries.

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

OPERATING AND FINANCIAL REVIEW

A. FINANCIAL INFORMATION

Infomedia's financial results for the half year ended 31 December 2016 (1H17) are in line with the Company's expectation of modest revenue growth and managing costs to similar levels to the preceding half, 6 months to June 2016. Infomedia reported modest revenue growth of 3% for the first half of the 2017 financial year, although underlying revenue growth was stronger at 6% on a constant currency basis.

The Company has reported 16% growth in net profit after tax (NPAT) compared with the previous corresponding period.

The Company remains focused on growth and has seen a positive momentum in sales with a number of contract wins. To meet this demand, the Company has increased investment in product development and invested in delivery capability to reduce the time between contract wins and recognising initial monthly recurring revenue.

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

Reflecting the increased investment, the Company reported a decline of 18% in Adjusted EBITDA (Cash) when compared with the previous corresponding period. By contrast, Adjusted EBITDA (Cash) in the current half improved approximately 30% when compared against the preceding half, six months to 30 June 2016, a period where accelerated investments in the business were initiated.

The Board declared a fully franked interim dividend of 1.70 cents per share. The dividend represents a payout of 76% of NPAT.

The financial position of the Company remains strong with net current assets of \$15.295 million as at 31 December 2016 (30 June 2016: \$13.213 million) including cash and cash equivalents of \$16.530 million (30 June 2016: \$14.748 million). The Company has no debt.

A summary of the results is shown below:

	31 Dec 2016	31 Dec 2015	Movement
	\$'000	\$'000	%
Revenue (a)	34,846	33,923	3%
NPAT	6,973	6,024	16%
EBITDA (b)	13,470	11,962	13%
Development expenses capitalised	(6,845)	(3,837)	78%
Adjusted EBITDA (Cash)	6,625	8,125	(18%)
Earnings per share (cents)	2.25	1.95	15%
Interim dividend per share (cents)	1.70	1.65	3%

(a) Revenue details:

By geographical location (local currency)	31 Dec 2016	31 Dec 2015	Movement
	'000	'000	%
Worldwide revenue (AUD)	34,846	33,923	3%*
Asia Pacific (AUD)	8,375	7,623	10%
EMEA (EUR)	10,268	10,099	2%
Americas (USD)	8,625	7,891	9%

* Worldwide revenue grew 6% on constant currency basis.

(b) Reconciliation of EBITDA to NPAT:

	31 Dec 2016	31 Dec 2015	Movement
	\$'000	\$'000	%
EBITDA	13,470	11,962	13%
Finance income (interest)	10	34	
Depreciation and amortisation expenses	(4,654)	(4,347)	
Income tax expense	(1,853)	(1,625)	
NPAT	6,973	6,024	16%

B. REVIEW OF OPERATIONS

The 2016 calendar year was a period of transition for Infomedia, as the Company focused on growth and building innovative products for customers. The Company appointed new leadership, invested in technology and new product development, relocated to a new Head Office campus in Belrose and took steps to simplify the back office.

Since the beginning of the financial year, Infomedia has delivered positive sales momentum having closed several contracts, across all products and regions, including the recent announcement of a global contract with Nissan Motor Company. As a result, the Company has increased investment in product delivery and capability.

The Company achieved growth across all products and in all regions in which it operates. In the Americas and the Asia Pacific the increase in revenue is attributed to Superservice Menus and Superservice Triage growth. Growth was modest in Europe and levels are expected to rise marginally in the second half of the current financial year as the Company commences the delivery of Superservice products in that region.

In November 2016, the Company announced a large contract win with Nissan Motor Europe to deliver its Superservice product. In February 2017, the relationship with Nissan Motor Company was extended globally to include the supply an Electronic Parts Catalogue (EPC) to Nissan dealers around the world.

To meet ongoing demand for Infomedia's products globally, the Company invested in product development and delivery capability to reduce the time between a contract win and service delivery resulting in new recurring revenue. The combination of continued investment and length of time to deliver tailored product, resulted in a modest increase in revenue and cash expenditure for 1H17.

C. OUTLOOK

The recently announced global EPC contract win with Nissan Motor Company strengthens Infomedia's market leading position as a SaaS provider to the global automotive industry and highlights the increasing demand for Infomedia's products. Infomedia remains focused on sales momentum and delivery execution.

The increase in sales in the period and the improvements made to product development and delivery is encouraging. The Board supports management as it balances delivering for today and growth for the future and believes this approach will lead to strong growth in recurring revenue beyond the financial year ending 30 June 2017 (FY17).

The Company maintains its current guidance of high single digit revenue growth, refined to between 6% and 8%, for FY17. Similar to 1H17, Infomedia expects FY17 NPAT to maintain double digit growth on the prior year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during and since the half year ended 31 December 2016.

SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

Other than matters listed below, there have been no matters or circumstances that have significantly affected, or may significantly affect the operations, results or state of affairs of the Group since the end of the half year:

- the Board declared an interim dividend of 1.70 cents per share, fully franked;
- on 20 February 2017, the Company announced the signing of an exclusive agreement with Nissan Motor Company to produce and supply an Electronic Parts Catalogue (EPC) to Nissan dealers around the world. The annualised revenue from this contract should represent approximately 10% of total revenue when fully installed. This recurring revenue is expected to commence in the financial year ending 30 June 2018.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 4 and forms part of the Directors' report for the half year ended 31 December 2016.

ROUNDING

The Group is of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016. In accordance with that instrument, amounts in the Directors' report and financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed at Sydney on 27 February 2017 in accordance with a resolution of the Directors.



Bart Vogel

Chairman

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

27 February 2017

Dear Board Members,

Infomedia Limited

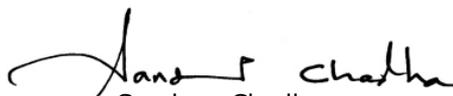
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Infomedia Limited.

As lead audit partner for the review of the half-year financial report of Infomedia Limited for the period ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely,

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU


Sandeep Chadha
Partner
Chartered Accountants

Infomedia Ltd
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half year ended 31 December 2016

	31 Dec 2016 \$'000	31 Dec 2015 \$'000
REVENUE	34,846	33,923
EXPENDITURE		
Research and development expenses	(6,349)	(7,984)
Sales and marketing expenses	(11,295)	(9,974)
General and administration expenses	(8,736)	(8,573)
Total expenditure	(26,380)	(26,531)
OTHER INCOME AND EXPENSES		
Finance income	10	34
Foreign currency translation gains	350	223
Profit before tax	8,826	7,649
Income tax expense	(1,853)	(1,625)
Profit after tax for the half year	6,973	6,024
OTHER COMPREHENSIVE INCOME		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net movement in foreign currency translation reserve for foreign operations	(265)	114
Effective cash flow hedges gains/(losses) taken to equity	(226)	170
Income tax (expense)/benefit on other comprehensive income	68	(51)
Other comprehensive income/(loss) for the half year, net of tax	(423)	233
Total comprehensive income for the half year, net of tax	6,550	6,257
EARNINGS PER SHARE		
Basic earnings per share (cents per share)	2.25	1.95
Diluted earnings per share (cents per share)	2.25	1.95

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

Infomedia Ltd
Consolidated Statement of Financial Position
As at 31 December 2016

	Note	31 Dec 2016 \$'000	30 Jun 2016 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		16,530	14,748
Trade receivables		7,738	6,281
Other receivables		23	14
Income tax recoverable		1,924	870
Prepayments		1,747	958
Derivatives		-	250
Total current assets		27,962	23,121
NON-CURRENT ASSETS			
Property, plant and equipment		2,942	2,373
Intangible assets – Capitalised development costs	5	25,048	22,416
Intangible assets – Goodwill		12,183	12,367
Total non-current assets		40,173	37,156
Total assets		68,135	60,277
LIABILITIES			
CURRENT LIABILITIES			
Trade payables		1,097	693
Other payables		6,806	4,952
Provision for employee entitlements		2,948	2,938
Deferred revenue		1,816	1,325
Total current liabilities		12,667	9,908
NON-CURRENT LIABILITIES			
Provision for employee entitlements		400	527
Deferred tax liabilities		6,381	5,684
Total non-current liabilities		6,781	6,211
Total liabilities		19,448	16,119
Net assets		48,687	44,158
EQUITY			
Share capital		12,923	12,449
Foreign currency translation reserve		1,007	1,272
Share based payments reserve		1,319	711
Cash flow hedge reserve		(10)	148
Retained earnings		33,448	29,578
Total equity		48,687	44,158

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

Infomedia Ltd
Consolidated Statement of Changes in Equity
For the half year ended 31 December 2016

	Equity attributable to owners of Infomedia Ltd					
	Share capital	Foreign currency translation reserve	Share based payments reserve	Cash flow hedge reserve	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
31 Dec 2016						
Balance at 1 July 2016	12,449	1,272	711	148	29,578	44,158
Profit after income tax expense for the half year	-	-	-	-	6,973	6,973
Other comprehensive income for the half year, net of tax	-	(265)	-	(158)	-	(423)
Total comprehensive income for the half year	-	(265)	-	(158)	6,973	6,550
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:						
Share options exercised	474	-	-	-	-	474
Share based payments	-	-	608	-	-	608
Dividends declared and paid	-	-	-	-	(3,103)	(3,103)
Balance at 31 December 2016	12,923	1,007	1,319	(10)	33,448	48,687
31 Dec 2015						
Balance at 1 July 2015	12,074	1,035	720	(400)	30,400	43,829
Profit after income tax expense for the half year	-	-	-	-	6,024	6,024
Other comprehensive income for the half year, net of tax	-	114	-	119	-	233
Total comprehensive income for the half year	-	114	-	119	6,024	6,257
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:						
Share options exercised	308	-	-	-	-	308
Share based payments	-	-	100	-	-	100
Dividends declared and paid	-	-	-	-	(6,030)	(6,030)
Balance at 31 December 2015	12,382	1,149	820	(281)	30,394	44,464

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

Infomedia Ltd
Consolidated Statement of Cash Flows
For the half year ended 31 December 2016

	31 Dec 2016	31 Dec 2015
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	33,908	29,894
Payments to suppliers and employees	(20,689)	(19,161)
Interest received	10	34
Income taxes paid	(2,144)	(2,407)
Net cash from operating activities*	11,085	8,360
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for development expenses capitalised*	(5,704)	(3,197)
Payments for property, plant and equipment	(969)	(571)
Net cash used in investing activities	(6,673)	(3,768)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	473	308
Dividends paid to owners of Infomedia Ltd	(3,103)	(6,030)
Net cash from financing activities	(2,630)	(5,722)
Net changes in cash and cash equivalents	1,782	(1,130)
Cash and cash equivalents at the beginning of the half year	14,748	16,092
Cash and cash equivalents at the end of the half year	16,530	14,962

* Payments for development expenses capitalised have been reclassified from operating activities to investing activities for both the current half year and the comparative period.

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

Infomedia Ltd
Notes to the Financial Statements
For half year ended 31 December 2016

NOTE 1. GENERAL INFORMATION

This general purpose financial report is for the half year ended 31 December 2016 and comprises the consolidated financial statements for Infomedia Ltd (Infomedia or the Company) and its subsidiaries (Infomedia Group or the Group). These financial statements are presented in Australian dollars, which is Infomedia's functional and presentation currency.

The Company is a for-profit listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 3, Minna Close, Belrose, Sydney NSW 2085.

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

This general purpose financial report was authorised for issue by the Board on 27 February 2017.

A. STATEMENT OF COMPLIANCE

These general purpose financial statements for the half year ended 31 December 2016 have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standard AASB 134 Interim Financial Reporting and the Australian Securities Exchange (ASX) Listing Rules. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

These general purpose financial statements do not include all the notes of the type normally included in annual financial report. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

B. BASIS OF PREPARATION OF THE FINANCIAL REPORT

The accounting policies adopted are consistently applied by all entities in the Group and are the same as those applied for and disclosed in the Group's 2016 annual financial report for the financial year ended 30 June 2016 and corresponding interim reporting period except as set out below.

These financial statements have been prepared under the historical cost convention, modified, where applicable, by the measurement at fair value of certain non-current assets, financial assets and financial liabilities.

I. Changes in accounting policies

The Group has adopted all of the new recognition and measurement requirements, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the half year ended 31 December 2016. The relevant standards were:

Title	Description	Note
Accounting Standards adopted for the half year ended 31 December 2016		
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012 - 2014 Cycle	(i)
AASB 1057	Application of Australian Accounting Standards	(i)

Table note

(i) These changes only impact disclosure in the financial statements.

II. Reclassification of comparatives

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

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

III. Rounding

The Group is of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016, amounts in this financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

IV. Australian accounting standards issued and not yet effective

New, revised or amending Accounting Standards and Interpretations will be adopted by the Company in the operating year commencing 1 July after the effective date of these standards and interpretations as set out in the table below.

Title	Description	Effective date	Operating year	Note
AASB 15	Revenue from Contracts with Customers	1 January 2018	30 June 2019	(i)
AASB 9	Financial Instruments	1 January 2018	30 June 2019	(ii)
AASB 16	Leases	1 January 2019	30 June 2020	(i)
AASB 2016-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	30 June 2018	(i)
AASB2016-5	Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	1 January 2018	30 June 2019	(i)

Table note

- (i) The financial impact of these changes is yet to be assessed by the Group.
(ii) The financial impact of these changes is yet to be assessed by the Group and these changes are not expected to have a significant financial impact, if any.

NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates may differ from the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) during the half year ended 31 December 2016 are discussed below.

A. RESEARCH AND DEVELOPMENT

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

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

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

The key judgements relate to:

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

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

B. GOODWILL

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

The recoverable amount of goodwill is estimated using discounted cash flow analysis of the relevant cash generating unit (CGU) deducting the carrying amount of the identifiable net assets of the CGU. Key assumptions used in the calculation of recoverable amounts are the discount rates, terminal value growth rates and EBITDA growth rates.

NOTE 3. OPERATING SEGMENTS

A. IDENTIFICATION OF OPERATING SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed and used by the CEO & Managing Director (identified as the chief operating decision makers or CODM) in assessing performance and in determining the allocation of resources.

The three segments are:

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

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.

B. MAJOR CUSTOMERS

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

C. FINANCIAL INFORMATION OF OPERATING SEGMENTS

	Asia Pacific \$'000	EMEA \$'000	Americas \$'000	Unallocated* \$'000	Total \$'000
Half year ended 31 Dec 2016					
Revenue	8,375	15,001	11,470	-	34,846
Total revenue	8,375	15,001	11,470	-	34,846
Segment contribution	6,602	11,145	4,318	(13,249)	8,816
Finance income	-	-	-	10	10
Profit before tax	6,602	11,145	4,318	(13,239)	8,826
Income tax expense					(1,853)
Profit after tax for half year					6,973
Half year ended 31 Dec 2015					
Revenue	7,623	15,389	10,911	-	33,923
Total revenue	7,623	15,389	10,911	-	33,923
Segment result	5,884	12,512	6,619	(17,400)	7,615
Finance income	-	-	-	34	34
Profit before tax	5,884	12,512	6,619	(17,366)	7,649
Income tax expense					(1,625)
Profit after tax for half year					6,024

* For the 1H17, unallocated costs represent those expenses not directly attributable to the operating segments. These costs are expected to be only research and development, and general and administration expenses for the current and future reporting periods. The prior period comparatives have not been reclassified.

	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Unallocated costs:		
Total research and development expenses incurred for the half year	8,981	7,931
Amortisation of deferred development expenses	4,213	3,890
Less: development expenses capitalised	(6,845)	(3,837)
Research and development expenses	6,349	7,984
Sales and marketing expenses	-	2,988
General and administration expenses	6,900	6,428
	13,249	17,400

NOTE 4. DIVIDENDS

A. DIVIDENDS ON ORDINARY SHARES

31 December 2016	Cents per share	Total amount \$'000	Payment date	Tax rate for franking credit	Percentage franked
2016 Final dividend	1.00	3,103	22 September 2016	30%	100%
	1.00	3,103			
31 December 2015					
2015 Final dividend	1.70	5,257	15 September 2015	30%	-%
2015 Special dividend	0.25	773	15 September 2015	30%	100%
	1.95	6,030			

It is standard practice that the Board declares the dividend for a period after the relevant reporting date. A dividend is not accrued for until it is declared and so the dividends for a period are generally recognised and measured in the financial reporting period following the period to which the dividends relate.

B. DIVIDEND POLICY

The Company intends to target a dividend pay-out ratio in the range of 75% to 85% of net profit after tax attributable to shareholders of the Company. The actual pay-out ratio in the half year ended 31 December 2016 was 76% (2015: 84%, excluding the special dividend declared).

C. DIVIDEND REINVESTMENT

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

D. DIVIDEND NOT RECOGNISED AT REPORTING DATE

On 27 February 2017, the Board resolved to pay the following dividend. As this occurred after the reporting date, the dividends declared have not been recognised in this financial report.

31 December 2016	Cents per share	Total amount \$'000	Payment date	Tax rate for franking credit	Percentage franked
2017 Interim dividend	1.70	5,284	3 April 2017	30%	100%

The Company's DRP will operate by acquiring shares on market to participants by with an issue price per share of the average market price as defined by the DRP terms with no discount applied and a record date of 6 March 2017. The last election notice for participation in the DRP in relation to this interim dividend is 7 March 2017.

	31 Dec 2016 \$'000	31 Dec 2015 \$'000
NOTE 5. INTANGIBLE ASSETS – CAPITALISED DEVELOPMENT COSTS		
At 1 July		
A. COMPOSITION		
At cost	71,046	62,992
Accumulated amortisation	(48,630)	(41,184)
	22,416	21,808
B. MOVEMENTS		
Balance at 1 July	22,416	21,808
Additions	6,845	3,837
Amortisation	(4,213)	(3,890)
Balance at 31 December, net of accumulated amortisation and impairment	25,048	21,755
At 31 December		
C. COMPOSITION		
At cost	77,891	66,829
Accumulated amortisation	(52,843)	(45,074)
	25,048	21,755

NOTE 6. EVENTS AFTER THE REPORTING PERIOD

Other than matters listed below, there have been no matters or circumstances that have significantly affected, or may significantly affect the operations, results or state of affairs of the Group since the end of the financial year.

A. INTERIM DIVIDEND

On 27 February 2017, the Board declared an interim dividend for the half year ended 31 December 2016 of 1.70 cents per share, fully franked. The dividend will be paid on 3 April 2017.

B. NISSAN MOTOR COMPANY EPC AGREEMENT

On 20 February 2017, the Company announced the signing of an exclusive agreement with Nissan Motor Company to produce and supply an Electronic Parts Catalogue (EPC) to Nissan dealers around the world. The annualised revenue from this contract should represent approximately 10% of total revenue when fully installed. This recurring revenue is expected to commence in the financial year ending 30 June 2018.

Infomedia Ltd

Directors' declaration

In the opinion of the Directors of Infomedia Ltd (the Company):

- the consolidated financial statements and notes 1 to 6 are in accordance with the Corporations Act 2001, including:
 - giving a true and fair view of the financial position of the Group as at 31 December 2016 and of its performance for the half year ended on that date; and
 - complying with Australian Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declaration required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the half year ended 31 December 2016.

Signed in accordance with a resolution of the Directors made pursuant to s303(5) of the Corporations Act 2001.



Bart Vogel

Chairman

Sydney, 27 February 2017

Independent Auditor's Review Report to the directors of Infomedia Limited

We have reviewed the accompanying half-year financial report of Infomedia Limited, which comprises the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, 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 end of the half-year or from time to time during the half-year as set out on pages 5 to 14.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Infomedia Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, 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 review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Infomedia Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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Sandeep Chadha
Partner
Chartered Accountants
Sydney, 27 February 2017