

Infomedica



ABN 63 003 326 243

2000 annual report

Contents

1	Chairman's Letter
2	Results at a Glance
4	Introduction to FY2000 Annual Report
6	Orientation to Company
10	Achievements by Department
26	Outlook for FY2001
30	Directors' Report
31	Audited Accounts
58	Audit Report
59	Additional Information



Chairman's Letter

23 October 2000

Dear Shareholder,

It is with pride that I present this first Annual Report of Infomedia Ltd as a public company.

In preparing this document, management has strived to provide a detailed record of your company's performance during the year ending 30 June 2000, an insight into the work of the Company and an outlook for the year ahead. Through the following pages, I trust you will gain a better understanding of your company - Infomedia Ltd.

In the course of FY2000, Infomedia exceeded its forecast of revenue and after-tax profit. Company revenue increased 98% over FY1999 to \$21,700,000. Net profit after tax increased 88% over the previous financial year to \$7.67 million. Our core business, electronic parts catalogues for the global automotive industry, grew from 12,392 subscriptions at the opening of the year to 24,057 at the close of it. This was an admirable growth of 94%. In the audited accounts section you can review in greater detail the financial performance of your company.

FY 2000 was a demanding year of growth and transformation. New product versions were introduced, new territories were opened, new personnel joined the Company, new facilities were established and our first acquisition took place. Throughout the second half of the year we were making the significant transition from private company to listed public company. I am pleased to inform you that your management and staff achieved all this with aplomb and integrity.

In the year ahead we remain focused on the further commercial development of our core assets, both the traditional ones and the newly acquired ones. New versions of our EPC products will be released domestically and internationally; advertising will be introduced into our traditional and electronic publications; we will release what we expect to be a breakthrough in publishing EPCs via the Internet; and will smoothly integrate recent and future acquisitions into a position of strength within our asset portfolio.

In closing, let me invite you to consider the words "your company" as a very genuine sentiment. Let me invite you to hold Infomedia not just as an investment, but also as a stand for excellence. And finally, let me invite you to care for Infomedia's success and engage in its achievement.

On behalf of the Board of Directors, management and staff, I commend this Annual Report to you.

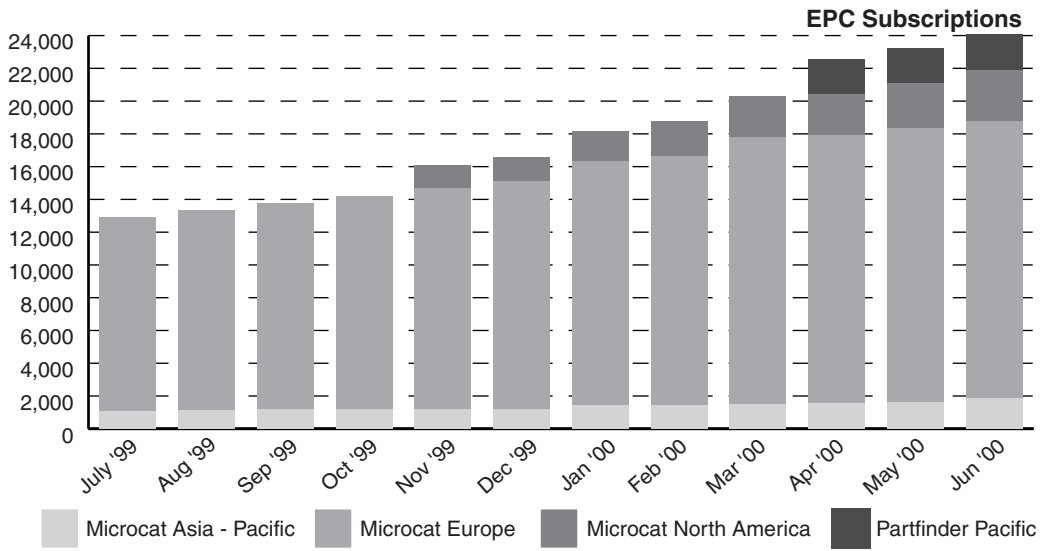
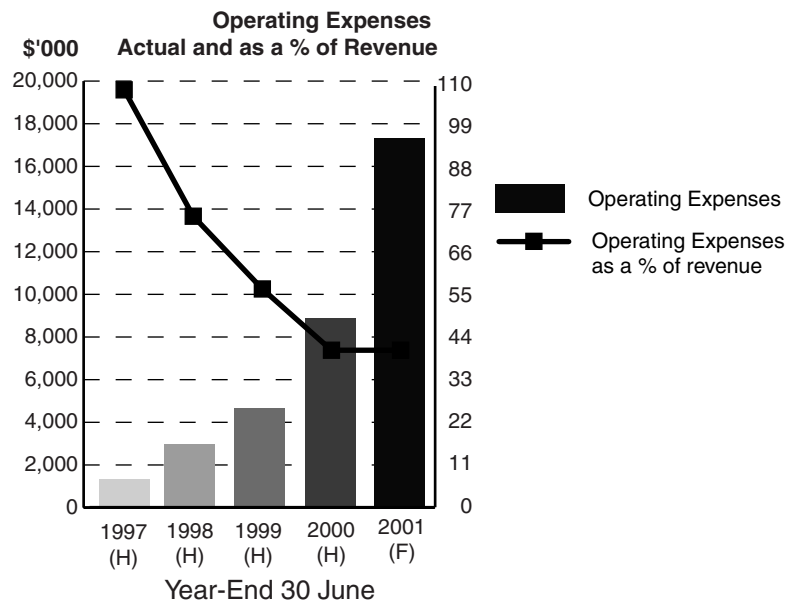
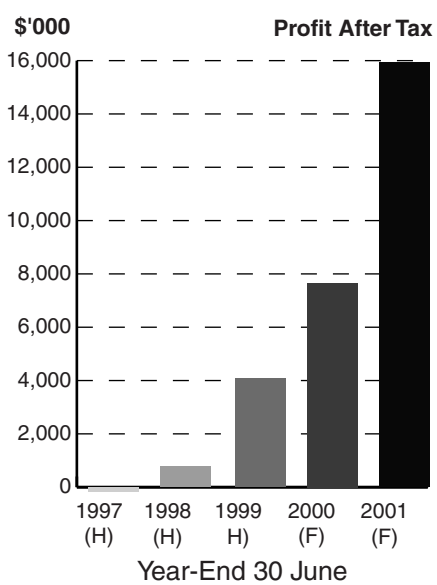
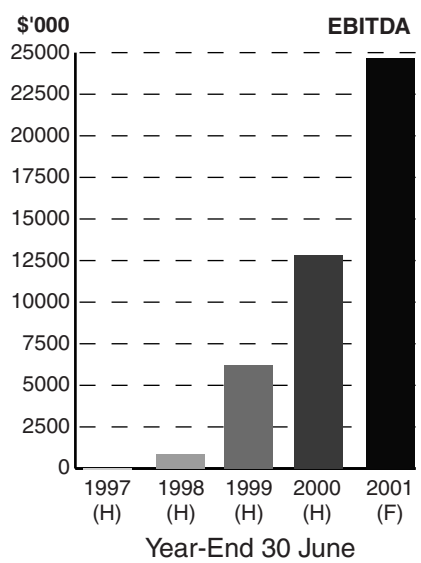
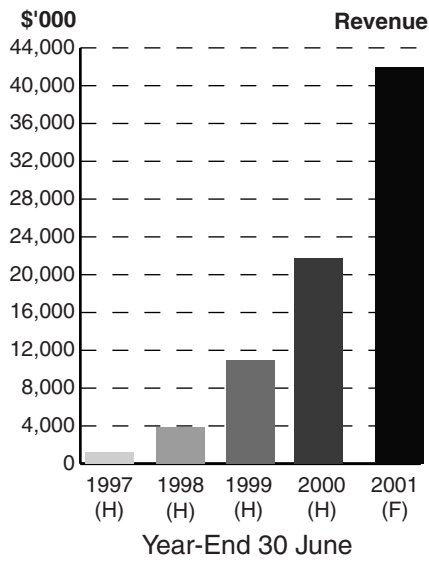
Respectfully Yours,



Richard D. Graham

Chairman and CEO

Results at a Glance



Company revenue increased 98% over FY1999 to \$21.7 million. Net profit after tax increased 88% over the previous financial year to \$7.7 million. Both these results exceeded forecasts.

Forecasts Exceeded

Five new versions of Infomedia's flagship electronic parts catalogue, Microcat, were released - Daihatsu Europe, Ford Japan, Ford North America, Hyundai Australia and Honda Australia.

Continued Global Expansion

Subscriptions to Microcat grew from 12,392 subscriptions at the opening of the year, to 24,057 at the close of it. This was an admirable growth of 94%.

Admirable Growth

Datateck Publishing Pty Ltd was acquired to expand Infomedia's operations. Integration of Datateck operations and products has gone smoothly.

Datateck Acquired

A smooth transition from being a private to a public company took place in a public offering that raised \$19 million for the Company.

Successful IPO Listing

The Product Development department was restructured into three teams: Application Development, Data Centre Development and Communication Development - each led by an experienced programmer.

Efficient Restructuring

By the close of FY2000, 11 versions of Microcat on more than 38,000 discs were being produced each month.

Expanded Production

Development and testing of Microcat Online continued. Internet initiatives began with the release of concurrent licensing and remote pricing updates via the Internet for Ford dealers in Mexico.

Internet Strategy Begins

The release of Microcat for Hyundai Australia and Honda Australia achieved a 100% penetration soon after release.

Targets Achieved

The first phase was completed in Infomedia's internal electronic document management system. The system facilitates easy and rapid access of corporate correspondence and documentation.

Document Management

Datateck pilots Partfinder for Whitegoods and continued to develop this opportunity, allowing the Company to expand its market into a second major global industry.

Second Global Industry

Introduction



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Introduction

Some of the information covered in this Annual Report was presented in the Prospectus for the Company's recent initial public offering and successful listing on the Australian Stock Exchange. However, as the Annual Report will stand as the official record of your company's achievements, we have reiterated some of that material here for the information of shareholders and the investment community.

We trust you agree, the achievements you will read about in this report contribute to building a successful public company - a company built to last. During the following pages you will learn about the work, achievements and near-term plans of the Company, its management and its staff.

The sentiment of the 1999/2000 financial year could best be captured by the words GROWTH and TRANSFORMATION.

During the year we made great strides in our product development with the introduction of new versions of Microcat for new markets. Major advances were also made on developing a comprehensive approach to transform EPCs from CD/DVD-ROM delivery into a product able to be delivered effectively on the Internet. Toward the end of FY2000, the acquisition of Datateck added further depth to the Company's skill base and product offerings.

Our production and operations activities increased throughput, automated new functions and achieved good on-time performances. Throughout the year, subscription numbers increased globally through the work of our sales and marketing teams. And finally, our administrative teams performed admirably, not only managing the significant growth of the Company, but also with the transformation of the Company from closely held to publicly listed.

It is intended that the following pages will give you a strong sense of the ability, commitment and the determination to achieve that the management and staff of Infomedia have.

Welcome to the first annual report of Infomedia Ltd.



Orientation

Infomedia is an Australian software and content development company which specialises in serving the automotive trade worldwide. It is a global leader in the field of electronic parts catalogues (EPC) for the automobile industry. Infomedia's EPC products, Microcat® and Partfinder®, enable sales and service staff at vehicle dealerships to swiftly and accurately find replacement parts for customers or for in-house service mechanics.

The Industry

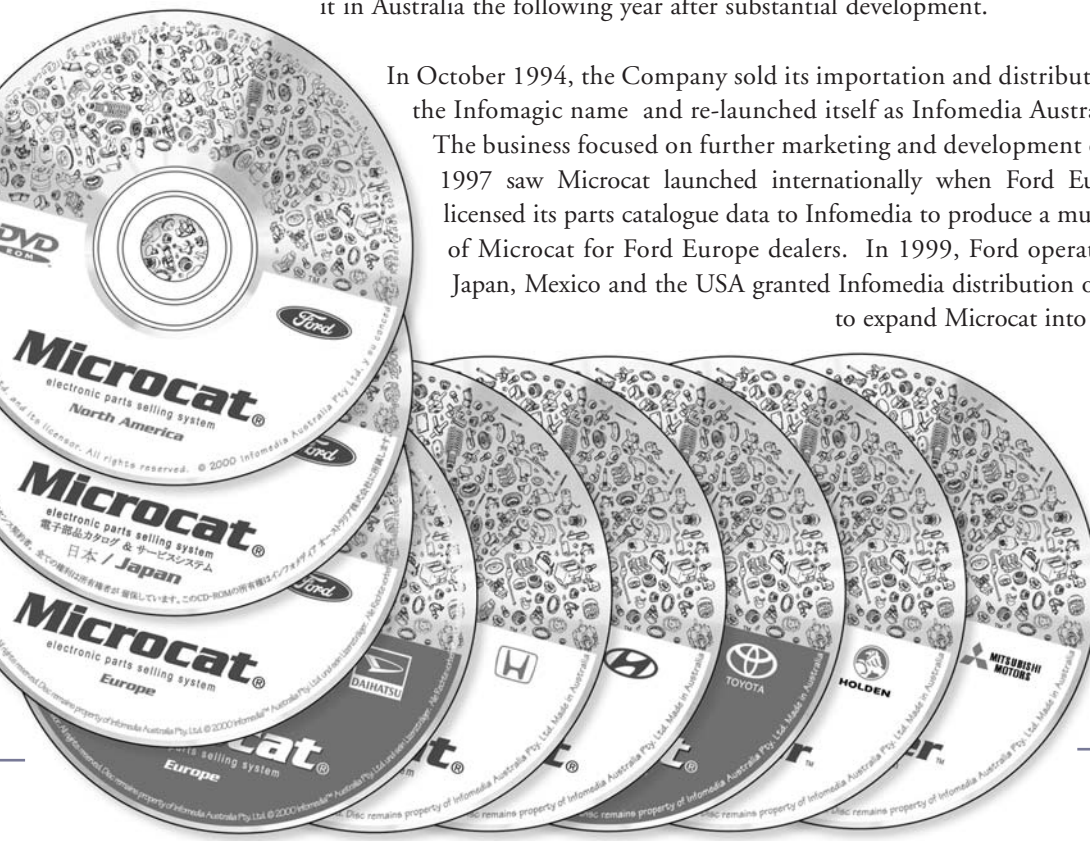
The US\$1 trillion per annum automotive industry is one of the largest global markets for electronic parts catalogues. It is serviced by a relatively small number of EPC suppliers. Producing an EPC in the automotive industry requires the cooperation of the vehicle manufacturers. They own the original data and license its use to EPC suppliers. Infomedia has developed and maintained excellent relationships with its data licensors. For example, during this year Infomedia executives received the prestigious Ford Motor Company President's Award for Customer Driven Quality.


The needs of automotive dealers drive the demand for EPCs. After-sales service and repairs provide a significant proportion of auto dealer's income and profitability. Microcat and Partfinder provide a higher level of precision and are faster to use than paper or microfiche-based catalogues. Dealers are able to identify the right replacement part the first time with a minimum of fuss. Industry developments, such as built-to-order vehicles, will increase the need for EPCs as vehicle complexity increases.

The Company

Infomedia commenced business in January 1988 as Infomagic Australia Pty Limited, importing and distributing software and peripherals. However, management sought long-term success in the development and marketing of the Company's own products. Consequently Infomedia purchased the complete intellectual property rights to an automotive EPC project called MicroCat in 1991 and launched it in Australia the following year after substantial development.

In October 1994, the Company sold its importation and distribution business and the Infomagic name and re-launched itself as Infomedia Australia Pty Limited. The business focused on further marketing and development of Microcat. July 1997 saw Microcat launched internationally when Ford Europe exclusively licensed its parts catalogue data to Infomedia to produce a multilingual version of Microcat for Ford Europe dealers. In 1999, Ford operations in Canada, Japan, Mexico and the USA granted Infomedia distribution or licensing rights to expand Microcat into these countries.





In March 2000, Infomedia acquired Melbourne-based Datateck Publishing Pty Limited. Datateck owns the complementary EPC, Partfinder, and a range of other complementary products such as printed and online oil and lubrication publications used by leading oil companies, petroleum product agents and consumers. Datateck also provides a variety of other data analysis and cataloguing services to the automotive industry.

Infomedia's competitive advantage is partly a result of the business model which has been structured so that many labour and capital intensive functions are undertaken with alliance partners, distributors or service agents. Sales, duplication and distribution of CD/DVD-ROMs and help desk services are some of the functions that are 'outsourced', thus reducing the engagement of capital, and managerial resources required by Infomedia.

Another important element of Infomedia's competitive advantage is the key value proposition for customers based on providing EPCs for a reasonable monthly subscription price, without tying them to a long-term contract. The quality, affordability and user-friendly nature of the product means that dealers rarely terminate their subscription.

Importantly, a majority of Infomedia's monthly subscriptions are invoiced directly to vehicle manufacturers or their national distributors. As such, rather than receiving more than 24,000 individual subscription fees every month, Infomedia collects monthly payments from a small number of large and highly credible companies.

Flagship Product

Infomedia's flagship product is the Microcat electronic parts selling system for the automotive industry. While Microcat is generally defined as an electronic parts catalogue, it is actually much more transaction oriented than the typical EPC. Microcat is a specialised business tool designed to make the selection and sale of replacement parts quick, easy and accurate. At the heart of Infomedia's products is a sophisticated parts analysis program. Microcat delivers information in a variety of user-friendly ways that have been developed with input from both the vehicle manufacturers and the dealership users.

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

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

Orientation

Talent, Culture and Values

Youth, strength, experience and commitment combined with seasoned business savvy and a strong corporate culture is what makes the Infomedia team so successful.

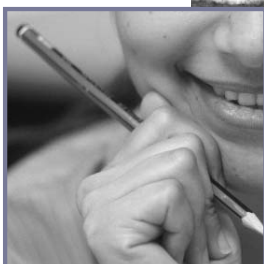
The Company is divided into six departments: Executive, Product Development, Production & Operations, Sales & Marketing, Finance & Human Resources and Legal & Security. Corresponding functions within subsidiaries report through these six departments. The nature of Infomedia's raw material resource is creative talent in the form of programmers, graphic artists, data analysts, production specialists and executives.

Staff and management are encouraged to be innovative, imaginative, analytical, action-oriented and communicative. These qualities address the core of our corporate culture. Personnel use this environment of creativity to invent the products and carry out the processes of the business with skill, enthusiasm and commitment. As a talent based organisation Infomedia has built the enterprise upon four basic tenets - product innovation, transaction simplicity, retention of revenue streams and personal integrity.

The Company is committed to the pro-active development of young minds. To give expression to this commitment, the Company operates apprenticeship and internship programs for younger people. At the end of FY2000, these programs had nine participants. Three of the Company's management staff have successfully emerged from such programs.

Infomedia also has a scholarship program that encourages all staff to improve their skills and credentials. In the last financial year, more than half the staff availed themselves of this opportunity. Staff took up training opportunities in programming, personal development, management skills and office productivity software.

Infomedia has established employee share plans for full-time staff who have been with the Company one year or more.

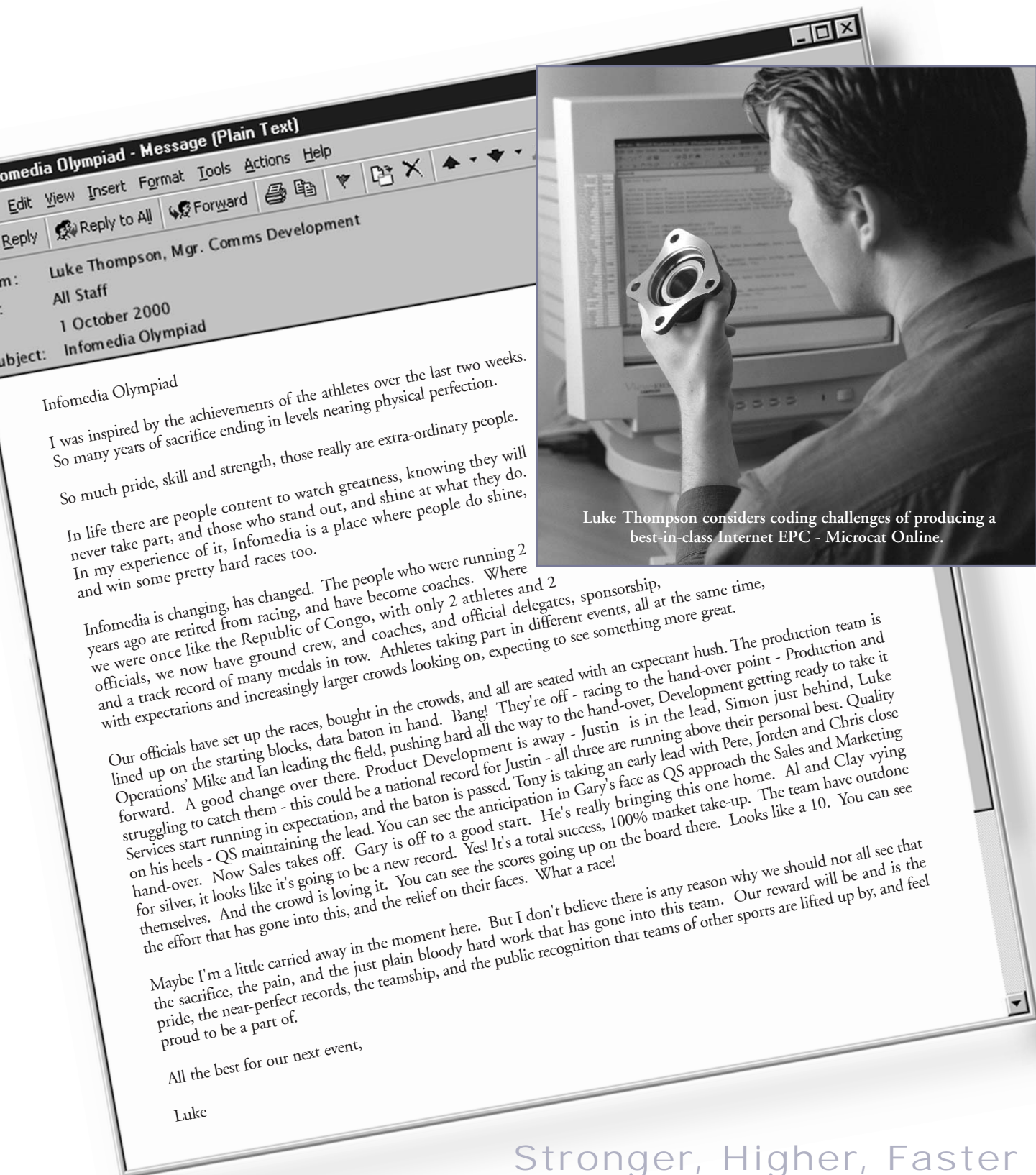


Talent flourishes in an atmosphere conducive to respect for the individual. Our headquarters is a campus style facility in Narrabeen that allows people to walk about by the lake or ocean, refreshing their body and mind.



Tina and people from more than ten countries comprise Infomedia's staff.

Achievements - FY2000



Infomedia Olympiad - Message (Plain Text)

Edit View Insert Format Tools Actions Help
Reply Reply to All Forward

From: Luke Thompson, Mgr. Comms Development
To: All Staff
Date: 1 October 2000
Subject: Infomedia Olympiad

Infomedia Olympiad

I was inspired by the achievements of the athletes over the last two weeks. So many years of sacrifice ending in levels nearing physical perfection. So much pride, skill and strength, those really are extra-ordinary people.

In life there are people content to watch greatness, knowing they will never take part, and those who stand out, and shine at what they do. In my experience of it, Infomedia is a place where people do shine, and win some pretty hard races too.

Infomedia is changing, has changed. The people who were running 2 years ago are retired from racing, and have become coaches. Where we were once like the Republic of Congo, with only 2 athletes and 2 officials, we now have ground crew, and coaches, and official delegates, sponsorship, and a track record of many medals in tow. Athletes taking part in different events, all at the same time, with expectations and increasingly larger crowds looking on, expecting to see something more great.

Our officials have set up the races, bought in the crowds, and all are seated with an expectant hush. The production team is lined up on the starting blocks, data baton in hand. Bang! They're off - racing to the hand-over point - Production and Operations' Mike and Ian leading the field, pushing hard all the way to the hand-over, Development getting ready to take it forward. A good change over there. Product Development is away - Justin is in the lead, Simon just behind, Luke struggling to catch them - this could be a national record for Justin - all three are running above their personal best. Quality Services start running in expectation, and the baton is passed. Tony is taking an early lead with Pete, Jorden and Chris close on his heels - QS maintaining the lead. You can see the anticipation in Gary's face as QS approach the Sales and Marketing hand-over. Now Sales takes off. Gary is off to a good start. He's really bringing this one home. Al and Clay vying for silver, it looks like it's going to be a new record. Yes! It's a total success, 100% market take-up. The team have outdone themselves. And the crowd is loving it. You can see the scores going up on the board there. Looks like a 10. You can see the effort that has gone into this, and the relief on their faces. What a race!

Maybe I'm a little carried away in the moment here. But I don't believe there is any reason why we should not all see that the sacrifice, the pain, and the just plain bloody hard work that has gone into this team. Our reward will be and is the pride, the near-perfect records, the teamship, and the public recognition that teams of other sports are lifted up by, and feel proud to be a part of.

All the best for our next event,

Luke

Luke Thompson considers coding challenges of producing a best-in-class Internet EPC - Microcat Online.

Stronger, Higher, Faster

The day the 27th Olympiad finished, Luke Thompson, Manager-Communication Development, circulated an email to all staff. It expresses his realisation that the essences of any elite achievement such as Olympic athletics or world-class product development, is a deep and committed human endeavour.

Executive

The charter of the Executive is to establish and maintain an environment conducive to achieving the goals established for the Company by the Board of Directors. The Executive is responsible for empowering the senior management with knowledge, strategic direction and resources to be able to achieve their departments' optimum contribution to those goals.

Throughout the year, the Executive led by Richard Graham, CEO, continued to make significant progress in transforming the Company from its entrepreneurial origins into its public company structure. This process began in the previous financial year, when Legal & Security and Human Resources were created as separate senior management roles. Mid-year, Andrew Pattinson joined the Department as Chief of Special Projects.

The predominant achievements of the Executive in the FY2000 year, were:

- Facilitating senior management according to above charter; 1
- Transition support for the new Legal & Security and HR management; 2
- Determining and planning transformation to public company; 3
- International product planning and senior client liaison; 4
- Corporate financial planning; 5
- Acquisition planning and negotiation; 6
- Support of acquisition management for smooth integration and asset maximisation; 7
- IPO planning and implementation, including due diligence and international and domestic roadshow events. 8

The continued development of the Executive team is progressing well. It is the intention of management to further strengthen the senior management team during the new financial year, through the recruitment of a Chief Financial Officer to take over those hands-on financial duties still performed by the CEO.



Achievements - FY2000



Creative and talented people flourish in an environment of respect and admiration

The Finance & Human Resources department secures, administers and develops the financial and human resources of the Company. The finance side of the department is responsible for accounting and treasury, while HR is responsible for recruitment, remuneration, recreation and retention.

Human Resources

Human Resources, led by Linda Graham-McCann, began the 2000 financial year by establishing its infrastructure and methods. Previously, HR management was the responsibility of each department manager.

HR also embarked upon an intensive recruitment campaign for Product Development. The HR team worked to add structure to the Company's policy of apprenticeship and internship. By the end of the year, the initiative encompassed programming, paralegal and network administration.

HR supported the reorganisation of the Product Development department. This saw the transformation of a monolithic team into three smaller, more focused and agile teams - Application Development, Communication Development, Data Centre Development - each one being managed by a senior developer. Staff also benefited from generalised Business and Time Management training provided by the department.

HR commenced the annual performance and remuneration review process. Working closely with department managers, HR established more formal performance and goals analysis. Personnel scholarship funds were renewed and the department worked with professional advisors to frame employee share ownership programs.

The final quarter of the year was largely focused on the smooth integration of the Datateck staff into the expanding Infomedia organisation.

Q1

Q2

Q3

Q4

Finance

During the 1999/2000 financial year, Finance, managed by Chief Accountant John Peterson, met all milestones and deadlines on time and without strain. In the latter half of the year, the department made substantial contributions to the Due Diligence process leading to the Company's Initial Public Offering.

During the first quarter, Finance brought an orderly close to the previous financial year and commenced preparation for the annual audit by Ernst & Young. In the second quarter, with the FY1999 audit complete all required statutory matters were attended to on time. Having decided in December to proceed with public listing, the department began preparations for a half-year audit.

Throughout the second half of the year, the Finance team successfully coped with the substantial increase in workload brought on by its participation in the IPO Due Diligence process. Despite this added responsibility, the Finance team admirably handled the daily workload of the business.



Achievements - FY2000



Nick Georges' mentoring is a valuable part of Michael Richardson's internship.

Legal & Security

The Legal & Security department secures, administers and develops the Company's contractual relationships with other parties. The department is responsible for supporting compliance to contracts and legislation and managing appropriate access to contracts and confidential information.

The Legal & Security department, led by Nick Georges, General Counsel and Company Secretary, operated at full capacity throughout the year in terms of productivity, throughput and infrastructure development.

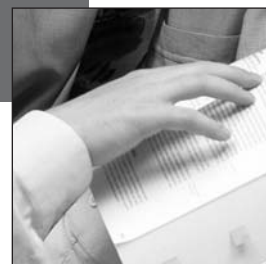
The department worked on a variety of specific projects such as providing support to HR and Product Development for visa applications and service agreements, due diligence on acquisitions, company secretarial functions, and most significantly, participation in the Company's IPO due diligence process.

Building upon the foundation begun in the previous financial year, the Legal & Security department made positive progress in establishing a strong and able legal resource. Legal & Security has worked to protect Infomedia's intellectual property globally through the registration of trademarks and securing key domain names.

Infomedia's environmental contribution

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

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



Achievements - FY2000



Simon Forwood leads a Data Centre think tank group to develop leading-edge data handling models.

Product Development

The Product Development department creates and maintains the Company's software products, software manufacturing tools, software data and image processing tools and participates in the design and analysis stages of development work. The department is also responsible for the warehousing of client data and the pre-processing of the data for product assembly. The Product Development team experienced significant expansion throughout the year, both in terms of team size and product throughput.

The department, led by Director of Product Development, Ian Joicey, provided the Company with three new versions of Microcat. These included Microcat for Ford Canada, Ford Japan and Daihatsu Europe. Each of these versions of Microcat required solving programming and production challenges not previously encountered. Work continued on the Internet initiative, Microcat Online.

Q1

The department underwent a reorganisation that resulted in establishment of three specialised teams: Application Development, led by Justin Sher; Data Centre Development, led by Simon Forwood; and Communication Development, led by Luke Thompson. This new structure provides more flexibility of task and resource allocation and provides greater personal development potential for the group managers.

Q2

Application Development is responsible for programming the core Microcat application for newly acquired data licenses and for the update and improvement of existing Microcat applications. The Data Centre team implements more powerful data management models to support our traditional and online delivery methods. Communication Development specialises in Internet programming for Microcat Online and communications interfaces between Microcat and dealership accounting systems.

The benefits of the re-organization were seen as the department delivered more new versions of Microcat for the world market. These included Microcat for Ford USA and Ford Mexico. Development of Microcat Online continued and moved into limited testing over the Internet. This quarter saw the completion of a massive technology upgrade that had commenced during the previous quarter. This involved the deployment of new processing power for every member of staff and a high-security isolated network to assure security of the Company's and its clients' intellectual property.

Q3

The department's contributions continued with the deployment of Infomedia's Internet enabling technologies. These were concurrent licensing authorisation and remote pricing updates for Microcat. Both were launched with the April release of Microcat for Ford Mexico. The developers also delivered new versions of Microcat for Hyundai and Honda in Australia. These products were created and released in less than twelve weeks.

Q4

A fourth team, Multimedia Development, was added to the department, led by Robert Davidson. This team immediately applied its skills to the unique user-interfaces of Microcat Online, which moved to alpha testing.

Datateck developers met their Sydney-based colleagues and exchanged ideas and information. During this last quarter of the year, they stayed focused on the continuous improvement of automotive and whitegoods versions of Partfinder. A new release of the Telstra White Pages CD-ROM was also prepared.

Generally throughout the year, the department director and managers have embraced our company goals of quality product development, business with integrity and personnel development.



Achievements - FY2000



Key to the department's success are its image keying specialists who have enhanced more than 250,000 illustrations.



Production and Operations

The Production and Operations department manages the product assembly and manufacturing processes. This is the point where data is turned into a CD/DVD-ROM product. The department is also responsible for pre-processing and keying all image data elements. Keying provides a sense of intelligence to inanimate data. The department's graphic artists and illustrators generate new illustrations for some versions of our products, as well as much of the Company's brochure and advertising artwork.

Throughout the year, the Production and Operations team focused on improving processes and utilising increased capital infrastructure to handle more input elements, to increase throughput.

The department, led by Michael Foster, Director of Production and Operations - Sydney, worked in conjunction with Product Development to release new versions of Microcat for Canada, Japan and Europe. In addition, the department produced six other versions of Microcat each month. Plans were made to introduce more automation and higher performance equipment to support the larger workload resulting from the new releases. Negotiations established Sony Disc Manufacturing Inc. as the DVD-ROM duplication supplier for North America.

The Production and Operations team supported pre-release beta-testing of Microcat for North America and Europe. This involved great persistence and effort on the part of the team to cycle through numerous database revisions and re-manufacturing processes until the product was ready for final production release. As part of the overall technology upgrade, the department implemented its plan for a unique 'data assembly plant'. As a result, production times were reduced and first-time quality assurance passes increased.

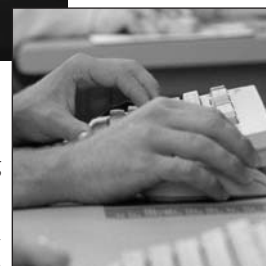
The department focused on pre-processing and image keying of the Honda and Hyundai data elements. The team worked closely with Product Development and Sales and Marketing teams during the pre-release phase of these new versions. Senior Graphic Artist, Helene Ruma, commenced design of the prospectus the Company issued for the IPO. Integration of the technology upgrade continued and the 'data assembly plant' commenced its ramp-up.

By the end of the fourth quarter, the department was handling the monthly manufacture of eleven versions of the Microcat system. They coordinated the monthly duplication of more than 38,000 discs from four locations - the USA, Austria, and 2 in Australia. More seamless links between the Quality Services and product rework teams were established. The IPO prospectus moved into its final presentation structure and the Infomedia website was prepared to handle its electronic release.

During the year, the department made bold strides to increase capacity while reducing costs per unit. This was realised through planning, training and capital expenditure. Mid-year, the department demonstrated its maturity and stability with the successful senior management transition from Andrew Pattinson to Michael Foster. Michael's promotion resulted in the successful upward movement of other personnel.



Michael Foster stands before the data assembly plant.



Q1

Q2

Q3

Q4

Achievements - FY2000



Courtney Sloane rushes the latest batch of CD ROMs to be dispatched to users around the world.

Sales and Marketing

The Sales and Marketing department manages the successful and profitable commercialisation of the Company's intellectual property, products and services. The department is responsible for developing, implementing and monitoring sales and promotion strategies.

Throughout the year, Sales and Marketing grappled with establishing a departmental structure to keep pace of triple digit growth and rapid product releases. For most of the year, the department was generally short handed for the volume of business it managed. However, by the end of the financial year a clear recruitment plan had emerged that would establish new staff positions to control orderly growth.

The department, led by Gary Martin, Director of Sales and Marketing, was intensely focused on three significant product rollouts - Microcat for Ford Canada, Ford Japan and Daihatsu Europe. The department was directly involved with establishing distribution channels and providing distributor product orientation. The team also liaised between customers and Product Development to fine-tune product releases. Domestically, the team commenced use of the Fordstar satellite television system to deliver monthly training sessions to Ford dealers around Australia and New Zealand.

Microcat for Ford North America and Daihatsu Europe continued as the department's main focus. Pre-release trials were run in the US and user comments for improvements were communicated to the developers. The department established specifications with Ford Europe for a major expansion of Microcat's functionality to support productivity gains in dealership service departments. The team worked with European and North American distributors to establish the administrative routine. Advances were made to selected automakers to secure licenses to reproduce their data in new Microcat versions.

Quality Services, led by Tony Magnus, Manager, resides within this department. During his first quarter with the Company, Tony and his team introduced rigorous assurance procedures. Quality Services also worked with Product Development to create a suite of automated testing tools to reduce human testing fatigue.

The main focus of the first half-year came to fruition and delivered revenue growth. With the Company's first full United States release, Sales and Marketing pursued a strategy to build-up market recognition and acceptance, distributor capabilities and third party training support. In a modest but well attended booth, the team demonstrated Microcat at the North America Dealer Association show. A third-party relationship was nurtured with a USA firm that provides one-on-one Microcat training to users. In New Zealand, Microcat was selected over the competition for use by the Ford Retail Joint Venture initiative.

Soon after the acquisition of Datateck, the two sales and support teams merged into one and successfully launched Microcat for Hyundai in April and for Honda in May. These were two record setting launches with 100% of dealers quickly taking up Microcat. On the other side of the world, another record was being set with the launch of Microcat for Ford Mexico. There, for the first time, the dealers were using our new Internet based concurrent licensing technology instead of Infomedia proprietary dongles. By the end of the quarter, the department was organising the international Microcat Internet Workshop in Leura, NSW. Infomedia used the Workshop, attended by senior management from automakers and distributors, to preview the Company's approach to providing effective EPC delivery via the Internet.



Q1

Q2

Q3

Q4

Achievements - FY2000



Barry Pow and his illustrator colleagues apply years of skill and knowledge into the illustration of a part image.



The role of the Datateck Publishing division is to develop, manage and successfully commercialise original data and information research, for selected industries that utilise significant replacement parts strategies.

Throughout the year, the division's data analysts, illustrators, and research specialists focused on enhancing existing publication assets as well as redesigning or creating new ones, especially for the Internet or inclusion with the Company's EPC products.

As Datateck became part of Infomedia only during the last quarter of the financial year, it is more appropriate to review here the overall achievements of the division rather than quarterly ones.

Data Management Outsourcing

Datateck has a long standing and excellent reputation for handling vital cataloguing and service documentation for Australian automakers. Led by Mike Reece, New Business Development Executive, and Michael Roach, Manager of Production and Operations - Melbourne, the outsourcing team has performed for leading automakers including Ford, GM-Holden, Mercedes, and Toyota to name a few.

This team of analysts and illustrators have a rich tradition and experience in this type of specialised work. The Division is able to support automakers for short-term special projects or takeover the automaker's entire cataloguing activity.

Throughout the year the team provided the Australian data analysis for the Audatex system as well as parts illustrations for GM-Holden. For Toyota, the divisions analysis wrote franchised service manuals, while for Mercedes and the Australian Defence Forces the team developed highly specialised documentation for certain vehicles.

Original Research - Oil Industry

Datateck has a special relationship with leading Australian oil companies led by Project Manager Peter Bates. Datateck researches, collects and maintains generic lubricant information and data pertaining to the servicing of automotive and other mechanical devices sold in Australia and New Zealand. It then correlates these generic specifications to specific oil company product equivalents. This work assists lubricant stockists to identify their branded lubrication product, according to specifications of the original equipment manufacturer.

Datateck published the PC Lube database as customised books for each oil company's products as well as providing the database for use on the companies' Internet sites.



Achievements - FY2000



Alan Emery is confident that Partfinder[®] for Whitegoods will be the toast of the appliance repairer industry.

Partfinder® for Whitegoods

Alan Emery is the Project Manager for the division's first EPC outside of the automotive arena. Partfinder for Whitegoods was created in conjunction with parts data supplied by Australian appliance manufacturer and distributor Email Limited.

The division expects to continue to mature the development and marketing of this EPC publication throughout the 2001 financial year. It anticipates this genre of EPC will experience an escalation in demand during the 2002 financial year, and accordingly is planning additional investments in further product development and marketing to ensure supply.

Lubrication and Tune-Up Guide

For 39 years Datateck has produced this well respected publication. For the first time in its history, the 800 page guide is being opened to advertising, which is expected to be the start of a significant new revenue stream for the division's publications. The guide provides automotive workshop operators and mechanics necessary service metrics information in a time-tested fashion.

The next publication will be supported by a direct marketing campaign to increase sales and penetration. A pay-as-you-go Internet version of the guide has also been developed and is projected for release during the 2001 calendar year.

Partfinder for Independent Motor Trade

Partfinder for Independent Motor Trade (IMT) is under development for use by independent mechanics and repairers. Partfinder IMT will support the identification of replacement parts directly in the workshop or service bay.

For years the independent motor trade has needed a reasonably priced, illustration driven front end to their quotation and business management systems. Prior to Pathfinder IMT, such systems were generally limited to text-only user interfaces.

Once completed, the new Datateck initiative will be able to cover all leading vehicle brands sold in Australia. However, each OEM will have to approve the release of their data to the trade.



Outlook - FY2001



COMPACT disc DATA STORAGE

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TOYOTA

Microcat®
electronic parts selling system
Monthly MAX™
An Infomedia MAX Technology

Microcat has transformed parts catalogues from reference books to business tools .



Infomedia's growth outlook for FY2001 is strong. The Directors have forecast a near doubling of revenue to 30 June 2001 to \$41,974,000. Similarly both EBITDA and profits after tax are forecast to grow to \$24,689,000 and \$15,930,000 respectively. Due to its recurrent revenue structure, the Company is on track to achieve substantial growth.

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

The Company intends to increase its subscriber base by:

- Completing more vehicle manufacturer data license agreements and producing new versions of Microcat;
- Achieving deeper penetration of products in existing customer base, especially in service departments;
- Completing agreements to allow Infomedia's licensed products to be used by non-franchised users such as fleets, insurance assessors and independent repairers;
- Introducing Internet versions of Microcat to serve non-dealer catalogue users;
- Completing agreements to have existing data licenses expanded into new territories; and
- Marketing ancillary products directly to dealers in association with agents.

Acquisitions

The second platform for growth is through selective acquisitions which can increase the breadth of Infomedia's data license agreements, introduce new subscribers or provide core intellectual property and products. Infomedia expects that it will continue to acquire other organisations and intellectual property, both domestically and internationally, to complement its business.

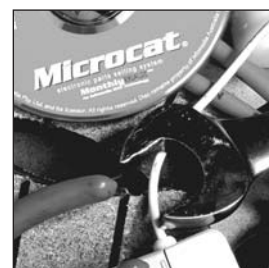
In making acquisitions Infomedia will seek:

- Intellectual property associated with new and enabling technologies applicable to automotive business tools (for example products that will assist Infomedia to further serve its subscriber and distribution network) and extending Infomedia's product suite into new industries;
- Data license agreements not presently represented; or
- Additional EPC product subscriber licensees.

Internet Deployment

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

Pilot runs of these products are anticipated to commence by December 2000 for North America.





Microcat as an Advertising Medium

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

New Industries for Microcat and Partfinder

Although Infomedia developed its EPC products specifically for the automotive industry, the systems are equally relevant to any industry that manufactures or distributes merchandise which is defined by models, is repairable, has many replaceable parts and is supported by a significant number of decentralised repair outlets.

While Infomedia is keenly focused on the global automotive industry, the Company also produces a whitegoods version of Partfinder for some Australian whitegoods manufactured and distributed by Email Limited. Infomedia will continue to develop this market towards its full potential in the years ahead.

A company built to last

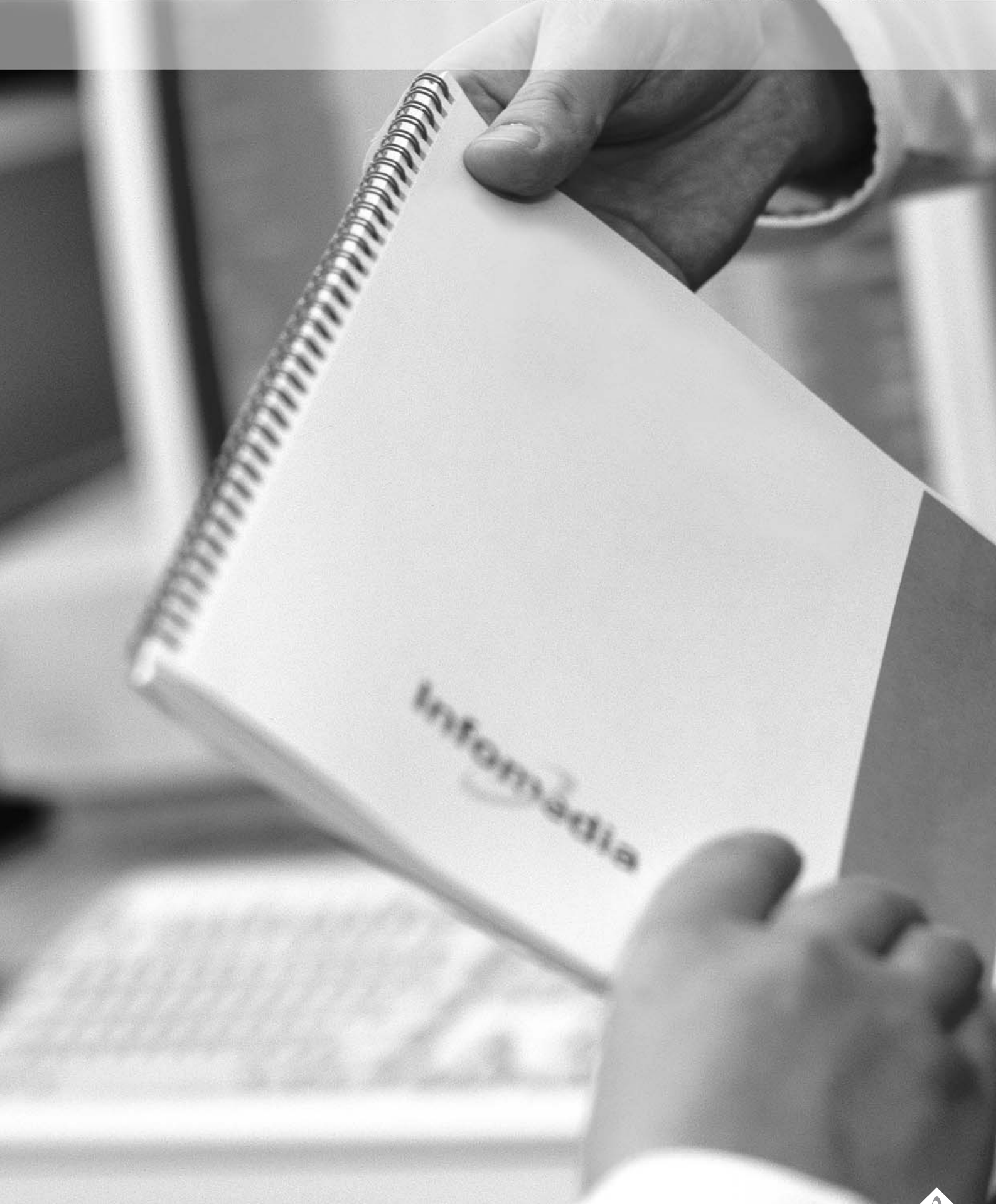
The next year will see continued growth in market share for Infomedia's key products of Microcat and Partfinder. New products and services will be released. The business solutions offered in CD/DVD-ROM based data management will be augmented by the successful automotive publishing projects acquired with Datateck.

Furthermore, the next generation of Infomedia products and services are in development. Some of these will be in the market in the coming year. While it is the Company's general policy to retain strict confidentiality about commercially sensitive product information development, it will provide shareholders non-sensitive updates about new developments in its intra-year reports. Acquisitions will add revenue, products, and experienced and committed management and staff.

Today, Infomedia views the Internet as an unregulated public utility that will, over time, mature into a reliable telecommunications facility for business. But just like the telephone or facsimile, it will be the quality and effectiveness of the business application which traverses the facility that will win and keep customers and not the mere existence of the facility. When Infomedia releases its EPC products and services via the Internet, they will be commercially effective, technically reliable and profitably implemented.

Infomedia's listing on the ASX is a solid step toward the construction of a new Australian based information science company. The completion of Infomedia's IPO is the beginning of the next phase of material business growth and product development. Infomedia's management team has been committed for more than a decade to create a company built to last and they remain fully engaged in that commitment today.

FY2000 Audited Accounts



Directors' Report

Your FY2000 Directors



From left to right: Richard Graham, Myer Herszberg, Linda Graham-McCann, Fran Herson and Barry Ford.

Your directors submit their report for the year ended 30 June 2000. The names and details of the directors of the Company in office during the financial year and until the date of this report are:

Richard Graham Chairman and CEO

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

Barry Ford Non-Executive Director (Chairman of Audit and Corporate Governance Committee)

Barry Ford was appointed to the Infomedia Board of Directors on the 19 June 2000. Mr Ford was Director of Finance and Chief Financial Officer of Goodman Fielder Ltd from 1997 to 1999 and has sat on a number of boards, including the Island Food Company and Yallourn Energy where he was Chairman of the Audit Committee. Mr Ford held various financial management positions at General Motors Corporation between 1964 and 1989.

Fran Herson Non-Executive Director (Chairman of Remuneration Committee)

Fran Herson was appointed to the Infomedia Board of Directors on the 19 June 2000. Ms Herson has a background in publishing. She has held various senior editorial and publicity positions at Channel 10, the Sunday Telegraph and New Woman magazine. Since joining the NRMA in 1993 as Managing Editor of Open Road magazine she has held several senior positions including Manager of Business Communications and most recently, Manager of Multi-Business Solutions for NRMA Information Services Division.

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 founder and proprietor of Melbourne's Denman Audio chain 25 years ago, he has also brought many leading edge electronic products to Australia.

Linda Graham-McCann Executive Director, Human Resources

Linda Graham-McCann was appointed to the Board of Directors on the 11 May 2000. She has held senior management positions in the Australian computer industry since 1980. She commenced her career at ComputerLand Australia Pty Ltd. From 1983 to 1988 she was Managing Director of Microsoft Australia Pty Ltd. Ms Graham-McCann retired to her NSW country property for a decade before joining Infomedia in 1999 as Director of Human Resources.

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

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 Laboratory Pty Limited	116,277,501	-
Rentamobile Pty Limited	35,717,154	-
Yarragene Pty Limited	57,304,445	-
Wiser Centre Pty Limited	1,000,000	-
Richard Graham	-	450,000
Myer Herszberg	-	450,000
Linda Graham-McCann	25,000	-
Barry Ford	50,000	200,000
Fran Hernon	5,000	200,000

Richard Graham is the sole director and beneficial shareholder of Wiser Laboratory Pty Limited. Richard Graham and Linda Graham-McCann are directors of Wiser Centre Pty Limited, trustee for the Sidford Superannuation Fund. Myer Herszberg is a director and major shareholder of Rentamobile Pty Limited and Yarragene Pty Limited.

PRINCIPAL ACTIVITIES

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

- developer and supplier of electronic parts catalogues 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.

EARNINGS PER SHARE CENTS

Basic earnings per share 2.40
Diluted earnings per share 2.30

The number of ordinary shares on issue used in the calculation of basic and dilutive earnings is 315,499,190 and 325,501,510 respectively.

DIVIDENDS

Dividends paid in the year:
· on ordinary shares \$8,721,600

REVIEW AND RESULTS OF OPERATION

Financial

The consolidated entity experienced a significant improvement in both sales and profits in the last year. Operating revenue increased by 98% and operating profit before tax increased by 102%

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 31 March 2000, the Company acquired 100% of the share capital in Datateck Publishing Pty Limited, being 4 ordinary shares of \$1, as well as providing a loan of \$4,978,288 to discharge an outstanding loan.

On 31 May 2000, the Company changed its name from Infomedia Australia Pty Ltd to Infomedia Pty Limited.

On 19 June 2000, the shares were split to increase the number of shares issued from 480,000 to 296,499,190 in preparation for listing on the ASX.

On the 14 July 2000 the changed from a proprietary company to a public company.

SIGNIFICANT EVENTS AFTER THE THE BALANCE DATE

On 16 August 2000 the parent entity listed on the ASX and offered 19,000,000 new ordinary shares of \$1.00 each.

On 21 August 2000 the parent entity entered into a Call Option to purchase the business of Online Computing Pty Limited, a Perth based software development house established in 1976. The option must be exercised on or before 31 October 2000, or be forfeited.

On 31 August 2000 the commercial bill of \$5,000,000 was repaid in full from the float proceeds.

On 1 September 2000 3,675,352 ordinary shares were offered under the Selective Share Plan.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The directors foresee that the 2001 financial year will be a period of managed growth of its traditional business and maximising the integration success of its acquisitions made. The most significant area for change will be in:

- continued expansion of subscription revenues for Infomedia's products;
- continued development of Infomedia's software including delivery via the Internet;
- organisation of an enhanced product range arising from the acquisition of new businesses.

It was anticipated that the 2001 financial year would show continued improvement in profits.

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

Directors' Report

SHARE OPTIONS

Unissued shares

As at the date of this report, there were 1,300,000 unissued ordinary shares under options with an exercise price of \$1.00. The option holders include directors, Richard Graham, Myer Herszberg, Barry Ford and Fran Heron. Mr Ford and Ms Heron may exercise their options in three equal tranches after each anniversary of their engagement by the Company and prior to 28 June 2003. In recognition of their past service with the Company Mr Graham and Mr Herszberg may exercise their options at any time after 19 June 2001 and prior to 19 June 2003.

Selective Share Plan

The Company will offer Shares to selected persons on set offer dates. Under the Selective Share Plan, the participants are limited to 17 individuals named in the Schedule to the Plan. The total number of Shares offered will be 8,802,320. The consideration for each Share offered will be nil unless otherwise determined by the Directors. At the date of this report, 3,675,352 shares have been offered to selected persons pursuant to the Selective Share Plan.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, the Company has paid premiums in respect of a contract insuring all the directors of Infomedia Ltd against costs incurred in defending proceedings for conduct involving:

- (a) a willful breach of duty; or
- (b) a contravention of Sections 182 or 183 of the Corporations Law, as permitted by section 199B of the Corporations Law.

The total amount of insurance contract premiums paid was \$19,184. This amount has not been included in Directors' Remuneration.

DIRECTORS' AND OTHER OFFICERS' EMOLUMENTS

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the directors and the executive team. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers 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.

To assist in achieving these objectives, the Remuneration Committee links the nature and amount of executive directors' and officers' emoluments to the Company's financial and operational performance.

Details of the nature and amount of each element of the emolument of each director of the Company and the consolidated entity:

Emoluments of directors of Infomedia Ltd

	ANNUAL EMOLUMENTS			LONG TERM EMOLUMENTS
	Base Fee	Bonus	Other	Superannuation
	\$	\$	\$	\$
Richard Graham	135,827	-	8,033	9,508
Myer Herszberg	-	-	-	-
Linda Graham-McCann	92,340	-	-	1,966
Barry Ford	9,205	-	-	644
Fran Heron	5,590	-	-	391

The elements of emoluments have been determined on the basis of the cost to the Company and the consolidated entity.

The category 'Other' includes the value of any non-cash benefits provided.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Infomedia Ltd support and have adhered to the principles of corporate governance.

As at the date of this report, the Company had an Audit Committee, a Remuneration Committee and Corporate Governance Committee of the Board of Directors. The Audit, Corporate Governance and Remuneration Committee's were established on the 19 June 2000. Prior to this, such matters were dealt with by the full Board.

The members of the Audit and Corporate Governance Committees are Barry Ford, Fran Heron and Myer Herszberg. They are also members of the Remuneration Committee, as is Linda Graham-McCann.

Signed in accordance with a resolution of the directors.



Richard Graham
Chairman
Sydney, 7 September 2000

Profit & Loss Statement

YEAR ENDED 30 JUNE 2000

Notes

		CONSOLIDATED		INFOMEDIA LTD	
		2000	1999	2000	1999
		\$	\$	\$	\$
OPERATING REVENUE	2	21,696,249	10,933,369	20,604,906	10,933,369
OPERATING PROFIT BEFORE INCOME TAX	2	12,119,969	5,985,781	11,958,721	5,985,781
INCOME TAX ATTRIBUTABLE TO					
OPERATING PROFIT	3	4,457,233	1,910,984	4,326,029	1,910,984
OPERATING PROFIT AFTER INCOME TAX		7,662,736	4,074,797	7,632,692	4,074,797
RETAINED PROFITS at the beginning of the financial year		3,972,637	272,240	3,972,637	272,240
TOTAL AVAILABLE FOR APPROPRIATION		11,635,373	4,347,037	11,605,329	4,347,037
DIVIDENDS PROVIDED FOR OR PAID	4	8,721,600	374,400	8,721,600	374,400
RETAINED PROFITS at the end of the financial year		2,913,773	3,972,637	2,883,729	3,972,637

Balance Sheet

AT 30 JUNE 2000

Notes

		CONSOLIDATED		INFOMEDIA LTD	
		2000	1999	2000	1999
		\$	\$	\$	\$
CURRENT ASSETS					
Cash on hand		1,242,629	4,153,231	362,607	4,153,229
Receivables	5	3,286,673	2,373,208	2,606,727	2,373,208
Investments	6	-	39,200	-	39,200
Inventories	7	115,163	-	-	-
Other	8	2,298,698	14,490	1,920,291	14,490
TOTAL CURRENT ASSETS		6,943,163	6,580,129	4,889,625	6,580,127
NON-CURRENT ASSETS					
Receivables	9	-	-	5,634,653	-
Investments	10	-	-	6	2
Property, plant and equipment	12	2,117,452	1,269,653	1,916,188	1,269,653
Intangibles	13	4,265,451	-	-	-
Other	14	248,332	-	164,239	-
TOTAL NON-CURRENT ASSETS		6,631,235	1,269,653	7,715,086	1,269,655
TOTAL ASSETS		13,574,398	7,849,782	12,604,711	7,849,782
CURRENT LIABILITIES					
Accounts payable	15	2,247,587	863,058	2,123,230	863,058
Borrowings	16	5,050,940	376,890	5,050,940	376,890
Provisions	17	2,140,408	2,042,408	1,710,060	2,042,408
Other	18	389,664	-	-	-
TOTAL CURRENT LIABILITIES		9,828,599	3,282,356	8,884,230	3,282,356
NON-CURRENT LIABILITIES					
Borrowings	19	40,343	91,243	40,343	91,243
Provisions	20	311,683	23,546	316,409	23,546
TOTAL NON-CURRENT LIABILITIES		352,026	114,789	356,752	114,789
TOTAL LIABILITIES		10,180,625	3,397,145	9,240,982	3,397,145
NET ASSETS		3,393,773	4,452,637	3,363,729	4,452,637
SHAREHOLDERS' EQUITY					
Share capital	21	480,000	480,000	480,000	480,000
Retained profits		2,913,773	3,972,637	2,883,729	3,972,637
TOTAL SHAREHOLDERS' EQUITY		3,393,773	4,452,637	3,363,729	4,452,637

Statement of Cash Flows

YEAR ENDED 30 JUNE 2000

Notes

		CONSOLIDATED		INFOMEDIA LTD	
		2000	1999	2000	1999
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		20,849,700	9,130,790	19,748,836	9,130,790
Payments to suppliers and employees		(8,701,852)	(4,039,670)	(8,291,587)	(4,039,670)
Interest received		191,852	73,264	188,763	73,264
Borrowing costs		(130,487)	(8,321)	(39,266)	(8,321)
Income tax paid		(4,735,903)	-	(4,712,784)	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	22 (a)	7,473,310	5,156,063	6,893,962	5,156,063
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment		(1,444,357)	(1,153,552)	(1,131,545)	(1,153,552)
Proceeds from sale of investments		235,809	-	235,809	-
Purchase of business	22 (e)	(5,121,107)	-	-	-
Purchase of options		(99,849)	(39,200)	(99,849)	(39,200)
Cash acquired in purchase of business	22 (e)	113,062	-	-	-
Purchase of shares		-	-	(4)	(2)
NET CASH FLOWS/(USED IN) INVESTING ACTIVITIES		(6,316,442)	(1,192,752)	(995,589)	(1,192,754)
CASH FLOWS FROM FINANCING ACTIVITIES					
Advances-related parties		(240,000)	-	(5,861,525)	-
Repayments of advances-related parties		240,000	-	240,000	-
Borrowings-other		5,000,000	190,591	5,000,000	190,591
Borrowing repayments-other		(308,451)	-	(308,451)	-
Dividends paid on ordinary shares		(8,721,600)	(374,400)	(8,721,600)	(374,400)
Finance lease principal		(37,419)	(22,919)	(37,419)	(22,919)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(4,067,470)	(206,728)	(9,688,995)	(206,728)
NET (DECREASE)/INCREASE IN CASH HELD		(2,910,602)	3,756,583	(3,790,622)	3,756,581
Add opening cash brought forward		4,153,231	396,648	4,153,229	396,648
CLOSING CASH CARRIED FORWARD	22 (b)	1,242,629	4,153,231	362,607	4,153,229

Notes to the Financial Statements

AT 30 JUNE 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention.

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Law which includes applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

(b) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous year.

(c) Principles of consolidation

The consolidated financial statements are those of the economic entity, comprising Infomedia Ltd (the parent entity) and all entities which Infomedia Ltd controlled from time to time during the year and at balance date.

Information from the financial statements of subsidiaries is included from the date the parent company obtains control until such time as control ceases. 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 the parent company has control.

Subsidiary acquisitions are accounted for using the purchase method of accounting.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All intercompany balances and transactions, including recognised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

(d) Foreign currencies

Translation of foreign currency transactions

Transactions in foreign currencies of entities within the consolidated entity are converted to local currency at the rate of exchange ruling at the date of the transaction.

Amounts payable to and by the entities within the consolidated entity 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 financial year.

Except for certain specific hedges and hedges of foreign currency operations, all resulting exchange differences arising on settlement or re-statement are brought to account in determining the profit or loss for the financial year, and transaction costs, premiums and discounts on forward currency contracts are deferred and amortised over the life of the contract.

(e) Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at the lower of cost and net recognised value.

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 2 working days, net of outstanding bank overdrafts.

(f) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

(g) Investments

All other non-current investments are carried at the lower of cost and recoverable amount.

AT 30 JUNE 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Inventories

Manufacturing

Inventories are valued at the lower of cost and net recognised 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; and
- Work-in-progress - cost of direct labour and materials.

(i) Recoverable Amount

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

(j) Property, plant and equipment

Cost and valuation

Property, plant and equipment are carried at cost.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment, other than freehold land.

Major depreciation periods are:

	2000	1999
Freehold buildings:	40 years	40 years
Leasehold improvements:	6 years	6 years
Plant and equipment:	3 to 15 years	3 to 15 years
Plant and equipment under lease:	3 years	3 years

(k) Leases

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

Operating leases

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

Contingent rentals are recognised as an expense in the financial year in which they are incurred.

Finance leases

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

Capitalised lease assets are depreciated over the estimated useful life of the assets. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and charged directly to profit and loss.

The cost of improvements to or on leasehold property is recognised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

(l) Intangibles

Goodwill

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

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

Notes to the Financial Statements

AT 30 JUNE 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(n) Revenue in advance

Certain contracts allow annual subscriptions to be invoiced in advance. Revenue relating to the subscription period beyond balance date is recorded as a current liability.

(o) Loans and borrowings

All loans are measured at the principal amount. Interest is charged as an expense as it accrues.

Finance lease liability is determined in accordance with the requirements of AASB 1008: Leases.

(p) Share capital

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

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

(q) 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

Control of goods under a period of license has passed to the buyer.

Production charge

Control of a right to be compensated for the conversion of paper medium catalogue to electronic form has been attained and stage of completion can be reliably measured.

Interest

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

(r) Income tax

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

The income tax expense for the year is calculated using the 36% tax rate, however the deferred tax balances have been adjusted for the decreased corporate tax rate of 34% for the tax year 2000-01 and 30% thereafter. The adjustment recognises that reversal of timing differences will occur within the 2000-01 or later income tax year, at which time tax will be attributed at a lower rate. The corresponding adjustment has been charged to income tax expense.

AT 30 JUNE 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Employee entitlements

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee entitlements expected to be settled within twelve months of the reporting date are measured at their nominal amounts. All other employee entitlement liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities which have terms to maturity approximating the terms of the related liability are used.

Employee entitlements expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave entitlements; and
- other types of employee entitlements are charged against profits on a net basis in their respective categories.

The value of the employee share scheme described in note 24 is not being charged as an employee entitlement expense.

In respect of the consolidated entity's accumulated benefits superannuation plans, any contributions made to the superannuation funds by entities within the consolidated entity are charged against profits when due.

(t) Derivative financial instruments

Forward exchange contracts

The consolidated entity enters into forward exchange contracts where it agrees to sell specified amounts of foreign currencies in the future at a predetermined exchange rate. The objective is to match the contract with anticipated future cash flows from sales and purchases in foreign currencies, to protect the consolidated entity against the possibility of loss from future exchange rate fluctuations. The forward exchange contracts are usually for no longer than 12 to 24 months.

Forward exchange contracts are recognised at the date the contract is entered. Exchange gains or losses on forward exchange contracts are charged to the profit and loss except those relating to hedges of specific commitments which are deferred and included in the measurement of the sale or purchase.

(u) Research and development costs

Research and development costs are expensed as incurred.

Notes to the Financial Statements

30 JUNE 2000

Notes

2. OPERATING PROFIT

The operating profit before income tax is arrived at after charging/(crediting) the following items:

Amortisation of non-current assets

Goodwill

109,370 - - -

Leasehold improvements

20,437 31,064 20,437 31,064

Plant and equipment under lease

72,973 20,400 58,609 20,400

202,780 51,464 79,046 51,464

Depreciation of non-current assets

Plant and equipment

372,063 53,429 368,804 53,429

Buildings

6,179 6,000 6,179 6,000

378,242 59,429 374,983 59,429

Bad and doubtful debts

Trade debtors

- 2,674 - 2,674

Borrowing costs expensed

Interest expense

Other related parties

- controlled entities

- 2,029 - 2,029

Other persons/corporations

119,511 27,966 28,290 27,966

119,511 29,995 28,290 29,995

Other borrowing costs

Finance charges - lease liability

10,976 6,293 10,976 6,293

Total borrowing costs

130,487 36,288 39,266 36,288

Operating lease rental

- minimum lease payments

132,612 - 108,670 -

Net (profit)/loss on disposal of investments

(96,760) - (96,760)

Research and development costs

614,899 395,532 614,899 395,532

Other provisions

Provision for employee entitlements

228,076 48,869 183,030 48,869

Included in the operating profit are the following revenues arising from operating activities:

Sales revenue

20,744,839 10,388,133 19,643,997 10,388,133

Production charge

297,021 261,567 297,021 261,567

Freight charge

41,232 30,392 41,232 30,392

Export development grant

40,968 50,555 40,968 50,555

Sundry income

97,404 1,378 96,864 1,378

Foreign currency exchange gain

47,124 128,080 47,124 128,080

Interest

- other related parties

- - 13,128 -

- controlled entities

29

- - 1,800 -

- directors & director related entities

29

190,052 73,264 186,963 73,264

- other persons/corporations

191,852 73,264 201,891 73,264

AT 30 JUNE 2000

Notes

	CONSOLIDATED		INFOMEDIA LTD	
	2000	1999	2000	1999
	\$	\$	\$	\$
2. OPERATING PROFIT (cont'd)				
Proceeds on sale of non-current assets	235,809	-	235,809	-
Operating revenue	21,696,249	10,933,369	20,604,906	10,933,369
3. INCOME TAX				
The prima facie tax, using tax rates applicable in the country of operation, on operating profit differs from the income tax provided in the financial statements as follows:				
Prima facie tax on operating profit	4,363,189	2,154,881	4,305,140	2,154,881
Tax effect of permanent differences				
Non deductible depreciation	5,035	2,961	5,035	2,961
Legal expense	11,400	22,336	11,400	22,336
Entertainment	10,974	6,606	10,900	6,606
Other items (net)	(786)	-	(786)	-
Depreciation of buildings	2,224	-	2,224	-
Amortisation of intangible assets	39,373	-	-	-
Over provision of previous year	(48,986)	(31,980)	(48,986)	(31,980)
Adjustment to deferred tax balances	75,674	-	46,250	-
Tax losses utilised	-	(243,820)	-	(243,820)
Net profit attributable to change in income tax rate	(864)	-	(5,148)	-
Income tax expense attributable to operating profit	4,457,233	1,910,984	4,326,029	1,910,984
4. DIVIDENDS PAID				
Dividends paid during the year				
Franked dividends - ordinary	8,721,600	374,400	8,721,600	374,400
The tax rate at which dividends were franked is 36% (1999: 36%)				
The amount of franking credits available for the subsequent financial year are:				
- franking account balance as at the end of the financial year	2,068	345,383	2,068	345,383
- franking credits that will arise from the payment of income tax payable as at the end of the financial year	2,781,090	3,268,359	2,554,164	3,268,359
	2,783,158	3,613,742	2,556,232	3,613,742

Notes to the Financial Statements

AT 30 JUNE 2000

Notes

		CONSOLIDATED		INFOMEDIA LTD	
		2000	1999	2000	1999
		\$	\$	\$	\$
5. RECEIVABLES (CURRENT)					
Trade debtors		3,002,711	2,289,782	2,331,721	2,289,782
Provision for doubtful debts		-	-	-	-
		3,002,711	2,289,782	2,331,721	2,289,782
Other debtors		259,771	83,426	250,815	83,426
Amounts other than trade debts receivable from related parties:					
Directors and director-related entities	29	24,191	-	24,191	-
		3,286,673	2,373,208	2,606,727	2,373,208
(a) Australian dollar equivalent of amounts receivable in foreign currencies not effectively hedged:					
New Zealand dollars		20,797	-	7,782	-
		20,797	-	7,782	-
(b) Terms and conditions relating to the above financial instruments					
(i) Credit sales are on 30 day terms.					
(ii) Details of the terms and conditions of related party receivables are set out in Note 29.					
6. INVESTMENTS (CURRENT)					
Options listed on the ASX - at cost.		-	39,200	-	39,200
7. INVENTORIES (CURRENT)					
Raw materials					
At cost		17,644	-	-	-
Work in progress					
At cost		97,519	-	-	-
Total inventories at the lower of cost and net realisable value		115,163	-	-	-
8. OTHER CURRENT ASSETS					
Prepayments		1,989,504	14,490	1,920,291	14,490
Deposit paid on property		309,194	-	-	-
		2,298,698	14,490	1,920,291	14,490
(a) Prepayments at balance date include costs of listing on the ASX. These amounts will be transferred against equity upon receiving float proceeds.					

AT 30 JUNE 2000

Notes

8. OTHER CURRENT ASSETS (cont'd)

(b) Infomedia Investments Pty Ltd has entered into a contract for the acquisition of property with a total purchase price of \$1.40 million. The balance of the purchase price of \$1.09 million has not been brought to account as the completion of the contract is conditional upon registration of the proposed strata plan pertaining to the property. The details of this commitment are detailed at Note 23.

9. RECEIVABLES (NON-CURRENT)

Wholly-owned group

- subsidiary entities 29

10. INVESTMENTS (NON-CURRENT)

Investments at cost comprise:

Unlisted shares at cost 11

Total investments in balance sheet

11. INTERESTS IN SUBSIDIARIES

Name

Country of incorporation

Percentage of equity interest held by the consolidated entity

2000 1999

% %

Infomagic New Zealand Pty Ltd New Zealand - 100
- ordinary shares

Infomedia Investments Pty Ltd Australia 100 100
- ordinary shares

Datateck Publishing Pty Ltd Australia 100 -
- ordinary shares

(a) Infomagic New Zealand Pty Ltd was a dormant company that was voluntarily liquidated on the 23 June 2000.

(b) Datateck Publishing Pty Ltd was acquired on the 31 March 2000. Refer Note 22(a).

		CONSOLIDATED		INFOMEDIA LTD	
		2000	1999	2000	1999
		\$	\$	\$	\$
8. OTHER CURRENT ASSETS (cont'd)					
(b) Infomedia Investments Pty Ltd has entered into a contract for the acquisition of property with a total purchase price of \$1.40 million. The balance of the purchase price of \$1.09 million has not been brought to account as the completion of the contract is conditional upon registration of the proposed strata plan pertaining to the property. The details of this commitment are detailed at Note 23.					
9. RECEIVABLES (NON-CURRENT)					
Wholly-owned group					
- subsidiary entities	29	-	-	5,634,653	-
10. INVESTMENTS (NON-CURRENT)					
Investments at cost comprise:					
Unlisted shares at cost					
Unlisted shares at cost	11	-	-	6	2
Total investments in balance sheet		-	-	6	2
11. INTERESTS IN SUBSIDIARIES					
Name	Country of incorporation	Percentage of equity interest held by the consolidated entity			
		2000	1999		
		%	%		
Infomagic New Zealand Pty Ltd	New Zealand	-	100		
- ordinary shares				-	-
Infomedia Investments Pty Ltd	Australia	100	100	2	2
- ordinary shares					
Datateck Publishing Pty Ltd	Australia	100	-	4	-
- ordinary shares					
				6	2

Notes to the Financial Statements

AT 30 JUNE 2000

Notes

	CONSOLIDATED		INFOMEDIA LTD	
	2000	1999	2000	1999
	\$	\$	\$	\$
12. PROPERTY, PLANT AND EQUIPMENT				
Freehold land and buildings				
At cost	647,194	647,194	647,194	647,194
Provision for depreciation	(12,180)	(6,000)	(12,180)	(6,000)
	635,014	641,194	635,014	641,194
Leasehold improvements				
At cost	157,668	93,092	151,153	93,092
Provision for amortisation	(73,888)	(52,857)	(73,296)	(52,857)
	83,780	40,235	77,857	40,235
Total land and buildings	718,794	681,429	712,871	681,429
Office furniture & equipment				
At cost	717,211	313,573	717,211	313,573
Provision for depreciation	(247,101)	(257,188)	(247,101)	(257,188)
	470,110	56,385	470,110	56,385
Furniture & fittings				
At cost	189,650	49,458	189,650	49,458
Provision for depreciation	(45,178)	(23,561)	(45,178)	(23,561)
	144,472	25,897	144,472	25,897
Plant and equipment				
At cost	1,072,718	464,150	860,346	464,150
Provision for depreciation	(355,186)	(114,341)	(338,155)	(114,341)
	717,532	349,809	522,191	349,809
Plant and equipment under lease				
At cost	198,612	213,012	198,612	213,012
Provision for amortisation	(132,068)	(56,879)	(132,068)	(56,879)
	66,544	156,133	66,544	156,133
Total plant and equipment	1,389,658	588,224	1,203,317	588,224
Total property, plant and equipment				
At Cost	2,983,053	1,780,479	2,764,166	1,780,479
Provision for depreciation and amortisation	(865,601)	(510,826)	(847,978)	(510,826)
Total written down amount	2,117,452	1,269,653	1,916,188	1,269,653
13. INTANGIBLES				
Goodwill	4,374,821	-	-	-
Provision for amortisation	(109,370)	-	-	-
	4,265,451	-	-	-

22 (e)

AT 30 JUNE 2000

Notes

		CONSOLIDATED		INFOMEDIA LTD	
		2000	1999	2000	1999
		\$	\$	\$	\$
14. OTHER NON-CURRENT ASSETS					
Future income tax benefit		248,332	-	164,239	-
		248,332	-	164,239	-
15. ACCOUNTS PAYABLE (CURRENT)					
Trade creditors		1,052,978	787,588	964,607	787,588
Other creditors		1,194,609	75,470	1,158,623	75,470
		2,247,587	863,058	2,123,230	863,058
(a) Terms and conditions relating to the above financial instruments					
(i) Trade liabilities are normally settled on 30 day terms.					
16. BORROWINGS (CURRENT)					
Lease liability	23	50,940	68,439	50,940	68,439
Borrowings secured by mortgage					
- bank loans		-	308,451	-	308,451
- commercial bills		5,000,000	-	5,000,000	-
		5,050,940	376,890	5,050,940	376,890

(b) Terms and conditions relating to the above financial instruments

- (i) Finance leases have an average lease term of 3 years with the option to purchase the asset at the completion of the lease term for the asset's residual value. The average discount rate implicit in the leases is 8%, (1999: 9.3%). Lease liabilities are secured by a charge over the leased assets.
- (ii) The bank loan was repaid during the year. Interest was charged at the bank's floating rate. The bank loan was secured by first mortgage over the freehold land and buildings of the companies carrying the liabilities.
- (iii) The commercial bills are rolled monthly. Interest is charged at the bank's floating rate. The commercial bill is secured by first mortgage over the freehold land and buildings of the Company carrying the liability.

Notes to the Financial Statements

AT 30 JUNE 2000	Notes	CONSOLIDATED		INFOMEDIA LTD	
		2000	1999	2000	1999
		\$	\$	\$	\$
17. PROVISIONS (CURRENT)					
Taxation		1,564,363	1,887,438	1,436,717	1,887,438
Employee entitlements	24	576,045	154,970	273,343	154,970
		2,140,408	2,042,408	1,710,060	2,042,408
18. OTHER (CURRENT)					
Revenue in advance		389,664	-	-	-
		389,664	-	-	-
19. BORROWINGS (NON-CURRENT)					
Lease liability	23	40,343	91,243	40,343	91,243
		40,343	91,243	40,343	91,243
(b) Terms and conditions relating to the above financial instruments					
(i) Finance leases have an average lease term of 3 years with the option to purchase the asset at the completion of the lease term for the asset's residual value. The average discount rate implicit in the leases is 8% (1999: 9.3%). Secured lease liabilities are secured by a charge over the leased assets.					
20. PROVISIONS (NON-CURRENT)					
Employee entitlements	24	64,657	-	64,657	-
Deferred income tax liability		247,026	23,546	251,752	23,546
		311,683	23,546	316,409	23,546
21. SHARE CAPITAL					
Issued and paid up capital					
- 296,499,190 shares fully paid (1999: 480,000)					
		480,000	480,000	480,000	480,000
		480,000	480,000	480,000	480,000
Share Split					
On 19 June 2000, the existing 480,000 shares were split into 296,499,190 shares prior to listing on the ASX.					
Employee Option Plan					
On 19 June 2000, 1,300,000 options were issued over ordinary shares. The details are provided in note 24.					
Selective Share Plan					
The Company will offer 8,802,320 shares to selected persons on set offer dates. The details are provided in note 24.					

AT 30 JUNE 2000

Notes

22. STATEMENT OF CASH FLOWS

(a) Reconciliation of the operating profit after tax to the net cash flows from operations

	CONSOLIDATED		INFOMEDIA LTD	
	2000	1999	2000	1999
	\$	\$	\$	\$
Operating profit after tax	7,662,736	4,074,797	7,632,692	4,074,797
Depreciation of non-current assets	378,242	204,835	395,420	204,835
Amortisation of non-current assets	202,780	20,400	58,609	20,400
Provision for employee entitlements	256,466	48,869	183,030	48,869
Net (profit)/loss on sale of investments	(96,760)	-	(96,760)	-
Changes in assets and liabilities				
Trade receivables and other debtors	(79,610)	(1,716,785)	(233,519)	(1,716,785)
Trade and other creditors	1,206,437	612,963	1,260,174	612,963
Tax provision	(323,075)	1,887,438	(450,721)	1,887,438
Deferred income tax liability	223,480	23,546	228,206	23,546
Future income tax benefit	(179,075)	-	(164,239)	-
Prepayments	(1,905,584)	-	(1,905,801)	-
Interest Receivable	-	-	(13,128)	-
Inventories	55,085	-	-	-
Revenue in Advance	72,188	-	-	-
Net cash flow from operating activities	7,473,310	5,156,063	6,893,963	5,156,063

(b) Reconciliation of cash

Cash balance comprises:

- cash on hand	1,242,629	4,152,231	362,607	4,153,229
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(c) Financing facilities available

At balance date, the following financing facilities had been negotiated and were available. Refer Note 25.

Total facilities

- commercial bill	6,000,000	-	6,000,000	-
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Facilities used at balance date

25

	5,000,000	-	5,000,000	-
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Facilities unused at balance date

	1,000,000	-	1,000,000	-
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Notes to the Financial Statements

AT 30 JUNE 2000

Notes

	CONSOLIDATED		INFOMEDIA LTD	
	1999	2000	1999	2000
	\$	\$	\$	\$
22. STATEMENT OF CASH FLOWS (cont'd)				
(e) Acquisition of Assets				
On 31 March 2000, the parent entity acquired 100% of the share capital of Datateck Publishing Pty Limited, an unlisted Australian company. The acquisition details are:				
Consideration	\$			
- cash paid	4			
On the same day, and immediately prior to the above transaction, Datateck Publishing Pty Limited acquired the following business assets and liabilities from Datateck Investments Pty Ltd as trustee for the CK Family Trust. The assets and liabilities are provided below:				
	\$			
- plant and equipment	215,268			
- trade debtors	832,086			
- other debtors	1,769			
- prepayments	69,430			
- future income tax benefits	69,257			
- inventories	<u>170,248</u>			
	1,358,058			
- trade creditors	(129,410)			
- other creditors	(48,682)			
- provision for employee entitlement	(229,266)			
- revenue in advance	<u>(317,476)</u>			
- fair value of net tangible assets	633,224			
- goodwill arising on acquisition	<u>4,374,821</u>			
				13
Net cash effect	<u>5,008,045</u>			
Cash consideration paid	5,121,107			
Cash included in net assets acquired	<u>(113,062)</u>			
Cash paid for purchase of controlled entity as reflected in the consolidated financial report	<u>5,008,045</u>			

AT 30 JUNE 2000

Notes

		CONSOLIDATED		INFOMEDIA LTD	
		2000	1999	2000	1999
		\$	\$	\$	\$
23. EXPENDITURE COMMITMENTS					
(a) Capital expenditure commitments					
Estimated capital expenditure contracted for at balance date but not provided for					
- payable not later than one year					
- property					
		1,090,000	-	-	-
The above capital expenditure commitment represents the payment due on completion of the acquisition of an office suite in a proposed strata plan. The strata plan is unregistered and completion is conditional upon the registration of the strata plan by 31 November 2001. The Company expects the vendor will be able to complete the contract within 12 months of balance date.					
(b) Lease expenditure commitments					
(i) Operating leases (non-cancellable):					
Minimum lease payments					
- not later than one year					
		212,814	-	131,814	-
- later than one year and not later than five years					
		258,571	-	137,070	-
- aggregate operating lease expenditure contracted for at balance date					
		471,385	-	268,884	-
(ii) Finance leases:					
- not later than one year					
		56,407	79,010	56,407	79,010
- later than one year and not later than five years					
		41,339	98,519	41,339	98,519
- total minimum lease payments					
		97,746	177,529	97,746	177,529
- future finance charges					
		(6,463)	(17,847)	(6,463)	(17,847)
- lease liability					
		91,283	159,682	91,283	159,682
- current liability					
	16	50,940	68,439	50,940	68,439
- non-current liability					
	19	40,343	91,243	40,343	91,243
- aggregate finance lease expenditure contracted for at balance date					
		91,283	159,682	91,283	159,682

(c) Assets which are the subject of finance leases include computer hardware and equipment.

(d) Operating leases have an average lease term of 3 years.
Assets which are the subject of operating leases include office space.

Notes to the Financial Statements

AT 30 JUNE 2000

Notes

	CONSOLIDATED		INFOMEDIA LTD	
	2000	1999	2000	1999
	\$	\$	\$	\$
24. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS				
Employee Entitlements				
The aggregate employee entitlement liability is comprised of:				
Provisions (current)	17	576,045	154,970	273,343
Provisions (non-current)	20	64,657	-	64,657
		640,702	154,970	338,000
				154,970

Employee Option Plan

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

Employee Share Plan

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

Selective Share Plan

The Company will offer shares to selected persons on set offer dates. Under the Selective Share Plan, the participants are limited to 17 individuals named in the schedule to the SSP. The total number of shares offered will be 8,802,320. The consideration for each share offered will be nil unless otherwise determined by the Directors. The set offer dates are provided below.

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

Superannuation Commitments

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

25. SUBSEQUENT EVENTS

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

On 16 August 2000, the Company listed on the ASX and raised \$19,000,000 with associated costs amounting to \$1,822,319 at balance date. These offer costs have been included in prepayments and will be transferred against equity upon receiving float proceeds. The number of shares on issue will be 315,499,190.

On 21 August 2000, the Company entered into a call option to purchase the business of Online Computing Pty Limited, a Perth based software development house established in 1976. The option must be exercised on or before 31 October 2000, or be forfeited.

On 31 August 2000 the commercial bill of \$5,000,000 was repaid in full from the float proceeds.

On 1 September 2000, 3,675,352 shares were offered to individuals participating in the Selective Share Plan.

AT 30 JUNE 2000

Notes

26. ECONOMIC DEPENDENCY

A large proportion of the consolidated entity's sales are to the one customer, Ford Europe.

27. REMUNERATION OF DIRECTORS

(a) Directors' remuneration

Income paid or payable, or otherwise made available, in respect of the financial year, to all directors of each entity in the consolidated entity, directly or indirectly, by the entities of which they are directors or any related party:

Income paid or payable, or otherwise made available, in respect of the financial year, to all directors of Infomedia Ltd, directly or indirectly, from the entity or any related party:

The number of directors of Infomedia Ltd whose income (including superannuation contributions) fell within the following bands is:

	2000	1999
\$0 - \$9,999	3	1
\$90,000 - \$99,999	1	-
\$130,000 - \$139,999	-	1
\$150,000 - \$159,999	1	-

In the opinion of directors, remuneration paid to directors is considered reasonable.

28. AUDITORS' REMUNERATION

Amounts received or due and receivable by the auditors of Infomedia Ltd for:

- an audit or review of the financial report of the entity and any other entity in the consolidated entity

- other services in relation to the entity and any other entity in the consolidated entity

CONSOLIDATED		INFOMEDIA LTD	
2000	1999	2000	1999
\$	\$	\$	\$
263,504	-	263,504	-
35,000	9,750	21,000	9,750
380,401	29,285	334,256	29,285
415,401	39,035	355,256	39,035

Notes to the Financial Statements

AT 30 JUNE 2000

29. RELATED PARTY DISCLOSURES

(a) The directors of Infomedia Ltd during the financial year were:

R D Graham
M Herszberg
L Graham-McCann (Appointed 11 May 2000)
B Ford (Appointed 19 June 2000)
F Hernon (Appointed 19 June 2000)

(b) The following related party transactions occurred during the financial year:

(i) *Transactions with related parties in the wholly owned group*

1. A loan of \$322,322 was made to Infomedia Investments Pty Limited. Interest is charged at the commercial borrowing rate published by Westpac Bank.
2. An unsecured, interest free loan of \$5,312,331 was made to Datateck Publishing Pty Limited by Infomedia Ltd. The loan is repayable in seven days upon demand.

(ii) *Transactions with director-related entities*

1. Infomedia Ltd rents office space from Wiser Laboratory Pty Limited, a company in which Richard D Graham is a director. The total rent payments for the year ended 30 June 2000 of \$101,770 (1999: \$76,788) were on commercial terms.
2. Infomedia Ltd provided a loan for an amount of \$240,000 (1999: nil) to Yarragene Pty Limited, a company in which Myer Herszberg is a director. The loan was fully repaid during the year and interest was charged at 6% pa.
3. An amount of \$24,191 is owed by Wiser Laboratory Pty Limited, Yarragene Pty Limited and Rentamobile Pty Limited, companies associated with Richard Graham and Myer Herszberg, pursuant to an indemnification agreement.
4. Consulting fees totalling \$64,250 (1999: nil) were paid to Graham McCann Pty Limited and Kannelly Pty Limited, companies of which Linda Graham-McCann is a director. The amounts paid were on commercial terms and has been included in Directors Remuneration at Note 27.

(c) Equity instruments of directors

(i) *Interests in the equity instruments of entities in the consolidated entity held by directors of the reporting entity and their director-related entities at balance date, being the number of instruments held are:*

INFOMEDIA LTD						
	Ordinary Shares Fully Paid		Options Over Ordinary Shares		Entitlement to Shares Under Selective Share Plan*	
	2000	1999	2000	1999	2000	1999
Wiser Laboratory Pty Limited	146,396,475	237,000	-	-	-	-
Rentamobile Pty Limited	44,996,044	72,800	-	-	-	-
Yarragene Pty Limited	72,148,136	116,800	-	-	-	-
Richard Graham	-	-	450,000	-	926,560	-
Myer Herszberg	-	-	450,000	-	-	-
Linda Graham-McCann	-	-	-	-	555,936	-
Fran Hernon	-	-	200,000	-	-	-
Barry Ford	-	-	200,000	-	-	-
Total	263,540,655	426,600	1,300,000	-	1,482,496	-

* The shares will be offered at the dates specified in note 24.

(ii) *Movements in directors' equity holdings:*

On 19 June 2000, directors and their related entities were granted options over unissued ordinary shares at an exercise price of \$1.00. There have been no other transactions concerning equity instruments during the financial year with directors or their director-related entities. On 19 June 2000 shares held by the directors and the director-related entities were split on a ratio of 1 to 617.71 (rounded to 2 decimal places).

30. SEGMENT INFORMATION

The consolidated entity operates predominately in one industry - developing and distributing electronic parts catalogues for the motor vehicle industry and sales originate from one geographical segment, Australia.

AT 30 JUNE 2000

31. FINANCIAL INSTRUMENTS

31 (a) Interest rate risk

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating interest rate		<i>fixed interest rate maturing in:</i>					
			1 year or less		Over 1 to 5 years		More than 5 years	
	2000	1999	2000	1999	2000	1999	2000	1999
	\$	\$	\$	\$	\$	\$	\$	\$
(i) Financial assets								
Cash	1,242,629	4,153,251	-	-	-	-	-	-
Receivables - trade	-	-	-	-	-	-	-	-
Receivables - related parties/entities	-	-	-	-	-	-	-	-
Receivables - related parties/entities	-	-	-	-	-	-	-	-
Listed share options	-	-	-	-	-	-	-	-
Unlisted shares	-	-	-	-	-	-	-	-
Total financial assets	1,242,629	4,153,251	-	-	-	-	-	-

Financial Instruments (cont'd)	Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
	2000	1999	2000	1999	2000	1999
	\$	\$	\$	\$	\$	\$
(i) Financial assets						
Cash	-	-	1,242,629	4,153,231	5.07	3.95
Receivables - trade	3,002,711	2,289,782	3,002,711	2,289,782	N/A	N/A
Receivables - related parties/entities	-	-	-	-	N/A	N/A
Receivables - related parties/entities	-	-	-	-	N/A	N/A
Listed share options	-	39,200	-	39,200	N/A	N/A
Unlisted shares	-	-	-	-	N/A	N/A
Total financial assets	3,002,711	2,328,382	4,245,340	6,482,213	-	-

N/A: not applicable for non-interest bearing financial instruments.

Notes to the Financial Statements

AT 30 JUNE 2000

31. FINANCIAL INSTRUMENTS (cont'd)

31 (a) Interest rate risk (cont'd)

Financial Instruments	Floating interest rate		<i>fixed interest rate maturing in:</i>					
			1 year or less		Over 1 to 5 years		More than 5 years	
	2000	1999	2000	1999	2000	1999	2000	1999
	\$	\$	\$	\$	\$	\$	\$	\$
(ii) Financial liabilities								
Bank loans	-	-	-	-	-	308,451	-	-
Commercial bill	5,000,000	-	-	-	-	-	-	-
Trade & other creditors	-	-	-	-	-	-	-	-
Finance lease liability	-	-	50,940	68,439	40,343	91,243	-	-
Total financial liability	5,000,000	-	50,940	68,439	40,343	399,694	-	-

Financial Instruments (cont'd)	Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
	2000	1999	2000	1999	2000	1999
	\$	\$	\$	\$	\$	\$
(ii) Financial liabilities						
Bank loans	-	-	-	308,451	-	6.65
Commercial bill	-	-	5,000,000	-	7.64	-
Trade & other creditors	2,247,587	863,058	2,247,587	863,058	N/A	N/A
Finance lease liability	-	-	91,283	159,682	8.0	9.3
Total financial liability	2,247,587	863,058	7,338,870	1,331,191	-	-

N/A - not applicable for non-interest bearing financial instruments

AT 30 JUNE 2000

31. FINANCIAL INSTRUMENTS (cont'd)

31(b) Terms, conditions and accounting policies

(i) The consolidated entity's policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at balance date, are as follows:

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Terms and Conditions
(i) Financial Assets			
Receivables - trade	5	Trade receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer possible.	Credit sales are on 30 day terms.
Unlisted Shares	10,11	Unlisted shares are carried at the lower of cost or recoverable amount. Dividend income is recognised when dividends are declared by the investee.	The unlisted shares held at balance date are ordinary shares.
(ii) Financial Liabilities			
Commercial Bill	16, 22 (c)	The commercial bill is carried at the principal amount. Interest is charged monthly as it accrues.	The commercial bill is repayable on demand. Interest is charged at a floating rate.
Trade and other creditors	15	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.	Trade liabilities are normally settled in 30 day terms.
Finance lease liability	16,19	The lease liability is accounted for in accordance with AASB 1008.	As at balance date, the Company had an average finance lease term of three years. The average discount rate implicit in the lease is 8%. The security over finance leases is disclosed in notes 16 and 19.
(iii) Equity			
Ordinary Shares	21	Ordinary share capital is recognised at the fair value of the consideration received by the Company.	Details of shares issued at balance date are set out in note 21.
(iv) Derivatives			
Forward Exchange Contracts	31(d)	The consolidated entity enters into forward exchange contracts where it agrees to sell specified amounts of foreign currencies in the future at a predetermined rate. The objective is to protect the consolidated entity against the possibility of loss from future exchange rate fluctuations. The forward exchange contracts are charged to the profit and loss except those relating to hedges of specific commitments which are deferred and included in the measurement of specific commitments which are deferred and included in the measurement of the sale or purchase.	

Notes to the Financial Statements

AT 30 JUNE 2000

31 (c) Net fair values

The aggregate net fair value of financial assets and financial liabilities, both recognised and unrecognised, at balance date are not significantly different from their carrying amount in the balance sheet.

31 (d) Credit risk exposure

The consolidated entity's maximum exposures to credit risk at balance date in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the balance sheet. The maximum credit risk does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question.

In relation to derivative financial instruments, whether recognised or unrecognised, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The consolidated entity's maximum credit risk exposure in relation to these is as follows:

- (i) Forward exchange contracts - the full amount of the currency it will be required to pay or purchase when settling the forward exchange contract, should the counterparty not pay the currency it is committed to delivery to the company. At balance date the net amount was \$1,242,010 (1999: \$nil).

Concentrations of credit risk

The company minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers within Australia. However, the majority of customers are concentrated in Europe. Credit risk in trade receivables is managed in the following ways:

- payment terms are 14 days;
- an agent acts on the company's behalf in foreign locations;
- customers must sign a standard user agreement, accepting terms and conditions.

Director's Declaration

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

(1) In the opinion of the directors:

- (a) the financial statements and notes of the Company and of the consolidated entity are in accordance with the Corporations Law, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2000 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations; and

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

On behalf of the Board



Richard Graham
Chairman

Sydney, 7 September 2000

Audit Report



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

■ Tel 61 2 9248 5555
Fax 61 2 9262 6565
DX Sydney Stock
Exchange 10172

Independent Audit Report

To the members of Infomedia Ltd

Scope

We have audited the financial report of Infomedia Ltd for the financial year ended 30 June 2000, as set out on pages 30 to 57, including the Directors' Declaration. The financial report includes the financial statements of Infomedia Ltd, and the consolidated financial statements of the consolidated entity comprising the Company and the entities it controlled at year's end or from time to time during the financial year. The Company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the Company's and the consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

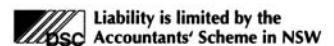
In our opinion, the financial report of Infomedia Ltd is in accordance with:

- (a) the Corporations Law including:
 - (i) giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2000 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.

Ernst & Young

E A Lang
Partner
Sydney

Date: 7 September 2000





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Additional Information

TOP TWENTY SHAREHOLDERS 11/10/2000				
NAME	SHARES	% OF ISSUED CAPITAL	RANK	
WISER LABORATORY PTY LIMITED	116,277,501	36.43	1	
YARRAGENE PTY LIMITED	57,304,445	17.95	2	
RENTAMOBILE PTY LIMITED	35,717,154	11.19	3	
MR IAN JOICEY	15,114,539	4.74	4	
PERMANENT TRUSTEE AUSTRALIA LIMITED	13,505,669	4.23	5	
CHASE MANHATTAN NOMINEES LTD	10,272,837	3.22	6	
WESTPAC CUSTODIAN NOMINEES LTD	8,421,751	2.64	7	
NATIONAL NOMINEES LIMITED	6,628,572	2.08	8	
MR ANDREW PATTINSON	4,277,988	1.34	9	
BT CUSTODIAL SERVICES PTY LTD	2,532,613	0.79	10	
QUEENSLAND INVESTMENT CORPORATION	2,502,100	0.78	11	
PERPETUAL TRUSTEES NOMINEES LIMITED	1,973,048	0.62	12	
CITICORP NOMINEES PTY LIMITED	1,942,000	0.61	13	
COMMONWEALTH CUSTODIAL SERVICES LIMITED	1,755,338	0.55	14	
ZURICH AUSTRALIA LIMITED	1,439,980	0.45	15	
PERMANENT TRUSTEE AUSTRALIA	1,425,484	0.45	16	
PERPETUAL TRUSTEES VICTORIA LIMITED	1,250,000	0.39	17	
CALENDONIA INVESTMENTS LIMITED	1,145,000	0.36	18	
HSBC CUSTODY NOMINEES	1,073,335	0.33	19	
CASHTREE PTY LIMITED	1,000,000	0.31	20	

INFOMEDIA LTD RANGE OF SHARES ORD/FULLY PAID ORDINARY AS AT 12/10/00			
RANGE	HOLDERS	UNITS	% OF ISSUED CAPITAL
1 - 1,000	109	88,207	0.03
1,001 - 5,000	777	2,808,093	0.88
5,001 - 10,000	297	2,623,382	0.82
10,001 - 100,000	303	9,362,024	2.93
100,001 - OVER	86	304,292,836	95.34
TOTAL	1,572	319,174,542	100.00

	Full Meetings of Directors	
	Attended	Held*
Mr. Richard Graham	18	18
Mr. Myer Herszberg	18	18
Ms. Linda Graham-McCann	2	2
Ms. Fran Hernon	1	1
Mr. Barry Ford	1	1

* Number of meetings held while a Director of the Company

The Company has been granted a waiver from Listing Rule 10.14 ("Approval required to acquire securities under an employee incentive scheme") to the extent necessary to permit the issue of 308,583 ordinary shares on 14 September 2000 to Richard Graham and 277,968 ordinary shares on 14 September 2000 to Linda Graham-McCann. The Company requested and was granted the waiver on the basis that the terms and conditions of the issue of both shares and options to directors was:

- unanimously approved by all existing shareholders in a general meeting on 26 April 2000;
- clearly disclosed on pages 73-74, page 82 and pages 95-96 of the Infomedia Ltd Prospectus dated 14 July 2000.

Corporate Directory

INFOMEDIA LTD

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

Directors - FY2000

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

Company Secretary

Mr Nick Georges

Auditors

ERNST & YOUNG

The Ernst & Young Building
321 Kent Street
Sydney NSW 2000

Share Registry

COMPUTERSHARE REGISTRY SERVICES PTY LTD

GPO Box 7045
Sydney NSW 1115

Lawyers

COWLEY HEARNE

Level 10
60 Miller Street
North Sydney NSW 2060

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