

# Intermoco keeps meter running

THE world's first Email is changing hands in a \$62 million deal with Melbourne group Intermoco.

Email Metering, which has kept tabs on Australians for 70 years, has finally been on-sold, nearly three years after Smorgon Steel and One Steel joined forces to take over its parent.

Established in the early 1920s and incorporated in 1932, Electricity Meters & Allied Industries Ltd was the foundation business of what later became known as Email, probably best remembered for its whitegoods.

However, the group's gas, electricity and water meters are commonplace in Australian homes, and the business is a clear leader in Australia.

Under the sale agreement, Intermoco — formerly Australon, has agreed to pay \$55 million, plus up to \$7 million in balance sheet "adjust-

by Sean Smith

ments", for the metering unit, which includes Britain's biggest manufacturer, Ampy.

The two companies are well known to each other through a collaboration using Intermoco's remote meter reading technology in Email's new generation of "smart" meters.

Describing the Email business as an "icon", Intermoco said the acquisition provided the opportunity for the merged group "to become a leader in the wider business on an international level".

The deal represents a considerable expansion by a company which racked up revenues of just \$57,000 in 2001-02, although its first contracts with the likes of CitiPower are still being worked up.

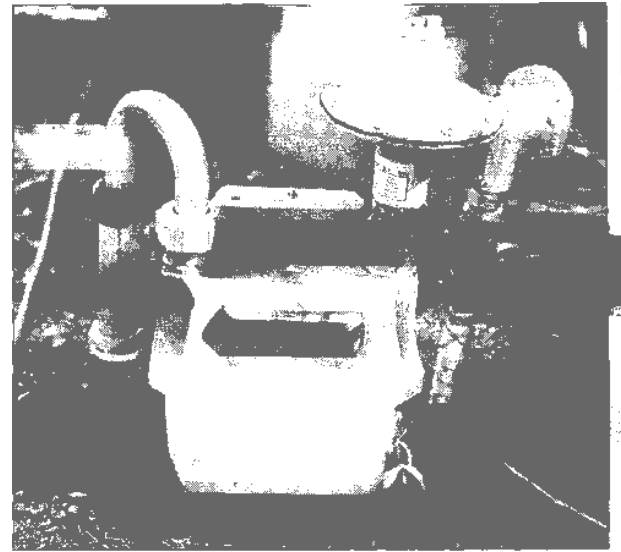
Email Metering turned over \$68 million in the December half year alone, generating earnings before interest, tax and amortisation of \$5.9 million.

Intermoco will fund half the purchase from a \$27 million facility with Westpac, with the balance to be met from a \$35 million share placement.

The company said the equity raising was still being finalised but would be underwritten by "a substantial Malaysian company".

According to its last annual report, chairman Graeme Shearer, managing director Martin Yui and fellow director Allen Roberts own 50.6 per cent of the company.

Intermoco did not return phone calls yesterday. Its shares lost 1c to 28.5c..



**Reliable:** Email's success was built on making meters.