



INTERMOCO
MONITORING AND CONTROL

ABN: 15 006 908 701

Quarterly Activities Report
and
Appendix 4C of the Listing Rules
for the quarter ended
30 SEPTEMBER 2007

CORPORATE DIRECTORY

Directors

Harvey Parker (*Chairman*)
Stephen Black (*Managing Director*)
Jeffrey H. Bennett

Company Secretary

Jeffrey H. Bennett

Registered Office

85 Buckhurst Street,
SOUTH MELBOURNE VIC 3205

Telephone: +61 3 8699 8799

Facsimile: +61 3 8699 8700

Address for Correspondence

85 Buckhurst Street,
SOUTH MELBOURNE VIC 3205

email: info@intermoco.com

Web site: www.intermoco.com

Home Exchange

Australian Stock Exchange Limited
Level 3, 530 Collins Street,
MELBOURNE VIC 3000
ASX code: INT

Legal Advisors

DLA Phillips Fox
Level 21, 140 William Street,
MELBOURNE VIC 3000

Auditors

PKF
Chartered Accountants
Level 11, CGU Tower 485 La Trobe Street,
MELBOURNE VIC 3000

Share Registry

Company Secretary
c/- Computershare Investor Services Pty. Ltd.
Yarra Falls, 452 Johnston Street,
ABBOTSFORD VIC 3067

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QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2007

HIGHLIGHTS

The Board of Intermoco Ltd. (Intermoco) advised the market on 10 October 2007, that it had entered into an agreement to acquire a strategic position in Energy Mad Ltd (EM) and to acquire Advanced Energy Limited (AEL). As at the date of this report, Intermoco is completing due diligence on both EM and AEL. This due diligence is nearing its conclusion and an update will be provided to the market shortly.

EM controls the intellectual property, manufacturing and distribution rights for the mass market, new technology, light bulb, branded as 'EcoBulb'. AEL is the retail distribution company marketing these products in Australia and internationally. Sales of the new product range are expected to exceed 75 million units over the next 4 years. Ecobulb is currently retailing in Australia at \$8.75.

Intermoco initiated these deals to position itself as a major, global distributor of environmentally friendly, EM products for households and commercial properties. Intermoco will realise significant benefits from these strategic acquisitions as a result of the changing Australian regulatory environment requiring the replacement of all household incandescent lights by the end of 2009. Similar initiatives are proposed for Europe, India and Canada. Signatory countries to the Kyoto protocol have an incentive to change to low energy bulbs under that protocol. These initiatives will drive sales of low energy bulbs in these markets due to the increasing worldwide community awareness of global warming impacts caused by carbon emissions.

EM (www.energymad.com) is the New Zealand based company that developed the intellectual property and manufacturing infrastructure to produce superior light bulbs using less mercury and providing a greater benefit to electricity distribution utilities than market competitors. Initially Intermoco will buy approximately 10% of EM for NZ\$5 million, with agreement to progressively move to 33% based on the current valuation and ultimately 51% with the concurrence of the EM

Board. In excess of 3.5 million EcoBulbs were sold last year in New Zealand through distribution arrangements with Shell, Government agencies and utilities. These householders using EcoBulbs throughout the home will save approximately NZ\$650 in energy cost over the life of the bulbs.

Intermoco will assume the distribution rights to supply EM products to the retail market in Australia, and other international markets including China, the US, EU, Asia, Japan and India on the acquisition of AEL. Distribution arrangements are well advanced in both Australia and overseas. Sales of these energy efficient products generate both direct revenue and carbon credits. Carbon credits provide a potential future asset and revenue stream for Intermoco. Agreements have been reached with service organisations and other Australian corporations to distribute the product both directly and in conjunction with other energy efficient products including, for example, heating products distributed by Noirot Australia Pty Ltd. Noirot is Australia's best selling electric panel heater. Distribution arrangements overseas are focused on obtaining regulatory approvals to sell the product. A distribution arrangement has been established in China which will commence marketing and selling operations as soon as the product receives regulatory approval from the EPA China.

This strategic move builds on Intermoco's positioning as a marketer of energy management products and the introduction of the energy efficient smart homes concept. It also complements Intermoco's recent (January, 2007) alliance with the UK based PRI, a member of the Entity Group, to support smart metering for residential and commercial application. The Entity Group is one of the top five suppliers of meters and metering services worldwide.

The consideration for AEL, as detailed in the market announcement of 10 October 2007, will be subject to shareholder approval.

Intermoco has appointed Bell Potter Securities Limited to underwrite the private placement equity raising of AUD\$6 million for the purpose of funding the investment in EM. Intermoco has also arranged to raise a further \$2 million to develop the distribution arrangements. Both the strategic investment and the acquisition of AEL are subject to due diligence and Board approval.

**CASHFLOW**

The net operating cash flow from operating activities for the quarter ended 30 September 2007 was -\$188,432. This compares favourably with the corresponding period last year where the result was -\$733,336. Receipts from sales for the quarter were \$644,945 as compared with \$342,380 for the corresponding quarter last year.

CORPORATE MATTERS

There were no corporate matters to report during the quarter.

Signed on behalf of Intermoco Limited

Jeffrey Bennett (*Director/Company Secretary*)

Dated this 31st day of October 2007

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

Intermoco Limited

A.C.N.

006 908 701

Quarter ended ("current quarter")

30 September 2007

Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter \$A	Year to date (3 months) \$A
1.1 Receipts from customers	644,945	644,945
1.2 Payments for (a) staff costs	(436,766)	(436,766)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	(9,514)	(9,514)
(e) exploration	-	-
(f) inventory	(10,715)	(10,715)
(g) other working capital	(389,732)	(389,732)
1.3 Dividends received	-	-
1.4 Interest and other similar items received	13,350	13,350
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
Net operating cash flows	(188,432)	(188,432)

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A	Year to date (3 months) \$A
1.8 Net operating cash flows (carried forward)	(188,432)	(188,432)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(1,070)	(1,070)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other	-	-
Net investing cash flows	(1,070)	(1,070)
1.14 Total operating and investing cash flows	(189,502)	(189,502)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	(250,000)	(250,000)
1.19 Dividends paid	-	-
1.20 Fundraising expenses	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(439,502)	(439,502)
1.21 Cash at beginning of quarter/year to date	897,589	897,589
1.22 Exchange rate adjustments		
1.23 Cash at end of quarter (refer note on page 5)	458,087	458,087

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Payments to directors of the entity and associates of the directors and payments to related entities of the entity and associates of the related entities

		Current quarter \$A
1.24	Aggregate amount of payments to the parties included in item 1.2	89,769
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
Fees, salaries and employment benefits paid to directors.		

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Debt of 650k at 30 June 2007, plus accrued interest, was retired with the payment of 250k in cash and the issue of 450k in ordinary shares.

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

None

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A	Amount used \$A
3.1	Loan facilities	N/A	
3.2	Credit standby arrangements	N/A	

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

4.1	Cash on hand and at bank
4.2	Deposits at call
4.3	Bank overdraft
4.4	Other
	Total cash/(overdraft) at end of quarter (item 1.23)

Current quarter \$A	Previous quarter \$A
458,087	667,799
-	225,000
-	-
-	-
458,087	892,799

Acquisitions and disposals of business entities

5.1	Name of entity
5.2	Place of incorporation or registration
5.3	Cash consideration for acquisition
5.4	Total net assets
5.5	Nature of business

Acquisitions
-
-
-
-
-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
Director/Company Secretary

Date: **31 October 2007**

Print name: **Jeffrey Bennett**

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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