



Intermoco Limited

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Release to Australian Stock Exchange Business restructure – further information

25 June 2008

Intermoco Limited (ASX: INT) refers to its announcement dated 23rd June 2008 concerning the restructure of certain business undertakings of Intermoco Limited. The board has received numerous requests from shareholders for further clarification regarding this restructure and in response provides the following summary of key points.

Memorandum of Understanding (MoU) with PRI

The sale of the Intermoco Solutions business to PRI as outlined in the MoU provides the following benefits for INT:

1. Reduced exposure to technology and market risks for INT;
2. Reduced demand for Development Capital;
3. INT overheads reduced by approximately 45% as of 1st July;
4. Faster development path to finalise current products so they may be used to enhance the new Utiligy business;
5. Improved job security for existing Intermoco Solutions employees;
6. Continued access to world class technology and products for Utiligy via market competitive licensing and distribution agreements;
7. The transaction will finalise all previous licensing arrangements between PRI and INT allowing the previously received license fees of approximately \$1.5 million to be finally booked to revenue; and
8. Improved capital adequacy of INT from the cash consideration received.

The transaction for the acquisition of 100% of the shares in PRI-Utiligy Pty Ltd by INT provides the following benefits and positive outcomes for INT:

1. The Utiligy business brings a cashflow from over 14,000 installed customer meter points currently under management.
2. The PRI-Utiligy business has existing external sales and installation channels and the experienced sales and administration staff necessary to support the growth objectives of the new Utiligy business plan;
3. PRI-Utiligy will be renamed "Utiligy" and INT will now have the opportunity to leverage the "Utiligy" brand to its own benefit;
4. As previously stated, the restructure will result in the working capital required to fund the business plan while significantly reducing INT's cost base.
5. Costly and inefficient internal barriers that currently exist between the current Utiligy business and INT's other excellent subsidiary businesses will be removed. This will allow INT to better deliver on its core business objectives, delivering World Class Energy Management Solutions to the Australasian markets;
6. Dual layers of administration that exist in both INT and the current PRI-Utiligy business will be rationalised; and
7. PRI have elected to take their consideration for the sale of their interests in the PRI-Utiligy business in new stock issued in INT at a face value of \$0.025 cents per share. This constitutes a

reinvestment of PRI's capital into INT at a current premium to market is a demonstration of PRI's confidence in the business plan of the company.

The board is unable to provide guidance at this stage as to the full effect on earnings of this set of transactions as important calculation items associated with the Consideration and negotiations on product margins are at this stage incomplete however:

your board is of the strong opinion that in general, this set of transactions allows the company to reduce costs and risks almost immediately as we relaunch our existing customer value proposition from a more focussed and better funded base.

Overview of business plan

With the change in utilities markets driven by both deregulation and environmental awareness the board feels the time is right for properly exploiting Intermoco's value proposition of delivering World Class Energy Management Solutions to the "New" energy conscious Australasian Markets.

The ever increasing requirement to monitor, control and report upon energy and water resources has opened a window of opportunity for Intermoco to take advantage of what the board believes is one of the fastest growing market verticals in the world today, creating greater and diversified revenue streams for Intermoco today and into the future.

As previously announced, INT's business plan is to restructure its product sets under the Utiligy brand. These product offerings include the following:

- Best of breed metering products and services for the Commercial and Industrial markets for electricity and all markets for gas, power, hot and cold water, light globe replacement and Energy Facilities Management programs.
- Consulting and support services for the creation, management and billing of embedded networks for all energy and water needs.
- Energy efficient lighting products consisting of Proven High Power Factor Eco-bulbs (Endorsed by the ETU).
- Powersave: Our "In-Circuit" device has already achieved a positive position in the Australian Market as the proven power saving device for the large Commercial & Retail markets.
- Meter Data Agency services for electricity, water and gas.
- Driving sales through our Channel partners, utilising the Intermoco suite of Technologies and products.
- Holistic consulting services on Energy Management today and into the future.

Your Board strongly believes that packaging of Intermoco's solutions into the one offering under the banner of Utility will set a benchmark for Energy Management Solutions in our industry.

Our business plan has been developed to eventually extract value from Carbon Credit markets, these benefits are as yet unable to be quantified.

Your Board is optimistic that this business plan will result in INT rapidly becoming a, cash positive and growing business. Our optimism is confirmed by the Company's current and growing client list, which includes Federal and State Government Departments, Commercial and Retail Corporations such as:

- University of Wollongong
 - Westfield Group
 - Goodman Property Services
 - XSTRATA Newpac No.1 Colliery (Coal mine)
 - Two Major Banks
 - Monash University
- Dandenong Council
 - Newcastle Airport
 - Forty Winks
 - State Treasury
 - Melbourne Airport

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