

INTERMOCO RESPONSE TO WEEKEND MEDIA REPORT

Intermoco Limited (ASX:INT) – which has developed and commercialised advanced, remote automated meter reading technology for electricity, gas and water utilities – wishes to respond to a weekend media report suggesting that, amongst other things, the company may be in a weak financial position following its failure to complete the acquisition of the Email Metering business last Friday.

The directors are currently addressing the company's working capital position and are delighted to advise shareholders that the forecast revenues from existing contracts for the second half of calendar year 2003 should see the company generating positive net cashflows for the first time.

Mr Martin Yii, the managing director of Intermoco, said today that this expected improvement in the company's operating cashflows will be the direct result of Intermoco completing further commercial automated meter reading (AMR) contracts during this six-month period.

“This year the company has successfully sold its innovative remote AMR technology to Victorian utility CitiPower, as well as a number of other commercial businesses, with the express purpose of providing improved monitoring of energy consumption, with the benefits of demand management and load shedding,” Mr Yii said.

“The company refutes the claim made in the recent media report that it is still ‘commercialising its technology’, as the products developed by Intermoco have already been successfully deployed in a number of commercially-contracted projects both here in Australia and in the publicised installation for Malaysian national electricity company, Tenaga Nasional Berhad (TNB).

“Like any new product, Intermoco continues to develop innovative features, primarily delivered through the Utiligy website itself, so that the product presents new and improved features and benefits to all existing and future customers.”

The company is extremely pleased with the increasingly successful commercialisation of its AMR solution, with sales now recorded in several states to both utility and business customers alike and recurring revenues now being generated for the first time. Further sales are expected in the near future both in domestic and international markets and details will be provided to investors and shareholders as soon as possible.

In the meantime, Intermoco directors confirm that the company will continue to operate under the existing guidelines described in the comprehensive Collaboration Agreement executed with Email Metering in August 2002. This agreement details a collaborative approach to both sales and marketing and importantly product development. Under the agreement, the directors note that every metering point attached to an Intermoco AMR solution will result in the sale of an Email Metering smart interval meter, which will provide great benefits to both companies. (ENDS)

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