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ASX Announcement

1 May 2009

Trading update

Intermoco Limited (ASX:INT) (Intermoco), a leading provider of energy and water management solutions through its Utiligy brand, today released its ASX appendix 4C cash flow statement for the March 2009 quarter.

The Company's operating cash flow for the quarter ending 31 March 2009 was an outflow of \$627,000, this compares to an outflow of \$1,581,000 and \$797,000 for the December 2008 and September 2008 quarters. As at today's date, the cash balance at the end of March 2009 has improved by \$112,000 to \$244,000 plus a further \$400,000 will be raised by way of a share placement and loan, referred to below. This effectively means that the company has cash reserves of \$644,000 as at April 30, 2009.

Since Managing Director Bob Gestro was appointed in February of this year, he has implemented a significant cost reduction program which has seen over \$2 million in annual expenses removed from the company's cost base. A significant element of the cost reduction has been through a reduction in staff costs which for the March 2009 quarter reduced to \$367,000 compared to average of \$617,000 for the September and December 2008 quarters.

Other factors impacting the cash flow for the quarter included:

- \$58,000 in one off redundancy costs which will not recur
- A deferral of receipts from customers, which were down by about \$200,000 due to seasonal factors and customers paying later due to the general economic environment.
- An expected R&D tax refund of approximately \$262,000 was deferred into the current quarter.

The full impact of the cost reduction program will be felt in the current quarter and set the company on a firmer footing as it seeks to achieve and sustain a positive cash flow position.

The directors remain confident that the Company's cash position will begin to improve. To assist the short term cash position the company will raise \$400,000 by way of a share placement at 0.64 cents per share and loan. This amount includes a



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loan to the Company by Managing Director Bob Gestro. The loan is convertible into shares subject to shareholder approval.

Managing Director Bob Gestro said “We are confident that through the restructuring and the cost reduction initiatives that the company has undertaken, Intermoco’s business is now in a position to move forward and pursue exciting opportunities emerging in energy and water management.

“The company has a solid customer base made up of major utilities and property owners and managers who we are actively working with to deploy our world leading metering and communication products. Over the past 2 months we have exceeded our targets for customer orders providing us with encouraging signs of momentum for the business going forward.”

For further information contact

Bob Gestro

CEO

03 8699 8799

About Intermoco Limited

Intermoco is an Australian public company listed on the Australian Stock Exchange (Code: INT) based in Melbourne. The company is a leader in the provision of remote monitoring and control technology solutions through its Utiligy brand. Utiligy provides a world class end-to-end internet-enabled energy metering and resource management solution to utilities, corporations, local councils and government departments to help them monitor, manage and minimise their consumption of electricity, gas and water. The Utiligy application has been successfully deployed in all major states in Australia and in Malaysia, Thailand, New Zealand and Hong Kong. For more information please visit the Company’s website at www.utiligy.com.au.