

# Intermoco Limited

## Growth Strategy & Equity Raising

July 2009

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# Corporate snapshot

## Intermoco Limited

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ASX code	INT
Shares on issue	1,531m
Share price	A\$0.018
Market capitalisation	\$27.6m

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- ★ Intermoco through its Utiligy business provides metering, data acquisition, billing, presentation and management systems for energy and water

## Share price performance



- ★ New management in place from February 2009
- ★ Refined and more focused strategy

# Strong growth opportunity

- ★ Provider of world leading technologies in remote metering of power, gas and water
- ★ Introduction of voice and data products and services to embedded network customers
- ★ Quality customer base across a broad range of sectors including major utilities, energy retailers, private network operators
- ★ Record orders across all segments since change of management
- ★ Substantial future sales pipeline
- ★ Strong demand driven by customer need for timely and accurate data collection, billing and monitoring

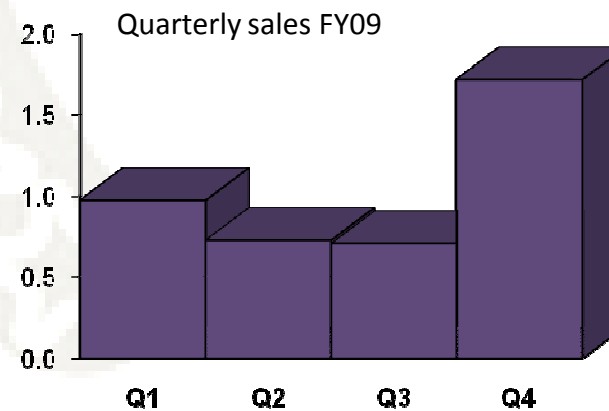
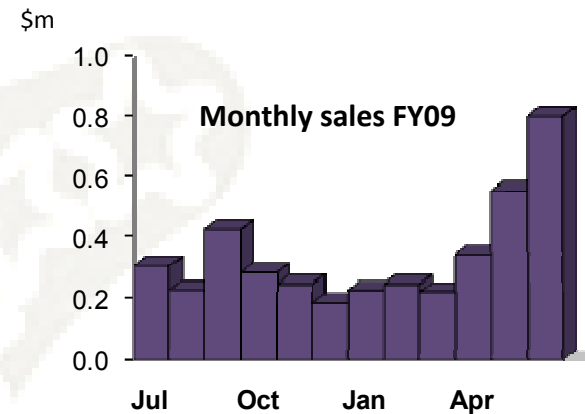


# New equity raising

- ★ \$2.73million of new equity committed via a private placement priced at 1.5 cents per share
  - ★ \$1.4 million banked
  - ★ \$1.33 million subject to shareholder approval at EGM to be held in September 09
- ★ Proceeds to be used for working capital to fulfill immediate customer orders of \$7 million and fund future customer commitments
- ★ Share Purchase Plan announced to allow all shareholders to participate in growth opportunities

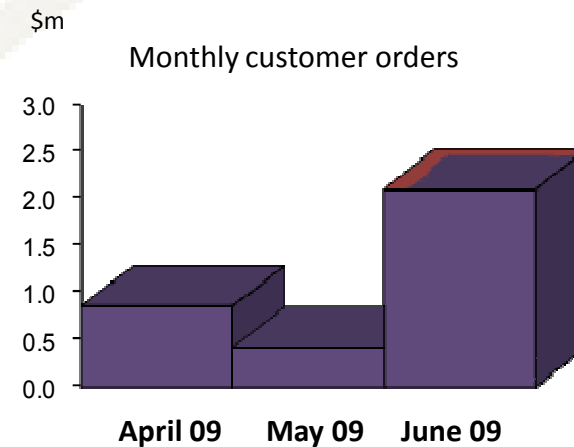
# Record invoiced sales

- ★ Achieved record sales of \$4.1 million in FY09, up 56%
- ★ \$1.7 million of sales in Q4 FY09, following renewed focus on core business by new management
- ★ Sales generated across all metering segments



# Customer orders

- ★ Approximately \$7 million of immediate customer orders to be fulfilled and invoiced
- ★ Approval for hot water meter sales for up to \$16 million over next 2-3 years
- ★ Single order of \$1.5 million for suite of metering products for large field services group over the next 2 years
- ★ \$0.5 million order for remote meter reading for 4,000 radio endpoints in FY10 following successful pilot
- ★ \$0.72 million contract with a major electricity retailer for the remote reading of meters for 5 years



# Reduced cost base

\$2 million of annual operating expense savings since February 09

- ★ Staff numbers halved
- ★ IT costs reduced by 75%
- ★ Reduced external consultants costs
- ★ Terminated non commercial contracts
- ★ Simplified management structure



# FY09 Guidance

	Reported EBITDA \$m	Underlying EBITDA \$m
Operating revenue	4.10	4.10
Other revenue <sup>1</sup>	4.85	-
<b>Total revenue</b>	<b>8.95</b>	
Operating expenses	5.87	5.87
Non-recurring expenses <sup>2</sup>	1.00	-
<b>Total expenses</b>	<b>6.87</b>	
<b>EBITDA before write-downs</b>	<b>2.08</b>	<b>(1.77)</b>

- ★ Achieved operating profit in the month of June 2009
- ★ Revenues to increase and operating expenses to fall in 2010
- ★ Profitable outlook
- ★ Legacy issues now resolved
- ★ Write downs of \$5-8 million anticipated to clean up Balance Sheet subject to audit

All guidance above based on management accounts and are subject to audit and final board sign off

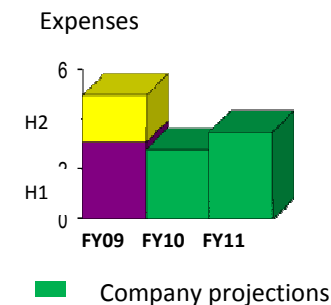
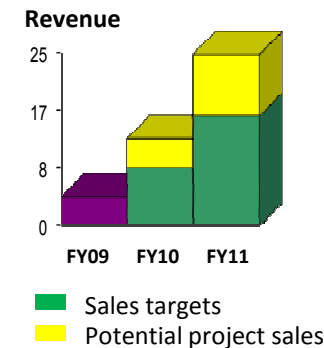
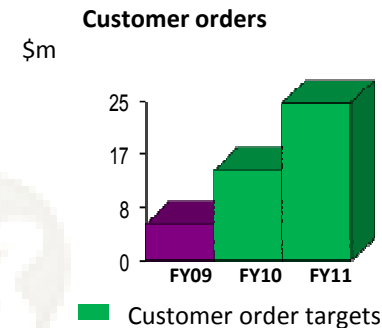
<sup>1</sup> Revenue from sale of assets

<sup>2</sup> Non-recurring items include redundancies, expenses relating to sale of assets, termination of agreements, legal fees



# Outlook

- ★ Targeting to double revenue in FY10 and double again in FY11 driven by existing customer orders
- ★ Significant additional revenue opportunities through current project proposals
- ★ Maintain tight control of costs
- ★ Operating cash positive by end Q2 FY10
- ★ Targeting NPAT margin in excess of 25% for FY10



# Additional opportunities

- ★ Metering on the National Broadband Network
- ★ Smart metering for water and gas
  - ★ Expand *imeter*<sup>TM</sup> applications
- ★ Enhance embedded network model for NEC sales channel
- ★ Add new distributorships

# Summary

- ★ Strong growth opportunity in energy and water management
- ★ \$2.73 million new equity raising via share placement to fund working capital and future growth
- ★ Significant momentum building
  - ★ Record invoiced sales
  - ★ Record customer orders
  - ★ Tight control of costs
- ★ Well positioned to deliver shareholder value

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