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ASX Announcement

29 July 2009

Market Update and New Equity Raising

Intermoco Limited (ASX:INT) (Intermoco), a leading provider of energy and water management solutions through its Utiligy brand, is pleased to provide the following market update and Appendix 4C. The Company has also raised \$2.73 million in new equity via a private placement and is launching a Share Purchase Plan to enable all shareholders to participate in the strong growth the Company is currently experiencing.

Market Update

Following the appointment of new Chief Executive Officer, Mr Bob Gestro in February 2009, the Company has refocused on its core business of metering and achieved significant success.

Intermoco has experienced its best ever year with revenue for FY09 expected to be \$4.1 million, a significant increase on the \$2.5 million in revenue from continuing operations in FY08.

Demand for Intermoco's metering and communication products has been very strong with the Company receiving record orders across all segments since the change of management.

The Company also implemented a significant cost reduction program in FY09 which has seen over \$2 million in annual expenses removed from the business. During the June quarter, staff costs were down 28% to \$266,000 compared to the previous quarter and down 42% or \$367,000 on the same period last year

With the substantial increase in Intermoco's order book along with a very strong pipeline, the company's strong momentum is set to continue in FY10. The Company is targeting to double its revenue base in FY10 and then double it again in FY11.

New Equity Raising

Intermoco currently has approximately \$7 million of immediate customer orders to be fulfilled and invoiced. The strength of the Intermoco business has impacted cash flow as orders are fulfilled. Net operating decrease in cash for the June quarter of \$270,000 was however an improvement of 57% over the previous quarter and a 52% improvement over the same period as last year. Cash at the end of the quarter was up \$246,000 to \$378,000 including a capital raising of \$517,000 undertaken during the period, but not including the loan of \$150,000 made by the CEO Mr Bob Gestro which has been drawn down in July.





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To address the order backlog and fund the company's strong growth, Intermoco has placed \$2.73 million of new equity committed via a private placement priced at 1.5 cents per share of which

- \$1.4 million has been banked; and
- \$1.33 million is subject to shareholder approval at a General Meeting to be held in September 2009

The proceeds will be used for working capital to fulfil the immediate customer orders of \$7 million and fund future customer commitments.

Share Purchase Plan

Intermoco will also issue a Share Purchase Plan to give all shareholders an opportunity to participate in the growth of the Company. Shareholders will be able to subscribe for up to \$15,000 worth of Intermoco shares at the placement price of 1.5 cents. The full terms of the Plan and entitlement forms will be issued with the Notice of Meeting for the September General Meeting, however the following are the key dates:

Record date for determining entitlement to Offer	6 August 2009
Offer opening date	10 August 2009
Offer closing date (subject to Board discretion to extend)	31 August 2009
Issue of Shares to shareholders	7 September 2009

Intermoco's CEO & Chairman Mr. Bob Gestro stated: "I am very pleased with the position the Company is in. Sales and orders are up while costs to run the business continue to come down. The share placement will supplement our existing cash reserves to ensure that the Company has sufficient funding to cope with the strong growth we are currently experiencing. We are also very pleased that some of our major share holders have committed to support the Company by subscribing for the share placement. The Share Purchase Plan gives all shareholders an opportunity to participate in our expected growth."

For further details concerning the position of the Company please refer to the Investor Presentation lodged with this announcement.

For further information contact
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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.

