



ASX announcement

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18 March 2010

MARKET UPDATE JANUARY to FEBRUARY 2011

Intermoco Limited (ASX:INT) a leading Utilities management provider today releases a business update for the period 1 January 2011 to 28 February 2011

OVERVIEW

CASH POSITION

The Company's cash position at the end of February was recorded at \$1.253M. \$233K of the cash reserves came from the recent capital raisings, the balance coming from trading cash flows. This compares to the cash position at the end of December of \$886K and means that the Company was cash flow positive for the first two months of December on an operational basis (not including capital raising) by \$134K. The Company will release its ASX Appendix 4C for the March 2011 quarter in April 2011 and expects to be cash flow positive on an operational basis for the quarter.

FUTURE CASH FLOWS

The Company has sufficient cash and access to cash to fund its operating activities going forward. The Company at the end of the February had Trade Debtors of \$1.093M and Trade Creditors of only \$0.530M.

CONTRACT UPDATE

The following developments previously announced to the market were commissioned in January and February and have started to generate revenues for this financial year.

- Bell Street PRESTON
- Vivida Apartments Hawthorn
- Lynch Street Hawthorn
- Ravida Apartments Camberwell

It is expected that these developments will generate approximately \$1.5M in revenue in this financial year.

Intermoco Limited

ABN 15 006 908 701

19 Shierlaw Avenue, Canterbury, VIC 3126

p +61 3 9914 7600 f +61 3 9914 7699

e sales@intermoco.com

w intermoco.com

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CEO'S COMMENTS

Ian Kiddle, Intermoco CEO commented as follows: "It has been a positive start to the 2011 Calendar year. With four new embedded Networks coming on-line, the compound effect of the annuity revenues will start to be seen in our financial figures going forward.

"We are now in a strong position with a dominant and growing market position. We are in a growth market with the right blend of products and services to deliver sustainable growth and returns. We have a number of contracts about to be signed with major property developers and I will report these to the market, once we have completed the contracts.

"In addition we are currently in negotiations with a major Utility for a long term supply agreement for meters and communications devices.

"With the payment of the convertible note to the Belgravia Group we now have no long-term debt and have reduced our costs by a further \$250K per year in interest payments. I would like to thank our long-term shareholders for their support in the recent capital raising.

"Our sales pipeline remains extremely strong and whilst we have experienced delays in projects, they are only timing delays due to circumstances largely outside our control."

For further information contact:

Andrew Meehan
Business Services Director
(03) 9914 7600

About Intermoco Limited

Intermoco is an Australian public company listed on the Australian Stock Exchange (ASX: INT) based in Melbourne. The company is a leading provider of water, energy voice and data management solutions with a focus on the provision of embedded networks. Intermoco 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.

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A large, light grey, stylized logo consisting of the letters "INT" in a bold, sans-serif font. The letters are spaced out and have a slightly shadowed appearance.