



ASX announcement

ASX ANNOUNCEMENT 29 June 2011

MARKET UPDATE

Trading Results

With the end of financial year approaching, the Directors of Intermoco Limited (ASX: INT) take this opportunity to update the market on recent developments.

INT is pleased to announce that in line with previous announcements we now have seven (7) embedded networks in operation, from which we are currently billing in line with expectations. Billing is expected to increase as the developments are fully tenanted. In addition the pipeline of opportunities remains robust with a number of contracts near to becoming announceable.

With some further unanticipated delays in relation to the delivery of our product and project services, our revenue for the second half of the 2010/11 Financial Year is lower than previously estimated. INT now expects that revenue this financial year will be approximately \$3.5m, with the second half outperforming the first half. While the total revenue is lower than in previous years, the Company's transition from basically an outsourced billing service to full embedded networks increases our gross margin quite significantly. Because of this and cost containment, INT expects NPAT to be broadly in line with last year's result.

Product sales have been less than originally projected due to difficulties we have experienced in the delivery of products from our suppliers. This has predominately been brought about by our suppliers' re-direction of product towards rectification works from the Queensland floods. Currently we hold product orders of \$1.169m which are awaiting supply.

In the embedded network business, a major Queensland project on which we hold a Terms Sheet to the value of approximately \$2.0m has been delayed due to some special legislative issues. This has led to a deferral of this revenue from this financial year, with a workaround currently being undertaken.

The Board of Intermoco strongly believes that the strategy undertaken by the company to concentrate on our Intermoco Connect model will provide growth and profitability in future years. With all of our Intermoco Connect contracts being for at least five years, a reduced overhead cost base, and our ability to compound revenues in the future, we are confident of achieving steady and sustainable growth for Intermoco's core business.

Intermoco Limited

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Non-Core Assets

We previously advised the market that Energy Mad Limited (EM), in which the company holds just over 5.5m shares, is expected to be listed on the New Zealand Stock Exchange later this calendar year. We have been recently advised that this is still on target and, based on their current valuation, this would imply a value for our shareholding significantly higher than the current book value of \$778,000. We are currently negotiating alternatives for realising the value of the EM shares at this level. Mr. Andrew Meehan, one of INT's Executive Directors, has also been nominated to the Energy Mad Board during the Initial Public Offering process.

Share Consolidation

The Company currently has on issue 2,475,737,737 ordinary fully paid shares (Shares), and no options. The number of issued shares at present is considered to be greatly excessive for a company of Intermoco's size.

The Directors therefore consider that it is appropriate at this point in time to rationalise the number of shares the Company will have on issue by consolidating the share capital of the Company on a 1 for 20 basis. If the consolidation of capital proceeds, the number of shares on issue will be 123,786,887, subject to rounding.

The timetable for the proposed consolidation is as follows:

Event	Date
General meeting to approve consolidation	29 July 2011
Notification to ASX of results of meeting	29 July 2011
Last day for trading in pre-reorganised securities	2 August 2011
Deferred trading of Shares commences	3 August 2011*
Last day to register transfers on a deferred settlement basis	9 August 2011
First day for Company to send notice to shareholders of change of holdings as a result of reorganisation	10 August 2011
First day for Company to register Shares on a post reorganisation basis	
Issue of holding statements and despatch date	16 August 2011
Deferred trading of shares ends	
Last day for Shares to be entered into shareholders holdings and for despatch of notice to each shareholder	

* this date appears as 4 August 2011 in the hard copy notice of meeting due to an error



The Company will shortly issue a Notice of Extraordinary General Meeting to facilitate the share consolidation.

-ENDS-

For further information contact:

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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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