

## Intermoco reports strong turnaround in financial performance in FY2010

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- **Generated over \$6 million in revenue – up 50% on FY2009**
  - **Operationally profitable in final quarter of FY2010**
  - **Strengthened balance sheet and reduced operational overheads**
  - **Secures partnership agreements with Optus Wholesale and NEC**
  - **Strengthened visibility in key target segments – brands consolidated under new Intermoco identity**
  - **Continues building customer base for Utility metering division**
  - **Strengthened Board and Senior management team**
  - **Strong project pipeline - established strategic partnerships with leading property development and construction groups**
  - **Well placed for sustainable growth from FY2011 and beyond**
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**Melbourne 31 August, 2010:** Utilities management provider, Intermoco Limited (ASX: INT), today announced its financial results for the year ended 30 June, 2010. Intermoco reported \$6.061 million in revenue, which was in line with company expectation, and up 50 percent on FY2009 revenue of \$3,955,456. The second half of FY2010 was stronger, with revenue increasing 62 percent half-on-half in FY2010. This was the strongest revenue result recorded in the Company's history.

The Company recorded a loss of \$1,566,873, which was a significant decrease to the \$6.8 million loss in FY2009. EBITDA was a loss of \$1,223,093, which includes a \$295,000 profit recorded in the second half. This is in part attributable to the restructuring activities undertaken in the first half of FY2010.

Intermoco Chief Executive Officer, Ian Kiddle, said: "Financial year 2010 has been a period of progress and transformation for Intermoco. We have advanced the Company's position as the largest provider of Embedded Network Solutions in Australia and a leading provider of metering products and services. Our strategy is to continue growing in these markets, and this is the key focus of the senior management team in FY2011."



The positive operating cash flow and profitability in the final quarter of FY2010, has been achieved through the development of organic growth channels that are now underpinning future revenue and earnings. This was reflected by the increased contracts secured during the year, and the increasing size and length of contracts currently being pursued.

## **Operational Overview**

During the first half of FY2010, the Company consolidated its brands, bringing both its metering and utilities management products under the Intermoco identity. This has led to greater visibility amongst potential customers, contributed to the new contracts secured in FY2010, and it has increased the size of the Company's pipeline of tendering opportunities.

Intermoco secured a range of Embedded Network Services contracts during the year, and has established strategic partnerships with leading property development groups providing access to future property developments. Intermoco has entered into a number of strategic partnership with building developers as reported to the market throughout the year.

Intermoco's core metering services and utilities management platform continued to perform well. A key driver behind the strong financial and operational performance in FY2010 was the overall increase in market share in the utilities management sector Intermoco has achieved.

Intermoco has significantly strengthened its board and senior management team, appointing Andrew Plympton as Non-executive Chairman, Andrew Meehan as Director, and Ian Kiddle as Chief Executive Officer, to drive the Company's corporate and operational performance.

## **Outlook**

The Company has stabilised revenue, significantly reducing operational overheads, and delivered a solid foundation upon which to grow. Not only did the Company deliver solid gains in revenue and earnings, it continued to identify and secure growth opportunities that will significantly strengthen its market position in FY2011 and beyond.

Intermoco Non-executive Chairman, Andrew Plympton, said: "While Intermoco has achieved a very encouraging performance during the year, particularly the second half, the Company is still in the early days of achieving its growth potential.

Intermoco expects the current rate of revenue growth to be maintained as a minimum in FY2011, supported by the increasing volume and size of the Embedded Network Services and Smart Metering contracts currently under consideration."

The nature of long-term contracts secured during FY2010, and the Company's pipeline, has resulted in a steadily growing recurring revenue base, providing strong earnings visibility into 2011.

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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 (under the former Utiligy brand) 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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