INTERMOCO LTD
ABN 15 006 908 701
AND CONTROLLED ENTITIES

HALF-YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2010

PROVIDED TO THE ASX UNDER LISTING RULE 4.2A

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2010.

Appendix 4D
Condensed Half Year Report for the six months to 31 December 2010

Name of entity: Intermoco Limited

ABN or equivalent company reference: 15 006 908 701

1. Reporting period

Report for the half year ended: 31 December 2010

Previous corresponding periods: Half year ended 31 December 2009
Half- year ended 31 December 2010

2. Results for announcement to the market

Revenues from ordinary activities	down	30%	to	$1,624,382
Loss from ordinary activities attributable to members	up	27%	to	$1,818,984
Net loss for the period attributable to members	up	27%	to	$1,818,984

Dividends	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividend		N/A

Refer to the accompanying announcement.

3. Net tangible assets per security

	31 December 2010	30 June 2010 (Restated)	30 June 2010
Net tangible asset backing per ordinary security	0.1c	0.22c	0.22c

4. Details of entities over which control has been gained or lost during the period:

Control gained over entities

Name of entities	N/A
Date of gain of control	N/A

Loss of control of entities

Name of entities	N/A
Date of loss of control	N/A

5. Details of dividend or distribution reinvestment plans in operation are described below:

No Dividend reinvestment plan is in operation

6. Details of associates and joint venture entities

Name of associate or joint venture entity	%Securities held
N/A	

7. The financial information provided in the Appendix 4D is based on the half year condensed financial report (attached).

9. Independent review of the financial report *(item 9)*

The financial report is in the process of being independently reviewed.

10. Matters relating to a qualified independent review statement
A description of the dispute or qualification in respect of the independent review of the half-year financial report is provided below *(item 17)*

The Directors note that they expect the Auditors Report, when issued, will include an emphasis of matter in respect of the application of the Going Concern Basis of Accounting.

INTERMOCO LIMITED

A.B.N. 15 006 908 701

Condensed Half-Year Financial Report

for the half-year ended

31 December 2010

CORPORATE DIRECTORY

Directors

Andrew Plympton – *Chairman*
Ian Kiddle – *Chief Executive Officer*
Andrew Meehan – *Executive Director*
Simon Kemp – *Non-Executive Director*

Company Secretary

Oliver Robert Carton

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Level 21, 140 William Street,
MELBOURNE VIC 3000

Auditors

Pitcher Partners
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MELBOURNE VIC 3000

Share Registry

Company Secretary
c/- Computershare Investor Services Pty. Ltd.
Yarra Falls, 452 Johnston Street,
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INTERMOCO LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

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INTERMOCO LIMITED AND ITS CONTROLLED ENTITIES

ANNOUNCEMENT LETTER

Review of Operations

Revenue from continuing operations for the period ending 31 December 2010 was $1,624,382 (December 2009: $2,305,790)

The operating loss of the group for the half-year ending 31 December 2010 after providing for income tax amounted to $1,818,984 (December 2009: $1,427,172).

Half Year 2011 has proved to be a period of exceptional pipeline growth, however with the GFC impacting developers, Intermoco has not met internal expectations. Having said that, it is evident the Intermoco Connect Model aligned with the product offerings we take to market are proving to be correct. Whilst the timeframes on some of the aforementioned projects and opportunities have not been met, we are consistently growing the already impressive stable of partners/ principals and customers.

It remains the Boards belief that the strategy undertaken will provide a business that is not only sustainable but will provide growth and profitability in the future. Whilst the results are of course disappointing, there are real contributing factors.

As discussed midyear the four projects planned to be commissioned prior to Dec 31 have all now been commissioned. They are;

- Vivida (Apartments)
- Lynch St. Apartments)
- Ravida (Retirement)
- Bell St. (Commercial)

The above sites will commence generating revenues third quarter 2010 / 2011. It is evident from the level and quality of enquiry Intermoco Connect is a readily accepted model with massive upsides for both Intermoco and Principals.

Due to the nature of the re-structure and re-engineering that has been ongoing for 2 years with this current management team, unforeseen costs associated with legacy Financial Systems, Data Management Systems and Billing Engines has contributed to the increase in expenses. These are one off costs. Align this with the changing of Company Auditors plus the recruitment of a new Finance Team the company is now in the right shape to manage the business going forward.

Subsequent events

The company undertook a placement of 290 Million Shares ($1.45M) in January and a rights issue to redeem the convertible note to Belgravia Strategic Equities Pty Ltd ("Belgravia"). The rights issue was to raise $1.154m and is fully under-written By Bell Potter Securities.

The Intermoco Directors have all taken up their full entitlement under the terms of the rights issue announced on the 10th January. In addition the Executive Directors have both taken a further 1M shares in the placement.

The company is pleased that a number of new strategic investors have joined the register, reflecting the addition of long terms holders to our existing shareholder base. We are confident that these shareholders will be highly supportive of INT's medium to long term growth. The redemption of the convertible note will remove the debt from the Balance Sheet and further reduce costs by $240,000 Per Annum.

Intermoco refers to its announcement dated 31 January 2011 concerning an opportunity in Tasmania, and that it had been unsuccessful in being selected as the preferred supplier. It is now the understanding of Intermoco that the fixed period of exclusive discussions with the preferred supplier has expired and that terms and conditions have not been concluded. Therefore Intermoco's terms of its proposal remain open. Intermoco will update the market when it is advised of the conclusion of discussions between the customer and preferred supplier.

Intermoco has been advised that Energy Mad Limited has engaged advisors and is progressing an Initial Public Offering in New Zealand. Intermoco will provide further details when they are available.

ORIGINAL SIGNED BY A PLYMPTON

Andrew Plympton
Chairman

28 February 2011
Melbourne

INTERMOCO LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Half-year Ended	Half-year Ended
	2010	2009
	$	$
Revenue	1,624,382	2,305,790
Cost of goods sold	(729,163)	(998,515)
Contractors and consultants	(900,487)	(609,022)
Employee benefits expense	(864,655)	(1,299,825)
Rent and outgoings	(207,445)	(198,394)
Finance costs	(149,544)	(138,494)
Depreciation and amortisation expenses	(141,883)	(25,910)
Marketing expenses	(61,125)	(38,189)
Share registry fees and expenses	(50,634)	(96,091)
IT expenses	(49,450)	(61,308)
Other expenses	(288,980)	(267,214)
Loss before income tax	(1,818,984)	(1,427,172)
Income tax expense	-	-
Loss from continuing operations after income tax	(1,818,984)	(1,427,172)
Net loss for the period	(1,818,984)	(1,427,172)
Other Comprehensive Income	-	-
Total Comprehensive Loss for the period	(1,818,984)	(1,427,172)
Loss is attributable to:		
Members of the parent entity	(1,818,984)	(1,427,172)
Basic earnings per share (cents per share)	(0.09)	(0.09)
Diluted earnings per share (cents per share)	(0.09)	(0.09)

The accompanying notes form part of the financial statements.

INTERMOCO LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Note	31 Dec 2010	30 Jun 2010	1 July 2009
		$	$	$
CURRENT ASSETS				
Cash and cash equivalents	2	932,067	2,658,955	380,915
Trade and other receivables		1,202,885	1,196,347	1,006,136
Inventories		517,370	168,292	585,084
Other assets		157,112	9,050	-
TOTAL CURRENT ASSETS		2,809,434	4,032,644	1,972,135
NON-CURRENT ASSETS				
Financial assets		778,000	778,000	2,220,000
Property, plant and equipment		666,486	710,735	215,036
Intangible assets		2,158,770	2,158,770	2,158,770
TOTAL NON-CURRENT ASSETS		3,603,256	3,647,505	4,593,806
TOTAL ASSETS		6,412,690	7,680,149	6,565,941
CURRENT LIABILITIES				
Trade and other payables	3	1,293,617	1,195,837	1,947,299
Borrowings		400,622	34,017	-
Financial liabilities		2,100,000	2,100,000	-
Provisions		76,112	102,372	104,828
Other liabilities		-	-	79,500
TOTAL CURRENT LIABILITIES		3,870,351	3,432,226	2,131,627
NON-CURRENT LIABILITIES				
Borrowings		194,206	212,336	-
Provisions		6,826	35,296	71,756
Financial liabilities		-	-	2,100,000
TOTAL NON-CURRENT LIABILITIES		201,032	247,632	2,171,756
TOTAL LIABILITIES		4,071,383	3,679,858	4,303,383
NET ASSETS		2,341,307	4,000,291	2,262,558
EQUITY				
Issued capital	4	134,782,480	134,622,480	128,897,445
Share based payment reserve		-	-	945,425
Accumulated losses		(132,441,173)	(130,622,189)	(127,580,312)
TOTAL EQUITY		2,341,307	4,000,291	2,262,558

The accompanying notes form part of the financial statements.

INTERMOCO LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Note	Share Capital $	Share option Reserve $	Accumulated losses $	Total Equity $
At 1 July 2009		128,897,445	945,425	(127,580,312)	2,262,558
Change in Equity					
Total comprehensive loss for the period, net of tax		-	-	(1,427,172)	(1,427,172)
Issue of share capital		5,760,235	-	-	5,760,235
At 31 December 2009		134,657,680	945,425	(129,007,484)	6,595,621
At 1 July 2010		134,622,480	-	(129,846,810)	4,775,670
Prior year adjustments					
- Inventory	(a)			(169,261)	(169,261)
- Trade and other receivables	(b)			(692,658)	(692,658)
- Borrowings	(c)			18,966	18,966
- Property, plant and equipment	(c)			13,220	13,220
- Trade and other payables	(d)			54,354	54,354
Restated balance as at 1 July 2010		134,622,480	-	(130,622,189)	4,000,291
Total comprehensive loss for the period, net of tax		-	-	(1,818,984)	(1,818,984)
Issue of share capital		160,000	-	-	160,000
At 31 December 2010		134,782,480	-	(132,441,173)	2,341,307

Note (a): During the period ended 31 December, certain inventory omissions and errors were noted and costing errors identified subsequent to the preparation of the 30 June 2010 Financial Statements. These costing errors were corrected by reducing the carrying value as at 30 June 2010 where there were material holdings at that balance date. All subsequent inventory purchases have been recognized at cost, less any impairment where applicable.

Note (b): Upon review of the Company's revenue recognition policy, it has been identified that certain invoices raised as at 30 June 2010, represented unearned revenue. Those amounts that relate to more than one financial year have been reversed as at 30 June 2010 or treated as income in advance and recognised as a liability. The amounts that relate to the six months ended 31 December 2010 have been reversed as at 30 June 2010 and subsequently invoiced in accordance with the contractual agreements and the revised revenue recognition policy.

Note (c): The carrying values of Plant and equipment and lease liabilities were also adjusted as at 30 June 2010 to more accurately reflect the assets held, contractual obligations and the timing of recognition for the associated depreciation and interest expenses.

Note (d): Upon adjustment of the above mentioned invoices, credit notes were raised with a resultant decrease of GST payable, reflected as decrease in trade and other payables.

The accompanying notes form part of the financial statements.

INTERMOCO LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Half-year Ended 2010	Half-year Ended 2009
	$	$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	1,761,459	2,215,043
Payments to suppliers and employees	(3,635,529)	(3,991,815)
Interest received	56,334	1,869
Interest payments	(138,951)	(138,494)
Net cash used in operating activities	(1,956,687)	(1,913,397)
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(97,634)	(99,782)
Net cash used in investing activities	(97,634)	(99,782)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	385,512	-
Repayment of bank borrowings	(30,984)	-
Proceeds from share issue	-	5,547,735
Repayment of finance leases	(27,095)	(3,921)
Capital raising expenses	-	(127,500)
Net cash provided by financing activities	327,433	5,416,314
Net (decrease) / increase in cash and cash equivalents	(1,726,888)	3,403,135
Cash and cash equivalents at beginning of half year	2,658,955	380,915
Cash and cash equivalents at end of the half-year	932,067	3,784,050

Included in cash balance is $108,887 which is held in trust as disclosed within note 2.

The accompanying notes form part of the financial statements.

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

a. Basis of preparation

The interim financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standard AASB 134 "Interim Financial Reporting''.

The interim financial report does not include all the notes of the type normally included within the annual financial report. Accordingly, it cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the consolidated entity as the full financial report.

The interim financial report should be read in conjunction with the annual report of Intermoco Limited as at 30 June 2010.

It is also recommended that the interim financial report be considered together with any public announcements made by Intermoco Limited during the half year ended 31 December 2010 in accordance with the continuous disclosure obligations arising under the ASX Listing Rules.

b. Summary of the significant accounting policies

The same accounting policies have been followed in the half year consolidated financial statements as were applied in the annual financial statements for the year ended 30 June 2010.

c. Going concern

The financial report of Intermoco Ltd has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The group has incurred a loss from ordinary activities of $1,818,984 during the half year ended 31 December 2010 (2009 - $1,427,172) and generated negative cash flows from operations during the half year ended 31 December 2010 of $1,726,888 (2009 - $1,913,397).

As at that date the economic entity had a working capital deficiency of $1,060,917 (30 June 2009 - $600,418 surplus).

Subsequent to balance date the group has continued to trade at a loss.

NOTE: 1 C (Continued)

The directors nevertheless believe that it is appropriate to prepare the financial report on a going concern basis because:

- The group has been progressively experiencing an improvement in trading conditions and in particular are very satisfied with the development of the sales pipeline over this coming 6 month period.

- The group is forecasting positive EBITDA for the year ended 30 June 2011 and the generation of significant positive cash flows over the next 12 months.

- The group has positive net assets of $2,341,307 at 31 December 2010 (2009 – 4,000,291) (including Intangible Assets totalling $2,158,770, (2009 - $2,158,770).

- Subsequent to balance date the group has undertaken a capital raising process which included the placement of 290 million shares to raise $1.45m, and a fully underwritten rights issue to raise approximately $1.1m.

- Subsequent to balance date the group has repaid $1.1 million of the Convertible Note and negotiated an extension to the expiry date of the Convertible Note to coincide with the fundraising currently underway which will be applied to pay out the Convertible Note in full on 4 March 2011.

The directors have prepared the financial report on a going concern basis in the belief that the group will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial report.

The going concern basis of accounting may not be appropriate if the group does not trade as expected, or does not obtain the required level of financial support it requires.

If the going concern basis of accounting is found to be no longer appropriate, the recoverable amount of the assets shown in the Statement of Financial Position are likely to be significantly less than the amounts disclosed and the extent of the liabilities may differ significantly from those reflected in the Statement of Financial Position.

NOTE 2: Committed Cash Balances

Included in the balance of $932,067 is $108,887 of cash held in various accounts controlled by Intermoco on behalf of various Landlords for which utility invoicing and collection is performed. These funds are offset by a liability representing the landlord's retained fund's and accrued income, representing Intermoco's fees retained in the accounts.

NOTE 3: TRADE AND OTHER PAYABLES

Trade and other payables consist of $814,185 of trade payables and other payables of $479,432.

NOTE 4: ISSUED CAPITAL

		31 December 2010 No.	31 December 2009 No.
a	Ordinary Shares		
	At the beginning of reporting period	1,934,835,922	1,530,760,519
-	Shares issued for cash	-	380,075,403
-	Shares issued to directors	20,000,000	20,000,000
-	Shares issued to settle capital raising costs	-	4,000,000
		1,954,835,922	1,934,835,922

		31 December 2010 $	31 December 2009 $
b	Contributed Equity		
	At the beginning of reporting period	**134,622,480**	128,897,445
-	Shares issued for cash	**-**	5,547,735
-	Shares issued to directors	**160,000**	340,000
-	Shares issued to settle capital raising costs	**-**	60,000
-	Less capital raising expenses reported directly in equity	**-**	(187,500)
		134,782,480	134,657,680

NOTE 5: SEGMENT INFORMATION

The Group operates predominantly in one business segment being the technology, hardware and equipment industry, with particular focus on products and solutions for the utilities' industries. The Company also operates predominantly in one geographical segment being Australia.

NOTE 6: CONTINGENT LIABILITIES

As at the date of this report there were no contingent liabilities.

INTERMOCO LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 7: SIGNIFICANT EVENTS AFTER BALANCE DATE

Intermoco announced a non-renounceable rights issue on 20 January 2011, offering eligible shareholders 1 new share for every 9 shares held at the record date. The proceeds from the rights issue will be used to satisfy the convertible note that was issued to Belgravia Strategic Equities Pty Ltd upon maturity.

The rights issue is fully underwritten for 231,893,538 million new shares at an issue price of $0.005 per new share, which is at a discount to the price of shares at the date of announcement, being $0.006. Allotment of the new shares under the offer will be made on 7 March 2011.