



ASX Announcement

10 October 2018

BLX to acquire property for a Brisbane Distribution Centre

Beacon Lighting Group Limited (ASX: BLX) announces it has agreed to acquire the ex-Masters property at 58 Precinct Street, Parkinson, QLD for \$11.8 million plus stamp duty. Settlement is expected to take place in mid-January 2019. The purchase of the property will be 100% debt funded from new banking facilities.

This is the first property acquisition for the Beacon Lighting Group. The primary purpose of the property will be as a Distribution Centre (DC) to service the Beacon Lighting business network in QLD and NSW. The benefits of the Brisbane DC are:

- Improve customer service by having a larger product range closer to the QLD and NSW markets.
- Provide improved supply chain capability to support growth in the QLD and NSW markets.
- Consolidate products currently stored in QLD Third Party Logistics (3PL) DC, two NSW 3PL DC's and VIC offsite storage.
- Relocate the operations of the QLD Commercial Office.
- The interest costs of the property acquisition compare favourably to external lease rental costs.
- Eliminate exposure to future rental cost increases from an external landlord.

The Brisbane DC provides the Beacon Lighting Group with a significant opportunity to secure a property and improve the supply chain for many years ahead. There will be one-off set up and transitional costs associated with the establishment of the Brisbane DC, but the property will deliver immediate supply chain benefits when it becomes fully operational.

The Beacon Lighting Group will consider other property acquisitions in the future should they makes strategic and financial sense.

Further Information

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