

ASX & MEDIA RELEASE

GERARD
L I G H T I N G

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ACQUISITION OF FREND LIGHTING INDUSTRIES



Adelaide, 19 July 2010

Gerard Lighting Group Limited (ASX: GLG), the largest lighting manufacturer and distributor in Australia and New Zealand, announces that today it entered into a Heads of Agreement for a proposed acquisition of Queensland lighting manufacturer and distributor, Frend Lighting Industries Pty Ltd ('Frend Lighting').

Key metrics of the proposed agreement include:

- GLG to acquire all the outstanding shares in Frend Lighting for \$8 million in cash
- Up to a further \$1 million payable to the vendors by September 2011, subject to Frend Lighting meeting FY11 performance targets
- Acquisition funded from GLG's cash flows and debt facilities
- Completion subject to certain conditions including satisfactory completion of additional due diligence procedures
- Acquisition expected to be immediately EPS accretive

Mr Simon Gerard, CEO of GLG, said "The proposed acquisition of Frend Lighting is an exciting addition to the Group's customer product offering and consistent with GLG's stated strategy of growing organically and through strategic bolt-on acquisitions.

"Frend Lighting's business fits well within our existing portfolio of project and high-end lighting businesses, and we expect its products will be sold and leveraged through our national distribution network.

"We are also pleased that founding director Richard Fitzgibbons will have a continuing consultancy role at Frend Lighting throughout 2010 and 2011. In addition, Brendan Evans, a current executive director, will continue in a senior management role driving further growth in the business with Richard."

About Frend Lighting

Frend Lighting, based in Salisbury, Brisbane, is a highly profitable manufacturer and distributor of commercial and industrial luminaires, battens and downlights for the project market. The company was founded in 1996 by directors Richard Fitzgibbons and Noel Evans, and currently employs approximately 32 staff.

Media

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