ASX & MEDIA RELEASE

GERARD
LIGHTING

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Important Note

As a result of GLG becoming the holding company from 31 December 2009, the statutory results for the period ended 30 June 2010, reflect the six month period from 1 January 2010 rather than a 12 month financial year. For the purpose of this announcement, GLG has prepared pro forma financial results for the company on a full year basis, which have been calculated consistent with the pro forma information presented in GLG's Prospectus. The company believes that the pro forma results enable a meaningful analysis of the underlying performance of the company for a 12 month period ending 30 June 2010, and comparisons to the Prospectus forecasts. All references in this release are to the pro forma results unless otherwise stated. Financial tables have been provided at end of this release detailing a reconciliation between pro forma and statutory results.

GERARD LIGHTING GROUP PRO FORMA NET PROFIT AFTER TAX UP 54% EXCEEDING PROSPECTUS FORECAST

Adelaide, August 24, 2010

Gerard Lighting Group (ASX: GLG) today announces its first financial results as an ASX listed company. For the year ending 30 June 2010 the Group achieved a pro forma net profit after tax of $10.8 million up 54% on the prior year ($7.0 million) and ahead of the Prospectus forecast of $10.6 million. The proforma result included a statutory net profit after tax for the six months to 30 June 2010 of $5.7m.

Commenting on the results, GLG Chairman, Robert Gerard AO said "the pleasing profit result reflects the strength of GLG's innovative business model, combined with a strategy of servicing diverse market sectors with a broad range of well-recognised brands."

Key highlights for the 12 month period ending 30 June 2010 include:

- Successful listing on the ASX on 19 May 2010
- Pro forma sales revenue of $362.1 million, with all Australian businesses improving margin
- Pro forma EBITDA of $35.4 million, up 17.5% on prior year (vs Prospectus forecast $34.8 million)
- Net profit of $10.8 million, up 54.1% on prior year (vs Prospectus forecast $10.6 million)
- Earnings per share of 5.68 cents (statutory earnings per share for six months)
- Dividend per share of 2.0 cents, fully franked, declared – in line with prospectus forecast
- Gearing reduced to 39.9% following IPO (90.8% as at 31 December 2010)

GLG Managing Director, Simon Gerard said, “The inherent competitive advantage provided by our business model means that the Group was able to continue to grow earnings in a soft market.

“All of our Australian businesses improved margins in a tough and challenging operating environment. This is a reflection of their strength, capability and the leading positions they have in their respective markets.

“As a result of the weakness in the Australian commercial construction sector during the year, a number of building projects were delayed, industrial infrastructure upgrades were put on hold and there was a low rate of development in the hospitality and retail sectors due to a lack of available funding. On the positive side, residential construction and Federal and State government spending generated counter-cyclical demand from which the Group has benefited,” Mr Gerard said.

Innovation

Mr Gerard noted that technology is a fundamental driver of competition in the lighting industry and GLG continues to lead product development in Australia.

“The Group’s ongoing investment in intelligent lighting products (iLP) and our plan to generate 20 per cent of Group revenue from technology-related products by 2016 place the Company in an excellent position to capitalise on a general trend towards lighting innovation,” Mr Gerard said.

The Group’s commitment to research and development saw the release in June 2010 of a new LED down-light. The new down-light consumes just 30 per cent of the power while providing the same intensity of illumination as existing down-lights. This innovative product was the result of 18 months of dedicated research and development.

GLG’s recent partnership with California-based component manufacturer LUXIM extends lighting technology’s reach into Australia even further with LUXIM’s Light Emitting Plasma lamps having the capacity to offer a more efficient and capable solution for high-illuminance applications.

Financial Performance

A summary of pro forma results for FY2009 and all of FY2010 and statutory audited results for the six months ended 30 June 2010 appears in the table below. These pro forma results incorporate the results for the businesses comprising GLG, as if they were part of the Group for full 12 month periods, and certain other adjustments to reflect GLG’s current business structure.

Year to 30 June ($000's)	Forecast* 6 mths to 30/06/10	Actual 6 mths to 30/06/10	Actual Proforma* FY2009	Forecast Proforma* FY2010	Actual Proforma* FY2010
Sales	182,903	180,918	368,997	364,097	362,112
EBITDA	16,863	17,466	30,112	34,777	35,380
Depreciation and amortisation	(2,022)	(2,014)	(3,747)	(3,800)	(3,792)
EBIT	14,841	15,452	26,365	30,977	31,588
Financing costs	(6,685)	(6,231)	(17,710)	(14,369)	(13,915)
Profit before tax	8,156	9,221	8,655	16,608	17,673
Income tax (expense)/ benefit	(2,626)	(3,553)	(1,672)	(5,986)	(6,913)
Profit/ (loss) for the period	5,530	5,668	6,983	10,622	10,760

** Forecast and Proforma information is unaudited and has been extracted from the Prospectus for information purposes only.*

The Group recorded pro forma sales of $362million for the year ending 30 June 2010. This sales result was marginally lower than the prior year reflecting subdued conditions in the Australian construction sector reflected through reported sales volumes.

Pro forma net profit for the period was $10.8 million, ahead of the Prospectus forecast of $10.6 million, representing a 54.1% increase on the prior year.

The Group generated pro forma operating cash flow of $22.3 million for the financial year (after payment of $6.5 million of interest and taxes). The net proceeds from the IPO enabled the company to repay approximately $70 million in debt.

As a consequence, pro forma financing costs fell $3.8 million to $13.9 million for the year, reflecting lower interest charges on the reduced debt balance, and a reduction in GLG's gearing ratio (net interest bearing debt divided by equity plus net debt) to 39.9 per cent, as at 30 June 2010(vs 90.8 per cent at 31 December 2009).

Activities Since Balance Date

Mr Simon Gerard noted that the Group has been active in driving growth both organically and through acquisition since ASX Listing in May this year.

On July 19 2010, the Group announced that it had entered into a Heads of Agreement for the proposed acquisition of Queensland lighting manufacturer and distributor, FREND Lighting Industries Pty Ltd.

On completion GLG will acquire all of the outstanding shares in FREND Lighting for $8 million in cash, with a further performance-related $1 million payable to the vendors by September 2011.

Early this month GLG announced the formation of a joint venture company, White Lite Pty Ltd, to design, produce and distribute emergency lighting products. White Lite will trade as GLG's Emergency Lighting Centre of Excellence at Mount Kuring-Gai, NSW.

“Management continues to devote significant energy to the process of identifying and pursuing suitable strategic acquisitions which are consistent with GLG's core businesses and which will add accretive, sustainable long term value for the benefit of shareholders,” said Mr Gerard.

Dividend and Outlook

The Directors have declared a fully franked dividend of 2.0 cents per share in respect of the six month period to 30 June 2010, and in line with the Prospectus forecast. The dividend will be paid on 22 October 2010 to shareholders on the register as at 13 October 2010.

For future periods, the company's current dividend policy is to distribute between 40% and 60% of distributable net profit after tax, subject to the company's available profits, financial position, and commitments.

Mr Robert Gerard AO, noted that leading indicators are now indicating the potential of some recovery in the broader industrial and commercial building sectors in Australia.

“All GLG's business units remain focused on improving market competitiveness through innovation, cost management and geographical expansion,” he said.

“With strong cash flows and well-recognised brands, all our major business units are well-positioned to continue their recent growth trends as economic conditions recover. We are a customer-driven enterprise and are committed to staying ahead of the demand curve by offering innovative, energy-efficient and technically advanced lighting products both in the Australasian market and internationally.

"GLG continues to have significant competitive advantage and will assist the Group to achieve sales and profit growth in our existing businesses and superior business outcomes over time. These factors include:

- our deep understanding of the lighting industry;
- decades of management experience;
- an integrated business model;
- unique relationships with wholesalers and contractors (including 'The TRIBE' loyalty program);
- a distribution network without peer in Australia; and
- our established global network.

"As detailed in our Prospectus, GLG will be pursuing growth through a combination of product innovation, technology products (iLP), international expansion and local acquisition,"
Mr Gerard said.

The Preliminary Report Appendix 4E can be viewed at www.gerardlighting.com.au

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Reconciliation of Pro forma Results (unaudited) to Statutory Results

Year to 30 June ($000's)	Pro forma actual FY2010
Proforma NPAT	**10,760**
Adjustments * :	
H1 FY10 audit reviewed EBIT	(13,255)
Incremental listing costs	292
Impairment charges	(391)
Abnormal items	(446)
Discontinued / new operations	(2,336)
Finance costs	7,684
Tax impact of adjustments	3,360
Statutory NPAT	**5,668**

* Refer to page 74 of the Prospectus dated 1 April 2010