
GERARD
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Gerard Lighting Group Limited
Investor Briefing
Half year results – 6 months ended 31 December 2010

22 February 2011

PIERLITE
professional lighting solutions

SIA Concord
SYLVANIA
eSE Where
innovation
comes to
light.

Crompton
Lighting

ML moonlighting
Member of the Gerard Lighting Group

INLITE

Austube
TUBULAR LIGHTING SYSTEMS

Agenda

- Result highlights
- Strategic achievements
- Financials - Half Year 31 Dec 2010
- Future growth drivers
- Key priorities and guidance

Highlights

- Revenues of \$209.3m, up 15.6% on H2 FY2010
- EBIT of \$19.8m, up 27.7% on H2 FY 2010 of \$15.5m
- EBIT to Sales of 9.5% vs 8.5% for H2 FY 2010
- Net profit of \$9.6m, up 69.1% on H2 FY 2010 of \$5.7m
- EPS of 5.67 cents per share
- Dividend per share of 2.7 cents, fully franked
- Gearing reduced to 36% (Debt to Debt plus Equity)
- Cash from Operations, \$22.1m (before Interest and Tax)



Strategic achievements - Growth

- Delivering on IPO forecasts
- Acquisition of Frennd Lighting completed successfully
- Group has launched over 200 new products
- Capitalised on Economic Stimulus spend in calendar 2010
- New MR16 LED down light has generated sales above expectations
- “The Tribe” our contractor loyalty program had grown to over 1,300 members by mid February 2011



Financials - Income statement

	Actual	Actual	Forecast	Actual
	6 mths to 31/12/10	6 mths to 30/06/10	Proforma* FY2011	Proforma* FY2010
Sales	209,255	180,918	399,850	362,112
EBITDA	21,905	17,466	40,234	35,380
Depreciation and amortisation	(2,103)	(2,014)	(4,691)	(3,792)
EBIT	19,802	15,452	35,543	31,588
Financing costs	(5,014)	(6,231)	(8,370)	(13,915)
Equity accounted investments	(25)	-	-	-
Profit before tax	14,763	9,221	27,173	17,673
Income tax (expense)/ benefit	(5,179)	(3,553)	(8,773)	(6,913)
Profit/ (loss) for the period	9,584	5,668	18,400	10,760

** Pro forma information is unaudited and has been extracted from the Prospectus for information purposes only.*

Financials - Balance sheet & key ratios

	31-Dec-10 \$'000	30-Jun-10 \$'000
Current Assets	159,851	166,166
Non-current Assets	121,106	109,585
TOTAL ASSETS	280,957	275,751
Current Liabilities	88,506	89,672
Non-current Liabilities	75,561	77,581
TOTAL LIABILITIES	164,067	167,253
NET ASSETS	116,890	108,498
Cash	16,083	14,690
Interest bearing debt	81,966	86,635
Net debt	65,883	71,945
Net working capital	87,001	84,135

	31-Dec-10 \$'000	30-Jun-10 \$'000
Gearing ratio*	36.0%	39.9%
Return on funds – annualised**	20.6%	16.6%
Interest cover	3.9	2.5
EBIT/sales	9.5%	8.5%

* - Debt/Debt + equity

** - EBIT/Total assets - current liabilities (annualised)

The Group has a successful track record and will seek to continue its growth through the following key areas:

Product Innovation

The delivery of innovative lighting solutions and new products.
Continued investment in local research and development teams to continue to push design and innovation boundaries.

Production Costs

Constant evaluation of production and product sourcing costs. Production 'partners' established throughout Indonesia and Asia to complement Australian manufacturing facilities.

Acquisition Growth

Consider growth by acquisition as the lighting industry consolidates. Continually evaluate and pursue potential acquisition targets that fit strategically and satisfy the Group's financial objectives.

Intelligent Lighting Products

Focused on compatible technology, centralised research and development and being an early adopter of technology in the market. Increased awareness of energy management and energy savings as market driver.



International Expansion

Expand sales from a low base, leveraging from the international Pierlite brand to grow in selected markets in India, the Middle East, Indonesia and Malaysia.

Brands

Trusted brands with decades of presence in the Australian lighting market.



Key priorities 2011 and guidance

- Delivery on investor promise - IPO forecast
- Continuing focus on acquisition strategy (both locally and internationally)
- Ongoing investment in “People Talent”
- Capture ever growing opportunities in the area of Energy Efficient Lighting Solutions

Guidance

The Board and Management remain very confident of achieving the IPO forecast

Disclaimer

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Statements contained within this presentation regarding possible or assumed future performance, estimated company earnings, potential growth of the company, industry or other trend projections including the 2011 prospectus forecast are forward looking statements. Such statements relate to future events and expectations and therefore involve unknown risks and uncertainties. Actual results may differ materially from those expressed or implied by these forward looking statements.

www.gerardlighting.com.au

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