

**GERARD LIGHTING GROUP
ANNUAL GENERAL MEETING
OCTOBER 26, 2011
STAMFORD PLAZA HOTEL, ADELAIDE
CHAIRMAN'S ADDRESS**

I am pleased to report to shareholders that in the 2011 Financial Year, the Gerard Lighting Group fulfilled the investor promise made at the time of the IPO last year and delivered a net profit that exceeded the Prospectus forecast by 6 per cent.

The injection of shareholders' funds in 2010 strengthened our balance sheet and we now have the capacity to realise our five-year goal of becoming the clear market leader in the Indian Ocean region, providing a complete offering of lighting products and solutions.

We are continuing our program of organic growth and also have the strength in our balance sheet to make excellence bolt-on acquisitions. During the past year FRENZ Lighting, White Lite and eneSolve have been acquired and all are meeting our expectations and adding value to the Group's operations.

Our standing has also been recognised by Standard & Poor's, the leading provider of equity indices in Australia, who announced in March this year that the Group's shares would be included in the All Ordinaries Index.

FY2011 Results

In the 2011 financial year, Gerard Lighting Group generated net profit after tax of \$19.5 million, more than \$1 million better than forecast, and up \$8.8 million on the prior year's pro forma result. New more energy-efficient lighting products drove this impressive result, together with a positive earnings contribution from businesses acquired during the year.

The financial strength of the company's balance sheet continued to improve during the year with a further reduction in gearing through improved cash flows and working capital management, notwithstanding the \$9.7 million spent on acquisitions. Gearing, as measured by net debt to debt plus equity, of 35% at 30 June 2011 has improved from 40% at the same time last year.

The Board believes that management did an excellent job in achieving these results in a challenging economic environment, given constraints on domestic construction activity, the withdrawal of Federal Government stimulus spending and increased pricing competition.

Dividends

The Group's strong financial performance and the strength of our balance sheet enabled the Board to declare a fully franked final dividend of 2.8 cents per share for the Second Half of FY2011. The Second Half dividend was paid earlier this month and, together with the fully franked interim dividend of 2.7 cents per share paid in March 2011, meant that a full year dividend of 5.5 cents per share has been paid to shareholders for FY2011.

This total annual dividend represents a payout ratio of approximately 50% of net profit after tax and a fully franked dividend yield of approximately 8% on the share price at 30 June 2011. It is also ahead of the dividend that was forecast in our prospectus of 5.2 cents per share.

The Board intends to maintain its existing dividend policy, as outlined in the Prospectus, of distributing between 40% and 60% of available net profit after tax.

Innovation

The Group remains fully committed to lighting product innovation and to the further development of the intelligent Lighting Products range (iLP) range. Product innovation and expertise are key competitive strengths. Our objective is to grow our iLP product sales to reach 20% of total Group revenue within the next five years. Today it stands at about 10%.

The successful introduction of the Group's LED downlight is a current example of the returns that can accrue from a continuing commitment to R&D. Our product development roadmap extends well into the future and we are aggressively targeting energy-efficient product releases that commercialise new technologies.

We have selectively partnered with some of the world's leading technology providers. Our underlying strategy is to commercialise the best available electrical and lighting technology for local conditions in a timely manner. An example of this is our recently announced strategic alliance with, and acquisition of shares in, the North American based LED technology company Illumitex Inc.

Corporate Governance

Your Board is committed to achieving and demonstrating high standards in corporate governance. The Company complies with the ASX's recently-revised eight core principles of corporate governance to the extent they are necessarily applicable. These standards provide a framework designed to influence how corporate objectives are set, how to monitor and assess risk and how to optimise performance.

The Group's Corporate Governance Statement on pages 27 to 29 of the Annual Report outlines the key components of the Group's governance framework.

Growing Shareholders' Value

Your Board and management are committed to growing the value of shareholders' investment through delivering on our long-term growth strategies. We remain confident that our current strategies have the potential to enhance shareholder value through steady earnings and dividend growth in the years to come.

Specifically, these strategies include enhancing the profitability of our current operations through sales growth and lower costs of production; product innovation; research, development and sales of iLP; international expansion; and growth through acquisition. In the 2011 financial year we delivered positive outcomes on all of these strategies and in the coming years I am confident this success will continue.

The TRIBE

Let me now say a few words about the TRIBE, our contractor loyalty program, which is an achievement of which I am personally very proud. As perhaps the "Chief" of the TRIBE I am delighted to report that membership now exceeds 1,500 nationally and growing. Importantly, many TRIBE members are also Gerard Lighting shareholders.

The TRIBE recently celebrated its first anniversary and has seen rapid membership growth and program development. The plan for the current year is to consolidate and further build membership while focusing on our primary goal – to provide maximum product and training support to contractors and wholesalers as they supply and service the residential, commercial and industrial lighting markets in Australia.

Our People

The Group's pleasing results would not have been possible without the outstanding team of people at Gerard Lighting. The Board compliments our people for their commitment and their contribution to the business. Our executive understands that the most successful business relationships are those built on mutual trust and confidence and at Gerard Lighting we aim to build a culture that attracts and retains top performers.

Outlook

Looking ahead, we are confident of our growth strategy and in the Group's capacity to exploit the many opportunities for both organic and acquisition growth over the medium to long term.

We anticipate that growing revenue opportunities will present themselves to companies such as ours that offer solutions to address rising energy costs, and well as economic and regulatory driven demand for low carbon intensive lighting solutions. Moreover, the potential for future product releases based on our ability to commercialise new technology is substantial.

We are also encouraged to see our offshore locations showing healthy signs of improved financial performance as the regional markets in which they operate start to grow, especially in Indian Ocean rim countries.

During the 2012 financial year we expect sales growth will be impacted by a continuation of subdued and patchy market conditions affecting the Australian building and construction industry. There has been a downturn in residential consents and continued weak approval levels in commercial and retail construction. Notwithstanding this environment, your Company's leading market position, continued product innovation and the strength of relationships throughout the industry, position us well to grow market share and shareholder value as demand for energy-efficient lighting products continues to grow. Whilst our half-year results are likely to be softer than the comparative previous half year, we have implemented actions to achieve the Groups internal expectations for the full financial year.

I now invite CEO Simon Gerard to report in detail on the Group's operating and financial performance.