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## **Gerard Lighting Group expands its banking syndicate and lowers ongoing finance charges**

Gerard Lighting Group Limited (ASX:GLG) today announced that Australia and New Zealand Banking Group Limited will join St George Bank, as the company's new banking partner, following a highly competitive tender process amongst six major banks.

Under the new facility agreement, the company appoints the two financiers to provide in aggregate all of the Group's finance requirements. The total available credit under the new facility will be \$100 million, approximately equal to that available under its existing facility, but with lower finance charges and secured for a period of 5 years.

Commenting on the new facility, Managing Director, Simon Gerard said, "I am absolutely delighted with the enthusiastic responses we received from all banks who participated in the tender process."

"The improved terms we achieved from the new facility reflects the solid financial performance we are seeing from the Group's operations, the growth being delivered, and support by the banks for our long term strategy."

Mr Gerard thanked St George for their loyal and continuing support as the Group's financier over a period of some 20 years. Gerard Lighting has reached a point in time where it considered it appropriate to introduce another financier to assist the Group's with its growth ambitions domestically and in its overseas emerging markets.

The new arrangements will come into effect early in the 2012 financial year and will result in a reduction to the Group's interest and borrowing charges of approximately \$1.3 million on an annualised basis, based on the current balance of drawn debt, during the 2012 financial year. Offsetting that reduction in interest charges in the 2012 year, there will be a one off expense of \$1.1m in respect to break costs associated with exiting the current fixed interest bills and capitalised borrowing costs. The full benefit of interest saving of \$1.3m will however be applicable in the 2013 year. The covenants of the new facility are substantially the same as those of the previous facility, and do not include any covenant related to the company's market capitalisation.

Gerard Lighting advises that the new arrangements will not result in the Group drawing down additional debt outside of its normal ongoing working capital requirements.

Simon Gerard added “The positive responses from the banks tendering meant that whilst the Group did not expand our facilities at this point in time, in the event value accretive growth opportunities did arise, we are confident the Group would be in a position to obtain access to additional funding very quickly and at attractive rates.”

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