



Gerard Lighting Group Limited
ABN 16 141 079 594



**APPENDIX 4D AND
CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 December 2011**

Appendix 4D

Half Year Report

Name of entity

GERARD LIGHTING GROUP LIMITED

ABN

16 141 079 594

For the half year ended

31 December 2011

Results for announcement to the market

				Dec-11	Dec-10
				\$000's	\$000's
Revenues from ordinary activities	Down	5.7%	To	197,427	209,255
Net profit after tax for the period	Down	15.2%	To	8,123	9,584
Profit from ordinary activities after tax attributable to members	Down	15.7%	To	8,462	10,036

Dividends

	Amount per security	Franked amt. per security
Interim dividend (cents per share) *	2.70	2.70
Total	2.70	2.70
* to be paid on 16 March 2012		
Record date for determining entitlements to the dividend	06-March-2012	

Earnings per share

	Dec-11	Dec-10
	Cents per share	Cents per share
EPS	4.78	5.67
EPS - diluted	4.78	5.67
<i>For additional information on Earnings Per Share refer to note 4 of the notes accompanying the financial statements.</i>		

Net tangible assets per share

	Dec-11	Dec-10
	Cents per share	Cents per share
Net tangible asset backing	20.57	16.46

Details of dividend or distribution plans in operation

The company does not have a dividend reinvestment plan in place.

Details of entities over which control has been gained or lost during the period

Effective 1 July 2011 the shareholders of White Lite Pty Ltd reached an agreement whereby control of the jointly owned entity resides with Gerard Lighting Pty Ltd. As a result of this agreement, from 1 July 2011 White Lite Pty Ltd is now consolidated within the Group results.

In the Annual Report for the year ended 30 June 2011 White Lite Pty Ltd was disclosed as an equity accounted investee.

Details of associates and joint venture entities

Following the agreement with White Lite Pty Ltd the Group does not hold any interest in joint venture entities.

Statement as to whether the report is based on accounts which have been audited

This report is based on financial statements that have been reviewed by KPMG, the Group's auditors.

Gerard Lighting Group Limited

For the half year ended 31 December 2011

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This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly this report should be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Gerard Lighting Group Limited in the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Gerard Lighting Group Limited

Half year ended 31 December 2011

Director's Report

Your directors present their report on the consolidated Group consisting of Gerard Lighting Group Limited (GLG) and the entities it controlled at the end of, or during, the half year ended 31 December 2011.

Directors

The names and details of the company's directors in office during the financial period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Robert Gerard AO (Chairman)

Richard Allert AO, FCA (Deputy Chairman - Independent Non Executive Director)

Simon Gerard (Managing Director)

Graham Walters AM, FCA (Independent Non Executive Director)

Michael Crompton GAICD (Independent Non Executive Director)

Gary Savage FCA (Executive Director)

Graham Ellis (Chief Financial Officer, alternate to Gary Savage)

Review of operations

A summary of the financial results for the half year is as follows:

	Actual 6 mths to 31/12/11	Actual 6 mths to 31/12/10
Revenue	197,427	209,255
EBITDA	19,609	21,905
Depreciation and amortisation	(2,280)	(2,103)
EBIT	17,329	19,802
Net financing costs	(4,115)	(5,014)
Equity accounted investments	-	(25)
Profit before tax	13,214	14,763
Income tax expense	(5,091)	(5,179)
Profit for the period	8,123	9,584

For additional detail and commentary on the financial results and review of operations please refer to the media release accompanying the appendix 4D.

Dividends

The Directors have announced a fully franked dividend of 2.7 cents per share. The record date for the dividend is 6 March 2012 and the dividend will be paid on 16 March 2012.

Gerard Lighting Group Limited

Half year ended 31 December 2011

Director's Report

Subsequent events

Since the end of the financial period and as at the date of this report, the Directors are not aware of any matter or circumstance, not otherwise disclosed in Note 11 Events After Balance Sheet Date, that has significantly or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

Rounding to the nearest thousand dollars

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission relating to "rounding off" of amounts in the directors' report and financial report. Amounts in the directors report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the Directors.



Simon Gerard
Managing Director



Graham Walters
Director

Adelaide, 20 February 2012.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Gerard Lighting Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2011 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

A handwritten signature in black ink, appearing to read 'Paul Cenko'.

Paul Cenko
Partner

Adelaide

20 February 2012

Gerard Lighting Group Limited

For the half year ending 31 December 2011

Condensed Consolidated Statement of Comprehensive Income

	Notes	CONSOLIDATED	
		31-Dec-11 \$'000	31-Dec-10 \$'000
Continuing operations			
Revenue	3(a)	196,964	208,943
Other income	3(b)	463	312
		<u>197,427</u>	<u>209,255</u>
Materials and consumables used		(93,116)	(97,910)
Employee benefits expense	3(c)	(50,367)	(51,720)
Depreciation and amortisation expense	3(d)	(2,280)	(2,103)
Other expenses	3(e)	(34,335)	(37,720)
Results from operating activities		<u>17,329</u>	<u>19,802</u>
Finance income	3(f)	524	420
Finance costs	3(g)	(4,639)	(5,434)
Net finance costs		<u>(4,115)</u>	<u>(5,014)</u>
Share of (loss) of equity accounted investees (net of income tax)	10	-	(25)
Profit before income tax		13,214	14,763
Income tax expense		(5,091)	(5,179)
Profit for the period		<u>8,123</u>	<u>9,584</u>
Other comprehensive income			
Foreign currency translation differences - foreign operations	3(h)	(369)	(707)
Income tax on other comprehensive income		-	-
Other comprehensive income for the period, net of tax		<u>(369)</u>	<u>(707)</u>
Total comprehensive income for the period		<u>7,754</u>	<u>8,877</u>
Profit attributable to:			
Equity holders of the Company		8,462	10,036
Non controlling interest		(339)	(452)
Profit for the period		<u>8,123</u>	<u>9,584</u>
Total comprehensive income attributable to:			
Equity holders of the Company		8,050	9,500
Non controlling interest		(296)	(623)
Total comprehensive income for the period		<u>7,754</u>	<u>8,877</u>
Earnings per share (cents per share)			
Basic earnings per share	4	4.78	5.67
Diluted earnings per share	4	4.78	5.67

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Gerard Lighting Group Limited

For the half year ending 31 December 2011

Condensed Consolidated Statement of Financial Position

	Notes	CONSOLIDATED	
		31-Dec-11 \$'000	30-Jun-11 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	6	4,691	19,981
Trade and other receivables		72,053	79,584
Other financial assets		134	-
Inventories		69,847	68,021
Prepayments		2,511	2,551
Total Current Assets		149,236	170,137
Non-current Assets			
Other financial assets		2,978	30
Investments in equity accounted investees	10	-	614
Other receivables		557	576
Deferred tax assets		7,931	8,386
Property, plant and equipment		26,749	24,370
Intangible assets		91,003	89,932
Total Non-current Assets		129,218	123,908
TOTAL ASSETS		278,454	294,045
LIABILITIES			
Current Liabilities			
Trade and other payables		54,787	62,231
Interest-bearing liabilities		4,752	5,283
Income tax payable		2,748	11,488
Provisions		12,422	12,309
Total Current Liabilities		74,709	91,311
Non-current Liabilities			
Provisions		1,587	1,600
Interest-bearing liabilities		76,226	78,990
Total Non-current Liabilities		77,813	80,590
TOTAL LIABILITIES		152,522	171,901
NET ASSETS		125,932	122,144
EQUITY			
Equity attributable to equity holders of the Company			
Share Capital	7	86,368	86,368
Retained earnings		21,450	17,944
Other reserves		15,678	15,750
Equity attributable to equity holders of the Company		123,496	120,062
Non controlling interest		2,436	2,082
TOTAL EQUITY		125,932	122,144

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Gerard Lighting Group Limited

For the half year ending 31 December 2011

Condensed Consolidated Statement of Changes in Equity

	<i>Notes</i>	Contributed equity	Foreign currency translation reserve	Equity reserve	Reserve for own shares	Retained earnings	Total	Non controlling interest	Total equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated									
Balance at 1 July 2011		86,368	(772)	15,815	707	17,944	120,062	2,082	122,144
Total comprehensive income for the period									
Profit or loss		-	-	-	-	8,462	8,462	(339)	8,123
Other comprehensive income									
Foreign currency translation differences		-	(412)	-	-	-	(412)	43	(369)
Total comprehensive income for the period		-	(412)	-	-	8,462	8,050	(296)	7,754
Transactions with owners, recorded directly in equity									
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	650	650
Share-based payments, net of tax		-	-	-	340	-	340	-	340
Dividends to equity holders	5	-	-	-	-	(4,956)	(4,956)	-	(4,956)
Total transactions with owners		-	-	-	340	(4,956)	(4,616)	650	(3,966)
Balance at 31 December 2011		86,368	(1,184)	15,815	1,047	21,450	123,496	2,436	125,932
Balance at 1 July 2010		86,368	(96)	15,815	73	6,130	108,290	208	108,498
Total comprehensive income for the period									
Profit or loss		-	-	-	-	10,036	10,036	(452)	9,584
Other comprehensive income									
Foreign currency translation differences		-	(536)	-	-	-	(536)	(171)	(707)
Total comprehensive income for the period		-	(536)	-	-	10,036	9,500	(623)	8,877
Transactions with owners, recorded directly in equity									
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	2,738	2,738
Share-based payments, net of tax		-	-	-	317	-	317	-	317
Dividends to equity holders		-	-	-	-	(3,540)	(3,540)	-	(3,540)
Total transactions with owners		-	-	-	317	(3,540)	(3,223)	2,738	(485)
Balance at 31 December 2010		86,368	(632)	15,815	390	12,626	114,567	2,323	116,890

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Gerard Lighting Group Limited

For the half year ending 31 December 2011

Condensed Consolidated Statement of Cash Flows

	<i>Notes</i>	CONSOLIDATED	
		31-Dec-11 \$'000	31-Dec-10 \$'000
Cash flows from operating activities			
Cash receipts from customers		225,300	240,044
Cash paid to suppliers and employees		(206,980)	(217,975)
Cash generated from operations		18,320	22,069
Interest paid		(4,639)	(4,195)
Income taxes (paid)/ received		(13,344)	546
Net cash from operating activities		337	18,420
Cash flows from investing activities			
Interest received		292	420
Acquisition of subsidiaries - net of cash acquired		55	(7,252)
Acquisition of business		-	(151)
Investment in equity accounted investees		-	(650)
Investment in unlisted entities		(2,796)	-
Proceeds from sale of property, plant and equipment		64	26
Product development - capitalised		(409)	(58)
Acquisition of property, plant and equipment		(4,551)	(2,534)
Net cash flows used in investing activities		(7,345)	(10,199)
Cash flows from financing activities			
Net repayments of borrowings		(3,180)	(3,211)
Finance lease repayments		(115)	(103)
Payment of dividends on ordinary shares	5	(4,956)	(3,540)
Net cash flows used in financing activities		(8,251)	(6,854)
Net increase in cash and cash equivalents		(15,259)	1,367
Effect of exchange rate fluctuations on cash held		(31)	26
Cash and cash equivalents at beginning of period		19,981	14,690
Cash and cash equivalents at end of period	6	4,691	16,083

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the condensed consolidated interim financial statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

Gerard Lighting Group Limited (the Company) is domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 December 2011 comprise the Company and its subsidiaries (together referred to as the Group).

(b) Basis of preparation

(i) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with AASB 134 *Interim Financial Reporting* and do not include all of the information required for full annual financial statements.

These condensed consolidated interim financial statements were approved by the Board of Directors on 20 February 2012.

(ii) Accounting estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as applied to the consolidated financial statements as at and for the period ended 30 June 2011.

(c) Changes in accounting policy

The accounting policies applied in preparing the financial statements for the half-year ended 31 December 2011 are consistent with those applied in preparing the comparative information presented in these financial statements and are the same as those applied by the Consolidated Entity in its consolidated financial report as at and for the year ended 30 June 2011.

2 FINANCIAL RISK MANAGEMENT

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the period ending 30 June 2011.

	31-Dec-11 \$000's	31-Dec-10 \$000's
3 REVENUE AND EXPENSES		
(a) Revenue		
Sale of goods	<u>196,964</u>	<u>208,943</u>
	<u>196,964</u>	<u>208,943</u>
(b) Other income		
Gain/(loss) on disposal of property, plant and equipment	(33)	4
Other revenue	<u>496</u>	<u>308</u>
	<u>463</u>	<u>312</u>
(c) Employee benefits expense		
Wages and salaries	41,321	41,840
Superannuation paid	3,574	2,989
Workers compensation costs	203	985
Termination payments	59	429
Expense of share-based payments	340	317
Other personnel costs	<u>4,870</u>	<u>5,160</u>
Total employee benefits expense	<u>50,367</u>	<u>51,720</u>

Notes to the condensed consolidated interim financial statements

3 REVENUE AND EXPENSES (Cont.)	31-Dec-11 \$000's	31-Dec-10 \$000's
(d) Depreciation and amortisation expense		
Depreciation of non-current assets		
Land and buildings	83	38
Property, plant and equipment	1,958	1,925
Plant and equipment under lease	75	70
Amortisation of product development costs	91	70
Amortisation of other intangibles	73	-
Total depreciation and amortisation expense	<u>2,280</u>	<u>2,103</u>
(e) Other expenses		
Warehouse and distribution	8,563	9,326
Occupancy	5,027	4,776
Advertising and promotion	2,939	3,601
Professional services	1,707	1,090
Motor vehicle	2,098	2,088
Marketing, travel and entertainment	4,775	5,399
Other	9,226	11,440
Total other expenses	<u>34,335</u>	<u>37,720</u>
(f) Finance income		
Bank interest received	292	420
Foreign currency gains	53	-
Net change in value of financial assets	179	-
Total finance income	<u>524</u>	<u>420</u>
(g) Finance costs		
Bank loans and overdrafts	4,634	4,184
Lease and hire purchase	5	11
Foreign currency losses	-	783
Net loss in value of financial assets	-	456
Total finance costs	<u>4,639</u>	<u>5,434</u>
(h) Amounts recognised in other comprehensive income		
Foreign currency translation differences - foreign operations	(369)	(707)
Income tax applicable	-	-
	<u>(369)</u>	<u>(707)</u>
Attributable to:		
Equity holders	(412)	(536)
Non controlling interest	43	(171)
	<u>(369)</u>	<u>(707)</u>

Notes to the condensed consolidated interim financial statements

4 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period adjusted for the effects of dilutive options.

The following reflects the profit and share data used in the basic and diluted earnings per share computations:

	31-Dec-11 \$000's	31-Dec-10 \$000's
Net profit from continuing operations attributable to equity holders of the parent	<u>8,462</u>	<u>10,036</u>
	<i>Thousands</i>	<i>Thousands</i>
Weighted average number of ordinary shares for basic earnings per share	177,000	177,000
Effect of dilution:		
Effect of share issues	-	-
Effect of share options	-	-
Adjusted weighted average number of ordinary shares for diluted earnings per share	<u>177,000</u>	<u>177,000</u>

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

5 DIVIDENDS PAID AND PROPOSED

Ordinary shares

	31-Dec-11 \$000's	31-Dec-10 \$000's
Final 2011 - Ordinary (fully franked)	4,956	N/A
Final 2010 - Ordinary (fully franked)	<u>N/A</u>	<u>3,540</u>
Cents per share	2.8	2.0
Date paid	14-Oct-11	22-Oct-10

Since the end of the half year the Directors have recommended the payment of an interim dividend. The dividend has not been provided and has no income tax consequences.

Interim 2012 - Ordinary (fully franked)	4,779	N/A
Interim 2011 - Ordinary (fully franked)	<u>N/A</u>	<u>4,779</u>
Cents per share	2.7	2.7
Date of payment	16-Mar-12	18-Mar-11

The tax rate at which paid dividends have been franked is 30%.
 Dividends proposed will be fully franked at the rate of 30%.

Notes to the condensed consolidated interim financial statements

	31-Dec-11 \$000's	30-Jun-11 \$000's
6 CASH AND CASH EQUIVALENTS		
For the purposes of the statement of cash flows, cash and cash equivalents		
Cash at bank and in hand	<u>4,691</u>	<u>19,981</u>

	Notes	31-Dec-11 Thousands	30-Jun-11 Thousands
7 SHARE CAPITAL			
Opening balance at the beginning of period		<u>177,000</u>	<u>177,000</u>
Closing balance at the end of the period		<u>177,000</u>	<u>177,000</u>

Fully paid ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on the shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

8 OPTIONS OVER ORDINARY SHARES	Number 000's	Grant date	Vesting date	Exercise price
Outstanding at the beginning of the period	10,000	19-Mar-10	30-Jul-15	\$1.00
Forfeited during the period	-			
Exercised during the period	-			
Granted during the period	<u>5,000</u>	28-Nov-11	1-Dec-15	\$1.00
Outstanding at the end of the period	<u>15,000</u>			

During the period 5 million options were issued to key management personnel under the Company's Long Term Incentive Plan. The options issued are exercisable up to five months after the vesting date.

	31-Dec-11 \$000's	30-Jun-11 \$000's
9 CONTINGENCIES		
Legal claims		
There were no material or significant legal claims at 31 December 2011.		

Guarantees

Bank guarantees to satisfy security bonds, necessarily required in relation to commercial leases, for property occupied by the Group and to secure the banking facilities of Pierlite UK Ltd.

Letters of credit and standby letters of credit	4,877	4,847
Corporate credit card facility	3,378	2,222
	<u>77</u>	<u>76</u>
	<u>8,332</u>	<u>7,145</u>

Notes to the condensed consolidated interim financial statements

10 EQUITY ACCOUNTED INVESTEEES

Acquisition of non controlling interest

During the year ended 30 June 2011 the Group acquired a 50% interest in White-Lite Pty Ltd. The Group acquired its 50% interest for a cash consideration of \$650,000. Effective 1 July 2011 the shareholders of White Lite Pty Ltd reached an agreement whereby control of the jointly owned entity will now reside with Gerard Lighting Pty Ltd. As a result of this agreement, from 1 July 2011 White Lite Pty Ltd is now consolidated within the Group results. Prior to 1 July 2011 White Lite Pty Ltd was disclosed as an equity accounted investee.

Value of equity accounted investment

-	614
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11 EVENTS AFTER BALANCE SHEET DATE

Effective 31 January 2012 the Group completed the acquisition of 100% of the business and assets of both Nimbus and Home Lighting, lighting manufacturers and distributors, based in New Zealand. Combined consideration of \$NZ 14.2 million was paid with \$NZ 1.3 million being deferred subject to the individual businesses meeting FY2013 performance targets. As a result of the timing of the acquisition the Group has not completed the allocation of consideration to the fair value of assets acquired.

12 RELATED PARTY TRANSACTIONS

Arrangements with related parties continue to be in place. For details of these arrangements, refer to the consolidated financial statements as at for the period ended 30 June 2011.

13 OPERATING SEGMENTS

The Group has six operating segments in Australia and one overseas operating segment. The Australian operating segments have been aggregated into one reportable segment in accordance with the aggregation criteria in AASB 8 *Operating Segments*. The overseas operating segment does not meet the reporting criteria of AASB 8.

The results presented in the statement of comprehensive income and statement of financial position are consistent with the reportable segment profit, assets and liabilities reviewed by the chief operating decision maker.

The Directors are of the opinion the Group has satisfied the disclosure requirements of AASB 8 via the information presented in the Group's statement of comprehensive income, statement of financial position and statement of cash flows as information regarding the results of the reportable segment is presented to the Group's chief operating decision maker in a format which is consistent with these statements.

Gerard Lighting Group Limited

Half year ended 31 December 2011

Director's Declaration

In accordance with a resolution of the Directors of Gerard Lighting Group Limited, we state that:

(1) In the opinion of the Directors of Gerard Lighting Group Limited, (the company):

(a) the condensed consolidated financial statements and accompanying notes are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2011 and of its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Simon Gerard
Managing Director



Graham Walters
Director

Adelaide, 20 February 2012.



Independent auditor's review report to the members of Gerard Lighting Group Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of Gerard Lighting Group Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2011, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information and the Directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The Directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Gerard Lighting Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Gerard Lighting Group Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

A handwritten signature in black ink, appearing to read 'Paul Cenko'.

Paul Cenko
Partner

Adelaide

20 February 2012

Corporate Information

Directors

Robert Gerard AO (Chairman)
Richard Allert AO, FCA (Deputy Chairman - Independent Non Executive Director)
Simon Gerard (Managing Director)
Graham Walters AM, FCA (Independent Non Executive Director)
Michael Crompton GAICD (Independent Non Executive Director)
Gary Savage FCA (Executive Director)
Graham Ellis (Chief Financial Officer, alternate to Gary Savage)

Appointed
18 March 2010
18 March 2010
16 December 2009
18 March 2010
18 March 2010
24 December 2009
19 March 2010

Company Secretaries

Gary Savage FCA (*Joint*)
Mark Pearson (*Joint*)

17 March 2010
17 March 2010

Registered Office

101 Port Wakefield Road
Cavan, SA 5094
www.gerardlighting.com.au

Share Register

Computershare Investor Services Pty Limited
Level 5, 115 Grenfell Street
Adelaide SA 5000

GPO Box 1903
Adelaide SA 5001

Auditors

KPMG
151 Pirie Street
Adelaide SA 5000

Bankers

St. George Bank
Level 1, 60 Phillip Street,
Parramatta NSW 2150

ANZ Bank Group Ltd
Level 11, 20 Martin Place
Sydney NSW 2000

Lawyers

Norman Waterhouse Lawyers
Level 15, 45 Pirie Street,
Adelaide SA 5000

GPO Box 639,
Adelaide SA 5004