

Tuesday, 8 March 2016

## ERM POWER ACQUIRES LIGHTING EFFICIENCY COMPANY LUMALED

Please find attached a release on the above subject.



Phil Davis  
Group General Counsel & Company Secretary  
ERM Power Limited

### About ERM Power

ERM Power is an Australian energy company operating electricity sales and generation businesses. Trading as ERM Business Energy and founded in 1980, ERM Power has grown to become the second largest electricity retailer to commercial and industrials in Australia with operations in every State and the Australian Capital Territory. ERM Power also sells electricity in several markets in the United States. The Company has equity interests in 497 megawatts of low emission, gas-fired peaking power stations in Western Australia and Queensland, both of which ERM Power operates.

[www.ermpower.com.au](http://www.ermpower.com.au)

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## ERM POWER ACQUIRES LIGHTING EFFICIENCY COMPANY LUMALED

ERM Power Limited (ASX: EPW) today announced it has acquired Lumaled, a company specialising in energy-efficient lighting for industrial and commercial businesses. The acquisition cost of \$3.5M, plus a payment of up to \$1.5M which is contingent on first-year earnings, is funded out of cash.

Lumaled develops and distributes LED products throughout Australia. The company's growth, customer satisfaction and expertise attracted ERM Power which had been actively analysing the lighting market.

In 2015, almost 20% of global energy consumption<sup>1</sup> and 25% of Australian building energy consumption<sup>2</sup> related to lighting. 80% of green certificates<sup>3</sup> are generated by energy-efficient lighting in Australia, demonstrating the growth and potential of this sector.

ERM Power announced in October plans to evolve its Customer Solutions portfolio with smart software, data analytics and energy-efficiency products to help its growing retail electricity customer base to better manage energy consumption.

ERM Power CEO and Managing Director, Jon Stretch, said the acquisition of Lumaled was a further step in delivering on the company's strategy and growth plans.

"Our strategy is focussed on capital efficiency, diversification, growth, and innovative customer solutions. Efficient capital management allows us to invest in next-generation innovation and technology," he said.

"This goes beyond energy supply to better management of energy consumption. We took a great step along that path with the acquisition of Greensense, a data analytics and energy and resource management software company in January.

"We're delighted now to have finalised our agreement with the Lumaled team which will allow us to bring energy-efficient lighting options to our existing and new customer base across the country.

"It will be earnings accretive from FY17, its first full year of operations within ERM Power. The Lumaled proposition will form a key part of the Customer Solutions portfolio which we've indicated will comprise about 8% of earnings by 2018."

Lumaled Managing Director Terry Fox said ERM Power was the ideal company to take Lumaled's LED technology and distribution model to a new level.

<sup>1</sup> <http://www.iea.org/textbase/npsum/III.pdf>

<sup>2</sup> <http://industry.gov.au/Energy/EnergyEfficiency/Non-residentialBuildings/HVAC/FactSheets/Documents/HVACFSEnergyBreakdown.pdf>

<sup>3</sup> In 2015 91% of Victorian Energy Efficiency Certificates (VEECs) created were generated through lighting activities

“We’ve spent time with the ERM Power team and they have aspirations for this business which will support its national growth. The cultures are aligned and we have common goals,” he said.

“LED lighting has created a ‘paradigm shift’ in the lighting industry. There are multiple benefits of LEDs and we’ve been at the forefront of this rapidly growing technological change. We’re very excited to be a part of ERM Power to take this technology to a broader national base.

“Our existing customers include top 100 companies, state and local governments, major commercial building owners and operators and large industrial manufacturers.”

Mr Stretch said LumaLED offered a leading proposition in the energy-efficiency lighting industry.

“LumaLED enhances our proposition, builds on customer retention and opens new sales and customer base opportunities for our growing Customer Solutions business,” he said.

“The pieces fit together well. Greensense uses real-time data and insight on energy consumption to identify the customer need and LumaLED can deliver the solution, harnessing the capability and customer reach of ERM Power.”

#### About LumaLED

LumaLED, founded in Newcastle NSW in 2007, is a lighting and energy efficiency company with a focus on an integrated turnkey solution. LumaLED promotes the uptake of energy efficient solutions to reduce operating costs in businesses and the community. The company has a reputation for quality, innovation and leadership in emerging lighting technology and customer support. LumaLED is partnered with some of the world’s leading lighting manufacturers and is at the forefront of rapidly emerging technology.

[www.lumaled.com.au](http://www.lumaled.com.au)

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