



**Annual General Meeting  
CEO Presentation**

**November 2008**



**LEGEND**  
CORPORATION

**LEGEND**  
Performance Technology



# Financial Performance Overview

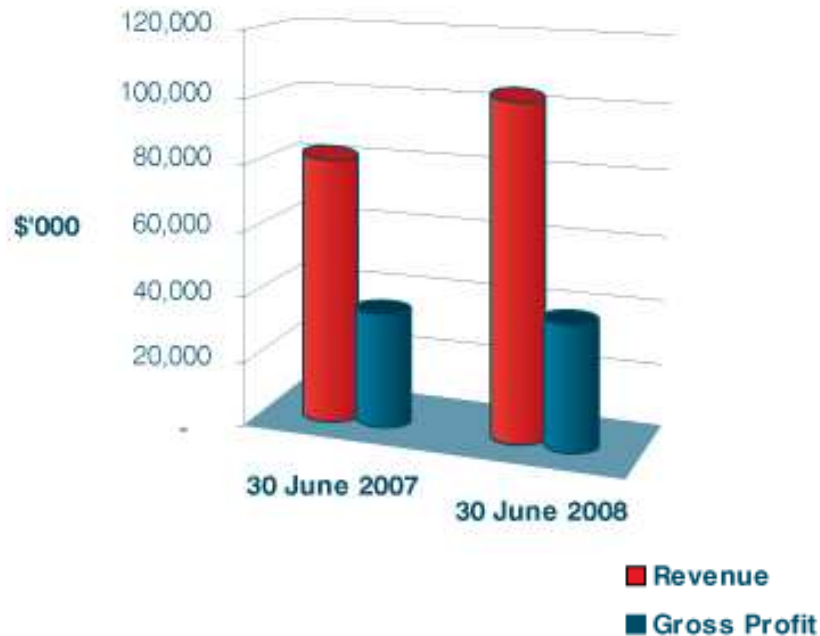
## Results Overview – Continuing Operations (excluding goodwill impairment)

|                            |     | 2008FY       | 2007FY       |
|----------------------------|-----|--------------|--------------|
| Revenue                    | \$m | 103.7        | 82.1         |
| Cost of Goods Sold         | \$m | 65.3         | 46.8         |
| Gross Profit               | \$m | 38.4         | 35.3         |
| <b>Gross Profit Margin</b> |     | <b>37.0%</b> | <b>43.0%</b> |
| EBITDA                     | \$m | 10.4         | 9.2          |
| <b>EBITDA Margin</b>       |     | <b>10.0%</b> | <b>11.2%</b> |
| EBIT                       | \$m | 8.5          | 7.6          |
| <b>EBIT Margin</b>         |     | <b>8.2%</b>  | <b>9.3%</b>  |
| NPBT                       | \$m | 5.7          | 4.4          |
| <b>NPBT Margin</b>         |     | <b>5.5%</b>  | <b>5.4%</b>  |
| NPAT                       | \$m | 4.1          | 3.4          |
| <b>NPAT Margin</b>         |     | <b>4.0%</b>  | <b>4.1%</b>  |
| Operating Cash Flow        | \$m | 10.7         | 11.6         |
| Earnings per share         | cps | \$0.028      | \$0.026      |
| Dividend per share         | cps | \$0.015      | \$0.030      |

A final dividend of 1.5 cents per share was paid on 6 November 2007

# Financial Trends for Continuing Operations

Revenue & Gross Profit Trends



Revenues from continuing operations increased by 26% on the 2007 year, while gross profit from continuing operations increased by 9%.

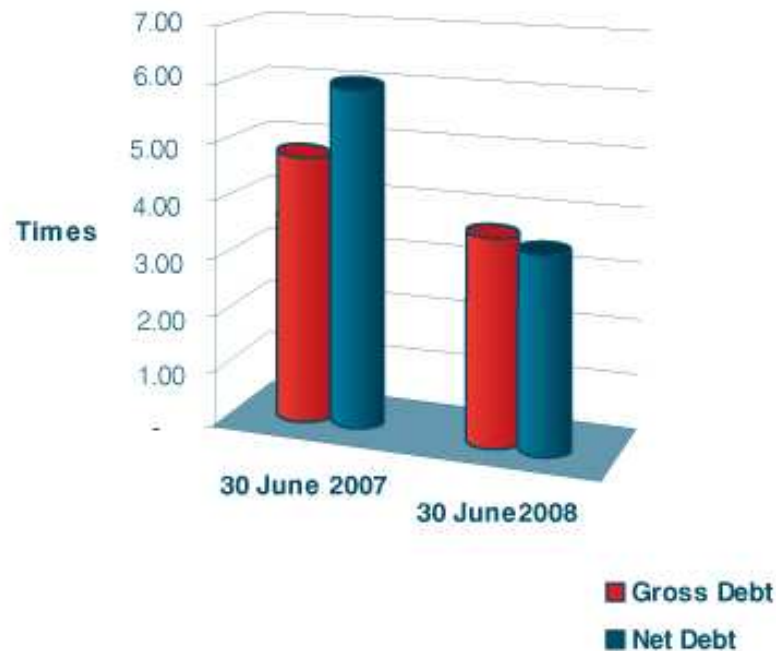
Stock Turns



Improved Stock profiling has enabled continued improvement in stock turns.

## Financial Trends for Continuing Operations (cont)

Net and Gross Debt to EBITDA Coverage



Net debt (including creditors from continuing operations) has decreased from a high of 6.1 times EBITDA at 30 June 2007 to 3.5 times EBITDA at 30 June 2008.

Interest Cover - Continuing Operations



Interest cover on EBITDA for continuing operations has improved from 2.9 times to 3.7 times during fy08.

# Financial Performance Overview

## Results Analysis to June 08

### Results Overview – Continuing Operations

(excluding goodwill impairment)

Legend achieved an EBITDA of \$10.4 million from continuing operations (excluding goodwill impairment of \$17.3m), an increase of 13% on the prior year while underlying net profit after tax from continuing operations was \$4.1 million.

# Financial Performance Overview

## Results Analysis to June 08 (cont)

- Revenue from continuing operations increased by 26% on the 2007 year, while gross profit from continuing operations increased by 9%.
- Improved stock profiling has enables continued improvement in stock turns form 2.7 times in 2007 to 4.2 in 2008.

# Financial Performance Overview

## Results Analysis to June 08 (cont)

- Net debt reduced from \$31.1 million at 30 June 2007 to \$25.9 million at 30 June 2008 off the back of positive cash flows of \$10.7 million and a capital raising of \$5.6 million.
- Net debt (including creditors from continuing operations) has decreased from a high of 6.1 times EBITDA at 30 June 2007 to 3.5 times EBITDA at 30 June 2008.



# Financial Performance Overview

## Results Analysis to June 08 (cont)

- As a result of improved EBITDA from continuing operations and reduced debt levels, interest cover on EBITDA has improved from 2.9 times for 30 June 2007 to 3.7 times at 30 June 2008.



**Legend Corporation  
Overview**

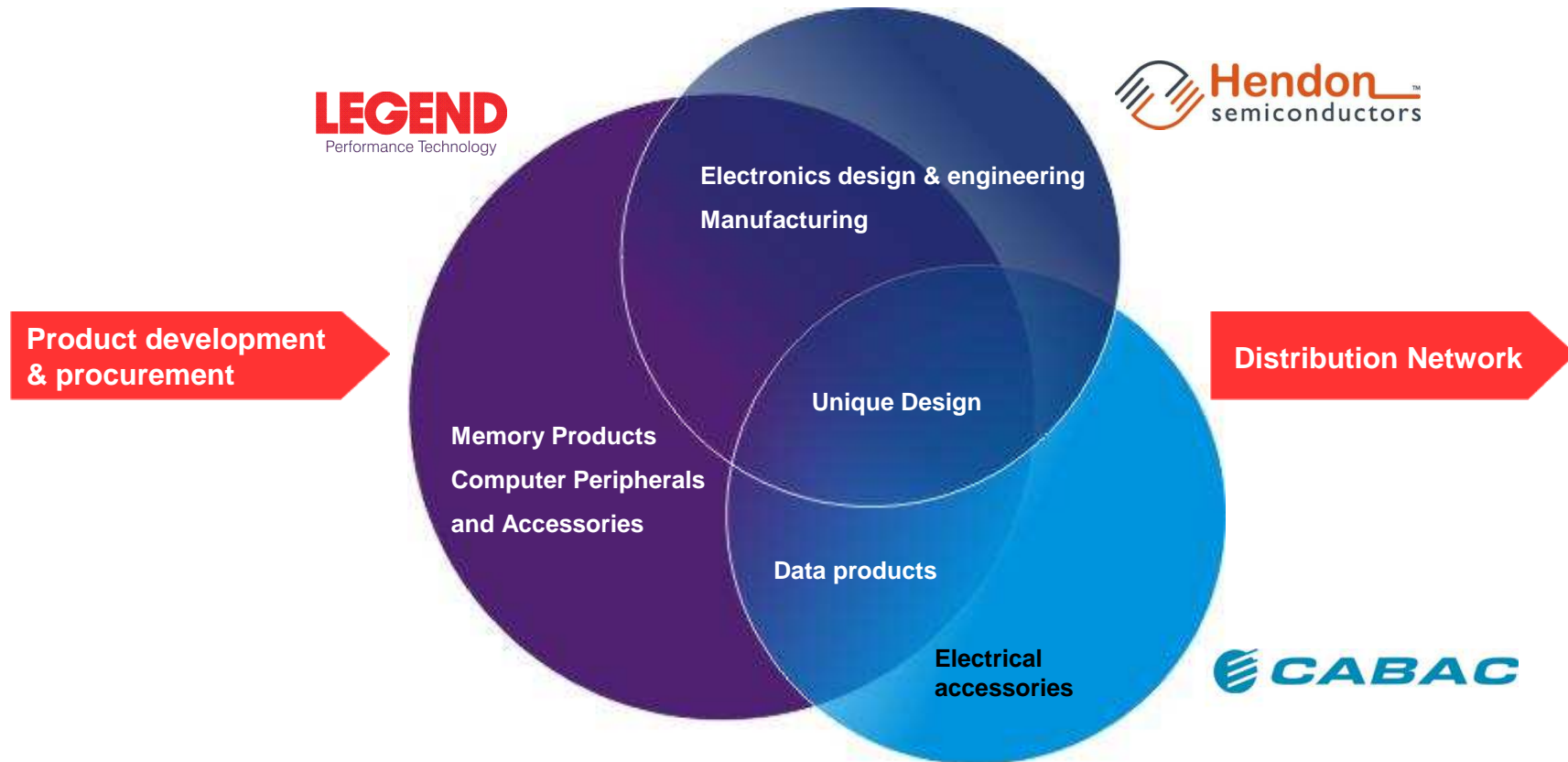
# About Legend Corporation: ONE Company, three brands

**Design, manufacture, sales and distribution of electronics and electrical products and accessories**

- Long established Wholesale and retail customer networks with strong brand equity for CABAC and LEGEND brands.
- Manufacture facilities in Sydney and Adelaide; China and India based subcontract manufacturers
- Offices in Sydney, Melbourne, Brisbane, Perth, Adelaide, China

**Strategic fit across product, engineering, suppliers and distribution channels**

# About Legend Corporation: ONE Company, three brands (cont)



# Business Sectors

## Principal Operating business units at Nov 07:

- Focused on electrical sales and distribution, CABAC operates throughout Australia; the business supplies a wide range of house brand electrical and data products, as well as manufacturing a range of specialised electrical connectors and other unique products.



# Business Sectors

## Principal Operating business units at Nov 07:

- Hendon Semiconductors, based in South Australia, designs and manufactures integrated circuits (IC's), thick film hybrid and printed circuit board (PCB) module assemblies. Hendon's products are applied in a wide range of industries including: medical, telecommunications, automotive and consumer electrical.



# Business Sectors

## Principal Operating business units at Nov 07:

- Legend Performance Technology manufactures a wide range of application specific memory for high end applications, and a range of digital products and computer accessories.



# One company, three brands



**LEGEND**  
CORPORATION

**LEGEND** **CABAC** **Hendon**  
Performance Technology semiconductors



# Overview of Cabac operations



# Overview of Cabac operations



- Cabac supplies a range of product to the electrical wholesale industry
- The Electrical and Electronic Equipment Wholesaling industry had revenue last year of over A\$20 billion
- There are more than 3,500 participants in the industry, all but a tiny minority with revenue of less than \$20M



# Overview of Cabac operations



- Cabac, established in 1982, has an established base of nearly 1700 electrical wholesalers across Australia.
- Cabac, imports electrical and data accessories that serve a diverse range of residential, commercial and primary infrastructure applications.
- Cabac operates local sales teams in all major Australian cities and has distribution into NZ.



# Overview of Cabac operations



- Cabac manufactures some 'just in time' specialist electrical connectors and related products in Sydney
- Cabac's product range includes: copper lugs, tools, cable ties, heat shrink, data cable, heat shrink, terminals, meters and testing equipment) and structured wiring





# Overview of Cabac operations



- Cabac is recognised by its major clients as a premier service provider.



Since July 07 Cabac has been granted three new patents and has four pending.

# Strategy for Cabac



- Continue to deliver on basics of service model to defend premier position
- Continue to refine and extend product range to enhance fit with client base



# Strategy for Cabac



- Continue to develop unique products that allow us to develop new market segments and create CABAC brand demand based on differentiated features
- Continue to find efficiencies in the broader resources of the corporate group.





# Overview of Hendon Semiconductors

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**CABAC**

**Hendon**  
semiconductors



# Overview of Hendon Semiconductors



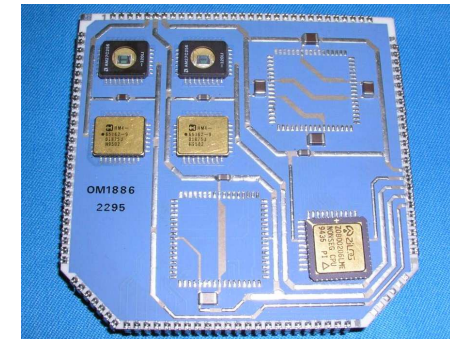
- Hendon Semiconductors (HSC) commenced operations in 1947 as Phillips Microelectronics.
- HSC Designs & manufactures integrated circuits (IC's), thick film hybrid and printed circuit boards (PCB) module assemblies



# Overview of Hendon Semiconductors



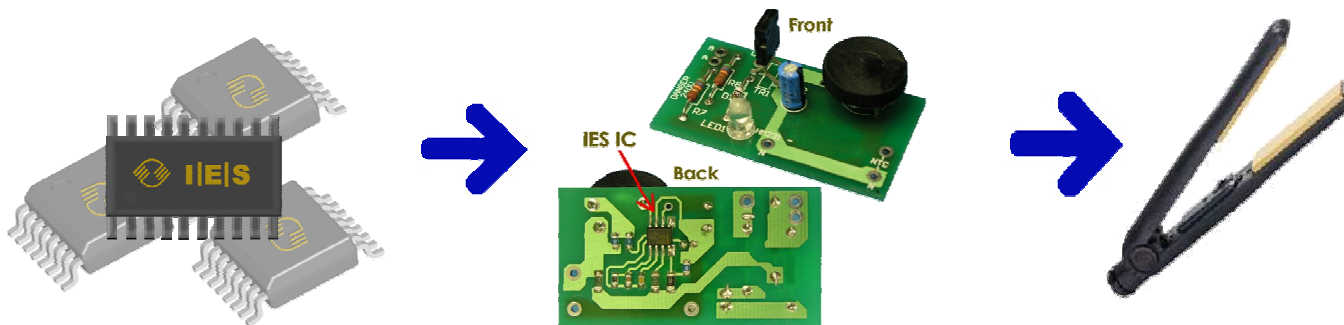
- Hendon Semiconductors products are applied in a wide range of industries; medical, telecommunications, automotive, consumer electrical and defence.
- HSC has been granted two new patents since July 07 and has two pending.
- HSC has released five new products in this time and signed distribution agreements with Mouser a major US distribution company.



# Overview of Hendon Semiconductors



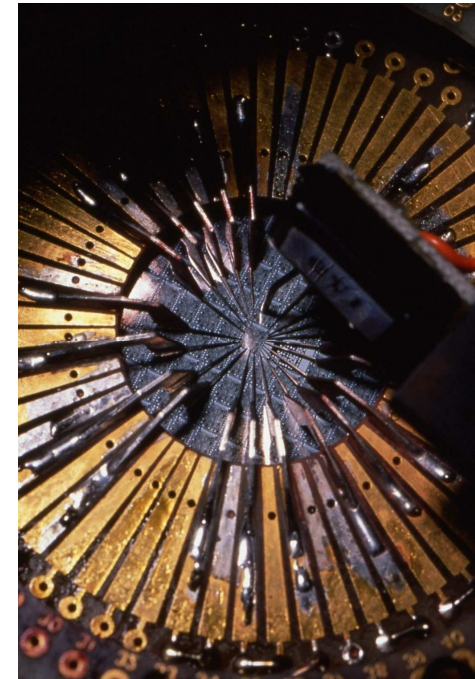
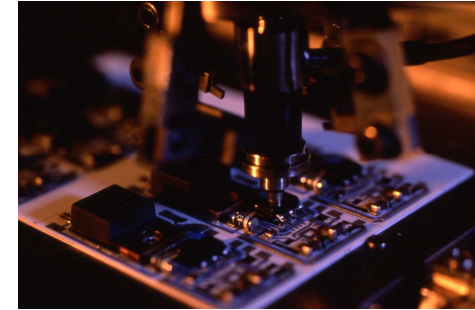
- HSC has recently achieved ISO13485 accreditation for design and manufacture of medical products.
- HSC has recently delivered its 100 millionth integrated circuit.



# Strategy for Hendon Semiconductors



- Hendon Semiconductors adds significant engineering and design capabilities to Legend Corp.
- The electronics production facilities of Legend and Hendon Semiconductors have now been consolidated into the Hendon (Adelaide) site
- HSC continues to find expense savings through the larger group.



# Strategy for Hendon Semiconductors



- HSC is developing new products which embody unique components which are then manufactured by LPT and sold through CABAC.
- Hendon Semiconductors has focused on servicing a small, longstanding client base. Hendon Semiconductors is now targeting a broader range of customers and product opportunities through the in place US representatives and the China forward sales office.

**RESMED**



**Breville®**



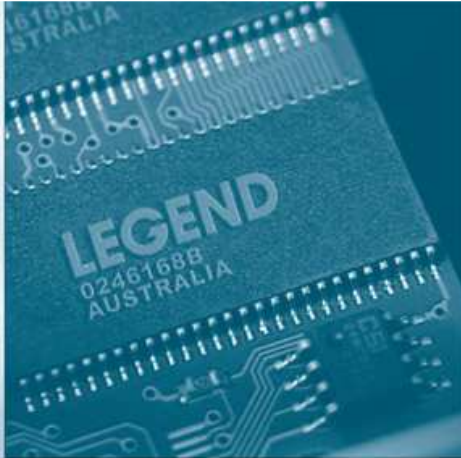
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# Overview of Legend Performance Technology



# Overview of Legend Performance Technology



- Legend specialises in the sales and distribution of electronic & data products and accessories
- Manufacture operations have been consolidated with Hendon Semiconductors in Adelaide.
- Legend's memory product range supports most high end and specialist applications



# Overview of Legend Performance Technology



- A complementary range of computer accessories is also offered; cables, adapters, data peripherals, power protection products (UPS) and server racks and enclosures.
- Well established distribution network
- Strong brand equity
- Sales offices throughout Australia with distribution in NZ.





# Strategy for Legend Performance Technology



- Continued focus on products with higher margins and less emphasis on commodity type product lines
- Expansion of client base to service non-IT channels
- Launch of a new range of data products and accessories.





# Legend Corporation Outlook

# Outlook Operational

- Stock ranges continue to be refined whilst new and improved products are contributing to profitable sales growth.
- The company's investment in larger warehousing facilities has delivered immediate improvements in goods handling efficiencies and have improved client service levels.

## Outlook Operational (cont)

- Continued Investment in new accounting and management systems is delivering improvements in supply chain and inventory management and business metrics to drive further operational improvements.
- We have established a new Power division focused on the delivery of products and services to power utilities and related contractors.
- We continue to develop unique products to widen our penetration into and strengthen our existing markets.

# Financial Performance Year to Date

- Legend Corp as a group is performing well, at this time we are well ahead of our business plan.
- The company has not forecast earning for the current year as this would require a view of the future dependent on a number of uncertain variables such as the strength of the Australian economy, demand for our products, Australian currency variations, cost movements of suppliers and many other factors which are currently displaying unprecedented volatility. Accordingly the directors will not be offering a forecast.

# Financial Performance Year to Date

- Unaudited profit before tax (NPBT) for the four months to 31 October is \$3.7M. Shareholders should be cautious in extrapolating this number as all economic indicators suggest a softening of demand for our products.
- Lowered Interest rates will reduce the costs of our bank debt which is at 6.29% as at 21 Oct 08

# Corporate Strategies

- Continue to focus debt reduction and improved quality of earnings, through the re enforcement of our client value proposition of product quality, range, availability and service.
- Reduction in the number of operating companies and new accounting systems overseen by Hamish McEwin; our new Chief Financial Officer, appointed in August 2008, brings administration cost efficiencies, close cost control, and timely reporting to management and the board.

## Corporate Strategies (cont)

- In CAB range addition and refinement, together with the new power utility and power contractor specialist sales personnel, will drive growth.
- In HSC the establishment of a forward sales presence in China and the US support the development of new clients and product opportunities.
- In LPT we continue to deliver consistent and profitable growth in the data peripheral and computing hardware accessory space



## Corporate Strategies (cont)

- In addition we are actively targeting new markets that overlap our current product range within existing resources to expand the groups reach.

## For more information:

Contact your CEO

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semiconductors

The image features a red square logo with the text "LEGEND CORPORATION" in white. The logo is centered over a background of a blue-tinted globe showing the continents of North and South America. The globe is partially obscured by a layer of white, fluffy clouds. The overall aesthetic is clean and professional, suggesting a global or technology-oriented company.

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