



## Australian Stock Exchange Announcement

5 November 2009

The Manager  
Companies Announcements Office  
Australian Stock Exchange  
Electronic Lodgement

Dear Sir/Madam

### ADDRESS BY THE CHAIRMAN TO THE ANNUAL GENERAL MEETING

Dear Shareholders,

On behalf of the Directors I have pleasure in welcoming shareholders to the annual general meeting of Legend Corporation.

During the last financial year the company improved the net profit after tax for continuing operations by 15% from last year's result to \$4.7 million representing earnings of 2.2 cents per share. Revenue from continuing operations declined by 13% to \$90.4 million, reflecting the decline in demand due to the global financial crisis and reduced industrial activity in our markets.

Net earnings before interest, tax, depreciation and amortisation, (EBITDA) were \$10.7 million, while underlying earnings before interest and tax (EBIT) was \$8.5 million.

Operating expenses have been reduced by 10% over the prior corresponding period. Management has also achieved significant reductions in inventory levels of 10% on the prior year, reducing demands on working capital and contributing to improved cash flows during the second half of this financial year. Operating cash flows for the period 1 January 2009 to 30 June 2009 were \$5.1 million compared to the first six months of \$2.7 million.

A major area of improvement during the year has been balance sheet strength. Net bank debt reduced from \$25.9 million to \$19.7 million as at 30 June 2009. As a result of the reduction in debt and lower interest rates, interest cover improved from 3.7 to 5.3 times and net debt to EBITDA reduced from 2.5 to 1.85 times. We have maintained our progress in the reduction of our net debt position from a June 30 position of \$19.7 million to less than \$15 million as at 30 October.

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Our banking facilities with the National Australia Bank have been extended in duration and our management team has reduced our current liabilities by 22% to \$15.3 million and our non-current liabilities by 23% to \$24.7 million. Total net assets (total assets less total liabilities) are \$42.1 million or 19.5 cents per share.

Bradley Dowe our CEO will speak in greater detail on the financial results, operational review and outlook for the year ahead immediately after the formal meeting agenda items.

The corporate governance practices at Legend comply with the ASX Corporate Governance Principles and Recommendations. Our compliance with these and also details of our Remuneration Report are contained in the annual report and the directors and Auditors are present to answer any questions by shareholders during the AGM today. We have a small board of three directors supported by a talented and experienced management team with the vision to shape our future. I thank my fellow Directors for the leadership they have provided.

The markets in which Legend operates continue to be competitive and our core strategy remains unchanged to maintain and extend our leadership through the quality and value of the products and services we deliver. Shareholders will be aware that the first half of the 2009 financial year continued to benefit from the strong trading conditions experienced in 2008 and 2007. The onset of the global financial crises, and the slowdown in commercial and industrial building, has adversely impacted the CABAC business in particular.

It is extremely difficult to make accurate forecasts in the current business environment but in order to meet the governance requirements of an informed market, the directors believe that the EDITDA for the six months ending 31 December 2009 is likely to be in the range \$4.7 million to \$5.7 million.

On behalf of the Directors I wish to thank Bradley Dowe, his senior management team and all employees for their hard work and commitment during the year. Their dedication and contributions have delivered an excellent result in difficult market conditions. I also thank our customers and shareholders for their continuing support for Legend Corporation.

Bruce E Higgins  
Chairman of Directors