



Australian Stock Exchange Announcement

3 November 2010

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 financial year the company reported a Net Profit After Tax (NPAT) of \$6.6 million, an improvement of 45% from last year's result representing earnings of 3.1 cents per share. Revenue declined by 4% to \$86.8 million. Net earnings before interest, tax, depreciation and amortisation, (EBITDA) were \$13.4 million, while underlying earnings before interest and tax (EBIT) was \$11.3 million. Given the current economic climate and the emerging recovery of our markets this is an excellent result.

Cost of sales decreased by 12% while operating expenses increased 1% over the prior corresponding period. Management has achieved reductions in working capital requirements contributing to improved cash flows during the financial year. Operating cash flows for the year were \$12.4 million compared to \$7.8 million for the prior year.

The balance sheet has continued to strengthen as a result of management improvements in our purchasing and administration processes. We have maintained our progress in the reduction debt with

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net bank debt reduced from \$19.7 million to \$8.1 million at 30 June 2010 and unaudited net debt currently stands at approximately \$6 million post payment of \$2.2 million in dividend. Net debt to EBITDA at 30 June was 0.6 times. Our banking facilities with the National Australia Bank have been extended in duration until November 2014. A dividend of 1 cent per share fully franked was paid on 27th of October. Bradley Dowe, Our Managing Director and 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 set out 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.

We are confident that the strategies we have in place with each of our businesses positions the Group well for the future. The current level of earnings and improved balance sheet support growth of existing business and potential for acquisitions. Economic conditions in Australia are expected to improve in FY11 with indications of moderate growth in Australia in housing and construction. Our expectation is that our NPAT result for the first half of this financial will be approximately 3.8 million. There has been a strong contribution from the Semi Conductors and Electronics Division and shareholders should be cautious about extrapolating results for the full year.

Following the resumption of Dividend payments to shareholders the expectation is that the directors will consider the payment of a dividend at the half and full year results and that the total amount declared will be in the range of 35 to 50% of net profit after tax subject to the cash requirements of the business.

On behalf of the Directors I wish to thank Bradley Dowe, his senior management team and all employees for their commitment, exceptional customer service and results across all segments during the year. I also thank our customers and shareholders for their continuing support for Legend Corporation.

Bruce E Higgins
Chairman of Directors