

LEGEND CORPORATION LIMITED
ABN 69 102 631 087

APPENDIX 4D – HALF-YEAR REPORT

RESULTS FOR ANNOUNCEMENT TO THE MARKET
HALF-YEAR ENDED 31 DECEMBER 2010

(Corresponding prior period; half-year ended 31 December 2009)

The information contained in this report should be read in conjunction with the most recent annual financial report.

This report is all the half-year information provided to the Australian Securities Exchange under listing rule 4.2A. The report also satisfies the half-year reporting requirements of the Corporations Act 2001.

	6 months to 31/12/10 \$'000	6 months to 31/12/09 \$'000	Increase / (decrease) %
Revenue from ordinary activities	44,032	43,541	1.1
Profit / (loss) from ordinary activities after tax attributable to members	3,972	3,232	22.9
Net profit / (loss) for the period attributable to members	3,972	3,232	22.9
Earnings per share			
• Basic earnings	1.83	1.49	22.8
• Diluted earnings	1.83	1.49	22.8
Net tangible asset backing per ordinary share	\$0.10	\$0.08	32.5

Dividends

▪ Date the dividend is payable	29 April 2011
▪ Record date to determine entitlement to the dividend	25 March 2011
▪ Ex-dividend date	21 March 2011
▪ Amount per security	\$0.008
▪ Total dividend	\$1,736,014
▪ Amount per security of foreign sourced dividend or distribution	N/A
▪ Details of any dividend reinvestment plan in operation	N/A
▪ The last date for receipt of an election notice for participation in any dividend reinvestment plan	N/A

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Legend Corporation Ltd
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**Legend Corporate Services
Pty Ltd**
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LEGEND DELIVERS RECORD PROFIT (NPAT) FOR THE HALF AND REDUCES DEBT

Results overview

Legend Corporation Limited (“The Group”) has recorded the highest half-year result since listing in 2004 with a Net Profit After Tax of \$4 million for the 6 months ended 31 December 2010. This result is a 23% improvement on the prior corresponding period. Earnings Per Share were also up 23% to 1.83 cents.

EBIT margins continued to improve and finance costs were down 38%. Strong positive cash flow has been maintained and net bank debt* reduced to \$4.1 million at 31 December 2010 (\$8.1 million at 30 June 2010).

Both Group reportable segments recorded improved trading results on the prior corresponding period with Memory Modules and Semiconductors up 3% and Electrical, Data and Communications up 26%.

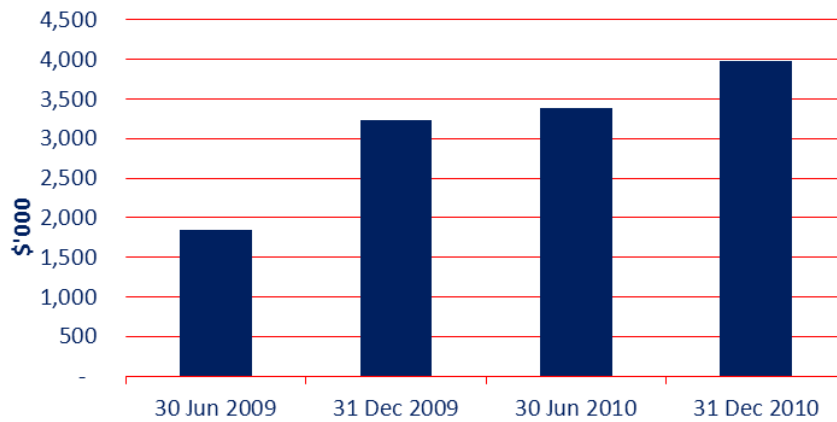
*Net bank debt represents total borrowings less cash and cash equivalents.

Summary of half-yearly results

	31 Dec 2010 \$'000 (Current)	31 Dec 2009 \$'000 (Corresponding)
Revenue	44,032	43,541
Gross Profit	20,454	18,588
Gross Profit Margin	46%	43%
EBITDA	6,979	6,751
EBITDA Margin	16%	16%
EBIT	6,160	5,693
EBIT Margin	14%	13%
NPAT	3,972	3,232
NPAT Margin	9%	7%

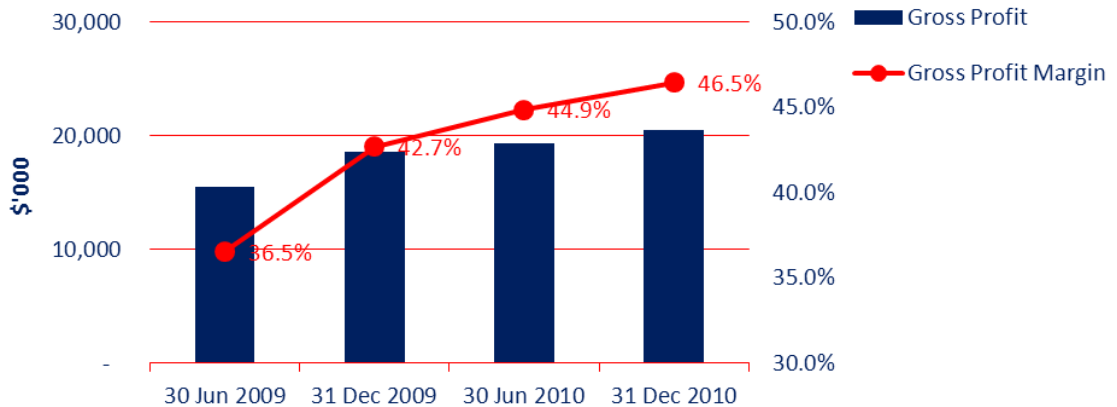
Trends in operations

Net Profit After Tax - 6 Monthly Results



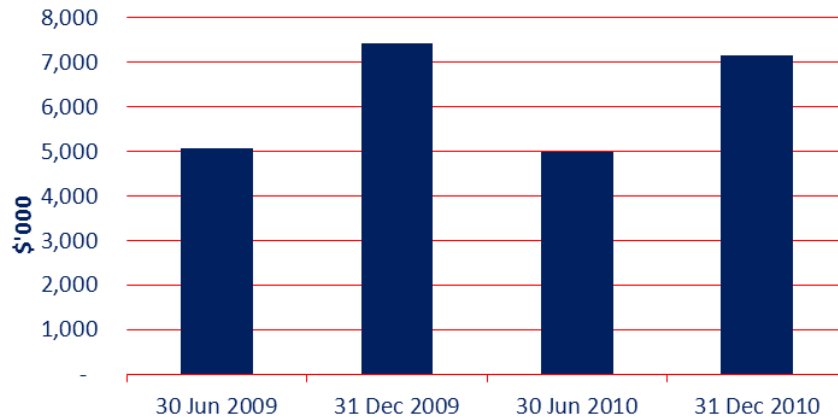
Improved profits continue to be driven by higher gross profit margins and conservative cost management.

Gross Profit - 6 Monthly Results



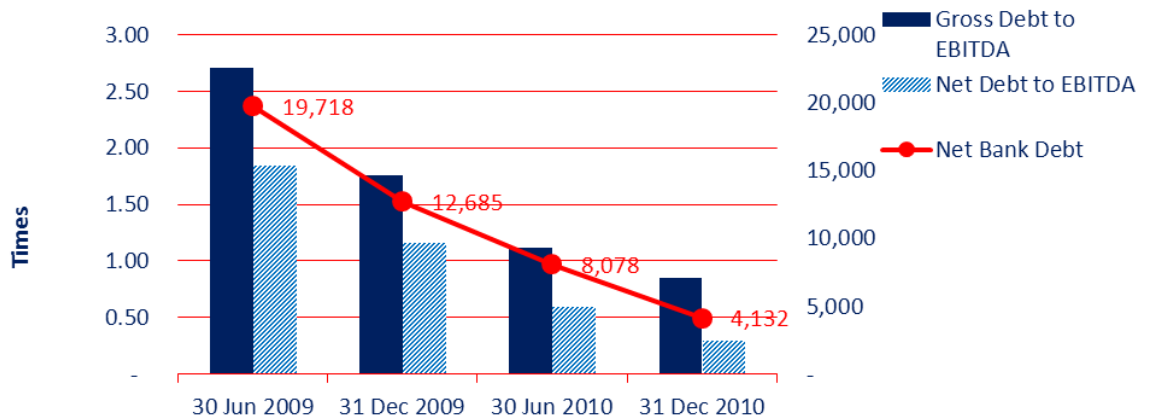
Gross profit margins continue to improve due to favorable movements in the Australian/US dollar exchange rate and the successful renegotiation of customer contracts in the Memory Modules and Semiconductor business segment.

Operating Cash Flows - 6 Monthly Results



Strong positive cash flow has been maintained; \$7.1 million generated from operating activities compared with \$7.4m for the prior period.

Debt to EBITDA Coverage



Net bank debt has been reduced to \$4.1 million at 31 December 2010 from \$8.1 million at 30 June 2010. Gross debt at period end was \$11.25 million, with \$10 million fixed at 5.1%.

Lower debt levels and reduced facility fees were the main reasons for a 38% reduction in finance charges. Banking facilities do not require renegotiation until 2014.

Net tangible assets

Net tangible assets increased by 33% (\$21.7 million at 31 December 2010) further strengthening the Group's balance sheet. Net tangible asset backing per ordinary share increased from \$0.08 at 31 December 2009 to \$0.10 at 31 December 2010.

Performance by segment

Memory Modules and Semiconductors

The memory modules and semiconductors segment manufactures application specific memory for information technology applications; and designs and manufactures integrated circuits, thick film hybrids, and ceramic printed circuit boards for use across industries including medical, telecommunications, lighting, automotive and consumer electrical. Manufacture of these products is performed in accordance with customer specifications, requiring a high level of technical expertise.

Revenue was down 18% on the prior corresponding period. However increased gross profit margins were achieved and this led to a 3% improvement in operating profit.

Electrical, Data and Communications

The electrical, data and communications segment distributes a wide range of house branded electrical connectivity products and tools, cable assemblies, data and computer room products. The majority of customers operate within the electrical wholesale or power distribution markets.

Operating profits were up 26% on the previous corresponding period as a result of revenue improvement of 9% and maintenance of gross profit margins aided by the higher Australian/US dollar exchange rate.

Outlook and business strategies

The profit of the Memory Module and Semiconductor business segment has had a high reliance on sales to a specific customer who has recently changed their product design. Whilst sales will continue to be made to this client well into the future they will not be at levels achieved in the past 2 to 3 years. Management has been working for over 12 months on alternative products and pricing initiatives to offset any potential profit reduction. Several of these initiatives have been successfully completed and implemented in the period under review. Alternative and new sources of revenue will continue to be sought with a specific focus on defence and other electronics applications.

The strong mining and energy markets combined with an improving building segment are expected to lead to increased demand for the products of the Electrical, Data and Communications business segment. The Power Industry sales force was strengthened during the period under review and this further enhances growth opportunities.

With the business well positioned for both organic and acquisitive growth, senior management will continue to explore acquisition opportunities to achieve earnings accretive outcomes in line with the groups declared strategic objectives.

We are confident that the strategies we have in place in each of our businesses positions the Group well for the future.

Yours sincerely



Bradley R Dowe
Chief Executive Officer
Legend Corporation Limited



Bruce E Higgins
Chairman of Directors
Legend Corporation Limited

8 February 2011

LEGEND CORPORATION LIMITED
ABN 69 102 631 087

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2010.

Directors

The names of the directors who held office during or since the end of the half-year:

Mr Bruce Higgins (Chairman)
Mr Bradley Dowe
Mr Ian Fraser

Review of Operations

The Directors review of operations of the consolidated group for the half-year and the results of those operations are set out in the attached Results for Announcement to the Market for the Half-Year Ended 31 December 2010.

Rounding of Amounts

The consolidated group has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report have been rounded off to the nearest \$1,000.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 8 for the half-year ended 31 December 2010, and forms part of this report.

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



Bruce E Higgins
Chairman of Directors
Legend Corporation Limited

8 February 2011

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**Auditor's Independence Declaration
To the Directors of Legend Corporation Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Legend Corporation Limited for the half-year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



A J Archer
Director - Audit & Assurance

Sydney, 8 February 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Consolidated Group	
	31 December 2010 \$000	31 December 2009 \$000
Revenue	44,032	43,541
Other income	142	97
Changes in inventories of finished goods and work in progress	534	79
Raw materials and consumables used	(24,112)	(25,032)
Employee benefits expense	(8,024)	(7,400)
Occupancy costs	(1,487)	(1,426)
Depreciation and amortisation expense	(819)	(1,058)
Finance costs	(578)	(937)
Other expenses	(3,964)	(3,015)
Profit before income tax	5,724	4,849
Income tax expense	(1,752)	(1,617)
Profit from continuing operations	3,972	3,232
Loss from discontinued operations	-	-
Profit for the period	3,972	3,232
Other comprehensive income	-	-
Total comprehensive income for the period	3,972	3,232
Profit attributable to:		
Members of the parent entity	3,972	3,232
Non-controlling interest	-	-
	3,972	3,232
Total comprehensive income attributable to:		
Members of the parent entity	3,972	3,232
Non-controlling interest	-	-
	3,972	3,232
Earnings per share	Cents	Cents
Basic earnings per share	1.83	1.49
Diluted earnings per share	1.83	1.49

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Consolidated Group	
	31 December 2010 \$000	30 June 2010 \$000
Current assets		
Cash and cash equivalents	7,493	6,922
Trade and other receivables	12,964	12,964
Inventories	15,546	15,279
Other current assets	657	674
Total current assets	36,660	35,839
Non-current assets		
Property, plant and equipment	8,585	8,316
Deferred tax assets	1,624	1,418
Intangible assets	28,989	29,019
Total non-current assets	39,198	38,753
Total assets	75,858	74,592
Current liabilities		
Trade and other payables	8,965	7,737
Financial liabilities	279	-
Borrowings	1,500	1,500
Current tax liabilities	2,068	905
Short-term provisions	1,736	1,638
Total current liabilities	14,548	11,780
Non-current liabilities		
Borrowings	10,125	13,500
Deferred tax liability	-	21
Long-term provisions	527	518
Total non-current liabilities	10,652	14,039
Total liabilities	25,200	25,819
Net assets	50,658	48,773
Equity		
Issued capital	74,122	74,044
Reserves	114	110
Accumulated losses	(23,578)	(25,381)
Total equity	50,658	48,773

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

Consolidated Group	Issued Capital \$000	Option Reserve \$000	Accumulated Losses \$000	Total \$000
Balance at 1 July 2009	74,001	92	(31,991)	42,102
Total comprehensive income for the period	-	-	3,232	3,232
Shares issued during the year	43	-	-	43
Option expense	-	12	-	12
Balance at 31 December 2009	74,044	104	(28,759)	45,389
Balance at 1 July 2010	74,044	110	(25,381)	48,773
Total comprehensive income for the period	-	-	3,972	3,972
Shares issued during the year	78	-	-	78
Dividends paid	-	-	(2,169)	(2,169)
Option expense	-	4	-	4
Balance at 31 December 2010	74,122	114	(23,578)	50,658

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Consolidated Group	
	31 December 2010 \$000	31 December 2009 \$000
Cash flows from operating activities		
Receipts from customers	43,708	44,106
Payments to suppliers and employees	(35,326)	(35,834)
Interest received	142	93
Finance costs	(578)	(937)
Income tax paid	(803)	-
Net cash provided by operating activities	7,143	7,428
Cash flows from investing activities		
Proceeds from the sale of plant and equipment	-	1
Purchase of property, plant and equipment	(1,058)	(395)
Net cash used in investing activities	(1,058)	(394)
Cash flows from financing activities		
Proceeds from issue of shares	30	-
Dividends paid	(2,169)	-
Repayment of borrowings	(3,375)	(9,820)
Net cash used in financing activities	(5,514)	(9,820)
Net increase / (decrease) in cash and cash equivalents held	571	(2,786)
Effect of exchange rates on cash holdings in foreign currencies	-	(1)
Cash and cash equivalents at beginning of the period	6,922	9,173
Cash and cash equivalents at end of the period	7,493	6,386

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Legend Corporation Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2010, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements with the exception of the following:

Derivative Financial Instruments

Financial assets at fair value through profit or loss include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. Gains or losses on derivative financial instruments are based on changes in fair value determined by reference to active market transactions or using a valuation technique where no active market exists.

Discontinued Operations

In the current year no amounts arose from discontinued operations and in the comparative period amounts from discontinued operations were not material.

NOTE 2: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing the performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category since the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosure are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following;

- the products sold by the segment;
- the manufacturing process; and
- the type or class of customer for the products.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 2: OPERATING SEGMENTS cont

Types of products by segment

Memory Modules and Semiconductors

The memory modules and semiconductors segment manufactures application specific memory for information technology applications, as well as designs and manufactures integrated circuits, thick film hybrids, and ceramic printed circuit boards for use across industries including medical, telecommunications, lighting, automotive and consumer electrical. Manufacture of these products is performed in accordance with customer specifications, requiring a high level of technical expertise.

Electrical, Data and Communications

The electrical, data and communications segment distributes a wide range of house branded electrical connectivity products and tools, cable assemblies, data and computer room products. Products are of a similar nature with the majority of customers being within the electrical wholesale or power distribution industries.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision makers with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transaction

An internally determined transfer price is set for all inter-entity sales. This price is reviewed six-monthly and reset as required, and is based on what would be realised in the event that the sale was made to an external party at arm's-length. All such transactions are eliminated on consolidation for the Group financial statements.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment;

- finance income and costs;
- impairment of assets and other non-recurring items of revenue or expense;
- income tax expense;
- deferred tax assets and liabilities;
- intangible assets; and
- discontinued operations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 2: OPERATING SEGMENTS cont

(i) Segment performance

	Memory Modules and Semiconductors		Electrical, Data and Communications		Consolidated Group (Continuing Operations)		Discontinued Operations	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue								
Revenue from external customers	10,195	12,424	33,837	31,117	44,032	43,541	-	63
Inter-segment revenues	264	36	-	-	-	-	-	-
Total revenue	10,459	12,460	33,837	31,117	44,032	43,541	-	63
Result								
Earnings before interest, taxation, depreciation and amortisation	3,647	3,595	3,596	3,175				
Depreciation and amortisation	(159)	(220)	(660)	(838)				
Segment operating profit	3,488	3,375	2,936	2,337	6,424	5,712	-	-
Elimination of intersegment profit					(264)	(19)	-	-
Finance income					142	93	-	-
Finance costs					(578)	(937)	-	-
Profit before income tax					5,724	4,849	-	-
Income tax expense					(1,752)	(1,617)	-	-
Profit after income tax					3,972	3,232	-	-

(ii) Segment assets and liabilities

	Memory Modules and Semiconductors		Electrical, Data and Communications		Consolidated Group (Continuing Operations)		Discontinued Operations	
	31 Dec 2010	30 Jun 2010	31 Dec 2010	30 Jun 2010	31 Dec 2010	30 Jun 2010	31 Dec 2010	30 Jun 2010
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Assets								
Segment assets	7,250	9,188	37,995	34,718	45,245	43,906	-	249
Discontinued operations assets					-	249		
Unallocated assets					30,613	30,437		
Total assets					75,858	74,592		
Liabilities								
Segment liabilities	1,607	1,992	9,621	7,765	11,228	9,757	-	136
Discontinued operations liabilities					-	136		
Unallocated liabilities					13,972	15,926		
Total liabilities					25,200	25,819		

NOTE 2: OPERATING SEGMENTS cont

(iii) Revenue and assets by geographical region

The consolidated group operates predominantly in one geographical region, being Australia.

(iv) Major customers

The Group has a number of customers to which it provides products. The Group supplies one single external customer in the memory modules and semiconductors segment which accounts for 10% of external revenue (2009: 17%), and one single external customer in the electrical, data and communications segment which accounts for 19% of external revenue (2009: 17%). The next most significant customer accounts for 5% (2009: 5%) of external revenue.

NOTE 3: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 4: EVENTS AFTER THE BALANCE SHEET DATE

No material events have occurred subsequent to balance date and up to the date of this report.

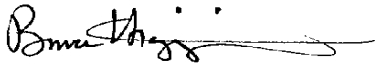
LEGEND CORPORATION LIMITED
ABN 69 102 631 087

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 16 are in accordance with the Corporations Act 2001, including;
 - a. complying with Accounting Standard AASB 134 Interim Financial Reporting; and
 - b. giving a true and fair view of the consolidated group's financial position as at 31 December 2010 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Bruce E Higgins
Chairman of Directors
Legend Corporation Limited

8 February 2011

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Independent Auditor's Review Report To the Members of Legend Corporation Limited

We have reviewed the accompanying half-year financial report of Legend Corporation Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both 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 and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated 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 financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the

auditor of Legend Corporation 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 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 Legend Corporation Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



A J Archer
Director - Audit & Assurance

Sydney, 8 February 2011