

1st June 2011,

**Australian Stock Exchange
Company Announcements**

Level 8, 2 The Esplanade
Perth WA 6000

Legend Acquires MSS Power Systems Pty Ltd

Legend Corporation is pleased to announce that it has reached agreement to acquire MSS Power Systems Pty Ltd ("MSP"), a specialised tooling company servicing Power Utilities, Telco Utilities and their related service providers.

Highlights

- MSP, founded in 1998 is a Melbourne based company expert in the design and manufacture of specialised heavy duty tools for cable cut, crimp and screw for use by power and telco utilities and related service providers.
- MSP forecast revenues in the year ended 30 June 2011 are \$4.7 million with an operating Earnings Before Interest and Taxation (EBIT) of \$0.9 million (unaudited).
- Legend will acquire MSP for an initial payment of \$3.3 million. The vendor will remain growing the business to achieve a first deferred payment of up to \$1.1 million levered to EBIT outcomes for the financial year ended 30 June 2012, followed by a final deferred payment of up to \$1.1 million levered to the EBIT outcomes of the financial year ended 30 June 2013.
- MSP's product range is both a strategic fit with Legend's CABAC Power division and compliments the Group's broad focus on its comprehensive engineered range of lug, link and connector components for electrical and power applications as the MSP products are all used in conjunction with these same components.
- Legend provides MSP with access to Legend's comprehensive national sales and distribution network, and the engineering and supply line resources to source high quality components to drive increased sales volumes and more rapidly bring new model variants to market.
- Effective acquisition date is 1 July 2011.

Acquisition of MSP

Legend Corporation Limited has entered into an agreement to acquire all of the issued shares of Melbourne based MSS Power Pty Ltd, a designer and manufacturer of heavy duty tools for both hydraulic and electrically powered cable cutting, , lug or link crimping, and various drilling and connector fastening applications (see <http://www.msspower.com.au/>). Legend will complete the transaction in June 2011 with an effective acquisition date of 1 July 2011.

Legend will acquire MSP for an initial payment of \$3.3 million and two deferred payments. The first deferred payment will be up to \$1.1 million and subject to the EBIT outcomes of the financial year ended 30 June 2012. EBIT outcomes of at least \$1.1 million will be required to achieve the maximum of

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the first deferred payment. The first deferred payment will be settled in August 2012. The final deferred payment will be up to \$1.1 million and levered to the EBIT outcomes of the financial year ended 30 June 2013. EBIT outcomes of at least \$1.375 million will be required to achieve the maximum of the final deferred payment. The final deferred payment will be settled in August 2013.

The acquisition will be funded through existing debt facilities and working capital.

In the year ended 30 June 2011 MSP is expected to have sales of \$4.7 million and an operating EBIT of \$0.9 million (unaudited).

Legend's CABAC and CABAC Power divisions have focused on developing and enhancing their core capability as Australia's leading engineering sales and distribution supplier of copper, aluminium and bimetal lugs, links and connectors for the all electrical and power applications. The addition of the MSP special tools range is highly complementary to this capability and allows us to deliver a vertically integrated connection systems platform.

It is expected that the acquisition will be earnings per share positive, operating cash flow positive and contribute to Legend's overall profit levels.

The founders and staff are expected to remain with the business with key members of staff having entered into employment contracts.

Management Commentary

Legend's CEO Mr Brad Dowe said "MSP represents an excellent fit with our Australian engineered lug, link and connector range enabling us to offer an integrated system from cable strip through cut, crimp and fasten. The MSP tool range is a premier offering recognised in Australia and overseas as meeting specialist heavy duty requirement of utilities, linesmen and related service providers".

Michael Sneath the founder of MSP said "MSP sees the strong fit with CABAC Power's proven range of lugs, links and connectors. MSP has proven itself as a preferred choice for power utilities and their contractors. I am confident that the access to Legend's resources including supply, sales and distribution through their specialised power sales development team will see MSP tools able to service the needs of all power utilities and their related service providers throughout Australia and New Zealand".



Brad Dowe
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