

Australian Securities Exchange Announcement

2 November 2012

The Manager
Companies Announcements Office
Australian Securities Exchange
Electronic Lodgement

LEGEND CORPORATION ANNUAL GENERAL MEETING

ADDRESS BY THE CHAIRMAN

Dear Shareholders,

On behalf of the Directors I have pleasure in welcoming shareholders to the Annual General Meeting of Legend Corporation.

Our company has reported a strong result to 30 June 2012 in terms of trading performance from our historical business which also confirmed our business acquisition strategies with all acquisitions delivering the expected baseline results and exceeding expectations. In the current economic environment, management, led by Brad Dowe and his team have delivered solid performance for shareholders.

Revenue growth was 19% with gross profit at 45.8%. Operating expenses increased 12% over the prior corresponding period, largely as a result of the businesses acquired during the year. Earnings Before Interest, Tax, Depreciation and Amortisation, (EBITDA) were \$17.2 million at an improved margin of 16.6%.

Net Profit After Tax (NPAT) was \$9.4 million or 4.3 cents per share. This represents an improvement of 18% from last year's result. Legend has achieved steady earnings per share growth over the past three years averaging 28% per annum.

Operating cash flow for the year was \$6.4 million compared to \$14.6 million for the prior year. Tax instalments for the year were \$6.2 million compared to \$1.6 million for 2011, and additional working capital requirements of \$4.3 million to fund growth, both impacting cash flow for the year.

The company balance sheet is in a strong position with total net assets (total assets less total liabilities) of \$58.1 million or 26.7 cents per share:

- During the year we incurred additional borrowings of \$9.1 million to fund acquisitions.
- Our bank bill facilities with the National Australia Bank extend to November 2014.
- Net bank debt increased to \$11.0 million from \$1.3 million and is less than 1 times EBITDA.
- Net Debt to shareholder funds has increased from 2% to 19%, remaining at conservative levels.
- Interest coverage is 11.0 times, down marginally from 11.6 times reflecting

Adelaide
1 Butler Drive
Hendon SA 5014
Telephone (61) 8 8401 9888
Facsimile (61) 8 8244 9520

Brisbane
Unit 2
27 Birubi Street
Coorparoo QLD 4151

Melbourne
Unit 2
4 Garden Road
Clayton VIC 3168

MSS Fibre Systems/MSS Power
2/77 Bayfield Road
Bayswater North VIC 3168

Perth
Unit 2
50 Howe Street
Osborne Park WA 6017

MSS Fibre Systems
30 Juna Drive
Malaga WA 6090

Sydney
8 Distribution Place
Seven Hills NSW 2147

**Singapore
China**

Legend Corporation Ltd
ACN 102631087
ABN 69 102631087

**Legend Corporate Services
Pty Ltd**
ACN 006 722 292
ABN 81 006 722 292

www.legendcorporate.com



the improved earnings servicing the increased debt.

DIVIDEND

In April the company paid an interim dividend of 1 cent per share. In October a final dividend of 1.1 cents per share was paid to all shareholders. Total dividends for the year are 2.1 cents per share (fully franked), an increase of 17% over last year representing an attractive yield. Our return on invested capital was a strong 13% .

The share price performance of Legend Corporation and our improvements in earnings and dividends is an indication of the diversity and strength of our business model and performance of our management team. Our Total Shareholder Return (growth in share price plus fully franked dividends excluding franking credits) over the past three years from 1 July 2009 to 1 July 2012 was 28.3 cents, representing a 354% return on the 8 cents share price of 1 July 2009, ranks 'LGD' as one of the best performing stocks on the ASX.

OPERATIONS

The group operations are reported in two segments; Memory Modules and Semiconductors and Electrical, Data and Communications. These segments share sales and operational resources to the maximum extent possible. During the year we completed three major acquisitions, MSS Power, a designer and manufacturer of specialised heavy duty tools, MSS Fibre Group (MSF), which manufactures and delivers high quality fibre optic cables and Extreme Safety which is a leading provider of specialist safety equipment for power utilities.

Our balance sheet has further capacity for growth in both product development and innovation especially into energy efficient products where there are exceptional growth opportunities. For example in 2011 we established a strong position with our leading photo electrics street light controller product and in the Managing Director's presentation there are details of the new release of a range of residential and commercial lighting timers targeted to lower energy costs for consumers.

Mr Bradley Dowe our Managing Director and CEO will present the operation and business overview immediately following the formal business of the meeting.

CORPORATE GOVERNANCE AND BOARD PERFORMANCE

The Board of Legend is committed to achieving and demonstrating standards of corporate governance that are best practice and compliant with the Australian Securities Exchange regulations and principles of good corporate governance. Our goal is to ensure that we protect the rights and interests of shareholders and ensure the company is properly managed through the implementation of sound strategies and action plans. We achieve this through the management team of our company and supervising an integrated framework of controls over the company's resources to ensure our commitment to the highest standards of ethical behaviour.

Our Remuneration Report is tabled at this meeting for consideration which outlines the Group remuneration policies and the senior executive remuneration policies and compensation. We have a long term incentive program for group level executives which was approved at the Annual General Meeting last November that is targeted toward the delivery of incentives based on a compound improvement in EBIT performance of higher than 10% per annum on a compound basis from the 2011 statutory results.

This year we have reported for the first time against new gender reporting requirements mandated by the Australian Securities Exchange. The Company has 42% female staff versus 38% in 2011. Shareholders should be confident that the board and management are focused on flexible and talented teams that can deliver performance, rather than a single metric on gender balance.

OUTLOOK

Legend has performed ahead of our peer group of comparable companies over the past year. We are focused on our business strategies and management performance to deliver improvement in shareholder value. Our core strategy to maintain and extend our leadership remains; quality, range, value, availability and service.

Yesterday we released a market update regarding an expected profit for the first half in the range of 2.7 to 3.2 million, representing 1.2 to 1.5 cents per share. While this forecast is below our expectations, we are operating in a market environment which there is negative growth in key sectors and lower demand for our products. Our new products and services combined with opportunities within our existing and newly acquired businesses position us favourably in relation to our peers to manage our business in the current market.

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

Bruce E Higgins
Chairman
Legend Corporation Limited
2 November 2012