

1st June 2011,

**Australian Stock Exchange
Company Announcements**

Level 8, 2 The Esplanade
Perth WA 6000

Legend Acquires MSS Fibre Group

Legend Corporation is pleased to announce that it has reached agreement to acquire MSS Fibre Systems Pty Ltd and MSS Power and Fibre Systems Pty Ltd ("MSF"), a strategic acquisition that significantly enhances Legend's value chain with a range of high quality fibre optic cables provided in drum quantities, cut to length and pre terminated solutions, related products, accessories and engineering services. MSF partners with the electrical wholesale distribution channel to supply fibre data and telecommunications markets.

Key Highlights

- MSF was established in 2002, is headquartered in Melbourne and has a presence in Perth and is a specialist supplier of fibre optic cables and related products and services.
- MSF forecast revenues in the year ended 30 June 2011 are \$7.5 million with an operating Earnings Before Interest and Taxation (EBIT) of \$1.5 million (unaudited).
- Legend will acquire MSF for an initial payment of \$5.75 million. The vendors will remain, growing the business to achieve a deferred payment of up to \$2.75 million based on the EBIT result for the financial year ended 30 June 2012.
- MSF provides Legend with access to the emerging fibre optic market.
- Legend provides MSF with access to Legend's comprehensive national distribution and broader resources base.
- MSF will continue to operate as a distinct division of Legend Corp.
- Effective acquisition date is 1 July 2011

Acquisition of MSF

Legend Corporation Limited has entered into an agreement to acquire all of the issued shares of Melbourne based MSS Fibre Pty Ltd and Western Australia based MSS Power and Fibre Systems Pty Ltd ('MSF'), an organisation that has significant expertise in the supply and engineering of fibre optic solutions, systems, related products and accessories (see <http://www.mssfibre.com.au/>). Legend will complete the transaction in June 2011 with an effective acquisition date of 1 July 2011.

Legend will acquire MSF for an initial payment of \$5.75 million and a deferred payment up to \$2.75 million levered to the EBIT outcomes of the financial year ended 30 June 2012. EBIT outcomes of at least \$2.125 million will be required to achieve the maximum deferred payment. The deferred payment will be settled in August 2012.

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

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In the year ended 30 June 2011 MSF is forecast to have sales of \$7.5 million and an operating EBIT of \$1.5 million (unaudited).

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

Fibre Optic Cables are already the standard in specialised applications that require very high bandwidth data communication and or secure communications. The move to much higher communications speeds for general computing, video conferencing, video streaming and other services together with the development of pervasive national fibre networks by others such as NBN Co. will provide much enhanced access to the very high bandwidths offered by fibre optic cable, such that it will become common for commercial, other buildings and infrastructure to have fibre optic cable installed as the backbone to carry primary data traffic with traditional copper based cable only deployed in localised areas such as one floor of an office. MSS Fibre is well positioned to take advantage of these growth opportunities.

MSF with the additional resources of Legend's supply, marketing, warehousing and business systems enhances the Group's ability to access this growing market.

The founders and all staff are expected to remain with the business. Key team members have entered into employment contracts.

Legend and MSF Commentary

Legend's CEO Brad Dowe said "This strategic acquisition provides Legend with access to the rapidly emerging fibre optic market. While MSF will maintain a separate divisional identity within our group, Legend has a broad range of complimentary resources that will enable growth and improved service delivery for MSF's client base".

Keith Roberts and Steve Luca, the joint founders at MSF said "The MSF team is looking forward to merging operations with Legend and utilising Legend's strong warehousing, marketing and back room resources. We have an experienced client service focused team that has worked to build close relationships with our electrical wholesale partners. With Legend's complimentary resources we look to deliver our products, service and expertise nationally."



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