Legend Corporation Limited

ABN 69 102 631 087

Appendix 4D – Half-Year Report

Half-Year Ended 31 December 2011

(Previous Corresponding Period; Half-Year Ended 31 December 2010)

LEGEND CORPORATION

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.

CABAC One Call > One Day > One Delivery | Hendon semiconductors | LEGEND PERFORMANCE TECHNOLOGY | CABAC POWER | mss fibre systems

TABLE OF CONTENTS

RESULTS FOR ANNOUNCEMENT TO THE MARKET

			$'000
Revenue from ordinary activities	Up	20% to	52,791
Profit from ordinary activities after tax attributable to members	Up	27% to	5,028
Net profit for the period attributable to members	Up	27% to	5,028
Earnings per share	Up	28% to	2.3 cents
Net tangible asset backing per ordinary share	Down	40% to	6.0 cents

Dividends

	Amount per security	Franked amount per security at 30% tax
2011 Final dividend declared 25 August 2011 paid 14 October 2011	1 cent	1 cent
2012 Interim dividend declared 6 February 2012 payable 27 April 2012	1 cent	1 cent

A dividend reinvestment plan is not in operation.
None of these dividends are foreign sourced.

LEGEND CONTINUES PROFIT GROWTH

Results overview

Legend Corporation Limited ('Legend' or 'the Group') recorded a half-year Net Profit After Tax (NPAT) of $5.0 million for the 6 months ended 31 December 2011, exceeding the high-side forecast of $4.8 million advised on 19 October 2011. The improved result was due to strong sales performance in November and December 2011. Earnings per Share of 2.3 cents was 28% higher than the prior corresponding period.

The NPAT result equates to a 27% improvement on the prior corresponding period, building on the 21% year on year increase reported for the financial year ended 30 June 2011.

The pre-tax operating cash flows were strong at $6.8 million although slightly below the $7.9 million recorded for the prior corresponding period.

Net Bank Debt* of $11.1 million was $9.7 million higher than 30 June 2011 due to payments towards the acquisitions of MSS Fibre Systems Pty Ltd, MSS Power Systems Pty Ltd and Extreme Safety of $10.0 million.

All divisions of the business operated profitably.

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

Key financial results

	31 Dec 2011 $000	31 Dec 2010 $000	% Change
Income			
Sales revenue	52,791	44,032	19.9%
Gross profit	24,395	20,454	19.3%
Gross profit margin	46.2%	46.5%	
EBITDA	9,015	6,979	29.2%
EBITDA margin	17.1%	15.8%	
EBIT	8,151	6,160	32.3%
EBIT margin	15.4%	14.0%	
NPBT	7,580	5,724	32.4%
NPBT margin	14.4%	13.0%	
NPAT	5,028	3,972	26.6%
NPAT margin	9.5%	9.0%	
Earnings per share	2.3 cents	1.8 cents	27.8%
Dividends paid	1.0 cents	1.0 cents	0.0%
Dividends announced	1.0 cents	0.8 cents	25.0%
Cash Flow			
Operating cash flow	2,939	7,143	(58.9%)
Operating cash flow pre tax payments	6,770	7,946	(14.8%)
	31 Dec 2011 $000	**30 Jun 2011 $000**	**% Change**
Financial Position			
Net assets	55,895	52,949	5.6%
Gross debt	(18,434)	(10,875)	(85.6%)
Net Debt	(11,146)	(1,315)	(747.6%)

Acquisition Activities

On 1 July 2011 the Group acquired:

- 100% of the issued capital of MSS Fibre Systems Pty Ltd and MSS Power and Fibre Systems Pty Ltd ('MSF') for an initial payment of $5.75 million and a final deferred payment no later than 31 August 2012 of up to $2.75 million determined as a multiple of Earnings Before Interest and Taxation (EBIT) for the year ended 30 June 2012.

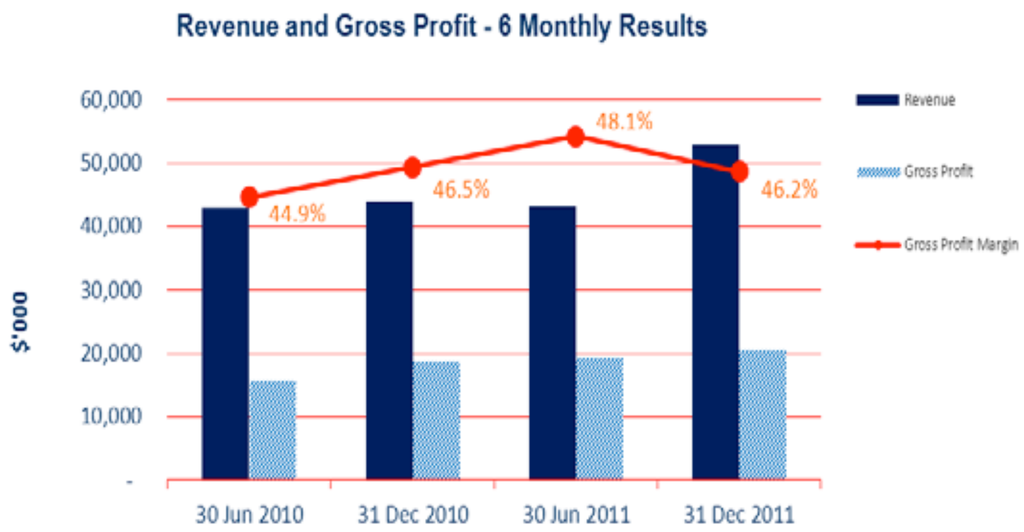
- 100% of the issued capital of MSS Power Systems Pty Ltd ('MSP') for an initial payment of $3.3 million and two deferred payments no later than 31 August 2012 and 31 August 2013 of up to $1.1 million each determined as a multiple of EBIT for the years ended 30 June 2012 and 30 June 2013.

For the 6 months in review both acquisitions performed in line with expectations. Deferred payments are expected in accordance with the terms of settlement.

On 30 September 2011 the Group acquired selected business assets of Silglen Pty Ltd trading as Extreme Safety. An initial payment of $1 million was made on settlement with a final payment of approximately $1 million on determination of assets values to be made 30 June 2012.

Contribution from this acquisition has not had a significant impact on the result for the period as integration of the assets from this business within the electrical, data and communications segment will commence in February 2012.

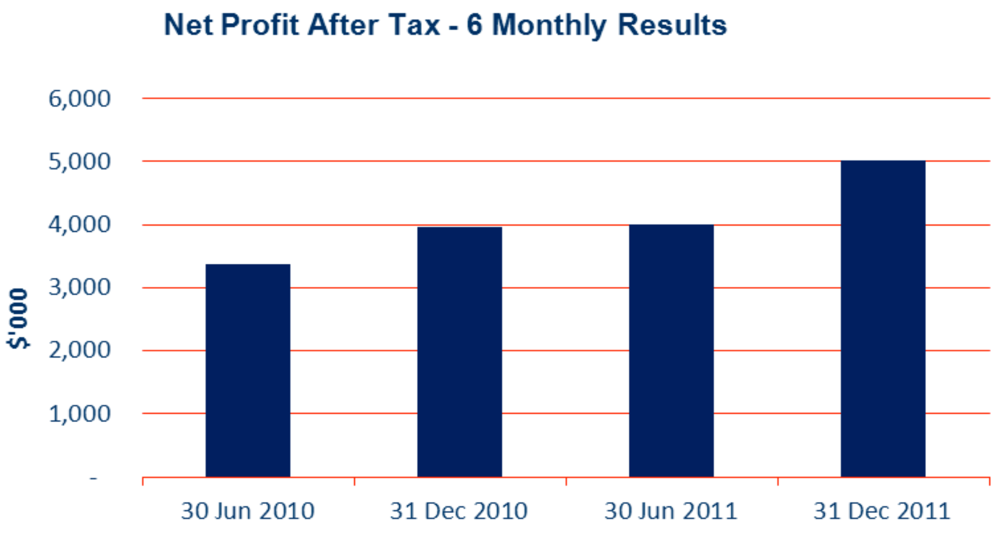
Trends in operations



Group revenue increased by 20% on the prior corresponding period; $7.5 million added through the acquisitions of MSF and MSP and Extreme Safety businesses, a 10% increase from the pre-acquisition electrical and power distribution businesses and a 16% decline in memory and semiconductor sales.

Gross profit margins were maintained above 46% consistent with the prior period.

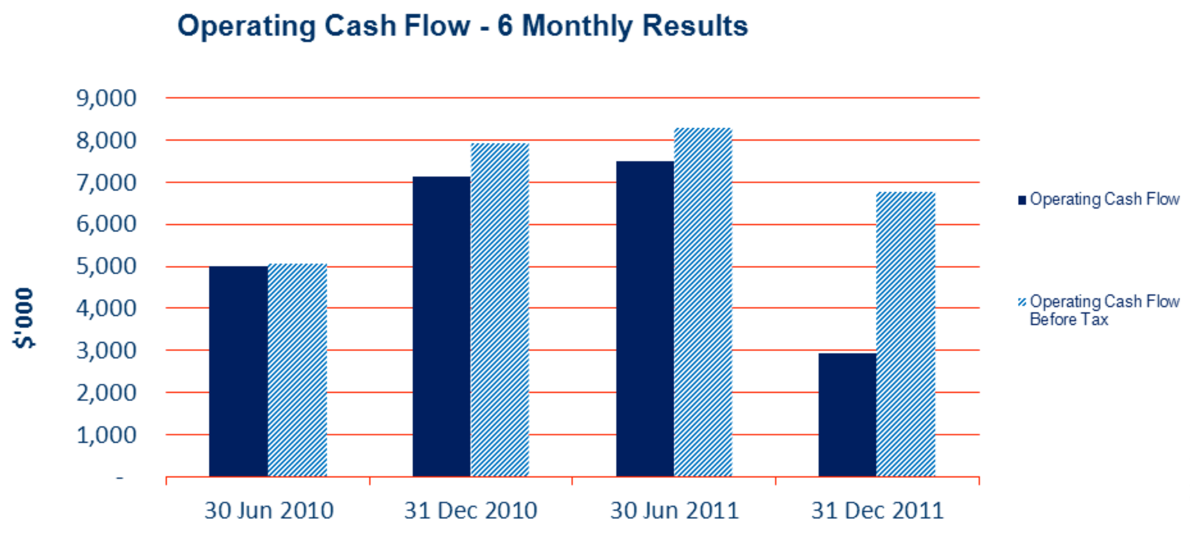
Foreign exchange polices resulted in no impact to profits for the period. Australian/US dollar exchange rates continue to be favourable for most of our businesses.



Legend's pre-acquisition business yielded an additional $0.7 million or 12% growth in EBIT on the prior corresponding period, with acquisitions contributing $1.3 million in EBIT before acquisition and integration costs.

Depreciation and Amortisation totaled $0.9 million, a 6% increase on the prior corresponding period.

Finance costs net of interest income were up $135,000 to $571,000 on the prior correspondng period as a result of the acquisition related borrowings.

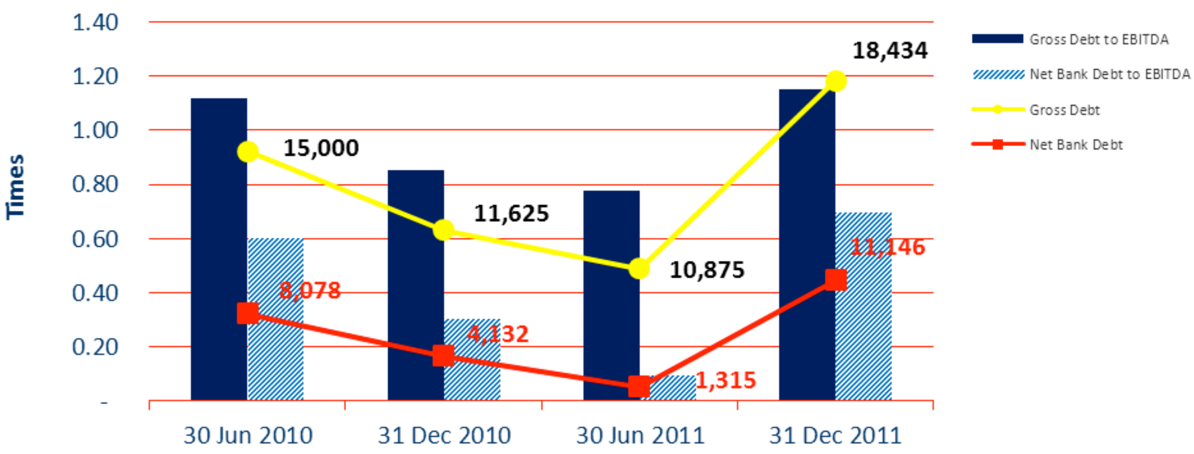


Strong pre-tax operating cash flow of $6.8 million (prior corresponding period $7.9 million).

Pre-tax operating cash flow for the 6 months included the investment of $1 million in working capital to expand growth in the MSF and MSP acquisitions.

Operating cash flow includes $3.8 million in tax payments, $1.9 million relating to the 2011 financial year.

Debt to EBITDA Coverage



An additional $9.1 million was drawn down on 1 July 2011 to fund the acquisitions of the MSS businesses. $2.1 million was paid towards debt reduction across the period.

Net debt at period end was $11.1 million, a modest 0.7 times EBITDA.

Banking facilities do not require renegotiation until 2014 and offer capacity for further growth initiatives.

Performance by segment

Electrical, Data and Communications

Segment revenue was up 32% on the prior corresponding period with 22% contribution from acquisitions, and 10% from pre-acquisition electrical and power distribution business.

Gross profit margins remained consistent with prior periods.

Memory Modules and Semiconductors

Operating profits were down 27% with revenue down 16% on the prior corresponding period.

As previously advised the profit of this segment had a high reliance on sales to a specific customer who had changed their product design. Whilst sales continue to be made to this customer they have not being at levels achieved in prior periods. Management continue to work to bring new products to market with several of these initiatives having been successfully completed and implemented in the period under review.

Net tangible assets

Net tangible assets at 31 December 2011 totaled $13.0 million, with net tangible asset backing per ordinary share decreasing from $0.10 at 31 December 2010 to $0.06 at 31 December 2011.

The reduction reflects the $12.7 million investments in goodwill through the acquisitions of MSS Fibre Systems Pty Ltd and MSS Power Systems Pty Ltd, and the asset acquisition of Extreme Safety.

Outlook and business strategies

Indicators for our traditional residential and commercial construction markets point towards subdued conditions in coming months. Despite these conditions management has achieved growth through expansion of product range and sales geographies. Indicators for engineering construction including power, mines, rail and related infrastructure remain very strong and performance within these markets remains very strong. Management will continue to focus on new and improved product offerings and expanding business development into these markets.

The impact on the profit of the Memory Module and Semiconductor business from the decline in revenue appear to have been felt in full, with future profits expected to be sustainable at least at current levels. Alternative and new sources of revenue will continue to be sought with a specific focus on the development of products that lever the electronics engineering capability of the division and the sales channels of electrical, data and communications.

Legend remains well positioned for both organic and acquisitive growth. Senior management continue to explore acquisition opportunities to achieve earnings accretive outcomes aligned with the Group's 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

6 February 2012

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2011.

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 2011.

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 10 for the half-year ended 31 December 2011, 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

6 February 2012

Grant Thornton Audit Pty Ltd
ACN 130 913 594

Level 17, 383 Kent Street
Sydney NSW 2000
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

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 2011, 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A J Archer

A J Archer
Partner – Audit & Assurance

Sydney, 6 February 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Consolidated Group	
	31 December 2011 $000	31 December 2010 $000
Revenue	52,791	44,032
Other income	140	142
Changes in inventories of finished goods and work in progress	1,163	534
Raw materials and consumables used	(29,559)	(24,112)
Employee benefits expense	(9,927)	(8,024)
Occupancy costs	(1,606)	(1,487)
Depreciation and amortisation expense	(865)	(819)
Finance costs	(711)	(578)
Other expenses	(3,846)	(3,964)
Profit before income tax	7,580	5,724
Income tax expense	(2,552)	(1,752)
Profit for the period	5,028	3,972
Other comprehensive income	-	-
Total comprehensive income for the period	5,028	3,972
Profit attributable to:		
Members of the parent entity	5,028	3,972
Non-controlling interest	-	-
	5,028	3,972
Total comprehensive income attributable to:		
Members of the parent entity	5,028	3,972
Non-controlling interest	-	-
	5,028	3,972
Earnings per share	Cents	Cents
Basic earnings per share	2.3	1.8
Diluted earnings per share	2.3	1.8

The accompanying notes form part of these financial statements

LEGEND CORPORATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Consolidated Group	
	31 December 2011 $000	30 June 2011 $000
Current assets		
Cash and cash equivalents	7,288	9,560
Trade and other receivables	16,589	12,762
Inventories	18,670	15,356
Financial Assets	8	-
Other current assets	526	803
Total current assets	43,081	38,481
Non-current assets		
Property, plant and equipment	8,829	8,520
Deferred tax assets	1,677	1,490
Intangible assets	43,074	30,379
Total non-current assets	53,580	40,389
Total assets	96,661	78,870
Current liabilities		
Trade and other payables	17,815	9,695
Financial liabilities	-	2
Borrowings	2,160	2,000
Current tax liabilities	1,762	2,887
Short-term provisions	2,423	1,929
Total current liabilities	24,160	16,513
Non-current liabilities		
Borrowings	16,274	8,875
Long-term provisions	332	533
Total non-current liabilities	16,606	9,408
Total liabilities	40,766	25,921
Net assets	55,895	52,949
Equity		
Issued capital	74,225	74,135
Reserves	115	115
Accumulated losses	(18,445)	(21,301)
Total equity	55,895	52,949

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

Consolidated Group	Issued Capital $000	Option Reserve $000	Accumulated Losses $000	Total $000
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
Transactions with owners	78	4	(2,169)	(2,087)
Balance at 31 December 2010	74,122	114	(23,578)	50,658
Balance at 1 July 2011	74,135	115	(21,301)	52,949
Total comprehensive income for the period	-	-	5,028	5,028
Shares issued during the year	90	-	-	90
Dividends paid	-	-	(2,172)	(2,172)
Option expense	-	-	-	-
Transactions with owners	90	-	(2,172)	(2,082)
Balance at 31 December 2011	74,225	115	(18,445)	55,895

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Consolidated Group	
	31 December 2011 $000	31 December 2010 $000
Cash flows from operating activities		
Receipts from customers	52,860	43,708
Payments to suppliers and employees	(45,519)	(35,326)
Interest received	140	142
Finance costs	(711)	(578)
Income tax paid	(3,831)	(803)
Net cash provided by operating activities	2,939	7,143
Cash flows from investing activities		
Proceeds from the sale of plant and equipment	10	-
Purchase of property, plant and equipment	(793)	(1,058)
Acquisition of subsidiaries, net of cash	(9,225)	-
Net cash used in investing activities	(10,008)	(1,058)
Cash flows from financing activities		
Proceeds from issue of shares	15	30
Proceeds from borrowings	9,047	-
Dividends paid	(2,172)	(2,169)
Repayment of borrowings	(2,093)	(3,375)
Net cash provided by / (used in) financing activities	4,797	(5,514)
Net (decrease) / increase in cash and cash equivalents held	(2,272)	571
Cash and cash equivalents at beginning of the period	9,560	6,922
Cash and cash equivalents at end of the period	7,288	7,493

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2011 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 2011, 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.

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 2011

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.

On 1 July 2011 the Group acquired 100% of the issued capital of MSS Fibre Systems Pty Ltd, MSS Power and Fibre Systems Pty Ltd and MSS Power Systems and on 30 September 2011 the group acquired selected business assets of Silglen Pty Ltd trading as Extreme Safety. Both acquisitions form part of the Electrical, Data and Communications segment and are detailed in Note 3.

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.

NOTE 2: OPERATING SEGMENTS (cont.)

(i) Segment performance

	Memory Modules and Semiconductors		Electrical, Data and Communications		Consolidated Group	
	31 Dec 2011 $000	31 Dec 2010 $000	31 Dec 2011 $000	31 Dec 2010 $000	31 Dec 2011 $000	31 Dec 2010 $000
Revenue						
Revenue from external customers	8,264	10,195	44,527	33,837	52,791	44,032
Inter-segment revenues	491	264	-	-	-	-
Total revenue	8,755	10,459	44,527	33,837	52,791	44,032
Result						
Earnings before interest, taxation, depreciation and amortisation	2,655	3,647	6,388	3,596		
Depreciation and amortisation	(118)	(159)	(747)	(660)		
Segment operating profit	2,537	3,488	5,641	2,936	8,178	6,424
Elimination of intersegment profit					(27)	(264)
Finance income					140	142
Finance costs					(711)	(578)
Profit before income tax					7,580	5,724
Income tax expense					(2,552)	(1,752)
Profit after income tax					5,028	3,972

(ii) Segment assets and liabilities

	Memory Modules and Semiconductors		Electrical, Data and Communications		Consolidated Group	
	31 Dec 2011 $000	30 Jun 2011 $000	31 Dec 2011 $000	30 Jun 2011 $000	31 Dec 2011 $000	30 Jun 2011 $000
Assets						
Segment assets	7,229	11,469	44,681	35,532	51,910	47,001
Unallocated assets					44,751	31,869
Total assets					96,661	78,870
Liabilities						
Segment liabilities	1,551	2,267	19,019	9,892	20,570	12,159
Unallocated liabilities					20,196	13,762
Total liabilities					40,766	25,921

(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 3% of external revenue (2010: 10%), and one single external customer in the electrical, data and communications segment which accounts for 19% of external revenue (2010: 19%). The next most significant customer accounts for 6% (2010: 5%) of external revenue.

(v) Impact of acquisitions

The electrical, data and communications segment has increased due to the acquisitions as described in Note 3.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 3: ACQUISITIONS

MSS Fibre Systems Pty Ltd

On 1 July 2011 Legend Corporation Limited acquired 100% of the issued capital of MSS Fibre Systems Pty Ltd and MSS Power and Fibre Systems Pty Ltd.

The acquisition was also made as part of the Group's overall strategy of expanding its product offerings to electrical wholesale and electrical distribution markets.

The details of the business combination are as follows:

	$'000
Fair value of consideration	
Amount settled in cash	5,750
Fair value of contingent consideration	2,750
Total cost of acquisition	8,500

The amounts recognised at the acquisition date of the aquirees assets, liabilities and contingent liabilites are as follows:

Cash	323
Trade and other receivables	1,383
Inventories	919
Total current assets	2,625
Property plant and equipment	290
Deferred tax assets	101
Total non current assets	391
Trade and other payables	633
Borrowings	429
Provisions	182
Current tax liabilities	102
Total current liabilities	1,346
Net identifiable assets and liabilities	1,670
Goodwill on acquisition	6,830
Cost of acquisition	8,500
Consideration transferred in cash	5,750
Cash and cash equivalents acquired	(323)
Net cash outflow on acquisition	5,427

Consideration transferred

The acquisition of MSS Fibre Systems Pty Ltd and MSS Power and Fibre Systems Pty Ltd was settled in cash of $5,750,000. The purchase agreement included an additional consideration, a final deferred payment no later than 31 August 2012 of up to $2.75 million determined as a multiple of Earnings Before Interest and Taxation (EBIT) for the year ended 30 June 2012. The directors have assessed that the deferred payment will be required in full and have therefore included in the cost of acquisition.

Goodwill

The transaction has been provisionally accounted for at 31 December 2011 with further work requried to complete the purchase price allocation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 3: ACQUISITIONS (cont.)

MSS Power Pty Ltd

On 1 July 2011 the Legend Corporation Ltd acquired 100% of the issued capital of MSS Power Pty Ltd.
The acquisition was also made as part of the Group's overall strategy of expanding its product offerings to electrical wholesale and electrical distribution markets.

The details of the business combination are as follows:

	$'000
Fair value of consideration	
Amount settled in cash	3,300
Fair value of contingent consideration	2,200
Total cost of acquisition	5,500

The amounts recognised at the acquisition date of the aquirees assets, liabilities and contingent liabilites are as follows:

Cash	501
Trade and other receivables	577
Inventories	669
Total current assets	1,747
Property plant and equipment	101
Deferred tax assets	109
Total non current assets	210
Trade and other payables	675
Borrowings	178
Provisions	195
Current tax liabilities	74
Total current liabilities	1,122
Net identifiable assets and liabilities	835
Goodwill on acquisition	4,665
Cost of acquisition	5,500
Consideration transferred in cash	3,300
Cash and cash equivalents acquired	(501)
Net cash outflow on acquisition	2,799

Consideration transferred

The acquisition of MSS Power Pty Ltd. was settled in cash of $3,300,000. The purchase agreement included an additional consideration of two deferred payments no later than 31 August 2012 and 31 August 2013 of up to $1.1 million each determined as a multiple of EBIT for the years ended 30 June 2012 and 30 June 2013.The directors have assessed that the deferred payment will be required in full and have therefore included in the cost of acquisition.

Goodwill

The transaction has been provisionally accounted for at 31 December 2011 with further work requried to complete the purchase price allocation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 3: ACQUISITIONS (cont.)

Extreme Safety

On 30 September 2011 the Group acquired selected trading assets of Silglen Pty Ltd trading as Extreme Safety. The acquisition was also made as part of the Group's overall strategy of expanding its product offerings to electrical wholesale and electrical distribution markets.

The details of the business combination are as follows:

	$'000
Fair value of consideration	
Amount settled in cash	1,000
Fair value of contingent consideration	992
Total cost of acquisition	1,992
Recognised amounts of identifiable net assets	
Inventories	792
Total current assets	792
Goodwill on acquisition	1,200

Consideration transferred

The acquisition of Extreme Safety was settled in cash for $1,000,000. The purchase agreement included a final payment of $992,000 on determination of asset values to be made by 30 June 2012.

Goodwill

The transaction has been provisionally accounted for at 31 December 2011 with further work requried to complete the purchase price allocation.

Summary of change in Goodwill	$000
Balance of Goodwill as at 30 June 2011	30,379
Add:	
Amounts settled in cash	10,050
Fair value of contingent consideration	5,942
Less:	
Recognised amounts of identifiable net assets	(3,297)
Change in Goodwill for the period	12,695
Balance of Goodwill as at 31 December 2011	43,074

NOTE 4: CONTINGENT LIABILITIES

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

NOTE 5: EVENTS AFTER THE BALANCE SHEET DATE

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

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 11 to 20 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 2011 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

6 February 2012

Grant Thornton Audit Pty Ltd
ACN 130 913 594

Level 17, 383 Kent Street
Sydney NSW 2000
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

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 2011, 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 2011 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 2011 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A J Archer

A J Archer
Partner – Audit & Assurance

Sydney, 6 February 2012