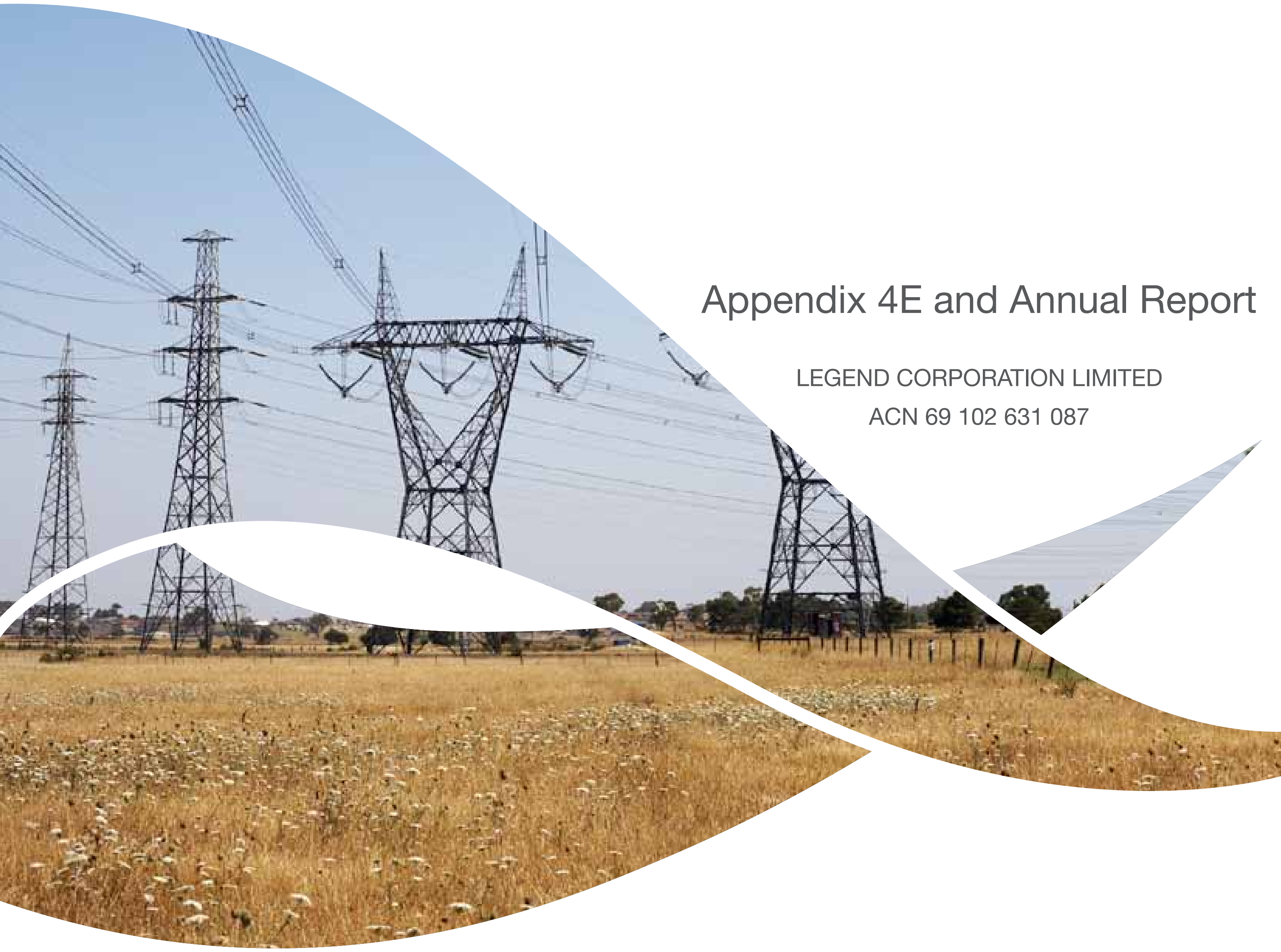


Appendix 4E and Annual Report

LEGEND CORPORATION LIMITED

ACN 69 102 631 087

Results for Announcement to the Market

Final Report to the Australian Stock Exchange and Annual Report including Audited Financial Statements

For the Year Ended 30 June 2012

Table of Contents




HIGHLIGHTS

- Fourth year of consecutive NPAT growth despite traditional markets in which the Group operates remaining subdued.
- Earning accretive acquisitions during the year contributing $16.1 million in revenue and $3.9 million in EBIT before acquisition related costs:

    - MSS Fibre Systems – A proven range of fibre optic cables, connectors, jointing tools and test equipment that extends our offering to both existing and new clients in the fast growing fibre optic markets.
    - MSS Power Systems – An industry leader in the engineering, manufacture, test and distribution of the largest range of certified lug, link and connector products to power and related markets in Australia.
    - Extreme Safety – A highly complementary range of arch flash safety clothing and related consumables used by all power utilities and related contractors in most installation and maintenance activities distributed through existing sales channels.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Previous corresponding period 30 June 2011

				$000
Revenue from ordinary activities	Up	18%	to	103,439
Profit from ordinary activities after tax attributable to members	Up	18%	to	9,436
Net profit for the period attributable to members	Up	18%	to	9,436

Earnings per share	Up	16%	to	4.3 cents

DIVIDENDS

	Amount per security	Franked amount per security at 30% tax
Interim dividend (fully franked)	1.0 cents	1.0 cents
Final dividend (fully franked)	1.1 cents	1.1 cents

None of these dividends are foreign sourced.

Final dividend details	
Record date to determine entitlement to the dividend	17 September 2012
Ex-dividend date	21 September 2012
Payment date for final dividend	12 October 2012
Total dividend payable	$2,391,850
A dividend reinvestment plan is not in operation.	

NET TANGIBLE ASSET BACKING

	Current period	Previous corresponding period
Net tangible asset backing per ordinary share	6.5 cents	10.4 cents

FINANCIAL SUMMARY	30 June 2012 $000	30 June 2011 $000	Change
Income			
Sales revenue	**103,215**	**87,076**	**18.5%**
Cost of goods sold	**(55,899)**	**(45,924)**	**21.7%**
Gross profit	47,316	41,152	15.0%
Gross profit margin	45.8%	47.2%	
EBITDA	17,173	13,983	22.8%
EBITDA margin	16.6%	16.1%	
EBIT	14,749	12,289	20.0%
EBIT margin	14.3%	14.1%	
NPBT	13,628	11,496	18.5%
NPBT margin	13.2%	13.2%	
NPAT	9,436	7,985	18.2%
NPAT margin	9.1%	9.2%	
Earnings per share	4.3 cents	3.7 cents	16.2%
Dividends paid	2.0 cents	1.8 cents	11.0%
Dividends announced	1.1 cents	1.0 cents	10%
Cash Flow			
Operating cash flow	6,359	14,644	(56.6%)
Operating cash flow pre tax	12,591	16,252	(22.5%)
Financial Position			
Net assets	58,132	52,949	9.8%
Net debt	(11,017)	(1,315)	(737.8%)

Reconciliation of profit	30 June 2012 $000	30 June 2011 $000
NPAT	9,436	7,985
Income tax expense	4,192	3,511
NPBT	13,628	11,496
Interest revenue	(224)	(262)
Interest expense	1,345	1,055
EBIT	14,749	12,289
Depreciation and amortisation expense	2,424	1,694
EBITDA	17,173	13,983

ANNUAL REPORT 2012

LEGEND CORPORATION

CABAC
One Call → One Day → One Delivery

Hendon™
semiconductors

LEGEND
PERFORMANCE TECHNOLOGY

POWER

mss fibre systems
Fibre Optic Product Supplier

CORPORATE DIRECTORY

DIRECTORS

Bruce E Higgins
Bradley R Dowe
Ian L Fraser

COMPANY SECRETARY

Graham A Seppelt

REGISTERED OFFICE

1 Butler Drive, Hendon
South Australia 5014
Phone: 08 8401 9888
Fax: 08 8244 9520
www.legendcorporate.com

SOLICITORS

Minter Ellison Lawyers
Rialto Towers
525 Collins Street
Melbourne
Victoria 3000
Phone: 03 8608 2000
Fax: 03 8608 1000

SHARE REGISTRY

Security Transfer
Registrars Pty Ltd
Suite 1 / 770
Canning Highway
Applecross
Western Australia 6153
Phone: 08 9315 2333
Fax: 08 9315 2233

BANKERS

National Australia Bank
22-28 King William Street
Adelaide
South Australia 5000

AUDITORS

Grant Thornton Audit Pty Ltd
383 Kent Street
Sydney
New South Wales 2000
Phone: 02 8297 2400
Fax: 02 9299 4445

AUSTRALIAN SECURITIES EXCHANGE

Australian Securities
Exchange Limited
2 The Esplanade
Perth
Western Australia 6000
Phone: 08 9224 0000

CHAIRMAN'S REPORT

DEAR SHAREHOLDERS,

On behalf of the Directors I have pleasure in announcing the company results for the year ending 30 June 2012.

Our company has reported a strong result in terms of trading performance from our historical business and 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 the improved earnings servicing the increased debt.

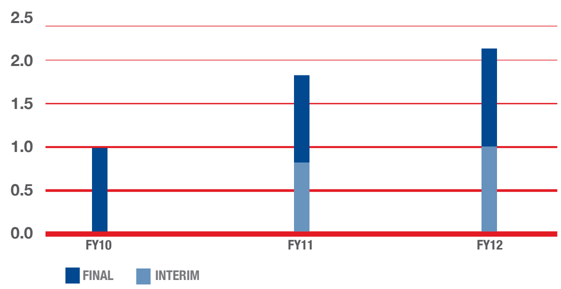
DIVIDEND

In April the company paid an interim dividend of 1 cent per share. I am pleased to advise that the full year dividend will be 1.1 cents per share to all shareholders of record on 17 September 2012 and payable on 12 October 2012.

The share price performance of Legend Corporation and our consistent 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.

The dividends we have declared represent an attractive yield. Total dividends for the year are 2.1 cents per share (fully franked), an increase of 17% over last year. Our return on invested capital was a strong 13% percent.

Legend dividend (CPS)



CHAIRMAN'S REPORT

OPERATIONS

The group operations are reported in two district segments **Memory Modules and Semiconductors** and **Electrical, Data and Communications**. These segments share sales and operational resources to the maximum extent possible.

Memory Modules and Semiconductors

Hendon Semiconductors, based in South Australia, designs and manufactures integrated circuits (IC's), thick film hybrids, ceramic printed circuit boards and module assemblies and is a leading solutions provider to a range of markets including automotive, medical, semiconductor and electrical.

Legend Performance Technology manufactures and supplies a range of application specific memory for information technology applications.

Electrical, Data and Communications

CABAC (Cable Accessories Australia) operates throughout Australia and New Zealand supplying the electrical wholesale industry. The business has its national product distribution center in Seven Hills, Sydney from which it supplies a wide range of house brand electrical and data connectivity products as well as manufacturing a range of specialised electrical connectors

CABAC Power delivers a wide range of specialized connectors and cable assemblies to the power distribution market and has developed a number of unique and specialised products for power utilities.

MSS Power, designs and manufactures specialised heavy duty tools for cable cut, crimp and screw, used by power utilities and related contractors and is highly complementary to our leading position in the engineering, manufacture and distribution of power and electrical lugs, links and connectors.

MSS Fibre Group (MSF). Manufactures and delivers high quality fibre optic cables provided in drum quantities, cut to length and pre terminated solutions together with related products, accessories and engineering services.

Extreme Safety, delivers a proven range of arc flash safety clothing and related consumables used by power utilities and related contractors for installation and maintenance.

Legend Performance Technology supplies a range of computer room products.

Further details of the operations and their performance is set out in the Chief Executives report and in Note 26: Operating segments of the annual report.

OUR GROWTH STRATEGY

Our business strategy is delivering results and we remain on track with our focus to increase our market presence as a specialist supplier of electrical components and products as a solutions company. In line with this strategy our growth program included the expansion of our business with MSS Fibre Group, a leader in the supply and engineering of Fibre optic solutions, systems and products and also MSS Power Systems a specialist tooling company servicing power utilities, Telco utilities and related service providers. I am pleased to report that these businesses are performing well and offer strong opportunities for further growth. These acquisitions have proven to be earnings accretive for the Group, delivering results at the upper end of their earn-out targets.

Our growth program continues to include a strong focus on our ability to deliver our products, improve our client and product range and leveraging synergies across our sales teams, operations and warehousing to deliver shareholder value.

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 late 2012 we are releasing a range of residential and commercial lighting timers targeted to lower energy costs for consumers. Our strong balance sheet will also enable Legend to target acquisition growth opportunities in complimentary businesses that are aligned with our business growth strategy.

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 also included within this report 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 its peer group of comparable companies which is an endorsement of our strategies and our management team's ability to deliver improvement in shareholder value and profitable growth. Our core strategy to maintain and extend our leadership remains; quality, range, value, availability and service.

I am confident that our plans to position the business into growth areas of the Australian economy and improve our operations and sales performance year on year will deliver results for shareholders.

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

15 August 2012

CHIEF EXECUTIVE OFFICER'S REPORT

ROBUST FINANCIAL PLATFORM

	30 JUNE 2012	30 JUNE 2011	CHANGE
Sales Revenue	$103.2m	$87.1m	18.5%
Cost of Goods Sold	$55.9m	$45.9m	21.7%
Gross Profit	$47.3m	$41.2m	15.0%
Gross Profit Margin	45.8%	47.2%	
EBITDA	$17.2m	$14.0m	22.8%
EBITDA Margin	16.6%	16.1%	
EBIT	$14.7m	$12.3m	20.0%
EBIT Margin	14.3%	14.1%	
NPBT	$13.6m	$11.5m	18.5%
NPBT Margin	13.2%	13.2%	
NPAT	$9.4m	$8.0m	18.2%
NPAT Margin	9.1%	9.2%	
Earnings per share	$0.043	$0.037	16.2%
Net Assets per share	$58.1m	$52.9m	9.8%
Net Assets per share	$0.267	$0.244	9.4%
Net Bank Debt	($11.0m)	($1.3m)	(737.8%)
Operating Cash Flow	$6.4m	$14.6m	(56.6%)
Operating Cash Flow pre Tax	$12.6m	$16.3m	(22.5%)

DEAR SHAREHOLDERS,

Legend group revenue increased to $103.2 million resulting in a full year net profit after tax of $9.4 million or 4.3 cents per share. This result is the strongest in Legend's history and is the fourth year on year profit improvement since June 2008.

Dividends continue to grow with a full year 2.1 cents per share (FY11 1.8 cps)

STRONG FINANCIAL PERFORMANCE, STRONG OUTLOOK

Gross profit margins remained strong at 45.8% (FY11 47.2%)

Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) was up 23% to $17.2 million (FY11 $14.0 million)

Pre Tax Operating cash flows were $12.6 million (FY11 16.3) reflecting the investment in increased working capital associated with business expansion.

Net Bank debt increased to $11.0 million (FY11 $1.3 million) as a result of the acquisition of new business that has been the key driver in earnings growth over the financial year. Net Bank debt of $11.0 million remains at a conservative 0.6 x EBITDA.

Net assets of 26.7 cents per share are up 9% on prior year (FY11 24.4).All divisions operated profitably and progressed their individual growth plans. Market conditions in our traditional markets remain challenging, whilst engineering construction markets, the focus of our strategic plans, continue to display strong growth.

Legend's strong balance sheet and low levels of debt allow for continued organic and acquisitive business development.

OVERVIEW BY SEGMENT

Electrical, Data and Communications

The division's earnings in the past have been closely tied to residential, industrial and commercial building approvals. These markets have remained subdued since the global financial crisis of 2008. Our strategy has been to take the engineering capabilities from this segment into high growth markets with the initial focus on power generation transmission and distribution.

Each year the power division has developed its own specialized product range and has extended client base into rail and engineering construction.

Revenue for the segment increased by 31% to $90.7 million (2011: $69.1 million), with growth from our pre-acquisition business of 8% to $74.6 million, $9.3 million from MSF, $5.3 million from MSP and $1.5 million from Extreme Safety. EBITDA for the segment grew by 74% to $14.1 million (2011: $8.0).

Whilst the acquisitions of MSS Fibre Systems, MSS Power Systems and Extreme Safety provided a substantial contribution towards the growth in earnings, it is pleasing to note that over 20% of the year's growth was contributed by the pre-acquisition business.

Memory Modules and Semiconductors

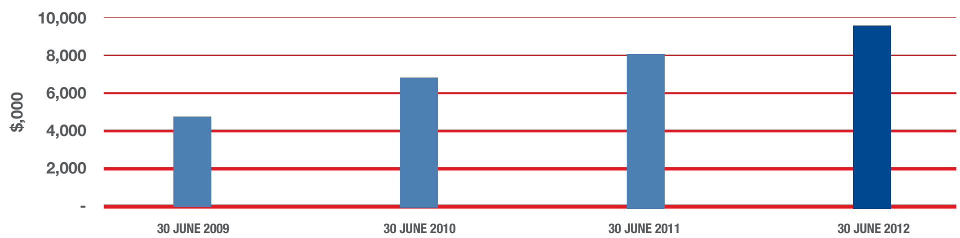
The managed withdrawal from sales of Hard disk drives combined with a contraction in demand from a major export client had a considerable adverse impact on revenue for this division. In addition flooding in Thailand and the after effects of the tsunami in Japan, impacted both supply of some components and demand from some clients located in the same regions, across the period. Earnings for the second half of the year were lower with full year's EBITDA down 46.5% to $3,166,000 (2011: $5,921,000).

Development of new products remains the key focus with a number of these already released to market through our existing sales channels. Due to the dates of release being late in the year, the full impact on earnings will not be seen until the new financial year.

INNOVATION

I am confident that our investment in design and development of products targeting the growth areas of the Australian economy will allow us to maintain our innovation leadership and deliver continued positive results for our shareholders. We have focused our development on energy efficient and energy saving products for lighting, switching and power management for sale through both our electrical and power divisions.

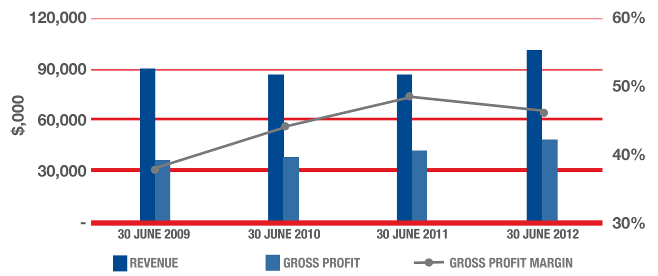
NET PROFIT AFTER TAX



CHIEF EXECUTIVE OFFICER'S REPORT

FINANCIAL HIGHLIGHTS

Revenue and Gross Profit



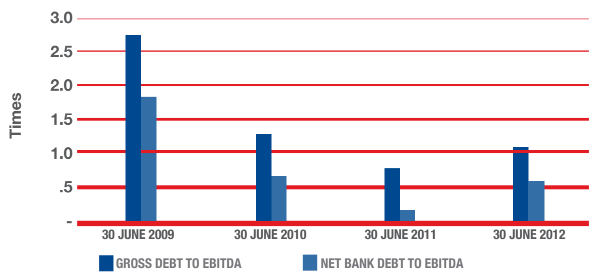
Sales revenue for the period of $103.2 million, up 19% on the prior year.

Acquisitions during the year contributed $16.1 million in revenue, the pre-acquisition electrical, data and communications business contributed $74.6 million (8% up on the prior year), while memory modules and semiconductors contributed $13.6 million.

Revenues from memory and semiconductors were down $4.8 million on the prior year, a result of a managed exit from hard drive sales and reduced demand from a major export client.

Gross profit for the period was $47.3 million, up 15% on the prior year, with Gross Profit Margins maintained at a solid 45.8%.

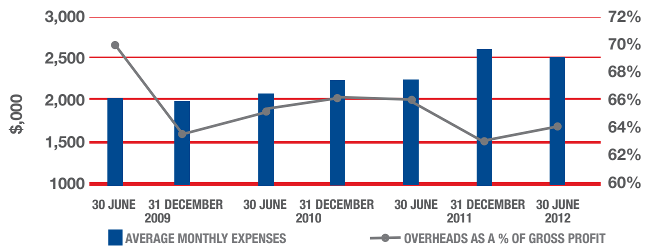
Debt to EBITDA Coverage



EBITDA growth in the pre-acquisition electrical, data and communications business was more than offset by a reduced result in the memory modules and semiconductors segment such that the pre-acquisition business EBITDA remained flat year on year.

$9.1 million in bank debt was drawn down on 1 July 2011 to fund the MSS acquisitions. Additional working capital requirements saw total net debt reach $11.0 million at 30 June 2012, a modest 0.6 times EBITDA.

Average Monthly Overhead Expenditure

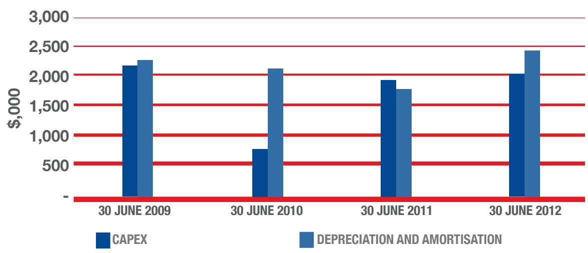


Overhead costs increased by $3.3 million to $30.4 million in 2012 or 64% of gross profit.

This increase is directly attributable to the MSS acquisitions with overhead costs in the pre-acquisition business unchanged with increased wages being offset by reductions in other overheads.

Foreign exchange translation losses were $255,000, down from $693,000 in the prior year, and bad debts were $90,000, down from $421,000 in the 2011.

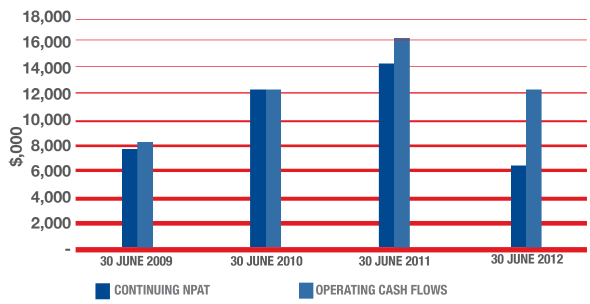
CAPEX and Depreciation



Annual capital expenditure requirements were approximately $2 million consisting predominantly of maintenance and replacement of materials handling equipment such as racking and office equipment. The major capital project during the 2012 financial year related to information technology upgrades including investment in our enterprise system to integrate the Group's financial reporting and inventory systems. This investment builds a platform for future growth.

Depreciation and amortisation for this financial year included $677,000 in amortisation of intangible assets acquired as a result of the MSS acquisitions.

Operating Cash Flow



Pre-tax operating cash flows were $12.6 million (2011: $16.3 million). Tax paid for the year was $6.2 million (prior year $1.6 million).

With the expansion of the business, working capital requirements increased from $23.1 million in 2011 to $29.4 million.

Stock days of 114 (prior year 120), Debtor days 56 (prior year 50), Creditor days 54 (prior year 62).

ACQUISITIONS

Management devotes significant effort and resource to the selection and appropriate engagement with potential acquisition targets aligned with strategic requirements that are accretive to earnings per share and add long term value to our business.

During 2012 Legend acquired the assets of Silglen Pty Ltd trading as Extreme Safety bringing a proven range of arc flash safety clothing and related consumables used by all Power utilities and related contractors in most installation and maintenance activities. This range is highly complementary to our existing sales and distribution activities.

The Group also made two important acquisitions;

On the 1st of July 2011 Legend acquired MSS Power, a Melbourne based company expert in the design and manufacture of specialised heavy duty tools for cable cut, crimp and screw, used by power utilities and related service providers.

This premium tool manufacturer is highly complementary to our leading position in the engineering, manufacture and distribution of power and electrical lugs, links and connectors.

On the 1st of July 2011 Legend also acquired MSS Fibre Group (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 together with related products, accessories and engineering services.

MSF is highly complementary to our electrical and power divisions, and expected to benefit from the rapidly growing fibre market levered by the roll out of the National Broadband Network.

The results from our two major acquisitions during the year of MSS Fibre Group (MSF) and MSS Power Systems (MSP) were sound, contributing notably to the earnings growth of the Group. Excluding integration costs of approximately $0.6 million, both entities performed at the upper end of their earn-out targets.

MSP achieved an EBIT of $1.13 million for the year against a target of $1.1 million. Total consideration payable to date has been an initial payment of $3.3 million and a first deferred payment of $1.1 million payable by the end of August 2012. A maximum final payment of $1.1 million will be payable August 2013 on achievement of an EBIT of no less than $1.375 million for the 2013 financial year.

MSF performed just under their upper end EBIT target of $2.125 million with a result of $2.025 million. In addition to the initial payment of $5.75 million, a final payment of $2.473 will be made before the end of August 2012 bringing total consideration paid on acquisition to $8.223 million.

CHIEF EXECUTIVE OFFICER'S REPORT

PEOPLE TALENT, WORKPLACE ENVIRONMENT AND SAFETY

We recognise that our people are our most important and fundamental asset. Securing and retaining the very best people talent is critical to both the maintenance and growth of our business.

The company's employment policies include:

- Recruitment programs are offered to internal candidates as well as external advertising.
- Internal staff are offered training and are encouraged to apply for more senior roles and are considered on merit along with external applicants;
- Flexible work options are made available to all staff where possible;
- Sophisticated crèche facilities on site are available to parents in NSW and SA locations allowing parents to reenter the workplace as soon as practical;
- School holiday care programs are provided for the children of working parents.
- An annual salary review is provided adjusted to reflect CPI, responsibility and external market review
- Most staff have incentive programs to reward outcomes aligned with company strategy.
- Optional Gym programs are offered in NSW and SA.

Management is committed to the continual improvement of health and safety through the implementation of training, safety systems, monitoring and correction across all our workplaces.

COMPANY LEADERSHIP

I am very pleased to report that we have added important new strength to our executive management team with the appointment of;

Edward Fyvie to the role of General Manager Sales Power. Edward was previously the CEO of AEM a subsidiary of US parent PLP; engineering and manufacturing power switch yard systems with many customer and engineering parallels to our Power division.

Mark Phillips to the role of General Manager Sales Cabac. Mark joins us in September from his role as General Manager Sales and Customer Relationships at Hager B&R a successful supplier of electrical protection equipment and switch board enclosures with many service and client parallels to our CABAC business.

John Murtagh to the role of National Quality Assurance Manager. John joins us from similar roles at medical device manufacturers including Resmed and Cochlear.

GENDER DIVERSITY

Legend promotes gender balance within the workforce. Whilst the company is successfully overseen by only three directors who provide a skill set which is appropriate for the company's needs, there is a significant involvement of both female and male employees at each level of operations.

Overall, the objective is for the company to achieve the current national benchmark of women comprising 46% of the workforce. The company currently employs 42% women compared with 38% in 2011.

The current gender balance is as per the table below:

	2012 PERCENTAGE OF EMPLOYMENT		2011 PERCENTAGE OF EMPLOYMENT	
	Female	Male	Female	Male
Board	0	100	0	100
Management, Finance, Administration	40%	60%	55%	45%
Other	45%	55%	35%	65%
Total	42%	58%	38%	62%

LOOKING FORWARD : A PLATFORM FOR GROWTH

Our core strategy to maintain and extend our leadership in our respective markets remains; quality, range, value, availability and service. We will continue our focus on business development to meet customer needs; bringing new products to market, expanding our market reach and delivering new service initiatives. Each of our businesses has a specific plan to deal with the challenges we see ahead and to realise growth.

While our traditional markets remain challenging we have successfully dealt with what has been a contracting market in residential commercial and light industrial construction by the expansion of product range, sales geography and basic sales value drivers including stock availability, client contact and other marketing initiatives.

Export markets also remain challenging, we are successfully bringing new products to the domestic market to offset declines in demand from some export clients.

Increasing costs of foreign labour that are key inputs to our component costs together with rising transport costs internationally and domestically are all overshadowed by the ongoing skills shortage in both Australia and New Zealand that is increasing the cost of hiring and retaining key staff. Consequently we see significant increases in the cost of doing business in the coming years as a key challenge.

We continue to invest in the future, particularly in the areas of enterprise and quality systems, people talent, research and development and marketing programs and while the Group has not forecast earnings for this financial year; we are confident that the company is well positioned within the markets we serve and that our very strong balance sheet, prudent financial management and continued focus on organic and acquisitive growth will deliver further growth in both sales and profits.

I would like to extend my thanks to our client business partners, suppliers, shareholders and board members.

I make particular mention of the value, commitment and passion that our team members across all our business bring to their work. It is their effort that underpins the successful outcomes of our business and I take this opportunity to thank them all.

Yours Sincerely

Brad Dowe
Chief Executive Officer &
Managing Director
Legend Corporation Limited

15 August 2012

CORPORATE GOVERNANCE STATEMENT

The Board of Legend Corporation Limited (Legend) seeks to practice the highest ethical and commercial standards while executing its responsibilities in directing the business and affairs of the Company on behalf of its shareholders.

The Board of Legend has considered the principles of good corporate governance and best practice recommendations as published by the ASX Corporate Governance Council (ASXCGC) in its 2nd edition of the Principles and Recommendations with 2010 Amendments. ASX Listing Rule 4.10.3 requires the Company to disclose the extent to which it follows or diverges from these best practice recommendations in its Annual Report.

This report discloses corporate governance practices Directors would like to highlight to stakeholders.

Additional information relating to corporate governance practices that the company has adopted can be found on the company's web site: www.legendcorporate.com

THE ROLE OF THE BOARD & MANAGEMENT

The company has formalised and disclosed the roles and responsibilities of the board and those delegated to senior management.

The Board of the company is responsible for the overall corporate governance of the Legend Group, including its ethical behavior, strategic direction, establishing goals for management and monitoring the achievement of those goals with a view to optimising company performance and maximising shareholder value.

The role of management is to support the Chief Executive Officer and implement the running of the general operations and financial business of the company, in accordance with the delegated authority of the Board.

Full details of the matters reserved to the board and to senior management are available on the company's web site at www.legendcorporate.com

Scheduled meetings of the Board are held at least eight times a year and the Board meets on other occasions to deal with matters that require attention between scheduled meetings.
The responsibility for the operation and administration of the consolidated entity is delegated by the Board to the Chief Executive Officer.

The Board is responsible for:

- Setting the strategic direction of the company and establishing goals to ensure these strategic objectives are met;
- Appointing the Chief Executive Officer, setting objectives for the Chief Executive Officer and reviewing performance against those objectives, ensuring appropriate policies and procedures are in place for recruitment, training, remuneration and succession planning;
- Monitoring financial performance including approval of the annual and half-yearly financial reports and liaison with the company's auditors;
- Ensuring that risks facing the company and its controlled entities have been identified ensuring that appropriate and adequate controls, monitoring and reporting mechanisms are in place;
- Receiving detailed briefings from senior management on a regular basis during the year;
- Approving the Boards of Directors of subsidiary companies; and
- Ensuring the company complies with the law and conforms to the highest standards of financial and ethical behavior.

Legend has obligations to its stakeholders to ensure the company is managed with appropriate due diligence and that all necessary processes are implemented to minimise risk and maximise business opportunities.

To this end, all commercial arrangements, capital expenditure, operational expenditure and other commitments are appropriately documented and have been authorised by either the Chief Executive Officer or the board as appropriate.

The composition of the Board is determined in accordance with the Company's constitution and the following principles and guidelines:

- The Board should comprise of at least three Directors with at least two Non-Executive Directors;
- The Board should comprise of Directors with an appropriate range of qualifications and expertise; and
- The Board should meet formally at least eight times per annum and informally on an as required basis with all Directors being made aware of, and having available, all necessary information, to participate in an informed discussion of all agenda items.

DIRECTORS IN OFFICE

At the date of this statement the following directors are considered independent by the Board:

The skills, experience, expertise and tenure of each director are disclosed in the Directors' Report within this Annual Report.

DIRECTOR INDEPENDENCE

The board considers two of Legend's directors as independent under the guidelines; that is Chairman Bruce Higgins and non-executive director Ian Fraser.

In assessing the independence of directors, the board follows the ASX guidelines as set out:

An independent director is a non-executive director (ie is not a member of management) and:

- is not a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
- within the last three years has not been employed in an executive capacity by the company or another group member, or been a director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the company or another group member, or an employee materially associated with the service provided;
- is not a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the company or another group member other than as a director of the company;
- has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company.

Mr Dowe is not considered to be independent because he is both an executive director and a substantial shareholder in the company.

Through the Nominations Committee, which has met during the current financial year to consider appointments to management and the board, directors have considered the balance of skills and experience required of board members for the size and state of development of Legend. The board believes that it has the right numbers and skill sets within its board members for the current size of the company and is confident that each non-executive director brings independent judgement to bear on board decisions. If additional skill sets are considered to be necessary, the board seeks candidates from the wider market and chooses the most appropriate person for the role required.

NAME	POSITION	INDEPENDENT
Bruce Higgins	Chairman & Non-Executive Director	Yes
Bradley Dowe	Chief Executive Officer	No
Ian Fraser	Non-Executive Director	Yes

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The ASXCGC Recommendations recommend that the chairperson be independent. Mr Bruce Higgins is considered independent by the board under the guidelines as set out.

The roles of chairman and Chief Executive Officer are not exercised by the same individual.

Mr Bradley Dowe is the Chief Executive Officer of the company.

APPOINTMENT TO THE BOARD

The Board has appointed a Nomination Committee to identify and recommend potential director appointments. Where a casual vacancy arises during the year, the Committee has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective board. Any director appointed during the year to fill a casual vacancy or as an addition to the current board, holds office until the next Annual General Meeting and is then eligible for re-election by the shareholders.

A copy of the Nomination Committee's Charter is available on the company's web site at www.legendcorporate.com.

New directors receive a letter of appointment which sets out the terms of their appointment. On appointment, an induction program is available to directors that include one-on-one sessions with members of the senior management team.

EVALUATION OF SENIOR EXECUTIVES

Senior executives, including the Chief Executive Officer have a formal job description and letter of appointment describing their term of office, duties, rights, responsibilities and entitlements upon termination.

The performance of senior executives is reviewed annually before the budgets are approved for the next financial year. This process is a formal one with the executive's performance assessed against company, division and personal benchmarks. Benchmarks are agreed with the respective senior executives and reviews are based upon the degree of achievement against those benchmarks.

Induction procedures are in place to allow new senior executives to participate fully and actively in management decision-making. The induction program includes orientation of:

- The company's financial position, strategies, operations and risk management policies; and
- The respective rights, duties, responsibilities and roles of the board and senior executives.

A performance evaluation for senior executives has taken place in the reporting period and was in accordance with the process disclosed.

ETHICAL BUSINESS PRACTICES

The Company has adopted a Code of Conduct to maintain confidence in the company's integrity, its legal obligations and the expectations of its stakeholders. The company is committed to being a socially responsible corporate citizen, using honest and fair business practices, to act in the best interests of clients so as to achieve the best outcome for shareholders.

The Board has procedures in place for reporting any matters that may give rise to unethical practices or conflicts between the interests of a director or senior executive and those of the company. These procedures are reviewed as required by the board. To this end, the company has adopted a Conflict of Interest Policy that clarifies the processes for directors and senior executives to determine and disclose when a conflict of interest exists.

The Code of Conduct is available on the company's web site at www.legendcorporate.com

SHAREHOLDING AND TRADING

The Board encourages directors and senior executives to own shares in the company to further link their interests with the interests of all shareholders. Trading of shares by directors or senior executives is prohibited under certain circumstances and as described in the ASX Listing Rules and during certain periods of the financial year. A director or senior executive must not deal in the company shares at any time when he or she has unpublished information which, if generally available, might affect the share price. Directors and senior executives are required to first obtain consent from the Chairman or Company Secretary before dealing.

The Trading Policy is available at the company's web site at www.legendcorporate.com

SAFEGUARD INTEGRITY

The Board has established an Audit and Risk Management Committee comprised of the two non-executive directors. This committee operates under a charter to enable it to perform its role and responsibilities. The Charter is available at the company's web site at www.legendcorporate.com. Where considered appropriate, the company's external auditors and the company's management are invited to attend meetings. The members of the Audit and Risk Management Committee are:

Mr Ian Fraser (chairman) and Mr Bruce Higgins.

As the company has only three directors, of which one is the managing director who is not independent, the company does not comply with Recommendation 4.2 that the committee should comprise three members.

The qualifications of members of the committee together with their attendances at committee meetings is disclosed in the Directors' Report within this Annual Report.

The role of the Audit and Risk Management Committee is to assist the board fulfill its responsibilities in relation to the identification of the areas of significant business risks and the monitoring of the following:

- Effective management of financial and other business risks;
- Reliable management reporting;
- Compliance with laws and regulations in respect to financial reporting;
- Maintenance of effective and efficient audits;
- Meeting with external auditors on a twice-yearly basis and informally as circumstances require; and
- Recommending to the board the appointment, rotation, removal and remuneration of the external auditors, and review their terms of engagement, and the scope and quality of the audit. Periodically, the Audit and Risk Management Committee reviews the appointment of the external audit engagement partners using a formal process of evaluation to determine the most appropriate level of skills and experience to suit the size and complexity of the company.

The Audit and Risk Management Committee provides the board with additional assurances regarding the reliability of financial information for inclusion in the financial statements. To that extent, the Chief Executive Officer and the Chief Financial Officer are required to declare to the board that in their opinion the Financial Statements and notes to the Accounts within the Annual Report are in accordance with the Corporations Act 2001, comply with the Accounting Standards and the Corporations Regulations 2001 and give a true and fair view of the financial position of the company and are based upon a sound system of risk management and internal compliance and control prior to the signing of the Directors' Declaration in the Annual Report.

The committee is chaired by an independent chair who is not the chairman of the board.

INDEPENDENT ADVICE

The Board recognises that in certain circumstances individual directors may need to seek independent professional advice, at the expense of the company. Any advice so received will be made available to other directors.

TIMELY AND BALANCED DISCLOSURE

The board recognises the need to comply with ASX Listing Rule 3.1 concerning continuous disclosure.

At each meeting of directors, consideration is given as to whether notice of material information concerning the company, including its financial position, performance, ownership and governance has been made available to all investors.

The Continuous Disclosure Policy also requires senior executives in possession of disclosable information to comply with that policy.

The Continuous Disclosure Policy is available on the company's web site at www.legendcorporate.com

COMMUNICATION WITH SHAREHOLDERS

The board aims to ensure that shareholders, on behalf of whom they act, are informed of all major developments affecting the company's activities and its state of affairs, including information necessary to assess the performance of the directors.

Communication with shareholders is achieved through the distribution of the following information:

- The Annual Report distributed to shareholders;
- The Half Yearly Report which is available on the company's web site;
- The Annual General Meeting and other meetings called to obtain shareholder approval for board action as appropriate. Shareholders are encouraged to attend and participate at the company's Annual General Meeting and other General Meetings;
- Letters to shareholders when considered to be appropriate and informative;
- Announcements to the Australian Securities Exchange; and
- Investor information through the Company's internet portal at www.legendcorporate.com

The Company strives to ensure that company announcements via the ASX are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner.

The Communications Policy is available at the company's web site at www.legendcorporate.com

SHAREHOLDERS' ROLE

The shareholders of the Company are responsible for voting on the election of directors at the Annual General Meeting in accordance with the constitution.

All directors (other than the Chief Executive Officer) are subject to re-election by rotation, no later than every three years.

The Annual General Meeting also provides shareholders with the opportunity to express their views on matters concerning the company and to vote on other items of business for resolution by shareholders.

The company's auditor, Grant Thornton Audit Pty Ltd, make available a partner of the firm, to be in attendance at the Annual General Meeting and to be available to answer shareholder questions in relation to the audit.

RISK MANAGEMENT

The entire board is responsible for overseeing the risk management function. The company believes that it is crucial for all board members to be a part of the process and as such has established risk management as a component of the Audit and Risk Management Committee.

The board is responsible for ensuring the risks and opportunities are identified on a timely basis.

The board has a number of mechanisms in place to ensure the management's objectives and activities are aligned with the risks identified by the Committee. These include the following:

- Implementation of board approved operating plans and budgets;
- Board monitoring of progress against these budgets, including the monitoring of key performance indicators of both a financial and non financial nature; and
- The establishment of committees to report on specific risk as identified.

INTERNAL RISK MANAGEMENT SYSTEM COMPLIANCE

Management is accountable to the Chief Executive Officer to ensure that operating efficiency, effectiveness of risk management procedures, internal compliance control systems and controls and policies are all being monitored. Management has designed and implemented a risk management and internal control system to manage the company's material business risks and reports to the board at each meeting on the effective management of those risks. The company has identified a series of operational risks which it believes to be inherent in the industry in which the company operates. These include:

- Changed operating, market or regulatory environments;
- Fluctuations in demand volumes;
- Fluctuations in exchange rates; and
- Increasing costs of operations.

These risk areas are provided here to assist investors better understand the nature of the significant risks faced by the company.

The board requires the Chief Executive Officer and Chief Financial Officer every half year to provide a statement confirming that a sound system of risk management and internal control is in place and that the system is operating effectively in all material respects in relation to financial risks. The board has received that assurance.

The Risk Management Policy is available at the company's web site at www.legendcorporate.com

MONITORING PERFORMANCE

The Board and senior management monitor the performance of all divisions through the preparation of monthly management accounts. The monthly management accounts are prepared using accrual accounting techniques and report each business unit's result as contribution after overhead allocation. These monthly management accounts are compared to monthly budgets, which have been set allowing for the seasonality of anticipated revenues and costs in each of the divisions.

The monitoring of the company's performance by the board and management assists in identifying the correct allocation of resources and staff to maximise the overall return to shareholders.

A performance evaluation for senior management was undertaken during the year and was in accordance with the process developed by the board for that purpose.

Details of the structure of non-executive directors' and senior executives' remuneration are included in the Remuneration Report within the Directors' Report in this Annual Report.

During the year the board undertook a performance review of the board, its committees and its directors, managed by the chair of the Remuneration Committee. The conclusions of the self assessment of the board's performance during the previous year and any recommendations for improvement which become apparent from that review, are discussed by the board.

The performance evaluation was undertaken using the process disclosed above.

NOMINATION AND REMUNERATION

Nomination Committee

The Board has a Nomination Committee comprising the two non-executive Directors, Mr Bruce Higgins (Chairman) and Mr Ian Fraser, and Managing Director Mr Bradley Dowe. Their attendances at committee meetings is disclosed in the Directors' Report within this Annual Report.

The role of the Nomination Committee is to make recommendations to the board on the following matters:

- Determine the appropriate size and composition of the board;
- Determine the terms and conditions of appointment to and retirement from the board;
- Develop appropriate criteria for board membership;
- Reviewing membership of the board and proposing candidates for consideration by the board; and
- Arranging a review of the board's own performance.

The committee met during the year and considered that for the size of the company and the state of its development, the number of directors and their level of skills and experience was appropriate. The committee is aware of the need to continually assess the skills available to the board. Where additional skills are considered necessary, candidates for director are sought from the wider market place with a view to selecting the most appropriate candidate for the chosen role on the board.

The Nomination Committee Charter is available at the company's web site at www.legendcorporate.com

Remuneration Committee

The Board has a Remuneration Committee comprising the two non-executive Directors, Mr Bruce Higgins (Chairman) and Mr Ian Fraser

Chief Executive Officer, Bradley Dowe, attends the Remuneration Committee considerations as and when appropriate.

Details of the attendance of directors at committee meetings is disclosed in the Directors' Report in this Annual Report.

The role of the Remuneration Committee is to determine the company's remuneration plans, policies and practices, including compensation arrangements for the non-executive directors, executive directors, Chief Executive Officer and senior executives. It is also responsible for considering general remuneration policies and practices, recruitment and termination policies and superannuation requirements.

The company has a policy to preclude its executives from entering into transactions to limit their economic risk from investing in company shares, options or rights where thos investments are unvested and has made executives aware of their obligations in relation to financial commitments against shares issued under the executive securities plan and has requested that they take sufficient professional advice in relation to their individual financial position.

The Remuneration Committee Charter is available at the company's web site at www.legendcorporate.com

There are no retirement schemes or retirement benefits other than statutory benefits for non-executive directors.

Remuneration Consultants

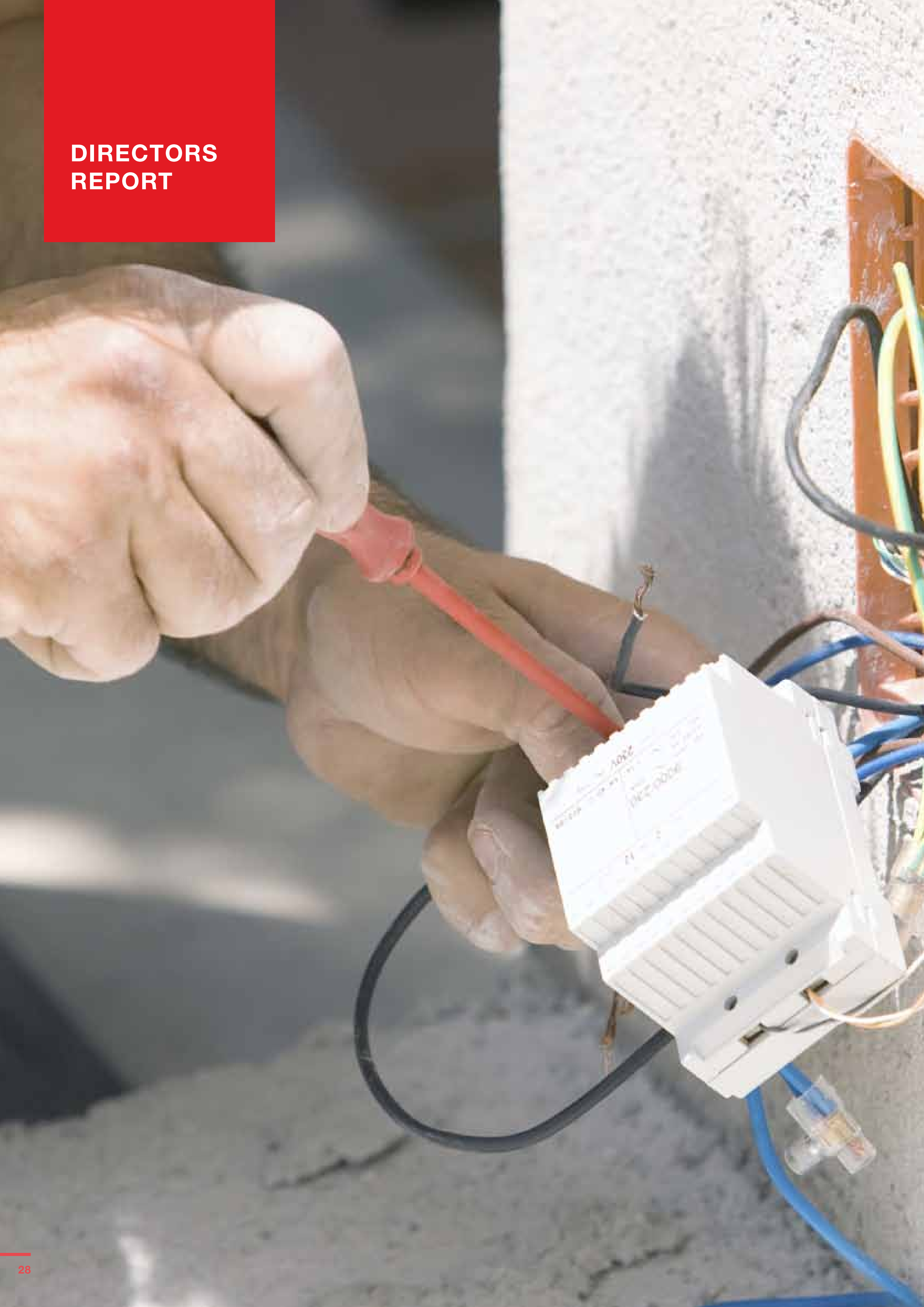
The company does not employ remuneration consultants to assist with the evaluation of the remuneration of its senior executives and directors and relies instead on market evaluation and peer company analysis.

During the year, KPMG and Minter Ellison Lawyers were invited to assist in the drafting of the company's newly introduced Group Level Incentive Plan (GLIP) to ensure that the wishes of the board could be met. The GLIP was ultimately approved by shareholders at the Annual General Meeting held on 15 November 2011. No consideration of the levels of remuneration or eligibility to become a member of the GLIP was discussed during this process. Further disclosure in relation to the KPMG consultation is included in the Remuneration Report in this Annual Report.

Gender Diversity

The board recognizes that it is appropriate to have gender diversity throughout the company to assist in balancing overall priorities and skills for the company as a whole. Further disclosures in relation to gender diversity are included in the Chief Executive Officer's Report in this Annual Report. The Legend Diversity Policy is available at the company's web site at www.legendcorporate.com

DIRECTORS REPORT



The Directors of Legend Corporation Limited ('Legend' or 'Consolidated Group') present their Report together with the financial statements of the consolidated entity, being Legend ('the Company') and its controlled entities ('the Group') for the financial year ended 30 June 2012.

DIRECTORS DETAILS

The following persons were directors of Legend during or since the end of the financial year;

BRUCE E HIGGINS

BEng, CPEng, MBA, FAICD

Chairman / Independent Non-Executive Director

Director since October 2007

Chairman of the Remuneration Committee and Nominations Committee and Member of the Audit and Risk Management Committee

Mr. Higgins is an experienced non-executive director, chairman and former chief executive of both private and listed companies within Australia and internationally, spanning 25 years in diverse companies ranging from engineering, manufacturing and professional services to larger contracting businesses. Bruce was the recipient of the Ernst & Young "Entrepreneur of the Year" award in the Southern California region, June 2005.

Directorships held in other listed entities:

- Chairman of Q Technology Group Limited (appointed December 2010)
- Feore Limited (appointed December 2011)

Previous directorships held in the last three years:

- Chairman of TSV Holdings Limited (appointed July 2007, resigned August 2010)
- Global Heath Limited (appointed January 2010, resigned November 2010

Interest in shares:
• 3,643,850 shares

Interest in options:
• 450,000

BRADLEY R DOWE

BSc (Computer Science)

Managing Director and CEO

Director since October 2002

Member of the Nominations Committee

Mr Dowe is the founder and Chief Executive Officer of Legend and has been working in the field of engineering and computing for over 25 years. His experience covers all facets of engineering, electronics, manufacturing processes, software system development and international business operations. Bradley is a member of the Legend Nomination Committee.

Directorships held in other listed entities:

- None

Previous directorships held in the last three years:

- None

Interest in shares:
• 61,336,836 shares

Interest in options:
• None

IAN L FRASER

FCPA, FAICD

Independent Non-Executive Director

Director since January 2008

Chairman of the Audit and Risk Management Committee and Member of the Remuneration Committee and the Nominations Committee

Mr Fraser has extensive experience in corporate turnarounds, particularly in Australian manufacturing. Ian has held several senior management positions including Managing Director of Pioneer Sugar Mills Limited, Clyde Industries Limited, Australian Chemical Holdings Limited and TNT Australia Pty Ltd. Ian also has substantial international experience having lived and worked in South East Asia and the United States.

Directorships held in other listed entities:

- PMP Limited (appointed March 2003)
- Structural Systems Limited (appointed May 2004)

Previous directorships held in the last three years:

- Wattyl Limited (appointed June 2009, resigned September 2010)
- Forest Place Group Limited (appointed November 2001, resigned August 2011)

Interest in shares:
• 965,000 shares

Interest in options:
• None

DIRECTORS REPORT

COMPANY SECRETARY

Graham Seppelt CPA

Mr Seppelt was appointed as company secretary in January 2005. Graham is a Certified Practicing Accountant (CPA) with 40 years' experience and a wide exposure to a range of industries as a senior manager and contract accountant in corporate advisory roles. He is also company secretary for ASX listed companies BSA Limited, Mesbon China Nylon Limited, UXA Resources Limited and Australian Zircon NL.

MEETINGS OF DIRECTORS

During the financial year, 17 meetings of directors (including committees of directors) were held. Attendances by each director during the year are detailed in the table below.

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Group during the financial year were:

- The distribution of cable accessories and tools servicing the electrical wholesale industry;
- The design and sale of integrated circuits (semiconductors) and hybrids for consumer electrical products, medical devices and industrial electronic components;
- The distribution of computer room accessories; and
- The design and sale of specialised connectors and cable assemblies to power utilities and infrastructure project contractors.

There were no significant changes in the nature of the Consolidated Group's principal activities during the financial year.

MEETINGS OF DIRECTORS

	BOARD		AUDIT MEETINGS		REMUNERATION COMMITTEE MEETINGS		NOMINATION COMMITTEE MEETINGS	
	A	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Bruce Higgins	10	10	2	2	4	4	1	1
Bradley Dowe	10	10	*	*	*	*	1	1
Ian Fraser	10	10	2	2	4	4	1	1

A Number of meetings attended

B Number of meetings held during the time the director held office or was a member of the committee during the year

* Not a member of the relevant committee

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Operating Results

Net profit after tax (NPAT) for the Group was $9,436,000, an increase of 18% on the prior year (2011: $7,985,000). This result is the Group's fourth consecutive year of NPAT growth.

Growth for the year is largely attributable to the acquired entities of MSS Fibre Systems Pty Ltd (MSF) and MSS Power Systems Pty Ltd (MSP), and the asset acquisition of Extreme Safety. Growth in the pre-acquisition electrical, data and communications business was offset by the decline in memory modules and semiconductor operations.

REVIEW OF OPERATIONS

Memory modules and semiconductors

As a result of the continuing contraction in demand of the segment's major customer, Earnings Before Interest Taxation, Depreciation and Amortisation (EBITDA) was down 47% to $3,166,000 (2011: $5,921,000).

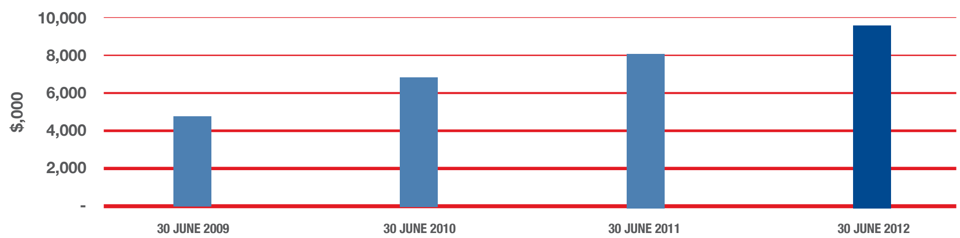
New products have been developed and released to market, with further products currently in the development and commercialisation faze. The release to market of these newly developed products did not occur until late in the year, hence the full benefit to earnings will not be seen until the coming financial year.

Electrical, data and communications

EBITDA for the segment grew by 75% to $14,067,000 (2011: $8,047,000).

Greater than 20% of the growth came from the pre-acquisition business through increased product offerings and the continued growth of our power utility and infrastructure customer base. The MSS acquisitions, which form part of this segment, performed at the upper end of their earnings based earn-out targets.

NET PROFIT AFTER TAX



DIRECTORS REPORT

FINANCIAL POSITION

As at 30 June 2012 net assets of the Group were $58,132,000, an increase of $5,183,000 (10%) on the prior year.

Additional bank debt of $9,046,000 was drawn down 1 July 2011 to fund the acquisitions of the MSS entities. Net debt at year end was $11,017,000, a modest 0.6 times EBITDA.

The Group executed a new Corporate Letter of Offer (CLO) with National Australia Bank Limited dated 29 June 2012. Bank bill facilities offered under the CLO extend to 30 November 2014.

The Directors believe the Group is in a strong financial position to expand and grow current operations.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year, the following changes occurred within the Group:

Acquisitions

- 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. The cost of the acquisition was an initial cash payment on settlement of $5,750,000, and a final deferred cash payment no later than 31 August 2012 of up to $2,750,000 determined as a multiple of Earnings Before Interest and Taxation (EBIT) for the year ended 30 June 2012.

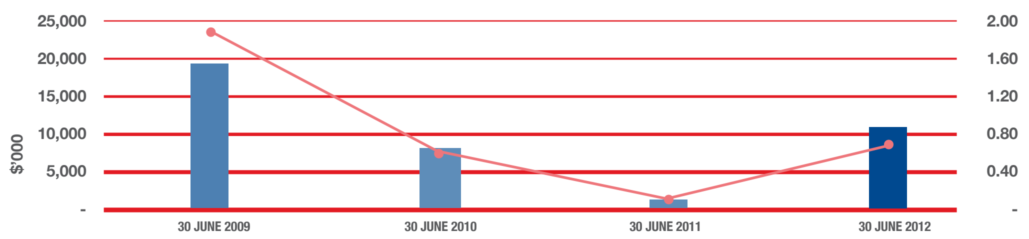
  The final deferred payment to be made 31 August 2012 has been confirmed at $2,472,768.

- On 1 July 2011 the Group acquired 100% of the issued capital of MSS Power Systems Pty Ltd. The cost of the acquisition was an initial cash payment on settlement of $3,300,000, and two deferred cash payments no later than 31 August 2012 and 31 August 2013 of up to $1,100,000 each determined as a multiple of EBIT for the years ended 30 June 2012 and 30 June 2013.

  The first deferred payment to be made 31 August 2012 has been confirmed at $1,100,000.

- On 30 September 2011 the Group acquired selected business assets of Silglen Pty Ltd trading as Extreme Safety. An initial payment of $1,000,000 was made on settlement with a final payment of $1,000,084 made subsequent to year end.

NET DEBT PROFILE



Issue of share capital

- On 22 August 2011, 150,000 shares were issued on the exercise of options. Each share has the same terms and conditions as the existing ordinary shares.
- On 19 October 2011, 234,375 shares were granted as remuneration to Key Management Personnel of the company through the Employee Share Plan. Each share has the same terms and conditions as the existing ordinary shares.
- On 21 March 2012, 14,706 shares were granted as remuneration to Key Management Personnel of the company through the Employee Share Plan. Each share has the same terms and conditions as the existing ordinary shares.

DIVIDENDS

A fully franked interim dividend of $2,174,000 (1 cent per share) was paid on 27 April 2012 (2011: $1,736,000).

Subsequent to the end of the financial year, the Directors have declared a fully franked final dividend of $2,391,850 (1.1 cents per share) to be paid 12 October 2011 (2011: $2,172,000)

EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

Apart from the final dividend declared, there are no other matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect either:

- The Group's operations in future financial years;
- The results of those operations in future financial years; or
- The Group's state of affairs in future financial years.

FUTURE DEVELOPMENT, PROSPECTIVE AND BUSINESS STRATEGIES

We will continue our focus on business initiatives to meet customer needs whilst continuing to manage debt and costs, improving inventory performance and quality of earnings. We are actively seeking new opportunities within our existing resources.

Legend has performed well over the year. The Directors are confident that the group is well placed for the future.

ENVIRONMENTAL ISSUES

The Group was not subject to any particular or significant environmental regulations of the Commonwealth, individual States or Territories of Australia during the financial year.

INDEMNIFYING OFFICERS OR AUDITOR

During the year, the Company paid a premium for a contract insuring all directors, secretaries, executive officers and officers of the Company and of each related body corporate of the Company. The insurance does not provide cover for the independent auditors of the Company or of a related body corporate of the Company.

In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premium paid under the contract.

OPTIONS

At the date of this report, the unissued ordinary shares of Legend Corporation Limited under option are detailed in the table below.

Option holders do not have any rights to participate in any issues of shares or other interests in the company or any other entity.

There have been no unissued shares or interests under option of any controlled entity within the Group during or since reporting date.

For details of options issued to directors and executives as remuneration, refer to the Remuneration Report.

During the year ended 30 June 2012, 150,000 ordinary shares of Legend Corporation Limited were issued at $0.10 per share on the exercise of options granted under the Legend Corporation Limited Employee Option Plan. No shares have been issued since that date. No amounts are unpaid on any of the shares.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons;

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to Grant Thornton Australia Limited for non-audit services provided during the year ended 30 June 2012:

AMOUNTS PAID/PAYABLE TO GRANT THORNTON AUSTRALIA LIMITED FOR:	
- Taxation services	$29,850

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2012 as required under section 307C of the Corporations Act 2001 has been received and can be found on page 40, which forms part of this report.

ASIC CLASS ORDER 98/100 ROUNDING OF AMOUNTS

The company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

UNISSUED ORDINARY SHARES UNDER OPTIONS

GRANT DATE	DATE OF EXPIRY	EXERCISE PRICE	NUMBER UNDER OPTION
30 Nov 2007	30 Nov 2012	$0.44	150,000
30 Nov 2007	30 Nov 2012	$0.49	150,000
30 Nov 2007	30 Nov 2012	$0.54	150,000
			450,000

REMUNERATION REPORT (AUDITED)

The Directors of Legend Corporation Limited ('the Group') present the Remuneration Report prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

The remuneration report is set out under the following main headings:

a. Principles used to determine the nature and amount of remuneration
b. Details of remuneration
c. Service agreements
d. Share-based remuneration
e. Other information.

a. Principles used to determine the nature and amount of remuneration

The principles of the Group's executive strategy and supporting incentive programs and frameworks are:

- To align rewards to business outcomes that deliver value to shareholders;
- To drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- To ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

Legend Corporation Limited has structured a remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The Board has established a Remuneration Committee which operates in accordance with its charter as approved by the Board and is responsible for determining and reviewing compensation arrangements for the directors and the executive team.

The Committee may engage independent external consultants and advisors to provide any necessary information to assist in the discharge of its responsibilities.

The remuneration structure that has been adopted by the Group consists of the following components:

- Fixed remuneration being annual salary;
- Short term incentives, being employee share schemes and bonuses; and
- Long term incentives, being performance based, payable in arrears with cash and shares.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

The payment of bonuses, shares, share options and other incentive payments are reviewed by the Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, shares, options and incentives must be linked to pre-determined performance criteria.

The Key Performance Indicators (KPI's) for the Executive Team are summarised as follows:

- Financial – operating profit before income tax; and
- Non-financial – strategic goals set by each individual business unit based on job descriptions.

Legend Corporation Limited performance measures involve the use of annual performance objectives, metrics, performance appraisals and continuing emphasis on living the company values.

Short term incentive (STI)

Individual performance measures are set annually after consultation with the directors and executives and are specifically tailored to the areas where each executive has a level of control. The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.

The STI program incorporates both cash and share-based components for the executive team and other employees.

The Board may, at its discretion, award bonuses for exceptional performance in relation to each person's pre-agreed KPIs.

Group Level Incentive Plan (GLIP)

The GLIP provides a collective bonus for distribution to nominated group level executives leveraged to a minimum growth requirement of 10% year-on-year in Net Profit Before Tax (NPBT).

Accumulation of the bonus occurs after the achievement of the minimum growth requirement, up to a maximum accumulation of 5% of NPBT.

Merger and acquisition activities attract a further hurdle of 10% on funds invested additional to the minimum growth requirement.

The minimum NPBT growth requirement including merger and acquisition activities for the 2012 financial year was 18.5%. This requirement was met and a provision for GLIP of $414,509 included in the financial statements as at 30 June 2012. The distribution of the provision approved by the Remuneration Committee subsequent to year end is set out in the table below.

Shares have been issued at the market price on the date of approval of $0.31 per share. These shares have been issued in accordance with the Group's Limited Recourse Loan Agreement. Under the Agreement the shares have a three year vesting period. Nominated group level executives are entitled to three times the value of the share component of their GLIP apportionment with a loan from the company of equal value. The term of the loan is five years after which time the outstanding balance is repayable in full. Non-executive Directors are not entitled to participate in the GLIP.

Use of remuneration consultants

The Board and Remuneration Committee engaged remuneration consultants to provide remuneration advice and information to the Board. On 12 August 2011, KPMG was appointed as independent remuneration advisor to the Board.

On 12 August 2011, the Remuneration Committee, engaged KPMG independent of management to assist the Board with the implementation of the GLIP. The engagement of KPMG by the Chairman of the Remuneration Committee was based on an agreed set of protocols that would be followed by KPMG, members of the Remuneration Committee and members of the key management personnel for the way in which remuneration recommendations would be developed by KPMG and provided to the Board.

These arrangements were implemented to ensure that KPMG would be able to carry out its work, including information capture and the formation of its recommendations, free from undue influence by members of the key management personnel about whom the recommendations may relate.

The Board undertook its own inquiries and review of the processes and procedures followed by KPMG and is satisfied that their remuneration recommendations were made free from such undue influence.

The Board and Remuneration Committee confirm that KPMG made remuneration recommendations within the meaning of the Corporations Act in respect of the structure of the GLIP. These remuneration recommendations were made in respect of elements of remuneration and were not in respect of the quantum of the GLIP to be provided. The total consideration paid by the company to KPMG for the provision of the remuneration recommendations in the 2012 financial year was $20,500.

In the 2012 financial year KPMG also provided tax services to the company. The total consideration paid by the company to KPMG for these other services was $71,359.

Voting and comments made at the company's 2011 Annual General Meeting

Legend received more than 99% of "yes" votes on its remuneration report for the 2011 financial year. The company did not receive any specific feedback at the AGM on its remuneration report.

	GLIP %	GLIP TOTAL	CASH	SHARES	VALUE OF SHARES	NUMBER OF SHARES ISSUED
		$	$	$	$	#
Bradley Dowe	48.6%	201,400	101,400	100,000	300,000	967,742
Hamish McEwin	31.6%	130,933	65,933	65,000	195,000	629,032
David Humphreys	15.0%	62,176	31,176	31,000	93,000	300,000
Unallocated	4.8%	20,000	20,000	-	-	-
Total		414,509	218,509	196,000	588,000	1,896,774

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board has regard to the following indices in respect of the current financial year and the previous four financial years:

	2012	2011	2010	2009	2008
Net profit before tax	$13.6m	$11.5m	$9.7m	$6.3m	($42.5m)
Net profit after tax	$9.4m	$8.0m	$6.6m	$4.6m	($40.7m)
EPS (cents)	4.3	3.7	3.1	2.1	(28.0)
Dividends paid (cents)	2.0	1.8	-	-	1.5
Share price.at year-end (cents)	32	31	16	8	10

b. Details of remuneration

Details of the nature and amount of each element of the remuneration of each key management personnel ('KMP') of Legend Corporation Limited are shown in the table below. Remuneration has been determined using a cash basis of accounting and therefore excludes accrued leave and GLIP amounts.

Directors and Other Key Management Personnel Remuneration

		SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	TERMINATION PAYMENTS	EQUITY-SETTLED SHARE-BASED PAYMENTS			
		Salary, fees and leave	Profit share and bonuses (3)	Non-monetary	Pensions and superannuation	Incentive plans	Termination payments	Shares / Units (3)	Options / Rights (1)	Total	% of remuneration that is performance based
		$	$	$	$	$	$	$	$	$	%
Executive Director											
Mr Bradley Dowe - Managing Director / Chief Executive Officer	**2012**	**330,000**	**75,000**	**14,220**	**36,450**	**-**	**-**	**75,000**	**-**	**530,670**	**28.3**
	2011	300,000	34,871	18,023	30,138	-	-	15,129	-	398,161	12.6
Non-Executive Directors											
Mr Bruce Higgins - Chairman / Independent Non-executive Director	**2012**	**125,280**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**125,280**	**-**
	2011	119,016	-	-	-	-	-	-	-	119,016	-
Mr Ian Fraser – Independent Non-executive Director	**2012**	**64,998**	**-**	**-**	**5,850**	**-**	**-**	**-**	**-**	**70,848**	**-**
	2011	61,750	-	-	5,557	-	-	-	-	67,307	-
Other Key Management Personnel											
Mr Hamish McEwin - Chief Financial Officer	**2012**	**297,925**	**100,000**	**-**	**25,000**	**-**	**-**	**-**	**-**	**422,925**	**23.6**
	2011	275,230	25,805	-	27,093	-	-	11,195	-	339,323	10.9
Mr David Humphreys - Group Marketing Manager	**2012**	**193,250**	**75,458**	**10,603**	**25,126**	**-**	**-**	**-**	**-**	**304,437**	**24.8**
	2011	164,750	22,704	20,025	16,871	-	-	34,796	-	259,146	22.2
Mr Robert Watters - General Manager National Sales (resigned 12 August 2011)	**2012**	**22,594**	**-**	**-**	**2,033**	**-**	**114,654**	**-**	**-**	**139,281**	**-**
	2011	185,508	5,000	11,015	18,587	-	-	-	-	220,110	2.3
Mrs Susan Jones - Group Supply Manager	**2012**	**160,234**	**22,000**	**10,380**	**18,569**	**-**	**-**	**5,000**	**-**	**216,183**	**12.5**
	2011	155,040	20,000	17,289	17,504	-	-	-	-	209,833	9.5
Mr Andrew Hartley - CABAC National Sales Manager (2)	**2012**	**164,362**	**18,000**	**14,313**	**16,413**	**-**	**-**	**-**	**-**	**213,088**	**8.4**
	2011	-	-	-	-	-	-	-	-	-	-
Total Key Management Personnel	**2012**	**1,358,643**	**290,458**	**49,516**	**129,441**	**-**	**114,654**	**80,000**	**-**	**2,022,712**	**-**
	2011	1,261,294	108,380	66,352	115,750	-	-	61,120	-	1,612,896	-
Other Executives											
Mr Graham Seppelt - Group Company Secretary	**2012**	**39,126**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**39,126**	**-**
	2011	38,520	-	-	-	-	-	-	-	38,520	-

(1) No options granted during the current financial year.

(2) Not KMP last financial year.

3) Bonus payments and shares issued during 2012 do not include the distribution of the GLIP to group level executives. Included in the financial statements as at 30 June 2012 is a provision for the GLIP of $414,509

c. Service agreements

Remuneration and other terms of employment for the Executive Directors and other KMP are formalised in a service agreement. The major provisions of the agreements relating to remuneration are set out below:

NAME	BASED SALARY	TERM OF AGREEMENT	NOTICE PERIOD
Mr Bradley Dowe	$330,000	Unspecified	6 months
Mr Hamish McEwin	$290,000	Unspecified	6 months
Mr David Humphreys	$219,749	Unspecified	6 months
Mrs Susan Jones	$160,234	Unspecified	3 months
Mr Andrew Hartley	$191,772	Unspecified	1 month

d. Share based remuneration

Group level executives are encouraged to take a minimum 50% of any bonus payment in Company shares. Shares issued during the current financial year to group executives we are follows:

NAME	NUMBER GRANTED	GRANT DATE	ISSUE DATE	VALUE PER SHARE AT GRANT DATE
Bradley Dowe	234,375	19.09.2011	01.11.2011	$0.32
Susan Jones	14,706	21.03.2012	18.04.2012	$0.34

Options (granted over unissued shares)

All options refer to options over ordinary shares of the Company, which are exercisable on a one-for-one basis. Options carry no dividend or voting rights.

Details of options over ordinary shares in the Company that were granted as remuneration to each key management personnel are set out below.

	GRANT DETAILS			FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012					OVERALL		
	Date	No.	Value $	Exercised No.	Exercised $	Lapsed No.	Lapsed $	Vested No.	Vested %	Unvested %	Lapsed %
Group Key Management Personnel											
Mr Bruce Higgins	24.06.2008	450,000	23,510	150,000	15,000	-	-	-	-	-	-
	30.11.2007	450,000	67,904	-	-	-	-	450,000	100	-	-
				150,000	15,000	-	-	450,000			

Description of Options Issued as Remuneration

GRANT DATE	ISSUER	ENTITLEMENT ON EXERCISE	DATES EXERCISABLE	EXERCISE PRICE $	VALUE $ PER OPTION AT GRANT DATE $	AMOUNT PAID / PAYABLE BY RECIPIENT $
24.06.2008	Legend Corporation Limited (ASX: LGD)	1:1 Ordinary Shares in Legend Corporation Limited	24.05.2009 to 24.06.2013 (expiry)	0.10	0.05	0.00
24.06.2008	Legend Corporation Limited	1:1 Ordinary Shares in Legend Corporation Limited	24.05.2010 to 24.06.2013 (expiry)	0.10	0.05	0.00
24.06.2008	Legend Corporation Limited	1:1 Ordinary Shares in Legend Corporation Limited	24.05.2011 to 24.06.2013 (expiry)	0.10	0.05	0.00
30.11.2007	Legend Corporation Limited	1:1 Ordinary Shares in Legend Corporation Limited	30.11.2008 to 30.11.2012 (expiry)	0.44	0.17	0.00
30.11.2007	Legend Corporation Limited	1:1 Ordinary Shares in Legend Corporation Limited	30.11.2009 to 30.11.2012 (expiry)	0.49	0.15	0.00
30.11.2007	Legend Corporation Limited	1:1 Ordinary Shares in Legend Corporation Limited	30.11.2010 to 30.11.2012 (expiry)	0.54	0.14	0.00

Option values at grant date were determined using the Black-Scholes method. The options were provided at no cost to the recipient. All options expire on the earlier of their expiry date or termination of the individual's employment.

e. Other

Changes in Directors and Executives Subsequent to Year-End

There have been no changes to Directors or Executives subsequent to year-end.

End of audited Remuneration Report.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Bruce E Higgins
Chairman of Directors
Legend Corporation Limited
15 August 2012

Grant Thornton

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 audit of Legend Corporation Limited for the year ended 30 June 2012, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A J Archer

A J Archer
Partner - Audit & Assurance

Sydney, 15 August 2012

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	NOTES	CONSOLIDATED GROUP 2012 $000	2011 $000
Sales revenue	2	103,215	87,076
Finance revenue	2	224	262
TOTAL REVENUE		**103,439**	**87,338**
Other income	2	277	-
Changes in inventories		973	530
Raw materials and consumables used		(56,872)	(46,454)
Employee benefits expense		(20,315)	(16,872)
Depreciation and amortisation expense		(2,424)	(1,694)
Finance costs		(1,345)	(1,055)
Occupancy costs		(3,226)	(2,988)
Other expenses		(6,879)	(7,309)
Profit before income tax	3	13,628	11,496
Income tax expense	4	(4,192)	(3,511)
PROFIT FOR THE YEAR		**9,436**	**7,985**
Other comprehensive income for the year, net of tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**9,436**	**7,985**
Profit attributable to:			
Members of the parent entity		9,436	7,985
Non-controlling interest		-	-
		9,436	**7,985**
Total comprehensive income attributable to:			
Members of the parent entity		9,436	7,985
Non-controlling interest		-	-
		9,436	**7,985**

		CENTS	CENTS
Basic earnings per share	8	4.3	3.7
Diluted earnings per share	8	4.3	3.7

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	NOTES	CONSOLIDATED GROUP	
		2012 $000	2011 $000
CURRENT ASSETS			
Cash and cash equivalents	9	6,758	9,560
Trade and other receivables	10	18,677	12,762
Inventories	11	18,743	15,356
Other current assets	12	568	803
TOTAL CURRENT ASSETS		**44,746**	**38,481**
NON-CURRENT ASSETS			
Investments accounted for using the equity method	13	-	-
Property, plant and equipment	14	9,172	8,520
Deferred tax assets	19	1,787	1,490
Goodwill	15	40,124	30,379
Other intangible assets	15	3,783	-
TOTAL NON-CURRENT ASSETS		**54,866**	**40,389**
TOTAL ASSETS		**99,612**	**78,870**
CURRENT LIABILITIES			
Trade and other payables	17	18,015	9,695
Financial liabilities	18	135	2
Borrowings	19	2,400	2,000
Current tax liabilities	20	1,318	2,887
Short-term provisions	21	2,734	1,929
TOTAL CURRENT LIABILITIES		**24,602**	**16,513**
NON-CURRENT LIABILITIES			
Trade and other payables	17	47	-
Borrowings	19	15,375	8,875
Deferred tax liability		1,135	-
Long-term provisions	21	321	533
TOTAL NON-CURRENT LIABILITIES		**16,878**	**9,408**
TOTAL LIABILITIES		**41,480**	**25,921**
NET ASSETS		**58,132**	**52,949**
EQUITY			
Issued capital	22	74,230	74,135
Reserves	23	115	115
Accumulated losses		(16,213)	(21,301)
TOTAL EQUITY		**58,132**	**52,949**

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

CONSOLIDATED GROUP	NOTES	ISSUED CAPITAL $000	OPTION RESERVE $000	ACCUMULATED LOSSES $000	TOTAL $000
BALANCE AT 1 JULY 2010		74,044	110	(25,381)	48,773
Profit attributable to members of the parent entity		-	-	7,985	7,985
Total comprehensive income for the period		-	-	7,985	7,985
Shares issued during the year		91	-	-	91
Dividends	7	-	-	(3,905)	(3,905)
Option expense		-	5	-	5
Transactions with owners in their capacity as owners		91	5	(3,905)	96
BALANCE AT 30 JUNE 2011		**74,135**	**115**	**(21,301)**	**52,949**
Profit attributable to members of the parent entity		-	-	9,436	9,436
Total comprehensive income for the period		-	-	9,436	9,436
Shares issued during the year		95	-	-	95
Dividends	7	-	-	(4,348)	(4,348)
Option expense		-	-	-	-
Transactions with owners in their capacity as owners		95	-	(4,348)	(4,253)
BALANCE AT 30 JUNE 2012		**74,230**	**115**	**(16,213)**	**58,132**

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2012

	NOTES	CONSOLIDATED GROUP 2012 $000	2011 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		101,089	87,326
Payments to suppliers and employees		(87,377)	(70,281)
Interest received		224	262
Finance costs		(1,345)	(1,055)
Income tax paid		(6,232)	(1,608)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**27**	**6,359**	**14,644**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of plant and equipment		11	29
Purchase of property, plant and equipment		(2,026)	(1,975)
Acquisition of subsidiaries, net of cash		(9,225)	(2,060)
NET CASH USED IN INVESTING ACTIVITIES		**(11,240)**	**(4,006)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		15	30
Dividends paid		(4,346)	(3,905)
Repayment of borrowings		(2,626)	(4,125)
Proceeds from bank loans		9,046	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		**2,089**	**(8,000)**
Net increase/ (decrease) in cash and cash equivalents held		(2,791)	2,638
Cash and cash equivalents at beginning of financial year		9,560	6,922
Exchange differences on cash and cash equivalents		(10)	-
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**9**	**6,758**	**9,560**

The accompanying notes form part of these financial statements

This financial report covers Legend Corporation Limited ('Parent Entity') and its controlled entities as a consolidated entity ('Consolidated Group' or 'Group'). Legend Corporation Limited is a listed public company, incorporated and domiciled in Australia.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

General information and statement of compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), The group is a for profit entity for the purpose of preparing the financial statements.

Legend Corporation Limited is the Group's ultimate parent entity. Legend Corporation Limited is a public company incorporated and domiciled in Australia. The address of its registered office is 1 Butler Drive, Hendon, South Australia, 5014.

Changes in accounting policies

Adoption of AASBs and improvements to AASBs 2011 – AASB 1054 and AASB 2011-11

The AASB has issued AASB 1054 Australian Additional Disclosures and 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project, and made several minor amendments to a number of AASBs. These standards eliminate a large portion of the differences between the Australian and New Zealand accounting standards and IFRS and retain only additional disclosures considered necessary. These changes also simplify some current disclosures for Australian entities and remove others.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group. Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

AASB 9 Financial Instruments (December 2010)

AASB 9 amends the classification and measurement of financial assets. The effect on the entity will be that more assets may be held at fair value and the need for impairment testing has been limited to financial assets held at amortised cost only. Minimal changes have been made in relation to the classification and measurement of financial liabilities, except that the effects of 'own credit risk' are recognised in other comprehensive income. The standard is applicable from 31 December 2012 and management are yet to consider the impact to the Group.

AASB 10 Consolidated Financial Statements

AASB 10 establishes a revised control model that applies to all entities. It replaces the consolidation requirements in AASB 127 Consolidated and Separate Financial Statements and AASB Interpretation 112 Consolidation – Special Purpose Entities. It introduces a revised definition of control which will apply to all investees to determine the scope of consolidation. Traditional control assessments based on majority ownership of voting rights will rarely be affected. However, 'borderline' consolidation decisions will need to be reviewed and some will need to be changed taking into consideration potential voting rights and substantive rights. Applicable from 31 December 2013, management have determined there will be a minimal impact on the Groups Financial statements.

AASB 11 Joint Arrangements

Entities with existing joint arrangements or that plan to enter into new joint arrangements will be affected by the new standard. These entities will need to assess their arrangements to determine whether they have interests in a joint operation or a joint venture upon adoption of the new standard or upon entering into the arrangement. Entities that have been accounting for their interest in a joint venture using proportionate consolidation will no longer be allowed to use this method; instead they will account for the joint venture using the equity method. In addition, there may be some entities that previously equity-accounted for investments that may need to account for their share of assets and liabilities now that there is less focus on the structure of the arrangement. Effective from 31 December 2013, management have determined the standard is unlikely to have a significant impact on the Group.

AASB 12 Disclosure of Interests in Other Entities

AASB 12 combines the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities within a comprehensive disclosure standard. It aims to provide more transparency on 'borderline' consolidation decisions and enhance disclosures about unconsolidated structured entities in which an investor or sponsor has involvement, management have determined the standard is unlikely to have a significant impact on the Group.

AASB 13 Fair Value Measurement

AASB 13 has been issued to:

- establish a single source of guidance for all fair value measurements;
- clarify the definition of fair value and related guidance; and
- enhance disclosures about fair value measurements (new disclosures increase transparency about fair value measurements, including the valuation techniques and inputs used to measure fair value)
  Applicable from 31 December 2013 the Groups management are yet to assess the impact of this new standard.

AASB 127 Separate Financial Statements

AASB 127 (August 2011) will now solely address separate financial statements, the requirements for which are substantially unchanged from the previous version of the Standard. Applicable from 31 December 2013 the Groups management are yet to assess the impact of this new standard.

AASB 128 Investments in Associates and Joint Ventures

The mechanics of equity accounting set out in the revised version of AASB 128 remain the same as in the previous version. Applicable from 31 December 2013 the Groups management are yet to assess the impact of this new standard.

AASB 2011-9 Amendments to Australian Accounting Standards Presentation of Items of Other Comprehensive Income s (AASB 101 Amendments)

The AASB 101 Amendments require an entity to group items presented in other comprehensive income into those that, in accordance with other Australian Accounting Standards: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. It is applicable for annual periods beginning on or after 1 July 2012. The Group's management expects this will change the current presentation of items in other comprehensive income; however, it will not affect the measurement or recognition of such items.

Amendments to AASB 119 Employee Benefits (AASB 119 Amendments)

The AASB 119 Amendments include a number of targeted improvements throughout the Standard. The main changes relate to defined benefit plans. They:

- eliminate the 'corridor method', requiring entities to recognise all gains and losses arising in the reporting period in other comprehensive income
- streamline the presentation of changes in plan assets and liabilities
- enhance the disclosure requirements, including information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in them.

The amended version of AASB 119 is effective for financial years beginning on or after 1 January 2013. The Group's management have yet to assess the impact of this revised standard on the Group's consolidated financial statements

AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets (AASB 112)

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140 Investment Property. Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. This standard is effective on annual reporting periods ending on or after 31 December 2012. The standard is unlikely to have a significant impact on the Group.

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

This Standard gives effect to many consequential changes arising from the issuance of the new Standards. For example, references to AASB 127 Consolidated and Separate Financial Statements are amended to AASB 10 Consolidated Financial Statements or AASB 127 Separate Financial Statements, and references to AASB 131 Interests in Joint Ventures are deleted as that Standard has been superseded by AASB 11 and AASB 128 (August 2011).

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities

AASB 2012-2 principally amends AASB 7 to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. Effective 31 December 2013 this is unlikely to have a significant impact on the Group.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. Effective from 31 December 2014 this is unlikely to have a significant impact on the Group.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle

AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The Standard addresses a range of improvements, including the following:

- repeat application of AASB 1 is permitted (AASB 1); and
- clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 Presentation of Financial Statements).

Effective from 31 December 2014 this is unlikely to have a significant impact on the Group.

Mandatory Effective Date of IFRS 9 and Transition Disclosures

The amendments provide relief from the requirement to restate comparative financial statements for the effect of applying IFRS 9. This relief was originally only available to companies that chose to apply IFRS 9 prior to 2012. Additional transition disclosures will now be required to help understand the initial application of the Standard. Effective 31 December 2015, the effect on the Group has not been assessed.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of accounting policies

a Overall considerations

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarized below. The consolidated financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

b. Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiary undertakings drawn up to 30 June 2012. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through more than half of the voting rights. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non- controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non controlling interests based on the respective ownership interests. During the year all subsidiaries are wholly owned and therefore there are no non controlling interests.

Business Combinations

The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquirer's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

c. Income Tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.
Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Taxation of financial arrangements

Legislation is in place which changes the tax treatment of financial arrangements including the tax treatment of hedging transactions. The Group has assessed the potential impact of these changes on the Group's tax position and these are not considered to be significant. No impact has been recognised and no adjustments have been made to the deferred tax and income tax balances at 30 June 2012 (2011: $Nil).

d. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs are assigned on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

e. Property, Plant and Equipment

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment loss.
The cost of fixed assets constructed within the Consolidated Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Depreciation

Depreciation is recognised on a straight-line basis to write down the cost or valuation less estimated residual value of property, plant and equipment

The depreciation rates used for each class of depreciable assets are:

CLASS OF FIXED ASSET	DEPRECIATION RATE
Leasehold improvements	2.5 - 30%
Motor Vehicles	18 - 25%
Plant and Equipment	1 - 40%

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within 'other income' or 'other expenses'.

f. Leased Assets

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is then recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance leasing liability, irrespective of whether some of these lease payments are payable up-front at the date of inception of the lease. Leases of land and buildings are classified separately and are split into a land and a building element, in accordance with the relative fair values of the leasehold interests at the date the asset is recognised initially.

Depreciation methods and useful lives for assets held under finance lease agreements correspond to those applied to comparable assets which are legally owned by the Group. The corresponding finance leasing liability is reduced by lease payments less finance charges, which are expensed as part of finance costs.
The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to profit or loss over the period of the lease.
All other leases are treated as operating leases. Payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

g. Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value adjusted by transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described below.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within 'finance costs', 'finance income' or 'other financial items', except for impairment of trade receivables which is presented within 'other expenses'.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial Liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at fair value through profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within 'finance costs' or 'finance income'.

h. Impairment testing of goodwill, other intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by management.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

i. Intangibles

Goodwill

Goodwill represents future economic benefits arising from a business combination that are not individually identified and separately recognised. Refer to note 1(c) for information on how goodwill is intially determined. Goodwill is carried at cost less accumulated impairment losses. Refer to note 1 (i) for impairment testing procedures.

OTHER INTANGIBLE ASSETS

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.
Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project

Trademarks and licenses

Trademarks and licenses are recognised at cost of acquisition. Trademarks and licenses have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Trademarks and licenses are amortised over their useful life of 5 years.

Acquired intangible assets

Customer lists, Brands, Non compete and intellectual property intangible assets recognised in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values. (see note 1 (b)). These intangible assets are amortised over their lives based on future cash flow forecasts. The following useful lives are applied:

- Customer lists: 5-10 years
- Brands: indefinite useful life
- Non compete agreement: 5 years
- Intellectual property: 15 years

Residual values and useful lives of other intangible assets are reviewed at each reporting date. In addition they are subject to impairment testing as described in note 1 (h).
Amortisation has been included within Depreciation and amortisation expense.

j. Foreign Currency Transactions and Balances

The consolidated financial statements are presented in Australian dollars (AUD), which is also the functional currency of the parent company.

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the AUD (the Group's presentation currency) are translated into AUD upon consolidation. The functional currency of the entities in the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into AUD at the closing rate at the reporting date. Income and expenses have been translated into the Group's presentation currency at the average rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into AUD at the closing rate.

k. Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of estimated future cash outflows to be made for those benefits. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

l. Share based employee remuneration

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions.

m. Provisions

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and the amounts can be estimated reliably. Timing of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Provisions are measured at the estimated expenditure required to settle the present obligation based on the most reliable evidence available at reporting date, including the risks and uncertainties associated with the present obligation.

n. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

o. Revenue and Other Income

Sale of goods

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest and dividend income

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividend income, other than those from investments in associates, are recognised at the time the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax (GST).

p. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in ‘finance costs’ .

q. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

r. Equity, reserves and dividend payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital net of any related income tax benefits.

Retained earnings includes all current and prior period retained profits. Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

s. Rounding of Amounts

The Parent Entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and Directors’ report have been rounded off to the nearest $1,000.

t. Critical Accounting Estimates and Judgments

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Key Estimates — Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Estimates —Business combinations

Management uses valuation techniques in determining the fair value of the various elements of a business combination. Particularly the fair value of contingent consideration is dependent on the outcome of many variables that affect future profitability.

Key Estimates- Carbon Tax

On 8 November 2011, the Commonwealth Government announced the "Clean Energy Legislative Package". Whilst the announcement provides further detail on the framework for a carbon pricing mechanism, uncertainties continue to exist on the impact of any carbon pricing mechanism on the Group. In addition, as the Group will not fall within the "Top 500 Australian Polluters" the impact of the Carbon Scheme will be through indirect effects of increased prices on many production inputs and general business expenses as suppliers subject to the carbon pricing mechanism pass on their carbon price burden to their customers in the form of increased prices. Directors expect that this will not have a significant impact upon the operating costs within the business, and therefore will not have an impact upon the valuation of assets and/or going concern of the business.

The Directors believe that there are no other key estimates or judgements

The financial report was authorised for issue on 15th August 2012 by the Board of Directors.

NOTE 2: REVENUE AND OTHER INCOME

	CONSOLIDATED GROUP 2012 $000	2011 $000
a. Operating activities		
Sale of goods	103,215	87,076
Sales revenue	**103,215**	**87,076**
b. Interest revenue from		
- Bank deposits	224	262
c. Other income		
- Other income	277	-

NOTE 3: PROFIT FOR THE YEAR

	NOTES	CONSOLIDATED GROUP 2012 $000	2011 $000
a. Expenses			
Cost of sales		55,899	45,924
Foreign currency translation losses		255	693
Bad and doubtful debts (trade debtors):		90	119
Bad and doubtful debts (other debtors):		-	302
Rental expense on operating leases			
- Minimum lease payments		2,616	2,379
Research and development costs		392	210
Employee benefits expenses		20,315	16,872
Loss on disposal of plant and equipment		7	35
Reversal of impairment of investment in associated companies		-	(112)
b. Finance costs			
Interest expense for financial liabilities:			
- Other interest expense		1,345	1,055

NOTE 4: INCOME TAX EXPENSE

	NOTES	2012 $000	2011 $000
a. The components of tax expense comprise:			
Current tax		4,602	3,576
Deferred tax	20	(289)	(69)
Adjustment for current tax of prior years		(121)	4
		4,192	3,511
b. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:			
Prima facie tax payable on profit before income tax at 30% (2011: 30%)			
- Consolidated group		4,088	3,449
Add:			
Tax effect of:			
- Non assessable income		(83)	-
- Other non-allowable items		11	25
- Employee share expenses during the year		24	20
- Prior year under/(over) provision for income tax		(116)	4
- Tax payments in foreign jurisdiction		234	-
- Tax losses in subsidiaries not recognised		(6)	13
- Tax consolidation impact		40	-
		104	62
Income tax attributable to entity		**4,192**	**3,511**
Income tax expense attributable to continuing operations		**4,192**	**3,511**
The applicable weighted average effective tax rates are as follows:		**31%**	**31%**

NOTE 5: INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2012.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2012 $000	2011 $000
Short-term employee benefits	1,699	1,436
Post-employment benefits	129	116
Termination payments	115	-
Share-based payments	80	61
	2,023	1,613

The value of options issued to KMP is reported as remuneration during the year of issue and does not take into consideration any vesting period attached to those options. No options were granted during the current financial year.

KMP Options and Rights Holdings

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

30 JUNE 2012	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNERATION DURING THE YEAR	EXERCISED DURING THE YEAR	OTHER CHANGES DURING THE YEAR*	BALANCE AT YEAR END	VESTED DURING THE YEAR	VESTED AND EXERCISABLE	VESTED AND UNEXERCISABLE
Mr Bruce Higgins	600,000	-	(150,000)	-	450,000	-	450,000	-
	600,000	-	(150,000)	-	450,000	-	450,000	-

30 JUNE 2011	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNERATION DURING THE YEAR	EXERCISED DURING THE YEAR	OTHER CHANGES DURING THE YEAR	BALANCE AT YEAR END	VESTED DURING THE YEAR	VESTED AND EXERCISABLE	VESTED AND UNEXERCISABLE
Mr Bruce Higgins	900,000	-	(300,000)	-	600,000	300,000	300,000	-
	900,000	-	(300,000)	-	600,000	300,000	300,000	-

* Other changes during the year reflected above includes those options that have been forfeited by holders as well as issued during the year under review.

NOTE 5: INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP) (CONTINUED)

KMP Shareholdings

The number of ordinary shares in Legend Corporation Limited held by each KMP of the Group during the financial year is as follows:

30 JUNE 2012	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNERATION DURING THE YEAR	ISSUED ON EXERCISE OF OPTIONS DURING THE YEAR	OTHER CHANGES DURING THE YEAR*	BALANCE AT YEAR END
Mr Bruce Higgins	3,493,850	-	150,000	-	3,643,850
Mr Ian Fraser	930,000	-	-	35,000	965,000
Mr Bradley Dowe	60,232,961	234,375	-	869,500	61,336,836
Mr Hamish McEwin	419,338	-	-	-	419,338
Mr David Humphreys	311,848	-	-	-	311,848
Mr Robert Watters	-	-	-	-	-
Mr Andrew Hartley	-	-	-	-	-
Mrs Susan Jones	53,821	14,705	-	-	68,526
	65,441,818	249,080	150,000	904,500	66,745,398

30 JUNE 2011	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNERATION DURING THE YEAR	ISSUED ON EXERCISE OF OPTIONS DURING THE YEAR	OTHER CHANGES DURING THE YEAR*	BALANCE AT YEAR END
Mr Bruce Higgins	2,993,850	-	300,000	200,000	3,493,850
Mr Ian Fraser	900,000	-	-	30,000	930,000
Mr Bradley Dowe	59,840,960	92,001	-	300,000	60,232,961
Mr Hamish McEwin	351,257	68,081	-	-	419,338
Mr David Humphreys	143,000	168,848	-	-	311,848
Mr Robert Watters	-	-	-	-	-
Mrs Susan Jones	53,821	-	-	-	53,821
	64,282,888	328,930	300,000	530,000	65,441,818

* Other changes during the year refers to shares purchased or sold during the financial year.

Other KMP Transactions

There have been no other transactions involving equity instruments other than those described in the table above. For details of other transactions with KMP, refer to Note 30 Related Party Transactions.

NOTE 6: AUDITORS' REMUNERATION

	CONSOLIDATED GROUP 2012 $000	2011 $000
Remuneration of the auditor of the parent entity for:		
- Auditing or reviewing the financial report	200	190
- Taxation services	30	22

NOTE 7: DIVIDENDS

Dividends declared during the year:		
Fully franked final dividend payment (1 cent per share)	2,172	2,169
Fully franked interim dividend (1 cent per share)	2,174	1,736
	4,346	3,905

The tax rates applicable to the franking credits attached to the interim and final dividend is 30%.

a. Franking credits

The amount of franking credits available for subsequent reporting periods are:

Balance at the end of the reporting period	14,274	7,222
- Franking credits that will arise from payment of income tax	374	2,778
	14,648	10,000

NOTE 8: EARNINGS PER SHARE

Both the basic and dliuted earnings per share have been calculated using the profit attributable to the shareholders of the parent company (Legend Corporation Limited) as the numerator, i.e no adjustments to profit were necessary in 2012 or 2011.

a The weighted average number of shares for the purposes of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Weighted average number of ordinary shares used in basic earnings per share	217,322,648	216,880,952
Weighted average number of dilutive options outstanding	27,534	172,613
Weighted average number of shares used in diluted earnings per share.	217,350,182	217,053,565
b Anti-dilutive options on issue not used in dilutive EPS calculation	450,000	450,000

Options are considered anti-dilutive as they are out of the money.

NOTE 9: CASH AND CASH EQUIVALENTS

	NOTES	CONSOLIDATED GROUP 2012 $000	2011 $000
Cash and cash equivalents include the following components:			
Cash at bank and in hand		6,758	7,560
Short-term bank deposits		-	2,000
	22	6,758	9,560

NOTE 10: TRADE AND OTHER RECEIVABLES

Trade receivables		18,915	13,024
Provision for impairment of receivables	10a	(266)	(284)
		18,649	12,740
Other receivables		330	324
Provision for impairment of other receivables	10a	(302)	(302)
		28	22
Total trade and other receivables		18,677	12,762

All amounts are short term. The net carrying amount of receivables is considered a reasonable approximation of fair value.

a. Provision for Impairment of Receivables

All of the Group's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of $36,000 (2011: $385,000) has been recorded accordingly within other expenses. The impaired trade and other receivables are due from customers experiencing financial difficulties

Movement in the provision for impairment of receivables is reconciled as follows:

Balance at 1 July	586	233
Amounts written off (uncollectable)	(54)	(32)
Impairment loss	36	385
Impairment loss reversed	-	-
Balance at 30 June	568	586

An analysis of unimpaired trade receivables that are past due is given in Note 31.

NOTE 11: INVENTORIES

	NOTES	CONSOLIDATED GROUP 2012 $000	2011 $000
Inventories consist of the following:			
At cost			
Raw material and stores		1,778	1,472
Work in progress		-	542
Finished goods		16,354	12,764
		18,132	14,778
At net realisable value			
Finished goods		611	578
		611	578
		18,743	15,356
Inventories written off during the year		281	234

No reversals of previous write downs were recognised as a reduction of expense in 2012 or 2011. None of the inventories are pledged as security for liabilities.

NOTE 12: OTHER CURRENT ASSETS

Prepayments		568	803

NOTE 13: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	NOTES	CONSOLIDATED GROUP 2012 $000	2011 $000
Associated companies	14a	-	-

a. Interests are held in the following associated companies

NAME	PRINCIPAL ACTIVITIES	SHARES	OWNERSHIP INTEREST 2012 %	2011 %	CARRYING AMOUNT OF INVESTMENT 2012 $000	2011 $000
Unlisted (incorporated in Australia):						
Radiform Australia Pty Ltd	Manufacture of heatshrink electrical cable protection	Ord	-	32	-	-

Radiform Australia Pty Ltd ceased trading on 12 November 2010. The remaining assets of the business were subsequently sold and the Company was deregistered on 13 December 2011. The recoverable amount of the investment is nil and the investment continues to be carried at zero value.

NOTE 14: PROPERTY, PLANT & EQUIPMENT

The Group's property plant and equipment consists of manufacturing machinery, warehousing, IT equipment and other equipment primarily consisting of fixtures and fittings. The carrying amount can be analysed as follows.

	PLANT AND EQUIPMENT $000	MOTOR VEHICLES $000	LEASEHOLD IMPROVEMENTS $000	TOTAL $000
Gross carrying amount				
Balance at 1 July 2011	21,707	-	1,210	22,917
Acquired through business combination	144	212	35	391
Additions	2,036	-	2	2,038
Disposals	(216)	(5)	-	(221)
Balance at 30 June 2012	23,671	207	1,247	25,125
Depreciation and impairment				
Balance at 1 July 2011	(14,138)	-	(259)	(14,397)
Disposals	190	-	-	190
Depreciation expense	(1,600)	(43)	(103)	(1,746)
Balance at 30 June 2012	(15,548)	(43)	(362)	(15,953)
Carrying amount at 30 June 2012	**8,123**	**164**	**885**	**9,172**
Gross carrying amount				
Balance at 1 July 2010	20,621	-	930	21,551
Additions	1,651	-	280	1,931
Disposals	(565)	-	-	(565)
Balance at 30 June 2011	21,707	-	1,210	22,917
Depreciation and impairment				
Balance at 1 July 2010	(13,075)	-	(160)	(13,235)
Disposals	501	-	-	501
Depreciation expense	(1,564)	-	(99)	(1,663)
Balance at 30 June 2011	(14,138)	-	(259)	(14,397)
Carrying amount at 30 June 2011	**7,569**	**-**	**951**	**8,520**

All depreciation and impairment charges (or reversals if any) are included within "depreciation and amortisation expense".

NOTE 15: INTANGIBLE ASSETS

	NOTE	CONSOLIDATED GROUP 2012 $000	2011 $000
GOODWILL			
Gross carrying amount			
Balance at 1 July		47,687	46,298
Acquired through business combination	33	9,745	1,389
Balance at 30 June		57,432	47,687
Accumulated impairment			
Balance at 1 July		(17,308)	(17,308)
Impairment loss recognised		-	-
Balance at 30 June		(17,308)	(17,308)
Carrying amount at 30 June		40,124	30,379

The increase in the carrying amount of goodwill results from the acquisition of 100% of the issued capital of MSS Fibre Systems Pty Ltd, MSS Power and Fibre Systems Pty Ltd and MSS Power Pty Ltd on 1 July 2011 and the acquistion of the business assets of Extreme Safety Pty Ltd on
30 September 2011.

The acquisition of Extreme Saftey Pty Ltd has been provisionally accounted for at year end with further work required to complete the purchase price allocation.

Impairment Disclosure
Goodwill is allocated to cash-generating units which are based on the group's reporting segments.

	2012 $000	2011 $000
Hendon Semiconductors Pty Ltd	12,047	12,047
Legend Corporate Services Pty Ltd	19,719	18,332
MSS Fibre Systems Pty Ltd	4,169	-
MSS Power Systems Pty Ltd	4,189	-
	40,124	**30,379**

The recoverable amount of the cash-generating units above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5-year period, plus a terminal value. The cash flows are discounted using the yield of 5-year government bonds at the beginning of the budget period.

The following assumptions were used in the value-in-use calculations:

	GROWTH RATE		PRE-TAX DISCOUNT RATE	
	2012	2011	2012	2011
Hendon Semiconductors Pty Ltd	6.44%	1.22%	14.82%	17.43%
Legend Corporate Services Pty Ltd	3.38%	4.82%	14.82%	17.43%
MSS Fibre Systems Pty Ltd	8.68%	-	14.82%	-
MSS Power Systems Pty Ltd	6.09%	-	14.82%	-

Management has based the value-in-use calculation on budgets for each reporting segment. These budgets use historical weighted average growth rates adjusted for current market conditions to project revenue. The projection period reflects the expected useful life of the assets and product lifecycle. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period, which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with the segment.

NOTE 15: INTANGIBLE ASSETS (CONTINUED)

OTHER INTANGIBLE ASSETS

Details of the Group's other intangible assets and their carrying amounts are as follows:

	BRAND NAME $000	CUSTOMER RELATIONSHIPS $000	NON COMPETE AGREEMENT $000	INTELLECTUAL PROPERTY $000	TOTAL $000
GROSS CARRYING AMOUNT					
Balance at 1 July 2011	-	-	-	-	-
Acquired through business combination	2,000	1,417	624	419	4,460
Balance at 30 June 2012	2,000	1,417	624	419	4,460
AMORTISATION AND IMPAIRMENT					
Balance at 1 July 2011	-	-	-	-	-
Amortisation	-	(525)	(125)	(27)	(677)
Balance at 30 June 2012	-	(525)	(125)	(27)	(677)
Carrying amount at 30 June 2012	2,000	892	499	392	3,783

All amortisation and impairment charges (or reversals if any) are included within depreciation and amortisation.
Other intangible assets were acquired as part of the acquisition of 100% of the issued capital of MSS Fibre Systems Pty Ltd, MSS Power and Fibre Systems Pty Ltd and MSS Power Pty Ltd on 1 July 2012. Refer note 33 for details.

Brand Name

On acquisition of MSS Fibre Pty Ltd the company secured the exclusive use of the rights and ownership of the MSS Fibre Pty Ltd brand name for use in Australia. This brand name is considered key to the ongoing success of the business.

The directors are of the opinion that the brand names acquired have an indefinite life. Under Australian Accounting Standards intangibles with indefinite useful lives must be tested annually for impairment (see note 15(a)).

A relief from royalty discounted cash flow method was used to calculate the capitalised value of the royalty stream associated with the brand. This was based on financial forecasts covering a 10 year period with the inclusion of a terminal value. A pre-tax discount rate of 14.82% was adopted in the calculation.

Customer relationships

On acquisition of MSS Fibre Pty Ltd, MSS Power and Fibre Pty Ltd and MSS Power Pty Ltd the company acquired existing customer relationships. The customer relationships have been valued by calculating the net present value of the cash flows expected from the customers over the customers useful lives. The useful lives range from 5 to 10 years.

Non Compete Agreement

The non compete agreements in place have a maximum 5 year restraint period from the date of acquisition. The value was determined using managments best estimate of the relationships with customers and vendors and their ability to transfer to alternative organisations.

Intellectual Property

Specific knowledge and know-how has been developed in-house by MSS Power Systems Pty Ltd for the key products selling at acquisition date. The costs accumulated to date have been capitalised and the expected life cycle of these products is 15 years.

NOTE 16: CONTROLLED ENTITIES

a. Controlled Entities Consolidated

	COUNTRY OF INCORPORATION	PERCENTAGE OWNED (%)*	
		2012	2011
Subsidiaries of Legend Corporation Limited			
Legend Corporate Services Pty Ltd	Australia	100	100
Cable Accessories (Holdings) Pty Ltd	Australia	100	100
IES Investments Pty Ltd	Australia	100	100
MSS Fibre Systems Pty Ltd	Australia	100	-
MSS Power Systems Pty Ltd	Australia	100	-
Subsidiaries of Legend Corporate Services Pty Ltd			
Legend Pacific Pty Ltd	Australia	100	100
Legend Tech (Singapore) Pte Ltd	Singapore	100	100
Legend Performance Technology (Thailand) Company Ltd	Thailand	100	100
Subsidiaries of Cable Accessories (Holdings) Pty Ltd			
Cable Accessories (Australia) Pty Ltd	Australia	100	100
Cable Projects Pty Ltd	Australia	100	100
Subsidiaries of IES Investments Pty Ltd			
Hendon Semiconductors Pty Ltd	Australia	100	100
Subsidiaries of MSS Fibre Pty Ltd			
MSS Power and Fibre Systems Pty Ltd	Australia	100	-

* Percentage of voting power is in proportion to ownership

b. Deed of Cross Guarantee

Legend Corporation Limited, Legend Corporate Services Pty Ltd, Legend Pacific Pty Ltd, Cable Accessories (Holdings) Pty Ltd, Cable Accessories (Aust) Pty Ltd, Cable Projects Pty Ltd, IES Investments Pty Ltd, Hendon Semiconductors Pty Ltd, Legend Tech (Singapore) Pte Ltd MSS Power Systems Pty Ltd, MSS Fibre Systems Pty Ltd and MSS Power and Fibre Systems Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the other. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and director's report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

The consolidated financial report covers the closed group and all parties to the Deed of Cross Guarantee.

NOTE 17: TRADE AND OTHER PAYABLES

	NOTES	CONSOLIDATED GROUP	
		2012 $000	2011 $000
Current			
Trade payables		11,343	6,861
Sundry payables and accrued expenses		6,591	2,834
Finance lease liability		81	-
	24	18,015	9,695
Non Current			
Finance lease liability		47	-
	24	47	-

With the exception of the non current portion part of the finance lease liabilities, all amounts are short term. The carrying amounts of trade payables are considered to be an approximation of fair value.

NOTE 18: OTHER FINANCIAL LIABILITIES

	NOTES	CONSOLIDATED GROUP 2012 $000	2011 $000
Derivative Financial Instruments			
US Dollar forward contracts		135	2
		135	2

The Group uses forward exchange contracts to mitigate exchange rate exposure arising from forecast purchases in US dollars. All derivatives are measured at fair value. The forward contracts have not been formally designated as hedging arrangements.

NOTE 19: BORROWINGS

	NOTES	2012 $000	2011 $000
CURRENT			
Secured liabilities			
Bank bills	19b	2,400	2,000
		2,400	**2,000**
NON-CURRENT			
Secured liabilities			
Bank bills	19b	15,375	8,875
		15,375	**8,875**

a. Total current and non-current secured liabilities

	NOTES	2012 $000	2011 $000
Bank bills		17,775	10,875
	22	**17,775**	**10,875**

b. Bank bills and equipment facilities

Bank bills and equipment facilities have been provided by National Australia Bank Limited. The Corporate Letter of Offer under which these facilities were offered expired on 30 June 2012. Agreement was reached with the Bank on 29 June 2012 to extend the facility.

Bank bills, which have been drawn as a source of long-term finance, are provided by the Bank under multiple facilities with an expiry date of 30 November 2014. The bills rollover on the 21st of each month for interest resetting purposes. As at 30 June 2012, $8,960,250 of the total bill of $17,774,500 is fixed at 5.2%. The current average interest rate is 4.416% (2011: 5.16%) payable monthly in advance.

Bank bills are secured by:

i. Fixed and floating charges over the whole of the company assets including goodwill and uncalled capital and called but unpaid capital together with relative insurance policy assigned to the National Australia Bank Limited given by MSS Power Systems Pty Ltd, MSS Fibre Systems Pty Ltd, MSS Power & Fibre Systems Pty Ltd, Legend Corporation Limited, Legend Corporate Services Pty Ltd, Legend Pacific Pty Ltd, Cable Accessories (Holdings) Pty Ltd, Cable Accessories (Australia) Pty Ltd, Cable Projects Pty Ltd, Hendon Semiconductors Pty Ltd and IES Investments Pty Ltd.

The following covenants apply to debt facilities provided by the Bank:

i. Debt Service Cover Ratio

Debt Service Cover Ratio (DSCR) to be maintained at a minimum of 1.5 times, measured quarterly on a 12 month rolling basis. DSCR is defined as earnings before interest, tax, depreciation and amortisation (EBITDA) less tax paid, divided by scheduled amortisation payments plus interest expense

ii. Gross Debt to EBITDA Ratio

Gross Debt to EBITDA Ratio is to be maintained at a maximum of 3.0 times, measured quarterly. Gross Debt to EBITDA Ratio is defined as total financial debt divided by 12 month rolling EBITDA.

iii. Gearing Ratio

Gearing Ratio to is be maintained at a maximum of 45%, measured quarterly. Gearing Ratio is defined as total financial debt, divided by total financial debt plus total shareholders' equity.

To the date of this report, the company has complied with all banking covenants.

NOTE 20: TAX

	CONSOLIDATED GROUP 2012 $000	2011 $000
a. Current		
Income tax payable	1,318	2,887
b. Non-Current		
Deferred tax assets comprise:		
Provisions	1,732	1,466
Transaction costs on equity issue	-	2
Other	55	22
	1,787	1,490
Deferred tax liabilities comprise:		
Intangibles	1,135	-
c. Reconciliations		
i. Gross movement		
The movement in deferred tax accounts is as follows:		
Opening balance	1,490	1,397
(Charge)/credit to income statements	-	69
Offset against current provision	297	24
Closing balance	1,787	1,490
ii. Deferred tax liabilities		
The movement in deferred tax liability account is as follows:		
Other		
Opening balance	-	21
(Charge)/credit to income statements	-	(21)
Intangible assets	1,135	-
Closing balance	1,135	-
iii. Deferred tax assets		
The movement in deferred tax assets account is as follows:		
Provisions		
Opening balance	1,466	1,276
(Charge)/credit to income statements	266	190
Closing balance	**1,732**	**1,466**
Transaction costs on equity issue		
Opening balance	2	54
(Charge)/credit to income statements	(2)	(52)
Closing balance	**-**	**2**
Tax losses		
Opening balance	-	-
(Charge)/credit to income statements	-	107
Offset against current provision	-	(107)
Closing balance	**-**	**-**
Other		
Opening balance	22	88
(Charge)/credit to income statements	33	(66)
Closing balance	**55**	**22**

- -

NOTE 21: PROVISIONS

	EMPLOYEE BENEFITS $000	TOTAL $000
Consolidated Group		
Opening balance at 1 July 2011	2,462	2,462
Additional provisions	1,650	1,650
Amounts used	(1,057)	(1,057)
Balance at 30 June 2012	**3,055**	**3,055**

	CONSOLIDATED GROUP 2012 $000	2011 $000
Analysis of total provisions		
Current	2,734	1,929
Non-current	321	533
	3,055	**2,462**

Provision for employee benefits

A provision has been recognised for employee benefits relating to annual leave and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1k to this report.

NOTE 22: ISSUED CAPITAL

	CONSOLIDATED GROUP 2011 $000	2010 $000
217,440,928 (2011: 217,041,847) fully paid ordinary shares	74,230	74,135

The share capital of Legend Corporation Limited consists only of fully paid ordinary shares, the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital, and represent one vote at the shareholders meeting of Legend Corporation Limited.

		NO.	NO.
a. Ordinary shares			
At beginning of reporting period		217,041,847	216,412,917
Shares issued during the year:			
Issued under share based payments	22c	249,081	328,930
Options exercised	22b	150,000	300,000
Total shares authorised 30 June		**217,440,928**	**217,041,847**

None of the parent entity shares are held by any company in the Group.

NOTE 22: ISSUED CAPITAL (CONTINUED)

b. Options

i. For information relating to the Legend Corporation Limited Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at year-end, refer to Note 28 Share-based payments.

i. For information relating to share options issued to directors during the financial year, refer to Note 28 Share-based payments.

c. Employee share scheme

For information relating to the Legend Corporation Limited Employee Share Scheme, including details of shares issued during the financial year, refer to Note 28 Share-based payments.

d. Capital Management

Management controls the capital of the Group in order to maintain a debt to equity ratio within pre-determined benchmarks, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. The gearing ratio's for the year ended 30 June 2012 and 30 June 2011 are as follows:

	NOTES	CONSOLIDATED GROUP	
		2012 $000	2011 $000
Borrowings	19	17,775	10,875
Less cash and cash equivalents	9	(6,758)	(9,560)
Net debt per bank covenants		11,017	1,315
Trade and other payables	17	18,064	9,695
Net debt including trade and other payables		29,081	11,010
Total equity		58,132	52,949
Total capital		**87,213**	**63,959**
Gearing Ratio		33%	17%

NOTE 23: RESERVES

a. Option reserve

The option reserve records items recognised as expenses on valuation of employee share options.

NOTE 24: LEASES

	CONSOLIDATED GROUP 2012 $000	2011 $000
a. Finance Lease commitments		
Future minimum lease payments at the end of each reporting period under review were as follows:		
Payable - minimum lease payments		
- not later than 12 months		
- Lease payments	88	-
- Finance charges	(7)	-
	81	-
- between 12 months and 5 years		
- Lease payments	49	-
- Finance charges	(2)	-
	47	-

Motor vehicles are held under finance lease arrangements. The net carrying amount of the related assets is $164,000. (2011: $0). Finance leases are secured by the related assets held under finance lease.

b. Operating lease commitments

	CONSOLIDATED GROUP 2012 $000	2011 $000
Non-cancellable operating lease contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
- not later than 12 months	2,227	2,197
- between 12 months and 5 years	8,092	7,757
- greater than 5 years	1,881	3,570
	12,200	13,524

The property lease which commenced 30 May 2008 is a non-cancellable lease with a 10-year term. Rent is payable monthly in advance. Rent adjustments are performed annually on the basis of a Market Review. As it is not possible to determine future market rates, minimum lease repayments have been calculated on the basis of current rental payments over the remaining period of the lease. An option exists to renew the lease at the end of the 10-year term for an additional two terms of 5 years.

NOTE 25: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Estimates of the potential financial effect of contingent liabilities, that may become payable:

Related party guarantee provided

Legend Corporation Limited, Legend Corporate Service Pty Ltd, Legend Pacific Pty Ltd, Cable Accessories (Holdings) Pty Ltd, Cable Accessories (Aust) Pty Ltd, Cable Projects Pty Ltd, IES Investments Pty Ltd, Hendon Semiconductors Pty Ltd, Legend Tech (Singapore) Pte Ltd, MSS Fibre Systems Pty Ltd, MSS Power Systems Pty Ltd, MSS Power and Fibre Systems Pty Ltd have provided guarantees as described in Note 16b Controlled Entities and Note 19b Borrowings. No deficiencies of net assets exist in the entities concerned at 30 June 2012.

NOTE 26: 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.

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.

NOTE 26: OPERATING SEGMENTS (CONTINUED)

Segment Information (continued)

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.

There have been no changes from the prior periods in the measurement methods used to determine reported segment profit or loss.

(i) Segment performance

	MEMORY MODULES AND SEMICONDUCTORS		ELECTRICAL, DATA AND COMMUNICATIONS		CONSOLIDATED GROUP	
	2012 $000	2011 $000	2012 $000	2011 $000	2012 $000	2011 $000
Revenue						
Revenue from external customers	12,553	17,944	90,662	69,132	103,215	87,076
Inter-segment revenues	1,015	498	-	-	-	-
Total revenue	**13,568**	**18,442**	**90,662**	**69,132**	**103,215**	**87,076**
Result						
Earnings before interest, taxation, depreciation and amortisation	3,166	5,921	14,067	8,047		
Depreciation and amortisation	(256)	(270)	(2,169)	(1,424)		
Segment operating profit	2,910	5,651	11,898	6,623	14,808	12,275
Elimination of intersegment profit					(59)	14
Finance income					224	262
Finance costs					(1,345)	(1,055)
Impairment of investment in associated companies					-	112
Share of net loss of associates					-	(112)
Profit before income tax					13,628	11,496
Income tax expense					(4,192)	(3,511)
Profit after income tax					9,436	7,985

NOTE 26: OPERATING SEGMENTS (CONTINUED)

Segment Information (continued)

(ii) Segment assets and liabilities

	MEMORY MODULES AND SEMICONDUCTORS		ELECTRICAL, DATA AND COMMUNICATIONS		CONSOLIDATED GROUP	
	2012 $000	2011 $000	2012 $000	2011 $000	2012 $000	2011 $000
Assets						
Segment assets	9,605	11,469	44,004	35,532	53,609	47,001
Deferred tax assets					1,787	1,490
Intangible assets					43,907	30,379
Total assets					**99,612**	**78,870**
Liabilities						
Segment liabilities	2,283	2,267	18,969	9,892	21,252	12,159
Tax liabilities					2,453	2,887
Borrowings					17,775	10,875
Total liabilities					**41,480**	**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 supplies one single external customer in the memory modules and semiconductors segment which accounts for 3% of external revenue of the Group (2011: 14%), and one single external customer in the electrical, data and communications segment which accounts for 20% of external revenue of the Group (2011: 20%). The next most significant customer in the electrical, data and communications segment accounts for 6% (2011: 6%) of external revenue of the Group.

NOTE 27: CASH FLOW INFORMATION

	NOTES	CONSOLIDATED GROUP 2012 $000	2011 $000
a. Reconciliation of Cash Flow from Operations with Profit after Income Tax			
Profit after income tax		9,436	7,985
Non-cash flows in profit			
- Depreciation and amortisation		2,424	1,694
- Net loss on disposal of property plant and equipment		7	35
- Unrealised (gain)/loss on foreign denominated balances		211	(416)
- Employee option expense		-	5
- Shares issued to employees	27b	80	61
- Cash received on the exercise of options		15	30
- Bad debts written off		-	421
Change in assets and liabilities, net of the effect of purchase and disposal of subsidiaries			
- (Increase)/decrease in trade receivables		(2,162)	(177)
- (Increase)/decrease in current assets		234	(130)
- (Increase)/decrease in inventories		(2,161)	1,027
- (Increase)/decrease in deferred tax assets		(92)	(210)
- Increase/(decrease) in trade payables and accruals		99	1,971
- Increase/(decrease) in provisions		216	271
- Increase/(decrease) in income tax payable		(1,745)	2,098
- Increase/(decrease) in deferred tax liabilities		(203)	(21)
Cash flow from operations		**6,359**	**14,644**

b. Non-Cash Financing and Investing Activities

Shares Issued

249,081 ordinary shares were issued to key executives during the year. Shares were issued in lieu of cash bonuses and as part of the Group's incentive and motivation scheme for the retention of key executives.

Acquisitions during the year

The Group acquired MSS Fibre Systems Pty Ltd, MSS Power Systems Pty Ltd and MSS Power & Fibre Systems Pty Ltd on 1 July 2011 and the business of Extreme Safety on 30 September, 2011. See note 33 for acquisition details.

c. Credit Standby Arrangements and Loan Facilities with Banks

	2012 $000	2011 $000
Credit facilities	29,500	28,200
Amounts utilised	(19,497)	(13,158)
	10,003	**15,042**

Major facilities are provided by the National Australia Bank Limited and are summarised as follows:

i. Fully Interchangeable Multi Option / Multi Currency Facility (MOF) of $5 million. The original MOF was subject to annual review and expired on 30 June 2012. Agreement was reached with the Bank on 29 June 2012 to extend the facility for a further 12 months. The MOF includes the following facilities:
   - $2.5 million bank guarantee facility
   - $2.5 million documentary letter of credit and / or trade refinance facility

ii. Bank bill facilities with a limit of $21.3 million (2011: $20 million) and an expiry date of 30 November 2014.

National Australia Bank Limited will continue to provided finance so long as the Parent Entity and Consolidated Group do not breach borrowing requirements or financial ratios as detailed in Note 19.

NOTE 28: SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2012:

On 30 November 2007, three tranches of 150,000 share options were granted to a director to accept ordinary shares at exercise prices of $0.44, $0.49 and $0.54. These options are exercisable after 30 November 2008, 30 November 2009 and 30 November 2010, all with an expiry date of 20 November 2012. A further three tranches of 150,000 share options were granted to a director on 24 June 2008 to accept ordinary shares at an exercise price of $0.10. These options are exercisable after 24 May 2009, 24 May 2010 and 24 May 2011, all with an expiry date of 24 June 2013. During the 2012 financial year, 150,000 shares were exercised at $0.10 per share.The options hold no voting or dividend rights and are not transferable. When a director ceases employment the options are deemed to have lapsed. Since reporting date, no director has ceased their employment.

All options granted to key management personnel are ordinary shares in Legend Corporation Limited, which confer a right of one ordinary share for every option held.

	CONSOLIDATED GROUP			
	2012		2011	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE $	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE $
Outstanding at the beginning of the year	600,000	0.39	900,000	0.29
Granted	-	-	-	-
Exercised	(150,000)	0.10	(300,000)	0.10
Forfeited	-	-	-	-
Outstanding at year-end	**450,000**	**0.49**	**600,000**	**0.39**
Exercisable at year-end	**450,000**	**0.49**	**600,000**	**0.39**

The options outstanding at 30 June 2012 had a weighted average exercise price of $0.49 and a weighted average remaining contractual life of 0.7 years. Exercise prices range from $0.44 to $0.54. The share price at year end was $0.32.
Included under employee benefits expense in the statement of comprehensive income is $80,000 (2011: $60,993), which relates, in full, to equity-settled share-based payment transactions.

Employee Share Plan

The company has established an employee share plan (ESP) by which the Company's Board may issue shares to employees and executive directors of the company or its subsidiaries.

The ESP is administered in accordance with the terms of the ESP rules, which are summarised below:

- Shares may be issued under the ESP at the discretion of the Board to employees and executive directors of the company or its subsidiaries upon such terms as the Board may determine, including restrictions as to when shares issued under the ESP can be sold. Any proposed issue of shares to executive directors require shareholder approval under the Listing Rules.
- The aggregate number of shares on issue under the plan should not exceed 5% of the total number of shares on issue at any time. The number of shares which may be allocated to any one eligible employee shall be restricted so that the eligible employee is able to cast no more that 5% of votes at a General Meeting of the company.
- The company may issue shares under the ESP at a price up to the equivalent of 90% of the weighted average ASX market price for shares during the 5 trading days prior to the date of invitation to participate.
- Shares issued under the ESP will be ordinary fully paid shares in the company and from the date of issue will rank equally with all other ordinary fully paid shares in the company.
- Participants must not sell, transfer, assign, mortgage, charge or otherwise encumber a share issued under the plan until the later of the following;
  a) for shares issued for nil consideration until such time as the Board may determine in its absolute discretion;
  b) the expiry of any service continuity period specified by the company;
  c) the satisfaction of any performance criteria specified by the company.
- The company may (but is not obligated to) buy-back shares, within 12 months of cessation of employment, at a price equal to the weighted average ASX market price for shares during the 5 trading days immediately preceding the date of cessation (or $0.01 in the case of no cash consideration).

NOTE 28: SHARE-BASED PAYMENTS (CONTINUED)

Employee Share Plan (continued)

	NUMBER OF SHARES GRANTED	FAIR VALUE AT ISSUE DATE (PER SHARE) $	FAIR VALUE AT ISSUE DATE (AGGREGATE) $000
16 March 2004 - issued	2,187,000	0.59	1,290
22 November 2004 - bought back	(15,500)	-	-
10 December 2004 - issued	100,000	0.53	53
30 June 2005 - issued	855,000	0.60	513
21 October 2005 - bought back	(10,500)	-	-
29 March 2006 - bought back	(46,000)	-	-
22 December 2006 - issued	268,000	0.775	208
26 August 2009 - issued	462,863	0.092	43
16 August 2010 - issued	196,883	0.164	32
30 September 2010 - option exercised	300,000	0.100	30
3 November 2010 - issued	92,001	0.164	15
29 March 2011 - issued	40,046	0.340	14
6 September 2011 - option exercised	150,000	0.100	15
1 November 2011 - issued	234,375	0.320	75
18 April 2012 - issued	14,706	0.340	5
TOTAL ISSUED	**4,828,874**		

NOTE 29: EVENTS AFTER THE REPORTING PERIOD

There have been no events between 30 June 2012 and the date of these financial statements which necessitate adjustments to the statements of financial position and comprehensive income at that date.

NOTE 30: RELATED PARTY TRANSACTIONS

	NOTES	CONSOLIDATED GROUP 2012 $000	2011 $000
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.			
Transactions with related parties:			
a. Director-Related Entities			
Legend Corporate Services Pty Ltd leases a number of properties from the Backstop Property Trust, which is owned and controlled by Bradley Dowe. Lease charges for the year were:		144	156
Leasehold improvements made by Legend Corporate Service Pty Ltd to properties leased from Backstop Pty Ltd totalled:		-	280

NOTE 31: FINANCIAL INSTRUMENT RISK

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases.

The committee's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The committee operates under the direction of the Board of Directors. In conjunction with the committee, the Board reviews the current strategies on a regular basis, including the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposure and Management

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk.

a. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

The Group's policy is to minimise interest rate cash flow risk exposure on long term financing using a blend of fixed and floating interest rate debt. As at year end $8,960,250 is fixed at 5.2% pa and the remaining floating. Quarterly amortisation of the bill facility includes reduction of both the fixed and floating proportion. Fixed rate debts matures on 30 November 2014.

b. Foreign currency risk

Exposure to fluctuations in foreign currencies arises from the Group's overseas sales and purchases, which are primarily denominated in US dollars (USD).

To mitigate the Group's exposure, non AUD cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policy. Due to the nature of USD denominated transactions, being relatively small in size and frequent, it is not practical to formally designate forward contracts as hedging instruments, rather management consider these contracts to be part of economic hedge arrangements. The Group continues to assess the use of derivative financial instruments and forward exchange contracts to minimise the impact of fluctuations on earnings.

NOTE 31: FINANCIAL RISK MANAGEMENT (CONTINUED)

c. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to operational, investing and financing activities
- monitoring undrawn credit facilities
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- investing only in surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The Group's policy is to ensure no more than 20% of borrowings should mature in any 12-month period.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Bank bills have been disclosed in accordance with the approved budgeted repayment schedule and facility terms as management do not consider that there is any material risk that the Bank will terminate such facilities. The Bank does however maintain the right to terminate the facilities without notice should the Group breach any of the covenants as disclosed in Note 19: Borrowings.

Cash flows realised from financial assets reflect management's expectations as to the timing of realisation. Actual timing may therefore differ from the disclosure. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis.

CONSOLIDATED GROUP	WITHIN 1 YEAR		1 TO 5 YEARS		OVER 5 YEARS		TOTAL	
	2012 $000	2011 $000	2012 $000	2011 $000	2012 $000	2011 $000	2012 $000	2011 $000
Financial liabilities due for payment								
Bank bills	2,400	2,000	15,375	8,000	-	875	17,775	10,875
Trade and other payables	18,017	9,695	-	-	-	-	18,017	9,695
Total expected outflows	20,417	11,695	15,375	8,000	-	875	35,792	20,570
Financial assets - cash flows realisable								
Cash and cash equivalents	6,758	9,560	-	-	-	-	6,758	9,560
Trade and other receivables	18,677	12,762	-	-	-	-	18,677	12,762
Total anticipated inflows	25,435	22,322	-	-	-	-	25,435	22,322
Net inflow/(outflow) of financial instruments	5,018	10,627	(15,375)	(8,000)	-	(875)	(10,357)	1,752

NOTE 31: FINANCIAL RISK MANAGEMENT (CONTINUED)

d. Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments for example by granting loans and receivables to customers and placing deposits. The Group's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at reporting date, as summarised below:

	CONSOLIDATED GROUP 2012 $000	2011 $000
Classes of financial assets- carrying amounts:		
Cash and cash equivalents	6,758	9,560
Trade and other receivables	18,677	12,762
Carrying amount	25,435	22,322

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to only deal with creditworthy counterparties.

The Group's management considers that all of the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality.

Collateral has been given in the form of personal guarantees and second registered mortgages over the properties of the directors of Cabac Electrical Pty Ltd, the acquirer of Legend Tech (RSA) Pty Ltd, which owes Legend Corporate Services Pty Ltd an amount of $297,000 included in other receivables at 30 June 2012. There are no other material amounts of collateral held as at 30 June 2012.

Some of the unimparied trade receivables are past due at reporting date. Financial assets past due but not impaired can be shown as follows:

	CONSOLIDATED GROUP 2012 $000	2011 $000
Less than 30 days	1,635	1,230
30 to 59 days	546	457
60 to 90 days	99	52
Greater than 90 days	60	307
Total	**2,340**	**2,046**

The Group has no significant concentration of credit risk with any single counter party, however the top 20 customers of the Group represents approximately 54% (2011: 64%) of year end receivables. The class of assets described as Trade and Other Receivables is considered the main source of credit risk related to the Group.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

NOTE 31: FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair Value

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group. Most of these instruments which are carried at amortised cost (i.e. loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Group.

CONSOLIDATED GROUP	FOOTNOTE	2012 NET CARRYING VALUE $000	2012 FAIR VALUE $000	2011 NET CARRYING VALUE $000	2011 FAIR VALUE $000
Financial assets					
Cash and cash equivalents	(i)	6,758	6,758	9,560	9,560
Trade and other receivables	(i)	18,677	18,677	12,762	12,762
Total financial assets		25,435	25,435	22,322	22,322
Financial liabilities					
Trade and other payables	(i)	18,017	18,017	9,695	9,695
Bank bills	(ii)	17,775	17,902	10,875	10,857
Total financial liabilities		35,792	35,919	20,570	20,552

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value.

(II) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate bank debt will differ to the carrying values.

Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and exchange rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables

	CONSOLIDATED GROUP PROFIT $000	CONSOLIDATED GROUP EQUITY $000
Year Ended 30 June 2012		
+/- 2% interest rates	+/- 221	+/- 221
+/- 15% $A/$US	+/- 1,722	+/- 1,722
Year Ended 30 June 2011		
+/- 2% interest rates	+/- 161	+/- 161
+/- 15% $A/$US	+/- 1,184	+/- 1,184

The percentages have been determined based on the average market volatility in interest and exchange rates in the previous 12 months

NOTE 32: LEGEND CORPORATION LIMITED PARENT COMPANY INFORMATION

	NOTES	2012 $000	2011 $000
PARENT ENTITY			
Assets			
Non-current assets			
Trade and other receivables		1,242	6,821
Deferred tax assets		325	325
Financial assets	32a	48,998	41,938
Total non-current assets		50,565	49,084
Total assets		50,565	49,084
Net assets		**50,565**	**49,084**
EQUITY			
Issued capital		74,230	74,135
Reserves		115	110
Accumulated losses		(23,780)	(25,166)
Total equity		**50,565**	**49,084**
FINANCIAL PERFORMANCE			
Loss for the year		-	(5)
Other comprehensive income		1,386	1,652
Total comprehensive income		**1,386**	**1,647**

a. Contingent liabilities of the Parent Entity

As described in Note 16b: Controlled Entities and Note 19b: Borrowings, Legend Corporation Limited is party to the cross guarantee between the wholly-owned entities of the Group under which each company guarantees the debts of the other.

NOTE 33: 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 transferred	
Amount settled in cash	5,750
Fair value of contingent consideration	2,750
TOTAL	**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	1,398
Inventories	919
TOTAL CURRENT ASSETS	**2,640**
Intangible assets	3,780
Property plant and equipment	290
Deferred tax assets	101
TOTAL NON CURRENT ASSETS	**4,171**
Trade and other payables	633
Borrowings	429
Provisions	182
Current tax liabilities	102
TOTAL CURRENT LIABILITIES	**1,346**
Deferred tax liabilities	1,134
TOTAL NON CURRENT LIABILITIES	**1,134**
Net identifiable assets and liabilities	4,331
Goodwill on acquisition	4,169
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.

Goodwill

Goodwill of $4,169,000 is primarily related to growth expectations, expected future profitability and expected cost synergies. Goodwill has been allocated to the Electrical, data and communications segment and is not expected to be deductible for tax purposes.

NOTE 33: ACQUISITIONS (CONTINUED)

Contribution to Group Results

MSS Fibre Systems Pty Ltd contributed $2,025,000 before integration costs and before tax to Group results for the year ended 30 June 2012.

MSS Power Pty Ltd

On 1 July 2011 the Group acquired the trading assets of MSS Power Pty Ltd.
The acquisition was 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 acquirees assets, liabilities and contingent liabilities are as follows:	
Cash	501
Trade and other receivables	577
Inventories	669
TOTAL CURRENT ASSETS	**1,747**
Intangible assets	680
Property plant and equipment	101
Deferred tax assets	109
TOTAL NON CURRENT ASSETS	**890**
Trade and other payables	675
Borrowings	178
Provisions	195
Current tax liabilities	74
TOTAL CURRENT LIABILITIES	**1,122**
Deferred tax liabilities	204
TOTAL NON CURRENT LIABILITIES	**204**
Net identifiable assets and liabilities	1,311
Goodwill on acquisition	4,189
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. Current EBIT forecasts indicate that the company will achieve the required multiples and the full value of the deferred consideration has been included.

Goodwill

Goodwill of $4,189,000 is primarily related to growth expectations, expected future profitability and expected cost synergies. Goodwill has been allocated to the Electrical, data and communications segment and is not expected to be deductible for tax purposes.

NOTE 33: ACQUISITIONS (CONTINUED)

Contribution to Group Results

MSS Power Systems Pty Ltd contributed $1,133,000 before integration costs and before tax to the Group results for the year ended 30 June 2012.

Extreme Safety Equipment Pty Ltd

On 30 September, 2011 the Group acquired the trading assets of Extreme Safety Equipment 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	1,000
Fair value of contingent consideration	992
TOTAL COST OF ACQUISITION	**1,992**
Recognised amounts of identifiable net assets	
Inventories	621
TOTAL CURRENT ASSETS	**621**
Goodwill on acquisition	1,371

Consideration transferred

The acquisition of Extreme Safety Equipment Pty Ltd 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 30 June 2012 with further work required to complete the purchase price allocation.

NOTE 34: COMPANY DETAILS

The registered office of the company is:

Legend Corporation Limited
1 Butler Drive
HENDON SA 5014

The principle places of business are:

Legend Corporate Services Pty Ltd
1 Butler Drive
HENDON SA 5014

Legend Corporate Services T/A CABAC
8 Distribution Place
SEVEN HILLS NSW 2147

Hendon Semiconductors Pty Ltd
1 Butler Drive
HENDON SA 5014

MSS Fibre Systems Pty Ltd
MSS Power Systms Pty Ltd
2/77 Bayfield Road East
BAYSWATER NORTH VIC 3135

DIRECTORS' DECLARATION

1. In the opinion of the directors of Legend Corporation Limited:

    a. The consolidated financial statements and notes of Legend Corporation Limited are in accordance with the Corporations Act 2001, including

        i. giving a true and fair view of its financial position as at 30 June 2012 and of its performance for the year ended on that date; and

        ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

    b. There are reasonable grounds to believe that Legend Corporation Limited will be able to pay its debts when they become due and payable.

The company and its wholly-owned subsidiaries, Legend Corporate Services Pty Ltd, Legend Pacific Pty Ltd, Cable Accessories (Holdings) Pty Ltd, Cable Accessories (Australia) Pty Ltd, Cable Projects Pty Ltd, IES Investments Pty Ltd, Hendon Semiconductors Pty Ltd, Legend Tech (Singapore) Pty Ltd, MSS Fibre Systems Pty Ltd, MSS Power and Fibre Systems Pty Ltd, and MSS Power Systems Pty Ltd have entered into a deed of cross guarantee under which the company and its subsidiaries guarantee the debts of each other.

At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become subject to, by virtue of the deed.

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and the chief financial officer for the year ended 30 June 2012

3. The consolidated financial statements comply with the International Financial Reporting standards.

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

Bruce E Higgins
Chairman of Directors
Legend Corporation Limited

15th August 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 Report
To the Members of Legend Corporation Limited
Report on the financial report

We have audited the accompanying financial report of Legend Corporation Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

a the financial report of Legend Corporation Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 35 to 39 of the directors' report for the year ended 30 June 2012. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Legend Corporation Limited for the year ended 30 June 2012, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A J Archer
Partner - Audit & Assurance

Sydney, 15 August 2012

SHAREHOLDER INFORMATION

Additional Information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

a) Shareholdings as at 9 July 2012

Substantial shareholders

The following were substantial shareholders as at 9 July 2012

NAME	NUMBER OF FULLY PAID ORDINARY SHARES HELD	% HELD
Dowe Holdings Pty Ltd	61,334,209	28.21
Tiga Trading Pty Ltd & Thorney Holdings Pty Ltd & Thorney Pty Ltd	36,850,000	16.95
Keith Knowles	12,872,125	5.92

Voting Rights

Fully paid ordinary shares

The entity has 217,440,928 ordinary shares on issue.

Subject to any rights or restrictions attached to any class of shares, at a meeting of members, on a show of hands, each member present (in person, by proxy, attorney or representative) has one vote and on a poll, each member present (in person, by proxy, attorney or representative) has one vote for each fully paid share they hold.

Distribution of equity security holders

CATEGORY	HOLDERS OF ORDINARY SHARES	% OF ISSUED CAPITAL
1 – 1000	122	0.02
1,001 – 5,000	316	0.44
5,001 – 10,000	225	0.87
10,001 – 100,000	741	12.72
100,001 – and over	121	85.96
Total number of security holders	1,525	100.00

Unmarketable Parcels

	MINIMUM PARCEL SIZE	NUMBER OF HOLDERS	UNITS
Ordinary Shares	$500.00 at $0.325/unit	165	89,769

SHAREHOLDER INFORMATION

The name of the company secretary is:

Graham Seppelt

The address of the principal registered office is:

1 Butler Drive, Hendon, SA 5041 Telephone (08) 8401 9888

Registers of securities are held at the following addresses:

Security Transfer Registrars Pty Ltd
770 Canning Highway, Applecross WA 6153
Telephone (08) 9315 2333

Securities Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

Twenty largest shareholders – ordinary shares as at 9 July 2012

NAME	NUMBER OF FULLY PAID ORDINARY SHARES HELD	% HELD
Dowe Holdings Pty Ltd	54,672,560	25.149
UBS Nominees Limited	31,371,261	14.43
J P Morgan Nominees Australia Limited	13,005,428	5.98
National Nominees Limited	7,986,941	3.67
Keith Knowles	6,181,181	2.84
J P Morgan Nominees Australia Limited	5,972,565	2.75
Cornish Group Investments Pty Ltd	3,500,000	1.61
Dowe Holdings Pty Ltd	3,437,900	1.58
Parks Australia Pty Ltd	3,339,136	1.54
MFM Properties Pty Ltd	2,969,048	1.37
Backstop Pty Ltd	2,900,000	1.33
J and S D Yates	2,850,503	1.31
M R and J N Simpson	2,679,473	1.23
M and J Potter Pty Ltd	2,650,503	1.23
Keith Knowles	2,040,337	0.94
UBS Wealth Management Australia Nominees	2,000,000	0.92
P and J Higgins	2,000,000	0.92
J M and Spencer and C J Nelson	2,000,000	0.92
Bruce Higgins	1,875,000	0.86
UBS Nominees Limited	1,760,500	0.81
TOTAL	**155,192,336**	**71.37**

On market buy-back

There is no current on-market buy back for any of the company's securities.

Restricted and Escrowed Securities

There are no shares subject to escrow as at 9 July 2012.

b) Unquoted Securities as at 9 July 2012

Options over Issued Shares

A total of 450,000 unquoted options are on issue to one director under the Legend Corporation Limited employee option plan. Option holders will be entitled on the payment of the exercise price per share to be allotted one ordinary fully paid share in the company for each Option exercised. Options are exercisable in whole or in part until the expiry date. Any Options not exercised before expiry will lapse.

DIRECTORY OF OFFICES

Adelaide

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

Brisbane

Unit 4
67 Robinson Road East
Virginia QLD 4014
Telephone (61) 7 3637 5577
Facsimile (61) 7 3637 5587

Melbourne

Unit 2
4 Garden Road
Clayton VIC 3180
Telephone (61) 3 8549 7170
Facsimile (61) 3 9545 3970

Unit 2
77 Bayfield Road East
Bayswater North VIC 3153
Telephone (61) 3 9729 0244
Facsimile (61) 3 9729 0308

Perth

Unit 2
50 Howe Street
Osborne Park WA 6017
Telephone (61) 8 9464 8400
Facsimile (61) 8 9242 4433

Unit 3
30 Juna Drive
Malaga WA 6090
Telephone (61) 8 9248 5682
Facsimile (61) 8 9248 7497

Sydney

8 Distribution Place
Seven Hills NSW 2147
Telephone 133 122
Facsimile 1300 303 310

LEGEND
CORPORATION

WWW.LEGENDCORPORATE.COM