

Australian Securities Exchange Announcement

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The Manager
Companies Announcements Office
Australian Securities Exchange
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LEGEND CORPORATION ANNUAL GENERAL MEETING

ADDRESS BY THE CHAIRMAN

Dear Shareholders,

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

Our company, relative to our peers and industry sector, performed well in the year in review although the Net Profit after Tax (NPAT) was lower than last year as a consequence of the market environment and lower than expected client demand.

We achieved modest revenue growth of 2% with \$105 million in sales and a gross profit of 45% - similar to last year.

Operating expenses increased 12% over the prior corresponding period, largely as a result of increased investment in sales personnel, product development, communications and bad debts.

Earnings Before Interest Tax Depreciation and Amortisation, (EBITDA) were down 20% to \$13.8 million at a reduced margin of 13.1%. We also incurred expenses of \$1.1 million of a one off nature related to a large bad debt of \$751,000 and accelerated depreciation of leasehold improvements due to rapid growth in our Perth operations necessitating a move to larger premises.

If the one-off items were excluded, the NPAT for the 2013 year would have been approximately 20% lower than the prior year on a like for like basis.

Net Profit After Tax was \$6.7 million or 3.1 cents per share. Our outlook in the coming year is for an improvement over these results.

Operating cash flow for the year was \$6.6 million compared to \$6.4 million for the prior year and additional capital of \$6.9 million was required to fund both inventory increases and deferred payments for the acquisitions of Ecco Pacific and MSS Fibre. Our return on invested capital on acquisitions was 28%.

The company balance sheet is in a strong position with total net assets (total assets less total liabilities) of \$61.2 million or 27.9 cents per share.

DIVIDENDS

In April the company paid an interim dividend of 0.6 cent per share and the full year dividend of 1.1 cents per share was paid to all shareholders in October. This represent an attractive yield of 5.0% based on today's share price.

OPERATIONS

The group operations are reported in two distinct segments **Electrical, Power and Infrastructure** and **Innovative Electrical Solutions**. Brad Dowe our Managing Director and CEO will present further details on the financial and business operations within his presentation to the meeting.

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OUR GROWTH STRATEGY

Our business strategy is delivering results validated by Legend achieving a small revenue growth of 2% in a market where many of our peers are seeing a decline in the order of 10 to 20% in longer term revenue trends. Our strategy is to grow organically our existing businesses and target synergistic acquisitions of companies where we can cross sell our products and target related market sectors offering long term growth.

Our strategy has 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.

In October 2012 Legend acquired selected business assets including stock and goodwill of Ecco Pacific Limited in Australia and New Zealand for integration within the Electrical, Power and Infrastructure segment.

In a separate transaction the Group also acquired Spectron (NZ) which significantly enhances our sales and distribution capabilities and has allowed the company to also integrate the New Zealand based assets of Ecco Pacific Limited with our sales of CABAC products for this market. We are confident that this investment in a well recognized brand in the New Zealand will provide growth in sales and profits for 2014.

All of these acquisitions have proven to be earnings accretive for the Group.

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 Stock Exchange regulations and principles of good corporate governance.

Our Remuneration Report is enclosed which outlines the Group remuneration policies, board performance and the senior executive remuneration policies and compensation.

OUTLOOK

Our strategy to position Legend business into growth areas of the Australian economy and improve our operations and sales performance has been somewhat masked by the underlying reduction in demand for our core products within the market environment over the last 12 months. We expect the market for our products to improve throughout the remainder of the financial year.

Our unaudited net profit before tax based on actual results to the end of October is \$3.74 million which is 17% above the prior corresponding period and we expect this trend to continue. The directors note that we are expecting a one off tax charge relating to discontinued international operations (2009) of \$235,000. While this business performance is below our expectations, we are operating in a market environment where we are only just beginning to see growth and demand for our products. Our new products and services combined with opportunities within our existing and newly acquired businesses position us favourably in relation to our peers to deliver improved results for shareholders.

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

Bruce E Higgins
Chairman
Legend Corporation Limited