

Australian Securities Exchange Announcement

30 October 2014

The Manager
Companies Announcements Office
Australian Securities Exchange
Electronic Lodgment

Dear Sir/Madam

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 with Net Profit After Tax (NPAT) at the same level as last year of \$6.7 million. Our business operated in a flat market environment with lower than expected client demand.

We achieved revenue of \$102.1 million in sales, a decline of 3%, with gross profit of 44% similar to last year (2013: 45%).

Operating expenses decreased 7% over the prior corresponding period, largely as a result of a decrease in employee expenses and bad debts.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) were down 5% to \$13.2 million at a margin of 13%. Net Profit After Tax (NPAT) was \$6.7 million or 3.1 cents per share. This was equal to last year's reported profit. Operating cash flow for the year was \$9.8 million compared to \$6.6 million for the prior year, an improvement of 47%.

The company balance sheet is in a strong position with total net assets (total assets less total liabilities) of \$64.0 million or 29.1 cents per share.

Our bank bill facilities have been changed to a more efficient facility structure and migrated to the Australian and New Zealand Banking Group Limited and now extend to 23 June 2017.

Net bank debt decreased to \$13.1 million from \$15.9 million and is 1 times EBITDA.

Net debt to shareholder funds has decreased from 26% to 20%, remaining at conservative levels. Interest coverage is 9 times, up marginally from 8 times reflecting decreased debt.

Dividend

In April the company paid an interim dividend of 0.75 cent per share and a full year dividend of 1.0 cents per share was paid in October, which shareholders would now have received, taking the full dividend to 1.75 cents, a yield of approximately 7% based on today's share price.

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Operations

www.legendcorporate.com

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.

Our Growth Strategy

We have not delivered on our growth strategy in the 2014 financial year where our revenue declined by 3%. Although many of our peers are also not achieving growth we have higher expectations of Legend's performance. We continue to believe that our strategy to grow organically our existing businesses with development of complimentary technology products providing higher margins combined with synergistic acquisitions of companies where we can cross sell our products and target related market sectors offering long term growth is the right path. As an example I am excited by the development of our wide range of dimmer switches and timer products that now has 11 products in the range that can be both retrofitted and supplied to new homes and offices for standard wall plate switches.

Our core growth program also continues to focus on our existing businesses which also have opportunities for growth, especially as the business conditions improve within Australia.

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 Remuneration Report is set out in the annual report and sets out the Group's remuneration policies, board performance and the senior executive remuneration and compensation.

Outlook

Our strategy to position the Legend business into product sectors where we anticipate growth, such as in energy efficiency related products and also broader strategies within growth areas of the Australian economy where we can leverage our inventory, marketing and supply channels, technology and quality of products. We continue to be optimistic that the investment in businesses and products that we have made over the past few years will deliver growth.

Our outlook for the full year is for an improvement in these results and today we have released a forecast that the first half to December 2014 of Net profit After Tax (NPAT) is likely to be similar to the corresponding half last year of \$3.4million.

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
30 October 2014