



Investor Update
May 2015

LEGEND
CORPORATION

Disclaimer

Outlook Statement

This presentation contains forward looking statements which may be subject to significant uncertainty outside of Legend Corporation Limited's (Legend) control.

No representation is made as to the accuracy or reliability of the forecasts or the assumptions on which they are based.

Actual future events may vary from these forecasts. Users of this information are cautioned against placing undue reliance on any forward looking statements.

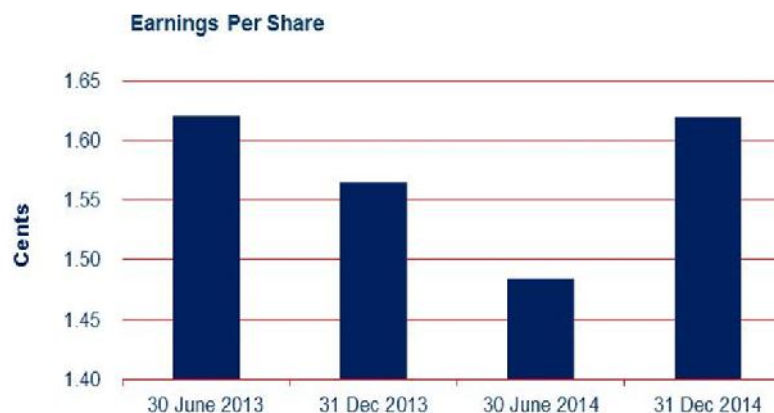
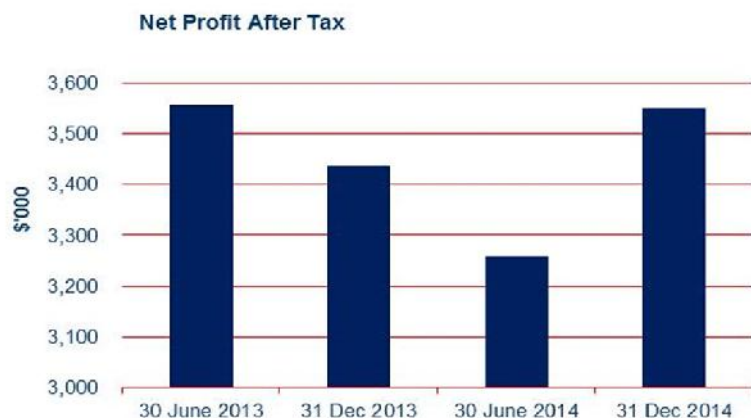
2015 Half Year - Legend Reports Improved Result in Difficult Market

Net Profit after Tax (NPAT) \$3.6 million up, 3.3% on prior corresponding period (pcp).

Earnings per share 1.6 cents up 3.2%.

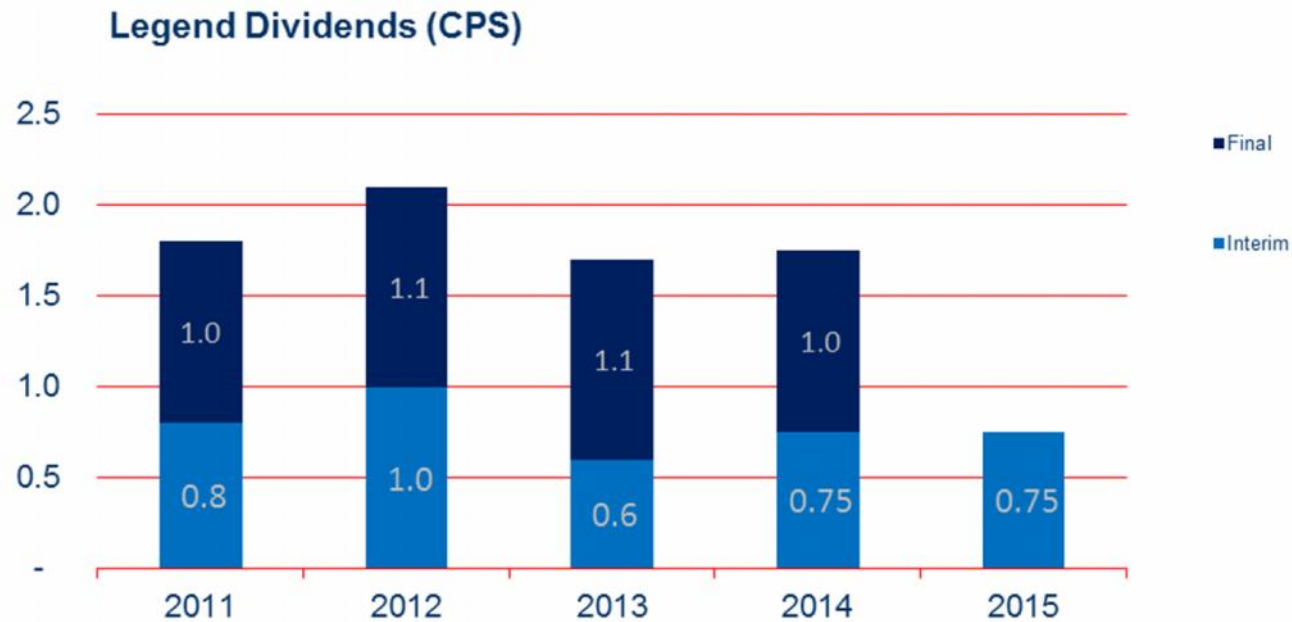
Group revenue down 8%, gross profit 4% lower on improved margin of 45.2% (43.1% pcp).

Overhead expenses down 4% on pcp due to continuing actions to match expenses to business conditions.



2015 Interim Dividend

A fully franked dividend of 0.75 cents, in line with pcp, was declared for the first half of the 2015 financial year with a Record Date of 27 March 2015 and Payment Date of 4 May 2015.



2015 Half Year Financial Summary

	31 December 2014 \$000	31 December 2013 \$000	% Change
Revenue	48,203	52,524	(8.2%)
Cost of goods	(26,413)	(29,863)	11.5%
Gross profit	21,790	22,661	(3.8%)
Gross profit margin	45.2%	43.1%	
EBITDA	6,635	6,858	(3.3%)
EBITDA margin	13.8%	13.1%	
EBIT	5,559	5,650	(1.6%)
EBIT margin	11.5%	10.8%	
NPBT	5,069	5,068	0.0%
NPBT margin	10.5%	9.7%	
NPAT	3,550	3,346	3.3%
NPAT margin	7.4%	6.5%	
Earnings per share	1.62 cents	1.57 cents	3.2%
Dividends paid	1.0 cents	1.1 cents	(10.0%)
Dividends announced	0.75 cents	0.75 cents	0.0%
Cash Flow			
Operating cash flow	4,223	4,764	(11.4%)
Financial Position	31 December 2014	30 June 2014	
Net assets	65,338	63,977	2.1%
Net bank debt	(12,040)	(13,063)	7.8%

2015 Half Year - Electrical, Power and Infrastructure

	30 June 2013 \$000	31 Dec 2013 \$000	30 June 2014 \$000	31 Dec 2014 \$000
REVENUE	48,758	47,485	44,773	42,800
EBITDA	5,503	4,957	4,188	3,861
Operating Profit	3,894	3,847	3,142	2,890

Demand from the traditional customer base of residential and commercial construction has shown growth however not sufficient to offset the declines in mining associated activities with segment revenue 10% down on pcp.

Price repositioning maintained gross profit margins in line with pcp and overhead expenses were trimmed in light of current market demand to partially compensate for the decline in revenue.

2015 Half Year - Innovative Electrical Products

	30 June 2013 \$000	31 Dec 2013 \$000	30 June 2014 \$000	31 Dec 2014 \$000
REVENUE	4,478	6,356	6,145	6,665
EBITDA	1,644	1,900	2,110	2,773
Operating Profit	1,543	1,803	1,978	2,669

Segment profit was up 48% on pcp through an increase in revenue of 5% and the sale of higher margin products.

The development of in-house designed and engineered products for distribution through the Groups various sales channels remains a key focus. Inter-segment revenue for the period from the sale of these products constituted approximately 20% of segment revenues.

2015 Half Year - Revenue & Gross Profit

Group revenue was down 8% on pcp to \$48.2 million. Demand from the traditional customer base of residential and commercial construction has shown growth however not sufficient to offset the declines in mining associated activities

Gross profit margins were up from 43.1% pcp to 45.2%. New higher margin products were introduced along with pricing adjustments in response to the higher cost of goods as a result of a lower Australian dollar.



2015 Half Year - Overhead Expenditure

Overhead expenses were down \$601,000 or 4% on pcp and were maintained at 70% of gross profit despite the 4% decline in gross profit.

Depreciation and amortisation totalled \$1.1 million, down 11% on pcp.

Finance costs net of interest were down 16% on pcp to \$490,000 as a result of reduced debt levels and interest rates.

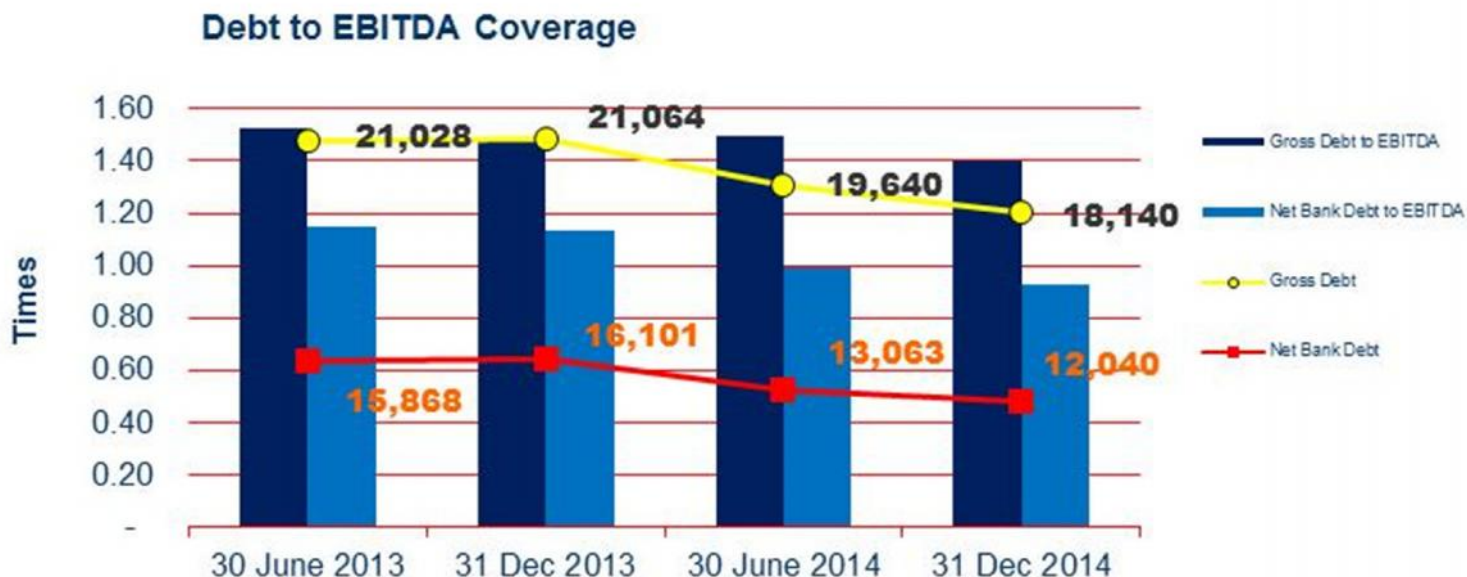


2015 Half Year - Bank Debt

Net bank debt reduced by \$1.1 million to \$12.0 million, 0.9 times EBITDA.

Debt repayments for the 6 months totalled \$1.5 million. No additional debt was drawn during the period.

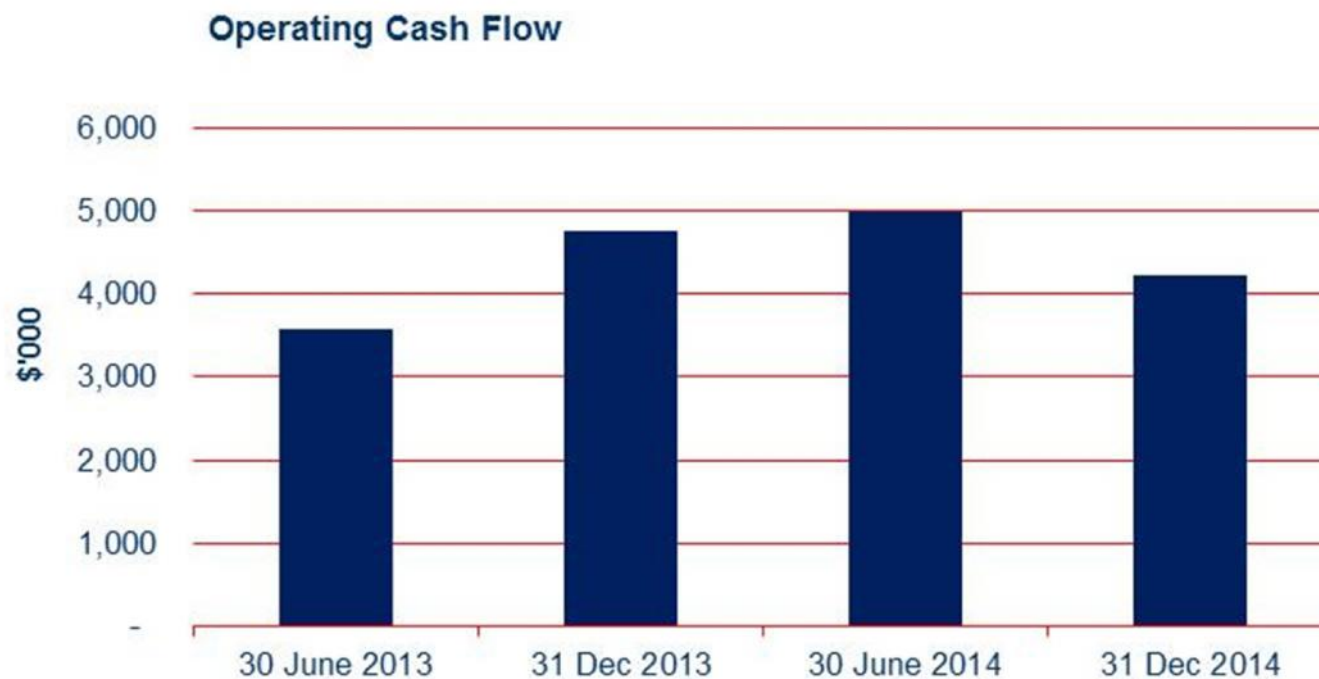
Debt facilities do not require renegotiation until 2017 and offer capacity for both organic and acquisitive growth.



2015 Half Year - Operating Cash Flow

Operating cash flow was \$4.2 million down 11.4% on pcp (\$4.8 million)

Working capital requirements were up due to an increase in stock on hand.



Acquisitions

A final deferred payment of \$712,000 was paid for the selected business assets of Ecco Pacific Limited bringing total consideration for this acquisition to \$2.8 million.

Acquisition of System Control Engineering (SCE) effective 1 May 2015:

- SCE has been an industry leader for almost 50 years in the supply of products and parts for gas, electrical and HVAC&R in Australia and New Zealand.
- SCE forecast revenue for the year ended 30 June 2015 will be approximately \$28.5 million with Earnings before Interest and Taxation (EBIT) of \$1.85 million (unaudited).
- Net tangible assets excluding cash on hand at completion will be in the region of \$8.7 million.
- Legend will acquire SCE for an initial payment upon completion of \$9.2 million, plus a deferred payment of \$1m payable 31 December 2015. The vendors will remain with the business and can achieve a total in deferred payments of up to \$7.7 million based on the EBIT results for the financial years ended 30 June 2016 through 30 June 2019.
- SCE will operate as a distinct division of Legend Corp.

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2015 Year to Date Performance

Performance for the past four months to the end of April has follows a similar trend to that of the first half. Year to date revenue remains approximately 5% behind pcp, with margins solid at 45%. Expenses management continues to be the key driver for stable profits.

The addition of SCE from 1 May 2015 is not expected to impact the full year result as acquisition associated costs will consume the additional EBIT contribution.

May and June have traditionally been our strongest sales months, in particular in the key market of electrical wholesale. We look to finish the year well and consolidate the lift in NPAT announced at the half year.

Outlook

Our markets remain highly competitive with added pressure as a result of the falling Australian dollar and weakness in the mining and electrical generation segments of the economy.

Despite these considerable challenges, improving activity in our traditional core markets of residential and commercial construction point towards future growth which will be somewhat offset by the continued decline in mining associated activities.

Management is focused on delivering both revenue and margin growth, addressing market challenges effectively whilst continuing to review expenses and match working capital to business conditions.

Legend remains well positioned for both organic and acquisitive growth. We are confident that the strategies we have in place in each of our businesses positions the Group well for the future.

Thankyou



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