



Legend Corporation Investor Update June 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.

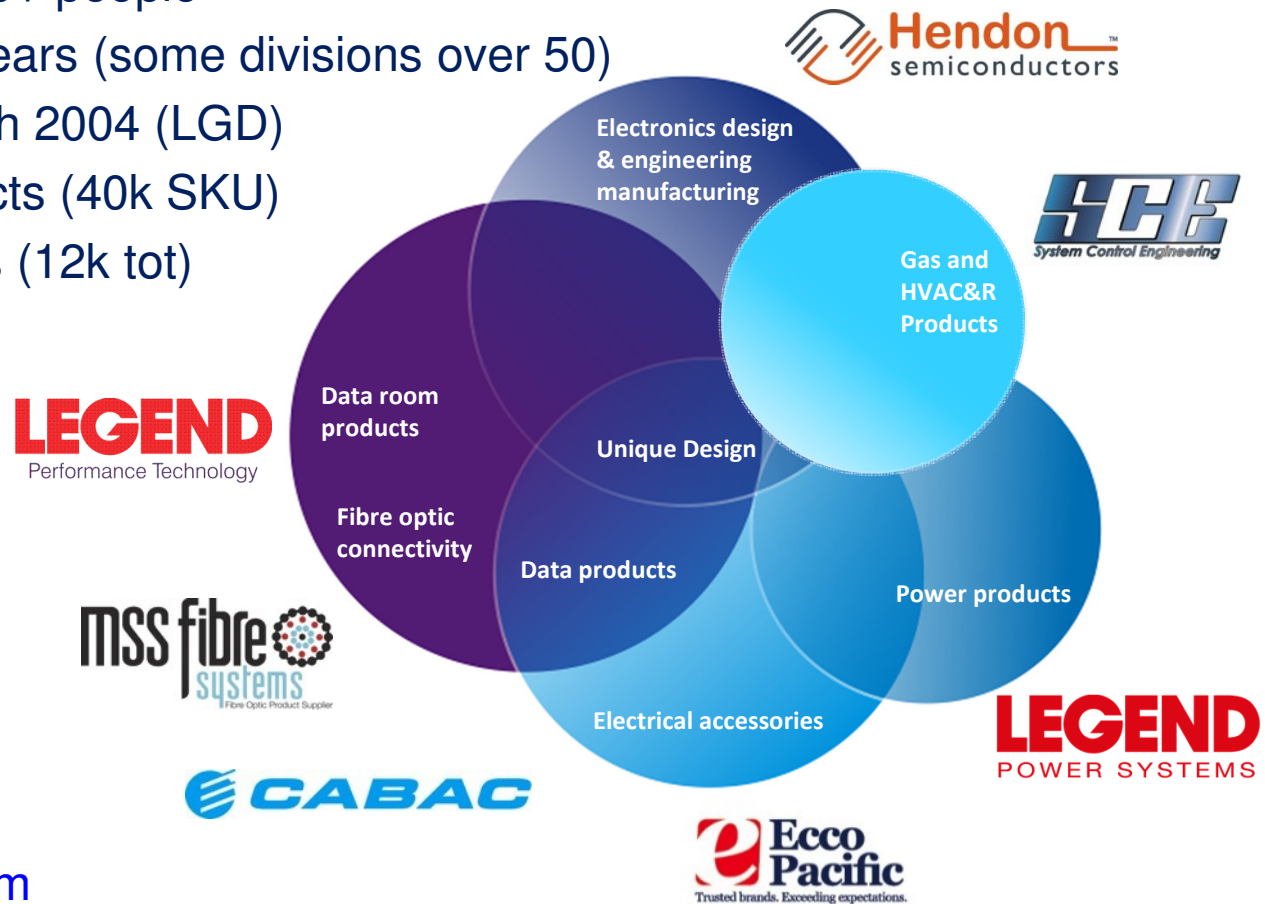
No representation is made as to the accuracy or reliability of the forecasts or the assumptions on which they are based.

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

About Legend Corporation – Sales Divisions

Australian & New Zealand Engineering Solutions Group

- Seven divisions delivering market leading brands
- \$130+M Revenue, 300+ people
- Established over 30 years (some divisions over 50)
- ASX listed since March 2004 (LGD)
- 24,000+ Active Products (40k SKU)
- 9,000+ Active Clients (12k tot)



www.legendcorporate.com

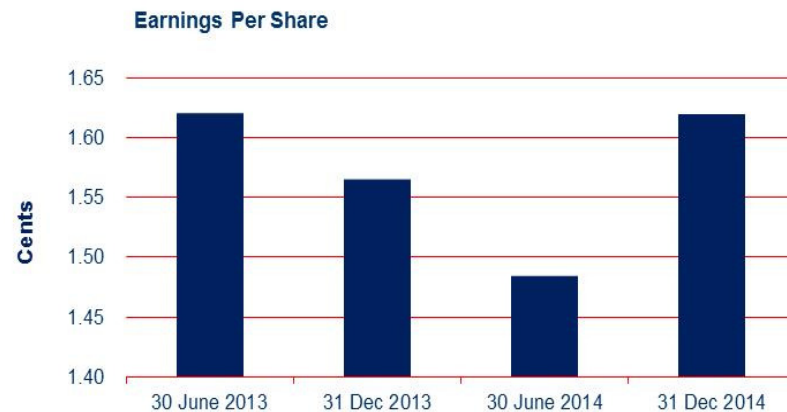
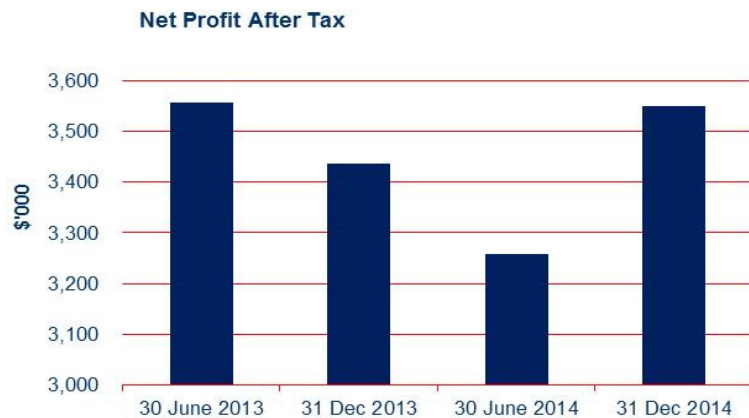
2015 Half Year to Dec 14 - Improved Result in Difficult Market

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%.

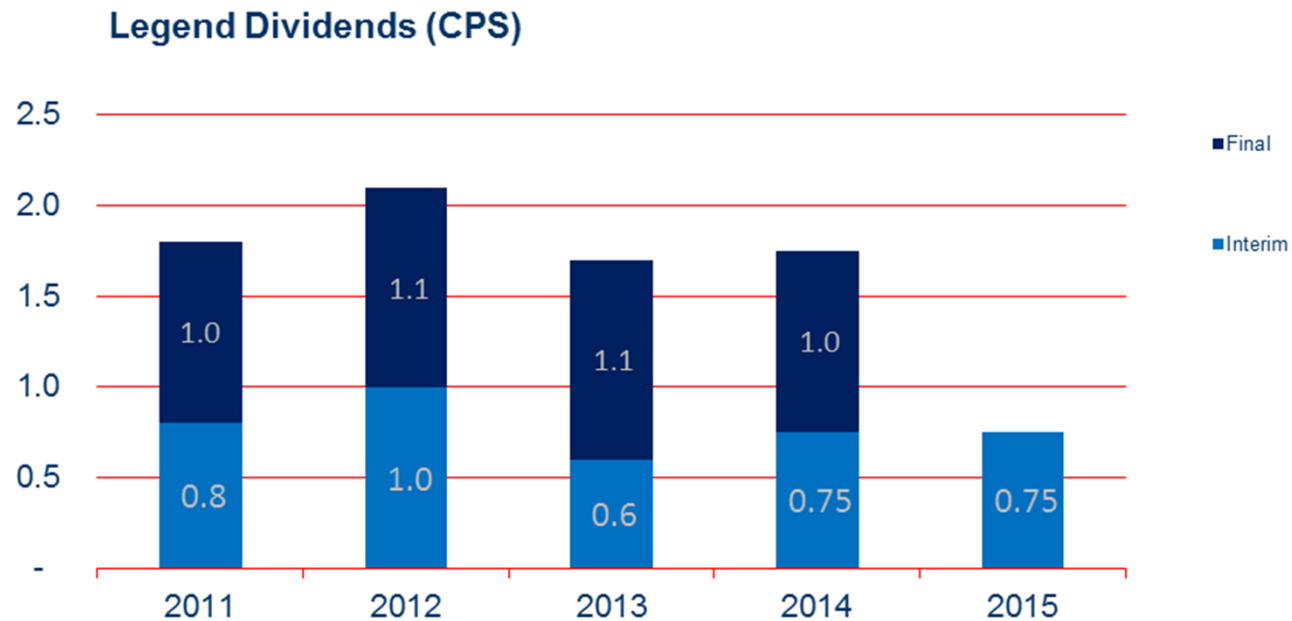
Group revenue down 8%, gross profit 4% lower on improved margin of 45.2% (43.1% pcp).

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



2015 Half Year to Dec 14 - 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 to Dec 14 - 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 to Dec 14 - 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 to Dec 14 - 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.

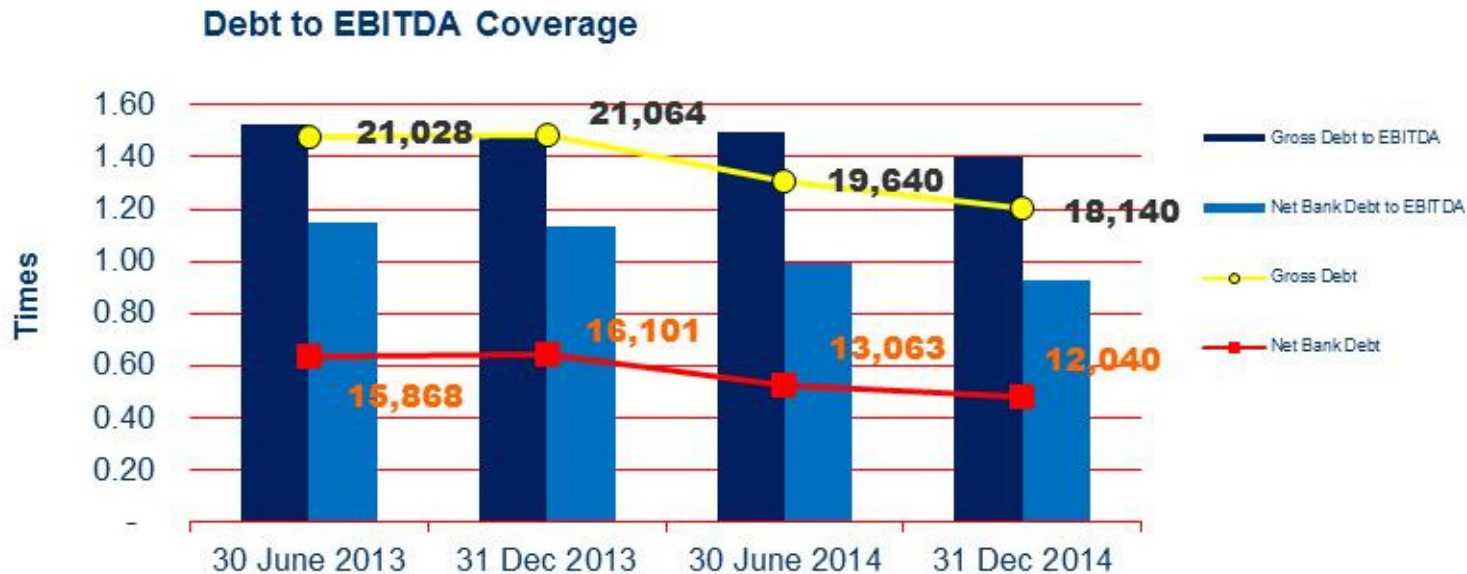


2015 Half Year to Dec 14 - Bank Debt

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.

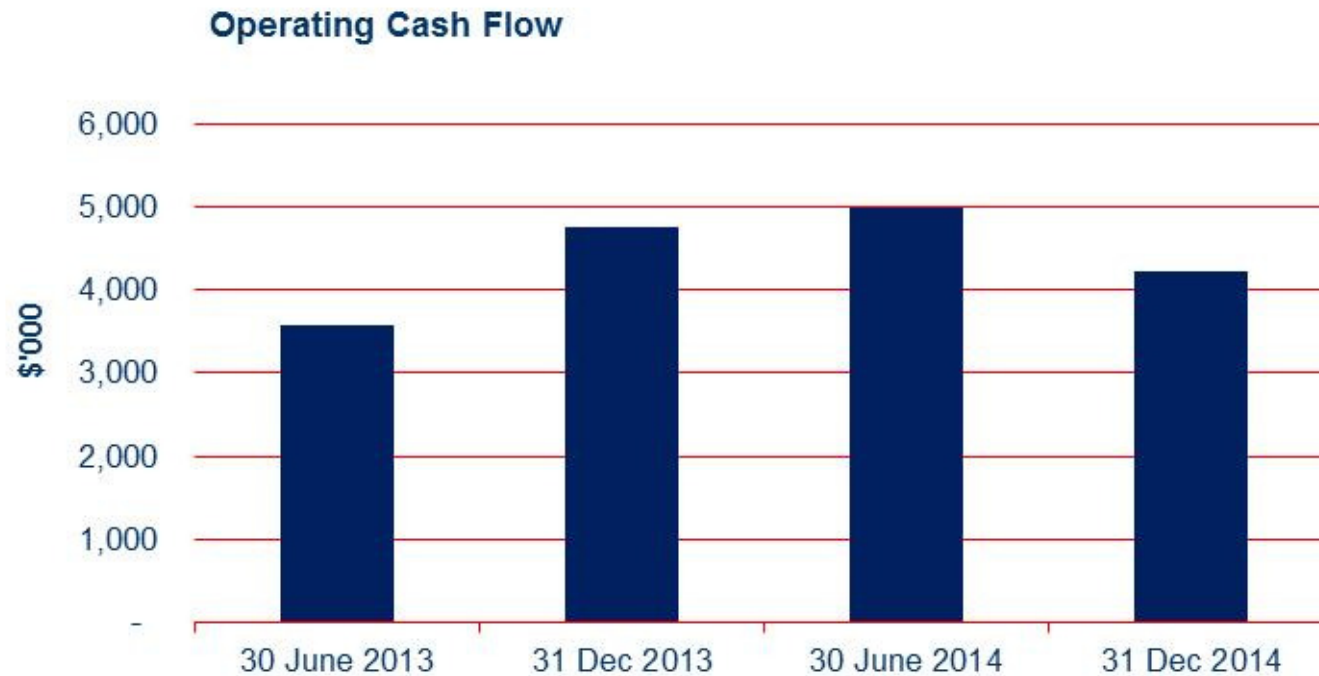
Debt facilities do not require renegotiation until 2017 and offer capacity for both organic and acquisitive growth.



2015 Half Year to Dec 14 - 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.





Legend Corporation an Introduction

LEGEND
CORPORATION

About Legend Corporation – Warehousing & Manufacturing



Nine National Warehousing and Manufacture Facilities

Top Row: SA, NZ, VIC

Middle Row: NSW, WA, QLD

Bottom Row: VIC



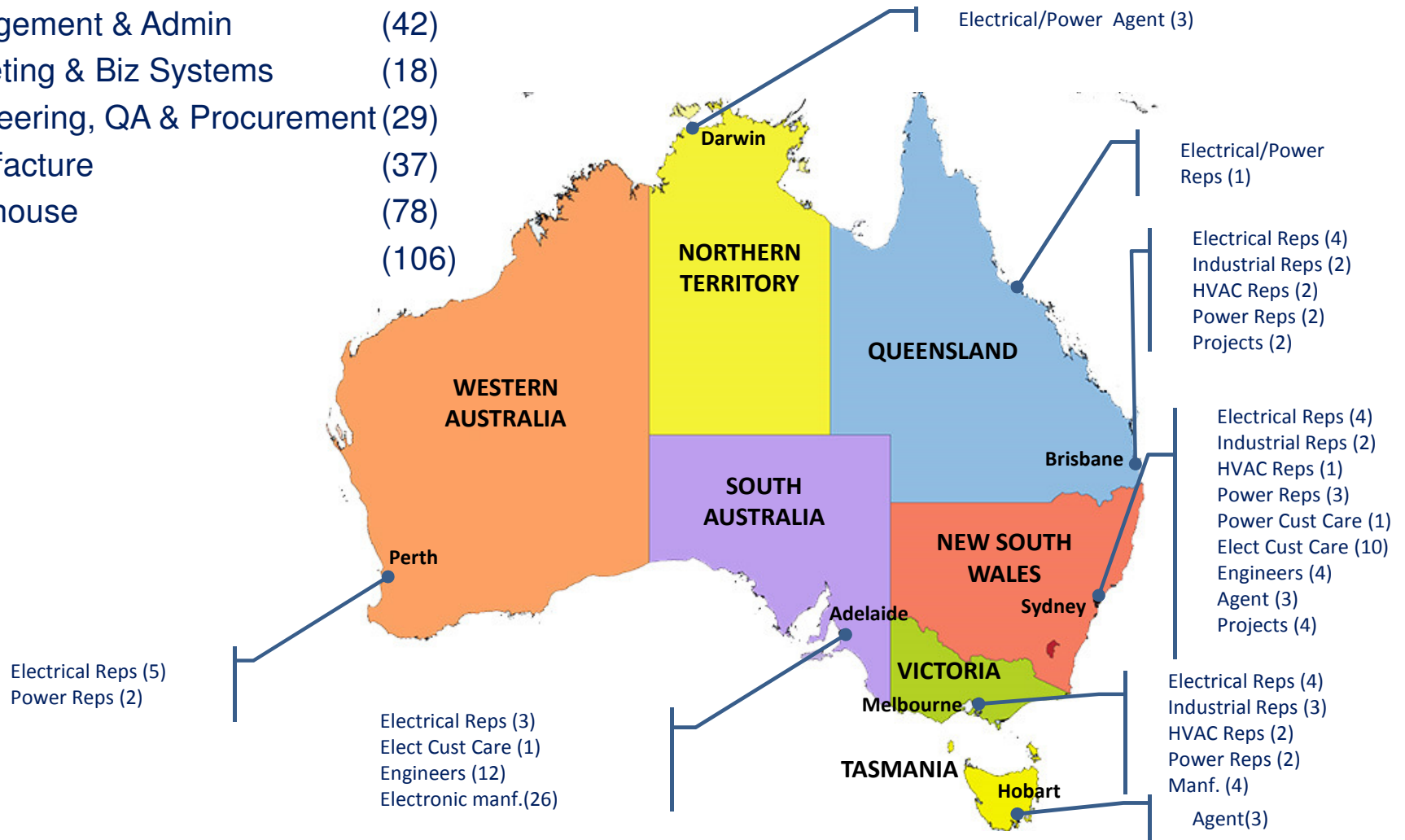
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About Legend Corporation – National Sales, Strong Teams

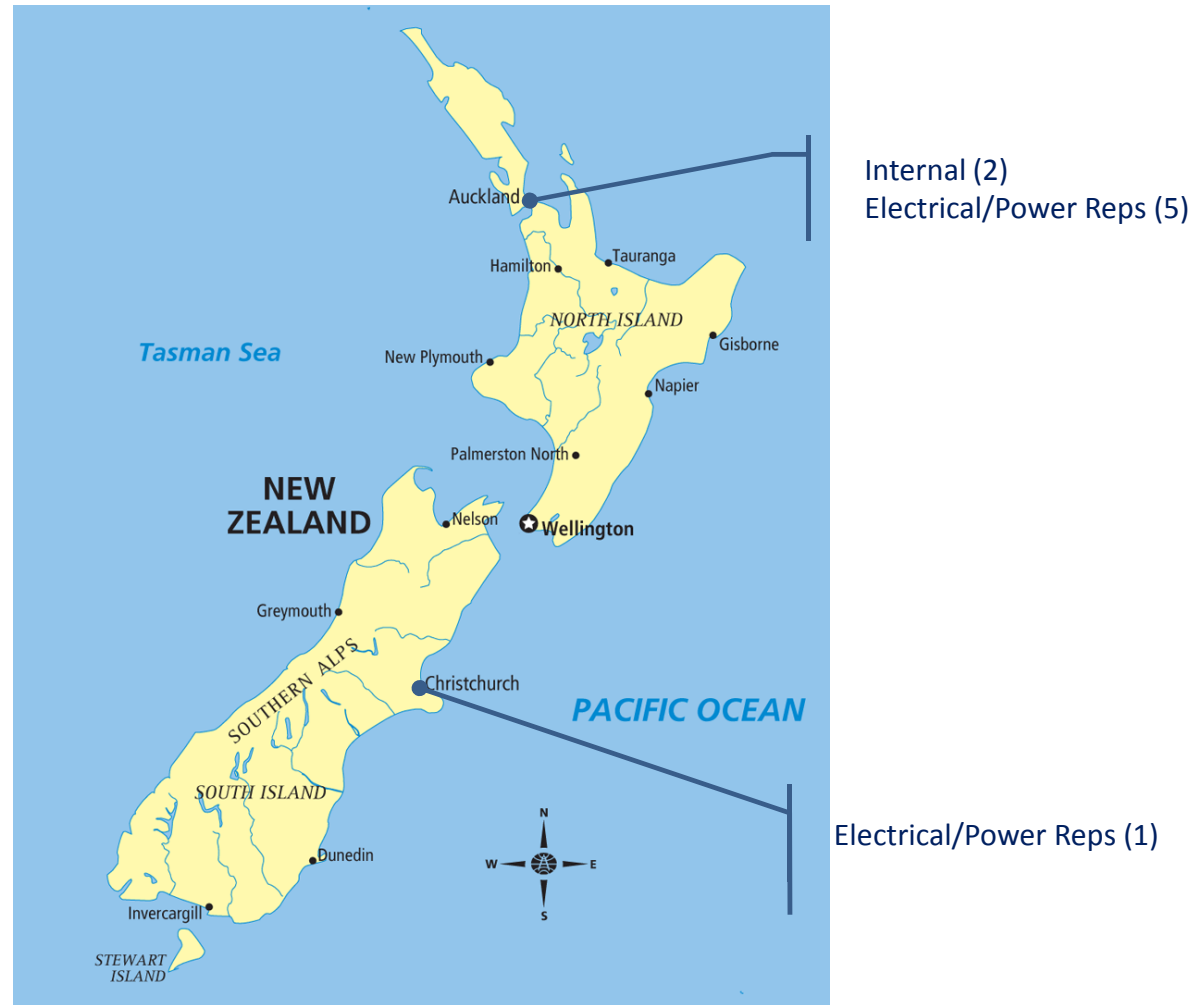
Australia

Management & Admin	(42)
Marketing & Biz Systems	(18)
Engineering, QA & Procurement	(29)
Manufacture	(37)
Warehouse	(78)
Sales	(106)



About Legend Corporation – National Sales, Strong Teams

New Zealand



Our Board of Directors

Bruce Higgins Chairman, Non Executive Director
BEng, CPEng, MBA, FAICD

Bruce is an experienced Non-Executive Director, Chairman and former Chief Executive of both private and listed companies within Australia and internationally. Spanning 25 years, Bruce has worked with a diverse range of companies including engineering, manufacturing and providing professional services to larger contracting businesses. Bruce is a member of the Audit and Risk Management Committee and is Chairman of the Remuneration Committee and the Nominations Committee.



Ian Fraser, Non Executive Director
FCPA, FAICD

Ian was appointed as a Director in January 2008. He is currently the Non-Executive Chairman of Forest Place Group Limited and a Non-Executive Director of Structural Systems Limited and PMP Limited. 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 Limited. Ian also has substantial international experience having lived and worked in South East Asia and the United States. Ian is the Chairman of the Audit and Risk Management Committee, and a member of the Remuneration Committee and the Nominations Committee.



Brad R Dowe Managing Director & CEO

BSc (Computer Science)

Brad is the founder and Chief Executive Officer of Legend and has been working in the field of computing and engineering for over 20 years.

His experience covers all facets of electronics, engineering, product development, manufacturing processes and systems development and international business operations. Brad is a member of the Legend Nomination Committee.



Graham Seppelt, Company Secretary CPA

Graham was appointed as Company Secretary in January 2005. Graham is a Certified Practising Accountant with 40 years experience and has had a wide exposure to a range of industries as a Senior Manager and contract Accountant in corporate advisory roles.



About Legend Corporation – National Warehouse Facilities

National warehousing with more than \$34 Million in Stock

Sales Office & National Distribution

- Sydney
- Adelaide
- Perth
- Brisbane
- Melbourne
- New Zealand (Auckland)

Rapid Response Capability

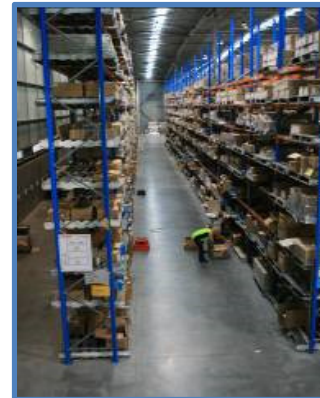
- DIFOT 98%+

EDI Order Processing

- From your purchasing department direct to our warehouse picking

Online Ordering

- Place orders and see stock availability online



About Legend Corporation – R&D Design Team

Design Capability

- Over 25 Engineers (electrical and mechanical)
- Standards ISO9001
- NATA Laboratories (Adelaide and Sydney)

3D Modelling Software

- CAD/CAM Design
- In-house prototyping

Design Connectivity Solutions

- Hendon Semi-Conductors
- URD systems platform
- Overhead line connectors
- Public lighting management systems



About Legend Corporation – Manufacturing (Adelaide)

Established 1960

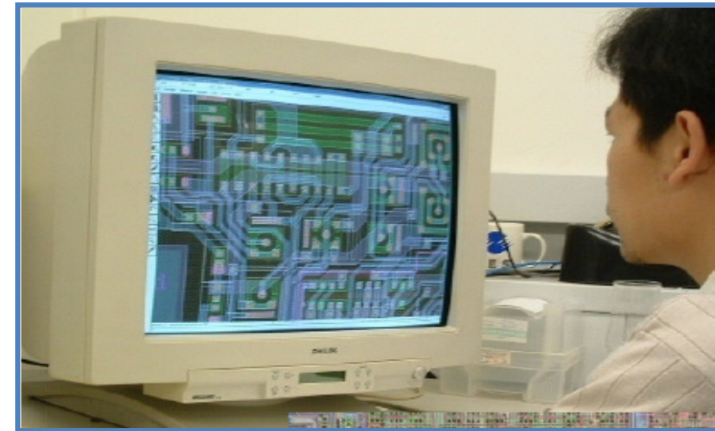
Specialist in energy management, mains switching, temperature control and manufacturing

Accreditation

- ISO9001
- ISO13485 Medical Certification
- FMEA on all products and process to SAEJ-1739

Experienced Design Team

- State of the art design
- Integrated circuit expertise
- Simulation tools
- Expert application support

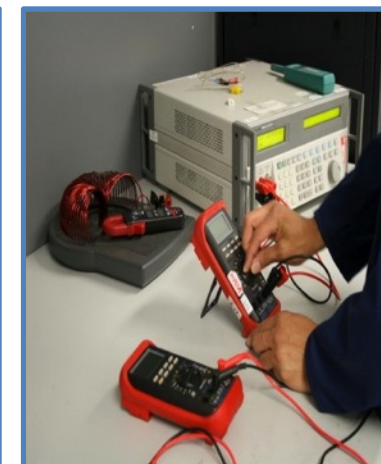




About Legend Corporation – NATA Accredited Laboratories

A Segment of the Engineering Division

- Closely involved with;
 - Development of new products
 - Testing of any product
- Participation from;
 - General design
 - Prototyping



Recognition & Endorsement of Quality & Service

- Major clients in;
 - Australia
 - South Africa
 - New Zealand
 - Fiji



Laboratory tests are instrumental in achieving product approval

About Legend Corporation – Quality Accreditation

Our Commitment to Quality

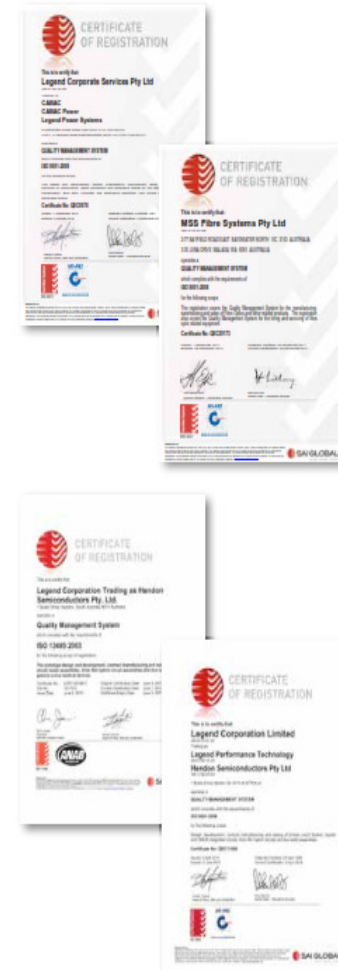
Legend is committed to providing the highest quality in products and services ensuring continual compliance to Australian Standards, Compliance and Certification.

Standards & Compliance

All manufacturing facilities are certified to ISO9001 Quality Accreditation and ISO/IEC 17025 (verified by NATA) and the Hendon, South Australia facility is an approved Australian Defence Manufacturer. Hendon is also certified to Medical Device Quality Management Standard ISO 13485.

Test & Certification Capabilities

- ✓ Electrical testing
- ✓ Mechanical & tensile testing between 50kN & 500kN
- ✓ Water penetration testing
- ✓ Hardness measurement
- ✓ Environmental testing
- ✓ Heat cycle testing
- ✓ Temperature cycling measurement
- ✓ High voltage (AC & DC) testing
- ✓ Insulation resistance
- ✓ Plating thickness measurement
- ✓ PCB bed of nails filtering with automated by DC parametric testing
- ✓ Life cycle tests or product, components & subassemblies
- ✓ QA batch sampling testing & static analysis
- ✓ Stress testing for electronics components & subassemblies
- ✓ Test to destruction - 5Kv stress tests





Divisional Snap Shots

Hendon Semi-Conductors



- Established in 1947 as Phillips Microelectronics
- Customer base: Medical, Semi-conductors, Auto and CE OEMs
- Technical innovation leader
- Designs and manufactures;
 - Integrated Circuits (IC's)
 - Thick Film Hybrids
 - Printed Circuit Boards (PCB) module assemblies
- Supplying;
 - Telecommunications
 - Medical
 - Automotive
 - Consumer Electronics
 - Defence
- Over 100 million Integrated Circuits delivered



CABAC



- Established in 1982
- Customer base: Electrical Wholesale
- Service leader: One Call...One Day...One Delivery
 - Imports electrical and data accessories
 - Distributing through 1,700 electrical wholesalers
- Services a diverse range applications;
 - Residential
 - Commercial
 - Primary Infrastructure
- Supplying;
 - Electrical market
 - Data market
- Industry benchmark in service and delivery
 - Since 1987 continuously highest service distributor award



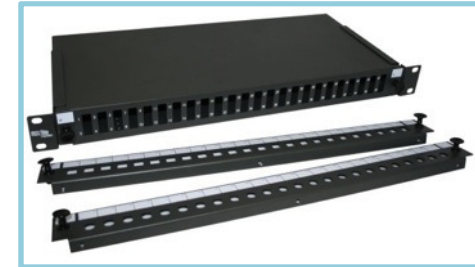
MSS Fibre Systems

Manufacturing Facility

Our modern production operation utilises the latest technology and procedures for manufacturing pre-terminated fibre optic cables and cable assemblies



- Established in 2000
- Customer Base:
Telecommunications, data
and defence
- Unique products
- Service and training



Legend Performance Technology

- Established in 1989
- Customer Base: IT, Security, Telecom's Integrators
- Technology leadership
- Manufactures a wide range of;
 - Application specific Memory for high end
 - Data room products
 - Digital products
 - Computer accessories
- Servicing;
 - Information, Communication and Data room
 - Computer Application Memory market

LEGEND
Performance Technology



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CORPORATION

mss fibre
systems

CABAC
One Call → One Day → One Delivery

LEGEND
POWER SYSTEMS

Ecco
Pacific

Hendon
semiconductors

LEGEND
PERFORMANCE TECHNOLOGY

SCE
System Control Engineering

Legend Power Systems

- Established in 1996
- Customer Base: Power Utilities, Rail, Ports and Mines
- Unique products and service
- Engineering and manufacturing facility
 - Manufactured to exacting tolerances on fully automatic equipment
 - Custom engineered products
 - Designed, engineered and manufactured to client requirements

LEGEND
POWER SYSTEMS



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LEGEND
CORPORATION

mss fibre
systems

CABAC
One Call → One Day → One Delivery

LEGEND
POWER SYSTEMS

Ecco
Pacific

Hendon
semiconductors

LEGEND
PERFORMANCE TECHNOLOGY

SCE
System Control Engineering

System Control Engineering (SCE)



Industry Leaders in Gas Electrical and HVAC&R

SCE have been an industry leader for almost 50 years, specialising in tools, parts and products for gas electrical and HVAC&R.

- Covering all of Australasia
- Representing over 30 supply companies
- Major supplier to the service industry for over 40 years
- 8,000 line items
- Operating across Gas, Electrical, HVAC&R Industries
- Sales offices in all states including WA, by All Controls (agent), and New Zealand (System Control NZ Ltd)



Warehouse – Brisbane, QLD

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.

Outlook

Performance for the five months to the end of May 2015 has followed a similar trend to that of the first half.

Revenue for the full year is now expected in line with 2014. NPAT is likely to be 3% above that which was reported last year of \$6.7 million.

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.

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.



Thank You

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