

Australian Securities Exchange Announcement

28 October 2016

The Manager
Companies Announcements Office
Australian Securities Exchange
Electronic Lodgment

CHAIRMAN'S ADDRESS TO THE ANNUAL GENERAL MEETING

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

For the financial year 2016 the company achieved revenue \$119 million up 16.4% due to the inclusion of System Control Engineering (SCE) for the full year (two months in FY15). In our established markets we have seen a reduction in demand while maintaining our market share. The acquisition of System Control Engineering has delivered on our growth expectations and provided net growth to the group. Margins for the year were slightly down from 44% to 41% compared to the prior year largely due to the consolidation of SCE margins.

Net Profit after Tax (NPAT) was \$5.2 million, down 24.6% on the prior year representing 2.4 cents per share. On a normalized basis, taking into consideration acquisition and restructuring expenses, the underlying NPAT was \$5.9 million down 14% on the prior year.

Operating cash flow was strong at \$9.2 million compared to \$6.4 million for the prior year, an increase of 45% due to timing differences in tax installments, lower interest rates and tight expense management.

In May the company paid an interim dividend of 0.6 cents per share and the full year dividend of 0.6 cents per share will be paid on the 5th of December.

Turning to corporate governance, your board of Directors are committed to ensure the company is properly managed through the implementation of sound strategies and action plans and demonstrating high standards of corporate governance and compliant with the Australian Securities Exchange requirements. 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.

Looking ahead we have committed to a reduction in operating expenses of \$1 million in FY17, of which 80% are already confirmed largely as a result of the nearly completed consolidation of our Victorian operations and headcount reductions.

Mr. Brad Dowe, our Managing Director will be delivering presentation on our Company and current trading conditions after the conclusion of the formal part of the meeting.

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

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Chairman
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