Appendix 4D
Half-Year Report

HALF-YEAR ENDED 31 DECEMBER 2016
(Previous corresponding period; half-year ended 31 December 2015)

LEGEND CORPORATION

The information contained in this report should be read in conjunction with the most recent annual financial report.

This report is all the half-year information provided to the Australian Securities Exchange under listing rule 4.2A.
The report also satisfies the half-year reporting requirements of the Corporations Act 2001.

Contents

			$'000
Revenue from ordinary activities	Down	9% to	54,964
Profit from ordinary activities after tax attributable to members	Down	68% to	1,007
Net profit for the period attributable to members	Down	68% to	1,007
Earnings per share	Down	68% to	0.5 cents
Underlying profit from ordinary activities after tax [1]	Down	16% to	2,665
Underlying earnings per share	Down	16% to	1.2 cents
Net tangible asset backing per ordinary share	Up	7% to	7.9 cents

Dividends

	Amount per security	Franked amount per security at 30% tax
2016 Final dividend declared 22 August 2016, paid 5 December 2016	0.6 cents	0.6 cents
2017 Interim dividend declared 20 February 2017, payable 2 May 2017	0.6 cents	0.6 cents

A dividend reinvestment plan is not in operation.
None of these dividends are foreign sourced.

Results Overview

Legend Corporation Limited ('Legend' or 'the Group') recorded a statutory Net Profit after Tax (NPAT) of $1.0 million and Earnings Per Share of 0.5 cents for the 6 months ended 31 December 2016. **Underlying NPAT[1] for the 6 months was $2.7 million after adjusting for;**

- One-off costs of restructure and integration of $0.6 million.
- The impairment of assets of our New Zealand based Electrical, Power and Infrastructure division of $1.3 million.
- Implied interest charge on the deferred payments for the acquisition of System Control Engineering (SCE) of $0.2 million.
- Offset by the tax benefit associated with these matters of $0.4 million.

Revenue for the Group was down 9% on the prior corresponding period (pcp). Gas and Plumbing maintained revenue in line with pcp. Electrical, Power and Infrastructure contributed 5% to the decline, reflecting continued subdued demand from electrical wholesale and delays in the progress of power and infrastructure spending. Significant demand in the prior period from a major customer of the Innovative Electrical Solutions segment was not repeated this half, removing 3% in Group revenue.

Cost reduction plans were delivered on during the half with Group overhead expenses down 7% on pcp. The integration of SCE has been completed with lower expenses for the Gas and Plumbing segment contributing to 2% of the reduction in Group overheads. Expected cost savings for the full year remain in excess of $1.0 million.

Operating cash flow remained strong at $5.3 million ($6.0 million pcp). Net debt was reduced by $2.5 million with net debt at period end of $15.4 million or 1.6 times EBITDA.

	31 Dec 2016 $000	31 Dec 2015 $000	% Change
Income			
Sales revenue	54,964	60,119	(8.6%)
Gross profit	22,270	25,165	(11.5%)
Gross profit margin	40.5%	41.9%	
EBITDA	4,750	6,366	(25.4%)
EBITDA margin	8.6%	10.6%	
EBIT	2,455	5,130	(52.1%)
EBIT margin	4.5%	8.5%	
NPBT	1,868	4,615	(59.5%)
NPBT margin	3.4%	7.7%	
NPAT	1,007	3,185	(68.4%)
NPAT margin	1.8%	5.3%	
Underlying NPAT adjustments [1]			
Integration and restructure costs	554	-	
Impairment of goodwill, intangible assets and plant and equipment	1,290	-	
Implied interest charge	175	-	
Tax on adjustments	(361)	-	
Underlying NPAT [1]	2,665	3,185	(16.3%)
Underlying NPAT margin	4.8%	5.3%	
Earnings per share (cents)	0.46	1.45	(68.3%)
Underlying EPS (cents)	1.22	1.45	(15.9%)
Dividends paid (cents)	0.60	1.00	(40.0%)
Dividends announced (cents)	0.6	0.60	0.0%
Cash Flow			
Operating cash flow	5,325	6,016	(11.5%)

	31 Dec 2016 $000	30 June 2016 $000	% Change
Financial Position			
Net assets	68,210	68,513	(0.4%)
Net tangible assets	17,350	16,191	7.2%
Net Bank Debt	(15,385)	(17,871)	13.9%

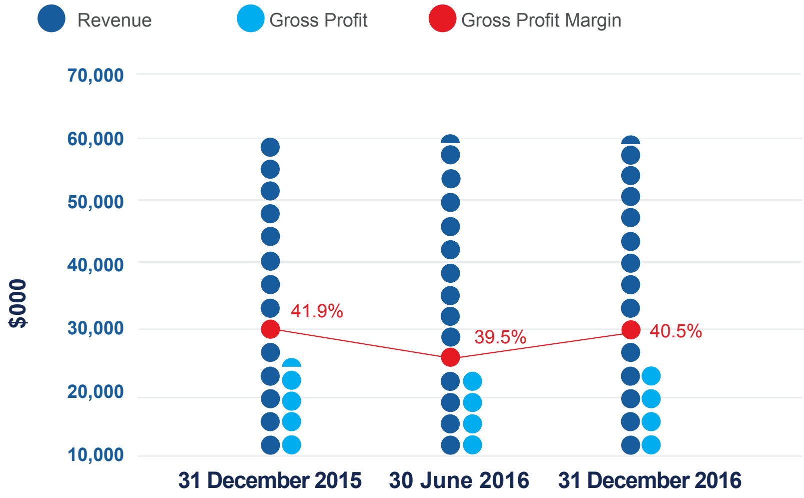
1. The report includes the following non-IFRS measures:

Underlying profit after tax attributable to members of $2.7 million (2015: $3.2 million) is a non-IFRS measure which has been calculated as: NPAT for the half of $1.0 million adjusted for the after tax impact of $0.6 million in one-off restructure and integration cost, a non-cash charge to profit of $0.2 million required by accounting standards relating to an implied interest cost on the deferred settlement payments for SCE, and the impairment of goodwill, other intangible and plant and equipment of our New Zealand electrical division of $1.3 million, offset by the tax associated with these matters of $0.4 million.

Underlying profit is a non-IFRS measure used by the Company which is relevant because it is consistent with measures used internally by management and by some in the investment community to assess the operating performance of the business in light of its change program. The non-IFRS measure has not been subject to audit or review.

Trends in Operation

Revenue & Gross Profit



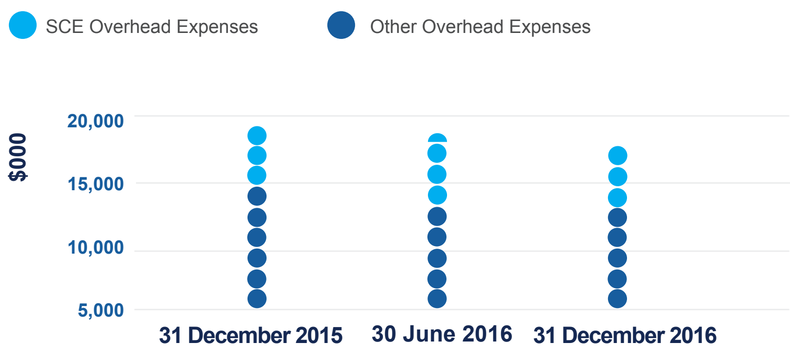
Group revenue was down 9% on pcp to $55.0 million (pcp $60.1 million). Gas and Plumbing maintained revenue in line with pcp, with $3.0 million of the decline from Electrical, Power and Infrastructure and $2.0 million from Innovative Electrical Solutions.

Electrical, Power and Infrastructure has continued to suffer from poor demand in the power sector and continued disruption in the wholesale electrical market.

As previously reported the temporary decline in Innovative Electrical Solutions is almost entirely attributable to a major customer pulling forward regular orders in the pcp not repeated during the current period.

Gross profit margin was up 1% on the previous 6 months with margins in both Electrical, Power and Infrastructure, and Gas and Plumbing segments higher on both the previous 6 months and prior corresponding period.

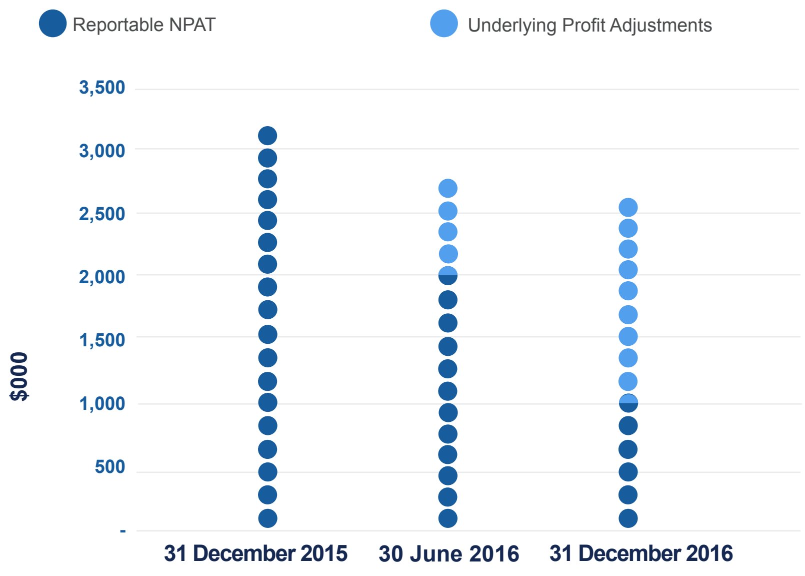
Overhead Expenses



Overhead expenses for the Group were down 7% period on period despite the inclusion of $0.6 million in one-off restructure and integration costs.

Since the acquisition of SCE in May 2015, management has worked to consolidate operations and remove duplication. Consolidation was completed during the period and overhead expenses for our Gas and Plumbing segment were down 13% on pcp.

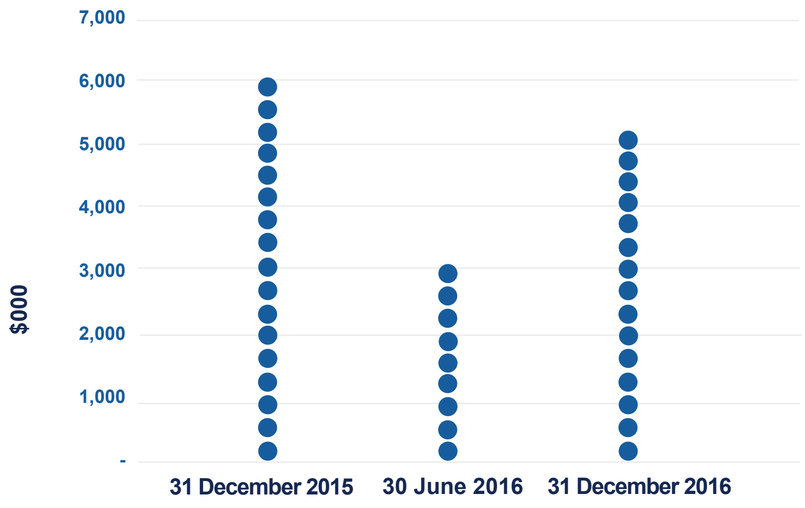
Underlying Net Profit After Tax



Underlying NPAT of $2.7 million was down 16% on pcp after excluding the one-off costs of $0.6 million associated with restructure and integration activities, implied interest on deferred payments of $0.2 million, $1.3 million in impairment, and after the inclusion of the tax benefit associated with the these matters of $0.4 million.

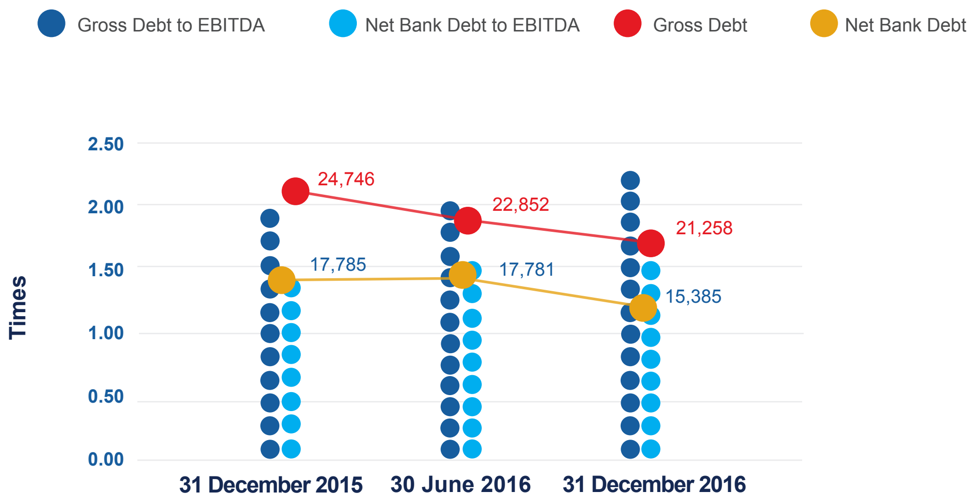
The effective tax rate for the 6 months was 46% due to the level of non-deductible expenses during the period including the impairment of goodwill and the implied interest on deferred payments.

Operating Cash Flow



Operating cash flow remained strong at $5.3 million ($6.0 million pcp), due largely to a reduction in inventory of $2.3 million.

Debt to EBITDA



Net bank debt reduced by $2.5 million to $15.4 million, representing 1.6 times annualised EBITDA.

Debt repayments for the 6 months totalled $2.4 million with additional debt of $0.8 million drawn to fund the second deferred payment from the SCE acquisition.

Banking facilities do not require renegotiation until 2018 and offer capacity for further organic and acquisitive growth.

Electrical, Power and Infrastructure

Segment Results	31 Dec 2015 $000	30 Jun 2016 $000	31 Dec 2016 $000
Revenue	40,326	39,414	37,361
EBITDA	2,276	2,553	1,896
Segment Profit	1,560	2,081	1,405

Revenue was 7% lower on pcp reflecting continued subdued demand from electrical wholesale and delays in the progress of power and infrastructure spending.

Gross profit margin was up slightly and overhead expenses trimmed 4% on pcp, this combined with reduced amortisation of intangible assets resulted in only a minor decline in profit for the segment of $0.2 million against the reduction in revenue of $3.0 million.

Innovative Electrical Solutions

Segment Results	31 Dec 2015 $000	30 Jun 2016 $000	31 Dec 2016 $000
Revenue	6,902	5,384	4,570
EBITDA	3,165	1,038	1,169
Segment Profit	3,064	937	1,068

As already reported; there had been a prior period order pulled in from a major client resulting in a $2.0 million reduction in revenue half on half. We expect revenue from this client to continue to improve in the second half of FY17.

Overhead expenses were reduced by 10% on the pcp in light of the lower level of activity.

Gas and Plumbing

Segment Results	31 Dec 2015 $000	30 Jun 2016 $000	31 Dec 2016 $000
Revenue	14,299	15,277	14,092
EBITDA	923	1,225	1,685
Segment Profit	506	792	1,272

A minor decline in revenue was counteracted by a 2% improvement in gross margin resulting in gross profit 4% higher on pcp.

Through restructure and integration activities, cost savings of 13% on pcp have been achieved.

Net tangible assets

Net tangible assets increased by 7% to $17.3 million as at 31 December 2016. Net tangible asset backing per ordinary share increased from $0.074 at 30 June 2016 to $0.079 at 31 December 2016.

Outlook and business strategies

We expect the profit in the second half to improve on the underlying profit achieved in the first six months driven by continued growth in SCE and improved results from Innovative Electrical Solutions.

We continue to investigate complimentary acquisitions that will deliver enhanced shareholder returns.

Yours sincerely
Legend Corporation Limited

Bradley R Dowe Managing Director & Chief Executive Officer	Bruce E Higgins Chairman of Directors

20 February 2017

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2016.

Directors

The names of the directors who held office during or since the end of the half-year:

Mr Bruce Higgins (Chairman)
Mr Bradley Dowe
Mr Ian Fraser

Review of Operations

The Directors' review of operations of the consolidated group for the half-year and the results of those operations are set out in the attached Results for Announcement to the Market for the Half-Year Ended 31 December 2016.

Rounding of Amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the consolidated interim financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 11 for the half-year ended 31 December 2016, and forms part of this report.

This report is signed in accordance with a resolution of the Board of Directors.

Bruce E Higgins
Chairman of Directors
Legend Corporation Limited

20 February 2017

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Legend Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2016 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Paul Cenko

Partner

Adelaide

20 February 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half-Year Ended 31 December 2016

	Consolidated Group	
	31 December 2016 $000	31 December 2015 $000
Revenue	54,964	60,119
Other income	74	75
Changes in inventories of finished goods and work in progress	2,310	2,424
Raw materials and consumables used	(35,004)	(37,378)
Employee benefits expense	(12,121)	(13,205)
Occupancy costs	(1,912)	(2,145)
Depreciation and amortisation expense	(1,005)	(1,236)
Impairment of goodwill, intangible assets and plant and equipment	(1,290)	-
Implied interest of deferred settlement	(175)	-
Finance costs	(447)	(550)
Other expenses	(3,526)	(3,489)
Profit before income tax	1,868	4,615
Income tax expense	(861)	(1,430)
Profit for the period	1,007	3,185
Other comprehensive income	-	-
Total comprehensive income for the period	1,007	3,185
Profit attributable to:		
Members of the parent entity	1,007	3,185
Non-controlling interest	-	-
	1,007	3,185
Total comprehensive income attributable to:		
Members of the parent entity	1,007	3,185
Non-controlling interest	-	-
	1,007	3,185
Earnings per share	Cents	Cents
Basic earnings per share	0.5	1.5
Diluted earnings per share	0.5	1.5

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position as at 31 December 2016

	Consolidated Group	
	31 December 2016 $000	30 June 2016 $000
Current assets		
Cash and cash equivalents	5,873	4,980
Trade and other receivables	17,760	20,928
Inventories	28,603	30,911
Other current assets	538	636
Total current assets	52,774	57,455
Non-current assets		
Property, plant and equipment	6,725	6,973
Deferred tax assets	1,791	1,789
Goodwill	43,694	44,329
Other intangible assets	7,166	7,993
Total non-current assets	59,376	61,084
Total assets	112,150	118,539
Current liabilities		
Trade and other payables	11,051	12,841
Borrowings	4,788	4,788
Current tax liabilities	231	1,008
Short-term provisions	4,659	4,749
Total current liabilities	20,729	23,386
Non-current liabilities		
Trade and other payables	4,381	5,955
Borrowings	16,470	18,063
Deferred tax liabilities	2,150	2,397
Long-term provisions	210	225
Total non-current liabilities	23,211	26,640
Total liabilities	43,940	50,026
Net assets	68,210	68,513
Equity		
Issued capital	74,083	74,083
Reserves	9,780	10,083
Accumulated losses	(15,653)	(15,653)
Total equity	68,210	68,513

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity for the Half-Year Ended 31 December 2016

Consolidated Group	Issued Capital $000	Option Reserve $000	Profits Reserve $000	Accumulated Losses $000	Total $000
Balance at 1 July 2015	74,281	339	8,068	(15,653)	67,035
Total comprehensive income for the period	-	-	-	3,185	3,185
Transfer to profit reserve	-	-	3,185	(3,185)	-
Dividends paid	-	-	(2,192)	-	(2,192)
Option expense	-	7	-	-	7
Transactions with owners	-	7	(2,192)	-	(2,185)
Balance at 31 December 2015	74,281	346	9,061	(15,653)	68,035
Balance at 1 July 2016	74,083	346	9,737	(15,653)	68,513
Total comprehensive income for the period	-	-	-	1,007	1,007
Transfer to profit reserve	-	-	1,007	(1,007)	-
Dividends paid	-	-	(1,310)	-	(1,310)
Transactions with owners	-	-	(1,310)	-	(1,310)
Balance at 31 December 2016	74,083	346	9,434	(15,653)	68,210

The accompanying notes form part of these financial statements.

	Consolidated Group	
	31 December 2016 $000	31 December 2015 $000
Cash flows from operating activities		
Receipts from customers	58,202	63,859
Payments to suppliers and employees	(50,570)	(56,086)
Interest received	25	23
Finance costs	(447)	(550)
Income tax paid	(1,885)	(1,230)
Net cash provided by operating activities	5,325	6,016
Cash flows from investing activities		
Proceeds from loans to employees	-	12
Purchase of property, plant and equipment	(586)	(395)
Acquisition of subsidiaries, net of cash	(1,000)	-
Net cash used in investing activities	(1,586)	(383)
Cash flows from financing activities		
Proceeds from borrowings	800	-
Dividends paid	(1,310)	(2,192)
Repayment of borrowings	(2,394)	(2,394)
Net cash used in financing activities	(2,904)	(4,586)
Net increase in cash and cash equivalents held	835	1,047
Cash and cash equivalents at beginning of the period	4,980	5,931
Effect of exchange rates on cash holdings in foreign currencies	58	(17)
Cash and cash equivalents at end of the period	5,873	6,961

The accompanying notes form part of these financial statements.

NOTE 1: BASIS OF PREPARATION

Legend Corporation Limited (the "Company") is a company domiciled in Australia. These consolidated interim financial statements ("interim financial statements") as at and for the six months ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the "Group").

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2016 are available upon request from the Company's registered office at 1 Butler Drive Hendon SA 5014 or at www.legendcorporate.com

These interim financial statements are general purpose financial statements prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001, and with IAS 34 Interim Financial Reporting. They do not include all of the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at 30 June 2016.

These interim financial statements were authorised for issue by the Company's Board of Directors on 20 February 2017.

NOTE 2: SIGNIFICANT EVENTS AND TRANSACTIONS

The performance of our New Zealand based Electrical, Power and Infrastructure division has been unsatisfactory during the period. Impairment testing taking into account the performance against expectations and budget, resulted in a reduction to goodwill of $0.6 million, related intangible assets of $0.5 million and property plant and equipment of $0.2 million. The related impairment loss of $1.3 million has been included in the Consolidated Profit or Loss and Other Comprehensive Income as Impairment of assets.

The effective tax rate has increased to 46% at 31 December from 32% as 30 June 2016 due to the impairment losses recognised in the period which are not tax deductible.

NOTE 3: OPERATING SEGMENTS

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing the performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category since the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosures are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following;

- the products sold by the segment;
- the manufacturing process; and
- the type or class of customer for the products.

Types of Products by Segment

Electrical, Power and Infrastructure

The electrical, power and infrastructure segment distributes a wide range of house branded electrical and connectivity products, tools, cable assemblies, data and computer room products. Products are of a similar nature with the majority of customers being within the electrical wholesale, power and infrastructure industries.

NOTE 3: OPERATING SEGMENTS (cont.)

Innovative Electrical Solutions

The innovative electrical solutions segment manufactures application designs and integrated circuits, thick film hybrids, and ceramic printed circuit boards for use across industries including medical, telecommunications, lighting, automotive and consumer electrical. Manufacture of these products is performed in accordance with customer specifications, requiring a high level of technical expertise.

Gas and Plumbing

This segment supplies products and parts for industrial and commercial gas, heating, refrigeration and air conditioning components, appliance spares and related value added systems in Australia and New Zealand.

Basis of accounting for purposes of reporting by operating segments

Accounting Policies Adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision makers with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group

Inter-Segment Transaction

An internally determined transfer price is set for all inter-entity sales. This price is reviewed six-monthly and reset as required, and is based on what would be realised in the event that the sale was made to an external party at arm's-length. All such transactions are eliminated on consolidation for the Group financial statements.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Segment Assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and location.

Segment Liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment;

- finance income and costs;
- impairment of assets and other non-recurring items of revenue or expense;
- income tax expense;
- deferred tax assets and liabilities; and
- intangible assets.

NOTE 3: OPERATING SEGMENTS (cont.)

(i) Segment performance

Revenue	Electrical, Power and Infrastructure 31 Dec 2016 $000	Electrical, Power and Infrastructure 31 Dec 2015 $000	Innovative Electrical Solutions 31 Dec 2016 $000	Innovative Electrical Solutions 31 Dec 2015 $000	Gas and Plumbing 31 Dec 2016 $000	Gas and Plumbing 31 Dec 2015 $000	Consolidated Group 31 Dec 2016 $000	Consolidated Group 31 Dec 2015 $000
Revenue from external customers	37,361	40,326	3,511	5,494	14,092	14,299	54,964	60,119
Inter-segment revenues	-	-	1,059	1,408	-	-	-	-
Total revenue	37,361	40,326	4,570	6,902	14,092	14,299	54,964	60,119

Result	Electrical, Power and Infrastructure 31 Dec 2016 $000	Electrical, Power and Infrastructure 31 Dec 2015 $000	Innovative Electrical Solutions 31 Dec 2016 $000	Innovative Electrical Solutions 31 Dec 2015 $000	Gas and Plumbing 31 Dec 2016 $000	Gas and Plumbing 31 Dec 2015 $000	Consolidated Group 31 Dec 2016 $000	Consolidated Group 31 Dec 2015 $000
Earning before interest, taxation, depreciation and amortisation	1,896	2,278	1,169	3,165	1,685	923	4,750	6,366
Depreciation and amortisation	(491)	(718)	(101)	(101)	(413)	(417)	(1,005)	(1,236)
Segment operating profit	1,405	1,560	1,068	3,064	1,272	506	3,745	5,130
Implied interest on deferred consideration							(175)	-
Impairment of goodwill, intangible assets and plant equipment							(1,290)	-
Finance income							35	35
Finance costs							(447)	(550)
Profit before income tax							1,868	4,615
Income tax expense							(861)	(1,430)
Profit after income tax							1,007	3,185

NOTE 3: OPERATING SEGMENTS (cont.)

(ii) Segment assets and liabilities

	Electrical, Power and Infrastructure		Innovative Electrical Solutions		Gas and Plumbing		Consolidated Group	
	31 Dec 2016 $000	30 Jun 2016 $000	31 Dec 2016 $000	30 Jun 2016 $000	31 Dec 2016 $000	30 Jun 2016 $000	31 Dec 2016 $000	30 Jun 2016 $000
Assets								
Segment assets	38,731	42,875	6,329	5,835	14,441	15,718	59,499	64,428
Deferred tax assets							1,791	1,789
Intangible assets							50,860	52,322
Total assets							112,150	118,539
Liabilities								
Segment liabilities	16,795	19,588	1,373	1,373	2,132	2,809	20,301	23,770
Tax liabilities							2,381	3,405
Borrowings							21,258	22,851
Total liabilities							43,940	50,026

(iii) Revenue and assets by geographical region

The Groups revenue from external customers are divided into the following geographical areas:

	Consolidated Group	
	31 Dec 2016 $000	31Dec 2015 $000
Australia	50,951	56,345
New Zealand	4,013	3,774
Total revenue	54,964	60,119

(iv) Major customers

The Group has a number of customers to which it provides products. The Group supplies one single external customer in the Electrical, Power and Infrastructure segment which accounts for 19% of external revenue (2015: 19%). The next most significant customer accounts for 7% (2015: 12%) of external revenue.

NOTE 4: INTANGIBLE ASSETS AND GOODWILL

Impairment loss in relation to Ecco Pacific Limited

Following a loss in Ecco Pacific Limited in the six months ended 31 December 2016 the Group assessed the recoverable amount of the cash generating unit (CGU).

The carrying amount of Ecco Pacific Limited was determined to be higher than its recoverable amount of $nil and an impairment loss of $1.3 million (six months ended 31 December 2015 :nil) was recognised. The impairment loss was allocated against goodwill ($0.6 million), intangible assets ($0.5 million) and plant and equipment ($0.2 million) and is included in “impairment of goodwill, intangible assets and plant and equipment” in the consolidated statement of profit or loss and other comprehensive income.

The Group’s other CGU’s were tested for impairment at 31 December 2016 however their recoverable amounts were determined to exceed carrying amount.

The recoverable amount of the Group CGUs was based on value in use. Value in use was determined by discounting future cash flows expected to be generated from the continuing use of the units. Value in use as at 31 December 2016 was determined similarly to the 30 June 2016 goodwill impairment test and was based on the following assumptions:

	Growth Rate		Pre-tax Discount Rate	
	31-Dec-16	30-Jun-16	31-Dec-16	30-Jun-16
Hendon Semiconductors Pty Ltd	6.79%	1.46%	15.30 %	12.62%
Legend Corporate Services Pty Ltd	4.64%	3.30%	15.30 %	12.62%
Ecco Pacific Limited	0.00%	2.00%	15.80%	12.62%
System Control Engineering Pty Ltd	7.30%	10.00%	15.30%	12.62%
System Control Engineering NZ Limited	8.50%	24.00%	15.80%	12.62%

The values assigned to the key assumptions represent Management’s assessment of future trends in the industry and are based on historical data from both external sources and internal sources.

Following the impairment loss recognised for Ecco Pacific Limited, the recoverable amount is equal to the carrying amount.

NOTE 5: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 6: EVENTS AFTER THE BALANCE SHEET DATE

No material events have occurred subsequent to balance date and up to the date of this report.

NOTE 7: ACQUISITIONS

On 31 August 2016 an amount of $1,000,000 was paid in relation to the acquisition of selected business assets of System Control Engineering Pty Ltd and the shares of System Control NZ Limited as part of the deferred payment arrangements.

During the half an implied interest expense of $175,000 has been recognised to reflect the amortised amount of the deferred consideration using the effective interest rate method.

In the option of the Directors of Legend Corporation Limited ("the company")

1. The financial statements and notes, as set out on pages 12 to 20 are in accordance with the Corporations Act 2001, including;

a. complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporation regulators 2001; and

b. giving a true and fair view of the consolidated Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Bruce E Higgins
Chairman of Directors
Legend Corporation Limited

20 February 2017

KPMG

Independent auditor's review report to the members of Legend Corporation Limited

We have reviewed the accompanying half-year financial report of Legend Corporation Limited, which comprises the consolidated statement of financial position as at 31 December 2016, consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 7 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Responsibility of the Directors for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Legend Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Legend Corporation Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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Paul Cenko
Partner

Adelaide

20 February 2017