

Australian Securities Exchange Announcement

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The Manager
Companies Announcements Office
Australian Securities Exchange
Electronic Lodgment

2017 HALF YEAR REPORT RELEASE

As previously advised the performance for the first half of 2017 was forecast to be down on the prior corresponding period (pcp), the shortfall being largely attributable to significant demand from a major client of our Innovative Electrical Solutions segment pulling forward regular orders in the pcp.

Legend Corporation Limited ('Legend' or 'the Group') has recorded an underlying Net Profit After Tax (NPAT) for the half of \$2.7 million, 16% down on pcp, 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.
- An implied interest charge on the deferred payments for the acquisition of System Control Engineering (SCE) of \$0.2 million.
- Tax benefits associated with these matters of \$0.4 million.

	31 Dec 2016	31 Dec 2015	% Change
Reportable EBITDA	4,750	6,366	(25%)
EBITDA adjustments	554	-	
Underlying EBITA	5,304	6,366	(17%)
Reportable EBIT	2,455	5,130	(52%)
EBIT adjustments	1,290	-	
Underlying EBIT	4,299	5,130	(16%)
Reportable NPBT	1,868	4,615	(60%)
NPBT adjustments	175	-	
Underlying NPBT	3,887	4,615	(16%)
Reportable NPAT	1,007	3,185	(68%)
NPAT adjustments	(361)	-	
Underlying NPAT	2,665	3,185	(16%)

Revenue for the Group was down 9% on the prior corresponding period (pcp). Gas and Plumbing maintained revenue in line with the 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 20% 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.

Speaking to the result, CEO Brad Dowe said: "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."

Legend announced a dividend of 0.6 cents per share, consistent with pcp, to shareholders on record 17 March 2017, payable 2 May 2017.

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