

10<sup>th</sup> May 2006

## Australian Stock Exchange

Company Announcements  
Level 8, 2 The Esplanade  
Perth WA 6000

## Legend Acquires Cable Accessories Holdings Pty Ltd

Legend Corporation is pleased to announce that it has reached agreement to acquire Cable Accessories (Holdings) Pty Ltd ("Cabac"), a significant acquisition that will substantially broaden Legend's distribution channel, product range and earnings.

### Highlights

- Cabac, founded 1982, is a national electrical wholesale business that specialises in the importation and sale of electrical components and products. Its customers include electrical wholesalers, power companies and major retail department stores.
- In the year ended 30 June 2005 Cabac had sales of \$46.2 million and EBIT of \$3.8 million. Cabac's sales for the year ending 30 June 2006 are expected to be \$53 million with EBIT of between \$5.0 million and \$5.4 million. Cabac has grown its earnings at over 20%pa over the last three years.
- Legend will acquire Cabac at a price representing a multiple of 4.55 times expected 30 June 2006 EBIT, up to a maximum consideration of \$25 million.
- Cabac is a strategic and synergistic fit with Legend's sales and distribution business. The acquisition expands Legend's product range and complements Legend's business. Cabac and Legend have similarities in operating environment, industry, customers and suppliers.

### Acquisition of Cabac

Legend Corporation Limited has entered into an agreement to acquire all of the issued shares of Cabac, a national electrical products distribution company. Legend expects to complete the transaction in July with an effective acquisition date of 3 July 2006.

Cabac is an Australian based sales and distribution organisation that operates in the wholesale electrical industry and has recently expanded its sales of information technology related products. Cabac specialises in the importation of electrical products with sales to Australian based electrical wholesalers, power companies and major retail department stores.

Cabac was founded in 1982 by the vendor and its head office and distribution operations are based in Sydney with additional warehousing in Perth. Sales operations are also located in Melbourne, Adelaide and Brisbane. Cabac's range of electrical products comprises of terminals and connectors, lugs, power products, heat-shrink, cable ties, glands, tooling, cable trays and structured wiring.

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As an electrical and information technology sales and distribution company, Cabac operates in an industry similar to Legend. Legend is a wholesale and distribution organisation that imports and manufactures a large portion of products it sells. Cabac parallels Legend with some differences in that the majority of its product types are electrical instead of electronic and the electrical industry is more mature and established than the IT/electronics industry. Cabac has expanded into the IT electronics industry (primarily data products) over the last 5 years, with a direct cross over with certain of Legend's product types and clients.

All of Cabac's executive management will be joining Legend.

Legend will pay a maximum of \$25 million in cash based on the achievement of EBIT of \$5.4 million for the period closing 30 June 2006. Cabac achieved revenues of \$46.2 million for the period ended 30 June 2005 and expects revenues of \$53 million for the period closing 30 June 2006. The acquisition will be funded from banking facilities and a placement of new Legend shares. Hartleys Limited ("Hartleys") has been engaged as broker to the issue in respect of the capital raising. The quantum and pricing of the capital raising will be determined by Legend in consultation with Hartleys following Legend undertaking investor briefings in respect of the acquisition.

### **Legend Management Commentary**

Legend's CEO Mr. Bradley Dowe said "Cabac represents a perfect strategic fit for Legend. Cabac is a well run private company with strong systems and an excellent and experienced executive management team. The two companies have a wide range of synergies ranging from operating environment through industry, customers and product set.

The acquisition of Cabac will allow us to expand into new markets that complement our existing sales and distribution channel. This acquisition is in line with our strategic plan of growing our distribution channel and providing a larger product range for our customer base whilst continuing Legend's focus on higher margin business.

### **MORE ABOUT LEGEND**

Legend is a leading Australian Digital Technology Sales and Distribution company that sells and manufactures memory and memory based consumer electronics products. Legend's operations extend throughout Australia, New Zealand, South Africa, Singapore, Hong Kong, Thailand and Europe. Legend was established in 1989 and commenced manufacturing operations in 1993. Legend has manufacturing facilities in Adelaide (South Australia) and Singapore. Legend has a broad range of clients including Acer, Sony, Xerox, NEC and Dell, through to major Australian based computer systems integrators such as Volante, ASI and Optima. Legend branded products are supported by most major merchandising chains including Harvey Norman, Kmart, Myer and Target.

Best Regards



Bradley R. Dowe  
Chief Executive Officer  
LEGEND CORPORATION LIMITED