

Investor Presentations

Half Year Results to 31 Dec 2006



Codan wishes to advise that the attached Investor Presentation will be delivered to public forums as follows. Everybody is welcome.

Adelaide	Friday, 9th February 2007 at 10.00 Stamford Plaza, 150 North Terrace
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Sydney	Monday, 12th February 2007 at 10.00 Shangri-La Hotel, The Rocks
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Melbourne	Tuesday 13th February 2007 at 10.00 Rialto Hotel, 495 Collins Street
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Codan Limited

Investor Presentation - Half-Year Results to 31 December 2006

9th, 12th & 13th February 2007



Mike Heard
CEO
Managing Director

David Hughes
Company Secretary
Chief Finance & Information Officer



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Codan — The Company & Business

- Australian design and manufacturing company serving global markets for communications and broadcast products
- Niche products for international niche markets; products for government, businesses and aid organisations
- Strongly export focussed business
- Sales and Customer Services Offices in Australia, UK, USA, China and India
- Actual HY 07 Revenue \$62.2m, Net Profit After Tax \$6.5m



Products

Codan designs, manufactures and markets globally value-added products for:

- Communications
 - HF Radio
 - Satellite Communications
 - Digital Microwave Radio
- Television broadcasting (Codan Broadcast)



Financial Results First Half FY07

6 Months Ended 31 December

	2006 \$'m	2005 \$'m
Revenue		
Communications Products	56.7	50.8
Other	<u>5.5</u>	<u>5.8</u>
Total Revenue	62.2	56.6
EBIT	9.5	5.8
Interest	(0.4)	(0.3)
Net profit before tax	9.1	5.5
Tax	(2.6)	(1.2)
Net profit after tax	6.5	4.3



Financial Results First Half FY06

Interim Dividend

Earnings per ordinary share (cents)
(on issued capital at 31 December 2006 fully diluted)

**Actual
Dec 2006**

**Actual
Dec 2005**

4.0

2.7

Interim dividend (cents) per ordinary share

3.0

2.5

Franking

100%

100%

Record date

19 March 2007

Payment date

2 April 2007



Financial Results First Half FY06

	Dec 2006 \$m	June 2006 \$m		Dec 2006 \$m	June 2006 \$m
CURRENT ASSETS			CURRENT LIABILITIES		
Cash	5.6	1.4	Accounts Payable	12.7	15.1
Receivables	18.5	22.0	Other	0.0	0.0
Inventories	15.2	17.3	Borrowings	10.7	12.9
Other	2.1	1.9	Provisions	3.3	3.5
	<u>41.4</u>	<u>42.6</u>		<u>26.7</u>	<u>31.5</u>
NON-CURRENT ASSETS			NON-CURRENT LIABILITIES		
Investments	-	-	Borrowings	0.0	0.0
Property, Plant & Equipment	18.6	19.6	Provisions	4.0	3.9
Product Dev't	15.3	16.4		<u>4.0</u>	<u>3.9</u>
Intangible Assets	25.5	25.9	TOTAL LIABILITIES	30.7	35.4
Other	0.1	0.1			
	<u>59.5</u>	<u>62.0</u>	NET ASSETS	70.2	69.2
TOTAL ASSETS	100.9	104.6	SHAREHOLDERS EQUITY		
			Share Capital	23.5	23.5
			Reserves	-	-
			Retained Profits	46.7	45.7
				<u>70.2</u>	<u>69.2</u>



Financial Results First Half FY06

Key Outcomes

Restructuring activity in previous periods has delivered:

- Growth in units and revenue
- Reduced expense
- Increased operating profit margins

Thus, in an environment of continued strength of the AUD:

- Underlying business performance stabilised and improved
- Substantial cash generated from operations



Outlook – Second Half

Strong orders on hand for the second half providing a base for much improved revenue and profit compared to the same period last year

Activity and some expenditure related to evaluation of acquisition opportunities



The Future

Good progress made in reducing exposure to variations in the US dollar to Australian dollar exchange rate; further progress is anticipated

Further focus on long term growth by acquisition and organically



Thank you for your support of Codan

Any Questions?