

25<sup>th</sup> June 2009

Codan Limited  
ABN 77 007 590 605  
81 Graves Street  
Newton SA 5074  
Australia

PO Box 96  
Campbelltown SA 5074  
Australia

Company Announcements  
Australian Securities Exchange Limited

Dear Sir/Madam

Please find attached a copy of our announcement titled "Codan Announces Further Minelab Integration Benefits" for immediate release to the market.

Yours Sincerely  
CODAN LIMITED



Rick Moody  
Company Secretary

## ANNOUNCEMENT

### **CODAN ANNOUNCES FURTHER MINELAB INTEGRATION BENEFITS**

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This announcement from Codan Limited (ASX: "CDA") includes details of further benefits from the ongoing integration of the Company's Minelab acquisition.

As previously advised to the market, we are reviewing opportunities to improve Codan Limited's business by restructuring the many manufacturing sites and operations across the group.

Following 12 months of detailed review of Minelab manufacturing in Ireland and Australia, Codan has decided to cease Minelab's manufacturing activities in Ireland by December 2009 and to outsource the majority of that activity to Codan's manufacturing service provider, Plexus, situated in Penang Malaysia.

The project is expected to save Codan more than \$0.5 million per annum in operating costs, including direct manufacturing costs and overheads. Closure costs, including redundancies, are expected to approach \$1.5 million and will be incurred over the next six months. Approximately \$0.3 million of these costs will be provided for in the Company's accounts at 30 June 2009.

The Irish facility and staff have served Minelab excellently over many years. This decision is a strategic one as we outsource to a lower cost manufacturing environment in Asia. The staff will receive their full redundancy entitlements. We thank all staff in Ireland for their valuable contribution to Minelab.

Minelab's Ireland based sales operations, including marketing, finance, customer service and repair, warehousing and distribution covering Europe, Middle East and Africa are a high performance part of the Minelab business. These operations will continue in Ireland, although we will find alternative premises more suitable for them. The Company will commence a process to dispose of the current manufacturing facilities. Given the current economic environment we expect this sale process to be reasonably protracted however we expect to conclude it during the year ended 30 June 2010.

Codan has also recently reduced debt from the proceeds of the sale of surplus land in Adelaide, totalling \$1.5 million, and from a successful share purchase plan and employee share plan, which raised \$1.3 million. The Company's balance sheet will be further strengthened by the sale of Minelab's Irish facility and a portion of its facility at Torrensville in Adelaide.

In addition to this project in Ireland, Codan continues with other beneficial Minelab integration initiatives, with a particular focus on manufacturing, information systems and inventory rationalisation."



Rick Moody  
Company Secretary  
25<sup>th</sup> June 2009

**FOR ADDITIONAL INFORMATION, PLEASE CONTACT: -**

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**ABOUT CODAN AND MINELAB**

**Codan Limited (ASX: "CDA")**

**Web site:- [www.codan.com.au](http://www.codan.com.au)**

Codan – which listed on the Australian Stock Exchange in November 2003 - designs, manufactures and markets a diversified range of products and systems for the international high frequency radio, satellite and terrestrial microwave communications markets, and for television broadcasting.

The Company was founded in 1959 and has grown to become a globally active company in the markets in which it operates. Its products can be found in over 150 countries.

**Minelab Electronics**

**Web site:- [www.minelab.com](http://www.minelab.com)**

Minelab is the world's leading designer, manufacturer and global marketer of metal detectors and landmine and unexploded ordnance detecting solutions.

Established in 1989, the company is based in Adelaide with sales and distribution offices in Ireland and the United States.

Minelab was formed to become a 'centre of excellence' for metal sensing technology. Over the years this commitment to innovation has led to the technological advancement of metal detection equipment.