

9 August 2012



COMPANY ANNOUNCEMENTS PLATFORM
AUSTRALIAN SECURITIES EXCHANGE

Codan Limited
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**SUCCESSFUL COMPLETION OF
INSTITUTIONAL PLACEMENT**

Codan Limited (ASX: "CDA") is pleased to announce that it has successfully completed the placement of new ordinary shares in relation to the announcement made on 7 August 2012 ("Placement"), raising gross proceeds of approximately \$12.5 million.

The Board was extremely pleased with the strong level of support shown from new institutional investors.

The offer price was \$1.40 per share, a discount of approximately:

- 11.7% to Codan's last closing price of \$1.585 per share; and
- 8.3% to Codan's 5-day volume weighted average price of \$1.526 per share.

The Placement proceeds will be used to partially fund the acquisition of Daniels Electronics Limited ("Daniels"), a leading North American based designer, manufacturer and supplier of land mobile radio communications systems.

Commenting on the Placement, Codan's Managing Director and CEO Donald McGurk said "the strong support that was shown towards the Placement is an endorsement of Codan's strategic plan, the merit of the Daniels acquisition and the strong FY12 financial result. The Placement has further strengthened our balance sheet and positioned us very well to support further opportunities to invest in the growth of the business, as and when they arise."

"The Daniels acquisition will allow Codan to deliver on its stated strategy of growing market share and diversifying its radio communications product offering. Codan will seek to use its global distribution network to roll out land mobile radio solutions outside of Daniels traditional North American market, including into emerging world markets."

As a result of the Placement, Codan will issue approximately 8.9 million new ordinary shares which will rank equally with existing shares. Settlement of the Placement is scheduled to occur on 14 August 2012 with quotation of the new shares scheduled for 15 August 2012.

Following the successful completion of the Placement, Codan shares will recommence trading on the ASX today.

Moelis Australia Advisory Pty Limited acted as sole lead manager for the Placement.

Share purchase plan.

As announced on 7 August 2012, Codan will make an offer to eligible shareholders to participate in a share purchase plan ("SPP"). Eligible shareholders who elect to participate in the SPP will be entitled to acquire up to \$10,000 of new Codan shares.

A maximum of \$5 million will be raised via the SPP. An appropriate scale-back policy will be applied if valid applications exceed \$5 million.

The offer price under the SPP will be \$1.40 per share, being the same price as the offer price for the Placement.

The SPP will open to eligible Australian and New Zealand resident shareholders on the register as at 7.00pm AEST on Friday 3 August 2012 and who are eligible to participate under the terms of the SPP.

SPP documentation will be dispatched to eligible shareholders from 13 August 2012 and will include full details of the SPP.

Shares issued under the SPP will rank equally with existing shares on issue.

On behalf of the Board



Michael Barton
Company Secretary
9 August 2012

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:-

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