Investor Presentations
Full Year Results to 30 June 2006

CODAN

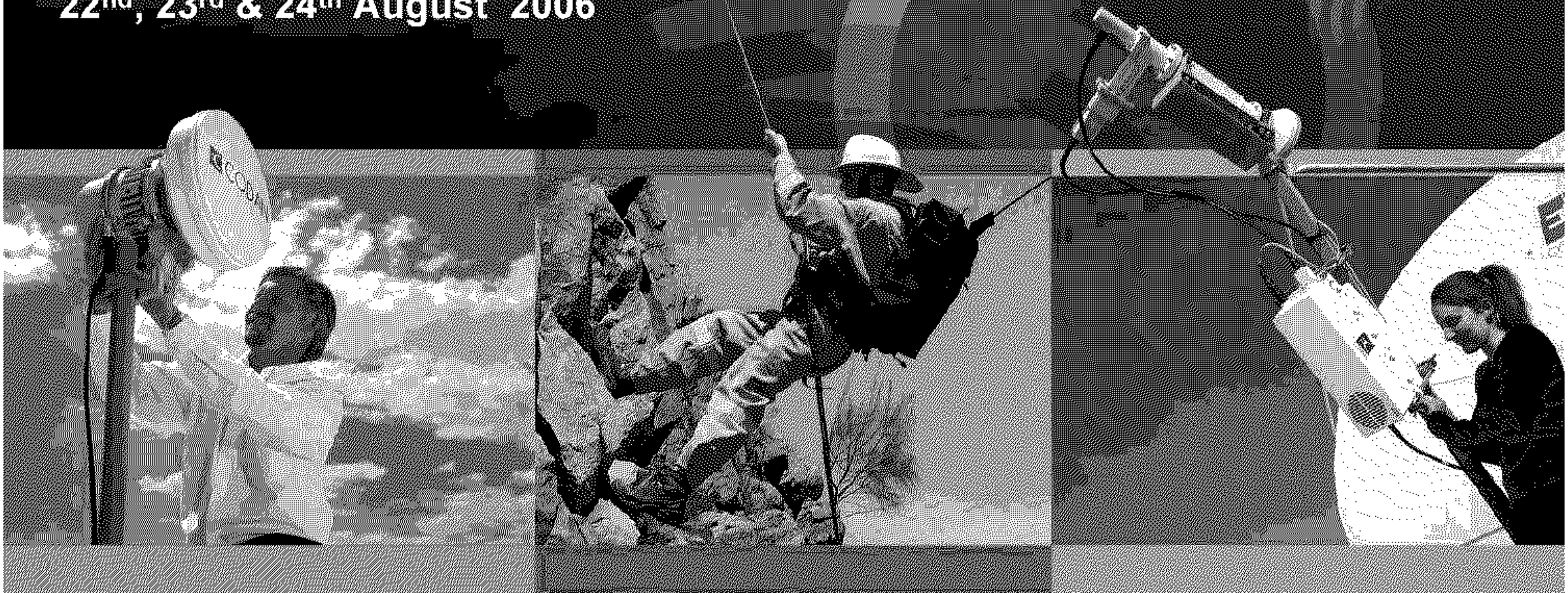
Codan wishes to advise that the attached Investor Presentation will be delivered to public forums as follows. Everybody is welcome.

Sydney	Tuesday, 22nd August 2006 at 10.30 Shangri-La Hotel, The Rocks
Adelaide	Wednesday, 23rd August 2006 at 10.30 Stamford Plaza, 150 North Terrace
Melbourne	Thursday, 24th August 2006 at 10.30 Rialto Hotel, 495 Collins Street

Codan Limited

Investor Presentation - Full Year Results to 30 June 2006

22^{nd}, 23^{rd} & 24^{th} August 2006



Mike Heard
Managing Director

Peter Charlesworth
GM – Engineering
& HF Business Development

Contents

Business

Codan designs, manufactures and markets worldwide products for:

- Communications
  - HF Radio
  - Satellite Communications
  - Digital Microwave Radio

  for use by governments, businesses and aid agencies
- TV Broadcasting

Niche products for international niche markets

Exports approximately 90% of revenue to over 150 countries

Production line manufacture, not an engineering projects business

Codan also manufactures printed circuit boards (PCBs) for sale in Australia and New Zealand

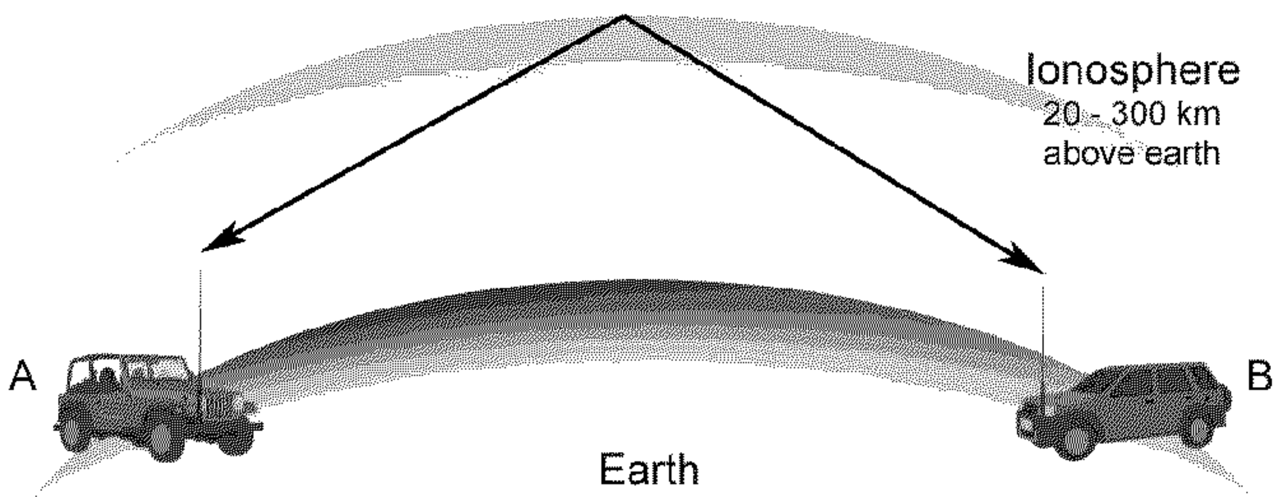
Operations

- Head office in Adelaide
- 400 staff
- Design and manufacture in Adelaide and Melbourne
- Sales offices in Adelaide, UK, USA, China and India
- 100+ distributors, dealers, agents and service centres globally
- 500 communications and broadcast customers worldwide

Products

CODAN

HF Radio



Long range communications
0 - 5000 kms

Products

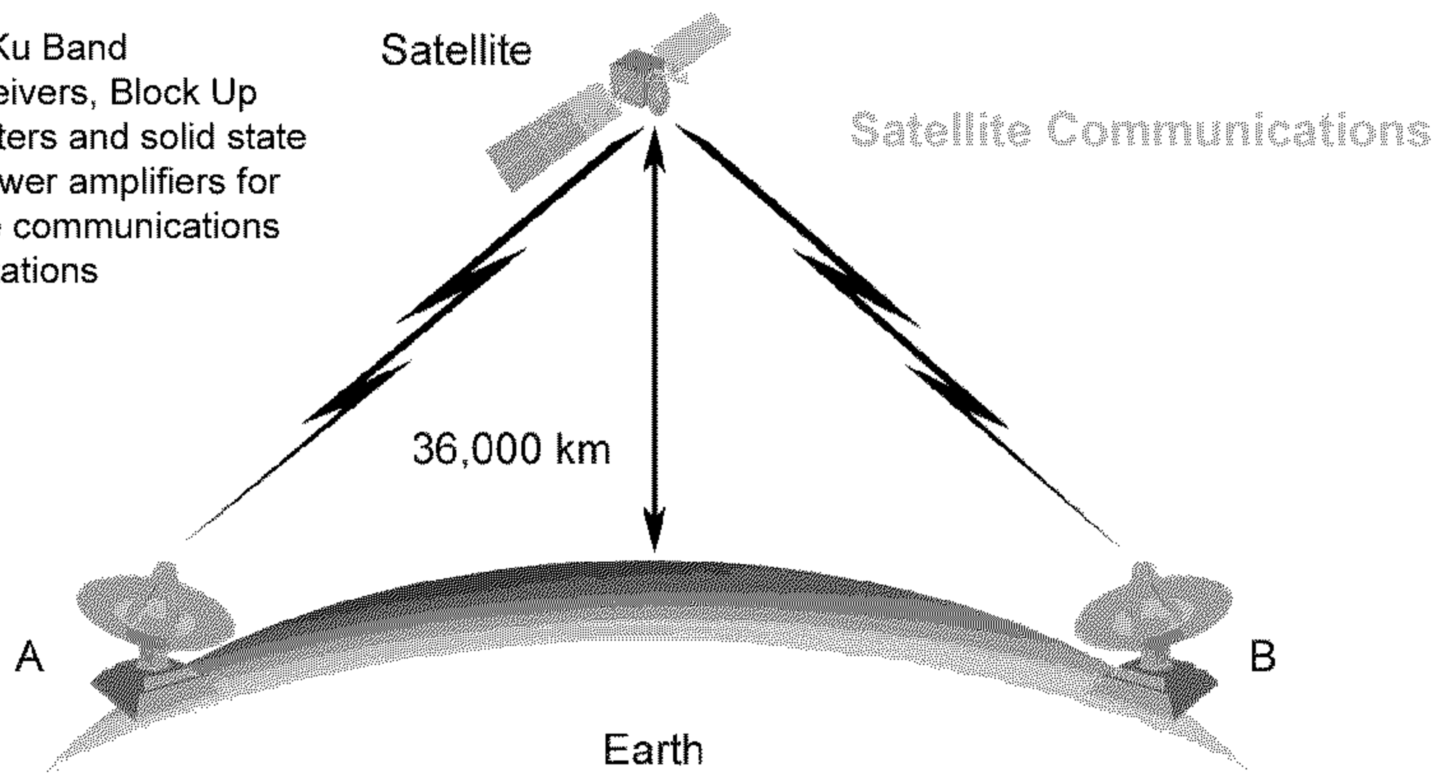
HF Radio

- Radio transceivers, modems and accessories for land vehicle installed, base station and backpack applications

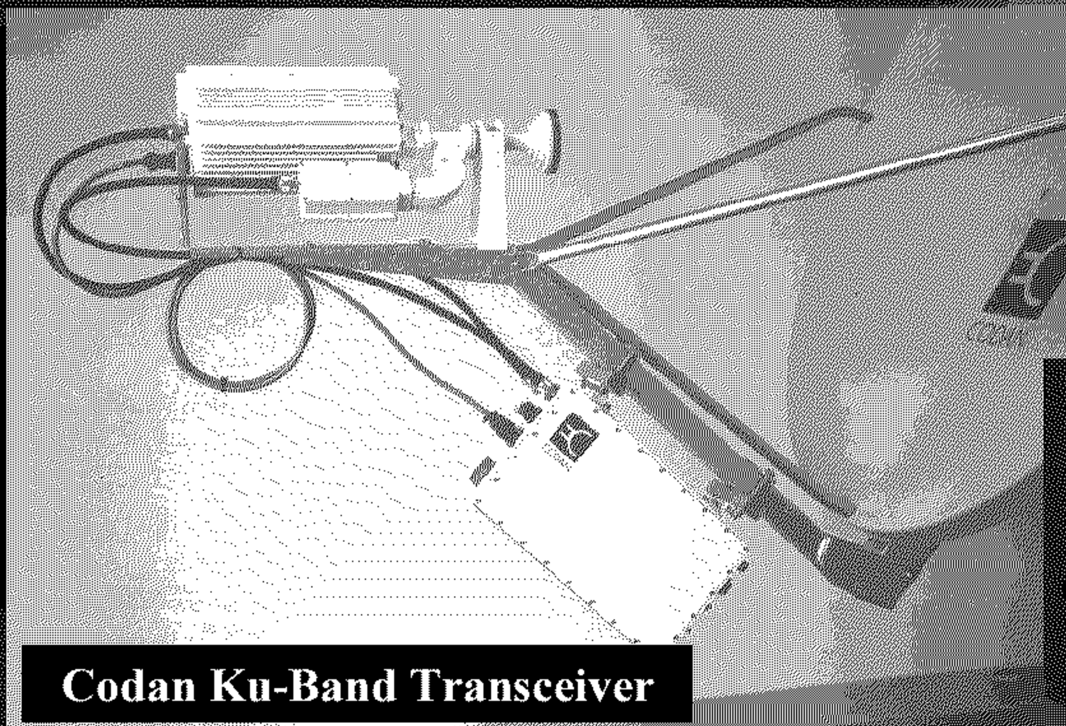
Codan New Manpack HF Radio

Products

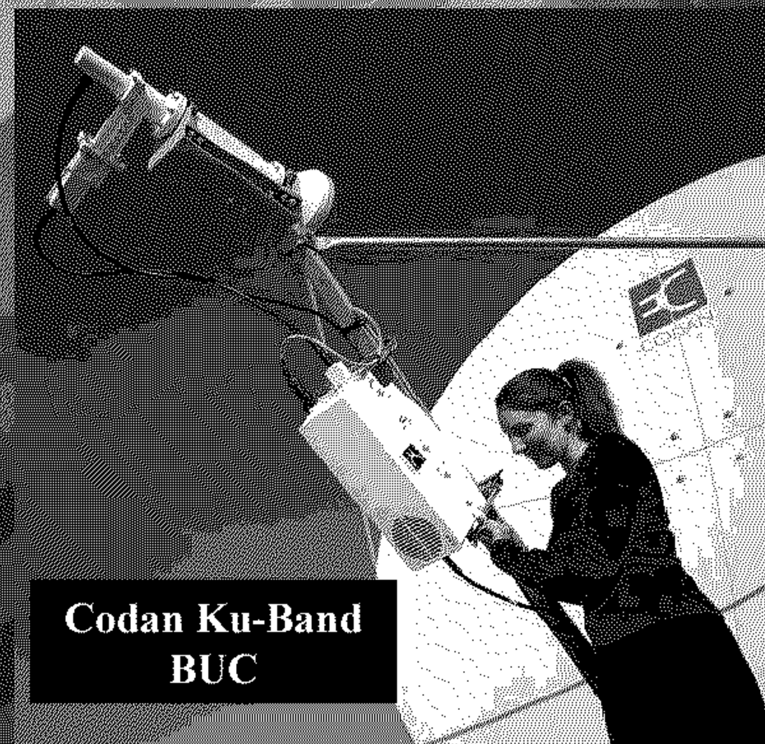
C and Ku Band Transceivers, Block Up Converters and solid state high power amplifiers for satellite communications earth stations



Codan New Release Satcom Product Family



Codan Ku-Band Transceiver

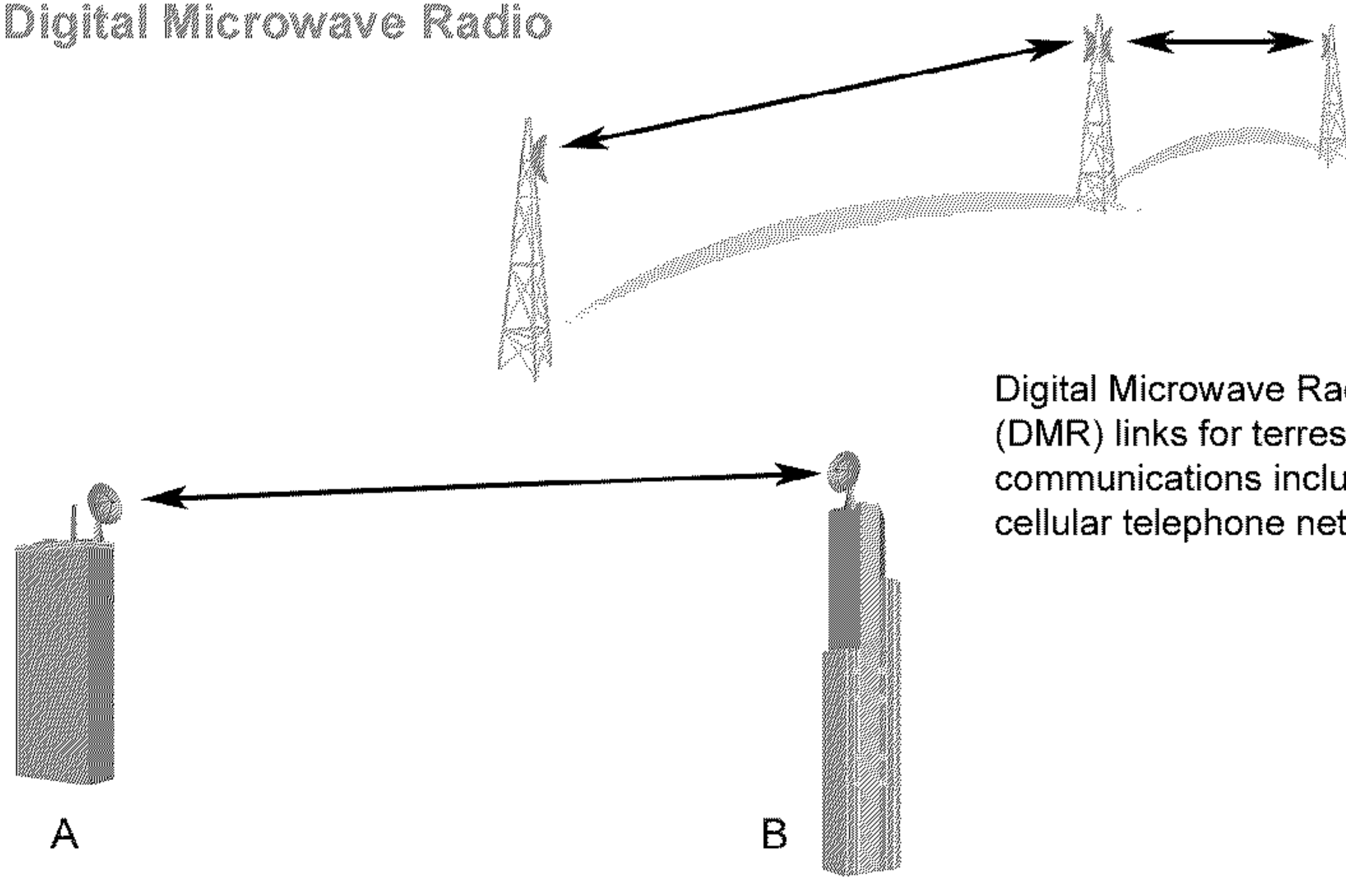


Codan Ku-Band BUC

Products

CODAN

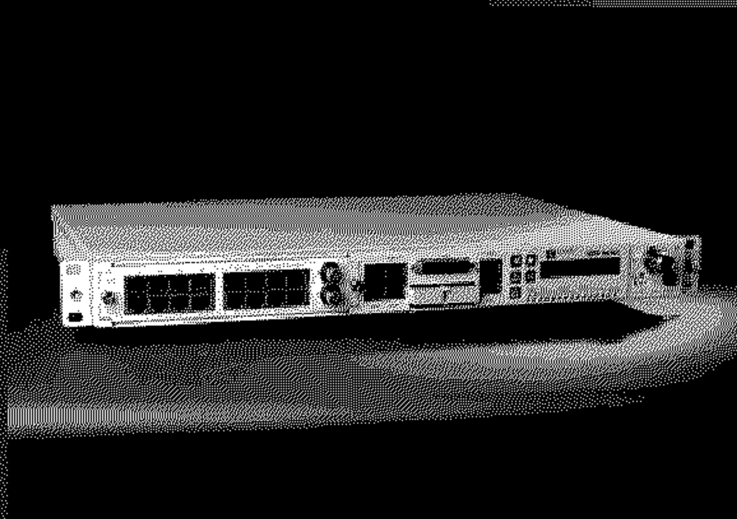
Digital Microwave Radio

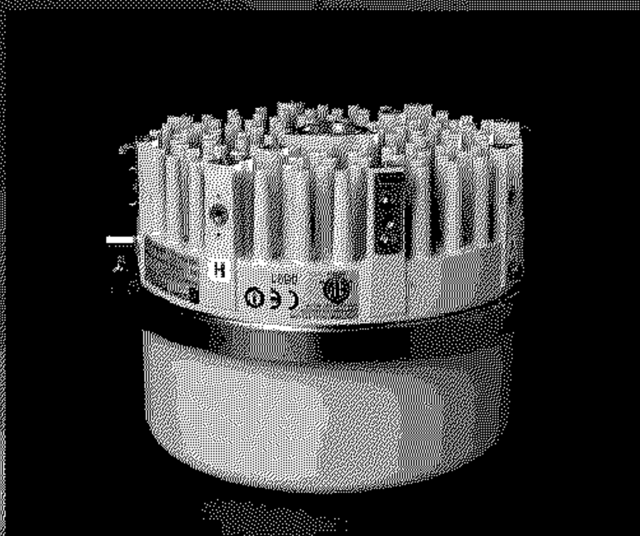


Digital Microwave Radio (DMR) links for terrestrial communications including cellular telephone networks

The New Codan Digital Microwave Radio Product Family

Codan 8800 – Indoor Unit





Codan 8800 - Outdoor Unit

CODAN BROADCAST

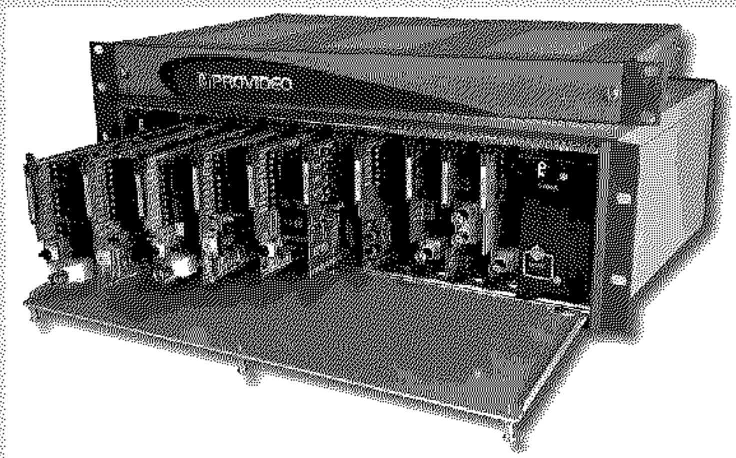
TV Broadcast Products

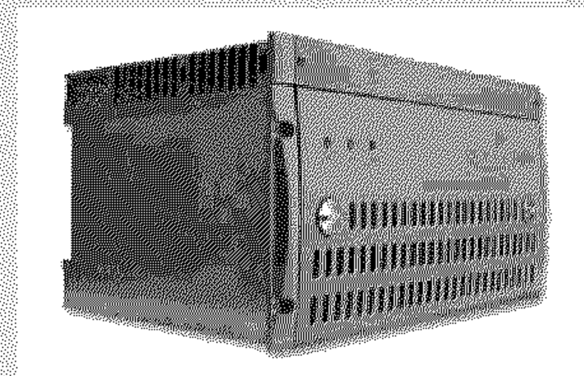
- Interface Equipment
- Signal Routers
- Monitoring Equipment

Equipment for the management, conversion, distribution and monitoring of digital and analogue, video and audio signals in a TV broadcast studio

your vision delivered

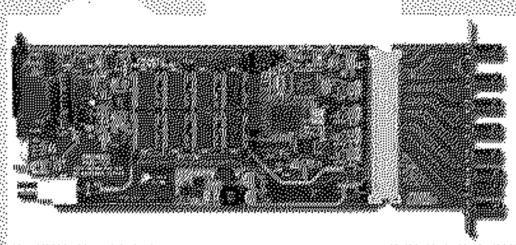
CODAN
BROADCAST

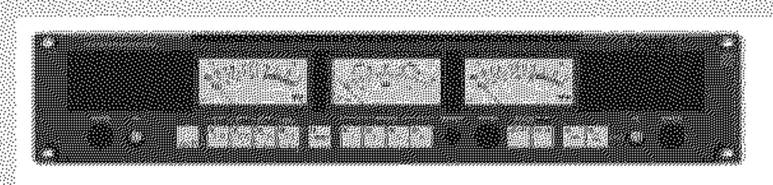




PROVIDEO modular interface products

TALIA routers, control panels and audio monitoring bridges





PROVIDEO TALIA

your vision delivered

Customers

- Many government organisations—first and developing worlds
- Law enforcement and emergency service agencies
- Aid and humanitarian (NGO) agencies
- UN agencies
- Businesses—first and developing worlds
- Telecommunications service providers
- Telecommunications systems integrators
- TV and video broadcasters and production houses (Codan Broadcast)
- Electronics manufacturers—Australia and New Zealand (IMP Printed Circuits)

Full Year Results 06

Codan Summary Financial Performance ($mill)

	Year ended 30 June			
	Audited FY06		Audited FY05	
	$m	%	$m	%
Revenue				
Total Communications Products	106.7		117.5	
Total Other	10.6		7.9	
Total Revenue	117.3	100%	125.4	100%
EBITDA	20.0	17.1%	30.7	24.5%
Depreciation	(3.2)		(2.8)	
Amortisation of deferred R&D	(4.5)		(3.8)	
EBIT	12.3	10.5%	24.1	19.2%
Interest	(0.7)		0.1	
Net profit before tax	11.6	9.9%	24.2	19.3%
Tax	(3.1)		(6.5)	
Net profit after tax	8.5	7.2%	17.7	14.1%

In accordance with IFRS there is no amortisation of goodwill in FY06 or FY05

Full Year Results 06

Principal impacts to profit and loss

- Estimated exchange rate impact on Revenue of $11.3 m, on EBITDA of $8.9m, and on NPAT of $5.8m
- Impact on NPAT of $1.2 million from one off costs of restructuring and other profit improvement programs
- Appreciable growth in sales units of new product families

Half Year Results 06

Codan Summary Financial Performance ($mill)			
	Half Year Ended		
	Proforma June 06	Audited Dec 05	Increase
	$m	$m	%
Revenue			
Total Communications Products	55.9	50.8	
Total Other	4.8	5.8	
Total Revenue	60.7	56.6	7.2
EBITDA	12.3	9.4	30.9
Depreciation	(1.8)	(1.4)	
Amortisation of deferred R&D	(2.3)	(2.2)	
EBIT	8.2	5.8	41.4
Interest	(0.4)	(0.3)	
Net profit before tax	7.8	5.5	41.8
Tax	(2.4)	(1.2)	
Net profit after tax	5.4	4.3	25.6

Note: Profit for the second half has been increased by removal of the $1.7 million restructure costs ($1.2 million profit after tax impact)

Full Year Results 06

Sales

- Modest overall growth of $2m (based on constant exchange rate from FY05)
- Continuing strong demand arising from world security concerns (HF and satellite communications) and general recovery in world telecommunications (satellite communications and digital microwave radio)
- Continued focus on US based customers and the Chinese market yielded good results
- Overall HF revenue down, but still second highest year ever
- Good growth from HF manpack product
- Increased satellite communications market share from strong uptake of new product family
- Good growth in satellite communications $US revenue offset by exchange rate impacts
- Global digital microwave radio market buoyant
- New family of digital microwave radio very well accepted – good growth in $A revenue and margin

Full Year Results 06

Dividend

	Actual 2006	Actual 2005
Earnings per ordinary share (cents)	5.2	10.9
Interim dividend (cents) per ordinary share (paid April, fully franked)	2.5	2.5
Final dividend (cents) per ordinary share	3.5	3.5
Franking	100%	100%

Record date 19 September 2006

Payment date 3 October 2006

Full Year Results 06

	Audited 2006 $m	Audited 2005 $m
Current Assets		
Cash	1.4	1.5
Receivables	22.0	22.8
Inventories	17.3	15.4
Other	1.9	1.7
	42.6	41.4
Non-Current Assets		
Property, Plant & Equipment	19.6	20.3
R&D Costs	16.4	17.8
Goodwill	20.9	20.9
Other	5.0	3.7
	61.9	62.7
Total Assets	104.5	104.1

	Audited 2006 $m	Audited 2005 $m
Current Liabilities		
Accounts Payable	15.1	20.2
Other	-	0.1
Borrowings	12.9	3.4
Provisions	3.4	5.4
	31.4	29.1
Non-Current Liabilities		
Borrowings	-	-
Provisions	3.9	4.4
	3.9	4.4
Total Liabilities	35.3	33.5
Net Assets	69.2	70.6
Shareholders Equity		
Share Capital	23.7	23.7
Reserves	(0.2)	(0.1)
Retained Profits	45.7	47.0
	69.2	70.6

Outlook

Investment for Future Growth

- Substantial investment program in new products, expanded factory and new IT business system; concluded in FY06
- Appreciable growth in sales volumes of all new product families in FY06
- Profit improvement program implemented in FY06

Outlook

Profit Improvement Program

- Implemented in second half of FY06
- New IT business system and expanded and upgraded Adelaide manufacturing facility in full routine operation
- Closed Brisbane and Broadcast Adelaide sites and amalgamated into main Adelaide facility
- Reduced staff numbers by more than 50 to approximately 400
- Reviewed the entire product range to eliminate complexity and inefficiency
- Reviewed global distribution strategy to improve access to key markets
- Selective price increases

Outlook

Profit Improvement Program

- One off costs in the second half $1.7m ($1.2m impact on NPAT)
- Improvement on full year profit before tax in FY07 and beyond in the order of $5m

Outlook

Market and Product

- Continuing strong demand for all communications and broadcast product groups
  - World security concerns
  - Growth in general telecommunications markets
  - Growth in digital television
- Digital microwave market very large and growing offering major opportunity
- Rapid uptake of new product families
- Codan's satellite communications niche market leadership re asserted
- Improving performance in domestic US and China markets

Outlook

Financial

- Strong orders on hand to start FY07
- Some price increases
- In the order of $5m improvement to EBIT from profit improvement plan
- Much reduced capital expenditure following completion of major programs
- Currency exposure now limited to movements in spot rate

Outlook

Summary FY07

- Growth in revenue and contribution to profit from all communications products groups
- Improved contribution to profit from broadcast products
- Substantial overall growth in revenue and NPAT
- Significant progress towards return to long term 15% compound growth trend line


Thank you for your support of
Codan
Any Questions?