

19 April 2010

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

PO Box 96
Campbelltown SA 5074
Australia

Dear Shareholder

To ensure you are as informed as possible about developments in your company we routinely send you copies of Codan's announcements to the ASX. We enclose two important announcements.

In the first announcement concerning profit, Codan is having its best year's earnings in its fifty year history.

In the second announcement, our Managing Director Mr. Michael Heard, who has led Codan with great success for 19 years, has advised the Board of his intention to retire.

Yours sincerely
CODAN LIMITED



David Klingner
Chairman

19 April 2010

ASX ANNOUNCEMENT

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

PO Box 96
Campbelltown SA 5074
Australia

CODAN LIMITED PROFIT GUIDANCE UPGRADE

The Board of Codan Limited today upgraded profit guidance for the second half of FY10 and therefore for the full financial year.

Sales and underlying net profit after tax are now expected to exceed the levels achieved in the first half of FY10. This would deliver full year net profit after tax of approximately \$30 million before impairment charges, from revenue of approximately \$180 million, both the highest ever achieved by Codan Limited by a substantial margin. As a result of this profitability, cash flow is also very strong and debt is being significantly reduced.

Not all areas of Codan's business have been experiencing strong demand; satellite communications products have continued to experience difficult business conditions at least in part caused by the Global Financial Crisis.

Therefore the Board is considering the carrying values of some assets related to satellite communications. It is likely that a non-cash impairment charge of approximately \$15 million, relating to goodwill associated with a satellite communication technology acquisition made in 1997, will be written off in the full year accounts.

Even after this non-cash impairment charge, the statutory full year net profit after tax is expected to be around \$15 million compared to \$12 million last year.

The business has met a significant challenge in the second half of the year in achieving supply of products sufficient to meet the high levels of orders on hand and the ongoing high demand, particularly for Minelab metal detection products.

The Minelab business overall has been strong. The exceptional sales being achieved in FY10 are to a significant extent being driven by a boom in the use of our metal detection products in the artisanal gold mining market in Africa. Future prospects for Minelab from the artisanal mining market globally are very good. However, sales arising from this market in FY11 may not approach the boom conditions of FY10.



Michael Barton
Company Secretary

19 April 2010

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

PO Box 96
Campbelltown SA 5074
Australia

ASX ANNOUNCEMENT

PLANNED RETIREMENT OF CODAN LIMITED'S CEO, MR. MIKE HEARD

The Board of Codan Limited advises that Mr. Mike Heard has decided to retire from Codan at the Company's AGM in November 2010 after 19 years of service as the company's Chief Executive Officer. Mr. Heard will be succeeded by Mr. Donald McGurk who has been a Codan executive for over 9 years. Mr McGurk presently has business responsibility for the company's high frequency (HF) radio products.

Mr. Heard joined Codan as managing director and chief executive officer in September 1991. He presided over the growth of the company from \$20 million annual turnover, primarily in high frequency radio products, to today's highly profitable diversified business, with annual turnover expected to approach \$180 million in 2010. Mr. Heard worked to preserve and enhance the unique culture of Codan, and conceived and implemented the "clever products for global niche markets" business strategy that has driven the company's success.

Codan's growth during this period was achieved from the company's research and development of its technology, products and markets, and from acquisitions. The company listed on the ASX in 2003. Codan Limited acquired Minelab Electronics Pty Ltd in 2008. Throughout its fifty year history Codan's head office and principal design and manufacturing centre has remained in Adelaide. Today the company has sales offices in six countries and 85% of revenue comes from exports to more than 150 countries.

Mr. McGurk joined Codan in December 2000 reporting to Mr. Heard, with executive responsibility for group-wide manufacturing, a role that he held until last year. Under Mr. McGurk, Codan developed its own highly efficient and responsive electronics manufacturing capability, and recently expanded capacity by creating a very successful outsourcing relationship with a manufacturing partner in Malaysia. In addition to his manufacturing role, from 2005 to 2007 Mr. McGurk held executive responsibility for sales of all Codan communications products, and from 2007 to the present, executive responsibility for business performance of the company's HF radio products. In this current role he has led the penetration of HF products into important new market segments for Codan.

Mr. McGurk came to Codan with an extensive background in change management applied to manufacturing operations, and held senior manufacturing management positions in several industries. He obtained a masters degree in business administration from the University of Adelaide in 2005. He is married to Tracy and they have two teenage children.



David Klingner
Chairman