



29 February 2008

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

We attach a copy of our announcement titled: "CODAN COMPLETES \$70 MILLION MINELAB ELECTRONICS ACQUISITION" for immediate release to the market.

Yours Sincerely

A handwritten signature in blue ink, appearing to read 'R. Moody', with a large, sweeping flourish at the end.

Rick Moody
Company Secretary





ANNOUNCEMENT

Codan Limited
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CODAN COMPLETES \$70 MILLION MINELAB ELECTRONICS ACQUISITION

Codan Limited (ASX: "CDA") is pleased to announce the successful acquisition of leading Australian-based metal detection and electronics business, Minelab Electronics Pty Ltd.

Plans to acquire the Minelab businesses for \$70.5 million were previously announced by the Codan communications group on 15 February 2008.

The acquisition, which was completed today, has been funded entirely from debt via facilities from major banks and is expected to be earnings per share positive for Codan shareholders in the 2008-2009 financial year and beyond.

The businesses acquired by Codan are all of Minelab's metal detection technology operations covering global consumer and countermine markets, and Minelab's wholly owned subsidiary Parketronics which provides electronics manufacturing and testing services for Australian manufacturers.

These businesses are forecast to generate between \$9 million to \$10 million of earnings before interest, tax, depreciation and amortisation (excluding integration costs) and \$47 million to \$50 million of revenue in the current full year to 30 June 2008.

Their earnings contribution to the Codan Group is effective from 1 March 2008.

Adelaide-based Codan already is a world leader in the design and manufacture of specialised remote area communication equipment, exporting to more than 150 countries.

Minelab is best known for its penetration of international markets with world-leading handheld gold and treasure detectors and landmine detecting technology and equipment.

"Codan looks forward with confidence to bringing the Minelab people and the businesses into the Codan fold and to continuing the strong global presence already occupied by both companies," Codan's Managing Director and Chief Executive Officer, Mr Mike Heard, said today.

"Our Board believes the acquisition will deliver value to Codan shareholders and will benefit the customers and the staff of both the Codan and Minelab businesses," Mr Heard said.

"There is an exciting opportunity to apply the combined electronics manufacturing skills and requirements of all of the Codan and Minelab businesses to achieve substantial improvements in productivity across the entire enlarged Codan group," he said.

Mr Heard said the successful acquisition aligned strongly with Codan's stated business strategy to develop a group of businesses designing, manufacturing and marketing "clever products" for global low to medium volume niche markets.

"We anticipate good growth in Minelab's metal detection markets, and given its global technology leadership, strong international marketing is expected to also deliver growth in Minelab's already significant shares of these markets," he said.

“This acquisition provides an exciting opportunity to apply the combined electronics manufacturing skills and requirements of all of the Codan and Minelab businesses to achieve substantial improvements in productivity across the entire enlarged Codan group.

“Significantly, Minelab brings to Codan major technology, market and product diversification which is expected to reduce volatility in Codan group revenue.

“Minelab adds the growing global consumer leisure market to the markets Codan currently serves and also brings relative strength in global military markets for landmine detection – a particular strength that Codan will leverage as it enters military markets for its HF radio products.

Aid and humanitarian customers across many countries require both communications and mine detection equipment,” he said.

Codan intends that the Minelab metal detection business and Parketronics will be operated as two stand alone business units of the Codan group.



Rick Moody
Company Secretary
29th February 2008

FOR ADDITIONAL INFORMATION, PLEASE CONTACT: -

Mike Heard
Managing Director & CEO
Codan Limited
(08) 8305 0311

Rick Moody
Company Secretary & CFO
Codan Limited
(08) 8305 0311

ABOUT CODAN AND MINELAB

Codan Limited (ASX: "CDA")

Web site:- 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.

More than 90 per cent of Codan products are exported from its Australian manufacturing facilities.

Minelab Electronics

Web site:- 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.

In February 2005, Minelab acquired Parketronics, an electronic component manufacturing business based in Adelaide, which is part of the sale agreement announced today.

The Minelab businesses employ approximately 190 people worldwide, including around 130 of them in Adelaide.