



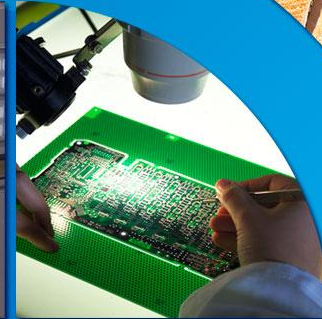
Codan Limited

ABN 77 07 590 605

Minelab & Parketronics Acquisition

Investor Presentation

11th March 2008



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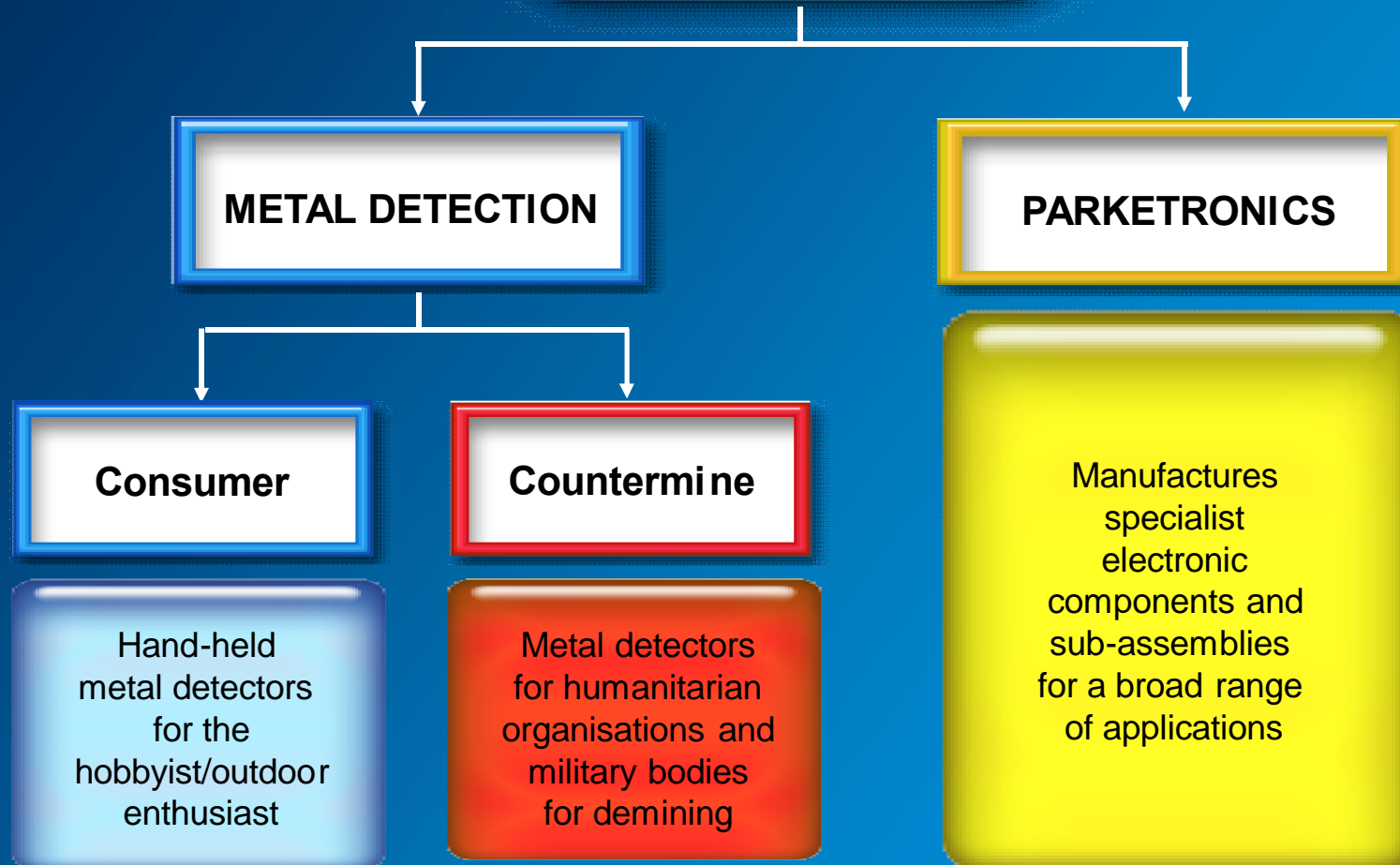
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Overview of Minelab

- ❖ Minelab is the world's leading designer and manufacturer of metal detectors and mine detecting solutions.
- ❖ Minelab's business is underpinned by the Minelab brand in the metal detection market.
- ❖ Its focus on research and development and its world class intellectual property, which is secured by patents, makes Minelab's products the world's best.
- ❖ Codan has acquired the two business units of Minelab:
 - “ Metal detection
 - Consumer
 - Countermine
 - “ Parketronics
 - Specialist electronics manufacturing

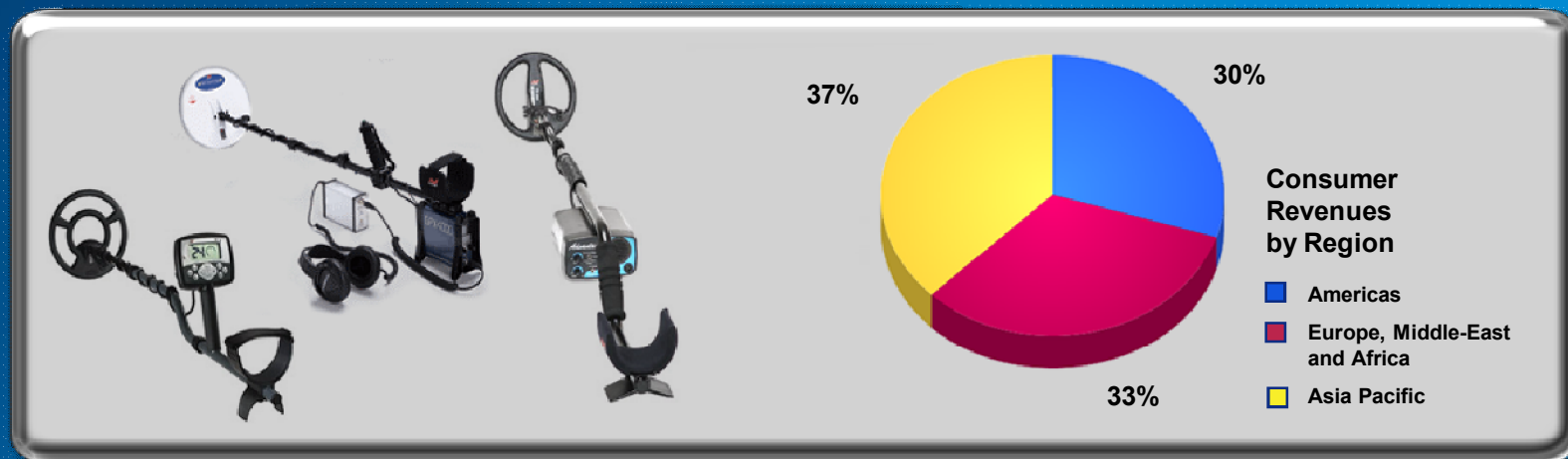
Summary of Acquisition



Consumer



- ❖ Design, manufacture, market and distribute hand-held metal detectors
- ❖ Sales offices in key regions of Australia, Europe and the United States
- ❖ All key products
 - Coin & treasure, relics
 - Gold
 - Underwater
 - Hand-held security devices



Consumer (cont'd)



Moderate growth = 2 . 8%
High Growth = 10 . 20%



Consumer (cont'd)

- ❖ Total market size ~ US\$100m
- ❖ Linked to consumer disposable income
 - growth rate per capita 6-7%
- ❖ The market is substantially composed of retirees with disposable income.
 - a potentially self-funding hobby
 - the excitement of discovery+
- ❖ Minelab growth rate 05 . 07 was 28% CAGR
- ❖ Minelab market share ~ 30%
- ❖ Equal dominant player globally with 2 other main competitors.
 - Competitors are primarily US based
- ❖ Market share growth in US & International markets expected

Countermine



- ❖ Design, manufacture, market sales of mine detecting solutions
- ❖ Products supplied to customers in more than 55 countries
- ❖ Principle customers
 - Humanitarian organisations for demining
 - Militaries, in particular the US Army
- ❖ Products and services include hand-held metal detectors, vehicle mounted array metal detector systems, and training and maintenance services



Countermine (cont'd)



- ❖ Total Humanitarian market size ~ US\$30m
 - dependant upon aid & humanitarian funding
 - ~20 . 30% market share and rising
- ❖ US and major Defence Force market
 - Significant development and supply contracts with US Army
 - Significant funding globally on R&D into mine detection solutions
 - Blue sky upside through US Army product development and supply planned for the future



Minelab Metal Detecting Technology



- ❖ Under the terms of the acquisition, all patents previously licensed are now owned by Minelab.
- ❖ Minelab therefore has a strong and long dated patent portfolio.
- ❖ Minelab has key consultancy relationships and its own strong R&D/product development team for continued significant IP development.
- ❖ Technology extendable to the Industrial / Security markets, e.g. conveyor-belt processing, walk-through security systems.



Similarities between Codan and Minelab

- ❖ Both design, manufacture and market internationally high value added products into global niche markets.
- ❖ Both have world leading technology and invest 6 . 8% of turn-over into R&D.
- ❖ Strongly culturally aligned; both South Australian!
- ❖ Minelab fits exactly into Codan's strategy of developing leveraged products for global niche markets.

CULTURAL INTEGRATION DIFFICULTIES MINIMISED!



Parkelectronics



- ❖ Parkelectronics specialises in the manufacturing and testing of specialist electronic components and sub-assemblies.
- ❖ 66% of Parkelectronics revenue is external



Operating Structure



* Estimated staff numbers

Total Minelab: 146*

Total Parkelectronics: 47*



Minelab's Performance

Financial Year 2008 Forecast



Financial Forecast	FY08* (\$M)
Net Sales	47 - 50
EBITDA	9 - 10

- * Full year forecast
- * Minelab Group prior to acquisition



Minelab's Performance

Financial Years 2009 / 2010 Forecast



EPS Accretion to Codan	FY09	FY10
Minelab & Parketronics	0.5 – 1.0c*	1.0 – 1.5c*

- * Depends upon exchange rate, primarily AUD/USD rate
- * Progressive realisation of synergies, initially A\$1.0M, rising to A\$2.0M+ per annum.



Metal Detection



Key synergies

- ❖ Manufacturing
 - The Codan Group now manufacture at 6 different sites
 - OPPORTUNITIES!
- ❖ Management & Board
 - One Board
 - Head office functions serving a larger group
- ❖ Finance / IT / Commercial
 - Leverage Codan's investment in SAP to Minelab
 - Restructure Head Office / Divisional back office functions



Metal Detection



Key synergies

- ❖ Sales & Marketing
 - Leverage common marketing services across the larger group (eg Codan's global presence . offices in India, China and Washington, DC)
 - Common aid/humanitarian and military markets. Leverage knowledge and resources across Countermine and HF radio sales and marketing
 - Military marketing
 - Codan's HF entry into military markets will directly benefit from Minelab's substantial experience and linkage to this market.



Parkelectronics



Key synergies

- ❖ Parkelectronics supply loaded PCB assemblies to the broader Codan Group.
- ❖ IMP supply of bare PCBs to Minelab and Parkelectronics.



Summary of opportunities



	Consumer	Countermine	Parkelectronics
Market Growth	✓ ✓	0 - Humanitarian ✓✓✓ - MIL	N/A
Market Share	✓ ✓	✓ - Humanitarian ✓✓ - MIL	N/A
Synergies	✓ ✓	✓	✓



Conclusion



The acquisition of Minelab Electronics Pty Ltd will deliver enhanced value to Codan shareholders and benefit customers and staff of the enlarged Codan group.

