

INVESTOR PRESENTATION

FY14 Full Year Results

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 CODAN

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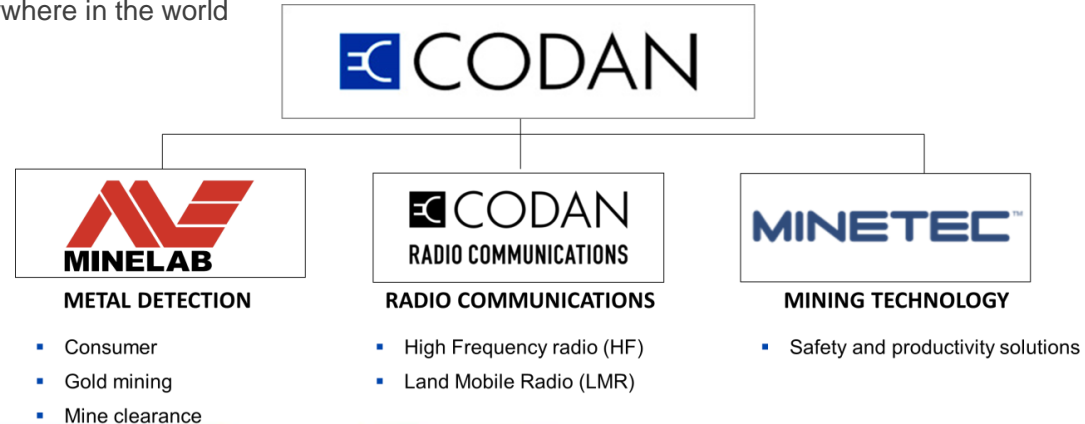
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BEST-IN-CLASS ELECTRONIC SOLUTIONS FOR GLOBAL MARKETS

- Codan is a group of electronics-based businesses that capitalise on their fundamental design and manufacturing skills to provide best-in-class electronics solutions to global markets
- Our core products are metal detectors, radio communications systems and mining technology solutions
- We succeed by:
 - optimising the development and manufacture of sophisticated electronics products and associated software
 - delivering value through cost-effective solutions
 - transforming technology to solve customer problems
 - doing business almost anywhere in the world



FY14 OVERVIEW

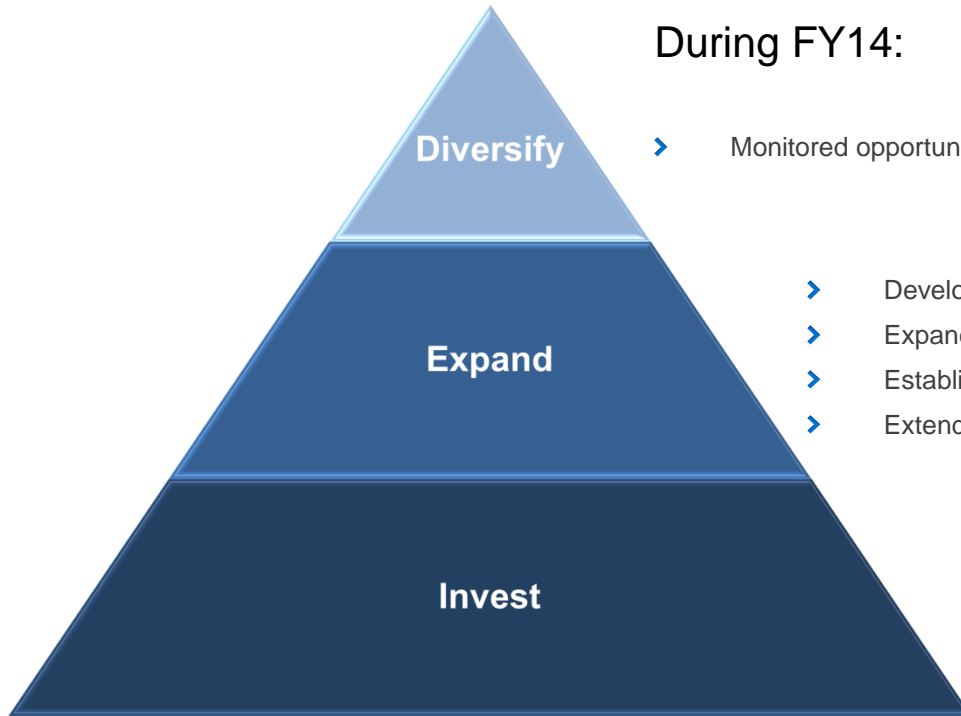
Annual results

- Reported profit of \$9.2 million
- Earnings per share of 5.2 cents
- Annual dividend of 3.0 cents
- Significant reduction in inventory and debt achieved in the second half of FY14
- Radio Communications delivered a much stronger second half and goes into FY15 with good momentum
- Minetec's productivity and safety solutions well positioned into global blue chip miners
- Strong action taken by Minelab against counterfeiters



STRATEGIC FRAMEWORK

A bias towards internal investment



During FY14:

- Monitored opportunities but focused on the core business
- Developed metal detector to enter new consumer market segment
- Expanded land mobile radio product roadmap
- Established Dubai office for Radio Communications
- Extended Minetec product offering to open pit mining
- Full release of Envoy™
- Released mid-priced compact gold detector, SDC 2300™
- Completed Minetec proof of concept at reference mines
- Continued to invest in new product development

FY14 GROUP SALES¹



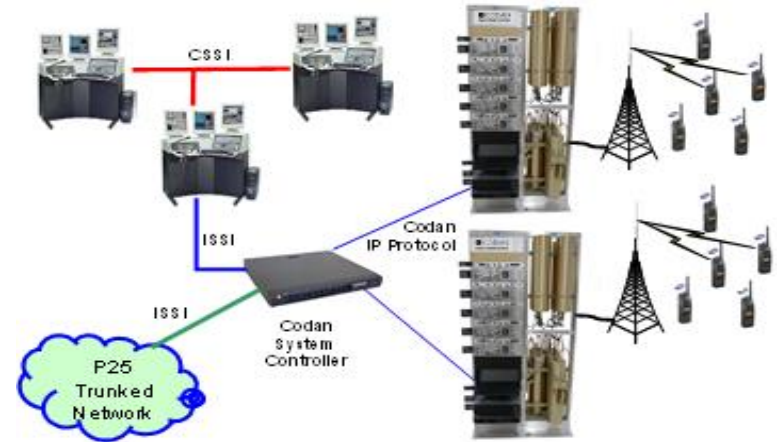
¹ Sales numbers are approximate

RADIO COMMUNICATIONS

A greatly expanded product offering



Envoy™ software defined HF radio



Land mobile radio infrastructure

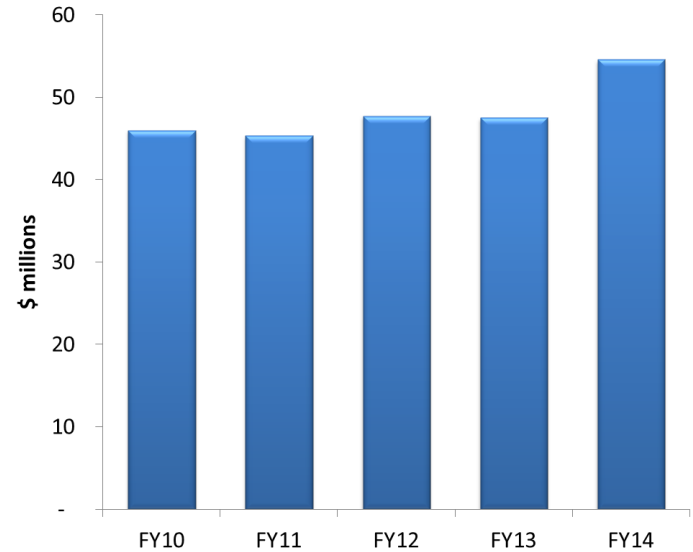
**Integrating HF and LMR to supply resilient radio networks
that save lives and provide security**

RADIO COMMUNICATIONS

New HF radio platform driving growth



Radio Communications revenue



RADIO COMMUNICATIONS

Entering FY15 with strong momentum

FY14 summary

- Released upgraded digital voice capability for Envoy™
- Restructured under new management team
- Won multi-year contract awards with major agencies worldwide
- Achieved highly successful product releases in both HF and LMR

FY15 objectives

- Upgrade and expand LMR product portfolio
- Take Envoy™ platform to the world and demonstrate its unique value
- Identify adjacent products and markets for further growth
- Capitalise on strengthening sales pipeline

METAL DETECTION

A diversified business with 3 revenue streams



CONSUMER



- Detection of gold nuggets, coins, treasure and artefacts
- Markets in the developed world

GOLD MINING



- Detection of gold as a commercial enterprise
- Markets in the emerging world

COUNTERMINE



- Detection of land mines and unexploded ordnance by government and NGO demining organisations

METAL DETECTION

Beginning a series of planned product releases



SDC 2300



- Fully waterproof gold detector for the consumer market
- Released June 2014
- Mid-priced
- Compact
- Best-in-class detection performance for fine gold
- Well received by the market
- ...and much more to come during FY15

METAL DETECTION

Continuing to develop world leading technologies



FY14 summary

- Sales declined significantly in Africa after record FY13 year
- Released SDC 2300™ to fill gap in the developed world consumer market
- High investment in next generation of products
- Continued to fight counterfeiters

FY15 objectives

- Get closer to our gold detecting markets and customers
- Successfully launch next generation Minelab products
- Continue diversification into small-scale gold mining markets in Africa, CALA and Asia
- Continue to aggressively defend market share

MINING TECHNOLOGY

MINETEC

Long term solutions to reduce mine operating costs

- Best in class mine safety and productivity solutions for open-pit and underground mines



We have a unique and integrated capability that no one else in the industry can offer

Entering FY15 with proven mine-ready products

FY14 objectives

- › Broadened customer base outside of Australia
- › Won a number of competitive tender processes
- › Made major investment in product and technology road-map
- › Introduced non-GPS based collision avoidance technology for open pit mining

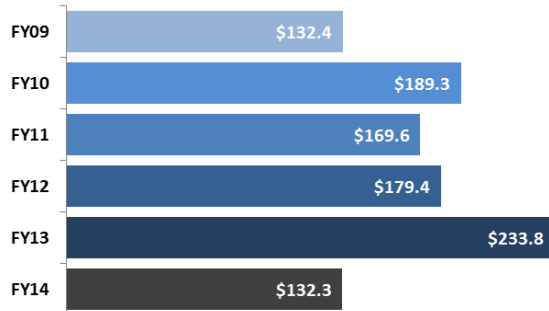
FY15 objectives

- › Realise the potential of this blue sky opportunity
- › Focus on delivering to key global mining customers
- › Continue to develop best in class products and technologies
- › Target markets with legislated requirements for collision avoidance

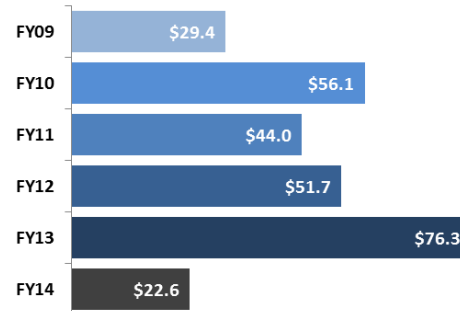
FY14 PROFIT AND LOSS

- Reduced revenue and profit caused by significantly lower demand for Minelab metal detectors in Africa
- Severe price pressure in our African markets as we aggressively fought counterfeiters
- Final dividend 1.5 cents, record date 12 September 2014, payment date 1 October 2014
- Full year dividend 3.0 cents – 58% payout ratio

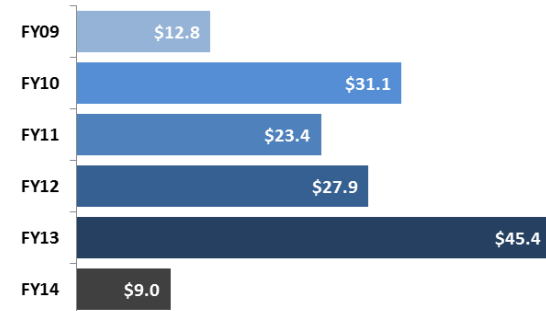
Revenue



EBITDA*



NPAT*

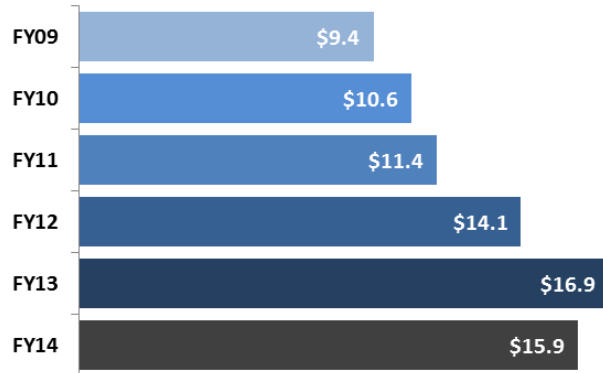


* All profitability measures refer to underlying profit

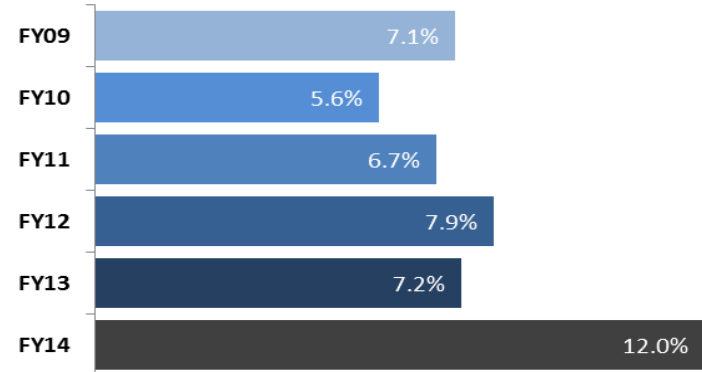
ENGINEERING INVESTMENT

An unwavering commitment to product development

Engineering spend (\$m)



Engineering spend (% sales)



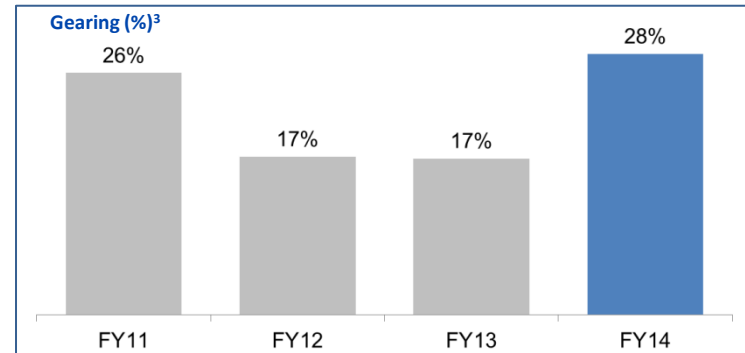
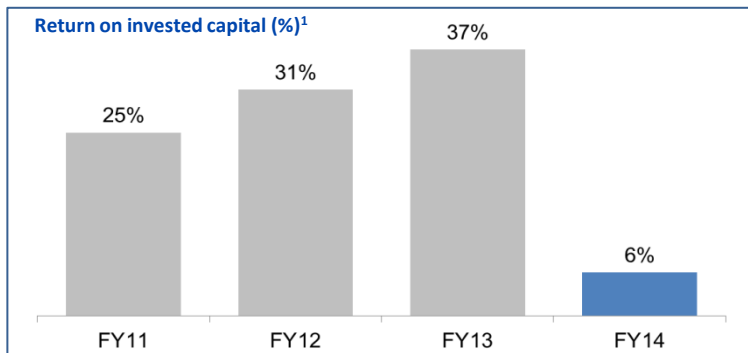
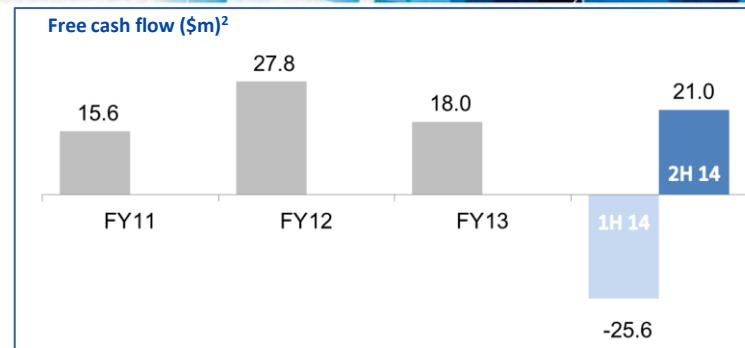
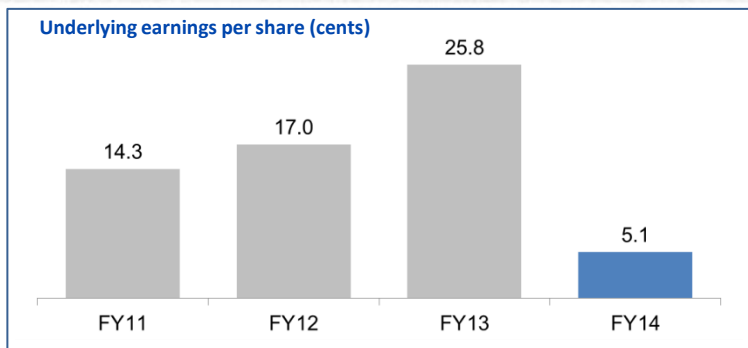
Maintained our investment in engineering to ensure a growing pipeline of world class products

CAPITAL POSITION

- › Significantly improved balance sheet since 31 December 2013
 - › Significant reduction in gold detector inventories in second half of FY14
 - › Net debt well down on \$65 million half year position
 - › Net debt of \$47 million sits well inside the company's debt facility of \$85 million

	Jun-14	Dec-13
	\$m	\$m
Receivables	\$22.1	\$20.1
Inventories	\$31.3	\$43.6
Payables	(\$23.4)	(\$15.4)
Total working capital	\$30.0	\$48.3
Property, plant & equipment	\$20.1	\$20.5
Product development	\$34.9	\$30.0
Intangible assets	\$88.0	\$89.5
Other assets	\$3.0	\$5.9
Other liabilities	(\$8.8)	(\$9.7)
Net assets before debt	\$167.2	\$184.5
Net debt	(\$46.9)	(\$64.6)
Net assets	\$120.3	\$119.9

KEY RATIOS



¹Return on invested capital = net operating profit after tax / average capital employed

²Free cash flow = operating cash flow + interest – cash outflow for product development, IP acquisition and capital expenditure

³Gearing = net debt / net debt plus equity

CODAN (CDA) – 4 KEY DRIVERS

Exposure to global markets

- › Activity in ~150 countries across the globe
- › Long history of success in emerging markets

Superior technology and market-leading brands

- › Development and manufacture of sophisticated electronics products and software
- › Patented world's-best metal detection technology

Culture of continuous improvement

- › Ongoing investment in future product technologies
- › Harnessing the ideas and creativity of our people

Positioned for future opportunities

- › Growth through ongoing investment and expansion of existing businesses and diversification into new technologies
- › Leveraging operational excellence and market reach



OUTLOOK

- › Business has stabilised
- › Radio Communications goes into FY15 with good momentum
- › Continue to heavily invest in new product development
- › New product pipeline is strong
- › Benefit from full year of new product sales will be realised in FY16
- › FY15 will be a year of consolidation
- › Difficult to provide profit guidance
- › Plan to provide further business update at October AGM