



1 September 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 series of slides, for presentation to investors and analysts, for immediate release to the market.

Yours Sincerely

A handwritten signature in blue ink, appearing to be 'RM.' followed by a large, sweeping flourish.

Rick Moody
Company Secretary





Codan Limited Investor Presentation

Full Year Results to 30 June 2008

1 September 2008



Rick Moody
Company Secretary &
Chief Financial Officer



Highlights

- Result as forecast for FY08
- Underlying net profit after tax of \$10.5m.
- Dividend maintained at 6.5 cents per share
- Resource refocussed on growth opportunities
- Minelab acquisition performing well
- HF Radio penetrating new markets
- Group EPS in FY09 to be at least 20% greater than the underlying EPS in FY08

Financial overview

Full year results	FY08		FY07	
	\$m	%	\$m	%
Revenue				
Communication Products	\$83.4	76%	\$111.0	91%
Metal Detection	\$16.2	15%	\$0.0	0%
Other	\$10.3	9%	\$10.6	9%
Total revenue	\$109.9	100%	\$121.6	100%

Key highlights:

- Revenue on communication products lower than 2007:
 - Continued strengthening of the Australian dollar (84 US cent hedged in FY08 vs 77 US cents in FY08) - impact \$4.8m
 - Reduced demand from traditional markets
- Acquisition of Minelab metal detection contributed \$16.2m in revenue for 4 months

Financial overview

Full year results	FY08		FY07	
	\$m	%	\$m	%
Total revenue	\$109.9	100%	\$121.6	100%
Underlying business performance				
EBITDA	\$24.3	22%	\$24.2	20%
EBIT	\$17.0	15%	\$16.5	14%
Interest	(\$2.2)		(\$0.6)	
Net profit before tax	\$14.8	13%	\$15.9	13%
Net profit after tax	\$10.5	10%	\$11.2	9%
Non-recurring expenses after tax	\$9.5			
Net profit after tax	\$1.0		n.a.	

Key highlights:

- EBITDA increased \$0.1m even though revenue decreased. Improved EBITDA margin to 22% caused by:
 - Substantial productivity improvements
 - Contribution from the Metal Detection segment.
- \$2.2m interest related to funding of Minelab acquisition cost of \$69.4m.
- Excellent operating cash flows.

Non-recurring expenses

Non-recurring expenses

- Integration and restructuring expenses \$0.8m (after tax).
- Non-cash impairment write downs in digital microwave radio and TV broadcast \$8.7m (after tax).

Sharpened strategy

- Digital microwave radio and broadcast sales are small and not contributing to group profit.
- Refocus resources on core business units - better return on shareholder funds.



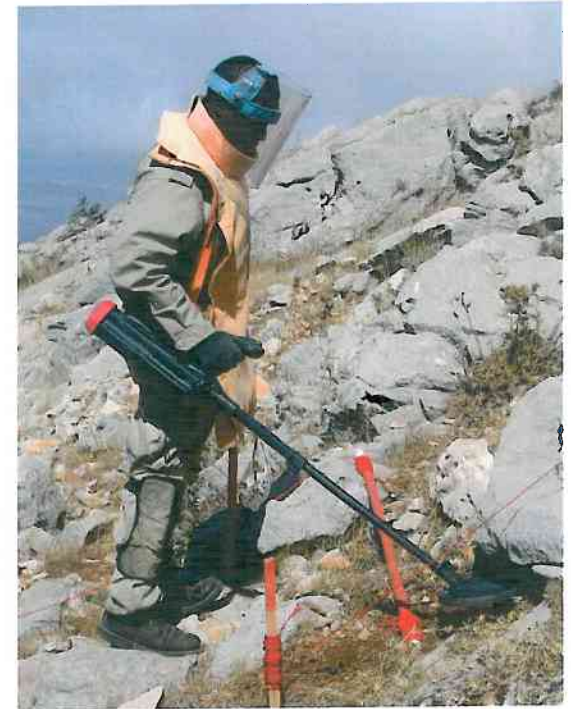
Minelab acquisition

Exceed forecasts

- Minelab exceeded the FY08 forecast
- Also expected to exceed earlier forecast in FY09

Synergies

- Adds significant potential for synergy and growth to the group
- Leveraging Minelab and Codan's manufacturing and distribution capability to
 - Improve production efficiency
 - Improve working capital management
- Streamlining IT systems and support functions





Ratios

– excluding restructuring and integration expenses and assets write down

	FY08	FY07
Return on net operating assets (average)	20.5%	22.1%
Return on equity (average)	15.8%	16.1%
Underlying earnings per share	6.5 cents	6.9 cents

Definitions

- Return on net operating assets: $\text{EBIT} / \text{average net operating assets}$
- Return on equity: $\text{NPAT} / \text{average equity}$
- Earnings per share: $\text{NPAT} / \text{no. of shares}$

Ratios

	FY08	FY07
Interim dividend per ordinary share	3.0 cents	3.0 cents
Final dividend per ordinary share	3.5 cents	3.5 cents
Total dividend per ordinary share	6.5 cents	6.5 cents
Franking	100%	100%

Record date
Payment date

16 September 2008
1 October 2008

Balance sheet

	FY08	FY07
\$m		
Working Capital		
Receivables	\$18.3	\$15.7
Inventories	\$18.4	\$14.1
Accounts Payable	(\$18.1)	(\$12.7)
Total Working Capital	\$18.6	\$17.1
Property, Plant & Equipment	\$25.0	\$17.8
Product Development	\$12.5	\$14.4
Intangible Assets	\$73.2	\$25.0
Other	\$4.0	\$2.0
Total Assets	\$133.3	\$76.3
Other liabilities	(\$9.1)	(\$9.3)
Net Operating Assets	\$124.2	\$67.0
Net debt	(\$62.2)	\$3.5
Net Assets	\$62.0	\$70.5

Borrowings

Funding:

- 3 year evergreen
- Negative pledge
- Covenants (EBIT / net interest, net debt / EBITDA and dividend payment)
- Closing net debt \$62.1m

Key ratios

	FY08
Net debt / EBITDA*	2.1x
Net Debt / (Net Debt + Equity)	50%

* Excluding restructuring and integration expenses and assets write down



Outlook

Summary

Environment

- Excellent HF product range for global security, protection and military markets launched and achieving orders
- Minelab acquisition exceeding earlier forecasts and well established within the Codan group
- Metal detection markets growing
- Full year of metal detection in FY09
- Outsourcing of communications products to Malaysia underway
- Management team at full strength
- Cash flow excellent
- Years of US dollar revenue growth camouflaged by strong AUD
- Exposure to the USD substantially hedged at 88 US cents to the AUD; comparable to the situation in FY08



Outlook

Summary

Key Initiatives

- Strengthening market positions in all products
 - HF radio growth from new Codan markets
 - Consolidation of Satellite Communications
 - *Imminent launch of important new products*
- Consolidating outsourcing to Malaysia
 - *Significant cost reductions on outsourced communications products*
 - *Extend outsourcing to other part of the business where appropriate*
- Synergies from Minelab acquisition
 - *Leveraging the best of Codan's and Minelab's manufacturing and distribution capabilities*
 - *Streamlining systems and support functions*



Outlook

Summary

Guidance

- FY08 a watershed year and solid platform for growth
- Group eps in FY09 at least 20% greater than the underlying eps in FY08
- Growth to continue beyond FY09



MISSION READY.
MILITARY COMMUNICATIONS

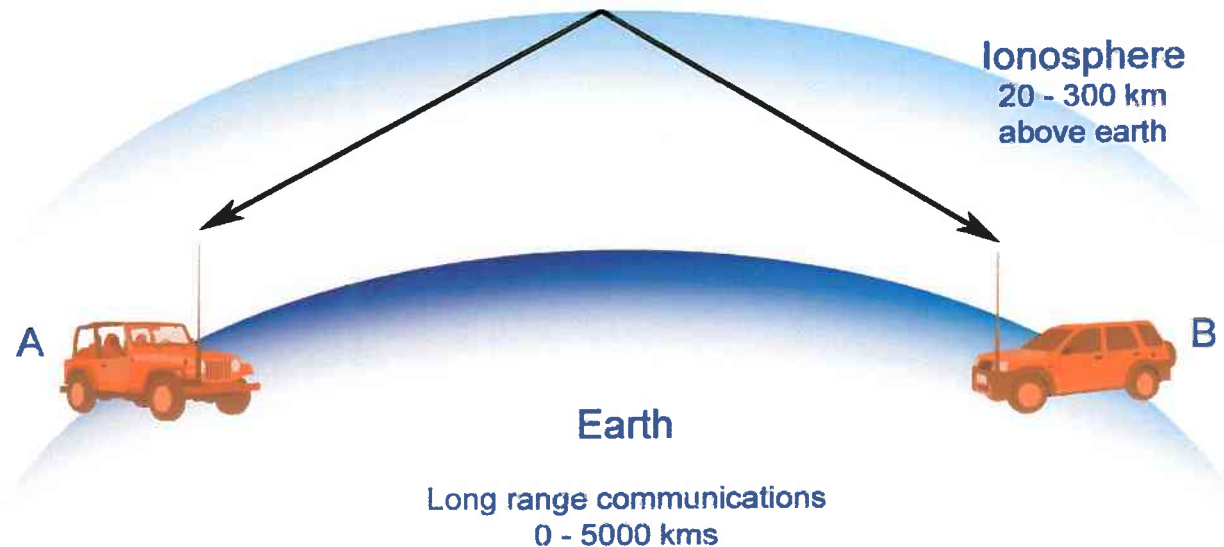
CODAN HF RADIO

Donald McGurk
General Manager, HF Radio



What is HF Radio Communications?

- **HF (High Frequency) Radio communications:**
 - Free to air
 - Remote
 - Long distance
 - Infrastructure Free
- **Only HF Radio can do this**
- **HF Radio communications will always be required**



Existing Codan HF Markets

- **Codan is the global market leader in its existing HF markets:**
 - Aid
 - Humanitarian
 - Government and Business
- **Outstanding products:**
 - Robust and reliable
 - Innovative features
 - Competitively priced
- **Unique value proposition:**
 - Exceptional product performance and quality
 - Comprehensive global sales and support network
 - Continuous investment in new products



Aggressive Push into New Markets

- **Codan is currently entering a new market segment:**
 - Security
 - Protection
 - Military
- **This adjacent market was selected on the basis of:**
 - Larger, definable niche (double existing)
 - Opportunity in the market caused by geopolitical environment
 - Current product technology transportable
 - Good access to the market through established dealer network and by attracting competitor channels
 - New, world best products



Our New Products – Security, Protection, and Military



- FREQUENCY HOPPING
- ZIGBEE
- VOICE ENCRYPTION
- DATA MODEM
- GPS
- ANTENNA TUNER
- INTELLIGENT BATTERY MANAGEMENT

 <p>BATTERY</p>	 <p>ANTENNAS</p>	 <p>SOLAR PANELS & CHARGERS</p>	 <p>BACKPACK</p>	 <p>FIELD DATA TERMINAL</p>	PORTABLE
 <p>MOUNTING CRADLE</p>	 <p>POWER AMPLIFIER</p>	 <p>ANTENNA TUNERS</p>	 <p>COMBAT DATA TERMINAL</p>	VEHICULAR	
 <p>MOUNTING CRADLE</p>	 <p>POWER SUPPLY & SOLAR PANELS</p>	 <p>SEMI DELTA ANTENNA</p>	 <p>COMBAT DATA TERMINAL</p>	BASE	

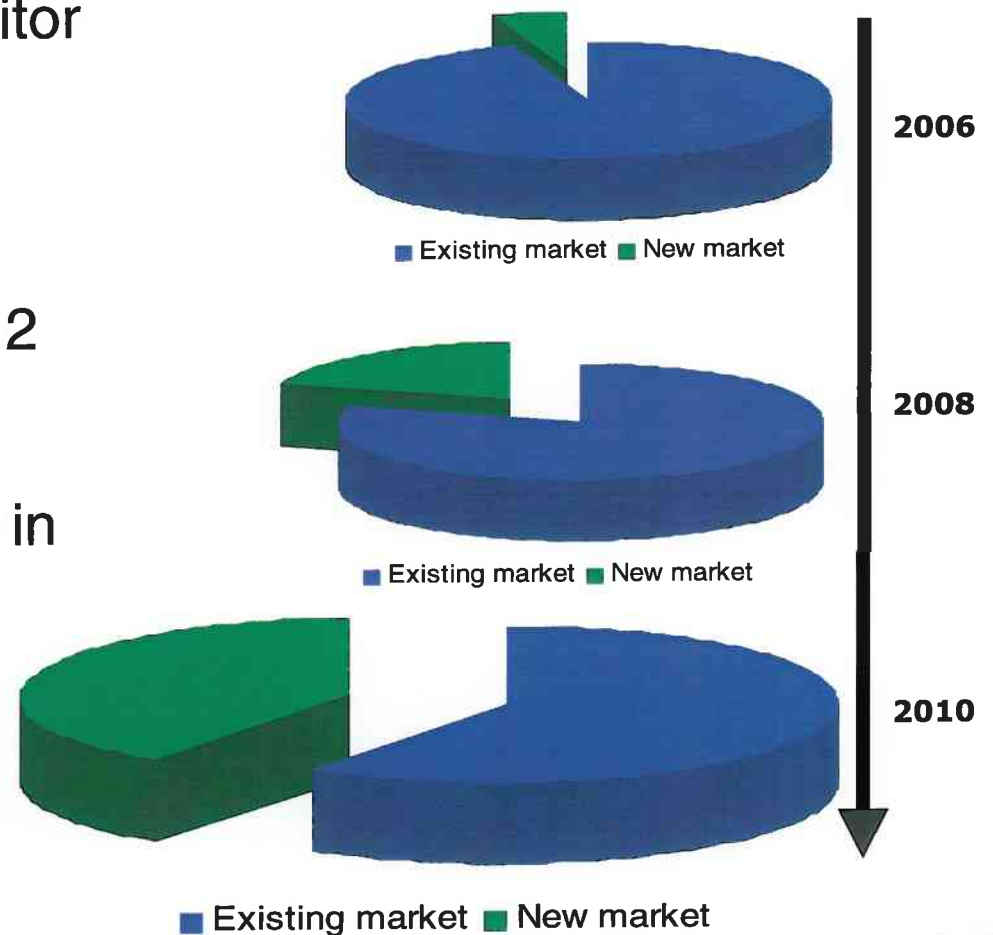
Why we Believe we Will be Successful

- **Market Launch Conducted**
 - High level of interest created
 - Market assumptions confirmed
 - Attracted competitor channels
 - Inundated by product demonstration requests
- **Compelling value proposition for our new market**
 - Rugged and proven reliability
 - Excellent performance
 - Simple to use
 - Features that count
 - Cost effective
 - World's best support
- **Well Positioned against competitors**
 - Have been flying under the radar
 - Frontline military suppliers trapped at top end of market
 - Direct competitors unable to match Codan value proposition



Early Success

- Signed up a number of competitor channels and have a strong opportunities pipeline
- Received a substantial level of new market orders during past 2 months
- Expect to become number one in our defined niche
- Will progressively grow HF revenue from new market



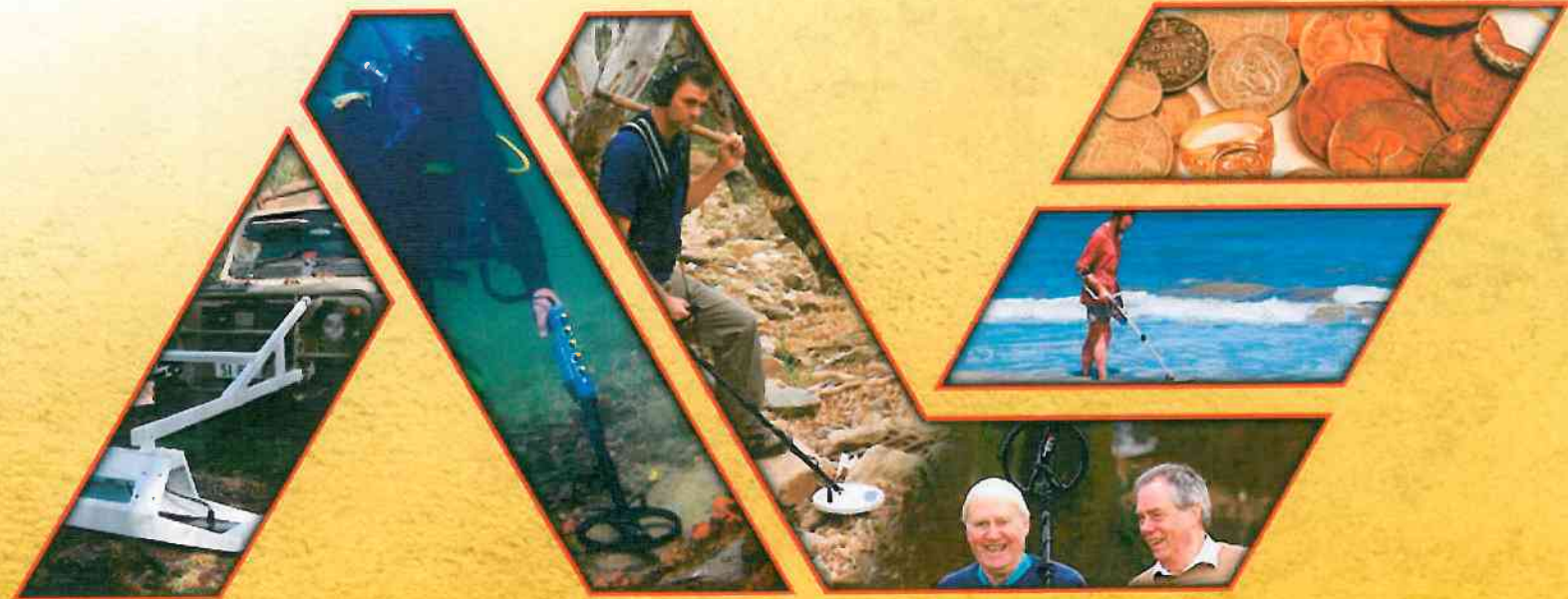


Codan Investor Presentation

AN EXCITING ADDITION TO THE CODAN GROUP

Minelab Overview – September 2008

Treasure through Technology



Peter Charlesworth
General Manager - Minelab

Minelab Markets



- The Minelab Metal Detection Market is NOT a TOY market!
- It is comprised of the **Sophisticated Leisure Market** and the **Demining Equipment Market**.
- It is served by sophisticated equipment developers and manufacturers.
- People make **money** from products or **lives are saved** from the demining activities.
- Customers Invest \$'000's per product.
- We supply **Clever Products for Global Markets**



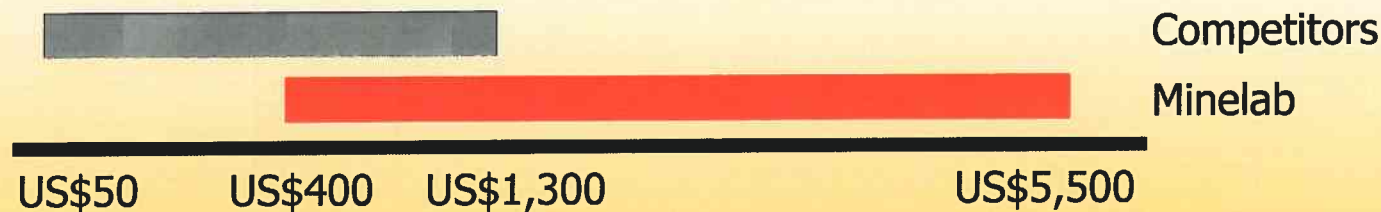
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Minelab Products

Competitive Advantage



- Minelab detectors incorporate the most advanced metal detection technology in the world
- The best detection depth across all soil types (benign to highly mineralised)
- Minelab has:
 - 18 current Patents on Metal Detection Technology, out to 2028
 - 4 more in development including significant technological steps to enhance detector performance.
- Attractive product differentiation:



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Metal Detection Business



**Hand-held
metal detectors
for the hobbyist/
outdoor enthusiast
and prospector**



**Metal detectors
for humanitarian
organisations
and military bodies
for demining**



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Minelab Consumer Market Segment - Product



2 Significant Market Segments

- Gold
- Coin, Treasure and Relics

Addressable Market
~ \$200m+ Market



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Minelab Consumer Market Segment - Geographic



Developing & Rest of World

- Mixture of Gold and Coin and Treasure Markets
- Strong Growth Market

Australia

- Gold prospecting accounts for most of the market, given an abundance of gold deposits
- Growth Market

USA

- Large gold and coin and treasure market
- Many detector clubs and strong hobby presence
- USA hobbyist market is significantly larger than other geographical markets
- Growth Market

Western Europe

- Large coin and Treasure hunting market
- Customers generally favour mid-range detectors
- Growth Market



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Minelab Consumer Gold Detector Market Segment



- Customer profile – from professional and semi-professional prospectors to weekend hobbyists
- A hobby/leisure activity that holds the potential to pay you back!
- Growing market segment – “baby-boomers” favourable demographics
- Growing hobby popularity – active leisure activity

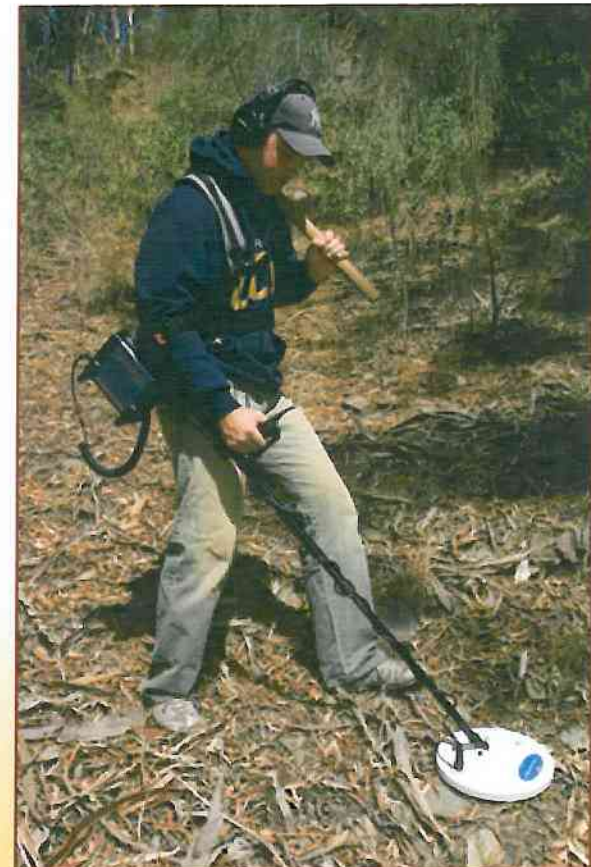


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Minelab Consumer Gold Segment (cont.)



- April 08 release of the GPX4500 resulted in HUGE demand for this premium machine.
- Minelab dominates the high performance Gold Machine market; without peers in technology and performance.
- Recently a customer with a new GPX4500 found approximately \$400,000 of Gold in Victoria. Other significant finds reported across Australia.



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Minelab Consumer Coin and Treasure Market



- Minelab competes in the mid to high end Coin and Treasure Market
- Minelab's technology produces the world's most advanced Coin and Treasure machines
- Not the Toy Market where price is the only discriminator

Growth is aided by:

- Developing country wealth increasing
- Maturing western country populations
- Liberalisation of attitudes to treasure hunting for personal gain



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Minelab Countermine Products



- Handheld Mine Detectors
- OEM Supply
(for incorporation into the US Army HSTAMIDS programme)
- Arrays



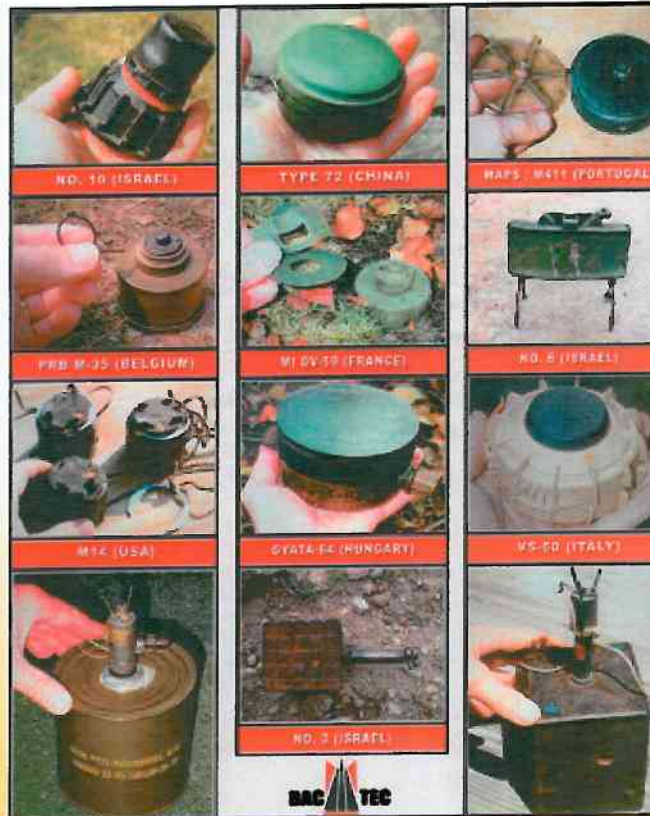
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Minelab Countermine

Reason for the market



- Legacy and Tactical Countermine Operations



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Minelab Countermine Customers



- Humanitarian Demining ~US\$20M-\$30M
 - UN – through the Mine Action Programme
 - Non-Government Organisation (NGO's)
 - eg: HALO Trust (Princess Di's supported charity)
 - Governments
 - Commercial Demining Companies
- Defence/Military Customers
 - Countermine Operations
 - US Army HSTAMIDs Programme (Handheld Stand off Mine Detection Systems)
 - Dual GPR (Ground Penetrating Radar) / Metal Detection Sensor
 - Used presently in Afghanistan and Iraq
 - Route Clearance
 - Arrays
 - Unmanned Vehicle Technology



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Minelab Countermine Competitive Advantage



- Leading technology to find minimum metal Mines in mineralised soils
- Test Reports
 - IPPTC (International Pilot Project for Technology Co-operation) Report Cambodia 2001
 - *Minelab rated best overall*
 - STEMMD (Systematic Test and Evaluation of Metal Detectors) Mozambique 2005
 - *Minelab rated best overall*
 - STEMMD Croatia 2006
 - *Minelab rated best overall*
 - BAM (Bundesanstalt für Materialforschung und-prüfung (German: Federal Institute for Materials Research and Testing)) Germany 2007
 - *Minelab had best Probability of Detection (PD), lowest False Alarm Rate (FAR)*



Minelab Summary



- Minelab has outperformed Codan's acquisition expectations in the first 4 months of ownership.
- Minelab is forecast to do equal to or better than our acquisition expectations for 08/09.
- There are significant synergies that will be unlocked over the next 12 months.
- It is a Growth Market.
 - Changing Demographics in Target Market Worldwide.
 - Growing Interest by Consumers.
- Minelab serves the Sophisticated Metal Detection Market with Technically Advanced Products and Solutions.
- *Minelab has been an excellent acquisition for Codan.*

CLEVER PRODUCTS – GLOBAL MARKETS



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