



## ANNOUNCEMENT

### **CODAN LIMITED ACQUIRES MINING COMMUNICATIONS AND TECHNOLOGY COMPANY**

Codan Limited  
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Australia

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Australia

Codan Limited (ASX: "CDA") has reached agreement to acquire all of the shares in Perth-based company, Minetec Pty Ltd (Minetec), from the Company's founder and partner for an up-front cost of \$6 million. The acquisition is scheduled for completion on 3 January 2012, with the possibility of approximately \$4 million in additional payments if certain earn-out targets are achieved over the next two and a half years.

Minetec is forecast to deliver approximately \$1 million EBITDA (excluding integration costs) from \$9 million of revenue in the six months to 30 June 2012. The acquisition will be funded by Codan's existing debt facility and is anticipated to be earnings per share accretive in the current financial year and beyond.

Minetec designs and manufactures a range of electronic products and associated software and is closely aligned to Codan's core competencies of developing and manufacturing electronic products and distributing them almost anywhere in the world. Minetec has grown significantly over the past few years and is at a point where it requires additional funding, improved processes and assistance to maintain its significant growth rate.

Minetec was established in 2000, employs approximately 50 staff and provides communications solutions to the mining sector. While Minetec's products are different from those offered by Codan's Radio Communications division, they are based on similar engineering principles and are closely aligned to Codan in that they provide critical technical solutions in difficult operating environments.

In recent years, Minetec has developed products that leverage off their communications infrastructure to improve mine safety and productivity in underground mines. These products include asset tracking, collision avoidance systems and associated software.

While Minetec's revenue is predominantly Australian-based, it is developing relationships with a number of large global miners, and under Codan's ownership will be well placed to develop the business internationally.

Codan's Managing Director, Mr. Donald McGurk, said *"Codan has been actively looking for the right acquisition and is pleased to make this entry into the fast growing mining technology services industry. The mining sector offers significant opportunities for future growth, and Australia is considered to be one of the world's most innovative mining technology communities."*

Codan will operate Minetec as a stand-alone business unit of the Codan group, and will use it as the foundation for further growth in this sector. Codan values the management and staff of Minetec and looks forward to their contribution to the future success of the Codan group.

Michael Barton  
Company Secretary  
22 December 2011

#### **FOR ADDITIONAL INFORMATION, PLEASE CONTACT: -**

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