



15 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 about the proposed acquisition of Minelab Electronics Pty Ltd for immediate release to the market.

Yours Sincerely

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

Rick Moody
Company Secretary





CODAN

ANNOUNCEMENT

ACQUISITION OF ADELAIDE-BASED MINELAB ELECTRONICS PTY. LTD. BY CODAN LIMITED

Codan Limited
ABN 77 007 590 605
81 Graves Street
Newton SA 5074
Australia

PO Box 96
Campbelltown SA 5074
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The board of Codan Limited (ASX: "CDA") advises that the company has reached agreement to acquire all of the shares and options in Adelaide based Minelab Electronics Pty. Ltd. (Minelab) under a sale and purchase agreement.

The acquisition includes all of Minelab's metal detection technology and businesses, covering global consumer and countermining markets, and Minelab's wholly owned subsidiary Parketronics, which provides electronics manufacturing and testing services for Australian manufacturers. Minelab's Halcro business, which specialises in super high-end audio equipment, has been divested by Minelab, and accordingly is not being acquired. The acquisition is scheduled for completion by 6 March 2008 at the latest, subject to various conditions being first satisfied.

The Minelab businesses to be acquired by Codan are forecast to deliver \$9 million to \$10 million of EBITDA (excluding integration costs) from \$47 million to \$50 million of revenue in the full year to 30 June 2008. The acquisition price of approximately \$70.5 million (maximum) will be entirely debt funded via facilities from major banks and the acquisition is anticipated to be earnings per share accretive for Codan shareholders in the financial years ending 30 June 2009 and beyond. The acquisition price is subject to various adjustments which may decrease the maximum amount, and the final price payable by Codan will be determined after completion.

Minelab was established in 1989. It is a world leading designer, manufacturer and global marketer of metal detectors and landmine and unexploded ordnance detecting solutions. Minelab's head office and research and development facilities are located in Adelaide. Metal detection products are manufactured in Adelaide and County Cork in Ireland. The Parketronics manufacturing operations are also in Adelaide. The Minelab businesses employ approximately 190 staff worldwide, with approximately 130 of them in Adelaide.

A more detailed description of the Minelab businesses to be acquired by Codan is available on Codan's website; www.codan.com.au/investors

Good growth is anticipated 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.

This acquisition aligns 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.

The Minelab metal detection and Codan communications products businesses are remarkably similar. Both design, manufacture and market internationally high value added, low to medium volume "clever" electronics products for government, professional, consumer, aid and humanitarian, military and business users. Both are technology leaders with major market shares in their respective markets. Both have head office, research and development and manufacturing operations in Adelaide with sales, marketing and customer service teams offshore. Both have a proud reputation for product quality and reliability, and exceptional customer service and support.



In addition, Minelab brings to Codan major technology, market and product diversification, which is expected to reduce volatility in Codan's group revenue. Minelab adds the growing global consumer leisure market to the markets Codan currently serves. Minelab brings relative strength in global military markets (for landmine detection), which strength Codan will leverage as it enters military markets for its HF radio products. Aid and humanitarian customers require both communications and landmine detection equipment.

In every aspect the businesses will learn from each other's experiences, select the best of each other's processes and systems and leverage each other's strengths. Substantial synergies will be progressively realised.

Codan will operate the Minelab metal detection and Parketronics businesses as two stand-alone business units of the Codan group. Codan values the management and staff of Minelab's businesses and looks forward to their contribution to the future success of the Codan group.

There is the potential for Parketronics to provide some manufacturing services to other Codan group companies, as it does for the Minelab metal detection business. There is also the potential for Codan's wholly owned subsidiary, IMP Printed Circuits Pty. Ltd., to increase its supply of printed circuit boards to the Minelab metal detection business and to Parketronics. The acquisition presents 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 and profitability across the entire Codan group.

The sale and purchase agreement includes a number of warranties which have been given by the vendors in favour of Codan. Included in the purchase price, Codan has arranged a warranty and indemnity insurance policy which, subject to the terms and conditions of that policy, will provide Codan with significant protection should Codan suffer a loss arising from a warranty claim.

Codan is also pleased to advise that via separate agreements currently being negotiated, ownership of key intellectual property rights pertaining to metal detection, currently licensed, are to pass to Minelab at the date of completion. Further, the existing consultancy agreement for ongoing development of metal detection technology will be renewed and new intellectual property created under that agreement will be owned by Minelab. Completion of the Minelab acquisition is conditional upon the finalisation of these agreements and good progress has been made. These agreements will result in a strong and mutually beneficial relationship between the parties who are world leaders in the development of metal detecting technology.

Codan's board believes that this acquisition will deliver value to Codan shareholders and will benefit the customers and the staff of both the Codan and Minelab businesses.



Mike Heard
Managing Director and chief Executive Officer
15 February 2008

NEWS

· RELEASE ·

15TH February 2008

CODAN ANNOUNCES \$70.5 MILLION ACQUISITION OF WORLD-LEADING MINELAB ELECTRONICS

Global communications specialist, Codan Limited (ASX: "CDA"), has reached agreement to expand its internationally-renowned operations with the announcement today of the proposed \$70.5 million acquisition of leading Australian-based metal detection and electronics business, Minelab Electronics Pty Ltd.

The Minelab businesses to be acquired are forecast to deliver \$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 full year to 30 June 2008.

The Minelab EBITDA and revenue will impact Codan's results from the date of completion of the acquisition which is scheduled for 6 March 2008, at the latest, subject to various conditions being satisfied.

The \$70.5 million acquisition, which will be funded entirely from debt via facilities from major banks, is expected to be earnings per share positive for Codan shareholders in the 2008-2009 financial year and beyond.

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.

Like Codan, Minelab is an Australian-built, multi-award winning business that has successfully scaled world markets to command global leadership in its key areas of operation.

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

The Codan acquisition includes all of Minelab's metal detection technology and businesses, covering global consumer and countermining markets, and Minelab's wholly owned subsidiary Parketronics which provides electronics manufacturing and testing services for Australian manufacturers. Minelab's specialist Halcro audio equipment operations are not being acquired.

issued through

FIELD PUBLIC RELATIONS PTY LTD ABN 74 008 222 311

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“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,” Codan’s Managing Director and Chief Executive Officer, Mr Mike Heard, said today.

“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,” Mr Heard said.

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

“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 growth strategy

Mr Heard said the Minelab acquisition is in line with Codan’s previously stated strategy of pursuing acquisition opportunities that will enhance shareholder value, capitalise on the Company’s strengths and are compatible with Codan’s existing business model and culture.

“This acquisition aligns 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,” he said.

“Good growth is anticipated 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.”

Mr Heard said the Minelab metal detection and Codan communications products businesses were remarkably similar. For instance, both businesses:-

- design, manufacture and market internationally high value added low to medium volume “clever” electronics products for government, professional, consumer, aid and humanitarian, military and business users
- are technology leaders, with major market shares in their respective markets
- have head office, research and development and manufacturing operations in Adelaide with sales, marketing and customer service teams offshore
- have a proud reputation for product quality and reliability, and exceptional customer service and support.

“It follows that in every aspect of operations the businesses will learn from each other’s experiences, select the best of each other’s processes and systems and leverage each other’s strengths. Substantial synergies will progressively be realised” he said.

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

There is the potential for Parketronics to provide some manufacturing services to other Codan group companies as it does for the Minelab metal detection business.

Also there is the potential for Codan’s wholly owned subsidiary IMP Printed Circuits to increase its supply of printed circuit boards to the Minelab metal detection business and to Parketronics.”

FOR ADDITIONAL INFORMATION, PLEASE CONTACT: -

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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.

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