



Investor Presentation

Business Performance Half Year 2012

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Financial Highlights



- Underlying profit maintained at \$10.4 million
- Interim dividend maintained at 4.0 cents
- Well placed to deliver another good year in FY12
- Acquisition of Minetec brings diversification into mining sector
- Strong profit growth achieved in Radio Communications
- Metal detector sales impacted by counterfeit product entering the African market
- Business generating strong margins as a result of brand strength and the outsourcing of some manufacturing
- Good progress made evaluating strategic options for the Satellite business

Divisional Overview



Communications

Radio Communications



Metal Detection



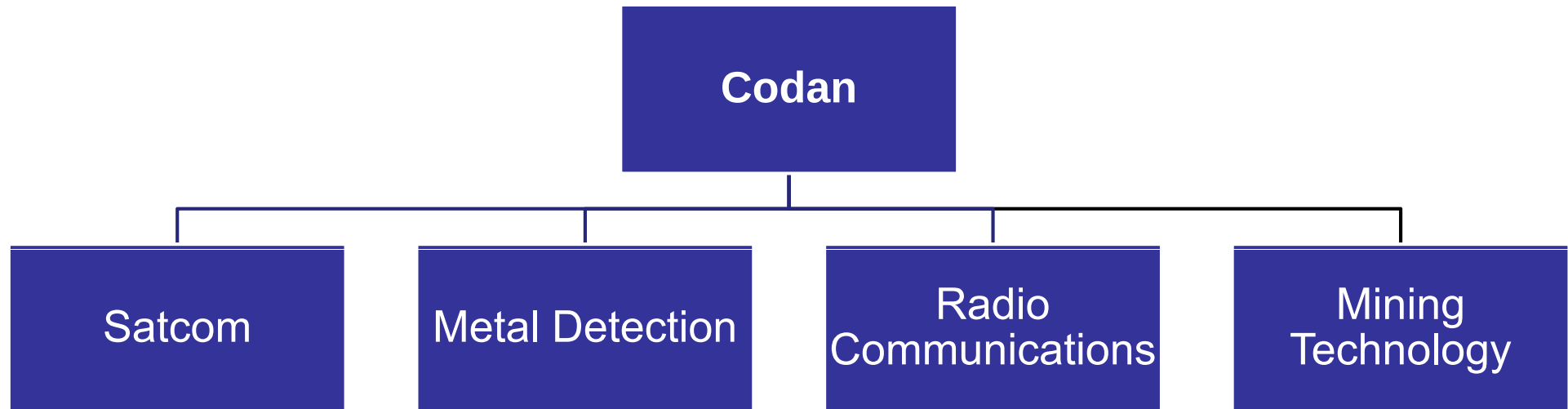
Mining Technology



Satellite Communications



Strategic Options



Strategic
considerations

Invest in Ourselves

Expand our Businesses

← core →

Strategic Options



Communications

- highlights



RADIO COMMUNICATIONS
for the long haul



■ Radio Communications:

- Continued market position improvement in the targeted global security, military and peacekeeping segments
- Significant investment to fast track new product development continues; progressing to plan
- Initiatives to broaden market presence showing good results
- Sales in the key Central Asian region remain strong, and Codan continues to capture follow-on business

■ Satellite Communications:

- Business conditions remain difficult with strong Australian dollar, rapidly consolidating industry and technology changes
- Evaluating strategic options and expect to be in a position to act on plan during second half

FY12 Objectives

- Continue to grow our military and security market share
- Launch new radio communications products
- Target local manufacturing in growth markets
- Aggressively market our satellite communication products to target customers
- Fully explore strategic options for satellite communications business

Metal Detection Products



Minelab supplies metal detection products and systems for consumer, mine clearance and artisanal gold mining markets

Premium Coin & Treasure



- **Consumer:** Detection of gold nuggets, coins, treasure and artefacts by serious hobbyists, semi-professional prospectors and archaeologists
- **Mine clearance:** Detection of land mines and unexploded ordnance by government and NGO demining organisations and the military
- **Artisanal gold mining:** Detection of gold as a commercial enterprise by small groups of prospectors

Countermine F3 Compact



Gold machine
GPX 5000



Metal Detection Products

- highlights



- Lower sales into North East Africa due to Chinese manufactured counterfeit product entering this market
- Implementing a comprehensive action plan to address this counterfeit issue
- Sales in all other markets and regions have been strong with the Minelab brand continuing to win market share
- Sales of countermine metal detectors have significantly exceeded the corresponding period
- Accelerated new product development progressing to plan

FY12 Objectives

- Grow gold detector sales to gold prospectors in remote locations
- Accelerate coin and treasure sales
- Get the new compact mine detector into hands of military and security customers
- Continue to develop products for the future



Minetec Acquisition



Why the Mining Technology Industry?

MINETEC™

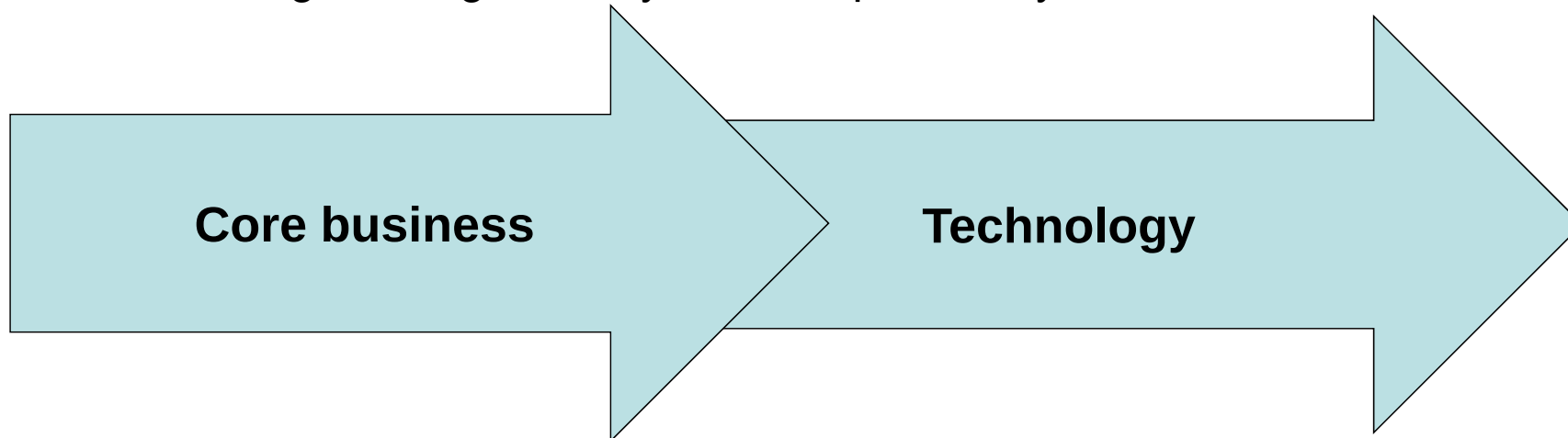
- Mining boom is projected to continue for at least 10 years
- New technologies are required to improve mine safety and productivity
- Australia is considered to be the world's most innovative mining technology community
- Opportunity to consolidate numerous small to medium sized businesses over time

Minetec is closely aligned to our core competencies and will be used as the foundation for further growth in this sector

Minetec Overview



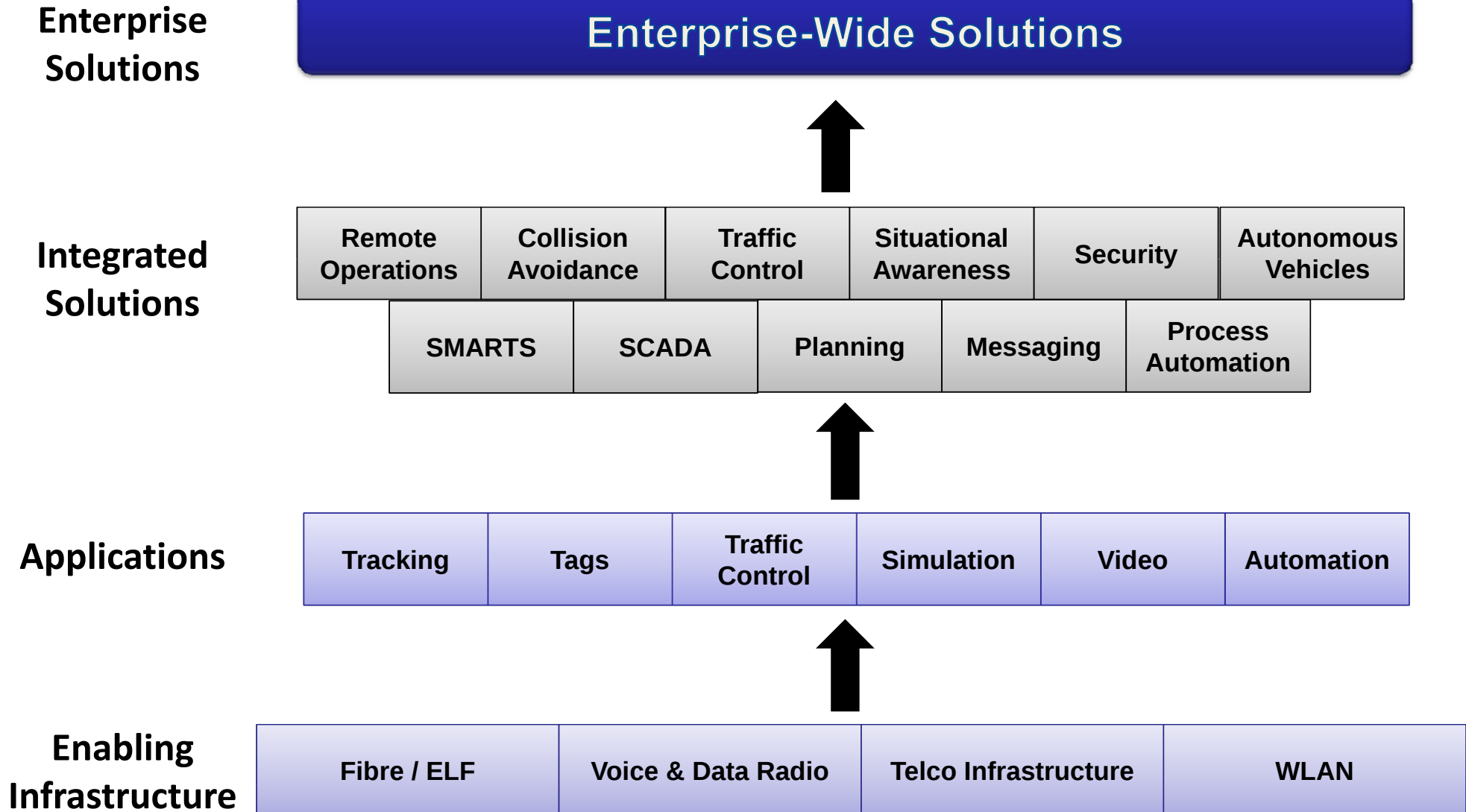
- Founded in 2000
- Employs approximately 50 staff
- Perth-based provider of communication solutions to the mining sector
- Minetec has grown significantly over the past few years



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|--|---|
| <ul style="list-style-type: none">▪ Communications systems expertise▪ Enabling infrastructure▪ Very large sales pipeline▪ Generic capability to address all facets of the mining industry | <ul style="list-style-type: none">▪ Technology investment since 2007▪ Enterprise-wide solutions▪ Cornerstone customer▪ Hard rock underground mines▪ Technology value proposition drives major project revenue |
|--|---|

Vertical Growth Map

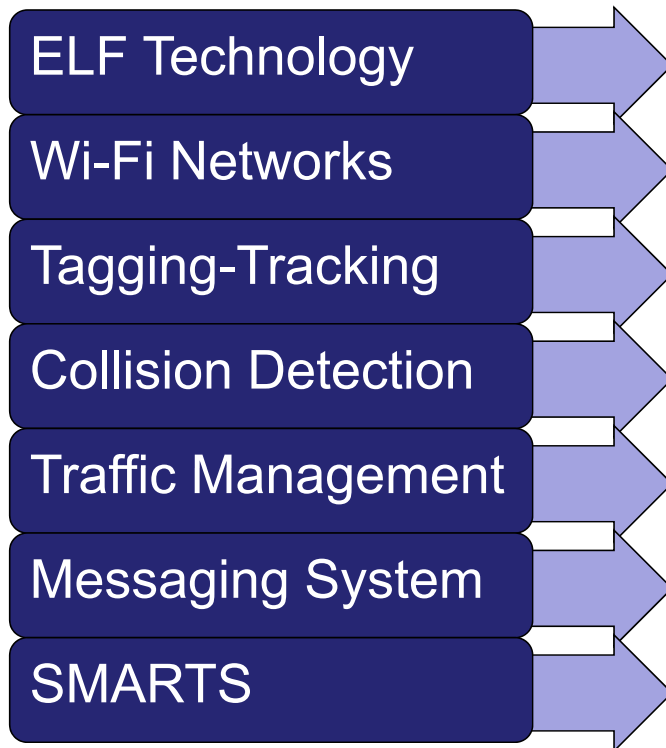
MINETEC™



Technologies and Branding

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Hard rock underground mining:



Delivering a value proposition utilising:

- Core communications systems expertise
- In-house technology and product development
- Third party technology partnerships and licensing
- Third party product supply

Competitive Landscape

MINETEC™

- Market leading technology, providing Enterprise-Wide Solutions
- Higher-spec technology “ELF” than all competitors for underground data and voice communications
- Collision detection technology outperforms competitors
- Proprietary productivity software “SMARTS” for the development phase of underground mining
- Strong history of service delivery in difficult environments
- Growing footprint of blue-chip clients



Markets

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Existing Markets

- Global mining operators with Australian operations
- Leverage off already established market positions in Australia and Southern Africa

Growth Strategies

- Follow our globally active customers as they expand their mining operations
- Continue to invest in new products and technologies
- Move into adjacent markets such as rail and ports for mining operations



Financials

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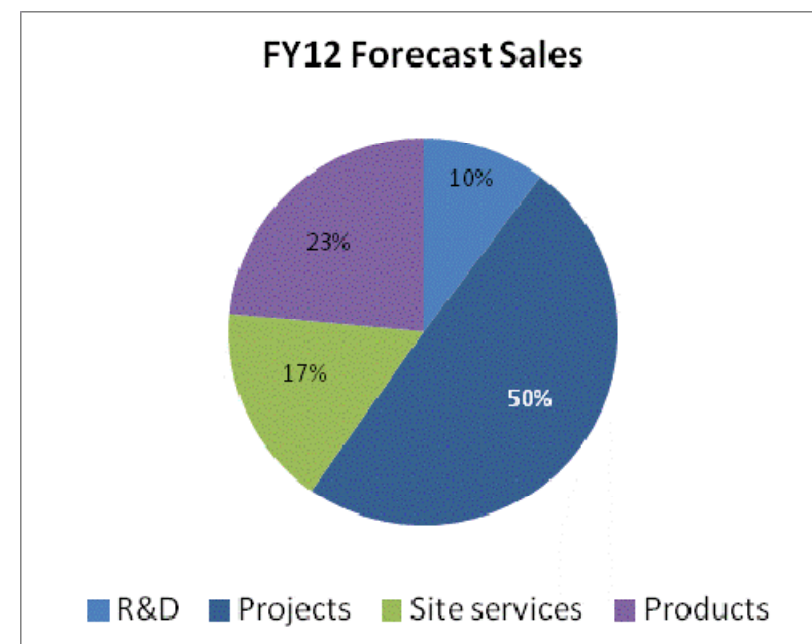
Acquisition price:

Up-front cost	\$6m
Earn out	App. \$4m

If certain earn-out targets are achieved over the next two and a half years

2nd Half Year Financial Forecast:

Sales	\$9m
EBITDA	\$1m



Project sales leave a trail of product sales and site services revenue

Anticipated to be earnings per share accretive in the current financial year and beyond

Key Synergies

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Minetec is at a point where it requires additional funding, improved processes and assistance to maintain its significant growth rate:

Sales and Marketing

- Leverage Codan's core competence to develop the business internationally:
 - Developing world countries

Engineering

- Leverage radio communications and metal detection engineering principles

Operational

- Manufacturing processes improvements:
 - Supply chain
 - Outsourcing
- Head office functions serving a larger group



Good cultural fit

Financial Overview — P&L



Half year results	Half Year Dec 11		Half Year Dec 10		Half Year Dec 09	
	\$m	%	\$m	%	\$m	%
Revenue						
Communication products	36.6	49%	33.0	39%	38.1	43%
Metal detectors	35.2	48%	46.6	56%	45.0	50%
Other	2.3	3%	4.2	5%	6.3	7%
Total revenue	74.1	100 %	83.8	100 %	89.4	100 %
Underlying business performance						
EBITDA	20.0	27%	20.2	24%	26.6	30%
EBIT	16.3	22%	16.2	19%	22.3	25%
Interest	(1.7)		(1.4)		(1.6)	
Net profit before tax	14.6	20%	14.8	18%	20.7	23%
Underlying net profit after tax	10.4	14 %	10.4	12 %	14.8	17 %
Sale of GroundProbe investment			3.6			
Sale of Codan Broadcast			0.7			
Minetec acquisition costs	(0.5)					
Integration and restructuring costs			(0.7)		(1.2)	
Net profit after tax	9.9		14.0		13.6	

- Profitability maintained despite lower revenues
- Improved profitability as a result of:
 - divestment of non-performing, non-core businesses in prior year,
 - strong margins achieved in Radio Communications and
 - ongoing efforts to outsource manufacturing and achieve cost-downs.

Financial Overview — Balance Sheet



	December '11	June '11	December '10
\$m			
Working capital	\$m	\$m	\$m
Receivables	16.0	14.6	15.2
Inventories	24.2	23.3	22.4
Accounts payable	(15.8)	(26.4)	(17.6)
Total working capital	24.4	11.5	20.0
Property, plant & equipment	20.6	20.7	20.5
Product development	24.0	20.3	21.4
Intangible assets	57.4	57.9	60.9
Other	1.5	1.9	3.0
Total assets	127.9	112.3	125.8
Other liabilities	(13.9)	(14.9)	(15.2)
Net operating assets	114.0	97.4	110.6
Net debt	(41.0)	(25.4)	(37.8)
Net assets	73.0	72.0	72.8

- Increase in borrowings primarily due to working capital movements due to changes in business activity and operations
- Move to sea freight distribution model for metal detectors rather than air freight and has realised significant expense savings in the half year
- As at 30 June 2011 had received prepayments of over \$6 million from customers for sales made in this half year.
- Creditors have reduced as manufacturing processes and inventory balances have stabilised

Financial Overview — Dividends



	FY12	FY11	FY10	FY09
Interim dividend per ordinary share	4.0 cents	4.0 cents	3.5 cents	3.0 cents
Final dividend per ordinary share		5.0 cents	4.5 cents	3.5 cents
Total dividend per ordinary share		9.0 cents	8.0 cents	6.5 cents
Franking	100%	100%	100%	100%

Record date

16 March 2012

Payment date

2 April 2012

Interim dividend maintained at 4.0 cents per share.

- Codan operates in global markets, short-term outlook for world economy is uncertain
- The core Minelab business remains strong
- The sales pipeline for Radio Communications continues to strengthen
- Evaluating our strategic options for Satellite Communications and expect to act on plan during the second half
- The full year FY12 underlying profit after tax including Minetec is expected to be in the region of \$20 million