BRADKEN

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Friday, 20 April 2012

The Manager
ASX Market Announcements
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Bradken Limited (ASX Code: BKN)
Earnings Guidance

Bradken Limited has revised downwards its full year guidance for FY12. The Company now expects full year EBITDA of between $210 million and $220 million which is 10% (midpoint) growth over the adjusted FY11 result. NPAT* is expected to be between $95 million and $102 million representing 13% (midpoint) growth over the adjusted FY11 result.

The new guidance is largely due to two factors within the Rail Division: a one-off increase in costs of $16 million and a reduction in sales volume of $35 million caused by:

- Two contracts executed in the period, which required new designs for production during calendar year 2012 resulting in a delayed start to manufacture, lower efficiencies and increased rework and warranty costs.
- The inclusion of new parts suppliers, which caused delays and rework costs.
- Flow-on effects from the above production issues, which triggered liquidated damages for projects downstream.

The affected projects will be largely completed by June 30, 2012 and costs are expected to return to normal levels in the 2013 financial year.

* Before any amortisation costs of intangibles resulting from the Norcast acquisition.

All other Bradken businesses continue to perform strongly and generally in line with previous guidance. The businesses remain capacity constrained in some areas, with ramp-ups ongoing and order books at record levels.

- Within the Mining Products Division the Mineral Processing, Fixed Plant and Crawler Systems businesses continue to meet forecast. The release of the new GET product range to date is proving very successful but is likely to be lagging plan by 3 months due to bottlenecks in tooling and production in the period to June 30. For the first time orders have been taken for GET products in Africa, North America, Indonesia and South America and inventory has now been shipped to those regions.

- The Industrial Division suffered from lower demand during January and February but has returned to forecast levels for the remainder of the year.

- The Engineered Products Division continues to meet forecast. The Industrial Products and Energy businesses continue to enjoy strong demand and are beginning to reap the benefits of the plant upgrades at Amite and Tacoma.

Bradken is well positioned to benefit from the expected growth in the end market for these businesses in 2013 and is supported by an existing order book that is at record levels.

Gearing at the end of June is forecast to be lower than the half year result with net debt close to 2.0 times EBITDA.

Brian Hodges – Managing Director
Steven Perry – Chief Financial Officer
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A telephone Q&A session has been arranged for Friday, 20 April 2012 at 9:30am (AEST) with Brian Hodges and Steven Perry. To participate in the Q&A session, telephone:

Australia	1800 896 323
Canada	1 866 873 8415
United Kingdom	08000 367 635
USA	1 866 873 8415
New Zealand	0800 441 984

To join the session, enter the Participation Code: 43688050

For access to the Q&A session from all other countries, please telephone Bradken on +61 2 4941 2600 and request country access details.