



Wednesday, 18 December 2013

The Manager
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Dear Sir/Madam,

BRADKEN PROPOSAL TO ACQUIRE AUSTIN ENGINEERING

Bradken Limited ("Bradken" or the "Company") notes the announcement by Austin Engineering Limited ("Austin") and confirms that Bradken made a non-binding and indicative proposal to the Austin Board to acquire all of the ordinary shares in Austin that it does not currently own at a fixed exchange ratio of 0.75 Bradken shares for one Austin share ("Proposal"). Bradken currently owns 21.5% of the outstanding shares in Austin.

Bradken notes the initial view of the Austin board that it is willing to engage in discussions with Bradken in relation to its Proposal.

Bradken further confirms that this approach was made prior to Austin's recently announced capital raising and on the basis of a number of assumptions including full year earnings for Austin being in line with consensus forecasts.

Bradken notes the revised profit outlook for Austin provided as part of the capital raising, which is below previous market consensus at the lower end. Bradken also notes Austin's expectation that 80% of full year EBITDA will be achieved in the second half of 2014. If Bradken is granted access to due diligence we will assess achievability of second half earnings and the dilutive impact of the capital raising, amongst other matters, in forming a view on the basis on which it is prepared to move forward.

Bradken's Proposal is subject to a number of conditions including satisfactory completion of due diligence, regulatory approvals, unanimous recommendation of the Proposal by the Board of Austin, customary conditions relating to no material adverse change in the Austin business and its conduct and agreement of definitive transaction documents.

In relation to the capital raising, Bradken is currently evaluating the materials that Austin has put out to the market and is yet to form a view in that regard.

Bradken will continue to keep the market fully informed.

Bradken has appointed Merrill Lynch and King & Wood Mallesons as its financial and legal advisors respectively to assist it with the Proposal.

*****ENDS*****

For Further Information contact:

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