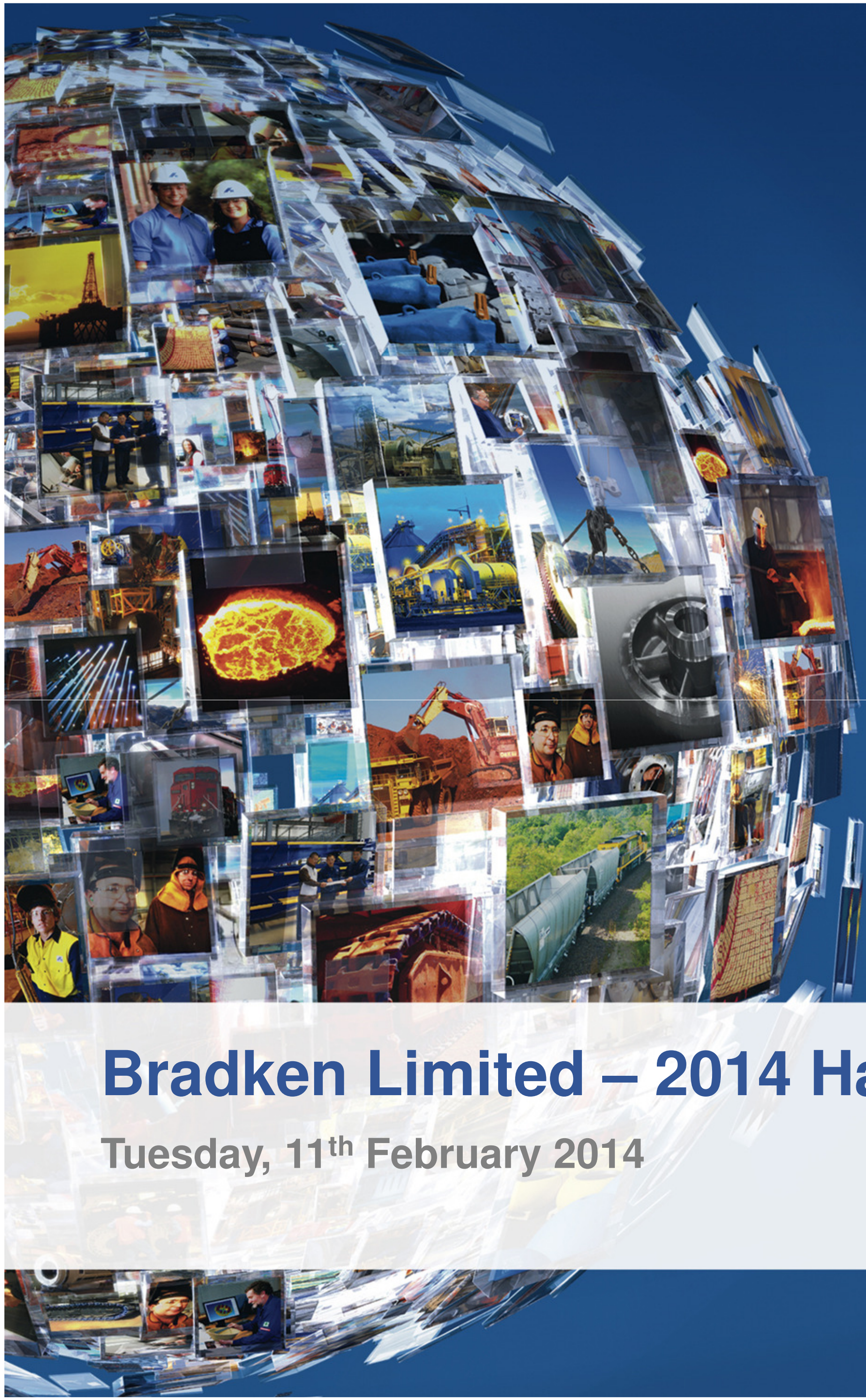

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Presenters

BRIAN HODGES – Managing Director

STEVE PERRY – Chief Financial Officer

Bradken Limited – 2014 Half Year Results

Tuesday, 11th February 2014

BRADKEN

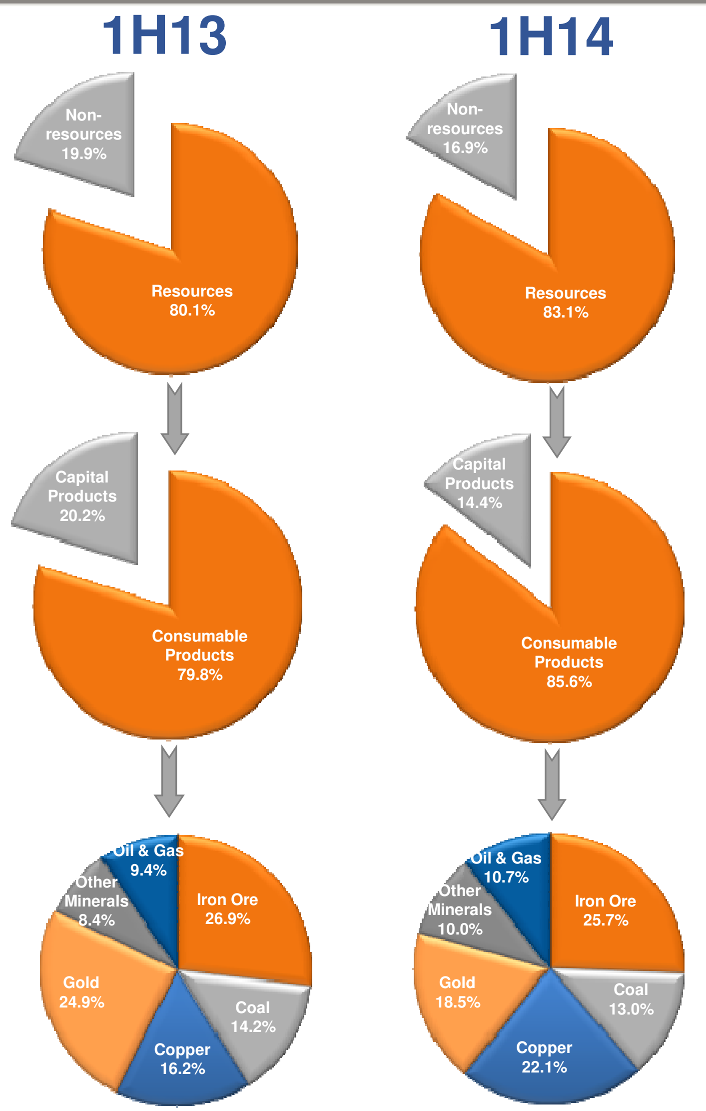
2014 Half Year Results

1. Key Outcomes	**Brian Hodges**
2. Financial Review	Steve Perry
3. Operational Review	Brian Hodges
4. Strategy and Outlook	Brian Hodges

Key Outcomes

- Solid performance in a challenging market
- Achieved $86.2 million EBITDA for first half, slightly above guidance
- Order intake levels have increased from a low point in June 2013
- Achieved 32.6% gross margin in the period despite a 17.2% decline in sales revenue and significant pricing pressure by reducing variable cost in line with lower volumes
- Interim dividend of 15.0 cents unfranked declared, payable on the 21 March 2014 and a DRP operating with a 2.5% discount, which is in the middle of the Board's stated range

Sales Analysis



Total Sales by Industry Sector

- Total sales fell by 17.2% from $680.5 million to $563.6 million
- The reduction in Non-resources product sales was $40 million due to a non-recurring grain wagon contract
- A 14% fall in the Resources sector was due to the mining slowdown

Resources Sales by Product Category

- Capital Products sales reduced by 39% or $43.1 million with less sales to mining OEMs
- Consumable Products sales reduced by 8% or $34.1 million

Consumable Products Sales by Commodity

- Sales into Copper, Oil & Gas and Other Minerals sectors all increased
- Coal fell with mining services activity in Australia well down
- Mill liners sales in the gold mining sector reduced as products for new mine expansions were put on hold

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Market Thematics

- China’s fourth quarter growth rate was reported as 7.7% p.a., which bodes well for ongoing resources demand
- Mine production activity continues to grow, with miners maintaining a focus on extracting efficiencies in both volume and cost savings by seeking lower cost sourcing
- Subdued OEM activity and constrained spend on capital mining products continues while the energy market appears to be strengthening
- Global competition becoming more evident and the Australian manufacturing base shrinking in traditional industrial market sectors

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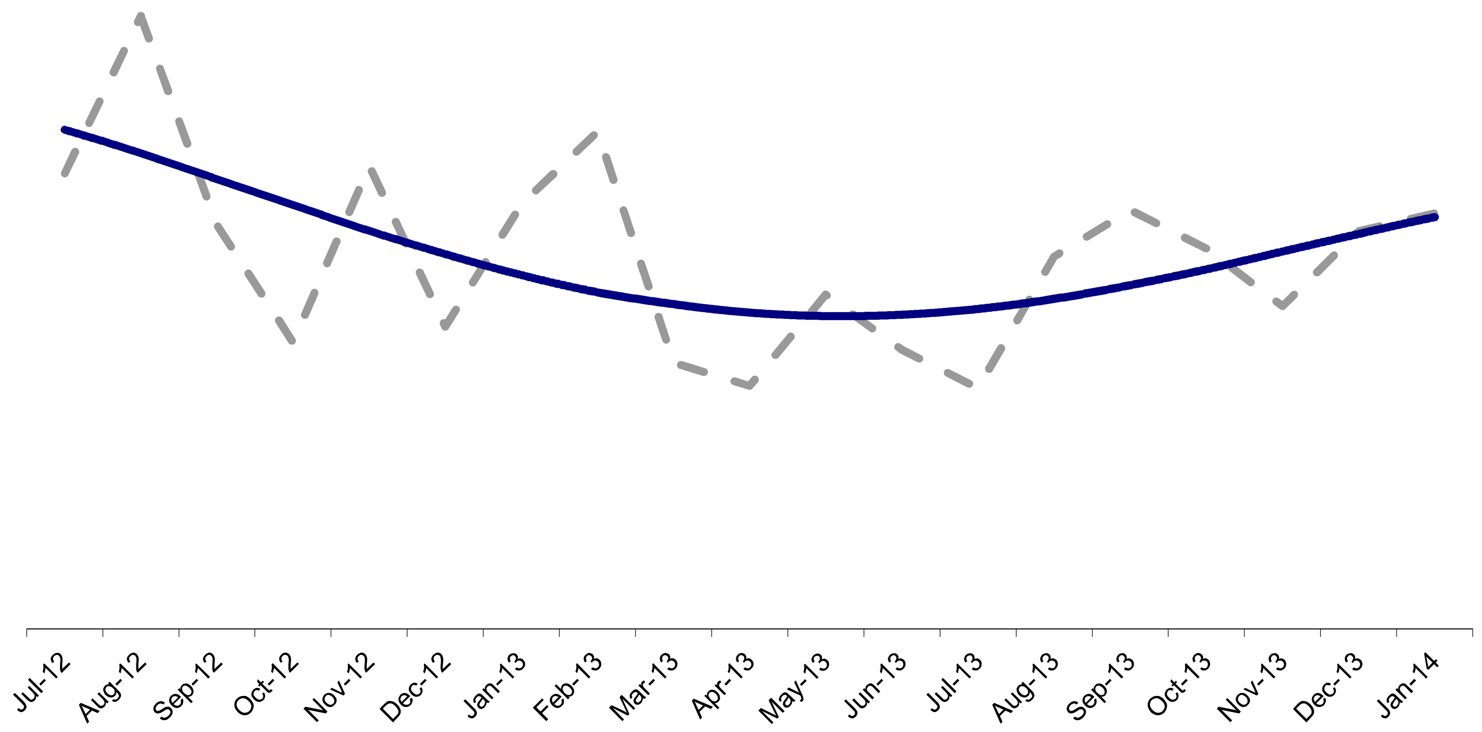
Bradken Order Intake

- The Company's order intake has seen an improvement over the last seven month period with the current backlog at around $450 million



* This graph excludes order intake for rail products

Financial Highlights

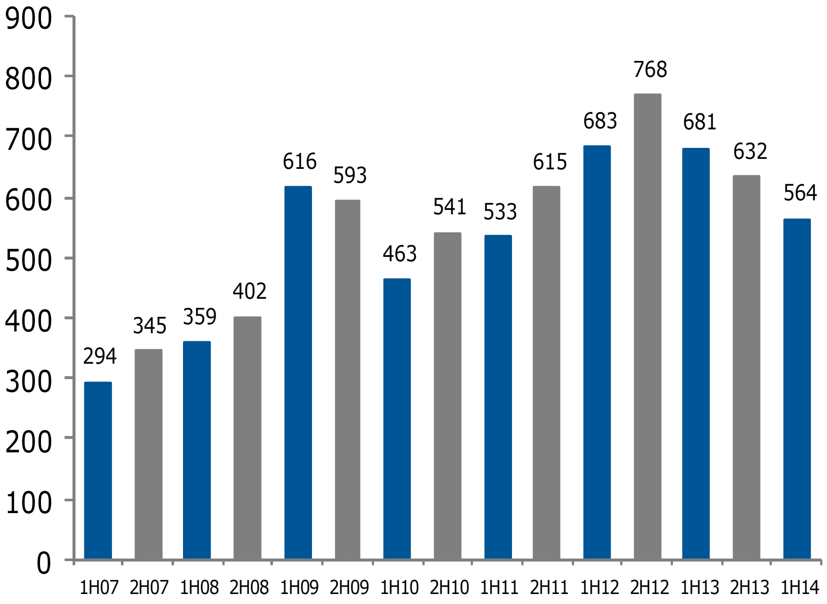
- While sales volumes have declined, Bradken has largely maintained its quality of earnings, allowing cash flow to remain strong

A$ Millions	6 Months to: Dec-13	6 Months to: Dec-12	% Change to Dec-12
Sales	**563.6**	680.5	(17.2%)
EBITDA	**86.2**	105.1	(18.0%)
NPAT	**38.1**	46.7	(18.4%)
EBITDA/Sales	**15.3%**	15.5%	
EPS (cents)	**22.5**	27.6	(18.5%)
DPS (cents)*	**15.0**	20.0	(25.0%)
Operating Cashflow	**67.0**	70.8	(5.4%)

* The interim dividend is unfranked

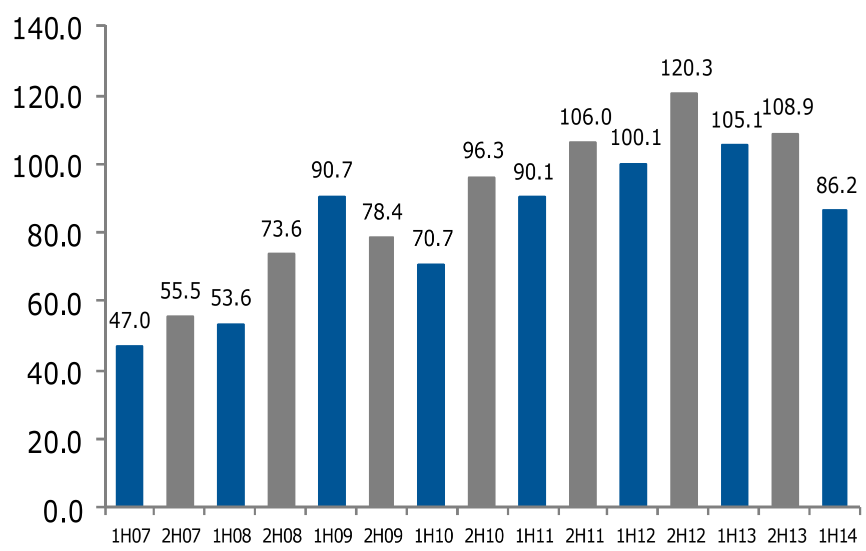
Revenue / Underlying EBITDA Trends

Revenue (A$m)



Financial Periods

EBITDA (A$m)



Financial Periods

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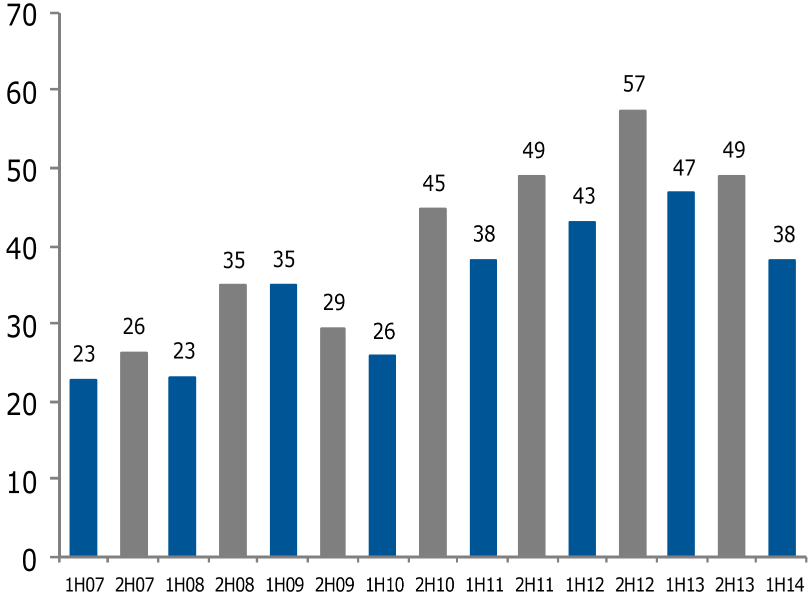
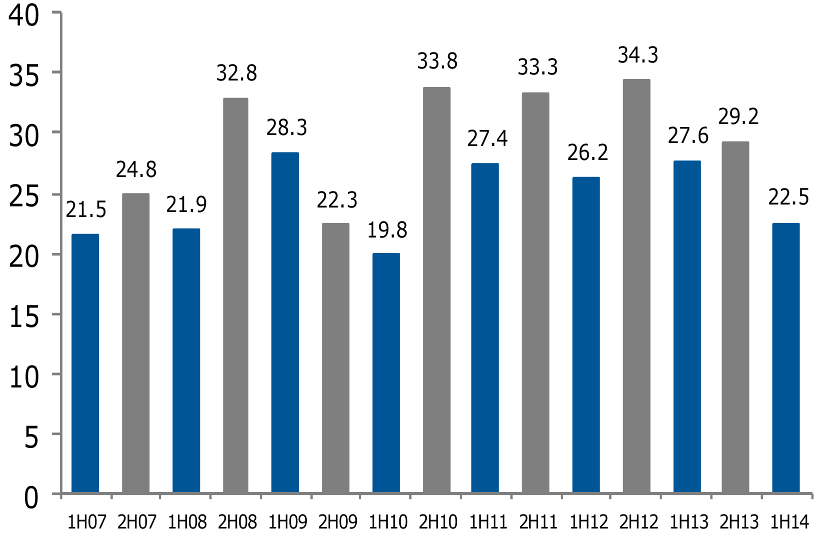
Underlying NPAT / EPS Trends

NPAT (A$m)



Financial Periods

EPS (cents)



Financial Periods

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Financial Performance

A$ Millions	6 Months to: Dec-13	Dec-12	% Change to Dec-12
Sales	**563.6**	680.5	(17.2%)
EBITDA	**86.2**	105.1	(18.0%)
Depreciation	**26.1**	21.7	(20.3%)
Profit from Investments	**1.0**	4.1	(75.6%)
Borrowing costs *	**15.4**	15.7	1.9%
PBT&A	**45.6**	71.9	(36.6%)
Amortisation	**6.5**	6.1	(6.6%)
PBT	**39.1**	65.8	(40.6%)
Tax Expense***	**1.0**	19.1	94.8%
NPAT	**38.1**	46.7	(18.4%)
EBITDA/Sales	**15.3%**	15.5%	
EPS (cents)	**22.5**	27.6	(18.5%)
DPS (cents) **	**15.0**	20.0	(25.0%)

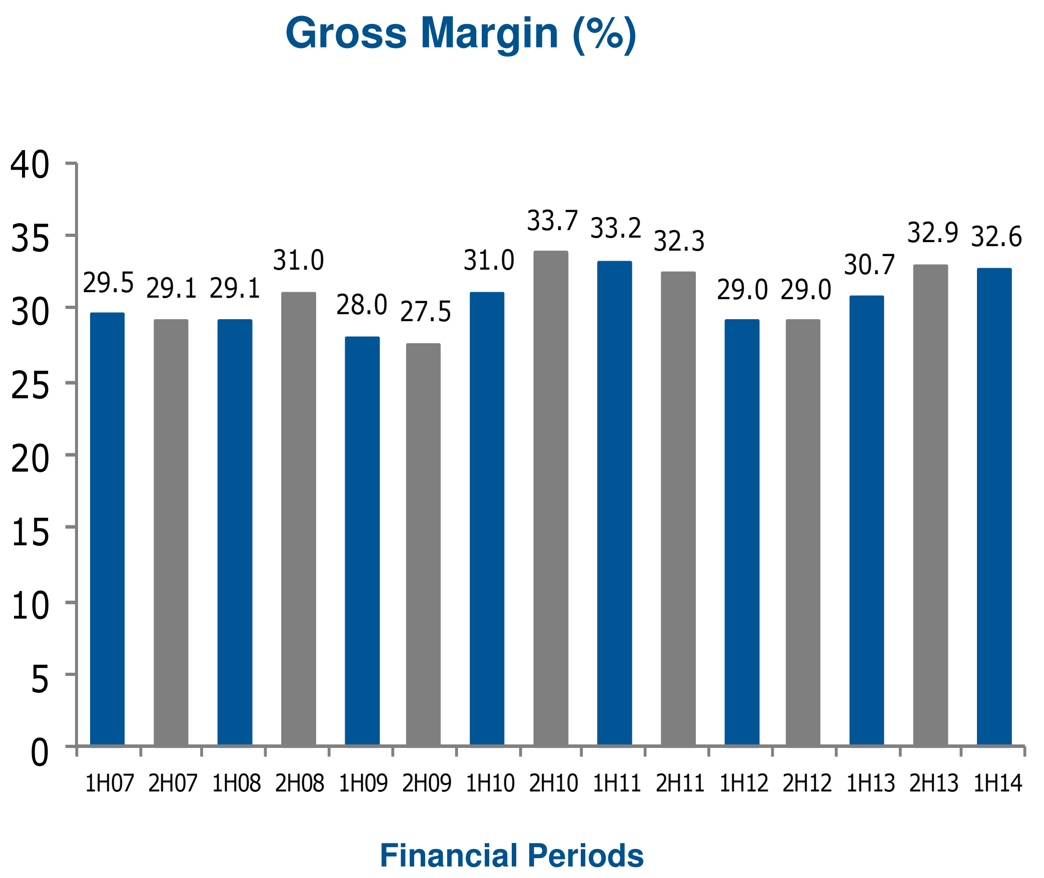
* Borrowing Costs nett of interest received
** Interim dividend unfranked as outlined in the 2013 full year presentation
*** Tax expense low due to one off abnormals including prior year R&D rebates

Divisional Sales and Margins

A$ Thousands	6 Months to: Dec-13		Jun-13		Dec-12		% Change to Jun-13	Dec-12
Sales								
Mining Products	**173,951**		**203,274**		**209,337**		(14.4%)	(16.9%)
Mineral Processing	**116,737**		**139,977**		**110,112**		(16.6%)	6.0%
Rail	**109,462**		**90,655**		**131,907**		20.7%	(17.0%)
Engineered Products	**114,447**		**143,376**		**165,917**		(20.2%)	(31.0%)
Other	**48,974**		**55,341**		**63,243**		(11.5%)	(22.6%)
Total Sales	**563,571**		**632,623**		**680,516**		(10.9%)	(17.2%)
Gross Margin		% to sales		% to sales		% to sales		
Mining Products	**62,854**	36.1%	**70,235**	34.6%	**70,634**	33.7%		
Mineral Processing	**42,050**	36.0%	**53,742**	38.4%	**40,514**	36.8%		
Rail	**27,649**	25.3%	**20,270**	22.4%	**17,509**	13.3%		
Engineered Products	**40,064**	35.0%	**50,377**	35.1%	**58,721**	35.4%		
Other	**18,266**	37.3%	**21,244**	38.4%	**26,339**	41.6%		
Total Gross Margin	**190,883**	33.9%	**215,868**	34.1%	**213,717**	31.4%		

Gross Margin Trends

80% of Bradken’s costs are variable



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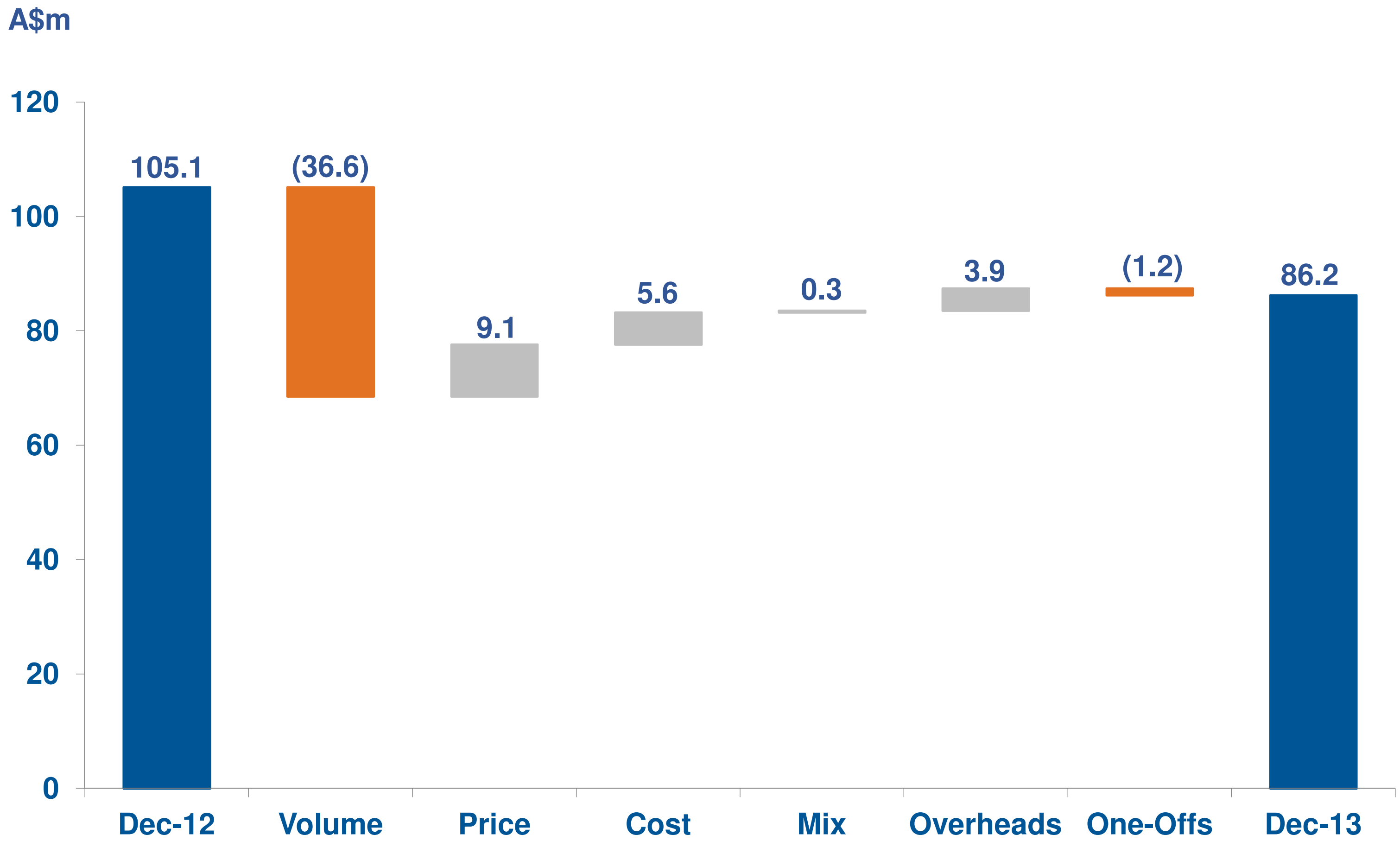
EBITDA Movements



Cash Generation

A$ Millions	6 months to: Dec-13	Dec-12
EBITDA	**86.2**	105.1
Working Capital	**(5.9)**	(5.3)
Interest & Borrowing Costs	**(13.1)**	(14.6)
Income tax payments	**(0.2)**	(14.4)
Operating Cash Flow	**67.0**	70.8
Net Capex	**(32.8)**	(53.9)
Investments (ANG)	**(4.8)**	1.5
Free Cash Flow	**29.4**	**18.4**

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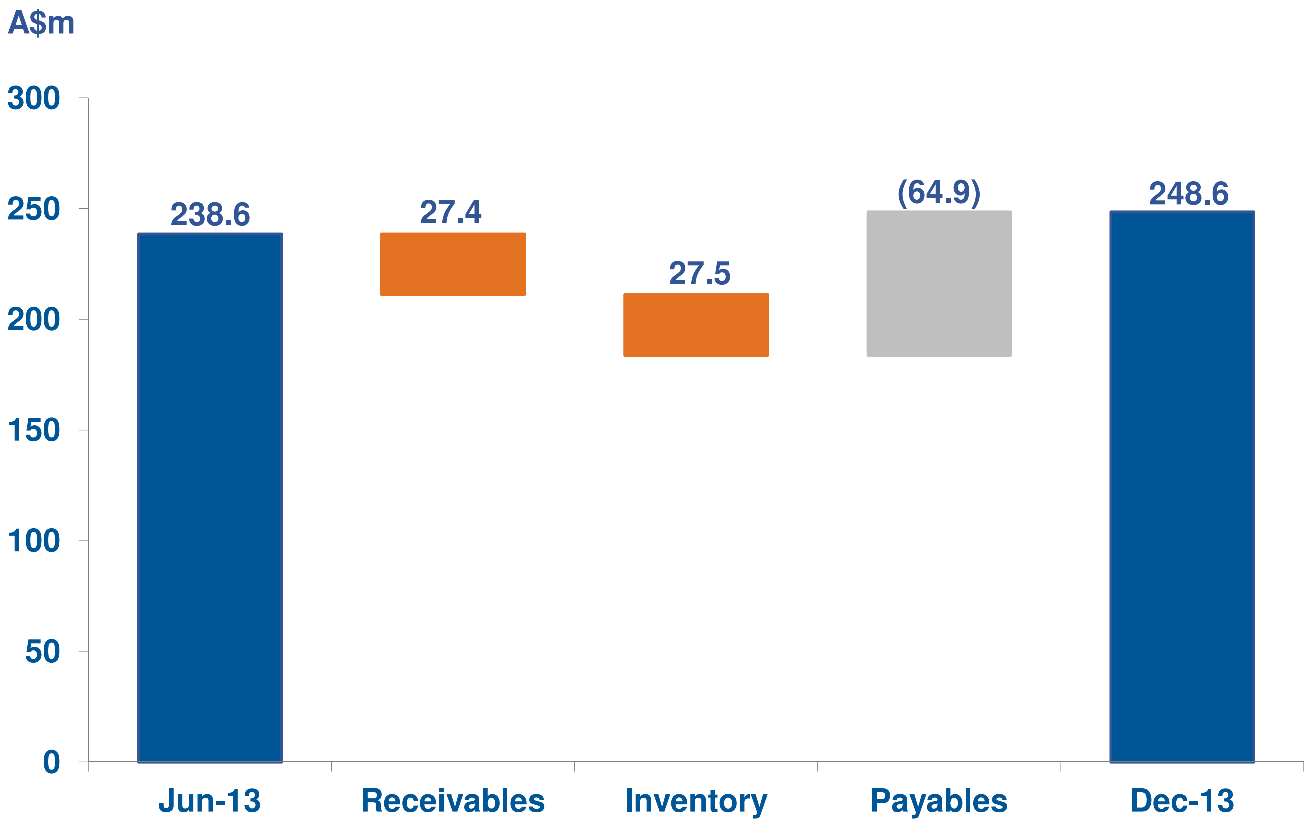
Working Capital Movements



Capital Expenditure

- Overall capex spend for the period was $32.8 million compared with $53.9 million for the previous corresponding period

- Major projects include:
  - ✓ CMS manufacturing on Xuzhou site in China - $11.3 million
  - ✓ New Ground Engaging Tool designs and tooling - $2.7 million
  - ✓ Other growth capex - $4.4 million
  - ✓ Stay in business capex - $14.4 million (2.6% of sales)

- Capex spend for the full year is forecast to be $58.0 million with total capex estimated at $25.2 million for the second half

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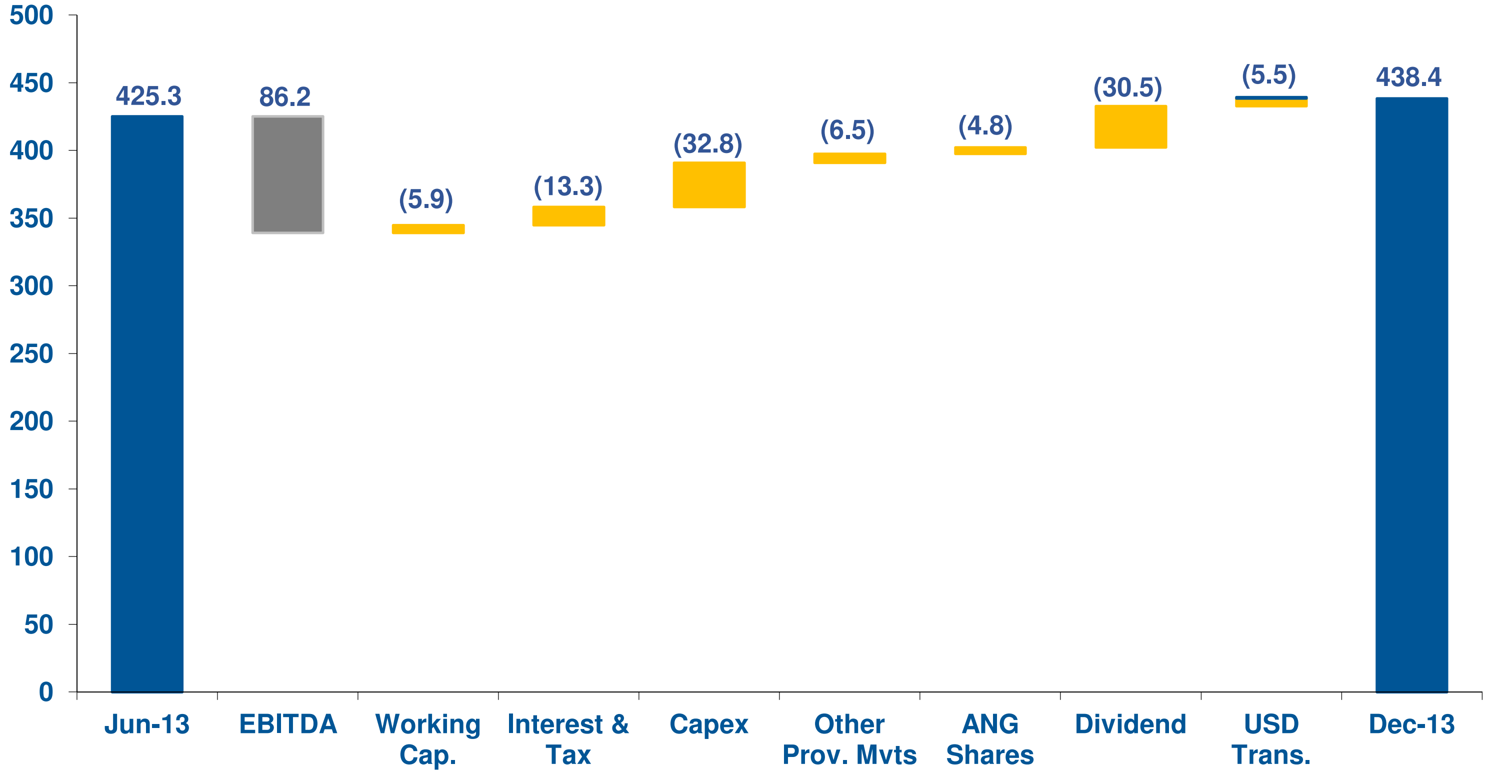
Capital Management – Key Measures

- The Company's syndicated debt is currently being refinanced
- In addition to the $200 million USPP and other bilateral facilities, the renewed facility will allow for $540 million with tenure of 3, 4 and 5 years and will provide significant interest savings beginning in the fourth quarter
- The refinancing will be completed by the end of March with the book build already completed and substantially oversubscribed

	6 Months to:		
	Dec-13	**Jun-13**	**Dec-12**
Net Debt (A$m)	**438.4**	425.3	453.2
Gearing (net debt/net debt plus equity) %	**35.7%**	35.8%	38.2%
Gearing (net debt/EBITDA)	**2.2**	2.0	2.0
Interest Cover (EBITDA/Interest cost)	**6.7**	6.8	7.4
Working Capital to Sales %	**20.5%**	18.2%	21.7%

Net Debt Movements



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Operational Review - Mining Products

- Sales of $174 million were down 16.9% on the previous corresponding period with all businesses being affected by the market downturn, however margins of 36.1% were up 2.4%
- Ground Engaging Tools & Buckets sales revenue was down 14% and demand was flat across most regions with significant contraction in the Australian coal market
- Crawler Systems sales revenue was down 35% due to a significant drop in new equipment sales and corresponding excess inventory in the market place
- Fixed Plant sales revenue in Australia was down 9% with reduced project activity being offset by an increase in base maintenance demand
- Fixed Plant sales in the Canadian Oil Sands were up 28% due to increased activity in the regional market
- Cost reduction programs offset pricing pressure and contributed to the stronger margins
- Activities to develop new markets in Africa and the Americas continued throughout the first half

RH400 Crawler Shoe, Oil Sands, Canada

250 tonne ROM hopper with wear liners

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Operational Review – Mineral Processing

- Sales of $117 million were up 6% on the previous corresponding period due to higher sales in Australia and Indonesia related to mine production levels, tempered by lower levels of OEM work for new mines
- Market demand slowed abruptly in the first half for the business with customers destocking, delaying change-outs and cancelling or postponing new projects, reducing the order book
- Margins remained strong with continued focus on increased use of alloy scrap, benchmarking for best practice between like facilities and capex to reduce costs and increase competitiveness
- While output was reduced to match demand in the period, it is planned to return Mont Joli to full production by March
- Bradken's low cost Xuzhou foundry is currently producing 20 heats of mill liners per week (4,000tpa), building competitiveness and leading to downsizing of high cost Australia operations
- With little indication of OEM work returning in the short term, the business is focused on winning new work at existing sites with both repeat and new business recently won at three sites in Africa and promising new prospects being pursued in the USA, Europe and Central Asia

Grinding Mill Liners, Kansanshi Mine, Zambia

Grinding Mill liners, Cadia Mine, Australia

Operational Review – Rail

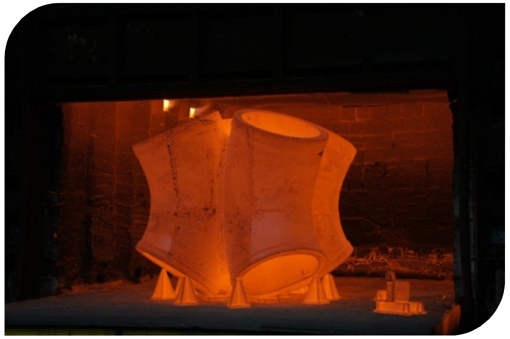
- Overall, sales of $109 million for the first half are on target to achieve the Rail Division's full year forecast
- 603 rail wagons were manufactured in the Xuzhou manufacturing facility during the first half with a further 650 wagons programmed to be built in the second half
- Stronger demand for spare parts and maintenance & renewal services was offset to some extent by the lower demand for wagons, improving the margin mix
- Robust systems and procedures introduced into the rail business over the last two years continue to generate greater efficiencies, reduce costs and improve margins
- With the business now stabilised, focus has moved to diversifying both product and market

Bradken Coal Wagons

Coal Wagon Manufacture

Operational Review - Engineered Products

- Sales of US$113 million were down 31% compared with the previous corresponding period, reflecting continued soft capital mining and rail locomotive markets
- Industrial Products business sales were down 59%, reflecting the continuation of weak demand for capital parts for mobile mining equipment which began in the second half of F13
- Energy Business sales were flat compared with the previous corresponding period but the settled US federal budget and increasing demand for natural gas pipeline products is expected to drive an improved second half
- The military market for submarine and surface ship components along with new gas turbine designs is increasing rapidly due to delayed releases and associated pent-up demand
- Second half sales are overall expected to be stronger on improving order book levels and projected strengthening in the domestic locomotive rail and military markets



Architectural Node during Heat Treatment

Non-Destructive Testing of a Pump Housing for a Nuclear Reactor

Other Businesses

Industrial Business (Australia)

- The Industrial business sales revenue was down 26% on the previous corresponding period due to a general reduction in activity in the industrial market as well as a reduction in mining OEM activity in Australia

Foundry Supplies Business (CMS)

- Sales were down 27% on the previous corresponding period due to a significant reduction in orders from Australian foundries and steel mills as a result of the depressed market conditions
- Excellent progress in the reduction of working capital was achieved resulting in an increased cash flow
- Global expansion initiatives are progressing well in North America and the United Kingdom, are both set to further increase sales revenue in the second half
- The installation and commissioning of new plant and equipment for CMS in Xuzhou demonstrates a committed focus by management to the growth and future potential of this business

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People & Safety

- Global Lost Time Injury Frequency Rate (LTIFR) increased marginally from 4.3 to 4.8, however the severity rate of injury has been halved during the period
- Total employment continued to be reduced from 5,500 to 5,200 over the half, down from a peak of 6,400 as further adjustments were made due to market conditions
- Several safety initiatives were introduced during the period:
  - Safety Passport introduced globally
  - DuPont Safety training for supervisors completed throughout all Australian sites
  - Revised global policies released on lifting, hygiene, manual handling and melting practices
- Independent management system triennial audits were conducted at all major global facilities with continued ISO9001 and ISO14001 certification resulting
- Annual global 21 Step safety audits were conducted and analysed against previous results

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Underlying Business Strategies

Grow core products and services both organically and globally through complementary acquisitions

Continue to develop the Bradken culture, technology, product development and manufacturing skills

Continue to expand capacity and capability to capitalise on the continued strong growth in resources and energy

Business Strategy

The creation of differentiated consumable products to the applicable industries and sales of their value to our customers

Continue to pursue profit improvement strategies through cost reduction programs, capital expenditure and vertical integration initiatives

With mining growth steady, Bradken is actively pursuing opportunities which increase our scale or diversify our consumable product offering provided they fit with our Business Model

Mergers & Acquisitions

Austin Engineering

- A non-binding and indicative proposal has been made to the Austin Engineering Board of Directors to acquire all of the ordinary shares in the Company
- The proposal is to acquire all of the ordinary shares in Austin that Bradken does not currently own via a scrip offer at a fixed exchange ratio of 0.75 Bradken shares for one Austin share
- This approach was made prior to Austin Engineering'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 and Austin have executed a Confidentiality Agreement on acceptable terms and we are waiting on due diligence to commence

It should not be construed that a binding agreement will occur

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Outlook

- Mine production volume growth continues to expand the consumable product market to which we are largely aligned
- Mining and capital expenditure, especially for mobile plant looks likely to remain at reduced levels through this period
- The expanding US economy is supporting growth in energy and capital products and for domestic infrastructure like rail and construction, although this will likely take time to impact on sales revenue.
- Bradken continues to focus on cash and will reintroduce its dividend reinvestment plan as well as largely restricting capex for “stay in business” to $25 million in the second half
- Net debt / EBITDA is expected to return to around 2.0, our long term average and the refinancing will deliver much lower interest costs in the fourth quarter
- Overall, we see high single digit sales growth for most of the business with no need to increase overheads in the period leading to sound profit conversion
- Based on all of the above, we forecast around $180 million EBITDA for the full year

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Thank You

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