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Presenters

BRIAN HODGES – Managing Director

STEVE PERRY – Chief Financial Officer

Bradken Limited – 2014 Full Year Results

Tuesday, 12th August 2014

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2014 Full 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

- Achieved an underlying EBITDA for the year ended 30 June 2014 of $173.3 million, which was in line with the guidance given in May 2014. 19% down on the previous year due to the downturn in the mining capital products market
- Well past the de-stocking and order cancellation stage in the last quarter of FY13 with improved order intake levels from that low point remaining stable throughout the year
- Despite pricing pressure in some key markets, the company achieved 33.3% gross margin in the period, up from 32.7%, utilising lower cost facilities
- Maintained overheads up until April 2014 in the hope of a quick rebound in the capital products market but have since implemented plans to restructure manufacturing operations and supporting overheads to take account of the new reality and an advantage of previously installed low cost capacity
- Completed closure of Henderson, Mittagong, Naval Base and Muswellbrook facilities and the Welshpool foundry is being wound down
- Generated strong free cash flow through continued capital reduction and lower capex
- Final dividend of 11.0 cents unfranked, payable on the 9th September 2014 with no dividend reinvestment plan operating

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Financial Highlights

- Currently at bottom of the cycle with underlying results as per guidance and lower net debt

A$ Millions	12 Months to: Jun-14	Jun-13	% Change to Jun-13
Sales	**1,135.2**	1,313.1	(14%)
Underlying EBITDA	**173.3**	214.0	(19%)
Underlying NPAT	**55.1**	96.1	(43%)
EBITDA/Sales	**15.3%**	16.3%	
Underlying EPS (cents)	**32.4**	56.8	(43%)
DPS (cents)	**26.0**	38.0	(32%)
Free Cash Flow	**99.2**	120.9	(18%)
Net Debt	**377.2**	431.5	13%

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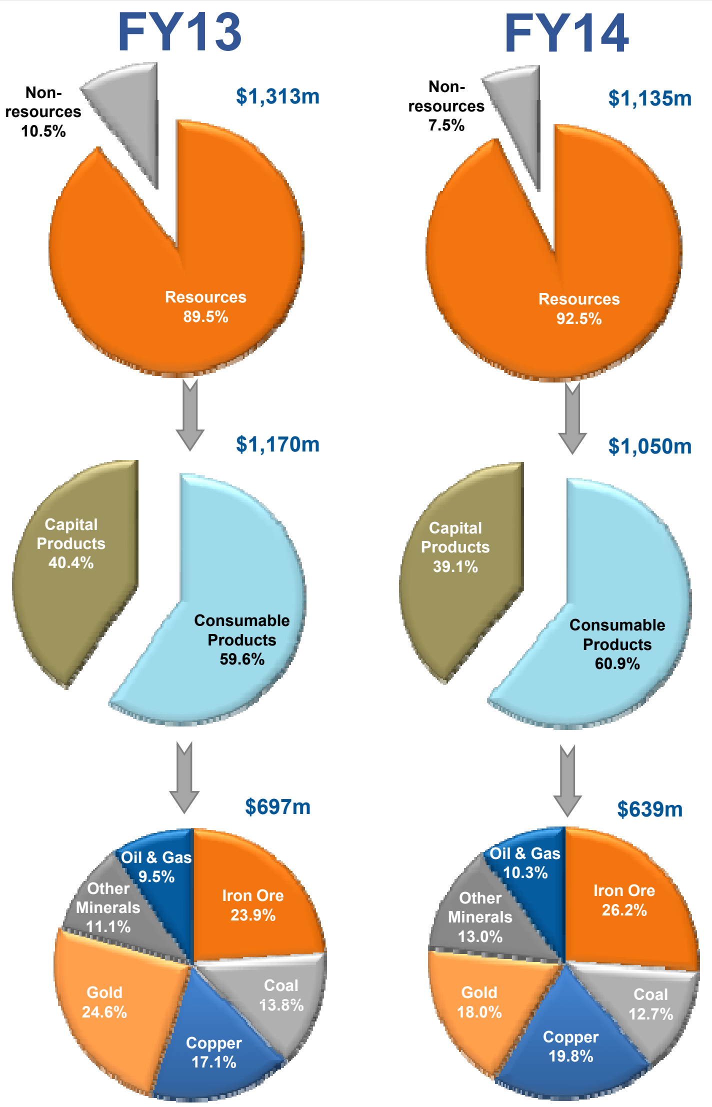
Sales Trend Analysis



Total Sales by Industry Sector

- Total sales fell by 14% from $1,313 million to $1,135 million
- The reduction in Non-resources product sales of 38% or $53 million was largely due to declines in US construction equipment and locomotive frames sales

Resources Sales by Product Category

- An 11% fall in the Resources Sector sales from $1,182 million to $1,050 million resulted from a reduction of new equipment purchases and lower maintenance spend by mining companies
- Capital Products sales reduced by 13% or $62 million with lower demand from mining OEMs and fewer rail wagons delivered in the period

Consumable Products Sales by Commodity

- Consumable Products total sales reduced by 8% or $58 million, reflecting reduced sales to mining OEMs, particularly crawler shoes
- Mill liner sales in the gold mining sector reduced as products for new mine expansions were put on hold

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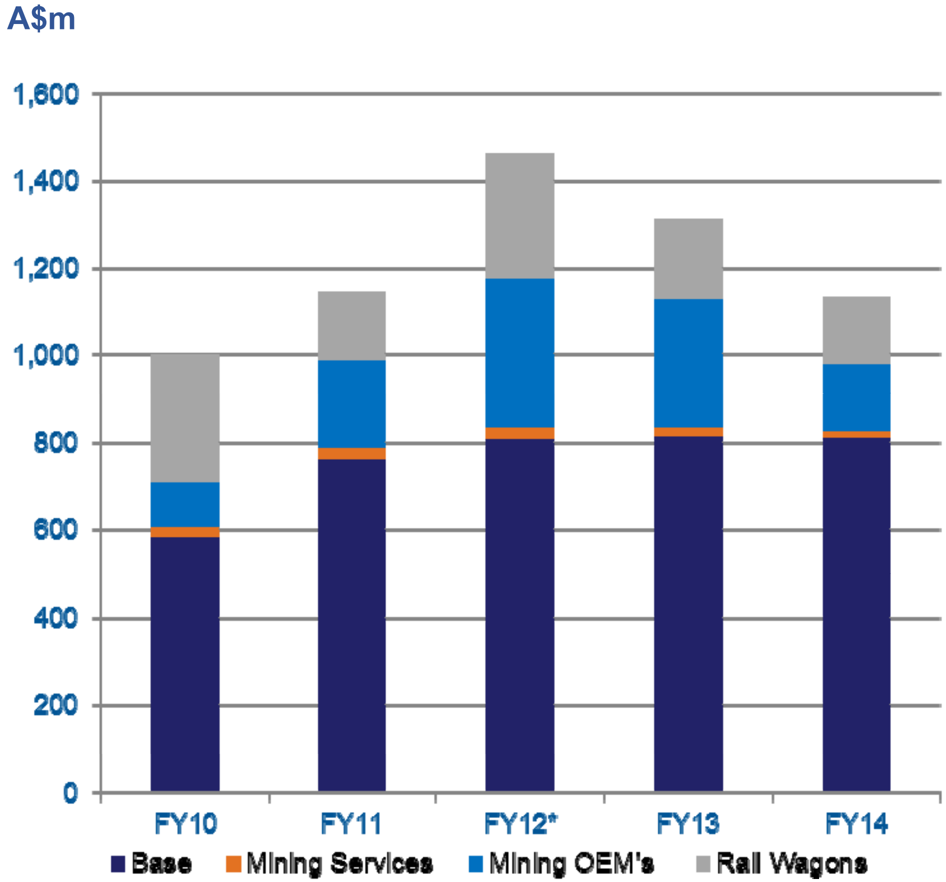
Stable Base Business with Strong Margins



Sales & Margin Trend by Customer Category

- Base sales, which comprise primarily consumable products providing a very stable $800 million plus revenue base
- Outlook for direct sales continue to be stable
- Since the peak in FY12, sales to mining OEMs (mostly capital products) have decreased 56% and rail wagon sales have decreased 45%
- Mining OEM and rail wagon sales are expected to benefit as the cycle recovers
- The Business Model continues to focus on the creation of differentiated consumable products and end market diversification

* Sales adjusted for abnormal GET stock sales in 2012 (includes Norcast acquisition)

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Mine Volumes in Key Commodities Continue to Grow

- Mining companies continue to maintain focus on cash management and efficiency enhancements while restricting expansion activity
- Lower cost iron ore producers forecast to grow at a CAGR of 7% between FY14 and FY17, overwhelmingly weighted towards Australian and Brazilian projects near commissioning
- Australian thermal coal producers remain under pressure, with increased exports from the US Powder River Basin to Australia's traditional export markets
- Metallurgical coal demand will remain supported by continued growth in Chinese and Indian steel production. Australia's proximity to Asian steel mills and high-quality coking coal will support domestic operations
- Significant growth is expected in copper concentrate supply which is forecast to lift by 7% to 15.7Mt in 2015 and a further 5% in 2016 to 16.4Mt on top of the 500kt of copper concentrate capacity added in 2013
- General Australian domestic manufacturing activity will continue to decline and be transferred to Asia. Maintenance programs designed to increase efficiency, reliability and useful life provides an upside opportunity for the Transport & Industrial Products business

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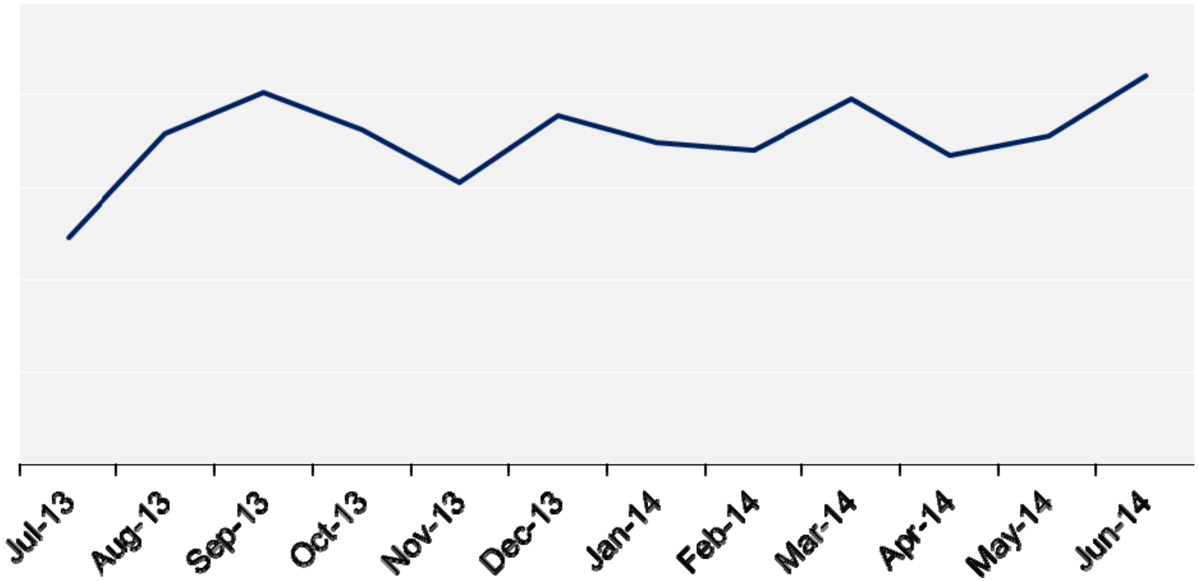
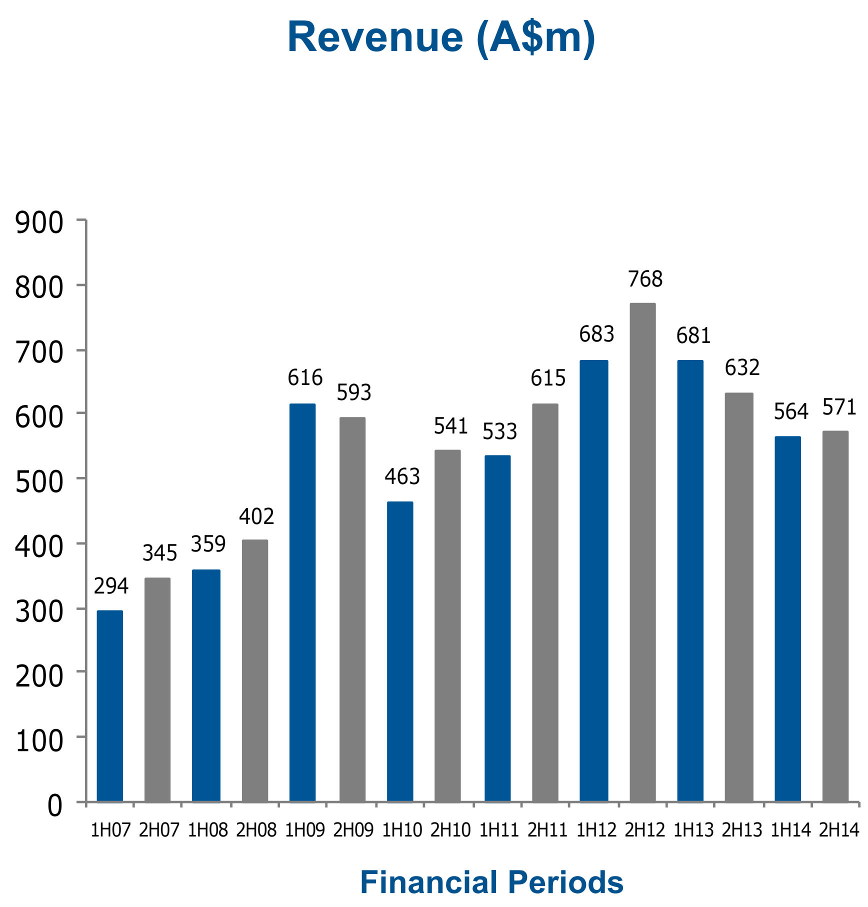
Past the De-stocking and Order Cancellation Stage, Slow Recovery for Mining Capital Products

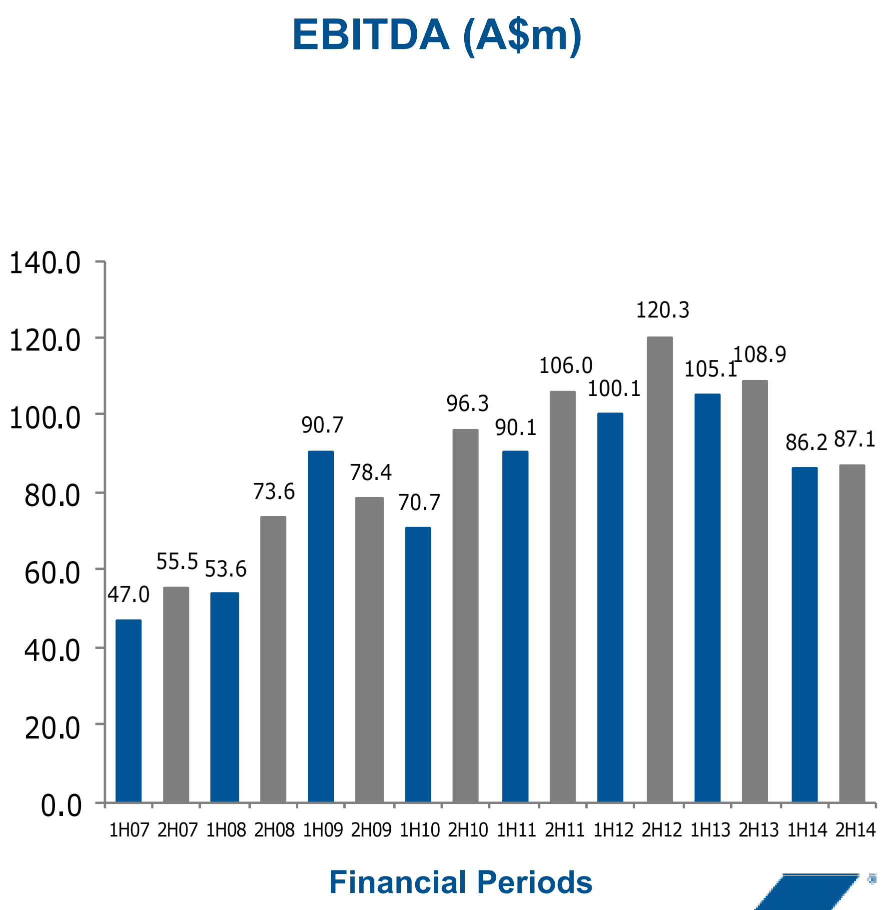
- Order intake remained stable for most of F14 with an indication of a further slight improving trend beginning to emerge
- Bradken is well placed to take advantage of the recovery of global markets and has installed capacity in many product areas to meet future demand



* This graph excludes Rail wagon work

Revenue / Underlying EBITDA Trends





2014 Full Year Results

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Financial Performance

A$ Millions	12 Months to: Jun-14	12 Months to: Jun-13	% Change to Jun-13
Sales	1,135.2	1,313.1	(14%)
Underlying EBITDA	173.3 *	214.0 **	(19%)
Statutory EBITDA	143.0	183.6	(22%)
Depreciation	52.9	46.4	14%
Profit from Investment	(0.1)	11.0	
Amortisation / Impairment	32.6	11.9	175%
Borrowing costs	29.4	31.2	(6%)
Tax Expense	6.6	37.1	(82%)
Underlying NPAT	55.1 *	96.1 **	(43%)
Statutory NPAT	21.5	66.9	(68%)

* Restructuring costs of $21.6m and other one-off items of $8.7m at EBITDA and $35.5m at NPAT

** Adjusted for the judgment sum and associated costs of the Federal Court action in relation to the Norcast acquisition of $30.4m EBITDA and $29.1m NPAT

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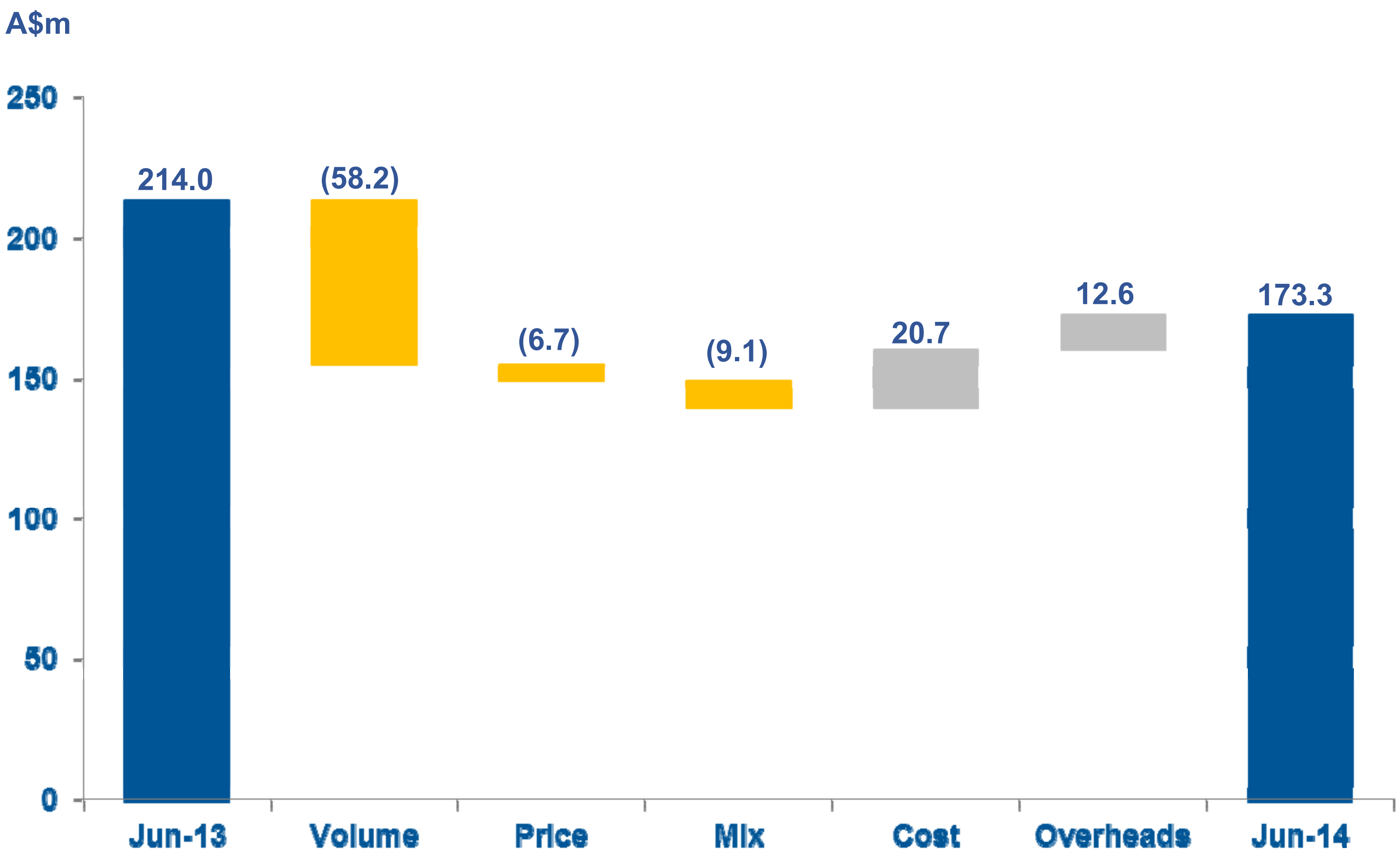
EBITDA Movements



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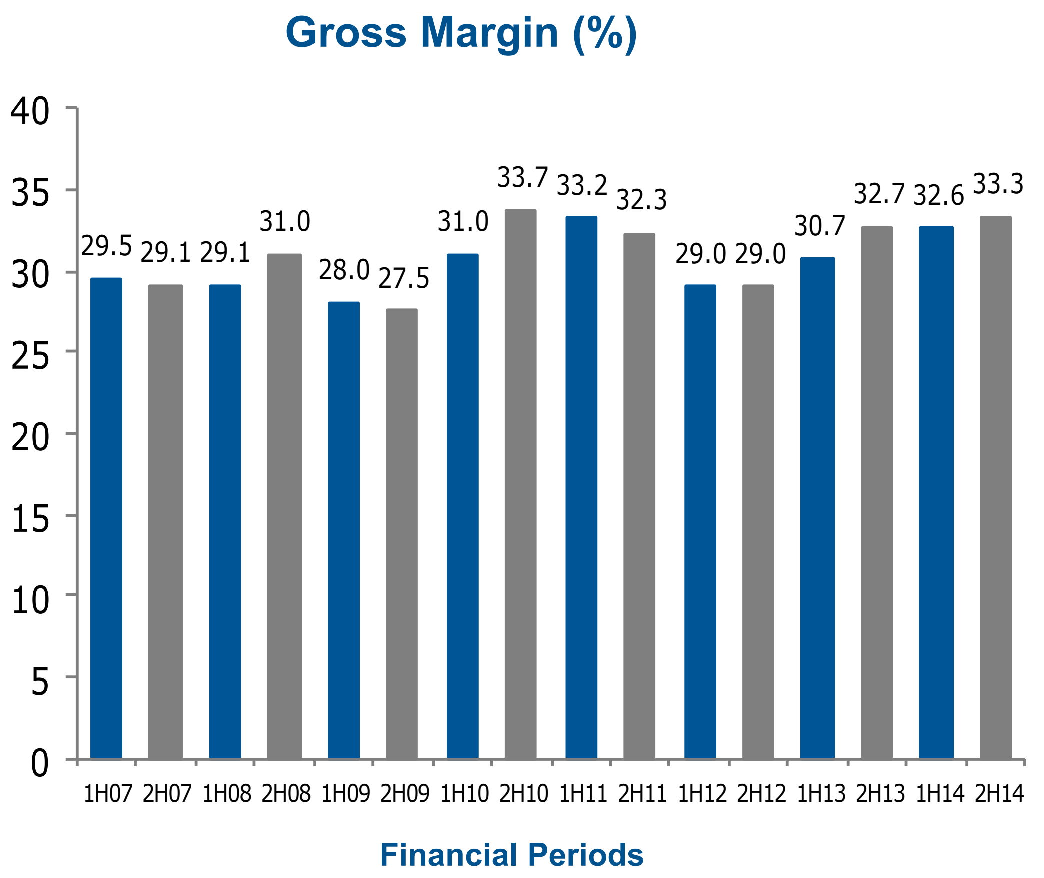
Divisional Sales and Margins

	12 Months to:				% Change to
	Jun-14		Jun-13		Jun-13
Sales					
Mining Products	338,818		412,611		(18%)
Mineral Processing	236,037		250,089		(6%)
Engineered Products	257,076		309,293		(17%)
Rail	206,337		222,562		(7%)
Other	96,972		118,584		(18%)
Total Sales	1,135,240		1,313,139		(14%)
Gross Margin		% to sales		% to sales	
Mining Products	117,354	34.6%	140,869	34.1%	
Mineral Processing	89,441	37.9%	94,256	37.7%	
Engineered Products	86,993	33.8%	109,098	35.3%	
Rail	48,594	23.6%	37,779	17.0%	
Other	35,725	36.8%	47,583	40.1%	
Total Margin	378,107	33.3%	429,585	32.7%	

Base Consumable Sales Maintain Strong Margins

85% of Bradken's costs are variable



Generated Strong Free Cash Flow

A$ Millions	12 months to: Jun-14	Jun-13
Underlying EBITDA	173.3	214.0
Working Capital	29.2	79.2
Restructuring and Other Items	(12.5)	(16.9)
Interest & Borrowing Costs	(25.8)	(30.2)
Income tax payments	(9.1)	(28.5)
Operating Cash Flow	155.1	217.6
Net Capex	(55.9)	(96.7)
Free Cash Flow	99.2	120.9

Working Capital Movements

Capital Expenditure

- Overall capex spend for the year was $55.9 million which was in line with the previous guidance of $55.0 million, with $23.1 million in the second half
- Although new capex was largely restricted, there were a number of major growth projects coming to completion in this period:
  - ✓ Completion of the China foundry, Cast Metal Services facility and equipment fit-out - $16.0 million
  - ✓ Low cost ceramic wear tile manufacture in China - $1.8 million
  - ✓ Cost reduction capex across Mineral Processing facilities - $2.0 million
  - ✓ New Ground Engaging Tools designs and tooling - $4.0 million
- Stay in Business Capex - $30.5 million (2.7% of sales)
- With gearing (net debt / EBITDA) in 1H15 forecast to be below 2.0x and stay in business capex forecast at 2.5% of sales, there will be opportunity to invest in cost reduction capex and strategic acquisitions

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Capital Management – Key Measures

	12 Months to: Jun-14	Jun-13
Net Debt (A$m) (excluding leases)	370.1	425.3
Shareholder Equity	729.8	765.3
Gearing (net debt/EBITDA) *	2.1	2.0
Interest Cover (EBITDA/Interest cost)*	5.9	6.8
Working Capital	211.3	240.6

* Gearing and Interest Cover statistics are based on underlying EBITDA

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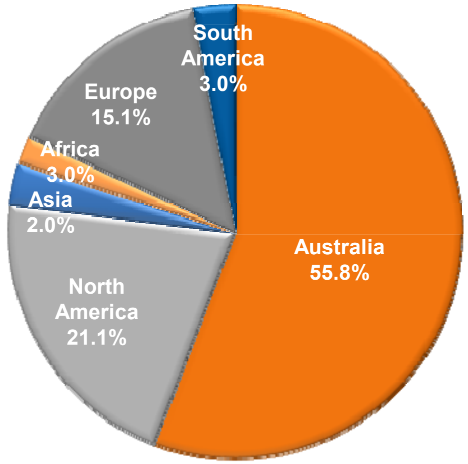
Operational Review - Mining Products

- Sales of $339 million were down 18% on the previous period with margins increased from 34.1% to 34.6%
- Lower commodity prices had a significant impact on mining capital expenditure and deferment of maintenance products in the period
- A drop in price for Australian coal forcing customers to drastically reduce expenditure was the main contributor to the reduction in sales revenue for Ground Engaging Tools (GET) and buckets which were down 14.5%
- A reduction of 47% in crawler system sales revenue due to significantly lower sales to OEMs as demand for new equipment stalled, was offset by an increase in direct sales of replacement products to miners, which will be an ongoing trend
- Fixed Plant Business sales were up 11% with strong demand from the Western Australian iron ore market in the second half
- Fixed plant sales into the Canadian oil sands market increased 10% due to high project activity



Percentage of Sales by Region

250 Tonne ROM Hopper with Wear Liners

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Operational Review – GET Products

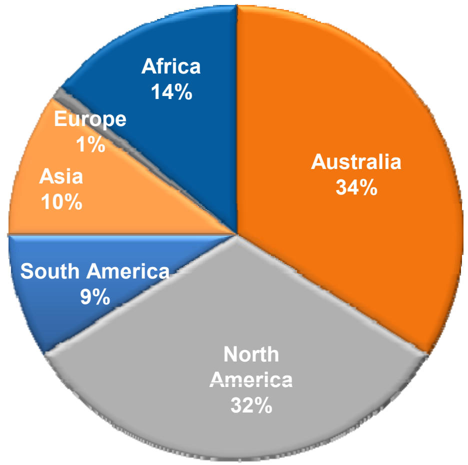
- Second generation (hammer free) products continue to gain strong market acceptance
- Orders for buckets and lips were stronger in the second half and manufacture of excavator buckets in Xuzhou
- Technical monitoring services continue to support product development and provide customers with quantifiable performance improvements
- Preferred supplier contracts signed with a number of major mining customers
- Global expansion continuing with successful trials of GET products in Brazil and rigging products in North America
- Relocation of GET product manufacture from Welshpool to Runcorn and Xuzhou is forecast to reduce costs by $5 million (full year), with these savings phasing in during 2015

Penetrator^max on a Liebherr R996 Backhoe

100m³ Velocity High Production Dragline Bucket

Operational Review – Mineral Processing

- Sales of $236 million were down 6% on the previous period due to lower activity with OEMs as new mine developments were put on hold and some mine closures, predominantly in the gold sector, were not totally offset by new business won
- Margins remained strong, increasing by 0.2% while price pressure from mining companies supported the strategy of relocating work to lower cost manufacturing facilities
- Significant product cost reductions have and are being addressed, including closure of the Henderson foundry and implementation of some automation in the remaining mill liner manufacturing facilities which will positively impact FY15
- Business focus remains on the introduction of new differentiated products into target markets, with success in winning new customers in Zambia, Ghana, Mali, Kazakhstan, China, the US and Peru set to provide strong growth as the new business ramps up on a full year basis



Percentage of Sales by Region

Grinding Mill, Cadia Mine, Australia

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Operational Review – Rail

- Sales of $206 million were down 7% on the previous financial year, however the more favourable contract terms, better cost structures and business controls deployed over the last two years have delivered much higher margins increasing from 17.0% to 23.6%
- While growth remains slow for wagons, strong growth prospects continue to emerge in markets for parts and service, where many customers are returning to Bradken on the basis of the Company's superior quality
- Introduced further automation in fabrication and broadened product capability to include truck trays, buckets and rubberised ceramics into Xuzhou throughout FY14

ARG Magnetite Wagon

Rio Tinto B-Series Iron Ore Wagon

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Operational Review - Engineered Products

- Sales revenue of $257 million was down 17% on FY13, reflecting continued softness throughout the year in the capital mining and rail locomotive markets
- Industrial Products Business sales were down 31%, reflecting the continuation of weak demand for capital parts for mobile mining equipment which began in the second half of FY13
- Energy Business sales were consistent and strong, compared with the previous year and margins improved by 0.3%
- Increased demand for natural gas, increased LNG production and the release of deferred military projects are expected to benefit FY15
- Sales for the Division in FY15 are expected to be approximately 10% higher on projected strengthening in the domestic locomotive rail, natural gas pipeline, submarine, copper, surface ship and North American structural markets

Transbay Structural Ground Level Node (11 tonne)

Riser Basket for Offshore Oil Platform (7 tonne)

Other Businesses

Industrial Business (Australia)

- The Australian Industrial Business sales revenue was down 22% on the previous corresponding period due to a general reduction in activity in the industrial market as well as a reduction in mining OEM manufacturing activity
- This business is being merged with the Rail Division to form the Transport and Industrial Products Division, both of which will benefit from a more global focus

Cast Metal Services

- Sales were down 17% 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, both of which are positioned to increase sales revenue further in FY15
- The new plant and equipment for the business in Xuzhou has been commissioned and will enable low cost refractories and coatings to be promoted globally

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People & Safety

- Global Lost Time Injury Frequency Rate (LTIFR) for FY14 was 4.1 which is a significant reduction on the previous year's LTIFR of 5.3
- 24 sites were Lost Time Injury (LTI) free for FY14
- Significant employment downsizing in FY14 from 5,425 to 4,970 occurred which included the closure of the Henderson foundry in Western Australia
- Several safety initiatives were introduced during the year:
  - Safety Passport introduced globally for critical tasks to ensure consistency
  - 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
- Safety system audits were conducted on all sites
- Human Resources Employee Information Portal rolled out in Australia to allow staff to access and update base information online

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Reorganising the Business to Meet Future Market Demand

- The manufacturing reorganisation announced in May 2014 is one stage of a series of business remodeling initiatives, the benefits of which will be seen in FY15 and FY16, including:
  - Transferring work to lower cost facilities
  - Exiting a number of small manufacturing facilities and developing world scale facilities in low cost countries
  - Expanding our direct selling model in order to provide customers with maximum benefit of our differentiated product offering
  - Combining the Rail and Industrial businesses into a high margin Asian focused business
  - Consolidating the Metal Recycling Business into the Cast Metal Services Business with a strong global focus
  - Customising our ERP System globally and taking up other synergistic cost saving initiatives

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Manufacturing Reorganisation and One-Off Costs

	2014 Impact EBITDA	2014 Impact PBT	2015 Impact EBITDA	2015 Impact PBT
Restructuring				
Asset writedowns	4.5	24.0		
Redundancies	7.3	7.3	9.8	9.8
Other Closure Costs	9.8	9.8	3.4	3.4
	21.6	41.1	13.2	13.2
Other One-Off Costs				
Norcast Court Case	(13.3)	(13.3)		
Due Dilligence Costs	6.5	6.5		
FX	15.5	15.5		
	8.7	8.7		
Cost Savings from Restructuring			**13.5**	**16.2**

- Our continued work on new product development, increased low cost capacity, high cost foundry and overhead rationalisation place Bradken in an excellent position to take the greatest advantage of improved market conditions

Outlook

- We expect an improvement in order intake as delayed expenditure at mine sites is released and mine production volumes continue to increase, supporting sales in the second half
- It remains unclear when the mining capital cycle will improve, but we are not solely relying on it to do so
- Management initiatives are well underway to significantly reduce overheads as well as capitalise on the GET market share and low cost manufacturing capacity in Xuzhou
- Benefits from the restructuring announced in May 2014 and other business remodeling strategies will begin to be realised in the FY15 results
- Tight control of capex and working capital will continue, with the previous year's capex directed to capacity expansion in China now completed
- Management remains committed to a gearing level around 2x but now has scope for fast payback cost reduction initiatives and synergistic acquisitions, both of which are presently under review on top of a modest stay-in-business capex of 2.5% of sales

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Thank You