For immediate release

Friday, 5 December 2014

BRADKEN ANNOUNCES RECEIPT OF A NON-BINDING, INDICATIVE PROPOSAL AND ACCELERATION OF GROWTH INITIATIVES

Bradken Limited ("Bradken" or the "Company") today announced that it has received a non-binding and indicative proposal from funds advised by Pacific Equity Partners Pty Limited and Bain Capital Asia, LLC (the "Consortium") to acquire 100% of the ordinary shares in Bradken for $5.10 per share conditional on completion of confirmatory due diligence and a Board recommendation, amongst others (the "Proposal").

The Consortium made a confidential, non-binding and indicative proposal to the Company in August to acquire 100% of the ordinary shares for $6.00 per share, pursuant to which the Board granted detailed due diligence. However, no firm offer was forthcoming at that time.

The Board notes that the Proposal by the Consortium has been made at a low point in the mining cycle during a time of significant share price volatility in the broader mining services sector. In this context, the Board has determined that it is important for shareholders to be aware of the Proposal.

The Board is reviewing the Proposal received from the consortium, in conjunction with its advisors and notes that while there is no guarantee of a transaction with the Consortium eventuating, it will keep the market fully informed of all material developments.

The Board remains confident in the outlook and growth prospects for Bradken and believes that the Company is well placed to continue to grow and maintain its earnings quality through the cycle despite volatility in some of its end markets and financial difficulties of some competitors and peers. The Company is executing a number of specific initiatives, some of which are identified below, that will enable it to recharge growth within the business and it is also evaluating other opportunities beyond those included in this announcement that will further strengthen Bradken's position in key markets.

Bradken's advisers are Merrill Lynch and Rothschild as Financial Advisors and King & Wood Mallesons as Legal Advisor.

Growth Initiatives

While the mining capital cycle is down, order intake has continued to improve from the low point in 4Q13 and a gradual increase in average monthly order intake is expected to continue for the balance of FY15. Restructuring to improve earnings quality through overhead reduction programs is well underway and is targeted to achieve, by July 2015, run rate EBITDA savings equivalent to approximately $27 million per annum, of which cash savings represent around $22 million.

Bradken is now reinitiating profitable growth independent of the mining cycle, through additional specific initiatives including:

1. Indian Foundry Acquisition

Bradken has executed binding transaction documents to acquire a world class foundry in Tamil Nadu, India for an acquisition price of $27 million with closing expected in January 2015. The foundry is a 17,000m^2 facility situated on a land parcel of 17.8Ha with available capacity of over 20KT/pa. It will provide low cost manufacturing capacity in a location that has proximity to key customer markets in Australasia and Africa as well as a large domestic market in India. The foundry will initially be developed as an Asian region low-cost source of high quality mill liners, coal and cement wear parts and large structural components.

2. Cost Reduction Capex Initiatives

Bradken has identified a number of fast-payback capex initiatives that are designed to increase EBITDA and overall margins on existing volumes. These include installation of robotic grinding at the Mont-Joli foundry (Mineral Processing) in Canada, transfer of clad plate manufacturing to Xuzhou (Fixed Plant) in China, automated welding processes (Energy), installation of core handling and riser knock-off equipment (Industrial Products) both in the USA and installation of casting handling and robotic grinding equipment in Wodonga (GET & Buckets) in Australia. Total outlay for the capex initiatives will be approximately $26 million.

The above acquisition and capex initiatives are expected to be fully implemented by 1H16 and the full year run-rate EBITDA effect is expected to be approximately $26 million by FY17. This is based only on transfer of existing work and cost reduction programs. Bradken has significant headroom under its existing debt facilities and is able to debt fund all of these growth initiatives. Additional detail on the acquisition and capex plans can be found in the attached presentation.

The Company also continues to evaluate a number of other high quality opportunities available to it. The Board had approved a small equity raising, via a placement, to assist Bradken in maintaining balance sheet flexibility. In light of the current Proposal, this has been put on hold.

Outlook

Order intake has continued to improve from the low point in 4Q13 and a gradual increase in average monthly order intake is expected to continue for the balance of FY15.

Closure of the Henderson foundry, Mittagong, Naval Base and Muswellbrook is now complete. The Welshpool foundry is on track to close by the end of 1Q15 with work being transferred to Runcorn and Xuzhou. Associated overhead reduction programs are well underway and are targeted to achieve run rate EBITDA savings equivalent to approximately $27 million by July 2015, of which cash savings represent approximately $22 million.

Closure of the Adelaide foundry will occur over the next 12 months as work is transferred to the Company's Asian foundries, with estimated restructuring costs of $15 million to be provisioned in 1H15.

While Bradken's foundry capacity in higher cost locations has reduced through the foundry rationalisation process, Bradken's overall foundry capacity has increased slightly from its operational expansion in China and India.

For further information, please contact:
Brian Hodges – Managing Director
Steven Perry – Chief Financial Officer
Tel: +61 2 4926 8200
Fax: +61 2 4926 8201
Email: bradken@bradken.com

About Bradken

Bradken is the leading supplier of differentiated consumable and capital products to the global resources, energy and freight rail industries. The Company employs almost 4,600 people in 34 manufacturing facilities and more than 30 sales and service centres across Australia, New Zealand, USA, Canada, the United Kingdom, Indonesia, Malaysia, South Africa, South America and China. The Company which became a publicly listed company in August 2004 has been in business for over 90 years and operates four market-focused divisions and a separate business.

For further information about Bradken, visit www.bradken.com.

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Growth Initiatives

Indian Foundry Acquisition

Key Terms

- Binding transaction documents executed
- Acquisition price of $27 million payable at closing in January 2015
- Acquisition includes large modern foundry facilities built in 2009 with adequate land to develop a manufacturing complex going forward

Strategic Rationale

- The Indian foundry is expected to provide manufacturing capacity in a relatively low cost location with proximity to key customer markets in Australasia and Africa as well as a large domestic market in India
- The foundry is consistent with Bradken's strategy of lowering variable costs to maintain earnings quality and grow market share
- Initially the foundry will be developed as an Asian region low-cost source of high quality mill liners, as well as coal and cement wear parts and large structural components

Indian Foundry Acquisition

Facility Overview

- World class facility located in Tamil Nadu India, established green field in 2009 utilising new equipment from leading international foundry suppliers
- Existing customer base includes leading Indian industrial companies for wind energy
- Currently operating profitably, with available capacity of over 20kT/pa
- Heavy jobbing capability with dual 15t melting furnaces and highly skilled workforce
- Existing 17,000m^2 facility situated on a land parcel of 17.8Ha
- Bradken plans to initially utilise capacity in the foundry to transfer production from relatively higher cost facilities
- Additional heat treatment capacity to be added immediately to cater for increased steel throughput

Future Opportunities

- Expansion of the site to include a new automated production line for mill liners for Australasia and Africa
- Further opportunity to manufacture high quality steel castings for global Industrial Products markets
- Coal and cement, white iron wear parts
- Suitable for major expansion as a manufacturing campus similar to Xuzhou, providing a low cost source for all Bradken divisions
- Platform for entry to Indian wear parts markets in construction and mining

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Capital Expenditure Initiatives

Strategic Rationale

- Bradken has identified a number of fast-payback capital expenditure initiatives that are designed to further improve EBITDA and EBITDA to Sales by lowering costs
- The capital expenditure program is based on organic initiatives which are not reliant on a recovery in the mining cycle or increased market share
- Total expenditure of $26 million is estimated to generate annualised savings of $15 million by FY17
- Approximately 45% of the planned capital expenditure program is expected to be invested by the end of FY15, with the balance expected to be invested in FY16

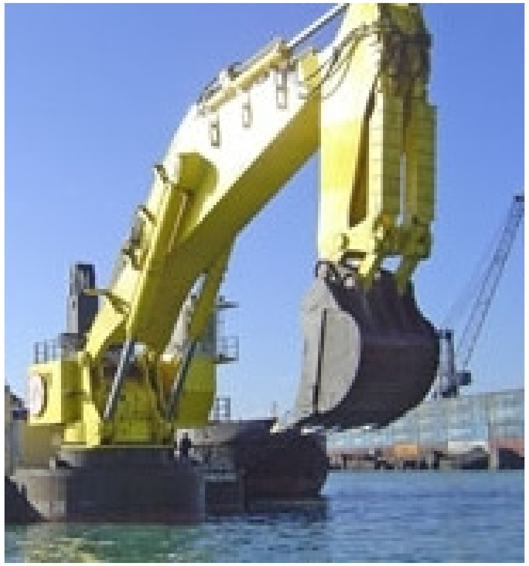
Key Initiatives

The capital expenditure program targets cost savings in key market segments, some of the major ones are:

- Mineral Processing Division to install robotic grinding in Mont-Joli foundry, which is expected to lower variable costs and bring mill liner bolt manufacturing in-house to Xuzhou for supply globally
- Fixed Plant Business will complete transfer of clad plate manufacturing to Xuzhou and add more efficient wear plate and ceramics processing equipment to support Pilbara iron ore operators
- New automated welding processes to be added to Oil & Gas and Energy Businesses to replace existing manual operations, which is expected to improve quality and lower costs
- Industrial Products Business has commenced a program to materially lower variable costs in Atchison, USA. Items to be installed include core handling and riser knock off equipment
- GET & Buckets Business to add casting handling and robotic grinding to small parts foundry in Wodonga

Other Initiatives

- Bradken continues to pursue other potential value enhancing initiatives that are currently being evaluated
- Bolt-on acquisitions being evaluated are expected to have EBITDA payback of less than five years once synergies are achieved
- Bradken continues to target a Net Debt to EBITDA ratio of around 2.0x



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Bradken Outlook

- Management is committed to reinitiating profitable growth independent of the mining cycle
- Order intake has continued to improve from the low point in 4Q13 and a gradual increase in average monthly order intake is expected to continue for the balance of FY15
- The new initiatives announced today are expected to be fully implemented by 1H16 and the estimated full year run rate EBITDA effect is expected to be approximately $26 million by FY17. This is based only on transfer of existing work and cost reduction programs
- Closure of the Henderson foundry, Mittagong, Naval Base and Muswellbrook is now complete. The Welshpool foundry is on track to close by the end of 1Q15 with work being transferred to Runcorn and Xuzhou. Associated overhead reduction programs are well underway and are targeted to achieve run rate EBITDA savings equivalent to approximately $27 million by July 2015, of which cash savings will represent approximately $22 million
- Closure of the Adelaide foundry will occur over the next 12 months as work is transferred to our Asian foundries, with estimated restructuring costs of $15 million to be provisioned in 1H15

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Thank You