For immediate release

Thursday, 11 December 2014

UPDATE ON NON-BINDING, INDICATIVE PROPOSAL

As advised to the market on 5 December 2014, Bradken 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 outstanding shares in Bradken for $5.10 per share conditional on completion of confirmatory due diligence and a Board recommendation amongst others (the "Proposal").

The Board has determined to allow the Consortium to undertake confirmatory due diligence and to engage further with the Consortium in order to determine if a transaction capable of Board recommendation can be developed and presented to shareholders. The Company has also received additional inbound enquiries since the announcement on 5 December which the Board will consider should they develop further. There can be no assurances that any of these discussions, including the Proposal, will result in a transaction.

The Board remains confident in the future for the Company, notwithstanding the ongoing volatility in some of its end markets. As previously advised to the market, the Company is executing a number of specific initiatives that enable it to continue to grow profitably independent of the mining cycle. Recently announced initiatives (including the Indian Foundry acquisition and Cost Reduction Capex Initiatives) combined with previously announced foundry rationalisation plans deliver the Company a flexible and low cost manufacturing platform. These steps were proactively undertaken by the Company to position it strongly, maintain its earnings quality and deliver earnings growth for shareholders consistently over the medium term. While some of these have disappointingly involved foundry closures and job losses, the Company is committed to taking steps to ensure that it stays competitive and earnings growth oriented.

The cumulative effect of the initiatives announced to date is a reduction in the cost base run-rate of $27 million by July 2015 and $53 million by FY17. Restructuring costs associated with the foundry rationalisation plans are debt funded and as previously indicated Bradken also proposes to debt fund the recently announced Indian Foundry acquisition and Cost Reduction Capex Initiatives. This provides Bradken with a low cost manufacturing footprint to continue to support its earnings and market share.

The Board remains focussed on ensuring that shareholders recognise the strength of the underlying business and is pursuing all avenues to maximise value for shareholders.

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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.