



For immediate release

Wednesday, 28 January 2015

DISCUSSIONS WITH CONSORTIUM CEASED

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").

On 11 December 2014, the Board determined to allow the Consortium to undertake confirmatory due diligence and to engage further with the Consortium in order to determine whether a transaction capable of Board recommendation could be developed to be presented to shareholders.

The Board has been informed that the Consortium concluded confirmatory diligence to its satisfaction, however despite the Company and Consortium working constructively to enable development of its Proposal, the recent volatility in global commodity and financing markets has impacted the Consortium's ability to obtain financing on terms acceptable to the Consortium. As a result, the Consortium has now informed the Board that it is not in a position to make a binding proposal at this time. Consequently, Bradken and the Consortium have ceased all discussions in relation to the Proposal.

Bradken will now concentrate on returning to profitable growth through initiatives recently announced including the acquisition of a foundry in India and Global Cost Reduction Capex Initiatives. The foundry 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. Bradken has also identified a number of fast-payback Capex initiatives that are designed to increase EBITDA and overall margins on existing volumes.

The volatility in Bradken's end markets has recently increased with further price declines in oil and iron ore. While Bradken remains well positioned to navigate through this volatility, there are no visible signs at this stage of a turnaround in the mining cycle. However tonnages mined for most metals, which is the key driver of demand for Bradken's products, continue to increase.

Bradken will continue to monitor the outlook and market conditions to ensure that the appropriate level of financial and operational flexibility is maintained.

As previously advised to the market, Bradken will announce its results for the half year to 31 December 2014, including an update on the external environment and business prospects, on Tuesday, 10 February 2015.

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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. Bradken 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. Bradken, 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.