FORM 10-K
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)
For the Fiscal Year Ended July 31, 1995

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)
For the Transition Period from __________ to __________

Commission File Number 0-12730

W.H. BRADY CO
(Exact name of registrant as specified in charter)

Wisconsin	39-0178960
(State of Incorporation)	(IRS Employer Identification No.)

6555 West Good Hope Road
Milwaukee, WI 53223
(Address of Principal Executive Offices and Zip Code)

(414) 358-6600
(Registrant's Telephone Number)

Securities Registered Pursuant to Section 12(b) of the Act:

None

Securities Registered Pursuant to Section 12(g) of the Act:

Class A Nonvoting Common Stock, Par Value $.01 per share

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. Yes X No ___

As of September 30, 1995, there were outstanding 5,507,599 shares of Class A Nonvoting Common Stock (the "Class A Common Stock"), and 1,769,314 shares of Class B Common Stock. The Class B Common Stock, all of which is held by affiliates of the Registrant, is the only voting stock.

DOCUMENTS INCORPORATED BY REFERENCE
W.H. Brady Co. 1995 Annual Report, Incorporated into Part II & IV

I N D E X

I N D E X

PART III (Continued)

PART I

W.H. Brady Co. and Subsidiaries is hereinafter referred to as the Company or Brady.

ITEM 1 BUSINESS

(a) General Development of Business

Brady is a Wisconsin corporation. It presently operates 12 manufacturing facilities in the United States and six foreign countries. The Company operates through seven subsidiaries with operations in two states and in Australia, Belgium, Canada, England, France, Germany, Hong Kong, Italy, Japan, Korea, New Zealand, Singapore, Spain and Sweden. The Company's principal office is located at 6555 West Good Hope Road, Milwaukee, Wisconsin 53223 and its telephone number is (414) 358-6600.

(b) Financial Information About Industry Segments

Not applicable.

(c) Narrative Description of Business

General

The Company develops, manufactures and sells a broad range of stock and customized products employing its knowledge of surface chemistry, principally in adhesives, coatings and graphics technologies. Brady's products include over 20,000 stock items and a wide variety of custom items, which are used primarily to identify, inform or instruct, including pressure-sensitive identification, labeling and marking systems for electrical wires and pipes; self-bonding nameplates; safety and instructional signs and specialized tapes used in audio, video and computer applications. The Company's products are sold domestically and internationally through a network of distributors, a direct sales force and mail order sales, and are used in a variety of industrial, commercial, governmental, public utility, medical equipment, computer and consumer product markets, including original equipment manufacturers.

The Company operates 12 manufacturing facilities in the United States and six foreign countries. Domestic and international operations are conducted through its Identification Systems and Specialty Tapes Group, Signmark Group, and Seton Group. Domestic operations are located in Connecticut and Wisconsin. International operations are located in Australia, Belgium, Canada, England, France, Germany, Hong Kong, Italy, Japan, Korea, New Zealand, Singapore, Spain and Sweden.

Technology and Product Development

The Company focuses its research and development efforts on applications in the science of surface chemistry, i.e., coatings, adhesives and physical bonding. This dedication to surface chemistry, in combination with a manufacturing technology oriented to adhesives and graphics, has led to the development of many proprietary release coatings, adhesives and products which are adhesively fastened. Most of the Company's products are adhesively fastened to customers' products, equipment or buildings, but a portion of the products are mechanically fastened.

Adhesive based products are characterized by their ability to adhere to another surface merely by application of pressure. The adhesive materials generally consist of a face stock, which is coated with an adhesive, and a removable protective backing coated with a release-coating. The stock may be paper, metal or metal foil, plastic film or cloth. The release-coated removable backing is laminated to the adhesive side of the face stock and protects the pressure-sensitive adhesive from premature contact with other surfaces, thus allowing the material to be printed and/or die-cut, as required. The backing paper also serves as the carrier for supporting and dispensing the products. When the products are to be used, the backing is removed to expose the adhesive, and the product is pressed or rolled into place manually or applied automatically.

New product and process development and product improvements are a significant part of the Company's business plan. Although it is difficult to accurately measure, the Company has a goal that a significant portion of its sales be of products introduced within the past five years. These products included bar code labels, computer printable wire marking sleeves and application systems, Bradywriter, Bradylabel Software, Bradymarker & labels, Lasertabs, Brady snap-on and mechanically applied pipemarkers, lockout compliance products, parts for micro discs, surface mount carrier and cover tape, outdoor weatherable graphic arts adhesive coated films, laser printable nameplates, and abrasive and solvent resistant coatings for polyester and polycarbonates.

The Company conducts most of its research and development activities at its 30,000 sq. ft. Frederic S. Tobey Research and Innovation Center in Milwaukee, Wisconsin and through a small research center in Belgium which services its European subsidiaries. The Company spent approximately $10.4 million, $10.3 million, and $12.1 million in fiscal 1995, 1994 and 1993, respectively, on its research and development activities, all of which were Company sponsored. In fiscal 1995, approximately 100 employees were engaged in research and development activities for the Company. Additional research projects were conducted under contract with universities, other institutions and consultants. The Company owns patents covering various aspects of adhesive chemistry, electronic circuitry, computer generated wire markers, and systems for aligning letters and patterns. While the

Company believes that its patents are a significant factor in maintaining its market position as to certain products, technology in the areas covered by many of the patents is evolving rapidly and may limit the value of the Company's patents. The Company's business is not dependent on any single patent or group of patents.

Manufacturing Processes

The Company's manufacturing processes require application of coatings and adhesives to a variety of materials, including paper, metal and metal foil, plastic film and cloth, and the use of various graphic techniques to print or mark the materials. Products manufactured by the Company generally require a high degree of precision and the application of adhesives with chemical and physical properties suited for specific usages.

The Coated Products Division of Brady USA, Inc. produces adhesive coated materials and printable top coated materials mainly for use by other divisions and subsidiaries. The Company's production of the majority of its own adhesive stocks and top coated materials permits an integrated manufacturing process which the Company believes, when combined with its emphasis on quality control, provides the basis for high quality, uniform products. The Company's integrated manufacturing processes also permit it to achieve greater flexibility in product design and manufacture, and improve its ability to provide specialized products designed to meet the needs of specific applications.

Products

Brady's products are used in a wide variety of industrial applications, including markers that identify electrical circuits and piping systems; safety and accident prevention signs that warn of health and accident hazards; nameplates that identify consumer, scientific, medical and electrical products; specialized tapes for audio, video and computer applications; products for the marking and identification of buildings, equipment, and storage facilities; products for the aerial and ground location and identification of utility lines; products for floor safety, aisle and barricade marking. The Company's most significant products are described below.

WIRE MARKERS

Since 1945, the Company has been the leading domestic producer of labeling and identification products for electrical wires and wiring devices. Virtually all industrial products, medical equipment, computers, large buildings, transportation equipment and vehicles contain a complex network of electrical wiring and circuits. The wires and wiring devices that comprise these networks must be identified at the time of manufacture or installation. Many of the Company's products have become standard in the industry, with applications in both manufacturing and distribution.

The Company manufactures both self-adhesive and non-adhesive wire marking products and labels in a wide variety of styles and materials. The markers may be printed with a single number or letter, or with a multi-line "address" that indicates the origination and termination of the wire, the device or devices to which it transmits current, engineering drawings and part numbers, or other information that facilitates the location of the source of trouble and repair in case of malfunction of the system.

Brady wire markers and labels are designed for application by a variety of means and for use in specialized environments, including temperature ranges of -85F to more than 1,200F and chemical or other corrosive exposures including radiation, moisture, ozone, acid, alkalis, oils, and solvents. These products are constructed from various materials designed to meet engineers' specifications, ranging from general purpose cloth to materials for more specialized uses such as aluminum, vinyls, polyesters and polyvinylflourides. Such markers and labels and their chemically appropriate adhesives provide resistance to various environmental hazards such as heat, abrasion, solvents, and chemical corrosion.

The Company's self-adhesive wire markers and labels are either preprinted or blank. The blank wire markers and labels can be computer printed by the customer using Brady developed software. Preprinted wire markers and labels are mounted on relatively thick release-coated card stock from which individual adhesive markers are removed manually or by machine and wrapped around the wire to provide permanent identification. Computer printable wire markers and labels are mounted on pin-fed rolls or backing sheets. An important feature of the Brady computer printable products is the proprietary ink-receptive, nonerasable, heat and solvent resistant coating on the surface of the marker.

The Company's non-adhesive wire marking sleeves are being used increasingly in industrial applications. These sleeve markers are produced in a variety of forms, ranging from simple slip-on or clip-on preprinted molded plastic pieces which are applied manually or through the use of a simple tubular device, to highly automated application systems for computer printed wire marking sleeves. These computer printed sleeves may be applied using Brady developed equipment at rates up to 1,800 markers per hour. Wire marking sleeves may also be heat shrunk onto the wire using equipment designed for that purpose.

This product line includes indelible ink ribbons and portable, self-contained printing systems able to withstand the rigors of an industrial environment.

SPECIALIZED TAPE PRODUCTS

The Company's specialized tapes and related products are used in a variety of audio, video and computer applications, as well as surface mount technology products. These specialized tape products are characterized by high performance adhesives, most of which are formulated by the Company, to meet high tolerance requirements of the industries in which they are used. The Company's computer application products include reinforcing rings for floppy discs and components of micro-discs. Its audio industry products include cassette leader and splicing tapes and conductive splicing tapes. Video products include splicing and leader tapes, conductive/reflective sensing tapes, and other specialty components used in video cassettes. The Company's surface mount carrier and cover tapes are compatible with the products of all major surface-mounted-device electronic component manufacturers.

PIPE MARKERS

The Company manufactures both self-adhesive and non-adhesive mechanically applied stock and custom designed pipe markers and plastic and metal valve tags for the identification of piping systems in chemical plants, refineries, pipelines, utilities, ships, hospitals, food processing plants, institutions, and other buildings and facilities in a variety of temperature and chemical environments. These products are designed to legibly identify and provide information as to the contents, direction of flow and special hazardous properties of materials contained in the piping systems. The Company's products are designed to meet standards established by the American National Standards Institute for the identification of piping systems. The Company formulates its own adhesives for its pipe marking products to withstand demanding climatic conditions encountered by facilities ranging from the Alaska pipeline to Middle East refineries, as well as exposure to various chemical environments. The products are also designed for application to a variety of pipe surfaces and sizes.

SAFETY AND ACCIDENT PREVENTION SIGNS

The Company manufactures safety and accident prevention signs for use in a broad range of industrial, commercial, governmental and institutional applications. These signs are either self-adhesive or mechanically mounted, are designed for both indoor and outdoor use, and are manufactured to meet standards promulgated by the National Safety Council, the Occupational Safety and Health Administration and a variety of industry associations. The Company manufactures products with both stock and custom legends. Safety and accident prevention signs are constructed from materials designed to meet specific industry and environmental requirements, including self-adhesive vinyl coated cloth, subsurface printed polyester, reflective sheeting and phosphorescent polyester, metal, and fiberglass reinforced panels. The Company's sign products are categorized by type of message to be conveyed, including admittance, directional and exit signs; electrical hazard warnings and energy conservation messages; fire protection and fire equipment signs; hazardous waste labels; hazardous and toxic material warning signs; vehicle placards for the transportation industry; personal hazard warnings; housekeeping and operational warnings; pictograms; radiation and laser signs; safety practices signs; traffic signs; and regulatory markings. This product line includes printing systems that enable customers to print signs on-demand, on-site using Brady software and Brady materials. The Company believes that no other supplier offers as broad a range of safety and accident prevention sign products.

NUMBERS AND LETTERS

The Company produces self-adhesive numbers and letters used for the systematic identification of bins and shelving in factories, warehouses, stockrooms and other facilities where alphanumeric labeling is desired. It produces card mounted numbers and letters in a variety of sizes and types of adhesive-backed printed material. Numbering and lettering systems are constructed of vinyl-coated cloth and indoor/outdoor vinyl. The Brady Bintab (R) labeling system provides custom computer printed labels for specialized storage identification needs. The Company also manufactures self-adhesive and self-aligning die-cut numbers and letters and sign making kits.

OTHER PRODUCTS

The Company also sells a variety of other products, none of which individually accounts for a material portion of its sales. These products include non-skid safety tapes, warning posts and cones, die cut masks, adhesive backed felt, lockout/tag-out devices, temperature indicating labels, and hospital and clinical labels.

Marketing and Sales

Brady markets its stock products primarily through a network of domestic distributors, mail order sales, and foreign distributors. The Company's custom designed products are marketed directly to end users, primarily through domestic and foreign full-time sales representatives. As part of its marketing program, the Company encourages distributors to maintain adequate inventories of its stock products to permit prompt delivery, and maintains such inventories itself.

Many of the Company's stock products were originally designed, developed and manufactured as custom products for a specific purchaser. However, such products have frequently developed wide industry acceptance and become stock items offered by the Company through mail order and distributor sales. The Company's products are designed to specifications established by industrial, commercial and military customers for specific applications. The Company seeks also to have its products specified by the engineering departments of manufacturers, constructors and contractors to which it sells.

The Company's products are sold in a wide variety of industrial, commercial, governmental, public utility, medical equipment, computer and consumer product markets, including original equipment manufacturers. No material part of the Company's business is dependent upon a single customer or group of customers, and the loss of a particular customer would have no material adverse effect upon the Company's business. In fiscal 1995, no single customer accounted for more than 2.0% of Company sales. Although sales of certain of the Company's products experience recurring seasonal variations, management does not consider the Company's overall sales to be seasonal in nature.

International Operations

The Company's international operations consist both of direct export sales and operations conducted by its eighteen international locations (Australia, Belgium, Canada (2), England (2), France (2), Germany (2), Hong Kong, Italy, Japan, Korea, New Zealand, Singapore, Spain and Sweden). Six of these international locations manufacture or have the capability to manufacture certain of the Brady products they sell. In fiscal 1995, 1994, and 1993, international sales accounted for 41.1%, 37.1%, and 32.0%, respectively, of Brady's sales. Other than for the risks normally attending foreign operations, such as currency fluctuations, exchange control regulations and the effect of international relations or the domestic affairs of foreign countries on the conduct of business, the nature of the Company's international operations and the countries in which they are conducted do not present unusual business risks over those encountered by the Company's domestic activities.

Backlog

As of July 31, 1995, the amount of the Company's backlog orders believed to be firm was $14.6 million. This compares with approximately $17.4 million and $15.2 million of backlog orders as of July 31, 1994 and 1993, respectively. Average delivery time for the Company's orders varies from one day to twelve weeks, depending on the type of product, and whether the product is stock or custom designed and manufactured.

Raw Materials

Base materials used in the Company's products consist primarily of paper, plastic sheets and films (primarily polyesters and polycarbonates), metal and metal foil, cloth, fiberglass, inks, dyes, adhesives, pigments, natural and synthetic rubber, organic chemicals, polymers and solvents. The Company purchases its raw materials from many suppliers and is not dependent upon any single supplier for any of its base supply materials.

Competition

The markets for most of the Company's products are highly competitive. Although no industry statistics are available, the Company believes, on the basis of its knowledge and experience in its various product markets, that it is the leading domestic producer of self-adhesive wire markers, pipe markers, audio and video leader and splicing tapes, reinforcing rings for floppy discs, and adhesive numbers and letters, and believes that it is a leading domestic producer of safety signs. The Company competes for business principally on the basis of quality and performance, and to a lesser extent on price. Product quality is determined by factors such as suitability of component materials for various applications, adhesive properties, graphics quality, durability, product consistency and workmanship. Competition in many of the Company's product markets is highly fragmented, ranging from smaller companies offering only one or a few types of products to some of the world's major adhesive and electrical product companies offering a wide range of competing products. A number of the Company's competitors are larger than the Company and have substantially greater resources.

Employees

As of July 31, 1995, Brady employed approximately 2,000 persons. The Company has never experienced a work stoppage due to a labor dispute, is not a party to any labor contracts, and considers its relations with employees to be excellent. To meet present and future manpower requirements, the Company maintains an active college recruiting program for sales, technical and administrative personnel.

Environment

At present, the manufacturing processes for the Company's adhesive-based products utilize certain evaporative organic solvents which, unless controlled, would be vented into the atmosphere. Emissions of these substances are regulated at the federal, state and local levels. During the past several years, the Company has implemented a number of procedures to reduce atmospheric emissions and/or to recover solvents. These efforts have included the reformulation of certain adhesives to water-based emulsions, rather than solvent-based products. During the past three years, Brady also installed incineration equipment to control emissions of organic solvents at a cost of approximately $393,000.

(d) Financial Information about Foreign and Domestic Operations and Export Sales

See Note 7 to Notes to Consolidated Financial Statements

ITEM 2 PROPERTIES

The Company and its subsidiaries have 12 manufacturing facilities, five of which are located in Wisconsin, and one each in Connecticut, Australia, Belgium, Canada, England, Japan and Singapore. The Company's primary research facility of approximately 30,000 square feet is located in Milwaukee, Wisconsin. The Company's present operating facilities contain a total of approximately 840,000 square feet of space. All of the Company's facilities are owned by it, except for a total of approximately 180,000 square feet of leased space. The Company believes that its equipment and facilities are modern, well maintained, and adequate for its present needs.

ITEM 3 LEGAL PROCEEDINGS

The Company and its subsidiaries are not parties to any material pending legal proceedings.

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5 MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(a) Market Information

The Company's Class A Common Stock is principally traded on the Over-the-Counter market and is quoted on NASDAQ under the symbol BRCOA. There is no established public trading market for the Company's Class B Common Stock.

Stock price disclosure required by this item is incorporated by reference to Page 36 of the W.H. Brady Co. 1995 Annual Report.

(b) Holders

The number of holders of record of the Company's Class A and Class B Common Stock as of October 3, 1995, was 336 and 2, respectively.

(c) Dividends

The Company has followed a practice of paying quarterly dividends on its outstanding common stock. Before any dividend may be paid on the Class B Common Stock, holders of the Class A Common Stock are entitled to receive an annual, non-cumulative cash dividend of $.10 per share (subject to adjustment in the event of future stock splits, stock dividends or similar event involving shares of Class A Common Stock). Thereafter, any further dividend in that fiscal year must be paid on all shares of Class A Common Stock and Class B Common Stock on an equal basis.

During its two most recent fiscal years and for the first quarter of the current year, the Company declared the following dividends per share on its Class A and Class B Common Stock:

	Year Ended 7/31/94				Year Ended 7/31/95				Year Ending 7/31/96
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr
Class A	$.17	$.17	$.17	$.17	$.20	$.20	$.20	$.20	$.30
Class B	.07	.17	.17	.17	.10	.20	.20	.20	.20

ITEM 6 SELECTED FINANCIAL DATA

The information required by this Item is incorporated by reference to Page 18 and 19 of the W.H. Brady Co. 1995 Annual Report.

ITEM 7 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information required by this Item is incorporated by reference to Pages 20 and 21 of the W.H. Brady Co. 1995 Annual Report.

ITEM 8 FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this Item is incorporated by reference to Pages 22 through 34 of the W.H. Brady Co. 1995 Annual Report.

ITEM 9 CHANGES IN AND DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10 DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Name	Age	Title
Katherine M. Hudson	48	President, CEO and Director
Donald P. DeLuca	55	Senior Vice President, Treasurer, Assistant Secretary, and Director
Mary T. Arnold	52	Vice President, Research and Development
Richard L. Fisk	51	Vice President, Seton Group
David R. Hawke	41	Vice President, Signmark Group
Peter J. Lettenberger	58	Secretary and Director
David W. Schroeder	40	Vice President, ISST Group
James M. Sweet	42	Vice President, Human Resources
William H. Brady III	53	Director
Elizabeth B. Lurie	50	Director
Robert C. Buchanan	55	Director
Roger D. Peirce	58	Director
Richard A. Bemis	54	Director
Frank W. Harris	53	Director
Gary E. Nei	51	Director

KATHERINE M. HUDSON - Mrs. Hudson joined the Company in January 1994, as President, Chief Executive Officer and Director. Prior thereto she was a Vice President at Eastman Kodak Company and General Manager of its Professional, Printing and Publishing Image Division. She is also a director of Apple Computer.

DONALD P. DELUCA - Mr. DeLuca joined the Company as Vice President-Finance and Chief Financial Officer in May 1990. He was promoted to Senior Vice President in August 1994. Before joining Brady, he served as Executive Vice President-Finance and Administration of CSC Industries, Inc. from 1987 to April 1990. Prior to that he served as Vice President, Treasurer and Secretary of Copperweld Corp. from 1974 to 1987. He is also a director of GAN North American Insurance Company, GAN National Insurance Company and Fugitive Emissions Control, Inc..

MARY T. ARNOLD - Dr. Arnold joined the Company in February 1993. In March 1995, she was appointed to her present position. Prior to joining Brady, Dr. Arnold served in various capacities at G. E. Appliances.

RICHARD L. FISK - Mr. Fisk joined the Company in 1979 and was appointed to his present position in August 1987. He previously served as General Manager of Seton Name Plate Co., a wholly-owned subsidiary of the Company.

DAVID W. HAWKE - Mr. Hawke joined the Company in 1979. He served as General Manager of the Industrial Products Division from 1985 to 1991. From 1991 to February 1995, he served as Managing Director - European Operations. In March 1995, he was appointed to his present position.

PETER J. LETTENBERGER - Mr. Lettenberger has served as a Director and Secretary of the Company since January 1977. Mr. Lettenberger has been a member of the Company's audit and compensation committees since April, 1977 and October 1978, respectively, and has been chairman of the compensation committee since June 1985. He is a partner of Quarles & Brady, general counsel to Company, which firm he joined in 1964. He is also a director of Electronic Tele-Communications, Inc.

DAVID W. SCHROEDER - Mr. Schroeder joined the Company in June 1991 as General Manager of the Industrial Products Division. He was appointed to his present position in March 1995. Before joining the Company, he served as President and Chief Executive Officer of Uniroyal Adhesives & Sealants Co., Inc. from 1988 to May 1991.

JAMES M. SWEET - Mr. Sweet joined the Company in 1985. In November of 1987 he was appointed Director, Personnel. In August of 1989 he was appointed Vice President, Human Resources.

WILLIAM H. BRADY III - Mr. Brady has been a director of the Company since January of 1979. Mr. Brady is a private investor.

ELIZABETH B. LURIE - Mrs. Lurie has been a director of the Company since January of 1979. Mrs. Lurie is President and Administrator, W. H. Brady Foundation. Until June 1, 1984, Mrs. Lurie was a Vice President of Chase Federal Savings & Loan Association, Miami, Florida, and had been employed by that firm since November 1973, except for the period from October 1979 to November 1980, when she was Financial Manager for the University of Miami Law & Economic Center. Prior to November 1994, she was the principal owner of an art gallery in Maggie Valley, North Carolina.

ROBERT C. BUCHANAN - Mr. Buchanan has been a director of the Company since November 1987 and a member of its audit committee since June 1988 (chairman since June 1990). Mr. Buchanan is President and CEO of the Fox Valley Corporation in Appleton, Wisconsin, having assumed that position November 1, 1980. He is also a director of The Northwestern Mutual Life Insurance Company and Firstar Corporation.

ROGER D. PEIRCE - Mr. Peirce has served as a director and a member of the compensation committee of the Company since September, 1988. Mr. Peirce is President of Valuation Research Corporation, having assumed that position in April 1995. From September 1986 to December 1993, he was President of Super Steel Products Corp. in Milwaukee, Wisconsin. Prior to that he was a managing partner for Arthur Andersen & Co., independent certified public accountants.

RICHARD A. BEMIS - Mr. Bemis has been a director of the Company since January 1990 and a member of its compensation committee since March 1990. Mr. Bemis is President and CEO of Bemis Manufacturing Company, a manufacturer of molded plastic products in Sheboygan Falls, Wisconsin. He is also a director of Wisconsin Public Service Corporation.

FRANK W. HARRIS - Dr. Harris has been a Director of the Company since November 1991. Dr. Harris is a Professor of Polymer Science and Biomedical Engineering in the Institute of Polymer Science at the University of Akron, and has been on its faculty since 1983.

GARY E. NEI - Mr. Nei has been a Director of the Company since November 1992, and a member of its audit committee since November 1994. Mr. Nei is Chairman of B&B Publishing, a publishing company in Walworth, Wisconsin. He is also a director of DIFCO Inc. and Uroquest, Inc..

All directors serve until their respective successors are elected at the next annual meeting of shareholders. Officers serve at the discretion of the Board of Directors. None of the Company's directors or executive officers has any family relationship with any other director or executive officer, except that William H. Brady III is the brother of Elizabeth B. Lurie.

ITEM 11 EXECUTIVE COMPENSATION

The following table summarizes the compensation paid or accrued by the Company during the three fiscal years ended July 31, 1995 to those persons who, as of the end of fiscal 1995, were the Named Executive Officers.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Fiscal Year	Annual Compensation: Salary ($)	Annual Compensation: Bonus ($) (1)	Annual Compensation: Other Annual Compensation ($) (2)	Long-Term Compensation Awards: Options/SAR (# of Shares)	All Other Compensation ($) (3)
K.M. Hudson	1995	315,000	369,914	4,163	10,000	87,333(4)
President	1994	175,000	175,000	-	25,000	400,366(4)
& Chief	1993	-	-	-	-	-
Executive Officer						
D.P. DeLuca	1995	217,875	175,273	4,480	4,000	64,349(5)
Senior Vice	1994	182,750	127,925	2,825	2,500	18,161(5)
President,	1993	174,000	69,426	2,340	2,500	32,151(5)
Treasurer &						
Chief Financial						
Officer						
R.L. Fisk	1995	189,954	156,861	3,425	3,000	13,691
Vice President,	1994	182,577	127,804	3,097	2,500	15,462
Seton Group	1993	173,846	63,280	2,375	2,500	14,421
D.W. Schroeder	1995	170,449	124,446	2,979	2,000	12,394
Vice President,	1994	157,279	90,404	2,887	1,750	12,775
ISST Group	1993	149,780	60,212	2,893	1,750	14,172(6)
D.R. Hawke	1995	160,939	112,497	-	2,000	202,113(7)
Vice President,	1994	147,468	95,855	-	1,250	62,459(7)
Signmark Group	1993	141,341	39,871	-	1,250	39,802(7)

(1) Reflects bonus earned during the fiscal year which was paid during the next fiscal year.

(2) The amounts shown represent costs to the Company for expenses associated with the use of a company car.

(3) All other compensation for fiscal 1995 for Mrs. Hudson, and Messrs. DeLuca, Fisk, Schroeder and Hawke, respectively, includes: (i) matching contributions to the Company's Profit Sharing and Employee Thrift (i.e. "BradyGold") Plan for each named executive officer of $12,000, $12,000, $12,000, $12,000, and $12,000 and (ii) the cost of group term life insurance for each named executive officer of $1,544, $2,349, $1,691, $394 and $480.

All other compensation for fiscal 1994 for Mrs. Hudson, and Messrs. DeLuca, Fisk, Schroeder and Hawke, respectively, includes: (i) matching contributions to the Company's Profit Sharing and Employee Thrift (i.e. "BradyGold") Plan for each named executive officer of $13,000, $14,620, $14,606, $12,582 and $11,798 and (ii) the cost of group term life insurance for each named executive officer of $660, $1,022, $856, $193 and $246.

All other compensation for fiscal 1993 for Messrs. DeLuca, Fisk, Schroeder, and Hawke, respectively, includes: (i) matching contributions to the Company's Profit Sharing and Employee Thrift (i.e. "BradyGold") Plan for each named executive officer of $13,920, $13,858, $11,982, $10,620 and (ii) the cost of group term life insurance for each named executive officer of $931, $563, $184, and $171.

(4) Fiscal 1995 includes relocation expenses of $50,586 and $23,203 accrued, but not paid, for the current year portion of a Supplemental Executive Retirement Plan. Fiscal 1994 includes $386,706 accrued, but not paid, for that year's portion of the same plan.

(5) Fiscal 1995 includes $50,000 accrued, but not paid, for the current year portion of a Supplemental Executive Retirement Plan. Fiscal 1994 includes relocation expenses of $2,519. Fiscal 1993 includes relocation expenses of $17,300.

(6) Includes relocation expenses of $2,006 in fiscal 1993.

(7) Fiscal 1995 includes relocation expenses of $25,282 and expatriation expenses of $164,351 related to Mr. Hawke's Belgium assignment. Fiscal 1994 includes relocation expenses of $1,104 and expatriation expenses of $49,311. Fiscal 1993 includes relocation expenses of $16,599 and expatriation expenses of $12,412.

STOCK OPTIONS

The following tables summarize option grants and exercises during fiscal 1995 to or by the executive officers named in the Summary Compensation Table above, and the value of unexercised options held by such persons at July 31, 1995. Stock Appreciation Rights are not available under any of the Company's plans.

OPTION GRANTS IN FISCAL 1995

	Individual Grants			
Name	Options Granted (#) (1)	% of Total Options Granted to Employees in Fiscal 1995	Exercise Price (2) ($/Sh)	Expiration Date
K.M. Hudson	10,000	26.1%	47.000	10/21/2004
D.P. DeLuca	4,000	10.5%	47.000	10/21/2004
R.L. Fisk	3,000	7.8%	47.000	10/21/2004
D.W. Schroeder	2,000	5.2%	47.000	10/21/2004
D.R. Hawke	2,000	5.2%	47.000	10/21/2004

	Potential Realizable Value at Assumed Rates of Stock Price Appreciation (3)		
Name	0% $47 ($)	5% $76-5/8 ($) (6)	10% $121-5/8 ($) (6)
K.M. Hudson	0	296,250	748,750
D.P. DeLuca	0	118,500	299,500
R.L. Fisk	0	88,875	224,625
D.W. Schroeder	0	59,250	149,750
D.R. Hawke	0	59,250	149,750
All Shareholders' Gains (increase in market value of W.H. Brady Co. Common Stock at assumed rates of stock price appreciation) (4) (6)		$162,477,661	$410,650,290
All Optionees' Gains (as a percent of all shareholders' gains) (5) (6)		0.70%	0.70%

(1) The options granted were dated October 21, 1994 and become exercisable as follows: 33 1/3% of the shares on October 21, 1995; 33 1/3% of the shares in October 21, 1996; and 33 1/3% of the shares on October 21, 1997. All these options have a term of ten years.

(2) The exercise price is the average of the highest and lowest sale prices of the Company's Class A Common Stock as reported by NASDAQ on the date of the grant.
(3) Represents total potential appreciation of approximately 0%, 63% and 159% for assumed annual rates of appreciation of 0%, 5% and 10%, respectively, compounded annually for the ten year option term.
(4) Calculated from the $47.00 exercise price applicable to the options granted in fiscal 1995 based on the 5,484,478 shares of Class A Common Stock outstanding on October 21, 1994.
(5) Represents potential realizable value for all options granted in fiscal 1995 as compared to the increase in market value of W.H. Brady Co. Class A Common Stock at assumed rates of stock price appreciation.
(6) The Company disavows the ability of any valuation model to predict or estimate the Company's future stock price or to place a reasonably accurate present value on these options because any model depends on assumptions about the stock's future price movement that the Company is unable to predict.

AGGREGATED OPTION EXERCISES IN FISCAL 1995
AND VALUE OF OPTIONS AT END OF FISCAL 1995

Name	Shares Acquired on Exercise (#)	Value Realized ($)	Number of Unexercised Options at July 31, 1995 Exercisable (#)	Number of Unexercised Options at July 31, 1995 Unexercisable (#)
K.M. Hudson	0	0	28,333	6,667
D.P. DeLuca	0	0	13,000	3,500
R.L. Fisk	0	0	8,667	2,833
D.W. Schroeder	0	0	5,584	1,916
D.R. Hawke	0	0	8,750	1,750

Name	Value of Unexercised In-the-Money Options at July 31, 1995 (1) Exercisable ($)	Value of Unexercised In-the-Money Options at July 31, 1995 (1) Unexercisable ($)
K.M. Hudson	790,617	162,508
D.P. DeLuca	525,223	94,059
R.L. Fisk	313,606	77,801
D.W. Schroeder	200,020	52,824
D.R. Hawke	352,560	47,035

(1) Represents the closing price for the Company's Class A Common Stock on July 31, 1995 of $71-3/8 less the exercise price for all outstanding exercisable and unexercisable options for which the exercise price is less than such closing price.

COMMON STOCK PRICE PERFORMANCE GRAPH

The graph below shows a comparison of the cumulative return over the last five fiscal years had $100 been invested at the close of business on July 31, 1990 in each of W.H. Brady Co. Class A Common Stock, the Standard & Poor's (S&P) 500 Index and the National Association of Securities Dealers' Automated Quotation System (NASDAQ) United States Index.

[graph]

	1990	1991	1992	1993	1994	1995
BRADY	$100	$150	$133	$137	$188	$281
S&P 500	$100	$113	$127	$138	$145	$183
NASDAQ US	$100	$118	$139	$169	$174	$243

* $100 invested on 31 July 1990 in stock or index
  Includes reinvestment of dividends
  Fiscal year ending 31 July

COMPENSATION OF DIRECTORS

Each director who is also an employee of the Company receives no additional compensation for service on the Board or on any committee of the Board. Directors who are not also employees of the Company receive an annual retainer of $15,000 in addition to $1,250 ($1,000 prior to December, 1994) plus expenses for each meeting of the Board or any committee thereof which they attend.

TERMINATION OF EMPLOYMENT ARRANGEMENTS

In fiscal 1994 the Company created a Supplemental Executive Retirement Plan (SERP) for Mrs. Hudson. The stated amount of the Plan until January 1, 1999 is $500,000. The Company credited a deferred compensation account with the net present value of the stated amount in January 1994. The account will be credited annually with the current year's increase in the net present value calculation. No interest accrues on the balance in the account until January 1, 1999. After that date, interest will accrue quarterly on the balance in the account at the prime rate in effect at the end of each calendar quarter.

The Company is required to pay Mrs. Hudson the balance in the account over a ten year period beginning January 2009. The first payment will be one-tenth of the balance in the account; the second one-ninth; and so on.

In the event of a change in control of the Company, Mrs. Hudson's SERP may accelerate and become payable in thirty days.

In September 1994, the Company created a Supplemental Executive Retirement Plan (SERP) for Mr. DeLuca. The Plan calls for the Company to credit a deferred compensation account with $50,000 on July 31 of each year beginning July 31, 1995 to and including July 31, 1999, provided Mr. DeLuca is employed by the Company as of each of those dates. Interest accrues on the balance in the account at the prime rate in effect on July 31 of each year, but not less than 6% nor more than 10% per annum.

The Company is required to pay Mr. DeLuca the balance in the account over a ten year period beginning on August 1 of the year following his termination of employment with the Company. The first payment will be 1/10th of the balance in the account; the second payment will be 1/9th; and so on. The Company may make payments in some other manner provided the payments are neither smaller nor extend beyond such ten year period.

In fiscal 1992 the Company created a Supplemental Executive Retirement Plan (SERP) for Mr. Gengler, retired President, CEO and Director. The Plan credits a deferred compensation account with $125,000 each year provided Mr. Gengler is in the employment of the Company as of July 31, 1992, July 31, 1993 and July 31, 1994. If Mr. Gengler is in the employment of the Company as of July 31, 1994 an additional $100,000 will be credited to this account on July 31, 1995, July 31, 1996 and July 31, 1997. Mr. Gengler met these requirements. Interest accrues on the balance in the account at the rate of 8% per year.

The Company is required to pay Mr. Gengler the balance in the account over a ten year period beginning August 1, 1997. That payment, and the nine succeeding payments, will equal one-tenth of the account balance at August 1, 1997. Additionally, the payments in succeeding years will include interest credited to the account in the interim. The Company may make payments in some other manner provided the payments are neither smaller nor extend beyond August 1, 2006.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During fiscal 1995, the Board's Compensation Committee was composed of Messrs. Bemis, Lettenberger and Peirce. None of these persons has at any time been an employee of the Company or any of its subsidiaries, although Mr. Lettenberger has been and remains Secretary of the Company. Mr. Lettenberger is a partner of Quarles & Brady, which is general counsel to the Company. There are no other relationships among the Company's executive officers, members of the Compensation Committee or entities whose executives serve on the Board that require disclosure under applicable SEC regulations.

PROFIT SHARING AND EMPLOYEE THRIFT PLAN

All Brady employees in the United States and certain expatriate employees working for its international subsidiaries are eligible to participate in the Company's Profit Sharing and Employee Thrift Plan (the "BradyGold Plan"). Under this plan the Company agrees to contribute certain amounts to the BradyGold Plan to the extent of current earnings and profits, or, under certain circumstances, accumulated earnings of the Company. Under the BradyGold Plan, the Company first contributes 4% of the eligible earnings of each person covered by the BradyGold Plan. In addition, participants may elect to have their annual pay reduced by up to an additional 4% and to have the amount of this reduction contributed to the BradyGold Plan by the Company and matched by an additional, equal contribution by the Company. Participants may also elect to have their annual pay reduced by up to an additional 4% and to have the amount of this reduction contributed to the BradyGold Plan by the Company (without an additional matching contribution by the Company). The assets of the BradyGold Plan credited to each participant are invested by the BradyGold Plan trustee as directed in several investment funds as permitted by the BradyGold Plan. The annual contributions and forfeitures allocated to any participant under all defined contribution plans may not exceed the lesser of $30,000 or 25% of the participant's base compensation and bonuses. Benefits are generally payable upon the death, disability, or retirement of the participant or upon termination of employment before retirement, although benefits may also be withdrawn from the BradyGold Plan and paid to the participant if required for certain emergencies. Under certain specified circumstances, the BradyGold Plan allows loans to be drawn on a participant's account. The participant is immediately fully vested with respect to the contributions attributable to reductions in pay; all other contributions become fully vested after five years of service.

DEFERRED COMPENSATION ARRANGEMENTS

Directors, executive officers, corporate staff officers and certain key management employees of the Company are permitted to defer portions of their fees, salary and bonus and to invest the deferred amounts in "phantom stock" of the Company. "Phantom Stock" is not actual stock or rights to acquire stock in the Company, but it gives participants the right to share in increases in book value (as defined) of the common stock. At the end of each fiscal year, the deferred compensation balance (with interest) is credited to the purchase of phantom common stock at the then book value of the common stock of the Company, and is thereafter adjusted to reflect stock dividends and other dividends or distributions on the Company's Class A Common Stock.

Upon the retirement, disability, or death of participant, the Company is required to pay, each year for a period of ten years, a portion of the book value of the phantom stock determined by the book value of the corresponding number of common shares as of the end of each fiscal year. The first payment must be one-tenth of the book value; the second one-ninth; and so on, with the number of phantom shares reduced by the equivalent in book value of each payment.

If the participant's employment ends for reasons other than his retirement, disability or death, the book value of his phantom stock will be determined as of the end of the fiscal year following his termination of employment and he will receive one-tenth of such amount each year for a period of ten years, plus interest at a rate 2% less than the Company's short-term borrowing rate. At the request of the participant, the Company may make payments in larger installments or in a lump sum on a discounted or other basis.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Company's Compensation Committee (the "Committee") is composed entirely of outside directors and is responsible for considering and approving compensation arrangements for senior management of the Company, including the Company's executive officers and the chief executive officer. It is the philosophy of the Committee to establish a total executive compensation program which is competitive with a broad range of companies that it considers to be of comparable size and complexity.

The primary components of the Company's executive compensation program are (i) base salary, (ii) annual shareholder value enhancement plan cash bonuses and (iii) long term incentive compensation in the form of stock options. These are designed to align shareholder and management interests, to balance the achievement of annual performance targets with actions that focus on the long-term success of the Company, and to attract, motivate and retain key executives who are important to the continued success of the Company. Decisions made by the Committee relating to the base salary compensation and the annual cash incentive compensation plan are reviewed and approved by the full Board of Directors.

The Committee believes that:

- The Company's pay levels are appropriately targeted to attract and retain key executives;
- The Company's incentive plan provides strong incentives for management to increase shareholder value; and
- The Company's total executive compensation program is a cost-effective strategy to increase shareholder value.

BASE SALARY

Consistent with the Committee's philosophy, base salaries are generally maintained at or modestly above competitive base salary levels. Competitive salary level is defined as the average base salary for similar responsibilities in a group of companies selected by the Committee that the Committee considers to be of comparable size and complexity. In setting base salaries for fiscal 1995, the Committee reviewed compensation survey data and was satisfied that the base salary levels set would achieve the Company's objectives. Specific increases reflect the Committee's subjective evaluation of individual performance.

ANNUAL SHAREHOLDER VALUE ENHANCEMENT PLAN

The shareholder value enhancement plan (the "Bonus Plan") provides for the annual payment of cash bonuses. When viewed together with the Company's base salary, the purpose of the Bonus Plan is to provide a balance between fixed compensation and variable, results-oriented compensation. The Bonus Plan has both an objective (90%) and a subjective (10%) element. Components of the objective element include maximizing the Company's profitability and shareholder value. Components of the subjective element include the achievement of certain agreed upon goals.

STOCK OPTIONS

In 1989 the Board approved the W.H. Brady Co. 1989 Non-Qualified Stock Option Plan (the "Option Plan") under which 500,000 shares of Class A Non-Voting Common Stock are available for grant. The Option Plan assists executive officers, corporate staff officers and key management employees in becoming shareholders with an important stake in the Company's future, aligning their personal financial interest with that of all shareholders. Stock options are typically granted annually and have a term of ten years. Generally the options become one-third exercisable one year after the date of the grant and one-third additional in each of the succeeding two years so that at the end of three years after the date of the grant they are fully exercisable. All grants under the Option Plan are at market price on the date of the grant and have value only if the price of W.H. Brady Co. Class A Common Stock, after the vesting requirement passes, has increased to a greater value than at the grant date.

COMPLIANCE WITH TAX REGULATIONS REGARDING EXECUTIVE COMPENSATION

Section 162(m) of the Internal Revenue Code, added by the Omnibus Budget Reconciliation Act of 1993, generally disallows a tax deduction to public companies for compensation over $1 million paid to the corporation's chief executive officer and the other named executive officers. Qualifying performance-based compensation will not be subject to the deduction limit if certain requirements are met. The Company's executive compensation program, as currently constructed, is not likely to generate non-deductible compensation in excess of these limits. The Compensation Committee will continue to review these evolving tax regulations as they apply to the Company's executive compensation program. It is the Compensation Committee's intent to preserve the deductibility of executive compensation to the extent reasonably practicable and to the extent consistent with its other compensation objectives.

COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

Mrs. Hudson received $315,000 in base salary in fiscal 1995, an increase of 6.7% over the prior year's annualized amount. She was paid a bonus attributable to fiscal 1995 of $369,914. Mrs. Hudson's bonus reflects:

- (i) sales increased $58,521,000, or 22.9%, and profits increased $9,371,000, or 50.5%, over similar amounts from the prior year
- (ii) stock price increased from $41.50 to $71.375, increasing shareholder value by approximately $174,000,000
- (iii) successful divestiture of the Nameplate Division of BUSA, Inc., Brady Medical Products Co., and certain real estate
- (iv) facilitated continued improvement in intercompany teamwork
- (v) focused the Company's resources on value-enhancing growth

During fiscal 1995, Mrs. Hudson was awarded options to purchase 10,000 shares of Class A Common Stock.

The Committee believes these awards are consistent with the objectives of the various plans and with the overall compensation policy of the Board of Directors.

* *

The Compensation Committee believes the executive compensation programs and practices described above are competitive. They are designed to provide increased compensation with improved financial results and provide additional opportunity for capital accumulation, but only if shareholder value is increased.

Peter J. Lettenberger, Chairman
Richard A. Bemis
Roger D. Peirce

ITEM 12 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Security Ownership of Certain Beneficial Owners

The following table sets forth the current beneficial ownership of shareholders who are known by the Company to own five percent (5%) of any class of the Company's voting shares on September 30, 1995.

Title of Class	Name and Address of Beneficial Owner	Amount of Beneficial Ownership	Percent of Ownership
Class B Common Stock	William H. Brady, Jr.(1) Marital Trust c/o Quarles & Brady Attn: Peter J. Lettenberger 411 East Wisconsin Avenue Milwaukee, WI 53202	1,574,866	89%
	William H. Brady, Jr.(1) Non-QTIP Marital Trust c/o Quarles & Brady Attn: Peter J. Lettenberger 411 East Wisconsin Avenue Milwaukee, WI 53202	194,448	11%

The trustees of both trusts are Robert C. Buchanan, Irene B. Brady, Roger D. Pierce, Peter J. Lettenberger, and Richard A. Bemis, each of whom shares voting and dispositive power. The vested beneficiary is Irene B. Brady; the contingent remainder beneficiaries are William H. Brady, III and Elizabeth B. Lurie.

(b) Security Ownership of Management

The following table sets forth the current beneficial ownership of each class of equity securities of the Company by each Director or Nominee and by all Directors and Officers of the Company as a group as of September 30, 1995. Except as otherwise indicated, all shares are owned directly.

Title of Class	Name of Beneficial Owner & Nature of Beneficial Ownership	Amount of Beneficial Ownership	Percent of Ownership
Class A	Peter J. Lettenberger (1)(2)(3)	1,109,963	20.2%
Common	Richard A. Bemis (1)(4)	849,431	15.4%
Stock	Robert C. Buchanan (1)(5)	849,231	15.4%
	Roger D. Peirce (1)(6)	848,931	15.4%
	Elizabeth B. Lurie (2)(7)	559,290	10.2%
	William H. Brady III (8)	345,824	6.3%
	Katherine M. Hudson (9)	30,370	0.6%
	Donald P. DeLuca (10)	13,500	0.2%
	Gary R. Nei	1,500	* %
	Frank W. Harris	500	* %
	All Officers and Directors as a Group (17 persons)(11)	1,842,186	33.0%
Class B	Peter J. Lettenberger (1)	1,769,314	100%
Common	Robert C. Buchanan (1)	1,769,314	100%
Stock	Roger D. Peirce (1)	1,769,314	100%
	Richard A. Bemis (1)	1,769,314	100%
	All Officers and Directors as a Group	1,769,314	100%
6%	Peter J. Lettenberger (1)(2)	2,751	69.1%
Cumulative	Robert C. Buchanan (1)	1,920	48.2%
Preferred	Roger D. Peirce (1)	1,920	48.2%
	Richard A. Bemis (1)	1,920	48.2%
Stock	Elizabeth B. Lurie (2)(7)	1,066	26.8%
	William H. Brady III (8)(6)	235	5.9%
	All Officers and Directors as a Group	3,221	80.8%
1979 Series	Elizabeth B. Lurie (2)(7)	8,071	36.7%
Cumulative	Peter J. Lettenberger (2)	5,529	25.2%
Preferred	William H. Brady III (8)	2,542	11.6%
Stock	All Officers and Directors as a Group	10,613	48.3%
6%	Peter J. Lettenberger (2)	2,600	100%
Cumulative	Elizabeth B. Lurie (2)	2,600	100%
Preferred Stock, 1972 Series	All Officers and Directors as a Group (2)	2,600	100%

* Indicates less than one-tenth of one percent

(1) The amount shown includes shares held directly by the William H. Brady, Jr. Marital Trust (the "Marital Trust") and the William H. Brady, Jr. Non-QTIP Marital Trust (the "Non-QTIP Trust")(collectively, the "Trusts"). The Marital Trust owns 687,781 shares of Class A Common Stock, 1,574,866 shares of Class B Common Stock, and 1,709 shares of 6% Cumulative Preferred Stock. The Non-QTIP Trust owns 160,650 shares of Class A Common Stock, 194,448 shares of Class B Common Stock, and 211 shares of 6% Cumulative Preferred Stock. The Trustees of both Trusts are Irene B. Brady, Robert C. Buchanan, Roger D. Peirce, Peter J. Lettenberger, and Richard A. Bemis, each of whom shares voting and dispositive power. All of the Trustees except Mrs. Brady disclaim beneficial ownership of these shares. Irene B. Brady is the widow of William H. Brady, Jr. and the vested beneficiary of the Marital Trust; she is the parent of William H. Brady, III and Elizabeth Brady Lurie (who are contingent remainder beneficiaries of the Trusts) and the grandparent of Elizabeth Irene Pungello. See also note (7).

(2) Elizabeth B. Lurie and Peter J. Lettenberger are among the directors of the W.H. Brady Foundation, Inc. (the "Foundation") which owns 5,529 shares of the 1979 Series, Cumulative Stock, 763 shares of the 6% Cumulative Preferred Stock and 2,600 shares of the 6% Cumulative Preferred Stock, 1972 Series. Mr. Lettenberger and Mrs. Lurie are also trustees of the Irene B. Brady Revocable Trust of 1986 (the "1986 Trust"), which owns 259,941 shares of Class A Common Stock and 68 shares of 6% Cumulative Preferred Stock. All such persons disclaim beneficial ownership of shares held by the Foundation and the 1986 Trust.

(3) In addition to shares beneficially owned as a trustee of the Trusts and the 1986 Trust and as a director of the Foundation, Mr. Lettenberger owns directly 1,590.93 shares of Class A Common Stock.

(4) In addition to shares beneficially owned as a trustee of the Trusts, Mr. Bemis owns 1,000 shares of Class A Common Stock directly.

(5) In addition to shares beneficially owned as a trustee of the Trusts, Mr. Buchanan owns directly 600 shares of Class A Common Stock, and 200 shares through his Keogh plan.

(6) In addition to shares beneficially owned as a trustee of the Trusts, Mr. Peirce owns 500 shares of Class A Common Stock directly.

(7) In addition to the shares owned as a trustee of the 1986 Trust and as a director of the Foundation, Mrs. Lurie owns directly 141,615 shares of Class A Common Stock, or 2.3% of the number of such shares outstanding, 235 shares of 6% Cumulative Preferred Stock and 2,542 shares of 1979 Series Preferred Stock. She is the mother of Elizabeth Irene Pungello, who is the beneficiary of the Elizabeth Irene Pungello Irrevocable Trust (the trustees of which are Nicholas M. Daniels and Shy Lurie, Mrs. Lurie's husband) which owns 157,734

shares of the Class A Common Stock, or 2.9% of the number of such shares outstanding. She disclaims ownership of these shares.

(8) Mr. Brady owns 345,824 shares of Class A Common Stock, 235 shares of 6% Cumulative Preferred Stock, and 2,542 shares of 1979 Series Cumulative Stock.

(9) Mrs. Hudson owns 2,036.42 shares of Class A Common Stock indirectly through an employee benefit plan and holds a vested option to acquire an additional 28,333.3 shares of Class A Common Stock.

(10) Mr. DeLuca owns 500 shares of Class A Common Stock direclty and holds vested options to acquire an additional 13,000 shares of Class A Common Stock.

(11) The amount shown for all officers and directors as a group (17 persons) includes options to acquire a total of 79,268 shares of Class A Common Stock which are currently exercisable or will be exercisable within 60 days. It does not include other options for Class A Common Stock which have been granted, but vest over the next three years.

(c) Changes in Control

No arrangements are known to the Company which may, at a subsequent date, result in a change in control of the Company.

ITEM 13 CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

PART IV

ITEM 14 EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) The following documents are filed as part of this report:

1) The consolidated financial statements, together with the Independent Auditors' Report thereon of Deloitte & Touche LLP, presented on Pages 22 through 34 of the Company's 1995 Annual Report is incorporated herein by reference.

2) Consolidated Financial Statement Schedules--

Schedule VIII Valuation and Qualifying Accounts

Independent Auditors' Report on Financial Statement Schedules

All other schedules are omitted as they are not required, or the required information is shown in the consolidated financial statements or notes thereto.

3) Exhibits

3.1(1) Restated Articles of Incorporation of W.H. Brady Co.

3.2(2) By-laws of W.H. Brady Co., as amended.

10.2(2) W.H. Brady Co. Four Square Plan, as amended.

10.3(2) Executive Additional Compensation Plan, as amended.

10.4(2) Form of Executive's Deferred Compensation Agreement, as amended.

10.5(2) Forms of Director's Deferred Compensation Agreement, as amended.

10.6(4) W.H. Brady Co. 1989 Non-Qualified Stock Option Plan.

10.7 Shareholder Value Enhancement (SVE) Plan.

10.8(4) Supplemental Executive Retirement Plan dated March 27, 1992 between W.H. Brady Co. and Paul Gengler.

10.9(4) W.H. Brady Co. Automatic Dividend Reinvestment Plan.

10.10(5) Supplemental Executive Retirement Plan between W.H. Brady Co. and Katherine M. Hudson

10.11(5) Supplemental Executive Retirement Plan dated September 23, 1994 between W.H. Brady Co. and Donald P. DeLuca.

13.1 Annual Report to Shareholders for year ended July 31, 1995.

18.1(3) Letter regarding change in accounting method.

21.1 Subsidiaries of W.H. Brady Co.

23.1 Consent of Deloitte & Touche LLP, Independent Auditor.

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(1) Incorporated by reference to Registrant's Registration Statement No. 2-91287 on Form S-1.

(2) Incorporated by reference to Registrant's Annual Report on Form 10-K for the fiscal year ended July 31, 1989.

(3) Incorporated by reference to Exhibit 18 to Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 1989.

(4) Incorporated by reference to Registrant's Annual Report on form 10-K for the fiscal year ended July 31, 1992.

(5) Incorporated by reference to Registrant's Annual Report on Form 10-K for the fiscal year ended July 31, 1994.

W.H. BRADY CO. AND SUBSIDIARIES

SCHEDULE VIII - VALUATION AND QUALIFYING ACCOUNTS

Description	Year ended July 31, 1995	1994	1993
	(Dollars in Thousands)		
Valuation accounts deducted in balance sheet from assets to which they apply--			
Accounts receivable--allowance for losses:			
Balances at beginning of period	$1565	$1247	$1320
Additions--Charged to expense	463	725	758
Deductions--Bad debts written off, net of recoveries	(147)	(407)	(831)
Balances at end of period	$1881	$1565	$1247

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
W.H. Brady Co.:

We have audited the consolidated financial statements of W.H. Brady Co. and subsidiaries as of July 31, 1995 and 1994 and for each of the three years in the period ended July 31, 1995, and have issued our report thereon dated September 12, 1995; such consolidated financial statements and report are included in your 1995 Annual Report to Stockholders and are incorporated herein by reference. Our audits also included the consolidated financial statement schedule of W.H. Brady Co. and subsidiaries, listed in Item 14. This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/S/ Deloitte & Touche LLP
Milwaukee, Wisconsin
September 12, 1995

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized this thirteenth day of October, 1995.

W.H. BRADY CO.

By /s/ D. P. DeLuca

D.P. DeLuca,
Senior Vice President,
Treasurer, and Assistant
Secretary
(Principal Accounting Officer)
(Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ K. M. Hudson K.M. Hudson	President and Director (Principal Executive Officer)	10/13/95
/s/ P. J. Lettenberger P.J. Lettenberger	Director	10/13/95
/s/ R. A. Bemis R.A. Bemis	Director	10/13/95
W.H. Brady III	Director	
E.B. Lurie	Director	
F.W. Harris	Director	

/s/ R. C. Buchanan - ------------------------- R.C. Buchanan	Director	10/13/95 ----------
/s/ R.D. Peirce - ------------------------- R.D. Peirce	Director	10/13/95 ----------
/s/ D. P. DeLuca - ------------------------- D.P. DeLuca	Director	10/13/95 ----------
- ------------------------- G.E. Nei	Director	----------

EXHIBIT.10.7

W. H. BRADY CO.

Shareholder Value Enhancement (SVE) Plan

Adopted August 1, 1994

I. Purpose

The purpose of this Shareholder Value Enhancement Plan (the "Plan") is to provide incentive and reward to those employees of W. H. Brady Co. and its subsidiaries (the "Company") responsible for directing functions where the decisions involved have a significant bearing on the success and profitability of the Company, and who have a demonstrated exceptional ability, industry and service. The Plan is to motivate the individuals to maximize profitability and shareholder value through group performance. The incentive reward is to be in the form of supplemental compensation in addition to the individual's regular base compensation and will vary based upon the individual's ability to influence or impact at the Company, Group, and Division levels.

II. Definitions

A. "Base Salary" means the gross salary paid during the fiscal year while in the position eligible for incentive compensation on account of which incentive compensation is payable (before any reduction for amounts voluntarily deferred under Company-sponsored deferred compensation plans) and does not include the value of fringe benefits, directors' fees, sales incentives, additional compensation under this Plan, or amounts paid in lieu of other benefits earned as, for example, amounts paid in lieu of vacation benefits.

B. "Capital" means the Company's annual month end average operating capital for the Plan Year, calculated as follows:

Total Assets
\+ Bad Debt Reserve
\+ LIFO Reserve
\- Construction in Progress
+/- Other capital items as determined by the Compensation Committee.

C. "Capital Charge" means the deemed opportunity cost of employing Capital in the Company's businesses, determined as follows:

Capital Charge = Capital x Cost of Capital

D. "Compensation Committee" means a committee as determined by the W. H. Brady Co. Board of Directors to oversee all matters related to compensation practices of the Company.

E. "Cost of Capital" means the weighted average of the cost of equity and the after tax cost of debt for the relevant Plan Year plus adjustments to cover non-allocated investments and non-allocated costs. The Cost of Capital will be determined by the Company (to the nearest tenth of a percent) and approved by the Compensation Committee prior to each Plan Year, consistent with the following methodology:

a) Cost of Equity = Risk Free Rate + (Business Risk Index x Market Risk Premium)
b) Cost of Debt = Debt Yield x (1 - Tax Rate)
c) The weighted average of the Cost of Equity and the Debt Cost of Capital is determined by reference to the actual debt-to-capital ratio.

The Risk Free Rate is the closing yield rate on 30 year U. S. Treasury Bonds for the month of July immediately preceding the relevant Plan Year, the Business Risk Index is determined by reference to the Beta shown in the most recent available data base report on the Company from a recognized authoritative source (as approved by the Compensation Committee), the Market Risk Premium is 6%, the Cost of Debt is the weighted average yield of all borrowing included in the Company's permanent capital, and the tax rate is the combination of the projected relevant federal, state and foreign income tax rates for the year immediately preceding the Plan Year.

F. "Division" means any unit of operations as determined by the Compensation Committee.

G. "Divisional Value Added" means the Value Added calculated in the same manner as set forth in the Value Added definition, except that NOPAT, Capital, Capital Charge, Company's Cost of Capital and other relevant terms shall be defined by reference to the particular division, not by reference to the entire Company.

H. "Earned Bonus" means the bonus, which may be negative or positive, which is calculated in the manner set forth in Section V.

I. "Group" means any collection of divisions as determined by the Compensation Committee that are combined for purposes of determining Value Added on a collective basis.

J. "Group Value Added" means the Value Added calculated in the same manner as set forth in the Value Added definition, except that NOPAT, Capital, Capital Charge, Cost of Capital and other relevant terms shall be defined by reference to the particular group, not by reference to the entire Company.

K. "NOPAT" means adjusted net operating profits after taxes for the Plan Year, calculated as follows:

	Net Income Before Taxes
+/-	Changes in Reserves
+/-	Other Income & Expense on Non-Operating Investments
+/-	Other Unusual Income or Expense Items
+/-	Amortization of Unusual Income or Expense Items
-	Modified Cash Taxes on the Above
+/-	Other items as determined by the Compensation Committee.

L. "Plan Year" means the one year period coincident with the Company's fiscal year.

M. "Value Added" means the NOPAT that remains after subtracting the Capital Charge, expressed as follows:

	NOPAT
Less:	Capital Charge
Equals:	Value Added

Value Added may be positive or negative.

III. Eligibility and Participation

A. General. Participation in this Plan is determined by the Chief Executive Officer (CEO) of the Company, approved by the Compensation Committee, and communicated to the Plan participants prior to the Plan Year, except as provided in Section VI.A. In recommending such participation, the CEO will consider the potential contribution and impact each employee may have on the Company's ability to create value for its shareholders. Employees eligible for participation in the Plan will generally be selected from Company Officers, Division General Managers (GMs), and Operating Management Team (OMT) members.

B. Basis for Determining Incentive Compensation. In general, the Plan will be based on a two part evaluation system to determine the incentive compensation. In general, earned bonuses by Plan participants will be based on Corporate, Group, and/or Divisional Value Added, and upon the Senior

Officer's or Manager's subjective evaluation of the individual's performance against specific individual goals and accomplishments. The Compensation Committee will determine the relevant percentages that each of the respective parts are weighted for each Plan participant prior to the Plan Year.

C. Target Incentive Awards. The Target Incentive Awards will be determined according to the following schedule, or other schedule as determined by the Compensation Committee prior to the beginning of the Plan Year:

	Target
Chief Executive Officer	100%
Senior Vice President	75%
Vice Presidents	70%
Director-Group Operations	65%
General/Venture Managers	60%
Department Heads	50%
Operating Management Members	40%
Other Key Individuals	25%

D. Determination of Subjective Performance. All of the subjective determinations will be subject to approval by the CEO and the appropriate Senior Manager, except that the CEO's subjective performance will be determined and evaluated by the Compensation Committee.

IV. Calculation of the Incentive Compensation Fund

The Company shall add a predetermined percentage of the Value Added to the Company, along with a predetermined percentage of the change in Value Added to the Company, into an Incentive Compensation Fund for purposes of accumulating bonus amounts for all Plan participants. In addition, the Company shall add a predetermined percentage of the Group Value Added and Division Value Added to each designated Group and Division, along with a predetermined percentage of the change in Group Value Added and change in Division Value Added, to each designated Group and Division into similar Incentive Compensation Funds for purposes of accumulating bonus amounts for members of the respective Group or Division.

The said percentages will be at the sole discretion of the Compensation Committee and shall be determined prior to each Plan Year. For the Plan's initial year the following percentages will be utilized:

Corporate Total Value Added:	5.0%
Corporate Change in Value Added:	25.0%
Group Total Value Added:	1.0%
Group Change in Value Added:	5.0%
Division Total Value Added:	1.0%
Division Change in Value Added:	5.0%

V. Plan Distribution

The Company shall set up an individual account for each of the participants in the Plan for purposes of accumulating each participant's interest in the Plan. All amounts added to the Incentive Compensation Funds will be allocated to each of the participants' accounts based on their interest in the Plan as defined below.

Allocations to the individual participant accounts shall be made in the following manner. Each participant will share in the Corporate, Group, and Divisional proceeds in that proportion that his Target Incentive Award bears to the total Target Incentive Awards of all participants who are members of the respective Company, Group, or Division as determined by the Compensation Committee prior to the Plan Year. This calculation will be conducted in U.S. dollars with applicable amounts converted into U.S. dollars at the weighted average exchange rate (as approved by the CEO) for the Plan Year.

For those non-U.S. Company employees, the individual participant accounts shall be translated from U.S. dollars into their home country local currency at the weighted average exchange rate (as approved by the CEO) for the Plan Year.

For the Plan Year the Company will distribute to each participant thirty-three and one-third percent (33-1/3%) of their individual account. In the Plan's initial year, a start-up amount equal to 2 times each individual's actual 1994 bonus will be credited to their respective individual participant account to offset the effects of the 3 year payout deferral. All start-up amounts remain the property of the Company and must be returned to the Company in the event of termination. The individual participant accounts are not assignable by the Plan participant.

VI. Change in Employment Status During the Plan Year

A. New Hire, Transfer, Promotion, Demotion.A newly hired employee or an employee transferred, promoted, or demoted during the Plan Year to a position qualifying for participation (or leaving the participating class) may accrue (subject to discretion of the Compensation Committee) a pro rata Accrued Bonus based on the percentage of the Plan Year (participant's Target Incentive Award is multiplied by a factor equal to actual weeks participating/52) the employee is in each participating position. Any amounts (less start-up amount) previously credited to a participant who is terminated from the Plan by reason of transfer or demotion shall be paid to the participant at the next normally scheduled payout period.

B. Discharge and Resignation. An employee who resigns or is discharged from the Company during the Plan Year shall not be eligible for an Accrued Bonus, even though his or her service arrangement or contract extends past year-end, unless the Compensation Committee determines that the conditions of the termination indicate that a prorated Accrued Bonus is appropriate. The Compensation Committee shall have full and final authority in making such a determination, including the timing of payouts, if any, of any amounts credited to the participant's individual account (less start-up amount).

C. Death, Disability, Retirement. If a participant's employment is terminated during a Plan Year by reason of death, disability, or normal or early retirement under the Company's retirement plan, a pro rata Accrued Bonus based on the percentage of the Plan Year the employee participated (pro rate amount to be calculated similar to Section VI, A. above) shall accrue for the benefit of the participant. Any amounts (less start-up amount) previously credited to a participant who is terminated from the Plan by reason of death, disability, or retirement shall be paid to the participant at the next normally scheduled payout period.

D. Beneficiary Designation. An individual may designate in writing in a form satisfactory to the Company a beneficiary or beneficiaries to receive incentive compensation in the event of the individual's death, and payment by the Company in accordance with such designation shall fully discharge the Company from all liability for the amount so paid. The Company may refuse to accept any designation which contains unacceptable contingencies. If no such designation is on file with the Company, any incentive compensation amounts which are payable will be paid to the individual's personal representative.

VII. Administration

A. The Plan shall be administered by the Compensation Committee whose decision shall be final and binding on all parties.

B. The Plan shall continue for each fiscal year following the effective date of the Plan unless modified or revoked by the Compensation Committee. The right is expressly reserved by the Compensation Committee to modify, repeal or to discontinue this Plan.

C. Neither the establishment of the Plan, nor any modification or amendment hereof, nor the payment of awards hereunder shall be construed as giving any Participant or other person whomsoever any legal or equitable right against the Company, the Compensation Committee, or their respective members; or the right to payment of any awards hereunder (unless the same shall be specifically provided herein); or as giving any participant the right to be retained in the service of the Company.

D. Bonuses which are payable shall be paid within 60 days after the end of the fiscal year.

VII. Effective Date

The Plan shall be effective as to the fiscal year beginning August 1, 1994.

W.H. BRADY CO.
1995 ANNUAL REPORT

[PHOTO]

Teamwork for Global Success

Doing More Where We Are
New Products New Markets
Global Expansion

[BRADY LOGO]

W.H. BRADY CO.
FISCAL 1995 ANNUAL REPORT
TO SHAREHOLDERS:
TEAMWORK FOR GLOBAL SUCCESS

[PHOTO]

The cover of our annual report depicts our commitment to reaching the world with W.H. Brady Co. products. But, more importantly, it illustrates how we will make it happen. At Brady, we'll make it happen together--as a team--as 2,000 worldwide employees bring their skills and creativity to their jobs each day.

In the pages that follow you will see how teamwork has enabled Brady to become a more dominant global competitor. You will see a very successful fiscal 1995, with sales and net income reaching record levels. You will see a company creating value worldwide. You will see a steadfast commitment to premier products, superior service and rapid response.

Most of all, you will see a world-class manufacturer of industrial identification products and coated materials embracing teamwork. Teamwork for global success!

TABLE OF CONTENTS

Graph: 1995 SALES BY GEOGRAPHIC AREA
(in $ thousands)

Europe	88,723
USA	185,123
Other	40,516

[PHOTO]

Corporate Profile

W.H. Brady Co. develops, manufactures and markets industrial identification products and coated materials. Headquartered in Milwaukee, Wisconsin, the 81-year-old company has operations worldwide. Driving Brady is its focus on quality, innovation and performance in all it does. Using total-quality-assurance methods, extensive research and development resources and people committed to doing their best and improving their best, Brady is a leader in its markets.

Identification Systems and Specialty Tapes Group:

BRADY PRECISION TAPE CO. develops and manufactures precision die-cut and slit tapes for data storage, semi-conductor, audio/video and other industries.

COATED PRODUCTS DIVISION develops and manufactures specialized adhesive and topcoated materials for graphics, medical, industrial and other markets.

INDUSTRIAL PRODUCTS DIVISION develops and manufactures high-performance industrial identification products including wire markers, automatic data-collection and management systems and industrial printing systems.

Signmark(R) Group:

SIGNMARK develops and manufactures safety and facility identification products, including signs, regulatory labeling and reporting systems, pipe markers, lockout /tagout devices and portable printing systems.

Seton Group:

THE SETON COMPANIES are global direct marketers of a wide range of custom-manufactured and standard identification and safety-related products.

[PHOTO]

Service Operations:

BRADY SERVICE CO. provides accounting, benefits, communication, information systems, training and other services to W.H. Brady Co. operations.

BRADY FINANCIAL CO. provides treasury, insurance, credit, collection and other services to W.H. Brady Co. operations.

- BRADY LOCATION
- SETON LOCATION

Locations

AUSTRALIA
- -W.H. Brady Pty. Ltd.
2 Pat Devlin Close
Chipping Norton, NSW 2170
Australia

- -Seton Australia Pty. Ltd.
2 Pat Devlin Close
Chipping Norton, NSW 2170
Australia

BELGIUM
- -W.H. Brady, N.V.
Industriepark Lindestraat 20
B9240 Zele, Belgium

CANADA
- -W.H. Brady, Inc.
10 Marmac Drive
Rexdale, Ontario M9W 1E6
Canada

- -Seton, Inc.
150 Steelcase Road, West
Markham, Ontario L3R 3J9
Canada

ENGLAND
- -W.H. Brady Co. Ltd.
Wildmere Industrial Estate
Banbury, Oxfordshire, OX16 7JU
England

- -Seton Limited
Canada Close
Banbury, Oxon OX16 7RT
England

FRANCE
- -W.H. Brady S.A.R.L.
2, Place Marcel Rebuffat
BP 362 Parc de Villejust
F-91959 Les Ulis Cedex
France

- -Seton S.A.
113, Rue Horace Vernet BP 181
59054 Roubaix, France

GERMANY
- -W.H. Brady GmbH
Odenwaldstrasse 71
63322 Rodermark, Germany

- -Seton GmbH
Otto-Hahn-Str. 5-7
63222 Langen, Germany

HONG KONG
- -W.H. Brady Co.
Sales Office
Room 702, 7/F
Bank of Communications Bldg.
No. 563 Nathan Road
Kowloon, Hong Kong

ITALY
- -W.H. Brady, N.V.
Sales Office
Via Lazzaroni 7
21047 Saronno VA
Italy

- -Seton Italia Srl
Via Lazzaroni 7
21047 Saronno VA
Italy

JAPAN
- -Nippon Brady K.K.

Sumitomo Fudosan Shin
Yokohama Bldg. 8F
2-5-5 Shin Yokohama
Kohoku-ku, Yokohama
Kanagawa 222, Japan

NEW ZEALAND
- -W.H. Brady Pty. Ltd.
Sales Office
P.O. Box 100868
North Shore Mail Centre
Auckland, New Zealand

SINGAPORE
- -W.H. Brady Pte Ltd.
55 Ayer Rajah Crescent #03-25
Ayer Rajah Industrial Estate
Singapore 139949

SOUTH KOREA
- -W.H. Brady Co.
Sales Office
Hanaro B/D 609
194-4 Insadong
Jongro-Ku
Seoul, South Korea

SWEDEN
- -Brady AB
Karins Vag 5
194 54 Upplands Vasby
Sweden

UNITED STATES
- -W.H. Brady Co. Headquarters
6555 W. Good Hope Road
P.O. Box 571
Milwaukee, WI 53201-0571

Brady USA, Inc.
2221 W. Camden Road
Glendale, WI 53209

2230 W. Florist Avenue
Glendale, WI 53209

3328 W. Cameron Avenue
Milwaukee, WI 53209

Brady Financial Co.
5150 N. Port Washington Road
Glendale, WI 53217

Brady Precision Tape Co.
N144 W5690 Pioneer Road
Cedarburg, WI 53012

- -Seton
20 Thompson Road
Branford, CT 06405

[ISO LOGO]

W.H. Brady Co. operations in the United Kingdom and Belgium along with the Signmark(R) Division, Industrial Products Division, Coated Products Division and Brady Precision Tape Co. in the United States are registered to the International Organization for Standardization 9000 series standards. Other operations are expected to be registered in the future.

Financial Highlights
W.H. Brady Co. and Subsidiaries

(Dollars in Thousands, Except Per Share Amounts)	1995	1994	Percent Increase (Decrease)
NET SALES	$314,362	$255,841	22.9
INCOME BEFORE INCOME TAXES	$ 44,639	$ 29,902	49.3
Pre-tax profit margin	14.2%	11.7%	
NET INCOME	$ 27,911	$ 18,540	50.5
After-tax profit margin	8.9%	7.2%	
Return on average stockholders' investment	17.7%	13.6%	
NET INCOME PER COMMON SHARE			
Class A Nonvoting	$ 3.83	$ 2.55	
Class B Voting	$ 3.73	$ 2.45	
WORKING CAPITAL	$129,938	$100,023	29.9
STOCKHOLDERS' INVESTMENT	$170,823	$145,129	17.7
RESEARCH AND DEVELOPMENT	$ 10,426	$ 10,318	1.1
CAPITAL EXPENDITURES	$ 8,114	$ 6,466	25.5
DEPRECIATION AND AMORTIZATION	$ 9,159	$ 9,435	(2.9)

Charts:

NET SALES
(in $ millions)

1991	$211
1992	236
1993	243
1994	256
1995	315

INTERNATIONAL SALES
as percent of total sales

1991	29%
1992	30
1993	32
1994	37
1995	41

STOCKHOLDERS' INVESTMENT
(in $ millions)

1991	$115
1992	120
1993	128
1994	145
1995	171

NET INCOME
(in $ millions)

1991	$ 15
1992	5
1993	17
1994	19
1995	28

*Net income in 1992 was affected by $8.8 million in one time accounting charges.

Letter to Shareholders

Fiscal 1995 was a terrific year for W.H. Brady Co. Net income rose 50.5 percent on sales growth of 22.9 percent for the year. We introduced profitable new products, launched new operations internationally and created significant value for our shareholders. And, as you will see in the pages that follow, we did it as a team--a team fully committed to managing your investment and building your Company.

FINANCIAL HIGHLIGHTS

Our sales for the year ending July 31, 1995, were $314,362,000, up 22.9 percent from last year's sales of $255,841,000.

And profitability was even better. Net income in fiscal 1995 was $27,911,000 or $3.83 per share, up 50.5 percent over last year's net income of $18,540,000 or $2.55 per share.

Sales for the fourth quarter ending July 31, 1995, were $83,145,000, up 25.6 percent from $66,209,000 in sales during the fourth quarter of fiscal 1994.

Net income for the fourth quarter was $7,334,000 or $1.00 per share, up 48.6 percent from net income of $4,936,000 or $0.67 per share during the same period last year.

Our success resulted from employee efforts in doing more where we are, introducing new products and entering new markets around the world.

Our Automatic Identification and Data Collection Team, which we formed in fiscal 1994, performed beyond expectations, proving successful in serving companies worldwide with tools for improving efficiency, ensuring quality and implementing just-in-time environments. The group provides software; labels; printing, data-collection and label-application systems; systems integration; and project management services.

New products, introduced within the last five years, brought in significant sales for us in fiscal 1995. These products include the I.D. Pro(TM) Wire Marker Printer; thermal-transfer-printable labels and ribbons; lockout/tagout devices; aluminum and plastic signs; Ultrathin(TM) Labels for PCMCIA cards; leadframe tape for use in semiconductors; and various other tapes, labels and printing systems.

Seton-Australia was launched this year and performed well beyond our expectations in both response rate from mailings and in average order value. And Seton-Italy is off to a good start as well.

In fiscal 1995, W.H. Brady Co. accomplished a great deal. Here are just some of the highlights:

Seton begins marketing in Australia 9/94

Industrial Products Division introduces Labelmark(TM) Software 10/94

Seton-France begins marketing to the Netherlands 10/94

Brady-Canada sells label applicator for Ultrathin(TM) Labels 11/94

Signmark Division introduces plastic and aluminum signs 11/94

Seton achieves 24-hour shipping goal 11/94

Brady Precision Tape Co. sells a record 174 million adhesive rings in a month 11/94

[PHOTO]

Caption: The W.H. Brady Co. executive team (from left): Identification Systems and Specialty Tapes Group Vice President Dave Schroeder, Vice President of Research and Development Mary Arnold, Senior Vice President and Chief Financial Officer Don DeLuca, Signmark(R) Group Vice President Dave Hawke, President and CEO Katherine Hudson, Seton Group Vice President Richard Fisk and (seated) Vice President of Human Resources Jim Sweet.

Our performance in 1995 was strengthened by favorable exchange rates on foreign currency. But even without this we are seeing international sales as an ever-growing part of Brady's business. There is tremendous potential for us globally.

Our net income increase of more than 50 percent in 1995 was due in large part to the efforts of employees to control costs and improve efficiencies. Operating expenses declined as a percentage of sales. While increasing sales 22.9 percent, we reduced inventory by more than 2.7 percent. And we decreased our total investment in property, plant and equipment by 9 percent while making significant investments in equipment, facility expansions and information systems for improved production and customer service.

Also this year, we had $2 million in pretax income representing the gain on the divestiture of Brady Medical Products Co., the Nameplate Division and two of our Milwaukee-area facilities.

A YEAR OF ACHIEVEMENT, RECOGNITION AND REORGANIZATION

There were many highlights in fiscal 1995 for us (see timeline below). Our operation in Singapore expanded its operations to include custom label manufacturing in addition to production of semiconductor carrier and cover tape. Seton began a separate catalog to market more effectively to healthcare agencies. We won several honors, including being named Wisconsin Manufacturer of the Year and a Grainger CFQ1 Supplier.

In February 1995, divisions and international subsidiaries were realigned into three global groups, each headed by a newly appointed group vice president. The groups are the Signmark(R) Group, the Seton Group and the Identification Systems and Specialty Tapes Group. The reorganization is enhancing teamwork and spurring global thinking by all employees as it brings together multiple units into three distinct global groups.

Signmark Division markets LeakTracker(TM)

Emission-Detection and Reporting System 11/94

Brady-Belgium begins cellular manufacturing 1/95

Brady introduces tape products for hard disk drives 1/95

Brady-Sweden moves to a larger facility 1/95

Brady sells woundcare division to B. Braun Medical Inc. 1/95

Seton-UK expands facility, nearly doubling its size 1/95

Singapore begins producing labels for custom orders 2/95

Brady becomes Wisconsin Manufacturer of the Year--large company category 2/95

[PHOTO]

Caption: The LeakTracker(TM) system helps petrochemical companies comply with EPA emission-reporting requirements.

Cross-group teamwork is increasing too, with groups teaming up to enter new geographies quickly and efficiently. Several significant projects are underway as a result of the reorganization and improved communication and teamwork.

GOING FOR IT

While 1995 was an outstanding year for the Brady team, we are more excited about the future.

We believe that we have only scratched the surface in many of the countries in which we operate. We'll be doing more where we are by increasing sales and marketing efforts in 1996. This will include adding additional salespeople at our current locations worldwide and capitalizing on technological advances to expand and accelerate global marketing efforts. A seamless customer service team is further integrating our systems to improve turnaround and the ease of doing business with Brady.

During fiscal 1995 we introduced many new products which we expect to help drive sales growth in the years ahead. These include adhesive products for hard disk drives; laser-printable signs; the LeakTracker(TM) Emission Detection System and radio-frequency

FIVE YEAR CUMULATIVE TOTAL RETURN*
W.H. Brady Co. vs. Published Indices in $

	W.H. Brady Co.	NASDAQ	S&P 500
1991	$150	$118	$113
1992	138	139	127
1993	137	169	138
1994	188	174	145
1995	281	243	183

*$100 invested on July 31, 1990, in stock or index with reinvestment of dividends.

Brady reorganizes into Seton, Signmark and Identification Systems and Specialty Tapes groups 2/95

Brady purchases a 10-percent share in Fugitive Emissions Control, Inc., the maker of LeakTracker(TM) system 3/95

Brady sells corporate headquarters facility in Glendale, Wis., to Emjay Corp. 3/95

Brady sells Nameplate Division to Fred B. Johnston Co. 3/95

Seton-Germany begins marketing into Switzerland and Austria 3/95

Coated Products Division produces electrostatic-printable Excelar(TM) graphics 3/95

Brady- and Seton-Canada merge 4/95

Seton begins marketing in Italy 4/95

[PHOTO]

Caption: KATHERINE M. HUDSON, President and Chief Executive Officer

tags; a universal ball-valve lockout/tagout device; the Excelar(TM) EDIS (Electrostatic Digital Imaging System) Graphic System for high-performance outdoor graphics; high-temperature labels for circuit boards; the Ultrathin(TM) Label Applicator; and a system for use in customers' manufacturing lines that both prints and applies labels. Through coordinated global research and development efforts, we expect to be introducing many more new products in the future.

In fiscal 1996 we will be actively pursuing acquisitions that will leverage our core competencies and bring us opportunities for value-enhancing growth. And we have employee teams working on many global expansion projects. Latin America, Brazil, South Korea, Spain, China and India are just some of the areas we are targeting for the future.

TEAMWORK FOR GLOBAL SUCCESS

We had a great year in fiscal 1995 resulting from the teamwork and talent of Brady employees worldwide. Read on to learn about several of the team successes in fiscal 1995.

As we continue to strive for value-enhancing growth in fiscal 1996 and beyond, W.H. Brady Co. will be doing more where we are, developing new products, entering new markets and geographies, and seeking potential acquisitions and joint ventures. And we'll do it the same way we did it this year--as a team. A team committed to global success.

/s/ KATHERINE M. HUDSON
KATHERINE M. HUDSON
President and Chief Executive Officer
October 1995

Brady-UK expands facility, more than doubling its size 5/95

Nippon Brady introduces Japanese CodeSoft(TM) Software 5/95

Italian operations move into larger facility 5/95

Signmark Division is named 1994 Grainger CFQ1 Supplier 5/95

Seton begins marketing through the Internet 6/95

Brady-Belgium begins expansion project 7/95

W.H. Brady Co. has a record year

1996 -->

Our strategies for value-enhancing growth include doing more where we are, introducing new products and expanding globally. By working together across functional, divisional and geographic lines, our 2,000 employees are capitalizing on opportunities worldwide.

DOING MORE

Today it isn't enough to merely meet your customers' expectations--you must exceed them, daily! Quality is a given and partnerships are as important as products.

But a partnership is much more than a "supplier-customer relationship." It's a call to commitment--a commitment to help your partner become a more complete global competitor by providing nothing less than premier products, personal service and on-time delivery.

PARTNERING FOR SUCCESS

W.H. Brady Co. and W.W. Grainger, Inc. redefine partnership.

It is that kind of focus that has led the Signmark(R) Division of W.H. Brady Co. to earn accolades from Grainger and other distributors.

In fiscal 1995, Signmark was named one of Grainger's CFQ1 (Customer-Focused Quality 1) Suppliers for outstanding performance in product quality, sales, shipping performance and invoicing accuracy. Grainger is a leading U.S. distributor of maintenance, repair and operating supplies and related information to commercial, industrial, contractor and institutional customers.

"We're pleased to honor W.H. Brady Co. as a Grainger CFQ1 Supplier for outstanding performance in 1994 and the willingness to go the extra mile in helping us deliver solutions that meet or exceed our customers' expectations," said John Slayton, Grainger senior vice president-product management.

[PHOTO]

Caption: Stephen Allen and Karen Langer pick and ship products to Grainger locations. Grainger sells a broad range of products, including Brady signs, pipe markers, labels and portable printing systems. Brady meets or exceeds the expectations of customers by focusing on quality and service.

WHERE WE ARE

Grainger selects suppliers for this distinguished award based on a formal supplier-evaluation process. Here is how Signmark came through in 1994:

- . Signmark sales through Grainger increased more than 30 percent.
- . Signmark achieved 98.1 percent shipping accuracy.
- . Signmark achieved 99.5 percent invoicing accuracy.
- . Signmark delivered 95 percent of all Grainger orders on time (2 percent were shipped early and 3 percent were shipped late).

While the award was a significant achievement, things have only just begun for the Signmark team. It will now be working as a strategic supplier to Grainger.

Grainger has defined three types of supplier partners--"traditional," "alliance" and "strategic." A traditional supplier does most of its business with Grainger via phone or mail and supplies a limited product line. The alliance supplier (Signmark's previous category) does a significant amount of business with Grainger, yet Grainger carries only a portion of the supplier's product line.

"The strategic supplier has its entire product offering carried on Grainger's system, complete with Grainger part numbers and pricing," said Julie Malek, Signmark business development manager. "Beginning in the fall of 1995, Grainger will list all of our 20,000 stock products on its system. So when a customer wants any of them, Grainger can simply place the order with Signmark and have the product shipped in less than 24 hours. The setup will make it easier for Grainger and its customers to order products from Signmark--something which has positive benefits for all of us."

[PHOTO]

Caption: Brady's Labelizer(R) Plus Industrial Labeling System enables customers to create their own signs or labels on site using Brady materials.

Doing More Where We Are

[PHOTO]

Caption: While on tour, Brady's Big Rig stopped at Grainger's branch in Timonium, Maryland. Inside the mobile training center, Grainger employees and customers learned about products such as the I.D. Pro(TM) Wire Marker Printer.

Brady took its show on the road by converting a 48-foot semi truck into a mobile safety lab and product training center. From June to December 1995, Brady sales representatives toured with the mobile lab and demonstrated new Brady printing systems, lockout/tagout devices, pipe markers and signs to more than 100 distributor and customer locations throughout the United States.

"BIG RIG" SHOWCASES BRADY PRODUCTS

The outside of the "Big Rig" features brilliant, full-color fleet graphics using Brady's new Excelar(TM) EDIS Graphics System, a graffiti-proof, ultraviolet-light-resistant coated material. Inside the trailer are a variety of safety and identification products.

The "Big Rig" enables distributors and customers alike to get hands-on experience with the latest in safety and identification products. It's just one more way we are "doing more where we are."

W.H. Brady Co. is a vertically integrated company, with coated materials produced by one division being converted into labels, tapes or other die-cut products at other divisions. This enables the Company to have the experts in-house to develop and manufacture products of the highest quality and performance levels and also to continuously improve operating efficiencies.

JUST-IN-TIME EFFORTS FOCUS ON ADDING VALUE

In fact, a Brady Interdivisional Just In Time (IDJIT) Team was formed in March 1995 specifically to eliminate non-value-added activity between the divisions. The team, using just-in-time concepts, is focused on reducing interdivisional inventory while providing high-quality service and products.

"Inventory creates waste because it covers up problems, takes up space, ties up money and requires effort to manage," said Mike Stommel, Coated Products Division manufacturing manager.

The IDJIT Team has found several ways to reduce cycle time and inventory, such as eliminating duplicate testing procedures, reducing test cycles to 24 hours and streamlining its interdivisional order system. The work completed by the IDJIT Team has reduced Milwaukee inventory on the top 10 "A" item products (products most frequently ordered) by more than $600,000 in just four months.

"The real success is the interdivisional cooperation and teamwork," Stommel said. "As we develop new relationships, trust and the ability to work with one another, we will create other opportunities as well."

As competitive efforts grow more fierce and the economy becomes more global, it's more important than ever to take customer service to the next level. That is why Brady-Belgium launched initiatives in rapid response, cellular manufacturing and Just In Time.

BRADY-BELGIUM TAKES CUSTOMER SERVICE TO THE NEXT LEVEL

Brady-Belgium takes customer service to new heights with cellular manufacturing and rapid response.

"Our 'rapid response' effort is simply an initiative to achieve good, fast customer service in every way possible," said Brigitte De Decker, Brady-Belgium customer service manager. "And excellent service is one of the most crucial elements of long-term business success!"

One of the ways Brady-Belgium is improving service is through cellular manufacturing, something which proved effective at Brady's U.S. operations. Cellular manufacturing organizes employee groups or "cells" into independent manufacturing units. Each cell is empowered to manage a specific product line, a line in which it becomes an expert. The cell orders raw materials; schedules, performs and improves production; ensures product quality; and manages inventory.

Brady-Belgium implemented its first manufacturing cell, the Pressure-Sensitive-Adhesive (PSA) Safety Sign Cell, in January 1995, and additional cells in the months that followed. The PSA cell worked diligently to enhance service by improving turnaround time on stock orders and reducing lead time on custom orders. Other departments pitched in to help, such as Belgium's Information Systems Department which upgraded and linked computer systems to enable interchange of data such as artwork and orders.

The PSA cell has already achieved outstanding results, reducing lead time on custom orders from two weeks to two days! And stock orders are now processed and shipped in 24 hours.

"Cellular manufacturing is very important to the rapid response effort," said Pascal Catteeuw, rapid response coach. "Customer service representatives must be able to rely on the lead times and quality that cells promise."

Since implementing cellular manufacturing, the PSA Safety Sign Cell has not only significantly reduced lead times, but also has reduced throughput time and scrap, adding value not only to customers but also to Brady's shareholders.

[PHOTO]

Caption: Brady uses manufacturing cells or teams to ensure manufacturing efficiency and continuous improvement. The Pressure-Sensitive-Adhesive Safety Sign Cell, which includes Alain Van De Weghe, Sofie Van Kerckhove, Robby Gyssens and Steve De Decker, processes and ships stock orders in 24 hours. And it fulfills custom orders in two days. Other cells are getting involved, too, to effect similar results.

In keeping with its vision to be easy and enjoyable to conduct business with, Seton, the direct-marketing arm of W.H. Brady Co., went live on the Internet in June 1995.

CONNECTING WITH THE CUSTOMER

The World Wide Web is a user-to-user graphical interface which operates within the Internet network of networks. Seton was one of the first in its industry to design and construct a Web site for its catalog pages.

The Seton site features more than 5,000 identification and safety products. It enables customers to quickly learn about Seton products, services and related topics. In fiscal 1996, customers will also be able to order through the Internet site.

Through a team effort, Seton-Canada, Seton-United Kingdom and other Seton operations will be added to the Internet in fiscal 1996. The Seton address on the Web is http://www.seton.com. And http://www.whbrady.com is W.H. Brady Co.'s Internet site, containing general information about the Company.

New products are the lifeblood of W.H. Brady Co. In 1995, we positioned the Company for future growth by capturing new markets with innovative new products such as high-performance tapes for hard disk drives.

NEW PRODUCTS

Since the Company's inception in 1914, W.H. Brady has embraced a simple precept. Destiny is not a matter of chance, it's a matter of choice. So, for the last 81 years Brady has chosen to control its destiny by launching new products and initiatives in both its core markets and fertile new markets. And 1995 was no exception.

BREAKING NEW GROUND

GLOBAL TEAMWORK HELPS BRADY BREAK INTO THE HARD-DISK-DRIVE MARKET.

This year a worldwide Brady team broke new ground by supplying components to the hard-disk-drive market. And, as in former endeavors, the Company began by thinking big! Brady entered the market in Singapore, the world leader in hard-disk-drive manufacturing.

When the Singapore subsidiary of California-based Connor Peripherals needed high-performance tapes to permanently seal the seam between the top and bottom halves of its hard disk drives, Brady answered the call.

Jeffrey Hoe, Brady's sales manager in Singapore, put together an international team of Brady employees--including employees of Brady Precision Tape Co., Coated Products Division and the Tobey Research and Innovation Center in Milwaukee, Wisconsin. The project team of chemists, product and business development managers and a chief engineer developed a strategic approach and went to work.

While some team members procured an aluminum tape seal and poly-ester material for the liner, engineering and manufacturing employees designed the manufacturing process to precisely die cut the products to Connor's unique specifications.

[PHOTO]

Caption: Gary Wirth, chief engineer; Michael Savagian, new product development manager; Malcolm Hoth, senior development chemist; and Rick Stoegbauer, business development manager, were the core team in the United States who answered the call from Jeffrey Hoe in Singapore to develop precision tape products for hard disk drives.

NEW MARKETS

Meanwhile, Brady chemists broke new ground of their own, developing a liner without silicone in its release coating (silicone can contaminate the magnetic media in the hard disk drive).

"Other products on the market use silicone," Hoe explained. "Our proprietary silicone-free release system for pressure-sensitive hard-disk-drive parts is a major breakthrough."

But this Brady team didn't stop there. They have also developed several other precision die-cut products for the market, including a filter cover, a track-write seal and a clock-write seal, which seal openings in the disk-drive casing. What's more, this team collaborated to develop a printed-circuit-board insulator to reduce noise and it is currently developing a new Brady adhesive and other precision die-cut products.

[PHOTO]

Caption: Jeffrey Hoe

"Quick response, technical competency and teamwork are crucial in this fast-paced, high-tech industry," said Rick Stoegbauer, business development manager. "Through global teamwork, Brady broke new ground in this new market."

[PHOTO]

Caption: Brady products developed for the hard-disk-drive market include an aluminum tape which seals together the top and bottom halves of a hard disk drive; a filter cover; and a printed-circuit-board insulator, shown at left.

[PHOTO]

Caption: The core team that came up with a new solution for labeling printed circuit boards includes Mark Schlagenhaft, business development manager (left); Vicki Heideman, development engineer; Bill Hammann, senior process engineer; Wayne Kelley, senior development chemist; and Dennis Polinski, product manager.

Where do you find high-quality circuit-board labels that will withstand heat up to 300 degrees Celsius, molten solder and harsh chemical environments? That's the question the printed-wiring-assembly industry, manufacturers of more than four billion circuit boards per year, was asking. Fortunately, Brady had an answer.

NEW BRADY CIRCUIT-BOARD LABELS BEAT THE HEAT...AND THE COMPETITION

"A Brady team of chemists, engineers and marketing professionals began answering that question in March 1994 by looking at why other label materials were failing," said Wayne Kelley, senior development chemist. "Then we worked on formulating a new topcoat and adhesive for the heat- and chemical-resistant polyimide material currently in use."

This team effort resulted in the development of a high-quality printed label (the Brady XB457 label) especially for circuit-board manufacturing. It's a label that stands up to high temperatures and chemical fluxes through superior print durability, color stability and also shrink-resistance. Later the team developed a low-cost, less heat-resistant label requested for the European market and it introduced a new thermal-transfer ribbon material for imprinting both label varieties.

"The key to the successful product launch of these two labels in June 1995 was excellent communication within the project team, among Brady's support staff and with our customers," said Dave Dreifus, research and development director for the Identification Systems and Specialty Tapes Group. "Team visits to customers' locations in Texas, Colorado, Maryland, Singapore and Europe to test the labels on their equipment ensured swift product development and effective solutions to each customer's needs."

Today, Brady is not only beating the heat with these new high-performance circuit-board labels, we're beating the competition.

When Brady's Industrial Products Division prelaunched its I.D. Pro(TM) Wire Marker Printer to distributors in March 1994, it couldn't anticipate it would be so successful--so soon! It couldn't anticipate the high demand or the supplier delays in key component manufacturing and assembly.

STICKING TOGETHER

BRADY'S INDUSTRIAL PRODUCTS DIVISION STICKS TOGETHER TO DELIVER I.D. PRO(TM) PRINTERS.

A special team of marketing and engineering employees worked with suppliers for five months--training, establishing component specifications to get production to meet quality requirements and demand, and procuring key components through multiple sources. A team of inspectors was also assembled to ensure the highest product quality.

In November 1994, Industrial Products Division began shipping I.D. Pro printers in quantity to customers. And, in June 1995, the team initiated a full-scale product launch, highlighting the product's computerization, portability, capability to use multiple label materials, and other key features.

New Products New Markets

[PHOTO]

Caption: A specialized Seton catalog to market safety, identification and other products to the healthcare industry was the result of a team effort by Heidi Matteo, marketing programs manager (left); Christopher Karam, graphic designer; Deborah Scirpo, Art Department production assistant; Dave Giroux, special markets manager; Edward Fletcher, senior graphic designer, and several other employees. The specialized catalog enables Seton to market to healthcare organizations more effectively.

[PHOTO]

Caption: The 1994 prelaunch of the versatile and affordable I.D. Pro(TM) Wire Marker Printer brought about an overwhelming customer response. The team getting production and shipping of the printer to meet the demand included (back row, from left) Robert Behlmer, senior project engineer; Bob Quinn, mechanical research and development manager; Brent Bandholz, product engineer; Charles Phelan, then purchasing manager; and (front row) Charlie Check, marketing manager; and Robert Stout Jr., project engineer.

"We stuck together when things got tough," said Charlie Check, marketing manager for the product. "By sticking together we solved problems and scaled up production to deliver this high-quality product."

Healthcare. It's one of the most explosive growth industries today! To capture new opportunities and continue to posture the Company for the future, Seton has developed a product catalog targeted to the special needs of the healthcare market.

CAPTURING NEW OPPORTUNITIES

SETON CREATES CATALOG TARGETING HEALTHCARE INDUSTRY.

Today Seton is going beyond the hospital parking lot into the heart of healthcare facilities. It is expanding its offerings from traffic and safety signs, OSHA signs, pipe markers and Setonguard(R) property-identification labels to include products related to patient services.

A Seton team developed and mailed an 80-page catalog in February 1995 featuring products most often purchased by healthcare organizations. The first 60 pages feature standard labels, tapes and signs repositioned from Seton's full-line catalog, while the remaining 20 pages feature new products targeted to healthcare safety. These products include biohazardous-waste identification, environmental regulation signs and labels and containers for blood-borne pathogen disposal.

But Seton isn't stopping there. It plans to introduce an updated catalog in the fall of 1995. And to enhance catalog sales, Seton has set up contracts with healthcare group purchasing organizations together covering more that 5,000 healthcare facilities.

W.H. Brady Co.'s mission is to be the global leader in unique identification solutions. Around the world we mark it, tag it, scan it, lock it, protect it, fasten it and stick to it.

GLOBAL

Seton, W.H. Brady Co.'s direct-marketing business acquired in 1981, has traditionally operated independently. But in August 1994, Seton expanded into Australia and later into Italy by teaming up with Brady operations already there.

SHARING SUCCESS

SETON TEAMS UP WITH BRADY TO EXPAND INTO NEW COUNTRIES.

To launch the Australian operation, a Seton team from Branford, Connecticut, assisted in setting up Seton sales, customer service, marketing, financial and information system functions in a Brady manufacturing facility. Teammates from Brady-Australia and Seton operations in the United Kingdom and France also helped get this new venture off the ground.

"The team brought great expertise to the project due to its global experience," said Deborah Saporito, Seton global business development manager, who spent seven months living in Australia while leading the setup efforts. "We also found we had a lot to share--the facility, accounting, information systems, warehousing functions and even a general manager. Teamwork helped us to enter this market at the lowest cost and highest expertise level."

"Both units are learning from each other," said Bill Gill, general manager of Australian operations. "Together we can become unstoppable in this market."

Seton Australia Pty. Ltd., Chipping Norton, released its first product mailing in September 1994 and a 68-page catalog in February 1995. And the response has been tremendous.

Italy is looking good, too! In October 1994, Seton Italia Srl began operations within an established Brady operation in Milan, Italy. Seton's entry into Italy, the world's fifth largest economy, occurred through a team approach--this one led by Peter Cnudde, director of Signmark Group sales and marketing in Europe, and Greg Burke, catalog manager at Seton-United Kingdom.

Seton's first mailing in Italy was a promotion of Setonguard(R) property-identification labels in April 1995. An Italian catalog featuring safety and facility identification products followed in June.

In May, the Italian operation outgrew its office and moved to a larger, 9,000-square-foot facility in Saronno.

By sharing facilities, information and expertise, Seton and Brady are also sharing something else--success.

[PHOTO]

Caption: The Customer Service Department, including Melinda Gates and Paula Bailey, receives hundreds of inquiries each day about Seton's safety and identification products.

[PHOTO]

Caption: Seton Australia is performing above expectations under the direction of Bill Gill, its general manager, and the continued support of direct-marketing experts from the U.S. and Europe.

EXPANSION

[PHOTO]

Caption: Seton-Australia is a fine example of Teamwork for Global Success. Leslie Massa, general manager of Seton U.S.; Guy Marhewka, Seton vice president-international; Deborah Saporito, global business development manager; Vincent Prigitano, finance director; and Cathy Allen, senior project analyst, were some of the many individuals that helped launch Seton operations in Australia.

COMING SOON

We are going for value-enhancing growth in the businesses of identification and taping solutions throughout the world. In fact, W.H. Brady Co. teams are currently exploring opportunities in areas such as Latin America, Brazil, South Korea, Spain, China and India.

In May 1994, Seton-France began marketing property-identification products to the Netherlands through promotional mailings, while Seton-Germany began marketing to Austria and Switzerland. Product catalogs were developed and distributed in October 1994 and March 1995 respectively.

REACHING OUR WORLD

SETON SELLS TO NEW MARKETS.

Seton-France continued to penetrate the European Community by beginning marketing efforts in Belgium in September 1995. Catalogs in French and Dutch are part of its strategy.

"We see great opportunities to build on our success by reaching out to these markets," said Seton Group Vice President Richard Fisk. "The key is to customize our product line and our services to meet the specific needs of each customer."

This method of cross-border marketing allows W.H. Brady Co. to gain a presence in smaller markets--a presence the Company will build on in the future.

[PHOTO]

Caption: Seton-Germany markets to companies in Austria and Switzerland as well as in Germany.

As we grow W.H. Brady Co. by doing more where we are, introducing innovative new products, entering new markets and penetrating geographic areas, we are ever-focused on creating shareholder value.

SHAREHOLDER VALUE ENHANCEMENT

We are maximizing our value for shareholders by leveraging our assets and controlling costs--using our teams, equipment, facilities, systems and other assets to their full potential. For example, in fiscal 1995 we reduced inventory while increasing sales 22.9 percent. We divested divisions and assets which would not create long-term value for the Company. We decreased our total investment in property, plant and equipment by 9 percent while continuing to invest in productive assets, such as additional manufacturing equipment in Singapore and the United States.

The Brady team was very successful in value enhancement in fiscal 1995. As our stock price rose from $47.50 to $71.38 during the year, we created nearly $174 million in value for shareholders.

In fiscal 1996 we will continue to invest in new product development; sales and marketing; systems to improve efficiency and service; geographic expansions; and acquisitions to further improve our long-term value to shareholders.

Graph: Stock Price vs. Book Value

	Stock Price	Book Value
1991	$39.25	$15.66
1992	34.25	16.26
1993	34.75	17.35
1994	47.50	19.61
1995	71.38	23.06

Value-enhancement efforts at Brady are evident in our stock performance.

FINANCIAL
REVIEW, 1995

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Selected Financial Information

Years Ended July 31, 1986 through 1995
(Dollars in Thousands, Except Per Share Amounts)

	1995	1994	1993
Operating Data			
Net sales	$314,362	$255,841	$242,970
Operating expenses:			
Cost of products sold	143,634	118,116	114,301
Research and development	10,426	10,318	12,132
Selling, general and administrative	119,717	97,932	92,449
Nonrecurring charge (credit)	--		(1,236)
Total operating expenses	273,777	226,366	217,646
OPERATING INCOME	40,585	29,475	25,324
OTHER INCOME AND (EXPENSE):			
Investment and other income - net	4,609	837	559
Interest expense	(555)	(410)	(54)
Net other income	4,054	427	505
Income before income taxes, extraordinary item and cumulative effect of changes in accounting principles	44,639	29,902	25,829
INCOME TAXES	16,728	11,362	8,973
Income before extraordinary item and cumulative effect of changes in accounting principles	27,911	18,540	16,856
Extraordinary item:			
Gain on proceeds of officer's life insurance policies, net	--	--	--
Income before cumulative effect of changes in accounting principles	27,911	18,540	16,856
CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES FOR:			
Postretirement benefits (net of income taxes of $2,663)	--	--	--
Income taxes	--	--	--
Catalog costs	--	--	--
NET INCOME	$ 27,911	$ 18,540	$ 16,856
NET INCOME PER COMMON SHARE:			
Class A Nonvoting	$ 3.83	$ 2.55	$ 2.33
Class B Voting	$ 3.73	$ 2.45	$ 2.23
CASH DIVIDENDS ON:			
Class A Common Stock	$ .80	$ .68	$ .60
Class B Common Stock	$ .70	$ .58	$ .50
Balance Sheet (at period end)			
Working capital	$129,938	$100,023	$ 77,943
Total assets	230,005	202,509	179,901
Long-term debt, less current maturities	1,903	1,855	1,978
Stockholders' investment	170,823	145,129	128,068

1992	1991	1990	1989	1988	1987	1986
$235,965	$211,063	$191,161	$174,174	$153,016	$126,420	$108,364
110,130	96,797	84,952	75,620	67,302	56,284	49,385
10,001	9,176	7,355	6,168	5,879	5,383	5,004
93,931	84,936	76,596	71,292	63,986	50,108	38,019
6,562	--	--	6,465	--	--	--
220,624	190,909	168,903	159,545	137,167	111,775	92,408
15,341	20,154	22,258	14,629	15,849	14,645	15,956
239	2,845	4,004	2,380	1,901	2,082	1,764
(219)	(548)	(646)	(356)	(477)	(348)	(400)
20	2,297	3,358	2,024	1,424	1,734	1,364
15,361	22,451	25,616	16,653	17,273	16,379	17,320
6,972	7,054	10,606	6,778	6,968	7,535	7,873
8,389	15,397	15,010	9,875	10,305	8,844	9,447
--	--	--	4,625	--	--	--
8,389	15,397	15,010	14,500	10,305	8,844	9,447
(3,995)	--	--	--	--	--	--
661	--	--	--	--	--	--
--	--	--	1,233	--	--	--
$ 5,055	$ 15,397	$ 15,010	$ 15,733	$ 10,305	$ 8,844	$ 9,447
$ .69	$ 2.14	$ 2.09	$ 2.10	$ 1.36	$ 1.17	$ 1.26
$ .59	$ 2.04	$ 1.99	$ 2.00	$ 1.26	$ 1.07	$ 1.16
$ .56	$ .48	$ .40	$ .28	$ .24	$ .20	$ .10
$ .46	$ .38	$ .30	$ .18	$ .14	$ .10	--
$ 66,093	$ 70,883	$ 67,797	$ 53,056	$ 42,492	$ 44,176	$ 40,701
173,054	156,812	147,197	129,890	117,201	104,398	94,477
2,524	1,982	3,298	3,637	3,086	3,851	4,548
119,771	115,260	103,784	89,443	84,987	76,044	66,791

Management's Discussion and Analysis of
Results of Operations & Financial Condition

YEAR ENDED JULY 31, 1995, COMPARED TO YEAR END JULY 31, 1994

Sales for fiscal 1995 increased by $58,521,000 or 22.9% over fiscal 1994. Sales of the Company's international subsidiaries increased 36.3%, 24.3% as a result of real growth through continued market penetration in Europe and the Far East and new Seton subsidiaries in Australia and Italy. Translation into U.S. currency resulted in an additional 12.0% increase in international sales due to favorable exchange rates during the year. Sales of the Company's U.S. operations increased 15.0%, primarily from new product introductions such as the I.D. Pro(TM) Wire Marker Printer. This U.S. sales increase was achieved despite the divestiture of two businesses during the year that had sales of $7,943,000 in fiscal 1995 and $10,901,000 in fiscal 1994.

The cost of products sold decreased from 46.2% of sales to 45.7% of sales as a result of changes in product mix and manufacturing efficiencies from the Company's continuous-improvement efforts. Selling, general and administrative expenses as a percentage of sales decreased slightly from 38.3% to 38.1% of sales, as the Company's continuing cost-control efforts more than offset the costs associated with new product introductions and the new Seton start-ups. Research and development increased 1.1% over fiscal 1994, but declined as a percentage of sales.

Investment and other income for fiscal 1995 included $2,033,000 representing the gain on the divestiture of two domestic manufacturing operations and the sale of certain real estate. Interest income increased by $1,190,000 over fiscal 1994 because of increased levels of investment and higher rates.

Income before income taxes for the two businesses divested in fiscal 1995 was a loss of $1,098,000 compared to fiscal 1994's full year loss of $4,283,000.

The Company's income before income taxes increased to $44,639,000, an increase of 49.3% compared to fiscal 1994's $29,902,000.

Net income was positively impacted by a decrease in the effective tax rate from 38.0% for fiscal 1994 to 37.5% for fiscal 1995. This was primarily caused by a lower effective state tax rate.

Net income for the year increased 50.5% to $27,911,000 for fiscal 1995, compared to $18,540,000 for fiscal 1994, because of the factors cited above.

YEAR ENDED JULY 31, 1994, COMPARED TO YEAR END JULY 31, 1993

Sales for fiscal 1994 increased by $12,871,000 or 5.3% over fiscal 1993. Sales of the Company's international subsidiaries increased 22.1% as a result of real growth through continued market penetration in Europe and the Far East offset by changes in the exchange rates used to translate financial results into U.S. currency. Foreign exchange effect resulted in a 6.5% overall decrease in international sales. Sales of its U.S. operations decreased 2.6% because of the divestiture of three businesses last year. Comparing only continuing operations, sales of the Company's U.S. operations increased 6.1% as a result of the introduction of new products.

The cost of products sold decreased from 47.0% of sales to 46.2% of sales as a result of changes in product mix, the divestiture of three businesses last year and increased manufacturing efficiencies from the Company's continuous-improvement efforts. Selling, general and administrative expenses as a percentage of sales increased from 38.1% to 38.3% of sales as a result of costs attributable to the introduction of new products. The completion of certain product development projects last year caused research and development expenses to decrease 15.0% this year compared to fiscal 1993.

In fiscal 1993 the Company recorded a nonrecurring credit of $1,236,000 ($742,000 after tax) primarily representing the gain on the divestiture of three domestic operations.

Income before income taxes increased to $29,902,000 in fiscal 1994, an increase of 15.8% compared to fiscal 1993's $25,829,000, largely as a result of improved performance in the Company's international operations.

Net income was negatively impacted by an increase in the effective tax rate from 34.7% in fiscal 1993 to 38.0% in fiscal 1994. The lower effective tax rate in fiscal 1993 was due to the reversal of a $730,000 provision for future settlement relating to the amortization of customer lists which was established in fiscal 1992 and favorably resolved in fiscal 1993. Eliminating the effect of this adjustment, the effective tax rate for fiscal 1993 would have been 37.6% compared to 38.0% for the current fiscal year.

Net income was $18,540,000 for fiscal 1994, compared to $16,856,000 for fiscal 1993, because of the factors cited above.

YEAR ENDED JULY 31, 1993, COMPARED TO YEAR END JULY 31, 1992

Sales for fiscal 1993 increased by $7,005,000 or 3.0% over fiscal 1992. Sales of the Company's international subsidiaries increased 9.6% as a result of real growth partially offset by changes in the exchange rates used to translate financial results into U.S. currency. Sales of its U.S. operations increased slightly compared to the prior year despite the divestiture of three businesses during the year.

The cost of products sold increased from 46.7% of sales to 47.0% of sales as a result of increased material costs resulting from a change in products sold and because of additional depreciation from the Company's expansion projects. Capital expenditures of $12,280,000 in fiscal 1993 and $24,074,000 in fiscal 1992 gave rise to the increased depreciation. Selling, general and administrative expenses as a percentage of sales decreased from 39.8% to 38.1% as a result of the Company's continuing cost-control efforts. Research and development expenses increased 21.3% over the prior year, reflecting the Company's continued commitment to process improvements and new product development.

The Company recorded a nonrecurring charge of $6,562,000 ($3,757,000 after tax) during fiscal 1992, representing a writedown of a portion of its investment in two domestic operations and a loss on the sale of a foreign manufacturing operation. The writedown related primarily to the carrying value of certain inventories and machinery and equipment. During fiscal 1993, the Company recorded a nonrecurring credit of $1,236,000 ($742,000 after tax) primarily representing the gain on the divestiture of three domestic operations.

Income before income taxes and cumulative effect of changes in accounting principles increased to $25,829,000 in fiscal 1993, compared to fiscal 1992's $15,361,000.

Net income was positively impacted by a decrease in the effective tax rate from 45.5% in fiscal 1992 to 34.7% in fiscal 1993. The lower effective tax rate in fiscal 1993 was due to the reversal of a $730,000 provision for future settlement relating to the amortization of customer lists which was established in fiscal 1992 and favorably resolved in fiscal 1993. Eliminating the effect of this adjustment, the effective tax rate for fiscal 1993 would have been 37.6% compared to 40.6% for the prior fiscal year.

The $3,995,000 cumulative after-tax effect of adopting SFAS-106 "Employers' Accounting for Postretirement Benefits Other Than Pensions" was included as a charge against earnings in fiscal 1992. The $661,000 cumulative effect of adopting SFAS-109 "Accounting for Income Taxes" was included as income in fiscal 1992.

Net income was $16,856,000 for fiscal 1993, compared to $5,055,000 for fiscal 1992, because of the factors cited above.

LIQUIDITY

The Company's liquidity remains strong. Cash and cash equivalents were $89,067,000 at July 31, 1995, compared to $66,107,000 at July 31, 1994, and $42,366,000 at July 31, 1993. Working capital was $129,938,000 at July 31, 1995, compared to $100,023,000 at July 31, 1994, an increase of $29,915,000. Of this amount $12,175,000 represented proceeds from the divestitures and real estate sales and the balance was from the profits of the Company.

Cash flow generated by operating activities was $21,552,000 for fiscal 1995, $33,068,000 for fiscal 1994, and $21,582,000 for fiscal 1993. Capital expenditures were $8,114,000 in fiscal 1995, $6,466,000 in fiscal 1994, and $12,280,000 in fiscal 1993. Financing activities, primarily the payment of dividends to the Company's stockholders, consumed $4,659,000 of cash in fiscal 1995, $4,214,000 in fiscal 1994 and $4,326,000 in fiscal 1993.

Long-term debt as a percentage of long-term debt plus stockholders' investment was 1.1% at July 31, 1995, compared to 1.3% at July 31, 1994, and 1.5% at July 31, 1993.

Management believes the Company's cash and cash equivalents and the cash flow it generates from its operating activities are adequate to meet its current investing and financing needs.

INFLATION

Over the last three fiscal years, inflation has had a minimal effect on reported results of operations and the Company s financial condition.

Consolidated Balance Sheets

July 31, 1995 and 1994
(Dollars in Thousands)

	1995	1994
Assets		
CURRENT ASSETS:		
Cash and cash equivalents (Note 1)	$ 89,067	$ 66,107
Accounts receivable, less allowance for losses ($1,881 and $1,565, respectively)	42,104	32,308
Inventories (Note 1):		
Finished products	16,866	16,717
Work-in-process	1,987	2,534
Raw materials and supplies	4,246	4,486
Total inventories	23,099	23,737
Prepaid expenses and other current assets (Notes 1, 3 and 4)	10,202	9,611
Total current assets	164,472	131,763
OTHER ASSETS (Note 4)	6,960	6,403
PROPERTY, PLANT AND EQUIPMENT (Notes 1 and 5):		
Cost:		
Land	4,417	4,689
Buildings and improvements	34,284	38,431
Machinery and equipment	69,278	72,576
Construction in progress	815	939
	108,794	116,635
Less accumulated depreciation	50,221	52,292
Net property, plant and equipment	58,573	64,343
TOTAL	$230,005	$202,509

See Notes to Consolidated Financial Statements.

July 31, 1995 and 1994
(Dollars in Thousands)

	1995	1994
Liabilities and Stockholder's Investment		
CURRENT LIABILITIES:		
Accounts payable	$ 9,252	$ 9,678
Wages and amounts withheld from employees	14,447	10,479
Taxes, other than income taxes	1,361	1,962
Accrued income taxes	2,150	2,999
Other current liabilities (Note 3)	6,912	6,217
Current maturities on long-term debt (Note 5)	412	405
Total current liabilities	34,534	31,740
LONG-TERN DEBT, less current maturities (Note 5)	1,903	1,855
OTHER LIABILITIES (Note 3)	22,745	23,785
Total liabilities	59,182	57,380
STOCKHOLDER'S INVESTMENT (Notes 1 and 6):		
Preferred Stock (aggregate liquidation preference of $3,026 at July 31, 1995)	2,855	2,855
Common Stock:		
Class A Nonvoting - Issued and outstanding 5,507,341 and 5,476,812 shares, respectively, (aggregate liquidation preference of $27,537 at July 31, 1995)	55	54
Class B Voting - Issued and outstanding 1,769,314 shares	18	18
Additional paid-in capital	8,074	6,768
Earnings retained in the business	154,286	132,271
Cumulative translation adjustments	5,535	3,163
Total stockholder's investment	170,823	145,129
TOTAL	$230,005	$202,509

See Notes to Consolidated Financial Statements.

Consolidated Statements of Income

Years Ended July 31, 1995, 1994 and 1993 (Dollars in Thousands, Except Per Share Amounts)	1995	1994	1993
NET SALES	$314,362	$255,841	$242,970
OPERATING EXPENSES:			
Cost of products sold	143,634	118,116	114,301
Research and development	10,426	10,318	12,132
Selling, general and administrative	119,717	97,932	92,449
Nonrecurring (credit) (Note 2)	--	--	(1,236)
Total operating expenses	273,777	226,366	217,646
OPERATING INCOME	40,585	29,475	25,324
OTHER INCOME AND (EXPENSE):			
Investment and other income - net (Note 2)	4,609	837	559
Interest expense	(555)	(410)	(54)
Net other income	4,054	427	505
Income before income taxes	44,639	29,902	25,829
INCOME TAXES (Notes 1 and 4)	16,728	11,362	8,973
NET INCOME	$ 27,911	$ 18,540	$ 16,856
NET INCOME PER COMMON SHARE (Notes 6 and 8):			
Class A Nonvoting	$ 3.83	$ 2.55	$ 2.33
Class B Voting	$ 3.73	$ 2.45	$ 2.23

See Notes to Consolidated Financial Statements.

Consolidated Statements of Stockholder's Investment

Years Ended July 31, 1993, 1994 and 1995 (Dollars in Thousands, Except Per Share Amounts)	Preferred Stock	Common Stock	Additional Paid-In Capital	Earnings Retained in the Business	Cumulative Translation Adjustments
BALANCES AT AUGUST 1, 1992............................	$2,855	$72	$4,836	$106,274	$5,734
Net income..	--	--	--	16,856	--
Net currency translation adjustment.................	--	--	--	--	(4,894)
Issuance of 26,000 shares of Class A Common Stock under stock option plan...........................	--	--	646	--	--
Tax benefit from exercise of stock options..........	--	--	89	--	--
Cash dividends on Preferred Stock:					
1979 series - $10 a share.........................	--	--	--	(220)	--
6% and 1972 series - $6 a share...................	--	--	--	(39)	--
Cash dividends on Common Stock:					
Class A - $.60 a share............................	--	--	--	(3,256)	--
Class B - $.50 a share............................	--	--	--	(885)	--
BALANCES AT JULY 31, 1993............................	2,855	72	5,571	118,730	840
Net income..	--	--	--	18,540	
Net currency translation adjustment.................	--	--	--	--	2,323
Issuance of 39,650 shares of Class A Common Stock under stock option plan...........................	--	--	1,063	--	--
Tax benefit from exercise of stock options..........	--	--	134	--	--
Cash dividends on Preferred Stock:					
1979 series - $10 a share.........................	--	--	--	(220)	--
6% and 1972 series - $6 a share...................	--	--	--	(39)	--
Cash dividends on Common Stock:					
Class A - $.68 a share............................	--	--	--	(3,714)	--
Class B - $.58 a share............................	--	--	--	(1,026)	--
BALANCES AT JULY 31, 1994............................	2,855	72	6,768	132,271	3,163
Net income..	--	--	--	27,911	--
Net currency translation adjustment.................	--	--	--	--	2,372
Issuance of 30,529 shares of Class A Common Stock under stock option plan...........................	--	1	999	--	--
Tax benefit from exercise of stock options..........	--	--	307	--	--
Cash dividends on Preferred Stock:					
1979 series - $10 a share.........................	--	--	--	(220)	--
6% and 1972 series - $6 a share...................	--	--	--	(39)	--
Cash dividends on Common Stock:					
Class A - $.80 a share...........................	--	--	--	(4,398)	--
Class B - $.70 a share...........................	--	--	--	(1,239)	--
BALANCES AT JULY 31, 1995...........................	$2,855	$73	$8,074	$154,286	$5,535

See Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

Years Ended July 31, 1995, 1994 and 1993 (Dollars in Thousands)	1995	1994	1993
OPERATING ACTIVITIES:			
Net income	$27,911	$18,540	$16,856
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	9,049	9,325	9,848
Amortization	110	110	325
Loss/(Gain) on sale of businesses	413	---	(1,963)
(Gain)/Loss on sale of property, plant and equipment	(2,209)	194	51
Provision for losses on accounts receivable	463	725	758
Changes in operating assets and liabilities (net of effects of business disposals in 1995 and 1993):			
Accounts receivable	(12,564)	(2,169)	(2,917)
Inventory	473	(928)	(3,583)
Prepaid expenses and other assets	(1,385)	1,305	1,981
Accounts payable and accrued liabilities	1,361	3,325	(890)
Income taxes	(1,605)	1,852	2,139
Deferred income taxes	212	(413)	(608)
Other liabilities	(687)	1,202	(415)
Net cash provided by operating activities	21,552	33,068	21,582
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(8,114)	(6,466)	(12,280)
Proceeds from sale of property, plant and equipment	6,227	458	570
Proceeds from sale of businesses	6,315		10,327
Purchase of other long-term investment	(750)		
Net cash provided by (used in) investing activities	3,678	(6,008)	(1,383)
FINANCING ACTIVITIES:			
Payment of dividends	(5,896)	(4,999)	(4,400)
Proceeds from issuance of Common Stock	1,306	1,063	646
Proceeds from long-term borrowings	---	217	139
Principal payments on long-term debt	(69)	(495)	(711)
Net cash used in financing activities	(4,659)	(4,214)	(4,326)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	2,389	895	(2,026)
NET INCREASE IN CASH AND CASH EQUIVALENTS	22,960	23,741	13,847
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	66,107	42,366	28,519
CASH AND CASH EQUIVALENTS, END OF YEAR	$89,067	$66,107	$42,366
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the year for:			
Interest	$ 116	$ 237	$ 436
Income taxes, net of refunds	17,174	10,601	9,110

See Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements
Years Ended July 31, 1995, 1994 and 1993

Note 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of W.H. Brady Co. and its subsidiaries, all of which are wholly-owned. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash Equivalents - The Company considers all highly liquid investments with maturities of three months or less when acquired to be cash equivalents. The carrying amounts of cash equivalents approximate fair value because they mature in three months or less.

Inventories - Inventories are stated at the lower of cost or market. Cost has been determined using the last-in, first-out (LIFO) method for domestic inventories (approximately 62% and 65% of total inventories at July 31, 1995 and 1994, respectively) and the first-in, first-out method for other inventories. The difference between the carrying value of domestic inventories stated at LIFO cost and the value of such inventories stated at replacement cost was $5,204,000 at July 31, 1995, and $5,777,000 at July 31, 1994.

Depreciation - The cost of buildings and improvements and machinery and equipment is being depreciated over their estimated useful lives using the straight-line method for financial reporting purposes.

Catalog Costs - Catalog costs are initially capitalized and amortized over the estimated useful lives of the publications (generally eight months). At July 31, 1995 and 1994, $4,436,000 and $2,325,000, respectively, of prepaid catalog costs were included in prepaid expenses and other current assets.

Foreign Currency Translation - Foreign currency assets and liabilities are translated into United States dollars at end of period rates of exchange, and income and expense accounts are translated at the weighted average rates of exchange for the period. Resulting translation adjustments are included as a separate component of stockholders investment.

Hedging - The Company enters into forward foreign exchange contracts to hedge committed intercompany foreign currency transactions. Such exchange contracts generally have maturities of six months or less. At July 31, 1995, exchange contracts aggregating approximately $4,500,000 were outstanding.

Income Taxes - Effective August 1, 1991, the Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

Note 2

DISPOSITIONS AND NONRECURRING (CREDIT)

During fiscal 1995, the Company sold two businesses and certain real estate which resulted in a gain of $2,033,000 which is included in other income in the accompanying financial statements.

During fiscal 1993, the Company sold two domestic manufacturing operations and a direct-marketing subsidiary. The nonrecurring credit of $1,236,000 in 1993 represents the excess of proceeds over the net carrying amounts of net assets disposed of, offset by provision for severance and other related disposition expenses.

Note 3

EMPLOYEE BENEFIT PLANS

The Company provides postretirement medical, dental and vision benefits for all regular full- and part-time domestic employees (including spouses) who retire on or after attainment of age 55 with 15 years of credited service. Credited service begins accruing at the later of age 40 or date of hire. All active employees first eligible to retire after July 31, 1992, will be covered by an unfunded, contributory postretirement healthcare plan where employer contributions will not exceed a Defined Dollar Benefit amount, regardless of the cost of the program. Employer contributions to the plan are based on an employee s age and service at retirement.

Effective August 1, 1991, the Company adopted Statement of Financial Accounting Standards No. 106 (SFAS No. 106), "Employers Accounting for Postretirement Benefits Other than Pensions." In connection with the adoption of SFAS No. 106, the Company elected to recognize as expense the entire accumulated postretirement benefit obligation (transition obligation) rather than amortizing such amount to expense over a 20-year period. The Company funds benefit costs on a pay-as-you-go basis. During the years ended July 31, 1995 and 1994, the Company made benefit payments totalling $165,000 and $185,000, respectively.

The following table sets forth the plan s status reconciled with amounts recognized in the accompanying consolidated balance sheets at July 31, 1995 and 1994:

(Dollars in Thousands)	1995	1994
Accumulated postretirement benefit obligation:		
Retirees	$3,387	$2,607
Fully eligible active plan participants.	1,077	2,225
Other active plan participants	1,790	1,448
	6,254	6,280
Unrecognized net gain	1,882	1,543
Accrued postretirement benefit cost.	$8,136	$7,823

Years Ended July 31, 1995, 1994 and 1993 (Dollars in Thousands)	1995	1994	1993
Net periodic postretirement benefit cost included the following components:			
Service cost - benefit attributed to service during the period . .	$230	$209	$210
Interest cost on accumulated postretirement benefit obligation . .	469	469	462
Amortization of (gain)	(103)	(64)	(58)
Periodic postretirement benefit cost prior to curtailment.	596	614	614
Effective curtailment (gain) due primarily to disposition of operations	(93)	--	(185)
Net periodic postretirement benefit cost	$503	$614	$429

The assumed healthcare cost trend rates used in measuring the accumulated postretirement benefit obligation were 8% in 1995 and gradually declining to 5.5% by the year 2000.

The weighted average discount rate used in determining the accumulated postretirement benefit obligation was 8% in 1995 and 1994.

If the healthcare cost trend rate assumptions were increased by 1%, the accumulated postretirement benefit obligation as of July 31, 1995, would be increased by $90,000. The effect of this change on the sum of service cost and interest cost would not be material.

During 1995 and 1993, the Company had curtailment gains which represent the accumulated postretirement benefit obligation of employees who were employed at operations disposed of in those years.

The Company has retirement and profit-sharing plans covering substantially all full-time domestic employees and certain of its foreign subsidiaries. Contributions to the plans are determined annually based on earnings of the respective companies and employee contributions. At July 31, 1995 and 1994, $397,000 and $3,109,000, respectively, of accrued profit-sharing contributions were included in other current liabilities.

The Company also has deferred compensation plans for directors, officers and key executives utilizing the phantom stock plan concept. At July 31, 1995 and 1994, $17,015,000 and $15,795,000, respectively, of deferred compensation was included in current and other long-term liabilities.

The amounts charged to income for the plans described above were $6,188,000 in 1995, $5,660,000 in 1994 and $4,443,000 in 1993.

The Company has a voluntary employee benefit trust for the purpose of funding employee medical benefits and certain other employee benefits. At July 31, 1995 and 1994, $2,738,000 and $4,145,000, respectively, of payments to the trust to fund such benefits were included in prepaid expenses and other current assets.

Note 4

INCOME TAXES

Income taxes consist of the following:

Years Ended July 31, 1995, 1994 and 1993 (Dollars in Thousands)	1995	1994	1993
Currently payable:			
Federal	$10,194	$ 6,987	$6,612

Foreign	4,518	2,755	1,869
State	1,804	2,033	1,100
	16,516	11,775	9,581
Deferred (credit):			
Federal	(382)	(448)	(376)
Foreign	662	112	(165)
State	(68)	(77)	(67)
	212	(413)	(608)
Total	$16,728	$11,362	$8,973

Deferred income taxes result from timing differences in the recognition of revenues and expenses for financial statement and income tax purposes. These differences relate principally to depreciation and certain expenses not deductible for tax reporting until paid.

Pre-tax income consists of the following:

Years Ended July 31, 1995, 1994 and 1993 (Dollars in Thousands)	1995	1994	1993
United States	$32,074	$21,565	$22,220
Foreign	12,565	8,337	3,609
Total	$44,639	$29,902	$25,829

The approximate tax effects of temporary differences are as follows:

July 31, 1995 (Dollars in Thousands)	Assets	Liabilities	Total
Inventories	$ 1,724	--	$1,724
Prepaid catalog costs	--	$ (944)	(944)
Employee benefits	--	(100)	(100)
Tax loss carryforwards	105	--	105
Allowance for doubtful accounts	307	--	307
Other, net	272	--	272
Current	2,408	(1,044)	1,364
Excess of tax over book depreciation	--	(3,695)	(3,695)
Deferred compensation	5,383	--	5,383
Postretirement benefits	3,316	--	3,316
Tax loss carryforwards	1,563	--	1,563
Less valuation allowance	(1,563)	--	(1,563)
Other, net	199	--	199
Noncurrent	8,898	(3,695)	5,203
Total	$11,306	$(4,739)	$6,567

July 31, 1994 (Dollars in Thousands)	Assets	Liabilities	Total
Inventories	$ 1,659	--	$1,659
Prepaid catalog costs	--	$ (612)	(612)
Employee benefits	--	(505)	(505)
Tax loss carryforwards	397	--	397
Allowance for doubtful accounts	324	--	324
Other, net	644	--	644
Current	3,024	(1,117)	1,907
Excess of tax over book depreciation	--	(4,517)	(4,517)
Deferred compensation	6,001	--	6,001
Postretirement benefits	3,129	--	3,129
Tax loss carryforwards	1,550	--	1,550
Less valuation allowance	(1,550)	--	(1,550)
Other, net	259	--	259
Noncurrent	9,389	(4,517)	4,872
Total	$12,413	$(5,634)	$6,779

At July 31, 1995 and 1994, $1,364,000 and $1,907,000, respectively, of net deferred tax assets were included in prepaid expenses and other current assets. At July 31, 1995 and 1994, $5,203,000 and $4,872,000, respectively, of net deferred tax assets were included in other assets.

A reconciliation of the tax computed by applying the statutory U.S. Federal income tax rate to income before income taxes to the total income tax provision is as follows:

Years Ended July 31, 1995, 1994 and 1993 (Dollars in Thousands)	1995	1994	1993
Tax at statutory rate	$15,624	$10,466	$8,782
State income taxes, net of Federal tax benefit	1,177	1,271	841
International losses with no related tax benefits	613	175	351

International rate differential	169	(226)	126
Rate variances arising from foreign subsidiary distributions	(558)	174	157
Provision for future settlements.	--	--	(730)
Other, net	(297)	(498)	(554)
Total income tax provision	$16,728	$11,362	$8,973
Effective tax rate	37.5%	38.0%	34.7%

The Company's policy is to remit earnings from foreign subsidiaries only to the extent any resultant foreign income taxes are creditable in the United States. Accordingly, the Company does not currently provide for the additional United States and foreign income taxes which would become payable upon remission of undistributed earnings of foreign subsidiaries.

The cumulative undistributed earnings of such companies at July 31, 1995, amounted to approximately $14,000,000. If all such undistributed earnings were remitted, an additional provision for foreign income taxes of approximately $200,000 would be required.

NOTE 5

LONG-TERM DEBT

Long-term debt consists of the following:

July 31, 1995 and 1994 (Dollars in Thousands)	1995	1994
6.25% Industrial Development Revenue Bonds payable on December 1, 2001	$1,000	$1,000
6.75% Industrial Development Revenue Bonds payable in annual installments of $125,000 in 1996 and $140,000 in 1997	265	385
Other	1,050	875
	2,315	2,260
Less current maturities	412	405
	$1,903	$1,855

The Industrial Development Revenue Bonds and the covering mortgage and loan agreements require, among other provisions, that the Company maintain minimum net working capital of $5,000,000 and a defined net worth of $10,000,000. The bonds are collateralized by first mortgages on certain property with a net carrying amount of approximately $5,657,000 at July 31, 1995. The Company's Industrial Development Revenue Bonds approximate fair value.

Maturities on long-term debt are as follows:

Year Ended July 31, (Dollars in Thousands)	
1996	$ 412
1997	349
1998	231
1999	255
2000	68
Thereafter	1,000

NOTE 6

STOCKHOLDERS' INVESTMENT

Information as to the Company's capital stock at July 31, 1995, is as follows:

(Dollars in Thousands)	Shares Authorized	Shares Outstanding	Amount
Preferred Stock, $.01 par value	5,000,000	0	$ 0
Cumulative Preferred Stock,			
6% Cumulative	5,000	3,984	$ 399
1972 Series	10,000	2,600	260
1979 Series	30,000	21,963	2,196
			$2,855
Common Stock, $.01 par value:			
Class A Nonvoting	10,000,000	5,507,341	$ 55
Class B Voting	10,000,000	1,769,314	18
			$ 73

Each share of $100 par value Cumulative Preferred Stock is entitled to receive cumulative cash dividends and may be redeemed, under certain circumstances, by the Company at par value plus accrued dividends plus a premium of 6% of the par value. Such shares, which are held by the initial holder thereof, are subject to redemption only if the holder consents thereto.

Before any dividend may be paid on the Class B Common Stock, holders of the Class A Common Stock are entitled to receive an annual, noncumulative cash dividend of $.10 per share. Thereafter, any further dividend in that fiscal year must be paid on each share of Class A Common Stock and Class B Common Stock on an equal basis.

Holders of the Class A Common Stock are not entitled to any vote on corporate matters, unless, in each of the three preceding fiscal years, the $.10 preferential dividend described above has not been paid in full. Holders of the Class A Common Stock are entitled to one vote per share for the entire fiscal year immediately following the third consecutive fiscal year in which the preferential dividend is not paid in full. Holders of Class B Common Stock are entitled to one vote per share for the election of directors and for all other purposes.

Upon liquidation, dissolution or winding up of the Company, and after distribution of any amounts due to holders of Cumulative Preferred Stock, holders of the Class A Common Stock are entitled to receive the sum of $5.00 per share before any payment or distribution to holders of the Class B Common Stock. Thereafter, holders of the Class B Common Stock are entitled to receive a payment or distribution of $5.00 per share. Thereafter, holders of the Class A Common Stock and Class B Common Stock share equally in all payments or distributions upon liquidation, dissolution or winding up of the Company.

The preferences in dividends and liquidation rights of the Class A Common Stock over the Class B Common Stock will terminate at any time that the voting rights of Class A Common Stock and Class B Common Stock become equal.

The Company has a Nonqualified Stock Option Plan (the Plan) under which 500,000 shares of Class A Nonvoting Common Stock were made available for grant. Options are issued at an option price equal to the market price at the grant date. Options granted prior to 1992 become exercisable once the employees have been continuously employed for six months after the grant date. Generally, options granted in 1992 and thereafter will not be exercisable until one year after the date of grant, to the extent of one-third per year. Transactions with respect to the Plan are summarized as follows:

	Option Price	Options Outstanding
Balance, August 1, 1992	$20.50-$29.8125	142,550
Options granted	37.125	40,750
Options exercised	20.50-29.8125	(26,000)
Options cancelled	20.50-29.8125	(7,500)
Balance, July 31, 1993.	20.50-37.125	149,800
Options granted	36.50-43.00	78,400
Options exercised	20.50-37.125	(39,650)
Options cancelled	28.125-37.125	(9,750)
Balance, July 31, 1994.	20.50-43.00	178,800
Options granted	47.00	38,250
Options exercised	20.50-37.125	(30,529)
Options cancelled	29.8125-47.00	(13,802)
Balance, July 31, 1995 (98,009 options exercisable)	20.50-47.00	172,719
Available for grant after July 31, 1995 .		200,902

NOTE 7

DOMESTIC AND FOREIGN OPERATIONS

The Company operates predominantly in a single industry as a manufacturer and distributor of identification products. Operations are conducted in the United States and through subsidiaries located in Canada, Europe, Australia, Japan and Singapore. Transfers between geographic areas primarily represent intercompany export sales of goods produced in the U.S. and are based on established sales prices between the related corporations. In computing operating income for non-U.S. subsidiaries, no allocations of general corporate expenses, interest or income taxes have been made.

Identifiable assets of subsidiaries are those assets related to the operations of those subsidiaries. Corporate assets consist primarily of cash and cash equivalents.

(Dollars in Thousands)	United States	Europe	Other	Corporate Assets and Eliminations	Consolidated
YEAR ENDED JULY 31, 1995:					
Sales to unaffiliated customers. .	$185,123	$88,723	$ 40,516	--	$314,362
Transfers between geographic areas	20,975	197	100	$(21,272)	--
Net sales	$206,098	$88,920	$ 40,616	$(21,272)	$314,362
Operating	$ 27,693	$12,509	$ 545	$ (162)	$ 40,585
Identifiable assets.	$106,371	$36,586	$ 16,259	$ 70,789	$230,005
					--
YEAR ENDED JULY 31, 1994:					
Sales to unaffiliated customers. .	$161,024	$64,634	$ 30,183	--	$255,841
Transfers between geographic areas	18,965	159	128	$(19,252)	--
Net sales	$179,989	$64,793	$ 30,311	$(19,252)	$255,841
Operating income	$ 20,318	$ 7,605	$ 2,091	$ (539)	$ 29,475
Identifiable assets.	$112,161	$26,921	$ 11,855	$ 51,572	$202,509
					--
YEAR ENDED JULY 31, 1993:					
Sales to unaffiliated customers. .	$166,017	$53,912	$ 23,041	--	$242,970
Transfers between geographic areas	14,266	169	81	$(14,516)	--
Net sales	$180,283	$54,081	$ 23,122	$(14,516)	$242,970
Operating income	$ 21,292	$ 5,117	$ (479)	$ (606)	$ 25,324
Identifiable assets.	$134,453	$23,152	$ 11,329	$ 10,967	$179,901

Information with respect to operations located outside the United States which have been translated into U.S. dollars are as follows:

Years Ended July 31, 1995, 1994 and 1993 (Dollars in Thousands)	1995	1994	1993
Current assets	$ 51,727	$41,702	$38,497
Other assets	8,805	4,833	3,949
Property, plant and equipment.	11,656	8,474	8,070
Total assets	$ 72,188	$55,009	$50,516
Current liabilities.	$ 44,575	$38,645	$34,081
Long-term debt	763	590	492
Other liabilities.	743	66	197
Stockholders' investment	26,107	15,708	15,746
Total liabilities and stockholders investment . . .	$ 72,188	$55,009	$50,516
Net sales	$129,267	$95,104	$77,203
W.H. Brady Co. equity in net income	$ 7,385	$ 5,470	$ 1,666

NOTE 8

NET INCOME PER COMMON SHARE

Net income per Common Share is computed by dividing net income (after deducting the applicable Preferred Stock dividends and preferential Class A Common Stock dividends) by the weighted average Common Shares outstanding of 7,266,643 for 1995; 7,226,038 for 1994; and 7,194,545 for 1993. The preferential dividend on the Class A Common Stock of $.10 per share has been added to the net income per Class A Common Share for all years presented.

NOTE 9

COMMITMENTS

The Company has entered into various noncancellable operating lease agreements. Rental expense charged to operations was $3,057,000 for 1995; $2,788,000 in 1994; and $2,871,000 in 1993. Future minimum lease payments required under such leases in effect at July 31, 1995, are as follows (by fiscal year):

1996	$4,014,000
1997	3,231,000
1998	1,492,000
1999	641,000
2000	596,000
Thereafter	1,439,000

Independent Auditors' Report

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF W.H. BRADY CO.:

We have audited the accompanying consolidated balance sheets of W.H. Brady Co. and subsidiaries as of July 31, 1995 and 1994, and the related statements of income, stockholders' investment and cash flows for each of the three years in the period ended July 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the companies at July 31, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended July 31, 1995, in conformity with generally accepted accounting principles.

Deloitte & Touche LLP

Milwaukee, Wisconsin
September 12, 1995

Corporate Data

W.H. BRADY CO. OPERATIONS

Brady AB
Upplands-Vasby, Sweden

Brady Financial Co.
Glendale, Wisconsin, USA

Brady International Co.
Milwaukee, Wisconsin, USA

Brady Precision Tape Co.
Cedarburg, Wisconsin, USA

Brady USA, Inc.
Milwaukee, Wisconsin, USA

Brady Service Co.
Milwaukee, Wisconsin, USA

W.H. Brady Co. Ltd.
Banbury, Oxon, England

W.H. Brady Co. sales office
Kowloon, Hong Kong

W.H. Brady Co. sales office
Seoul, South Korea

W.H. Brady GmbH
Rodermark, Germany

W.H. Brady, Inc.
Rexdale, Ontario, Canada

W.H. Brady Pte. Ltd.
Singapore

W.H. Brady Pty. Ltd.
Chipping Norton, Australia

W.H. Brady Pty. Ltd. sales office
Auckland, New Zealand

W.H. Brady, N.V.
Zele, Belgium

W.H. Brady, N.V. sales office
Saronno, Italy

W.H. Brady S.A.R.L.
Paris, France

Nippon Brady K.K.
Yokohama, Japan

Seton Australia Pty. Ltd.
Chipping Norton, Australia

Seton
Branford, Connecticut, USA

Seton, Inc.
Markham, Ontario, Canada

Seton GmbH
Langen, Germany

Seton Italia Srl
Saronno, Italy

Seton Limited
Banbury, Oxon, England

Seton S.A.
Roubaix, France

OFFICERS

Katherine M. Hudson
President, Chief Executive Officer

Donald P. DeLuca
Senior Vice President,
Chief Financial Officer and Treasurer

Mary T. Arnold
Vice President

Research and Development

Richard L. Fisk
Vice President
Seton Group

David R. Hawke
Vice President
Signmark(R) Group

David W. Schroeder
Vice President
Identification Systems
and Specialty Tapes Group

James M. Sweet
Vice President
Human Resources

Donald E. Rearic
President
Brady Financial Co.

Thomas E. Scherer
Controller

Peter J. Lettenberger
Secretary
Partner, Quarles & Brady

BOARD OF DIRECTORS

Richard A. Bemis
President
Bemis Manufacturing Company

William H. Brady, III
Investor

Robert C. Buchanan
President and CEO
Fox Valley Corporation

Donald P. DeLuca
Senior Vice President, CFO and Treasurer
W.H. Brady Co.

Frank W. Harris
Professor of Polymer Science
University of Akron

Katherine M. Hudson
President and CEO
W.H. Brady Co.

Peter J. Lettenberger
Partner
Quarles & Brady

Elizabeth Brady Lurie
President and Administrator
W.H. Brady Foundation

Gary E. Nei
Chairman
B & B Publishing

Roger D. Peirce
President and CEO
Valuation Research Corp.

Shareholder Services

COMMON STOCK LISTING

As of September 8, 1995, there were 324 Class A Nonvoting Common Stock shareholders of record and two Class B Voting Common Stock shareholders.

W.H. Brady Co. Class A Nonvoting Common Stock trades on the over-the-counter market under the symbol BRCOA. Trading information is carried by the National Association of Securities Dealers Automated Quotation System (NASDAQ).

SHAREHOLDER ACCOUNT RECORDS

Shareholder account records are maintained in the corporate general office. Shareholder inquiries should be directed to Donald P. DeLuca, senior vice president and chief financial officer, W.H. Brady Co., 6555 W. Good Hope Road, P.O. Box 571, Milwaukee, Wisconsin 53201-0571, (414) 358-6600.

QUARTERLY STOCK DATA

	1995		1994		1993	
	High	Low	High	Low	High	Low
4th Quarter	$71-1/2	$52-3/4	$49	$44-3/4	$36-1/2	$34-3/4
3rd Quarter	53	47	48	43-1/2	37-3/4	34
2nd Quarter	48-1/2	47	46-1/2	36	37-3/4	35-1/2
1st Quarter	49	47	37	34-1/2	37-1/4	33-1/4

DIVIDEND POLICY

Dividends are normally paid on the last day of October, January, April and July. The Board of Directors voted a quarterly dividend of 30 cents per share of Class A Nonvoting Common Stock to shareholders of record on October 6, 1995.

Shareholders may have their dividends reinvested in Brady stock. Brochures about this program are available through the Investor Services Unit of the stock transfer agent, Firstar Trust Company, by calling (800) 637-7549.

STOCK TRANSFER AGENT

Firstar Trust Company
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202

ADDITIONAL INFORMATION AVAILABLE

If your stock is held in a street name and you wish to receive shareholder publications directly from the Company, please contact Donald P. DeLuca at W.H. Brady Co., P.O. Box 571, Milwaukee, Wisconsin 53201-0571, (414) 358-6600. Your name will be added to the mailing list.

COMPANY NEWS

W.H. Brady Co. issues many of its corporate news releases through PR Newswire. You can obtain faxed copies of recent news releases by calling Company News On-Call at (800) 758-5804. This electronic, menu-driven system will request a six-digit code (952350) which will enable you to request specific Brady releases to be sent to your fax machine.

Brady information, including the corporate brochure, is also available at http//www.whbrady.com on the Internet World Wide Web.

FORM 10-K

A copy of the W.H. Brady Co. 1995 Annual Report on Form 10-K, to be filed with the Securities and Exchange Commission, is also available without charge upon written request.

ANNUAL MEETING

The annual meeting of W.H. Brady Co. will be held at 9 a.m. on Friday, November 17, 1995, at the Wyndham Milwaukee Center Hotel, 139 E. Kilbourn Avenue, Milwaukee, Wisconsin 53202.

PLEASE RESPOND

TO OUR SHAREHOLDERS: W.H. Brady Co. is reviewing its shareholder communication to ensure that it meets your needs and that it is timely and cost-effective. Please take a minute to complete and return the card below. Your opinion is important. We will be formulating our future communications based on your response. Thank you for your help.

W.H. BRADY CO.
CORPORATE COMMUNICATIONS DEPARTMENT

- --

WHAT IS YOUR MAIN SOURCE OF INFORMATION ABOUT W.H. BRADY CO.?
/ / Annual Reports / / Interim Reports / / Annual Meeting / / News Media
/ / Stock Broker/Investment Advisor / / Other (Please name) ________________

DO YOU FEEL THAT YOU RECEIVE ENOUGH INFORMATION ABOUT THE COMPANY?
/ / Yes / / No If not, what information do you feel is missing? ___________

____

IS THE INFORMATION TIMELY? / / Yes / / No
If not, please explain. ____

PLEASE RATE HOW UNDERSTANDABLE THE INFORMATION IS THAT YOU RECEIVE.
/ / Very Understandable / / Understandable
/ / Difficult to understand Indicate specific area __________________________

DO YOU RECEIVE INTERIM REPORTS? (Issued first through third quarters)
/ / Yes / / No
If yes, do you: / / Only read the letter / / Only review the financials
/ / Read the entire report / / Skim the report / / Discard without reviewing
/ / Find the report useful

WOULD YOU PREFER TO RECEIVE A NEWS RELEASE:
/ / Instead of the report / / In addition to the report / / Not necessary

HOW CAN WE IMPROVE OUR COMMUNICATION? ____

____

ADDITIONAL COMMENTS. ____

____

ABOUT YOU
HOW MANY YEARS HAVE YOU BEEN A SHAREHOLDER? __________________________________
INDICATE HOW THE STOCK IS OWNED: (Check all that apply.)
/ / Individual (including joint tenant) / / In my (our) own name(s)
/ / Through my (our) broker / / W.H Brady Co. Employee Investment Program
/ / Institutional Investor

DO YOU PARTICIPATE IN OUR AUTOMATIC DIVIDEND REINVESTMENT PROGRAM?
/ / Yes / /No
/ / I would like to receive information about the program

Name____

Street Address____

City/State/Zip____

EXHIBIT 21.1

SCHEDULE OF SUBSIDIARIES OF W.H. BRADY CO.

Name of Company	State (Country) of Incorporation	Percentage of Voting Securities Owned
W. H. Brady Co.	Wisconsin	Parent
Brady Financial Co.	Delaware	100%
Tricor Direct Inc.- Doing business As Seton; Seton Name Plate Company; D&G Sign and Label Co.	Delaware	100%
Worldmark of Wisconsin Inc.	Delaware	100%
Brady International Sales, Inc.	U.S. Virgin Islands	100%
Brady International Co.	Wisconsin	100%
Brady Precision Tape Co.	Wisconsin	100%
Brady Service Co.	Wisconsin	100%
Brady USA, Inc.	Wisconsin	100%
W.H. Brady, Pty. Ltd.	Australia	100%
Seton Australia Pty. Ltd.	Australia	100%
W.H. Brady, N.V.	Belgium	100%
W.H. Brady Identification Solutions, Inc.	Canada	100%
W.H. Brady, Ltd.	England	100%
Seton, Ltd.	England	100%
W.H. Brady, S.A.R.L.	France	100%
Seton S.A.	France	100%
W.H. Brady, GmbH	Germany	100%
Seton, GmbH	Germany	100%
Seton Italia SRL	Italy	100%
Nippon Brady K.K.	Japan	100%
W.H. Brady, Pte. Ltd.	Singapore	100%
Brady AB	Sweden	100%
NYBYGGAREN 29:782 AB	Sweden	100%

EXHIBIT.23.1

INDEPENDENT AUDITORS' CONSENT

To the Board of Directors and Stockholders of
W.H. Brady Co.:

We consent to the incorporation by reference in Registration Statement No. 33-30258 of W.H. Brady Co. on Form S-8 of our reports dated September 12, 1995, appearing in and incorporated by reference in the Annual Report on Form 10-K of W.H. Brady Co. for the year ended July 31, 1995.

/S/ Deloitte & Touche LLP
Milwaukee, Wisconsin
October 13, 1995

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1,000

YEAR
JUL-31-1995
AUG-01-1994
JUL-31-1995
89,067
0
43,985
1,881
23,099
164,472
108,794
50,221
230,005
34,534
1,903
73
2,855
0
167,895
230,005
314,362
314,362
143,634
143,634
130,143
0
555
44,639
16,728
27,911
0
0
0
27,911
3.83
3.83