UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 15, 2006

BRADY CORPORATION
(Exact name of registrant as specified in its charter)

Commission File Number 1-14959

Wisconsin (State of Incorporation)	39-0971239 (IRS Employer Identification No.)

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

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On November 15, 2006, Brady Corporation (the "Corporation") issued a press release announcing its fiscal 2007 first quarter financial results. A copy of the press release is being furnished to the Securities and Exchange Commission as Exhibit 99.1 attached herewith and incorporated by reference.

Item 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS

(d) On November 16, 2006, the Corporation issued a press release announcing that Chan Galbato has been elected to its Board of Directors. There was no arrangement or understanding pursuant to which Mr. Galbato was elected as a director, and there are no related party transactions between the Corporation and Mr. Galbato. Mr. Galbato has not been appointed to a committee at this time. Mr. Galbato will be eligible to participate in the Corporation's equity incentive and other benefit plans on a basis similar to other non-employee directors, although no equity awards had been made to Mr. Galbato at this time. A copy of the press release is being provided to the Securities and Exchange Commission as Exhibit 99.2 attached herewith and incorporated by reference.

(e) On November 16, 2006, at the Corporation's Annual Shareholders' Meeting, the holders of the Corporation's Class B Common Stock approved the Brady Corporation 2006 Omnibus Incentive Stock Plan (the "2006 Omnibus Plan"). Under the terms of the 2006 Omnibus Plan, pursuant to which 2,000,000 shares of the Corporation's Class A Common Stock have been authorized for issuance, the Corporation may grant nonqualified stock options, incentive stock options, shares of restricted stock and restricted stock units to eligible employees of the Corporation and its affiliates. The 2006 Omnibus Plan, which became effective upon shareholder approval, provides that after December 31, 2006, no further awards or grants shall be made under the Corporation's 1997, 2003 or 2004 Omnibus Incentive Stock Plans. The foregoing description of the 2006 Omnibus Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the 2006 Omnibus Plan, a copy of which is filed herewith as Exhibit 10.1 and is incorporated herein by reference.

The holders of the Corporation's Class B Common Stock also approved at the Annual Shareholders' Meeting held on November 16, 2006, the Brady Corporation Incentive Compensation Plan for Elected Corporate Officers (the "Incentive Compensation Plan"). Under the terms of the Incentive Compensation Plan, certain officers of the Corporation are eligible to receive bonus awards that are intended to constitute "qualified performance-based compensation" under Section 162(m) of the Internal Revenue Code. The foregoing description of the Incentive Compensation Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the Incentive Compensation Plan, a copy of which is filed herewith as Exhibit 10.2 and is incorporated herein by reference.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

The following are furnished as Exhibits to this Report.

Exhibit No.	Description of Exhibit
10.1	Brady Corporation 2006 Omnibus Incentive Stock Plan
10.2	Brady Corporation Incentive Compensation Plan for Elected Corporate Officers
99.1	Press Release of Brady Corporation, dated November 15, 2006.
99.2	Press Release of Brady Corporation, dated November 16, 2006.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BRADY CORPORATION

Date: November 20, 2006

/s/ David Mathieson
David Mathieson
Vice President &
Chief Financial Officer

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EXHIBIT INDEX

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EXHIBIT 10.1

BRADY CORPORATION
2006 OMNIBUS INCENTIVE STOCK PLAN

I. INTRODUCTION

1.01 Purpose. This plan shall be known as the Brady Corporation 2006 Omnibus Incentive Stock Plan. The purpose of the Plan is to provide an incentive for employees of Brady Corporation and its Affiliates to improve corporate performance on a long-term basis, and to attract and retain employees by enabling employees to participate in the future successes of the Corporation, and by associating the long term interests of employees with those of the Corporation and its shareholders. It is intended that the Plan and its operation comply with the provisions of Rule 16b-3 under the Securities Exchange Act of 1934 (or any successor rule). The Plan is intended to permit the grant of Nonqualified Stock Options, Incentive Stock Options, shares of Restricted Stock and Restricted Stock Units. The proceeds received by the Corporation from the sale of Corporation Stock pursuant to the Plan shall be used for general corporate purposes.

1.02 Effective Date. The effective date of the Plan shall be November 15, 2006, subject to approval of the Plan by holders of a majority of the outstanding voting common stock of the Corporation provided that such approval is given within 12 months of the effective date. Any Award granted prior to such shareholder approval shall be expressly conditioned upon shareholder approval of the Plan.

1.03 Effect on Prior Plans. After December 31, 2006, no further awards or grants will be made under the Brady Corporation 1997, 2003 or 2004 Omnibus Incentive Stock Plans.

II. PLAN DEFINITIONS

For Plan purposes, except where the context clearly indicates otherwise, the following terms shall have the meanings set forth below:

(a) "Affiliates" means any "subsidiary corporation" or "parent corporation" as such terms are defined in Section 424 of the Code.

(b) "Agreement" means a written agreement (including any amendment or supplement thereto) between the Corporation and a Participant specifying the terms and conditions of an Award.

(c) "Award" shall mean the grant of any form of Stock Option, Restricted Stock or Restricted Stock Units.

(d) "Board" shall mean the Board of Directors of the Corporation.

(e) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(f) "Committee" shall mean the Committee described in Section 4.01.

(g) "Corporation" shall mean Brady Corporation, a Wisconsin corporation.

(h) "Corporation Stock" shall mean the Corporation's Class A Non-Voting Common Stock, $.01 par value, and such other stock and securities as may be substituted therefor pursuant to Section 3.02.

(i) "Eligible Employee" shall mean any regular salaried employee of the Corporation or an Affiliate, including an employee who is a member of the Board, who satisfies the requirements of Section 5.01.

(j) "Exercise Period" shall mean the period of time provided pursuant to Section 6.05 within which a Stock Option may be exercised.

(k) "Fair Market Value" on any date shall mean, with respect to Corporation Stock, if the stock is then listed and traded on a registered national securities exchange, or is quoted in the NASDAQ National Market System, the average of the high and low sale prices recorded in composite transactions for such date or, if such date is not a business day or if no sales of Corporation Stock shall have been reported with respect to such date, the next preceding business date with respect to which sales were reported. In the absence of reported sales or if the stock is not so listed or quoted, but is traded in the over-the-counter market, Fair Market Value shall be the average of the closing bid and asked prices for such shares on the relevant date.

(l) "Participant" means an Eligible Employee who has been granted an Award under this Plan.

(m) "Performance Goals" means the performance goals established by the Committee prior to the grant of any Award of Stock Options, Restricted Stock or Restricted Stock Units intended to qualify as "performance-based compensation" under Section 162(m) of the Code. Performance Goals may be established at the Company or business unit level and may be based upon the attainment of goals relating to one or more of the following business criteria measured on an absolute basis or in terms of growth or reduction: revenue, expenses, net income (pre-tax or after-tax and with adjustments as stipulated), earnings per share, return on equity, return on assets, return on tangible book value, operating income, earnings before depreciation, interest, taxes and amortization (EBDITA), loss ratio, expense ratio, increase in stock price, total shareholder return, economic value added and operating cash flow. The Committee may establish other subjective or objective performance goals, including individual goals, which it deems appropriate.

(n) "Person" means any individual or entity, and the heirs, personal representatives, executors, administrators, legal representatives, successors and assigns of such Person as the context may require.

(o) "Plan" shall mean the Brady Corporation 2006 Omnibus Incentive Stock Plan, as set forth herein, as it may be amended from time to time.

(p) "Restricted Stock" means shares of Corporation Stock granted to a Participant under Article VII.

(q) "Restricted Stock Unit" means an Award granted to a Participant under Article VIII.

(r) "Stock Option" means an option to purchase a stated number of shares of Corporation Stock at the price set forth in an Agreement. A Stock Option may be either a Nonqualified Stock Option or an Incentive Stock Option.

III. SHARES SUBJECT TO AWARD

3.01 Available Shares. Subject to adjustments under Section 3.02, the total number of shares of Corporation Stock authorized for issuance shall not exceed two million (2,000,000) shares, provided that no individual Eligible Employee may be granted an Award or Awards under the Plan covering more than one hundred thousand (200,000) shares of Corporation Stock in any calendar year (determined without regard to grants under any other plan or program). The shares authorized for issuance under the Plan may consist, in whole or in part, of authorized but unissued Corporation Stock, or of treasury stock of the Corporation. Shares subject to and not issued under an Award that expires, terminates, is canceled or forfeited for any reason under the Plan shall again become available for the granting of Awards.

3.02 Changes in Corporation Stock. In the event of any change in the Corporation Stock resulting from a reorganization, recapitalization, stock split, stock dividend, merger, consolidation, rights offering or like transaction, the Committee shall, in its discretion, proportionately and appropriately adjust: (a) the aggregate number and kind of shares authorized for issuance under the Plan and (b) in the case of previously granted Stock Options, the option price and the number and kind of shares subject to the Stock Options, without any change in the aggregate purchase prices to be paid for the Stock Options.

IV. ADMINISTRATION

4.01 Administration by the Committee. The Plan shall be administered by the Committee. The Committee shall be a committee designated by the Board to administer the Plan and shall initially be the Compensation Committee of the Board. The Committee shall be constituted to permit the Plan to comply with the provisions of Rule 16b-3 under the Securities Exchange Act of 1934 (or any successor rule) and Section 162(m) of the Code. A majority of the members of the Committee shall constitute a quorum. The approval of such a quorum, expressed by a majority vote at a meeting held either in person or by conference telephone call, or the unanimous consent of all members in writing without a meeting, shall constitute the action of the Committee and shall be valid and effective for all purposes of the Plan.

4.02 Committee Powers. Subject to Section 10.06, the Committee is empowered to adopt, amend and rescind such rules, regulations and procedures and take such other action as it shall deem necessary or proper for the administration of the Plan and, in its discretion, may modify, extend or renew any Award theretofore granted. The Committee shall also have authority to interpret the Plan, and the decision of the Committee on any questions concerning the interpretation of the Plan shall be final and conclusive. The express grant in the Plan of any specific power to the Committee shall not be construed as limiting any power or authority of the Committee. The Committee shall not incur any liability for any action taken in good faith with respect to the Plan or any Award.

Subject to the provisions of the Plan, the Committee shall have full and final authority to:

(a) designate the Eligible Employees to whom Awards shall be granted;

(b) grant Awards in such form and amount as the Committee shall determine;

(c) impose such limitations, restrictions and conditions upon any such Award as the Committee shall deem appropriate, including conditions (in addition to those contained in this Plan) (i) on the exercisability of all or any portion of a Stock Option, (ii) on the transferability or forfeitability of Restricted Stock or (iii) requiring an Eligible Employee to retain all or a portion of the Corporation Stock for a period of time following the exercise of a Stock Option, the vesting of Restricted Stock or the payment of Restricted Stock Units;

(d) prescribe the form of Agreement with respect to each Award;

(e) waive in whole or in part any limitations, restrictions or conditions imposed upon any such Award as the Committee shall deem appropriate (including accelerating the time at which any Stock Option may be exercised or the time at which Restricted Stock may become transferable or nonforfeitable);

(f) make adjustments in the terms and conditions of a Performance Goal in recognition of unusual or nonrecurring events affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, provided that no such adjustment shall be authorized to the extent that such adjustment would be inconsistent with the Plan's or any Performance Award meeting the requirements of Section 162(m) of the Code; and

(g) determine the extent to which leaves of absence for governmental or military service, illness, temporary disability and the like shall not be deemed interruptions of continuous employment.

V. PARTICIPATION

5.01 Eligibility. Any employee of the Corporation and its Affiliates (including officers and employees who may be members of the Board) who, in the sole opinion of the Committee, has contributed or can be expected to contribute to the profits, growth and success of the Corporation shall be eligible for Awards under the Plan. A member of the Committee or any person who is expected to become a member within one year of any Award shall not be an Eligible Employee if his or her status as an Eligible Employee would prevent the Committee from being “disinterested” under Rule 16b-3 under the Securities Exchange Act of 1934. From among all such Eligible Employees, the Committee shall determine from time to time those Eligible Employees to whom Awards shall be granted. No Eligible Employee shall have any right whatsoever to receive an Award unless so determined by the Committee.

5.02 No Employment Rights. The Plan shall not be construed as conferring any rights upon any person for a continuation of employment, nor shall it interfere with the rights of the Corporation or any Affiliates to terminate the employment of any person or to take any other action affecting such person.

VI. STOCK OPTIONS

6.01 Stock Options; General. Stock Options granted under the Plan shall be in the form of Nonqualified Stock Options (“NSOs”), Incentive Stock Options (“ISOs”) or a combination thereof. Each Stock Option granted under the Plan shall be evidenced by an Agreement which shall contain the terms and conditions required by this Article VI, and such other terms and conditions, not inconsistent herewith, as the Committee may deem appropriate in each case. A Stock Option granted under the Plan shall not be treated as an Incentive Stock Option unless the Stock Option Agreement specifically designates the option as an Incentive Stock Option.

6.02 Stock Option Holder’s Rights as a Shareholder. The holder of a Stock Option shall not have any rights as a shareholder with respect to the shares covered by a Stock Option until such shares have been delivered to him or her.

6.03 Option Price. The price at which each share of Corporation Stock covered by a Stock Option may be purchased shall be not less than 100% of the Fair Market Value of such stock on the date on which the option is granted. The option price shall be subject to adjustment as provided in Section 3.02 hereof.

6.04 Date Stock Option Granted. For purposes of the Plan, a Stock Option shall be considered as having been granted on the date on which the Committee authorized the grant of the Stock Option except where the Committee has designated a later date, in which event the later date shall constitute the date of grant of the Stock Option; provided, however, that notice of the grant of the Stock Option shall be given to the Participant within a reasonable time.

6.05 Exercise Period. The Committee shall have the power to set the time or times within which each Option shall be exercisable, and to accelerate the time or times of exercise; provided, however, that

(a) no Stock Option granted under this Plan to any Person subject to the reporting requirements of Section 16(b) of the Securities and Exchange Act of 1934 may be exercised until at least six months from the later of (i) the date of grant or (ii) shareholder approval of the Plan, and

(b) no Stock Option shall be exercisable after the expiration of ten (10) years from the date the Stock Option is granted. Each Agreement with respect to a Stock Option shall state the period or periods of time within which the Stock Option may be exercised by the Participant, in whole or in part.

Subject to the foregoing, unless the Agreement with respect to a Stock Option expressly provides otherwise, a Stock Option shall be exercisable in accordance with the following schedule:

Years After Date of Grant	Percentage of Shares
Less than 1	0%
1 but less than 2	33-1/3%
2 but less than 3	66-2/3%
3 or more	100%

6.06 Method of Exercise. Subject to Section 6.05, each Stock Option may be exercised in whole or in part from time to time as specified in the Agreements provided, however, that each Participant may exercise a Stock Option in whole or in part by giving written notice of the exercise to the Corporation, specifying the number of shares to be purchased by payment in full of the purchase price therefor. The purchase price may be paid (a) in cash, (b) by check, (c) with the approval of the Committee, or if the applicable Agreement so provides, by delivering shares of Corporation Stock ("Delivered Stock), or (d) with a combination of cash, check and Delivered Stock. For purposes of the foregoing, Delivered Stock shall be valued at its Fair Market Value determined as of the business day immediately preceding the date of exercise of the Stock Option. No Participant shall be under any obligation to exercise any Stock Option hereunder.

6.07 Dissolution or Liquidation. Anything contained herein to the contrary notwithstanding, on the effective date of any dissolution or liquidation of the Corporation, any unexercised Stock Options shall be deemed cancelled, and the holder of any such unexercised Stock Options shall be entitled to receive payment under Section 10.04.

6.08 Special Rules for Incentive Stock Options. For so long as Section 422 (or any successor provision) of the Code so provides:

(a) The aggregate Fair Market Value of Corporation Stock (determined as of the date the stock option is granted) with respect to which ISOs are exercisable for the first time during a calendar year may not exceed $100,000. To the extent that the value of the stock subject to options exceeds that amount, the excess shall be considered to be NSOs, with the determination to be made in the order the options are granted.

(b) Employees who own, directly or indirectly, within the meaning of Code Section 425(d), more than 10% of the voting power of all classes of stock of the Corporation or any parent or subsidiary corporation shall not be eligible to receive an ISO hereunder unless the purchase price per share under such option is at least 110% of the Fair Market Value of the stock subject to the option and such option by its terms is not exercisable after the expiration of five (5) years from the date such option is granted

(c) To obtain favorable ISO tax treatment, the option must be exercised while the Participant is an employee, or within three months after the Participant's termination as an employee; provided that, in the case of termination on account of disability (as defined in Section 22(e)(3) of the Code), the exercise period may be extended to one year; and further provided that the employment requirement is waived in the case of the participant's death.

VII. RESTRICTED STOCK

7.01 Administration. Shares of Restricted Stock may be issued either alone or in addition to other Awards granted under the Plan. The Committee shall determine the Eligible Employees to whom and the time or times at which grants of Restricted Stock will be made, the number of shares to be granted, the time or times within which such Awards may be subject to forfeiture or otherwise restricted and any other terms and conditions of the Awards. The restrictions may be based upon specified Performance Goals, the Participant's continued employment with the Corporation or its Affiliates or such other factors or criteria as the Committee shall determine. Subject to Sections 7.02 and 7.03 hereof the provisions of Restricted Stock Awards need not be the same with respect to each recipient.

7.02 Certificates. Each individual receiving a Restricted Stock Award shall be issued a certificate in respect of such shares of Restricted Stock which certificate shall be held in custody by the Corporation until the restrictions thereon shall have lapsed. In addition, each individual receiving a Restricted Stock Award shall, as a condition of any such Restricted Stock Award, have delivered to the Corporation a stock power, endorsed in blank, with respect to the Corporation Stock covered by such Award. Each certificate in respect of shares of Restricted Stock shall be registered in the name of the Participant to whom such Restricted Stock has been granted and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award, substantially in the following form:

> "The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of the Brady Corporation 2006 Omnibus Incentive Stock Plan and a Restricted Stock Agreement. Copies of such Plan and Agreement are on file at the offices of the Brady Corporation."

In addition each certificate in respect of shares of Restricted Stock may bear such legends and statements as the Committee may deem advisable to assure compliance with the federal and state laws and regulations.

7.03 Terms and Conditions. Shares of Restricted Stock shall be subject to the following terms and conditions:

(a) Until the applicable restrictions lapse, the Participant shall not be permitted to sell, assign, transfer, exchange, pledge, hypothecate or otherwise dispose of or encumber shares of Restricted Stock.

(b) Unless and until a forfeiture of the Restricted Stock, the Participant shall have, with respect to the shares of Restricted Stock, all of the rights of a shareholder of the Corporation, including the right to vote the shares (if applicable) and the right to receive any cash dividends. Unless otherwise determined by the Committee, cash dividends shall be automatically paid in cash and dividends payable in Corporation Stock shall be paid in the form of additional Restricted Stock.

(c) Except to the extent otherwise provided in the applicable Restricted Stock Agreement and (d) below, all shares still subject to restriction shall be forfeited by the Participant upon termination of a Participant's employment for any reason.

(d) In the event of hardship or other special circumstances of a Participant whose employment is involuntarily terminated (other than for cause), the Committee may waive in whole or in part any or all remaining restrictions with respect to such Participant's shares of Restricted Stock.

(e) If and when the applicable restrictions lapse, unlegended certificates for such shares shall be delivered to the Participant.

(f) Each Award shall be confirmed by, and be subject to the terms of, a Restricted Stock Agreement.

VIII. RESTRICTED STOCK UNITS

8.01 Administration. Restricted Stock Units may be issued either alone or in addition to other Awards granted under the Plan. The Committee shall determine the Eligible Employees to whom and the time or times at which grants of Restricted Stock Units will be made, the number of units to be granted, the time or times within which such Awards may be subject to forfeiture or otherwise restricted and any other terms and conditions of the Awards. The restrictions may be based upon specified Performance Goals, the Participant's continued employment with the Corporation or its Affiliates or such other factors or criteria as the Committee shall determine. The provisions of Restricted Stock Awards need not be the same with respect to each recipient.

8.02 Form and Timing of Payment of Restricted Stock Units. Timing of payment of earned Restricted Stock Units shall be determined by the Committee at its sole discretion. The Committee, in its sole discretion, may pay earned Restricted Stock Units in the form of cash or in shares of Corporation Stock (or in a combination thereof), which have an aggregate Fair Market Value equal to the value of the earned Restricted Stock Units.

IX. WITHHOLDING TAXES

9.01 General Rule. Pursuant to applicable federal and state laws, the Corporation is or may be required to collect withholding taxes upon the exercise of a Stock Option or the lapse of stock restrictions. The Corporation may require, as a condition to the exercise of a Stock Option or the issuance of a stock certificate, that the Participant concurrently pay to the Corporation (either in cash or, at the request of Participant, but subject to such rules and regulations as the Committee may adopt from time to time, in shares of Delivered Stock) the entire amount or a portion of any taxes which the Corporation is required to withhold by reason of such exercise or lapse of restrictions, in such amount as the Committee or the Corporation in its discretion may determine. If and to the extent that withholding of any federal, state or local tax is required in connection with the exercise of an Option or the lapse of stock restrictions, the Participant may, subject to such rules and regulations as the Corporation may adopt from time to time, elect to have the Corporation hold back from the shares to be issued upon the exercise of the Stock Option or the lapse of stock restrictions, the number of shares of Corporation Stock having a Fair Market Value equal to such withholding obligation.

9.02 Special Rule for Insiders. Any such request or election (to satisfy a withholding obligation using shares) by an individual who is subject to the provisions of Section 16 of the Securities Exchange Act of 1934 (an “Insider”) shall be made in accordance with the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

X. GENERAL

10.01 Nontransferability. No Award granted under the Plan shall be transferable or assignable (or made subject to any pledge, lien, obligation or liability of a Participant) except by last will and testament or the laws of descent and distribution. Upon a transfer or assignment pursuant to a Participant’s last will and testament or the laws of descent and distribution, any Stock Option must be transferred in accordance therewith. During the Participant’s lifetime, Stock Options shall be exercisable only by the Participant or by the Participant’s guardian or legal representative. Notwithstanding the foregoing, NSOs may be transferred by a Participant to the Participant’s spouse, children or grandchildren or to a trust for the benefit of such spouse, children or grandchildren; provided that the terms of any such transfer prohibit the resale of shares acquired upon exercise of the option at a time during which the transferor would not be permitted to sell such shares under the Corporation’s policy on trading by insiders.

10.02 General Restriction. Each Award shall be subject to the requirement that if at any time the Board or the Committee shall determine, in its discretion, that the listing, registration, or qualification of securities upon any securities exchange or under any state or federal law, or the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of such Stock Option or the issue or purchase of securities thereunder, such Stock Option may not be exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board or the Committee. The Committee shall have the right to rely on an opinion of its counsel as to whether any such listing, registration, qualification, consent or approval shall have been effected or obtained.

10.03 Effect of Termination of Employment, Disability or Death. Except as otherwise provided by the Committee upon any Award, all rights under any Stock Option granted to a Participant shall terminate and any Restricted Stock or Restricted Stock Unit granted to a Participant shall be forfeited on the date such Participant ceases to be employed by the Corporation or its subsidiaries, except that

(a) if the Participant's employment is terminated by the death of the Participant, any unexercised, unexpired Stock Options granted hereunder to the Participant shall be 100% vested and fully exercisable, in whole or in part, at any time within one year after the date of death, by the Participant's personal representative or by the person to whom the Stock Options are transferred under the Participant's last will and testament or the applicable laws of descent and distribution;

(b) if the Participant dies within 90 days after termination of employment by the Corporation or its Affiliates, other than for cause, any unexercised, unexpired Stock Options granted hereunder to the Participant and exercisable as of the date of such termination of employment shall be exercisable, in whole or in part, at any time within one year after the date of death, by the Participant's personal representative or by the person to whom the Stock Options are transferred under the Participant's last will and testament or the applicable laws of descent and distribution;

(c) if the Participant's employment is terminated as a result of the disability of the Participant (a disability means that the Participant is disabled as a result of sickness or injury, such that he or she is unable to satisfactorily perform the material duties of his or her job, as determined by the Board of Directors, on the basis of medical evidence satisfactory to it), any unexercised, unexpired Stock Options granted hereunder to the Participant shall become 100% vested and fully exercisable, in whole or in part, at any time within one year after the date of disability;

(d) if the Participant's employment is terminated as a result of the Participant's retirement (after age 55 with ten years of employment with the Corporation or an Affiliate or after age 65), any unexercised, unexpired Stock Options granted hereunder to the Participant and exercisable as of the date of such retirement may be exercised by the Participant at any time within one year after the date of retirement; and

(e) if the Participant's employment is terminated by the Company or an Affiliate for any reason other than the Participant's death, disability or retirement of the Participant or for cause, any unexercised, unexpired Stock Options granted hereunder and exercisable as of the date of such termination of employment shall be exercisable in whole or in part at any time within 90 days after such date of termination.

If a Participant's employment is terminated for cause (as determined by the Committee in its sole discretion), all of the Participant's unexercised Stock Options shall expire and all of the Participant's Restricted Stock and Restricted Stock Units shall be forfeited. Notwithstanding the foregoing, no Stock Option shall be exercisable after the date of expiration of its term.

10.04 Merger, Consolidation or Reorganization. In the event of (a) the merger or consolidation of the Corporation with or into another corporation or corporations in which the Corporation is not the surviving corporation, (b) the adoption of any plan for the dissolution of the Corporation, or (c) the sale or exchange of all or substantially all the assets of the Corporation for cash or for shares of stock or other securities of another corporation, all then-unexercised Stock Options shall become fully exercisable, and all restrictions imposed on any then-Restricted Stock shall terminate (such that any Restricted Stock shall become fully transferable) immediately prior to any such merger or consolidation in which the Corporation is not the surviving corporation. Notwithstanding the foregoing, in the case of then-unexercised Stock Options held by persons subject to the reporting requirements of Section 16(a) of the 1934 Act, the Committee may elect to cancel any then-unexercised Stock Option. If any Stock Option is canceled, the Corporation, or the corporation assuming the obligations of the Corporation hereunder, shall pay the Participant an amount of cash or stock, as determined by the Committee, equal to the Fair Market Value per share of the Corporation Stock immediately preceding such cancellation over the option price, multiplied by the number of shares subject to such cancelled Stock Option.

10.05 Expiration and Termination of the Plan. This Plan shall remain in effect until all of the Awards made under the Plan have been exercised, the restrictions thereon have lapsed or the Awards have expired, terminated, or been canceled or forfeited. Notwithstanding the foregoing, no Awards shall be granted under the Plan, after that date which is ten years after the Plan is approved by the Board; or such earlier date as the Board determines in its sole discretion.

10.06 Amendments. The Board may from time to time amend, modify, suspend or terminate the Plan; provided, however, that no such action shall (a) impair without the Participant's consent any Award theretofore granted under the Plan or deprive any Participant of any shares of Corporation Stock which he may have acquired through or as a result of the Plan or (b) be made without shareholder approval where such approval would be required as a condition of compliance with Rule 16b-3.

10.07 Wisconsin Law. Except as otherwise required by applicable federal laws, the Plan shall be governed by, and construed in accordance with, the laws of the State of Wisconsin.

10.08 Unfunded Plan. The Plan, insofar as it provides for Awards, shall be unfunded and the Corporation shall not be required to segregate any assets that may at any time be represented by Awards under this Plan. Any liability of the Corporation to any Person with respect to any Award under this Plan shall be based solely upon any contractual obligations that may be created pursuant to this Plan. No such obligation of the Corporation shall be deemed to be secured by any pledge of, or other encumbrance on, any property of the Corporation.

10.09 Rules of Construction. Headings are given to the articles and sections of this Plan solely as a convenience to facilitate reference. The reference to any statute, regulation, or other provision of law shall be construed to refer to any amendment to or successor of such provision of law.

10.10 Gender and Number. Except when otherwise required by the context, words in the masculine gender shall include the feminine, the singular shall include the plural, and the plural the singular.

EXHIBIT 10.2

BRADY CORPORATION
INCENTIVE COMPENSATION PLAN
FOR ELECTED CORPORATE OFFICERS

I. THE PLAN

The name of this Plan is the Brady Corporation Incentive Compensation Plan for Elected Corporate Officers. The purpose of this Plan is to promote the interests of the shareholders and to provide incentive to the President, Chief Executive Officer, Chief Financial Officer, Vice Presidents, Treasurer, and the officers elected by the Board of Directors ("elected corporate officers") of the Corporation for contributions to the profitability of the Corporation. It is separate and distinct from the other Brady incentive plans currently in effect. It is intended that Bonus Awards paid under this Plan constitute "qualified performance-based compensation" under Section 162(m) of the Internal Revenue Code.

II. DEFINITIONS

In this Plan, the following terms used will have the following definitions:

A. "*Board of Directors*" means the Board of Directors of Brady Corporation.

B. "*Bonus Award*" means an award, either paid currently or paid on a deferred basis, as the result of the operation of this Plan.

C. "*Code*" means the Internal Revenue Code of 1986, as amended and in effect from time to time.

D. "*Committee*" means the committee provided for in Section III.

E. "*Corporation*" means Brady Corporation.

F. "*Fiscal Year Salary*" of any Participant means the base pay earned by such Participant during the relevant fiscal year of the Corporation, exclusive of any incentive compensation or supplemental payments by the Corporation.

G. "*Independent Auditors*" means, with respect to any fiscal year, the independent public accountants appointed by the Board of Directors to certify to the Board of Directors the financial statements of the Corporation.

H. "*Participant*" means any elected corporate officer of the Corporation.

I. "*Performance Goals*" means one or more of the following criteria, as determined by the Committee: (*i*) corporate net income; *(ii)* earnings per share; (*iii*) sales; *(iv)* return on equity; (*v*) return on invested capital; (*vi*) return on assets; *(vii)* revenue growth; (*viii*) earnings before interest, taxes, depreciation and amortization; (*vii*) earnings before interest, taxes and amortization; (*ix*) operating income; (*x*) pre- or after-tax income; (*xi*) cash flow; (*xii*) cash flow per share; (*xiii*) net earnings; (*xiv*) economic value added (or an equivalent metric); (*xv*) share price performance; (*xvi*) total shareholder return; (*xvii*) improvement in or attainment of expense levels; (*xviii*) improvement in or attainment of working capital levels; (*xix*) debt reduction; or (*xx*) strategic and leadership goals (provided, however, that strategic and leadership goals must be (*a*) able to be objectively determined for each participant such that an award based in whole or part on strategic and leadership goals would not fail to qualify as "qualified performance based compensation" under Treas. Reg. 1.162-27(e) promulgated under Section 162(m) of the Code, or (*b*) such goals are used solely by the Committee for the purposes of exercising its negative discretion pursuant to Section VI.B. hereof).

J. "*Plan*" means the Brady Corporation Incentive Compensation Plan for Elected Corporate Officers.

K. "*Regulations*" means the final, temporary and/or proposed Treasury Regulations promulgated under Section 162(m) of the Code and any other rulings or interpretative pronouncements promulgated by the Internal Revenue Service with respect to Section 162(m) of the Code, as in effect from time to time.

III. COMMITTEE

A. The Board of Directors has appointed and shall continue to appoint and keep in existence a Compensation Committee composed of at least three members of the Corporation's Board of Directors, each of whom constitutes an "outside director" within the meaning of Section 162(m) of the Code and the Regulations. This Committee shall be known as the "Committee" and shall have full power and authority to interpret and administer the Plan in accordance with its terms (provided that, except as provided in Sections V.B. and VI.B. hereof, the Committee shall have no authority or discretion to establish the amount of any Bonus Award pursuant to this Plan in any amount other than the "Planned Amount" (as hereinafter defined)). Determinations, interpretations or other actions made or taken by the Committee pursuant to the provisions hereof shall be final, binding and conclusive for all purposes and upon all persons. The Committee's decisions need not be uniform and may be made selectively among Participants, whether or not they are similarly situated.

B. The Board of Directors may, from time to time, remove members from the Committee or add members thereto, and vacancies on the Committee, however caused, shall be filled by action of the Board of Directors; provided, that no person shall be appointed to the Committee who does not qualify as an "outside director" (as defined in the preceding paragraph A).

IV. ESTABLISHMENT OF PERFORMANCE GOALS

A. Not later than the 90th day of each fiscal year of the Corporation, the Committee shall establish and adopt Performance Goals for such fiscal year. Such Performance Goals shall include: (a) a percent of Fiscal Year Salary that may be paid to a Participant as a Bonus Award under this Plan and (b) the amount of such percent of Fiscal Year Salary that is to be paid to a Participant as a Bonus Award under this Plan based on the relative or comparative achievement of the Performance Goals.

B. Following the 90th day of each fiscal year of the Corporation, the Performance Goals that have been established for the applicable fiscal year in accordance with the foregoing paragraph shall not be subject to modification or adjustment for any reason, except certain extraordinary events, as described in Paragraph VI.A.

V. PLAN PARTICIPATION; PARTIAL YEAR PARTICIPATION

A. Subject to Section VI.E. below, the persons entitled to participate in this Plan for any fiscal year of the Corporation are those persons who, at any time during such fiscal year, held a position as an elected corporate officer of the Corporation.

B. If any person serves as an elected corporate officer, and therefore is eligible to be a Participant, for less than 100% of any fiscal year, then any Bonus Award otherwise payable to such person hereunder for such fiscal year shall nonetheless be payable in full (subject to Section VI.E. below), unless the Committee in its discretion determines that the amount of such Bonus Award should be reduced to reflect such officer's service for less than the entire fiscal year, in which event the Bonus Award payable to such Participant shall be reduced to the extent so determined by the Committee. The amount of such reduction shall not be subject to the limitations on discretionary reductions imposed under Section VI.B. below.

VI. DETERMINATION AND PAYMENT OF BONUS AWARDS

A. Subject to the following sentence of this Paragraph A and to Paragraphs B, C and E of this Section VI, the amount of the Bonus Award payable to a Participant for any fiscal year under this Plan shall be an amount equal to the percentage of the specified percent of such Participant's Fiscal Year Salary for such fiscal year that corresponds to the relative or comparative achievement of the Performance Goals for such fiscal year, as established by the Committee in accordance with Section IV.A. In comparing actual performance against the Performance Goals, the Committee may exclude from or include in such comparison any extraordinary gains, losses, charges, or credits which appear on the Corporation's books and records as the Committee deems appropriate, provided that such exclusion does not cause any Bonus Award to fail to constitute "performance-based compensation" under Section 162(m) of the Code. An extraordinary item may include, but shall not be limited to, an item in the Corporation's financial statements reflecting a change in an accounting rule, tax law, or major legislation not taken into consideration in the establishment of the Performance Goals. In addition, the impact of a material dislocation in the U.S. economy or a substantive change in the Corporation's business plans also may be deemed to be such an extraordinary item. The dollar amount of any Bonus Award determined under this Paragraph A. is referred to herein as the "Planned Amount."

B. The Committee may in its discretion reduce the Bonus Award for any Participant or Participants for any fiscal year to an amount less than the Planned Amount if the Committee, in its discretion, determines such reduction to be appropriate, taking into consideration such factors as the Committee deems appropriate. In no event, however, shall any Bonus Award be reduced under this Section VI.B. to less than eighty percent (80%) of the Planned Amount. Discretionary reductions in Bonus Awards under this Paragraph B. may be made in different amounts or percentages for different Participants, and may be based on considerations unique to a particular Participant and/or considerations affecting the Corporation or all Participants generally. Under no circumstances shall the Committee have any discretion to increase any Bonus Award to an amount greater than the Planned Amount.

C. Notwithstanding the Performance Goals and the Planned Amounts, in no event shall any Bonus Award payable to any one Participant under this Plan for any fiscal year exceed $1,500,000.

D. All Bonus Awards for any fiscal year shall be paid no later than thirty (30) days after the Corporation files its Form 10-K with the Securities and Exchange Commission for such year.

E. No Bonus Award for a fiscal year shall be paid to a Participant whose employment with the Corporation terminates (regardless of the reason for or circumstances of that termination) prior to the time that Bonus Awards for such year are paid.

VII. SHAREHOLDER APPROVAL OF THE PLAN

This Plan shall become effective only after it has been submitted to and approved by a separate vote of the shareholders of voting shares of the Corporation, by the affirmative vote of a majority of the votes cast thereon. Until such approval has been obtained, no Participant shall be entitled to be paid any Bonus Award hereunder. The particular Performance Goals established for any fiscal year need not be approved by the shareholders. Once such shareholder approval is obtained, no further shareholder approval shall be required in any subsequent fiscal year until and unless required by the Code or the Regulations. If any material term of the Plan is changed, such that reapproval by the shareholders is required under the Code or the Regulations, then no Bonus Awards shall be payable to any Participant hereunder until such reapproval has been duly obtained.

VIII. SUCCESSORS AND ASSIGNS

A. If the Corporation sells, assigns or transfers all or substantially all of its business and assets to any person, excluding affiliates of the Corporation, or if the Corporation merges into or consolidates or otherwise combines with any person which is a continuing or successor entity, then the Corporation shall assign all of its right, title and interest in this Plan as of the date of such event to the person which is the acquiring or successor corporation, and such person(s) shall assume and perform from and after the date of such assignment all of the terms, conditions and provisions imposed by this Plan upon the Corporation.

B. In the case of such an assignment and assumption, all further rights, as well as all other obligations of the Corporation under this Agreement, thenceforth shall cease and terminate and thereafter the expression "the Corporation" wherever used herein shall be deemed to mean such successor person(s).

IX. PLAN AMENDMENTS, DISCONTINUANCE

The Board of Directors may amend, suspend or discontinue this Plan at any time, provided that the Performance Goals and the method by which the amount of Bonus Award is determined may not be altered for any fiscal year after the Performance Goals for such year have been established except in accordance with Section IV.B. of the Plan; and provided further, that the Plan may not be suspended or discontinued for any fiscal year after the Performance Goals have been established for such year.

EXHIBIT 99.1

For more information:
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For Immediate Release

Brady Corporation reports record sales and earnings for fiscal 2007 first quarter

MILWAUKEE (November 15, 2006)—Brady Corporation (NYSE:BRC) reports record sales and earnings for its fiscal 2007 first quarter ended October 31, 2006.

Sales for the quarter rose 42.8 percent to $332.3 million compared to $232.6 million in the first quarter of fiscal 2006. Base business contributed 5.7 percent to sales growth, acquisitions added 34.6 percent, and currency exchange added 2.5 percent.

Net income increased 14.1 percent in the fiscal 2007 first quarter to $34.4 million compared to $30.2 million in the same quarter last year. Earnings per diluted Class A Common share were $0.63 in the first quarter of fiscal 2007, compared $0.60 per diluted share in the prior year's quarter. Fiscal 2007 earnings per share results include the effect of issuance of an additional 4.6 million shares through an equity offering in the fourth quarter of fiscal 2006.

"We are very pleased with our first quarter results, especially given the comparison to last year's very strong first quarter and a high level of activity including the integration of recent acquisitions; business expansions in India, China, Japan, the Philippines, Slovakia, Turkey and Mexico; continuing global implementation of SAP; and a continued ramp-up of new product development," said Frank M. Jaehnert, Brady's president and chief executive officer.

"Our business so far in fiscal 2007 is tracking on plan with solid organic growth, and we are especially pleased with the growth in operating income from $44.1 million to $51.9 million in the quarter. We are also seeing strong regional sales growth including acquisitions, with Europe up 25.2 percent, Americas up 26.6 percent, and Asia/Pacific up 117.1 percent," said David Mathieson, Brady's chief financial officer. "As a result of our strong first quarter and the acquisition of Precision Converters, Inc. in the first quarter, we are increasing our guidance for the fiscal 2007. We now anticipate sales of between $1.25 and $1.275 billion, up from our previous guidance of $1.225 to $1.25 billion; net income between $122 and $126 million, up from $120 to $125 million; and earnings per share of $2.22 to $2.29, up from $2.18 to $2.27."

A webcast regarding fiscal 2007 first quarter results will be available at www.investor.bradycorp.com beginning at 7:00 a.m. Central Standard Time Thursday, November 16, followed by Brady's annual meeting of shareholders at 9:00 a.m. at Brady's Corporate Headquarters in Milwaukee.

Brady Corporation is an international manufacturer and marketer of complete solutions that identify and protect premises, products and people. Its products help customers increase safety, security, productivity and performance and include high-performance labels and signs, safety devices, printing systems and software, and precision die-cut materials. Founded in 1914, the company has more than 500,000 customers in electronics, telecommunications, manufacturing, electrical, construction, education, medical and a variety of other industries. Brady is headquartered in Milwaukee and employs more than 8,000 people at operations in the Americas, Europe and Asia/Pacific. Brady's fiscal 2006 sales were approximately $1.018 billion.

Brady stock trades on the New York Stock Exchange under the symbol BRC. More information is available on the Internet at www.bradycorp.com, which includes an on-line version of the 2006 Annual Report to Shareholders.

Information by regional segment for the three months ended October 31, 2006 and 2005 is as follows:

(in Thousands)	Americas	Europe	Asia	Subtotals	Corporate and Eliminations	Total
SALES TO EXTERNAL CUSTOMERS						
Three months ended:						
October 31, 2006	$146,943	$92,365	$92,951	$332,259	—	$332,259
October 31, 2005	116,059	73,762	42,814	232,635	—	232,635
SALES GROWTH INFORMATION						
Three months ended October 31, 2006:						
Base	2.6%	6.8%	11.9%	5.7%	—	5.7%
Currency	0.8%	5.3%	2.5%	2.5%	—	2.5%
Acquisitions	23.2%	13.1%	102.7%	34.6%	—	34.6%
Total	26.6%	25.2%	117.1%	42.8%	—	42.8%
SEGMENT PROFIT (LOSS)						
Three months ended:						
October 31, 2006	$ 36,905	$23,005	$22,137	$ 82,047	($2,197)	$ 79,850
October 31, 2005	32,194	20,778	13,010	65,982	(2,386)	63,596
Percentage increase (decrease)	14.6%	10.7%	70.2%	24.3%	-7.9%	25.6%

NET INCOME RECONCILIATION (in thousands)

	Three months ended: October 31, 2006	Three months ended: October 31, 2005
Total profit for reportable segments	$ 82,047	$ 65,982
Corporate and eliminations	(2,197)	(2,386)
Unallocated amounts:		
Administrative costs	(27,909)	(19,467)

	Three months ended:	
	October 31, 2006	October 31, 2005
Investment and other income	638	392
Interest expense	(4,735)	(1,989)
Income before income taxes	47,844	42,532
Income taxes	(13,396)	(12,334)
Net income	$ 34,448	$ 30,198

Brady believes that certain statements in this news release are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements related to future, not past, events included in this news release, including, without limitation, statements regarding Brady’s future financial position, business strategy, targets, projected sales, costs, earnings, capital expenditures, debt levels and cash flows, and plans and objectives of management for future operations are forward-looking statements. When used in this news release, words such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “should,” “project” or “plan” or similar terminology are generally intended to identify forward-looking statements. These forward-looking statements by their nature address matters that are, to different degrees, uncertain and are subject to risks, assumptions and other factors, some of which are beyond Brady’s control, that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. For Brady, uncertainties arise from future financial performance of major markets Brady serves, which include, without limitation, telecommunications, manufacturing, electrical, construction, laboratory, education, governmental, public utility, computer, transportation; difficulties in making and integrating acquisitions; risks associated with newly acquired businesses; Brady’s ability to retain significant contracts and customers; future competition; Brady’s ability to develop and successfully market new products; changes in the supply of, or price for, parts and components; increased price pressure from suppliers and customers; interruptions to sources of supply; environmental, health and safety compliance costs and liabilities; Brady’s ability to realize cost savings from operating initiatives; Brady’s ability to attract and retain key talent; difficulties associated with exports; risks associated with international operations; fluctuations in currency rates versus the US dollar; technology changes; potential write-offs of Brady’s substantial intangible assets; risks associated with obtaining governmental approvals and maintaining regulatory compliance for new and existing products; business interruptions due to implementing business systems; and numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive and regulatory nature contained from time to time in Brady’s U.S. Securities and Exchange Commission filings, including, but not limited to, those factors listed in the “Risk Factors” section located in Item 1A of Part II of Brady’s Quarterly Report on Form 10-K for the period ended July 31, 2006. These uncertainties may cause Brady’s actual future results to be materially different than those expressed in its forward-looking statements. Brady does not undertake to update its forward-looking statements.

BRADY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Dollars in Thousands)

	(Unaudited) Three Months Ended October 31, 2006	2005	Percentage Change
Net sales	$ 332,259	$ 232,635	42.8%
Cost of products sold	168,131	108,644	54.8%
Gross margin	164,128	123,991	32.4%
Operating expenses:			
Research and development	8,532	6,534	30.6%
Selling, general and administrative	103,655	73,328	41.4%
Total operating expenses	112,187	79,862	40.5%
Operating income	51,941	44,129	17.7%
Other income and (expense):			
Investment and other income	638	392	62.8%
Interest expense	(4,735)	(1,989)	138.1%
Income before income taxes	47,844	42,532	12.5%
Income taxes	13,396	12,334	8.6%
Net income	$ 34,448	$ 30,198	14.1%
Per Class A Nonvoting Common Share:			
Basic net income	$ 0.64	$ 0.61	4.9%
Diluted net income	$ 0.63	$ 0.60	5.0%
Dividends	$ 0.14	$ 0.13	7.7%
Per Class B Voting Common Share:			
Basic net income	$ 0.63	$ 0.60	5.0%
Diluted net income	$ 0.62	$ 0.59	5.1%
Dividends	$ 0.12	$ 0.11	9.1%
Weighted average common shares outstanding (in thousands):			
Basic	53,734	49,250	
Diluted	54,605	50,206	

BRADY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS)

	(Unaudited) October 31, 2006	July 31, 2006
ASSETS		
Current assets:		
Cash and cash equivalents	$ 87,509	$ 113,008
Short term investments	—	11,500
Accounts receivable, less allowance for losses ($6,934 and $6,390, respectively)	217,021	187,907
Inventories:		
Finished products	67,321	59,365
Work-in-process	14,241	12,850
Raw materials and supplies	42,177	37,702
Total inventories	123,739	109,917
Prepaid expenses and other current assets	38,368	36,825
Total current assets	466,637	459,157
Other assets:		
Goodwill	615,527	587,642
Other intangible assets, net	138,669	134,111
Deferred income taxes	34,455	34,135
Other	11,281	10,235
Total other assets	799,932	766,123
Property, plant and equipment:		
Cost:		
Land	6,554	6,548
Buildings and improvements	80,096	78,418
Machinery and equipment	210,703	198,426
Construction in progress	17,850	12,098
	315,203	295,490
Less accumulated depreciation	162,513	155,584
Net property, plant and equipment	152,690	139,906
Total	$ 1,419,259	$ 1,365,186
LIABILITIES AND STOCKHOLDERS' INVESTMENT		
Current liabilities:		
Accounts payable	$ 94,301	$ 78,585
Wages and amounts withheld from employees	39,098	61,778
Taxes, other than income taxes	6,636	6,231
Accrued income taxes	29,296	25,243
Other current liabilities	43,266	46,763
Short-term borrowings and current maturities on long-term debt	16	20
Total current liabilities	212,613	218,620
Long-term obligations, less current maturities	375,017	350,018
Other liabilities	52,178	50,502
Total liabilities	639,808	619,140
Stockholders' investment:		
Common stock:		
Class A nonvoting common stock — Issued 50,481,743 and 50,481,743 shares, respectively and outstanding 50,216,742 and 50,188,842 shares, respectively	505	505
Class B voting common stock — Issued and outstanding, 3,538,628 shares	35	35
Additional paid-in capital	260,150	258,922
Income retained in the business	487,975	460,991
Treasury stock - 265,001 and 292,901 shares, respectively of Class A nonvoting common stock, at cost	(9,841)	(10,865)
Accumulated other comprehensive income	39,869	35,696
Other	758	762
Total stockholders' investment	779,451	746,046
Total	$ 1,419,259	$ 1,365,186

BRADY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in Thousands)

	(Unaudited) Three Months Ended October 31	
	2006	2005
Operating activities:		
Net income	**$ 34,448**	$ 30,198
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**12,927**	7,360
Deferred income taxes	**(542)**	187
Loss on disposal of property, plant & equipment	**204**	33
Provision for losses on accounts receivable	**692**	366
Non-cash portion of stock-based compensation expense	**1,559**	924
Changes in operating assets and liabilities (net of effects of business acquisitions):		
Accounts receivable	**(21,811)**	(10,391)
Inventories	**(6,539)**	(8,613)
Prepaid expenses and other assets	**(4,818)**	468
Accounts payable and accrued liabilities	**(17,138)**	(20,465)
Income taxes	**4,437**	5,999
Other liabilities	**1,443**	1,990
Net cash provided by operating activities	**4,862**	8,056
Investing activities:		
Acquisition of businesses, net of cash acquired	**(45,173)**	(20,217)
Purchases of short-term investments	**—**	(3,800)
Sales of short-term investments	**11,500**	10,900
Purchases of property, plant and equipment	**(14,544)**	(8,537)
Proceeds from sale of property, plant and equipment	**124**	21
Other	**(663)**	(1,126)
Net cash used in investing activities	**(48,756)**	(22,759)
Financing activities:		
Payment of dividends	**(7,463)**	(5,938)
Proceeds from issuance of common stock	**531**	374
Principal payments on debt	**(23,226)**	(121,515)
Proceeds from issuance of debt	**48,220**	131,630
Purchase of treasury stock	**—**	(9,416)
Income tax benefit from the exercise of stock options	**162**	—
Net cash provided by (used in) financing activities	**18,224**	(4,865)
Effect of exchange rate changes on cash	**171**	(274)
Net increase in cash and cash equivalents	**(25,499)**	(19,842)
Cash and cash equivalents, beginning of period	**113,008**	72,970
Cash and cash equivalents, end of period	**87,509**	53,128
Supplemental disclosures:		
Cash paid during the period for:		
Interest, net of capitalized interest	**$ 5,368**	$ (43)
Income taxes, net of refunds	**9,393**	4,956
Acquisitions:		
Fair value of assets acquired, net of cash	**$ 27,589**	$ 12,300
Liabilities assumed	**(6,610)**	(6,390)
Goodwill	**24,194**	14,307
Net cash paid for acquisitions	**$ 45,173**	$ 20,217

RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES
(in thousands)

	Fiscal 2006				
	Q1	Q2	Q3	Q4	Total
EBITDA (1)					
Net income	$30,198				$30,198
Interest expense	1,989				1,989
Income taxes	12,334				12,334
Depreciation and amortization	7,360				7,360
EBITDA (non-GAAP measure)	$51,881	$—	$—	$—	$51,881

	Fiscal 2007				
	Q1	Q2	Q3	Q4	Total
EBITDA (1)					
Net income	$34,448				$34,448
Interest expense	4,735				4,735
Income taxes	13,396				13,396
Depreciation and amortization	12,927				12,927
EBITDA (non-GAAP measure)	$65,506	$—	$—	$—	$65,506

(1) Brady is presenting EBITDA because it is used by many of our investors and lenders, and is presented as a convenience to them. EBITDA represents net income before interest expense, income taxes and depreciation and amortization. EBITDA is not a calculation based on generally accepted accounting principles (GAAP). The amounts included in the EBITDA calculation, however, are derived from amounts included in the Condensed Consolidated Statements of Income data. EBITDA should not be considered as an alternative to net income or operating income as an indicator of the company’s operating performance, or as an alternative to operating cash flows as a measure of liquidity. The EBITDA measure presented may not always be comparable to similarly titled measures reported by other companies due to differences in the components of the calculation.

EXHIBIT 99.2

For more information:
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For Immediate Release

Brady Corporation announces the election of Chan Galbato to its Board of Directors

MILWAUKEE (November 16, 2006)—Chan Galbato was elected to the Brady Corporation (NYSE:BRC - News) Board of Directors at the company's Annual Shareholders' Meeting today. Galbato, 43, is president of the controls division of Invensys plc.

Prior to his current position, Galbato served as president of services at Home Depot; president and chief executive officer of Armstrong Floor products; chief executive officer of Choice Parts; and chief executive officer of Coregis Insurance Company, a GE Capital company.

"We are very happy to welcome Chan Galbato to our board," said Robert Buchanan, chair of Brady's corporate governance committee. "He is a dynamic business leader with a broad-range of international experiences, and a perspective from a variety of industries."

"Brady is a solid, growth-oriented company, and I'm looking forward to working with its outstanding management team and the other directors on the board," said Galbato.

Galbato joins Richard Bemis, president and CEO of Bemis Manufacturing; Robert Buchanan, non-executive chairman of Fox Valley Corporation; Mary Bush, president of Bush International, Inc.; Frank Harris, distinguished professor and director of the Maurice Morton Institute of Polymer Science and Biomedical Engineering at the University of Akron; consultant Frank Jarc; Peter Lettenberger, retired partner of the law firm Quarles & Brady; Gary Nei, chairman of Nei-Turner Media; Roger Pierce, consultant; Elizabeth Pungello, Developmental Psychologist at the Frank Porter Graham Child Development Institute at the University of North Carolina at Chapel Hill; and Brady President and Chief Executive Officer Frank Jaehnert; who were all re-elected to the Brady Board of Directors today.

Brady Corporation is an international manufacturer and marketer of complete solutions that identify and protect premises, products and people. Its products help customers increase safety, security, productivity and performance and include high-performance labels and signs, safety devices, printing systems and software, and precision die-cut materials. Founded in 1914, the company has more than 500,000 customers in electronics, telecommunications, manufacturing, electrical, construction, education, medical and a variety of other industries. Brady is headquartered in Milwaukee and employs more than 8,000 people at operations in the Americas, Europe and Asia/Pacific. Brady's fiscal 2006 sales were approximately $1.018 billion. Brady stock trades on the New York Stock Exchange under the symbol BRC. More information is available on the Internet at www.bradycorp.com.