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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): September 16, 2008**

**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:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - 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 September 17, 2008, Brady Corporation (the "Corporation") issued a press release announcing its fiscal 2008 fourth quarter financial results. A copy of the press release is being furnished to the Securities and Exchange Commission as Exhibit 99.1 attached hereto and is incorporated herein by reference.

Item 8.01 OTHER EVENTS

On September 17, 2008, the Corporation announced that its Board of Directors had increased the quarterly cash dividend on its Class A Common Stock from \$0.15 to \$0.17 per share. The dividend will be paid on October 31, 2008, to shareholders of record as of the close of business on October 10, 2008. A copy of the press release regarding the dividend is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits.

The following are filed as Exhibits to this Report.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Press Release of Brady Corporation, dated September 17, 2008, relating to fourth quarter fiscal 2008 financial results.
99.2	Press Release of Brady Corporation, dated September 17, 2008, relating to increase in quarterly dividend.

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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: September 19, 2008

/s/ Thomas J. Felmer

Thomas J. Felmer  
Senior Vice President &  
Chief Financial Officer

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## EXHIBIT INDEX

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99.2	Press Release of Brady Corporation, dated September 17, 2008, relating to increase in quarterly dividend.

For More Information:

Investor contact: Barbara Bolens 414-438-6940

Media contact: Carole Herbstreit 414-438-6882

**Brady Corporation reports record sales, net income and cash flow for fiscal 2008 fourth quarter and year**

MILWAUKEE (September 17, 2008)—Brady Corporation (NYSE:BRC) today reported record results for its fiscal 2008 fourth quarter and fiscal year ended July 31, 2008.

Sales in the fiscal 2008 fourth quarter rose 9 percent to \$396.8 million compared to sales in the fourth quarter of fiscal 2007 of \$362.8 million. The increase was comprised of acquisition growth adding 3 percent and foreign currency translation contributing 6 percent to sales growth. Organic growth was flat compared to the prior year's quarter. Regionally, sales were up 16 percent in Europe and 20 percent in Asia/Pacific; sales in the Americas region were flat. The consolidation of the Brady Americas and Direct Marketing/People ID Americas businesses under single leadership was finalized in the fourth quarter and as such, segment results are reported accordingly beginning this quarter.

Net income for the fiscal 2008 fourth quarter was up 33 percent to \$34.8 million or \$0.64 per diluted Class A Common share, compared to \$26.2 million or \$0.48 per diluted Class A Common share in the fourth quarter of fiscal 2007, which included cost reduction charges of \$5.4 million after tax in the quarter or \$0.10 per share.

Brady's fiscal 2008 net sales rose 12 percent to \$1.523 billion compared to \$1.363 billion in sales in fiscal 2007. Organic growth was flat; acquisitions and foreign currency translation each added 6 percent to total sales results. Net income for fiscal 2008 rose 21 percent to \$132.2 million or \$2.41 per diluted Class A Common share, compared to \$109.4 million or \$2.00 per share in fiscal 2007. Net income results for fiscal 2007 included cost reduction charges of \$8.3 million after tax or \$0.15 per share.

"We are very pleased with our results in fiscal 2008, especially in light of the challenging economic environment. Of particular note is Asia's return to core growth in the fourth quarter with total segment sales up 20 percent and profit up 40 percent following a deliberate re-focus on higher margin products and the success of our cost-control efforts put in place last fiscal year," said Brady President and CEO Frank M. Jaehnert.

"Cash flow from operations was a solid \$73 million in the fourth quarter, up 30 percent from the prior year fourth quarter; and \$226 million for the year, up 66 percent from fiscal 2007," said Brady Chief Financial Officer Thomas J. Felmer. "We see a challenging global economy in front of us this fiscal year and will continue to drive working capital improvements and look for

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ways to keep our cost structure in line. As a result of the recent material changes in currency markets and current economic conditions, we are revising our guidance for fiscal 2009 from sales of between \$1.56 to \$1.59 billion, to sales of between \$1.52 and \$1.55 billion; and from net income of between \$145 and \$152 million and earnings per diluted share of between \$2.63 to \$2.75, to net income of between \$140 and \$145 million and diluted earnings per share between \$2.54 and \$2.63. In keeping with prior practice, this guidance does not assume any future acquisitions.”

A Webcast regarding fiscal 2008 results will be available at [www.investor.bradycorp.com](http://www.investor.bradycorp.com) beginning at 9:30 a.m. Central Daylight Time today.

Brady Corporation is an international manufacturer and marketer of complete solutions that identify and protect premises, products and people. Its products 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 7,800 people at operations in the Americas, Europe and Asia/Pacific. More information is available on the Internet at [www.bradycorp.com](http://www.bradycorp.com).

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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 Annual Report on Form 10-K for the period ended July 31, 2007. 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.

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**BRADY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**

(Dollars in Thousands)

	(Unaudited)					
	Three Months Ended July 31,			Twelve Months Ended July 31,		
	2008	2007	Percentage Change	2008	2007	Percentage Change
Net sales	\$ 396,849	\$ 362,765	9.4%	\$ 1,523,016	\$ 1,362,631	11.8%
Cost of products sold	204,920	189,161	8.3%	778,821	705,587	10.4%
Gross margin	191,929	173,604	10.6%	744,195	657,044	13.3%
Operating expenses:						
Research and development	11,284	9,601	17.5%	40,607	35,954	12.9%
Selling, general and administrative	126,325	122,984	2.7%	495,904	449,103	10.4%
Total operating expenses	137,609	132,585	3.8%	536,511	485,057	10.6%
Operating income	54,320	41,019	32.4%	207,684	171,987	20.8%
Other income and (expense):						
Investment and other income	1,581	1,958	-19.3%	4,888	2,875	70.0%
Interest expense	(5,956)	(6,527)	-8.7%	(26,385)	(22,934)	15.0%
Income before income taxes	49,945	36,450	37.0%	186,187	151,928	22.5%
Income taxes	15,170	10,206	48.6%	53,999	42,540	26.9%
Net income	<u>\$ 34,775</u>	<u>\$ 26,244</u>	32.5%	<u>\$ 132,188</u>	<u>\$ 109,388</u>	20.8%
Per Class A Nonvoting Common Share:						
Basic net income	\$ 0.65	\$ 0.49	32.7%	\$ 2.45	\$ 2.03	20.5%
Diluted net income	\$ 0.64	\$ 0.48	33.3%	\$ 2.41	\$ 2.00	20.5%
Dividends	\$ 0.15	\$ 0.14	7.1%	\$ 0.60	\$ 0.56	7.1%
Per Class B Voting Common Share:						
Basic net income	\$ 0.65	\$ 0.49	32.7%	\$ 2.43	\$ 2.01	20.9%
Diluted net income	\$ 0.64	\$ 0.48	33.3%	\$ 2.39	\$ 1.98	20.7%
Dividends	\$ 0.15	\$ 0.14	7.1%	\$ 0.58	\$ 0.54	7.4%
Weighted average common shares outstanding (in Thousands):						
Basic	53,790	54,047		54,168	53,907	
Diluted	54,514	54,854		54,873	54,741	

Information by regional segment for the three and twelve months ended July 31, 2008 and 2007 is as follows:

(in thousands)	Americas	Europe	Asia-Pacific	Subtotals	Corporate and Eliminations	Total
<b>SALES TO EXTERNAL CUSTOMERS</b>						
Three months ended:						
July 31, 2008	\$169,303	\$131,765	\$ 95,781	\$ 396,849	—	\$ 396,849
July 31, 2007	169,063	114,037	79,665	362,765	—	362,765
Twelve months ended:						
July 31, 2008	\$667,106	\$496,715	\$359,195	\$1,523,016	—	\$1,523,016
July 31, 2007	609,855	416,514	336,262	1,362,631	—	1,362,631

#### SALES GROWTH INFORMATION

Three months ended July 31, 2008:

Base	-2.2%	-3.1%	11.5%	0.6%	—	0.6%
Currency	1.7%	10.9%	8.7%	6.1%	—	6.1%
Acquisitions	0.6%	7.8%	0.0%	2.7%	—	2.7%
Total	0.1%	15.6%	20.2%	9.4%	—	9.4%

Twelve months ended July 31, 2008:

Base	0.9%	-0.4%	-1.1%	0.0%	—	0.0%
Currency	2.0%	10.6%	7.6%	6.0%	—	6.0%
Acquisitions	6.5%	9.1%	0.3%	5.8%	—	5.8%
Total	9.4%	19.3%	6.8%	11.8%	—	11.8%

#### SEGMENT PROFIT (LOSS)

Three months ended:

July 31, 2008	\$ 41,212	\$ 38,214	\$ 15,129	\$ 94,555	(\$2,648)	\$ 91,907
July 31, 2007	39,659	32,573	10,844	83,076	(2,989)	80,087
Percentage increase (decrease)	3.9%	17.3%	39.5%	13.8%	-11.4%	14.8%

Twelve months ended:

July 31, 2008	\$157,523	\$135,426	\$ 58,234	\$ 351,183	\$ (9,048)	\$ 342,135
July 31, 2007	144,583	107,552	57,236	309,371	(10,485)	298,886
Percentage increase (decrease)	8.9%	25.9%	1.7%	13.5%	-13.7%	14.5%

#### NET INCOME RECONCILIATION (in thousands)

	Three months ended:		Twelve months ended:	
	July 31, 2008	July 31, 2007	July 31, 2008	July 31, 2007
Total profit for reportable segments	\$ 94,555	\$ 83,076	\$ 351,183	\$ 309,371
Corporate and eliminations	(2,648)	(2,989)	(\$9,048)	(10,485)
Unallocated amounts:				
Administrative costs	(37,587)	(39,068)	(134,451)	(126,899)
Investment and other income	1,581	1,958	4,888	2,875
Interest expense	(5,956)	(6,527)	(26,385)	(22,934)
Income before income taxes	49,945	36,450	186,187	151,928
Income taxes	(15,170)	(10,206)	(53,999)	(42,540)
Net income	<u>\$ 34,775</u>	<u>\$ 26,244</u>	<u>\$ 132,188</u>	<u>\$ 109,388</u>

**BRADY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

(IN THOUSANDS)

	(Unaudited)	
	July 31, 2008	July 31, 2007
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 258,355	\$ 142,846
Short term investments	—	19,200
Accounts receivable, less allowance for losses (\$10,059 and \$9,109, respectively)	262,461	239,569
Inventories:		
Finished products	75,665	80,486
Work-in-process	21,187	21,309
Raw materials and supplies	37,767	37,983
Total inventories	134,619	139,778
Prepaid expenses and other current assets	43,650	42,020
<b>Total current assets</b>	<b>699,085</b>	<b>583,413</b>
<b>Other assets:</b>		
Goodwill	789,107	737,450
Other intangible assets, net	144,791	149,761
Deferred income taxes	25,943	32,508
Other	21,381	21,111
<b>Total other assets</b>	<b>981,222</b>	<b>940,830</b>
<b>Property, plant and equipment:</b>		
Cost:		
Land	6,490	6,332
Buildings and improvements	98,646	90,688
Machinery and equipment	282,232	248,356
Construction in progress	6,040	18,107
	393,408	363,483
Less accumulated depreciation	223,202	188,869
<b>Net property, plant and equipment</b>	<b>170,206</b>	<b>174,614</b>
<b>Total</b>	<b>\$ 1,850,513</b>	<b>\$ 1,698,857</b>
<b>LIABILITIES AND STOCKHOLDERS' INVESTMENT</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 118,209	\$ 91,596
Wages and amounts withheld from employees	82,354	73,622
Taxes, other than income taxes	10,234	8,461
Accrued income taxes	21,523	24,677
Other current liabilities	54,810	60,254
Current maturities on long-term debt	21,431	21,444
<b>Total current liabilities</b>	<b>308,561</b>	<b>280,054</b>
<b>Long-term obligations, less current maturities</b>	<b>457,143</b>	<b>478,575</b>
<b>Other liabilities</b>	<b>63,001</b>	<b>49,216</b>
<b>Total liabilities</b>	<b>828,705</b>	<b>807,845</b>
<b>Stockholders' investment:</b>		
Common stock:		
Class A nonvoting common stock — Issued 51,261,487 and 50,586,524 shares, respectively and outstanding 50,005,296 and 50,586,524 shares, respectively	513	506
Class B voting common stock — Issued and outstanding, 3,538,628 shares	35	35
Additional paid-in capital	292,769	266,203
Income retained in the business	639,059	540,238
Treasury stock — 1,046,191 and 0 shares, respectively of Class A nonvoting common stock, at cost	(33,234)	0
Accumulated other comprehensive income	128,161	83,376
Other	(5,495)	654

Total stockholders' investment

1,021,808

891,012

**Total**

\$ 1,850,513

\$ 1,698,857

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

	2008	(Unaudited) Twelve Months Ended July 31, 2007	2006
<b>Operating activities:</b>			
Net income	\$ 132,188	\$ 109,388	\$ 104,175
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>			
Depreciation and amortization	60,587	53,856	35,144
Gain on foreign currency contract	—	—	(1,516)
Deferred income taxes	(1,501)	70	(1,843)
Loss (gain) on disposal of property, plant & equipment	1,672	13	124
Non-cash portion of stock-based compensation expense	10,228	6,907	5,568
<b>Changes in operating assets and liabilities (net of effects of business acquisitions):</b>			
Accounts receivable	(3,704)	(17,021)	(12,468)
Inventories	16,224	(12,323)	(16,961)
Prepaid expenses and other assets	(629)	(13,307)	(2,163)
Accounts payable and accrued liabilities	18,641	8,058	10,421
Income taxes	(8,492)	(6,821)	58
Other liabilities	340	7,198	(5,643)
Net cash provided by operating activities	<u>225,554</u>	<u>136,018</u>	<u>114,896</u>
<b>Investing activities:</b>			
Acquisition of businesses, net of cash acquired	(29,346)	(159,475)	(351,331)
Payments of contingent consideration	(5,798)	(10,906)	—
Purchases of short-term investments	(10,350)	(68,100)	(150,900)
Sales of short-term investments	29,550	60,400	146,500
Purchases of property, plant and equipment	(26,407)	(51,940)	(39,410)
Net settlement of foreign currency contract	—	—	1,516
Proceeds from sale of property, plant and equipment	880	2,166	546
Other	2,263	(9,184)	(2,203)
Net cash used in investing activities	<u>(39,208)</u>	<u>(237,039)</u>	<u>(395,282)</u>
<b>Financing activities:</b>			
Payment of dividends	(32,464)	(30,141)	(26,064)
Proceeds from issuance of common stock	14,500	6,829	166,664
Principal payments on debt	(39,443)	(110,870)	(417,601)
Proceeds from issuance of debt	18,000	259,300	615,730
Purchase of treasury stock	(42,175)	—	(24,683)
Excess income tax benefit from the exercise of stock options	4,638	4,303	4,912
Net (used in) provided by financing activities	<u>(76,944)</u>	<u>129,421</u>	<u>318,958</u>
Effect of exchange rate changes on cash	6,107	1,438	1,466
Net increase (decrease) in cash and cash equivalents	115,509	29,838	40,038
Cash and cash equivalents, beginning of period	<u>142,846</u>	<u>113,008</u>	<u>72,970</u>
Cash and cash equivalents, end of period	<u><u>258,355</u></u>	<u><u>142,846</u></u>	<u><u>113,008</u></u>
<b>Supplemental disclosures:</b>			
<b>Cash paid during the period for:</b>			
Interest, net of capitalized interest	\$ 26,308	\$ 19,842	\$ 8,991
Income taxes, net of refunds	51,834	49,233	37,661
<b>Acquisitions:</b>			
Fair value of assets acquired, net of cash	\$ 21,508	\$ 87,398	\$ 167,900
Liabilities assumed	(9,038)	(33,248)	(63,667)
Goodwill	16,876	105,325	247,098
Net cash paid for acquisitions	<u><u>\$ 29,346</u></u>	<u><u>\$ 159,475</u></u>	<u><u>\$ 351,331</u></u>

**RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES**

(in thousands)

	Fiscal 2007				
	Q1	Q2	Q3	Q4	Total
<b>EBITDA (1)</b>					
Net income	\$ 34,448	\$ 19,709	\$ 28,987	\$ 26,244	\$ 109,388
Interest expense	4,735	5,244	6,428	6,527	22,934
Income taxes	13,396	7,665	11,273	10,206	42,540
Depreciation and amortization	12,927	13,169	14,307	13,453	53,856
<b>EBITDA (non-GAAP measure)</b>	<b>\$ 65,506</b>	<b>\$ 45,787</b>	<b>\$ 60,995</b>	<b>\$ 56,430</b>	<b>\$ 228,718</b>
	Fiscal 2008				
	Q1	Q2	Q3	Q4	Total
<b>EBITDA (1)</b>					
Net income	\$ 36,370	\$ 26,690	\$ 34,353	\$ 34,775	\$ 132,188
Interest expense	6,720	6,747	6,962	5,956	26,385
Income taxes	15,366	11,276	12,187	15,170	53,999
Depreciation and amortization	14,168	15,501	16,013	14,905	60,587
<b>EBITDA (non-GAAP measure)</b>	<b>\$ 72,624</b>	<b>\$ 60,214</b>	<b>\$ 69,515</b>	<b>\$ 70,806</b>	<b>\$ 273,159</b>

- (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.

For More Information Contact:  
Barbara Bolens (414) 438-6940

***For Immediate Release***

**Brady Corporation increases quarterly dividend to shareholders 13 percent**

MILWAUKEE (September 17, 2008)—Brady Corporation's (NYSE: BRC) Board of Directors has announced an increase in its quarterly dividend to shareholders of the company's Class A Common Stock by 13 percent, from \$0.15 to \$0.17 per share. This represents the 23rd consecutive annual increase in dividends. The dividend will be paid on October 31, 2008, to shareholders of record at the close of business on October 10, 2008.

"We continue to be focused on creating value for our shareholders, and this year's dividend increase is a result of our higher levels of profitability and strong cash flow," said Brady CFO Thomas J. Felmer.

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 7,800 people at operations in the Americas, Europe and Asia/Pacific. Brady's fiscal 2008 sales were approximately \$1.523 billion.

More information is available on the Internet at [www.bradycorp.com](http://www.bradycorp.com)

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