

**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 9, 2014

BRADY CORPORATION

(Exact name of registrant as specified in its charter)

Commission File Number 1-14959

Wisconsin
(State of
Incorporation)

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

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

39-0971239
(IRS Employer
Identification No.)

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))

Item 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On September 11, 2014, Brady Corporation (the "Company") issued a press release announcing its fiscal 2014 fourth quarter financial results. A copy of the press release announcing the fourth quarter financial results is being furnished to the Securities and Exchange Commission as Exhibit 99.1 attached hereto and is incorporated herein by reference.

Item 2.06 MATERIAL IMPAIRMENTS

On September 9, 2014, the Company concluded that under generally accepted accounting principles a material charge of approximately \$149 million for impairment of goodwill and other long-lived assets primarily within its PeopleID reporting unit will be recorded in the Company's fourth fiscal quarter ended July 31, 2014. This non-cash impairment charge does not impact the Company's future cash flow, liquidity, or compliance with its debt covenants in various agreements.

The PeopleID reporting unit is primarily comprised of the Company's December 2012 acquisition of Precision Dynamics Corporation ("PDC"), which sells identification products into the healthcare industry. Organic sales within the PDC business declined in the low single digit percentages from fiscal 2013 to fiscal 2014. This was primarily due to a contraction in the overall healthcare industry, as the Company believes there was a decline of approximately 2% in hospital admission rates during fiscal 2014. Sales and profit growth may not materialize as expected within the PDC business given slower than anticipated industry growth and fewer sales synergies than originally planned.

As a result, management is implementing a modified strategy within the PDC business to focus on the full continuum of care within the healthcare industry. Although management believes the modified strategy will improve organic sales and profitability of the PeopleID reporting unit in future years, there is risk associated with any strategy. As such, the Company's annual goodwill impairment test performed as of May 1, 2014, incorporated revised assumptions for the PeopleID reporting unit and resulted in an impairment of approximately \$100 million in goodwill and approximately \$49 million in other intangible assets during the three months ended July 31, 2014.

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

On September 10, 2014, the Board of Directors of Brady Corporation (the “Company”) appointed Thomas J. Felmer to serve as the Company’s Senior Vice President and President - Workplace Safety, effective immediately. Biographical and compensatory information regarding Mr. Felmer may be found in the Company’s previous filings with the Securities and Exchange Commission (“SEC”). There will be no changes to Mr. Felmer’s compensation as previously described in the Company’s filings with the SEC as a result of his appointment as President - Workplace Safety.

With Mr. Felmer’s appointment as President - Workplace Safety, the Board of Directors appointed Aaron J. Pearce to serve as Senior Vice President and Chief Financial Officer of the Company, effective immediately.

Aaron Pearce, age 43, joined the Company in 2004 as Director of Internal Audit. From 2006 to 2008, he served as Finance Director for the Company’s Asia Pacific Region, and from 2008 to 2010, served as Global Tax Director. In January 2010, Mr. Pearce was appointed Vice President, Treasurer and Director of Investor Relations, and in April 2013, was named Vice President - Finance, with responsibility for finance support to the Company’s Workplace Safety and ID Solutions businesses, financial planning and analysis, and investor relations. Prior to joining the Company, Mr. Pearce was an auditor with Deloitte & Touche LLP from 1994 to 2004.

There are no arrangements or understandings between Mr. Pearce and any other persons pursuant to which he was selected as an officer of the Company, he has no family relationships with any of the Company’s directors or executive officers, and he has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Mr. Pearce will receive an annual base salary of \$300,000, with eligibility for an annual bonus at 65% of base salary, and participates in the Company’s equity incentive and other benefit plans on a basis similar to other executive officers.

The appointments of Messrs. Felmer and Pearce were described in a press release issued by the Company in connection with its fiscal 2014 fourth quarter financial results disclosed in Item 2.02 hereto, which is furnished to the Securities and Exchange Commission as Exhibit 99.1 attached hereto and is incorporated herein by reference.

Item 8.01 OTHER EVENTS

Director Compensation

On September 10, 2014, the Company’s Board of Directors approved an annual stock-based compensation award of 4,250 time-based stock options and 1,450 shares of unrestricted stock for each non-management Director effective September 25, 2014.

Increase in Annual Dividend

On September 10, 2014, the Company announced that its Board of Directors had increased the annual cash dividend on its Class A Common Stock from \$0.78 to \$0.80 per share. A quarterly dividend in the amount of \$0.20 per share will be paid on October 31, 2014, to shareholders of record as of the close of business on October 10, 2014. A copy of the press release regarding the dividend is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

(d) Exhibits

The following are filed as Exhibits to this Report.

Exhibit No.	Description of Exhibit
99.1	Press Release of Brady Corporation, dated September 11, 2014, relating to fourth quarter fiscal 2014 financial results.
99.2	Press Release of Brady Corporation, dated September 10, 2014, relating to increase in quarterly dividend.
99.3	Informational slides provided by Brady Corporation, dated September 11, 2014, relating to fourth quarter fiscal 2014 financial results.

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 11, 2014

/s/ AARON J. PEARCE

Aaron J. Pearce
Senior Vice President &
Chief Financial Officer

EXHIBIT INDEX

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For More Information:

Investor contact: Aaron Pearce 414-438-6895

Media contact: Carole Herbstreit 414-438-6882

Brady Corporation Reports Fiscal 2014 Fourth Quarter Results and Impairment Charges, and Announces Executive Appointments

- Fourth quarter organic revenue growth was 1.1 percent, with 0.9 percent organic growth in Workplace Safety and 1.2 percent organic growth in Identification Solutions.
- Non-GAAP earnings from continuing operations per diluted Class A Nonvoting Common Share* were \$0.41 during the fourth quarter ended July 31, 2014 compared to \$0.55 in the same quarter of the prior year.
- GAAP earnings from continuing operations were impacted by the impairment charges of \$148.6 million primarily due to the write down of intangible assets in the Company's PeopleID reporting unit.
- On August 1, 2014, Brady completed the final phase of the divestiture of the die-cut business.
- Fiscal 2015 Non-GAAP earnings from continuing operations per diluted Class A Nonvoting Common Share* guidance is initiated at a range from \$1.50 to \$1.70.
- Thomas J. Felmer has been appointed Senior Vice President and President of Brady's Workplace Safety business. Aaron J. Pearce replaces Felmer as Senior Vice President and Chief Financial Officer.

MILWAUKEE (September 11, 2014)--Brady Corporation (NYSE: BRC) ("Brady" or "Company"), a world leader in identification solutions, today reported its financial results for the fiscal 2014 fourth quarter ended July 31, 2014.

Quarter Ended July 31, 2014 Financial Results:

Sales from continuing operations for the quarter ended July 31, 2014 increased 2.0 percent to \$316.7 million compared to the fourth quarter of fiscal 2013. Total organic sales increased 1.1 percent. By segment, organic sales were up 1.2 percent in Identification Solutions and 0.9 percent in Workplace Safety.

During the fourth quarter ended July 31, 2014, the Company recorded an impairment charge of \$148.6 million primarily related to the write down of intangible assets in the Company's PeopleID reporting unit. This reporting unit includes the December 2012 acquisition of Precision Dynamics Corporation ("PDC"), which primarily sells identification products into the healthcare industry. PDC's organic sales declined low single digits for the fiscal year ended July 31, 2014 and are forecasted to grow at a slower pace than originally anticipated. This lack of historical sales growth and reduced forecasts for future sales growth are the main drivers for this impairment charge. In the fourth quarter of last year, the Company also incurred an impairment charge of \$204.4 million related to the Company's North American Workplace Safety reporting unit and its Asia reporting unit.

Net (loss) from continuing operations for the quarter ended July 31, 2014 was \$(97.0) million compared to \$(175.6) million in the same quarter last year. Non-GAAP net earnings from continuing operations* for the quarter ended July 31, 2014, were \$21.0 million compared to \$28.6 million in the same quarter last year.

Net (loss) from continuing operations per Class A Nonvoting Common Share was \$(1.89) for the fourth quarter ended July 31, 2014 compared to \$(3.40) in the same quarter last year. Non-GAAP earnings from continuing operations per diluted Class A Nonvoting Common Share* were \$0.41 in the fourth quarter of fiscal 2014 and \$0.55 per share in the fourth quarter of fiscal 2013.

Year Ended July 31, 2014 Financial Results:

Sales from continuing operations for the year ended July 31, 2014 were up 5.8 percent to \$1.23 billion compared to \$1.16 billion in fiscal 2013. Organic sales were up 0.2 percent. By segment, organic sales were up 2.9 percent in Identification Solutions and down 4.6 percent in Workplace Safety.

Net (loss) from continuing operations for the year ended July 31, 2014 was \$(48.1) million compared to \$(138.3) million for the year ended July 31, 2013. Non-GAAP net earnings from continuing operations* for the year ended July 31, 2014 were \$79.5 million compared to \$102.4 million for the year ended July 31, 2013.

Net (loss) from continuing operations per Class A Nonvoting Common Share was \$(0.93) for the year ended July 31, 2014 compared to \$(2.70) for the year ended July 31, 2013. Non-GAAP earnings from continuing operations per diluted Class A Nonvoting Common Share* were \$1.53 for the year ended July 31, 2014 and \$1.98 per share for the year ended July 31, 2013.

Commentary:

“We were encouraged by our revenue growth in the fourth quarter, which marks the second consecutive quarter of organic sales growth. This marks the first quarter of growth in our Workplace Safety business since fiscal 2012 as we continue to add new customers, increase revenues over the internet and realize returns from increased catalog advertising,” said Brady President and CEO J. Michael Nauman.

“Although we had organic sales growth, we were not pleased with our profitability performance as we continued to incur costs related to the consolidation of our facilities and have been experiencing challenges in terms of sales mix and pricing. Our overall facility consolidation efforts have been scaled back, and we will continue to execute the facility consolidation activities in a manner that will allow us to maintain the highest service levels and least disruptions to our customers while still achieving efficiency gains over the long run. We are focused on executing business fundamentals to drive organic sales growth while deemphasizing acquisitions at this time. We are increasing our investments in R&D to create sustainable processes for developing new innovative products that generate significant value for our customers. We will also focus on penetrating specific vertical markets in our Identification Solutions business in order to drive sales growth within our current industries including healthcare; food and beverage; chemical, oil and gas; and aerospace and mass transit, as well as expand our presence and product offering in selected markets in Asia. This accelerated investment in Identification Solutions will be evident in our fiscal 2015 financial results and is included in our guidance for next year,” said Nauman.

“Although our fourth quarter profitability and cash flow did not meet our expectations, we continue to have a strong balance sheet which strengthened during the quarter as we repaid an additional \$32.7 million of debt,” said Brady’s Chief Financial Officer Aaron J. Pearce.

Fiscal 2015 Guidance:

The Company anticipates low single-digit organic sales growth in fiscal 2015, with organic sales growth in both the Identification Solutions and Workplace Safety businesses. Brady also expects earnings from continuing operations per diluted Class A Nonvoting Common Share of between \$1.50 and \$1.70, exclusive of restructuring charges and other non-routine charges. This guidance is based on current exchange rates, a full-year income tax rate in the mid-to-upper 20 percent range. We also anticipate approximately \$15 million of restructuring charges in fiscal 2015 and capital expenditures of approximately \$30 million in fiscal 2015 before returning to a more normalized level in fiscal 2016.

Executive Appointments:

Brady's Board of Directors has appointed Thomas J. Felmer to serve as the Company's Senior Vice President and President - Workplace Safety. Mr. Felmer most recently served as Senior Vice President and CFO. He joined Brady in 1989 and has held various Group President and general management positions across several Brady businesses in both the U.S. and Europe.

With Mr. Felmer's appointment as President - Workplace Safety, the Board has appointed Aaron J. Pearce to serve as Senior Vice President and Chief Financial Officer of the Company. Mr. Pearce joined Brady in 2004 as Director of Internal Audit, and has held various financial leadership positions including Finance Director for the Company's Asia Pacific Region; Global Tax Director; Vice President, Treasurer and Director of Investor Relations; and Vice President - Finance, with responsibility for finance support to the Company's Workplace Safety and ID Solutions businesses, as well as financial planning and analysis.

"Tom Felmer is a talented executive who has been with Brady for more than 25 years and I am pleased that he has accepted the role of President of Workplace Safety and that he will continue his excellent work leading the turnaround of this business unit," said Brady President and CEO J. Michael Nauman. "Aaron Pearce brings a broad range of financial experience and intimate knowledge of Brady's business to the role of CFO and I look forward to working with him in this capacity."

A webcast regarding Brady's fiscal 2014 fourth quarter financial results will be available at www.bradycorp.com beginning at 9:30 a.m. Central Time today.

Brady Corporation is an international manufacturer and marketer of complete solutions that identify and protect people, products and places. Brady's products help customers increase safety, security, productivity and performance and include high-performance labels, signs, safety devices, printing systems and software. Founded in 1914, the company has a diverse customer base in electronics, telecommunications, manufacturing, electrical, construction, education, medical and a variety of other industries. Brady is headquartered in Milwaukee, Wisconsin and as of August 1, 2014, employed approximately 6,400 people in its worldwide businesses. Brady's fiscal 2014 sales were approximately \$1.23 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.

* See accompanying notes for Non-GAAP measures.

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In this news release, statements that are not reported financial results or other historic information are “forward-looking statements.” These forward-looking statements relate to, among other things, the Company'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.

The use of 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: Implementation of the Workplace Safety strategy; the length or severity of the current worldwide economic downturn or timing or strength of a subsequent recovery; future financial performance of major markets Brady serves, which include, without limitation, telecommunications, hard disk drive, manufacturing, electrical, construction, laboratory, education, governmental, public utility, computer, healthcare and transportation; future competition; changes in the supply of, or price for, parts and components; increased price pressure from suppliers and customers; Brady's ability to retain significant contracts and customers; fluctuations in currency rates versus the U.S. dollar; risks associated with international operations; difficulties associated with exports; risks associated with obtaining governmental approvals and maintaining regulatory compliance; Brady's ability to develop and successfully market new products; risks associated with identifying, completing, and integrating acquisitions; risks associated with divestitures and businesses held for sale; risks associated with restructuring plans; environmental, health and safety compliance costs and liabilities; risk associated with loss of key talent; risk associated with product liability claims; technology changes and potential security violations to the Company's information technology systems; Brady's ability to maintain compliance with its debt covenants; increase in our level of debt; potential write-offs of Brady's substantial intangible assets; unforeseen tax consequences; risk, associated with our ownership structure; 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 within Item 1A of Part I of Brady's Form 10-K for the year ended July 31, 2013.

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 except as required by law.

BRADY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited; Dollars in thousands, except per share data)

	Three months ended July 31,		Twelve Months Ended July 31,	
	2014	2013	2014	2013
Net sales	\$ 316,733	\$ 310,592	\$ 1,225,034	\$ 1,157,792
Cost of products sold	162,672	152,722	615,470	548,444
Gross margin	154,061	157,870	609,564	609,348
Operating expenses:				
Research and development	9,373	9,390	35,048	33,552
Selling, general and administrative	111,340	106,983	452,164	427,858
Restructuring charges	810	15,573	15,012	26,046
Impairment charges	148,551	204,448	148,551	204,448
Total operating expenses	270,074	336,394	650,775	691,904
Operating loss:	(116,013)	(178,524)	(41,211)	(82,556)
Other income and (expense):				
Investment and other income	515	1,097	2,402	3,523
Interest expense	(3,523)	(3,887)	(14,300)	(16,641)
Loss from continuing operations before income taxes	(119,021)	(181,314)	(53,109)	(95,674)
Income tax (benefit) expense	(22,040)	(5,757)	(4,963)	42,583
Loss from continuing operations	\$ (96,981)	\$ (175,557)	\$ (48,146)	\$ (138,257)
(Loss) earnings from discontinued operations, net of income taxes	(13,428)	(1,714)	2,178	(16,278)
Net loss	<u>\$ (110,409)</u>	<u>\$ (177,271)</u>	<u>\$ (45,968)</u>	<u>\$ (154,535)</u>
Loss from continuing operations per Class A Nonvoting Common Share:				
Basic	\$ (1.89)	\$ (3.40)	\$ (0.93)	\$ (2.70)
Diluted	\$ (1.89)	\$ (3.40)	\$ (0.93)	\$ (2.70)
Loss from continuing operations per Class B Nonvoting Common Share:				
Basic	\$ (1.89)	\$ (3.40)	\$ (0.95)	\$ (2.71)
Diluted	\$ (1.89)	\$ (3.40)	\$ (0.95)	\$ (2.71)
(Loss) earnings from discontinued operations per Class A Nonvoting Common Share:				
Basic	\$ (0.26)	\$ (0.03)	\$ 0.04	\$ (0.32)
Diluted	\$ (0.26)	\$ (0.03)	\$ 0.04	\$ (0.32)
(Loss) earnings from discontinued operations per Class B Voting Common Share:				
Basic	\$ (0.26)	\$ (0.03)	\$ 0.05	\$ (0.32)
Diluted	\$ (0.26)	\$ (0.03)	\$ 0.05	\$ (0.32)
Loss per Class A Nonvoting Common Share:				
Basic	\$ (2.15)	\$ (3.43)	\$ (0.89)	\$ (3.02)
Diluted	\$ (2.15)	\$ (3.43)	\$ (0.89)	\$ (3.02)
Dividends	\$ 0.195	\$ 0.19	\$ 0.78	\$ 0.76
Loss per Class B Voting Common Share:				
Basic	\$ (2.15)	\$ (3.43)	\$ (0.90)	\$ (3.03)
Diluted	\$ (2.15)	\$ (3.43)	\$ (0.90)	\$ (3.03)
Dividends	\$ 0.195	\$ 0.19	\$ 0.76	\$ 0.74
Weighted average common shares outstanding (in thousands):				
Basic	51,250	51,689	51,866	51,330
Diluted	51,250	51,689	51,866	51,330

BRADY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited; Dollars in thousands)

	July 31, 2014	July 31, 2013
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 81,834	\$ 91,058
Accounts receivable—net	177,648	169,261
Inventories:		
Finished products	73,096	64,544
Work-in-process	17,689	14,776
Raw materials and supplies	22,490	15,387
Total inventories	113,275	94,707
Assets held for sale	49,542	119,864
Prepaid expenses and other current assets	41,543	37,600
Total current assets	463,842	512,490
Other assets:		
Goodwill	515,004	617,236
Other intangible assets	91,014	156,851
Deferred income taxes	27,320	8,623
Other	22,314	21,325
Property, plant and equipment:		
Cost:		
Land	7,875	7,861
Buildings and improvements	101,866	91,471
Machinery and equipment	288,409	266,787
Construction in progress	12,500	11,842
	410,650	377,961
Less accumulated depreciation	276,479	255,803
Property, plant and equipment—net	134,171	122,158
Total	\$ 1,253,665	\$ 1,438,683
<u>LIABILITIES AND STOCKHOLDERS' INVESTMENT</u>		
Current liabilities:		
Notes payable	\$ 61,422	\$ 50,613
Accounts payable	88,099	82,519
Wages and amounts withheld from employees	38,064	42,413
Liabilities held for sale	10,640	34,583
Taxes, other than income taxes	7,994	8,243
Accrued income taxes	7,893	7,056
Other current liabilities	35,319	36,806
Current maturities on long-term debt	42,514	61,264
Total current liabilities	291,945	323,497
Long-term obligations, less current maturities	159,296	201,150
Other liabilities	69,348	83,239
Total liabilities	520,589	607,886
Stockholders' investment:		
Common stock:		
Class A nonvoting common stock—Issued 51,261,487 and 51,261,487 shares, respectively and outstanding 47,704,196 and 48,408,544 shares, respectively	513	513
Class B voting common stock—Issued and outstanding, 3,538,628 shares	35	35
Additional paid-in capital	311,811	306,191
Earnings retained in the business	452,057	538,512
Treasury stock—3,477,291 and 2,626,276 shares, respectively of Class A nonvoting common stock, at cost	(93,337)	(69,797)
Accumulated other comprehensive income	64,156	56,063
Other	(2,159)	(720)
Total stockholders' investment	733,076	830,797
Total	\$ 1,253,665	\$ 1,438,683

BRADY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; Dollars in thousands)

	July 31, 2014	July 31, 2013
Operating activities:		
Net loss	\$ (45,968)	\$ (154,535)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	44,598	48,725
Non-cash portion of restructuring charges	566	3,699
Non-cash portion of stock-based compensation expense	5,214	1,736
Impairment charges	148,551	204,448
Loss on write-down of assets held for sale	—	15,658
Loss on sales of businesses	1,238	3,138
Deferred income taxes	(30,419)	21,630
Changes in operating assets and liabilities (net of effects of business acquisitions/divestitures):		
Accounts receivable	(3,600)	1,535
Inventories	(12,608)	2,440
Prepaid expenses and other assets	(278)	5,036
Accounts payable and accrued liabilities	(20,508)	(2,285)
Income taxes	6,634	(7,722)
Net cash provided by operating activities	93,420	143,503
Investing activities:		
Purchases of property, plant and equipment	(43,398)	(35,687)
Acquisition of business, net of cash acquired	—	(301,157)
Sales of businesses, net of cash retained	54,242	10,178
Other	(637)	900
Net cash provided by (used in) investing activities	10,207	(325,766)
Financing activities:		
Payment of dividends	(40,487)	(39,243)
Proceeds from issuance of common stock	12,113	20,324
Purchase of treasury stock	(30,581)	(5,121)
Proceeds from borrowings on notes payable	63,000	220,000
Repayment of borrowings on notes payable	(60,000)	(181,000)
Proceeds from borrowings on line of credit	10,334	11,613
Repayment of borrowings on line of credit	(2,398)	
Principal payments on debt	(61,264)	(61,264)
Income tax benefit from the exercise of stock options and deferred compensation distributions, and other	(6,104)	1,631
Net cash used in financing activities	(115,387)	(33,060)
Effect of exchange rate changes on cash	2,536	481
Net decrease in cash and cash equivalents	(9,224)	(214,842)
Cash and cash equivalents, beginning of period	91,058	305,900
Cash and cash equivalents, end of period	<u>\$ 81,834</u>	<u>\$ 91,058</u>
Supplemental disclosures:		
Cash paid during the period for:		
Interest, net of capitalized interest	\$ 14,594	\$ 17,162
Income taxes, net of refunds	33,043	34,030
Acquisitions:		
Fair value of assets acquired, net of cash	\$ —	\$ 168,724
Liabilities assumed	—	(37,747)
Goodwill	—	170,180
Net cash paid for acquisitions	<u>\$ —</u>	<u>\$ 301,157</u>

BRADY CORPORATION AND SUBSIDIARIES
SEGMENT INFORMATION
(Unaudited; Dollars in Thousands)

	Fiscal 2014					Fiscal 2013				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
<u>SALES TO EXTERNAL CUSTOMERS</u>										
ID Solutions	\$209,546	\$194,732	\$206,448	\$214,397	\$825,123	\$162,393	\$168,234	\$197,417	\$211,071	\$739,115
Workplace Safety	97,984	96,462	103,129	102,336	399,911	109,622	104,468	105,066	99,521	418,677
Total	<u>\$307,530</u>	<u>\$291,194</u>	<u>\$309,577</u>	<u>\$316,733</u>	<u>\$1,225,034</u>	<u>\$272,015</u>	<u>\$272,702</u>	<u>\$302,483</u>	<u>\$310,592</u>	<u>\$1,157,792</u>
<u>SALES INFORMATION</u>										
<i>ID Solutions</i>										
Organic	3.3 %	2.5 %	4.8 %	1.2%	2.9 %	0.9 %	1.8 %	(1.9)%	2.3 %	0.8 %
Currency	(0.3)%	(0.5)%	(0.2)%	0.4%	(0.2)%	(2.4)%	(0.5)%	(1.0)%	0.2 %	(1.0)%
Acquisitions	26.0 %	13.8 %	—%	—%	8.9 %	0.4 %	11.1 %	25.3 %	28.2 %	16.3 %
Total	<u>29.0 %</u>	<u>15.8 %</u>	<u>4.6 %</u>	<u>1.6%</u>	<u>11.6 %</u>	<u>(1.1)%</u>	<u>12.4 %</u>	<u>22.4 %</u>	<u>30.7 %</u>	<u>16.1 %</u>
<i>Workplace Safety</i>										
Organic	(10.0)%	(6.8)%	(1.9)%	0.9%	(4.6)%	(3.3)%	(7.0)%	(9.0)%	(8.6)%	(7.0)%
Currency	(0.6)%	(0.9)%	0.1 %	1.9%	0.1 %	(2.3)%	0.4 %	(1.1)%	0.1 %	(0.7)%
Acquisitions	—%	—%	—%	—%	—%	5.8 %	5.1 %	5.0 %	—%	4.0 %
Total	<u>(10.6)%</u>	<u>(7.7)%</u>	<u>(1.8)%</u>	<u>2.8%</u>	<u>(4.5)%</u>	<u>0.2 %</u>	<u>(1.5)%</u>	<u>(5.1)%</u>	<u>(8.5)%</u>	<u>(3.7)%</u>
<i>Total Company</i>										
Organic	(2.1)%	(1.1)%	2.5 %	1.1%	0.2 %	(0.8)%	(1.8)%	(4.8)%	(2.1)%	(2.4)%
Currency	(0.4)%	(0.6)%	(0.2)%	0.9%	(0.1)%	(2.4)%	(0.1)%	(1.0)%	0.1 %	(0.8)%
Acquisitions	15.6 %	8.5 %	—%	—%	5.7 %	2.6 %	8.6 %	17.0 %	16.9 %	11.3 %
Total	<u>13.1 %</u>	<u>6.8 %</u>	<u>2.3 %</u>	<u>2.0%</u>	<u>5.8 %</u>	<u>(0.6)%</u>	<u>6.7 %</u>	<u>11.2 %</u>	<u>14.9 %</u>	<u>8.1 %</u>
<u>SEGMENT PROFIT</u>										
ID Solutions	\$50,967	\$37,526	\$44,302	\$43,334	\$176,129	\$44,580	\$34,643	\$46,787	\$48,379	\$174,389
Workplace Safety	18,374	14,668	14,771	18,425	66,238	27,829	23,600	23,453	20,360	95,242
Total	<u>\$69,341</u>	<u>\$52,194</u>	<u>\$59,073</u>	<u>\$61,759</u>	<u>\$242,367</u>	<u>\$72,409</u>	<u>\$58,243</u>	<u>\$70,240</u>	<u>\$68,739</u>	<u>\$269,631</u>
<u>SEGMENT PROFIT AS A PERCENT OF SALES</u>										
ID Solutions	24.3 %	19.3 %	21.5 %	20.2%	21.3 %	27.5 %	20.6 %	23.7 %	22.9 %	23.6 %
Workplace Safety	18.8 %	15.2 %	14.3 %	18.0%	16.6 %	25.4 %	22.6 %	22.3 %	20.5 %	22.7 %
Total	<u>22.5 %</u>	<u>17.9 %</u>	<u>19.1 %</u>	<u>19.5%</u>	<u>19.8 %</u>	<u>26.6 %</u>	<u>21.4 %</u>	<u>23.2 %</u>	<u>22.1 %</u>	<u>23.3 %</u>
	Fiscal 2014					Fiscal 2013				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Total segment profit	\$69,341	\$52,194	\$59,073	\$61,759	\$242,367	\$72,409	\$58,243	\$70,240	\$68,739	\$269,631
Unallocated amounts:										
Administrative costs	(32,813)	(29,524)	(29,267)	(28,411)	(120,015)	(29,174)	(34,513)	(30,765)	(27,242)	(121,693)
Restructuring charges	(6,839)	(4,324)	(3,039)	(810)	(15,012)	—	(1,933)	(8,540)	(15,573)	(26,046)
Impairment charges	—	—	—	(148,551)	(148,551)	—	—	—	(204,448)	(204,448)
Investment and other income	761	255	872	514	2,402	396	898	1,133	1,097	3,523
Interest expense	(3,721)	(3,676)	(3,381)	(3,522)	(14,300)	(4,163)	(4,406)	(4,186)	(3,887)	(16,641)
Earnings (loss) from continuing operations before income taxes	<u>\$26,729</u>	<u>\$14,925</u>	<u>\$24,258</u>	<u>\$(119,021)</u>	<u>\$(53,109)</u>	<u>\$39,468</u>	<u>\$18,289</u>	<u>\$27,882</u>	<u>\$(181,314)</u>	<u>\$(95,674)</u>

GAAP TO NON-GAAP MEASURES

(Unaudited; Dollars in Thousands, Except Per Share Amounts)

In accordance with the U.S. Securities and Exchange Commission's Regulation G, the following provides definitions of the non-GAAP measures used in the earnings release and the reconciliation to the most closely related GAAP measure.

Earnings from Continuing Operations Before Income Taxes Excluding Certain Items:

Brady is presenting the Non-GAAP measure "Earnings from Continuing Operations Before Income Taxes Excluding Certain Items." This is not a calculation based upon GAAP. The amounts included in this Non-GAAP measure are derived from amounts included in the Consolidated Statements of Earnings data. We do not view these items to be part of our sustainable results. We believe this profit measure provides an important perspective of underlying business trends and results and provides a more comparable measure from year to year. The table below provides a reconciliation of Loss from Continuing Operations Before Income Taxes to Earnings from Continuing Operations Before Income Taxes Excluding Certain Items:

	Three Months Ended July 31,		Year Ended July 31,	
	2014	2013	2014	2013
Loss from Continuing Operations Before Income Taxes (GAAP measure)	\$ (119,021)	\$ (181,314)	\$ (53,109)	\$ (95,674)
Cost of goods sold:				
Purchase accounting expense related to inventory	—	—	—	1,530
Selling, general and administrative:				
Reversal of restricted stock grant expense	—	(4,232)	—	(4,232)
PDC acquisition-related expenses	—	—	—	3,600
Non-cash income tax charges	—	—	—	—
Restructuring charges	810	15,573	15,012	26,046
Impairment charges	148,551	204,448	148,551	204,448
Earnings from Continuing Operations Before Income Taxes Excluding Certain Items (non-GAAP measure)	\$ 30,340	\$ 34,475	\$ 110,454	\$ 135,718

Income Taxes on Continuing Operations Excluding Certain Items:

Brady is presenting the Non-GAAP measure "Income Taxes on Continuing Operations Excluding Certain Items." This is not a calculation based upon GAAP. The amounts included in this Non-GAAP measure are derived from amounts included in the Consolidated Statements of Earnings data. We do not view these items to be part of our sustainable results. We believe this measure provides an important perspective of underlying business trends and results and provides a more comparable measure from year to year. The table below provides a reconciliation of Income Taxes on Continuing Operations to Income Taxes on Continuing Operations Excluding Certain Items:

	Three Months Ended July 31,		Year Ended July 31,	
	2014	2013	2014	2013
Income Taxes on Continuing Operations (GAAP measure)	\$ (22,040)	\$ (5,757)	\$ (4,963)	\$ 42,583
Cost of goods sold:				
Purchase accounting expense related to inventory	—	—	—	581
Selling, general and administrative:				
Reversal of restricted stock grant expense	—	(1,608)	—	(1,608)
PDC acquisition-related expenses	—	—	—	641
Non-cash income tax charges	—	(3,976)	—	(28,976)
Restructuring charges	230	4,337	4,751	7,157
Impairment charges	31,157	12,892	31,157	12,892
Income Taxes on Continuing Operations Excluding Certain Items (non-GAAP measure)	\$ 9,347	\$ 5,888	\$ 30,945	\$ 33,270

Net Earnings from Continuing Operations Excluding Certain Items:

Brady is presenting the Non-GAAP measure "Net Earnings from Continuing Operations Excluding Certain Items." This is not a calculation based upon GAAP. The amounts included in this Non-GAAP measure are derived from amounts included in the Consolidated Statements of Earnings data. We do not view these items to be part of our sustainable results. We believe this measure provides an important perspective of underlying business trends and results and provides a more comparable measure from year to year. The table below provides a reconciliation of Net Loss from Continuing Operations to Net Earnings from Continuing Operations Excluding Certain Items:

	Three Months Ended July 31,		Year Ended July 31,	
	2014	2013	2014	2013
Net Loss from Continuing Operations (GAAP measure)	\$ (96,981)	\$ (175,557)	\$ (48,146)	\$ (138,257)
Cost of goods sold:				
Purchase accounting expense related to inventory	—	—	—	949
Selling, general and administrative:				
Reversal of restricted stock grant expense	—	(2,624)	—	(2,624)
PDC acquisition-related expenses	—	—	—	2,959
Non-cash income tax charges	—	3,976	—	28,976
Restructuring charges	580	11,236	10,261	18,889
Impairment charges	117,394	191,556	117,394	191,556
Net Earnings from Continuing Operations Excluding Certain Items (non-GAAP measure)	\$ 20,993	\$ 28,587	\$ 79,509	\$ 102,448

Net Earnings from Continuing Operations Per Diluted Class A Nonvoting Common Share Excluding Certain Items:

Brady is presenting the Non-GAAP measure "Net Earnings from Continuing Operations Per Diluted Class A Nonvoting Common Share Excluding Certain Items." This is not a calculation based upon GAAP. The amounts included in this Non-GAAP measure are derived from amounts included in the Consolidated Financial Statements and supporting footnote disclosures. We do not view these items to be part of our sustainable results. We believe this measure provides an important perspective of underlying business trends and results and provides a more comparable measure from year to year. The table below provides a reconciliation of Net Loss from Continuing Operations Per Diluted Class A Nonvoting Common Share to Net Earnings from Continuing Operations Per Diluted Class A Nonvoting Common Share Excluding Certain Items:

	Three Months Ended July 31,		Year Ended July 31,	
	2014	2013	2014	2013
Net Loss from Continuing Operations Per Diluted Class A Nonvoting Share (GAAP measure)	\$ (1.89)	\$ (3.40)	\$ (0.93)	\$ (2.70)
Cost of goods sold:				
Purchase accounting expense related to inventory	—	—	—	0.02
Selling, general and administrative:				
Reversal of restricted stock grant expense	—	(0.05)	—	(0.05)
PDC acquisition-related expenses	—	—	—	0.06
Non-cash income tax charges	—	0.08	—	0.56
Restructuring charges	0.01	0.22	0.20	0.37
Impairment charges	2.29	3.71	2.29	3.71
Net Earnings from Continuing Operations Per Diluted Class A Nonvoting Share Excluding Certain Items (non-GAAP measure)	\$ 0.41	\$ 0.55	\$ 1.53	\$ 1.98

For More Information Contact:
Aaron Pearce (414) 438-6895

Brady Corporation increases dividend to shareholders for the 29th consecutive year

MILWAUKEE (September 10, 2014)---Brady Corporation's (NYSE: BRC) Board of Directors has announced an increase in its annual dividend to shareholders of the company's Class A Common stock from \$0.78 per share to \$0.80 per share. A quarterly dividend of \$0.20 per share will be paid on October 31, 2014 to shareholders of record at the close of business on October 10, 2014. This dividend represents the 29th consecutive annual increase in dividends.

Brady Corporation is an international manufacturer and marketer of complete solutions that identify and protect people, products and places. Brady's products help customers increase safety, security, productivity and performance and include high-performance labels, signs, safety devices, printing systems and software. Founded in 1914, the company has a diverse customer base in electronics, telecommunications, manufacturing, electrical, construction, education, medical and a variety of other industries. Brady is headquartered in Milwaukee, Wis. and as of August 1, 2014 employed approximately 6,400 people in its worldwide businesses. Brady stock trades on the New York Stock Exchange under the symbol BRC. More information is available on the Internet at www.bradycorp.com.

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F'14 Q4 Financial Results

September 11, 2014

 **BRADY**
WHEN PERFORMANCE MATTERS MOST™

FORWARD-LOOKING STATEMENTS

In this presentation, statements that are not reported financial results or other historic information are “forward-looking statements.” These forward-looking statements relate to, among other things, the Company'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.

The use of 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: Implementation of the Workplace Safety strategy; the length or severity of the current worldwide economic downturn or timing or strength of a subsequent recovery; future financial performance of major markets Brady serves, which include, without limitation, telecommunications, hard disk drive, manufacturing, electrical, construction, laboratory, education, governmental, public utility, computer, healthcare and transportation; future competition; changes in the supply of, or price for, parts and components; increased price pressure from suppliers and customers; Brady's ability to retain significant contracts and customers; fluctuations in currency rates versus the U.S. dollar; risks associated with international operations; difficulties associated with exports; risks associated with obtaining governmental approvals and maintaining regulatory compliance; Brady's ability to develop and successfully market new products; risks associated with identifying, completing, and integrating acquisitions; risks associated with divestitures and businesses held for sale; risks associated with restructuring plans; environmental, health and safety compliance costs and liabilities; risk associated with loss of key talent; risk associated with product liability claims; technology changes and potential security violations to the Company's information technology systems; Brady's ability to maintain compliance with its debt covenants; increase in our level of debt; potential write-offs of Brady's substantial intangible assets; unforeseen tax consequences; risk, associated with our ownership structure; 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 within Item 1A of Part I of Brady's Form 10-K for the year ended July 31, 2013.

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 except as required by law.

SUMMARY COMMENTS

Significant 4th Quarter Events:

- Organic sales growth of 1.1%, with Workplace Safety organic sales growth of 0.9%.
- The BMP21 plus, our newest handheld printer which launched during the third quarter, performed very well in the fourth quarter with unit volume and sales exceeding our targets.
- Completed the sale of the Die-Cut business on August 1, 2014.
- Q4 F'14 results include an impairment charge of \$148.6M.

F'15 Priorities:

- 1) Drive Profitable Growth in WPS – Win with our broad of range in core ID products, custom capabilities, superior customer experience, and market expertise.
- 2) Accelerate Organic Growth in IDS – Expand our vertical market penetration.
- 3) Finalize our Facility Consolidation Activities.
- 4) Reinvigorate Product Development – Drive sustainable growth through innovative new products.

Q4 F'14 - FINANCIAL SUMMARY

- Sales up 2.0% to \$316.7M vs. \$310.6M in Q4 of F'13.
 - Organic sales growth of 1.1% and foreign currency increased sales by 0.9%.
- Gross profit margin of 48.6% in Q4 of F'14 compared with 50.8% in Q4 of F'13.
- SG&A expense of \$111.3M (35.2% of sales) in Q4 of F'14 vs. \$107.0M (34.4% of sales) in Q4 of F'13.
- Net (loss) earnings from continuing operations of \$(97M) in Q4 of F'14 vs. \$(175.6M) in Q4 of F'13.
 - Non-GAAP Net Earnings from Continuing Operations* was \$21M in Q4 of F'14 vs. \$28.6M in Q4 of F'13.
- Net earnings (loss) from continuing operations per Class A Diluted Nonvoting Share was \$(1.89) in Q4 of F'14 vs. \$(3.40) in Q4 of F'13.
 - Non-GAAP Net Earnings from Continuing Operations Per Class A Diluted Nonvoting Share* was \$0.41 in Q4 of F'14 vs. \$0.55 in Q4 of F'13.

* Non-GAAP Net Earnings from Continuing Operations and Non-GAAP Net Earnings from Continuing Operations Per Class A Diluted Nonvoting Share Excluding Certain Items are non-GAAP measures. See slides #20 and #21.

DILUTED EPS FROM CONTINUING OPERATIONS

	3-Months Ended July 31,		Year Ended July 31,	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Net Earnings (Loss) from Continuing Operations Per Class A Diluted Nonvoting Share (GAAP-measure)	\$ (1.89)	\$ (3.40)	\$ (0.93)	\$ (2.70)
Restructuring charges	0.01	0.22	0.20	0.37
Acquisition and tax-related non-routine charges	-	-	-	0.06
Impairment charges	2.29	3.71	2.29	3.71
Purchase accounting expense related to inventory				0.02
Income Tax charges (non-cash)	-	0.08	-	0.56
Reversal of Restricted Stock Expense (non-cash)	<u>-</u>	<u>(0.05)</u>	<u>-</u>	<u>(0.05)</u>
Net Earnings (Loss) from Continuing Operations Per Class A Diluted Nonvoting Share Excluding Certain Items (non-GAAP measure)*	<u>\$ 0.41</u>	<u>\$ 0.55</u>	<u>\$ 1.53</u>	<u>\$ 1.98</u>

F'15 GUIDANCE – CONTINUING OPERATIONS

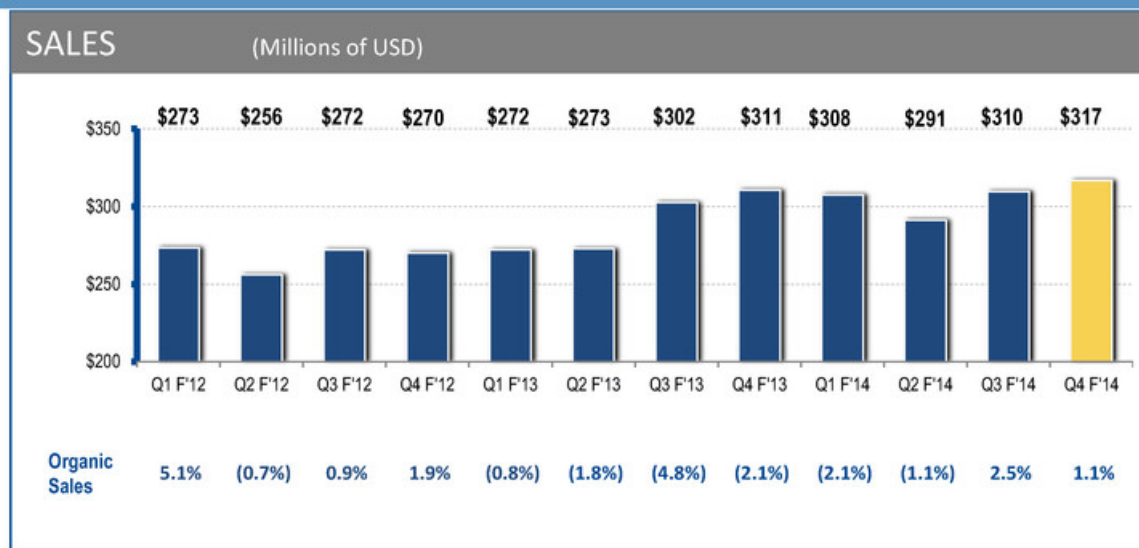
F'15 Diluted EPS from Continuing Operations
(excluding restructuring charges and certain other items)

\$1.50 to \$1.70

Guidance Assumptions – Continuing Operations:

- Low single-digit organic sales growth, with growth in both Identification Solutions and Workplace Safety.
- Increased investments in R&D, as well as Business and Market Development resources impacting F'15 profitability.
- Full-year depreciation and amortization expense of approximately \$45M.
- Full-year restructuring charges of approximately \$15M.
- Tax rate in the mid-to-upper 20% range.
- Full-year capital expenditures of approximately \$30M.

SALES OVERVIEW



Q4 F'14 SALES:

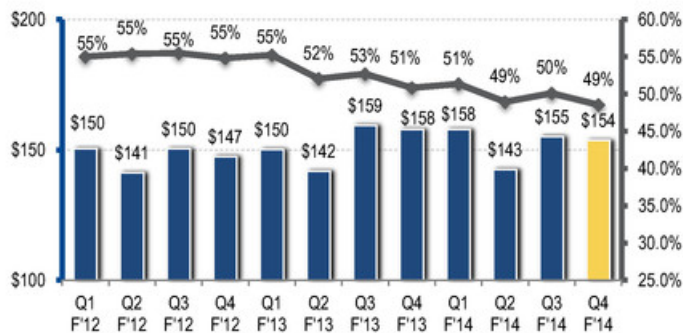
- 1.1% organic sales growth.
- 0.9% increase due to currency translation.
- Organic sales growth in both the ID Solutions and Workplace Safety platforms.

Q4 F'14 SALES COMMENTARY:

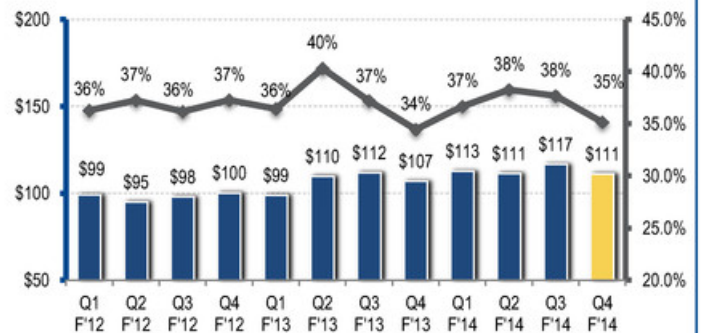
- ID Solutions – Organic sales growth of 1.2%
- Workplace Safety – Organic sales growth of 0.9%
- Die-Cut – Business is all in discontinued operations and excluded from reported sales amounts.

GROSS PROFIT MARGIN & SG&A EXPENSE

GROSS PROFIT & GPM% (Millions of USD)



SG&A & SG&A as % of SALES (Millions of USD)



GROSS PROFIT MARGIN:

- GPM of 48.6% in Q4 of F'14 compared to 50.8% in Q4 of F'13.
- Costs related to facility consolidation activities and sales mix resulted in a lower gross margin for the quarter.

SG&A EXPENSE:

- SG&A expense of \$111.3M in Q4 of F'14 compared to \$107.0M in Q4 of F'13.
- SG&A increase resulting from increased investments in both Workplace Safety and ID Solutions to drive organic growth opportunities.

NET EARNINGS & EPS FROM CONTINUING OPERATIONS – Non-GAAP*

NET EARNINGS FROM CONTINUING OPERATIONS, EXCLUDING CERTAIN ITEMS*
(Millions of USD)



NET EARNINGS FROM CONTINUING OPERATIONS PER CLASS A DILUTED NONVOTING SHARE, EXCLUDING CERTAIN ITEMS*



Q4 F'14 – Non-GAAP Earnings*

- Q4 F'14 Non-GAAP net earnings from continuing operations* of \$21M compared to \$28.6M in Q4 of F'13.
- Quarter-on-quarter earnings decline driven by costs related to facility consolidation and sales mix.

Q4 F'14 – Non-GAAP EPS*

- Q4 F'14 Non-GAAP diluted EPS from continuing operations* of \$0.41 compared to \$0.55 in Q4 of F'13.

* Non-GAAP Net Earnings from Continuing Operations and Non-GAAP Net Earnings from Continuing Operations Per Class A Diluted Nonvoting Share are non-GAAP measures. See slides #20 and #21.

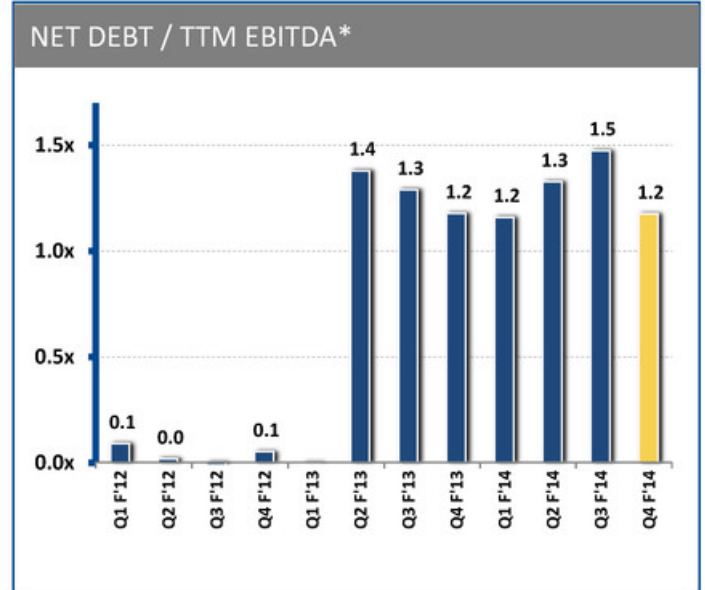
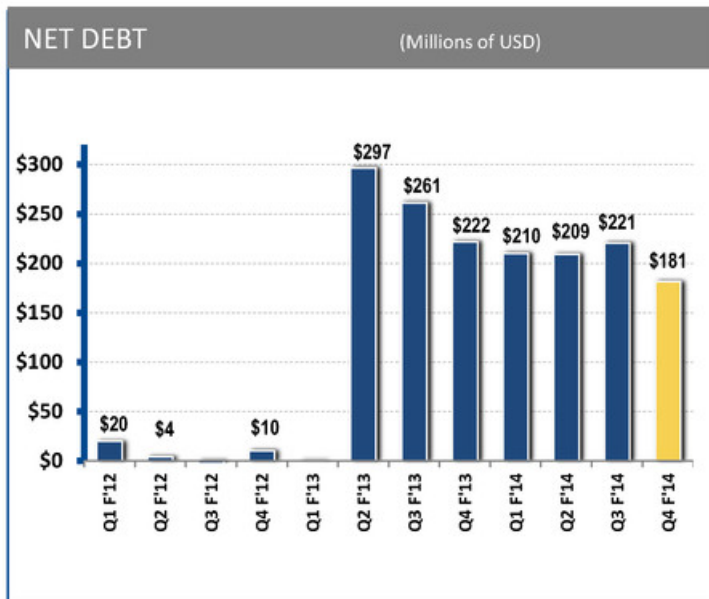
CASH GENERATION

(millions of USD)	3 Mos. Ended	12 Mos. Ended
	July 31, 2014	July 31, 2014
Cash Balance - Beginning of Period	\$ 78.7	\$ 91.1
Cash Flow from Operating Activities	17.6	93.4
Capital Expenditures	(13.6)	(43.4)
Proceeds from Sales of Businesses	54.2	54.2
Repurchase of Stock	(7.3)	(30.6)
Dividends	(10.0)	(40.5)
Debt (Repayments) Borrowings - Net	(32.7)	(50.4)
Effect of Exchange Rate on Cash	(1.4)	2.5
Other	(3.7)	5.5
Cash Balance - July 31, 2014	\$ 81.8	\$ 81.8

SIGNIFICANT CASH FLOWS:

- Cash flow from operating activities of \$17.6M in Q4 of F'14.
- Received \$54.2M of net proceeds from the first closing of the Die-Cut Divestiture.
- Repaid \$32.7M of debt in the quarter.
- Returned \$17.3M to our shareholders in the form of dividends and share repurchases.

NET DEBT & EBITDA



STRONG BALANCE SHEET:

- July 31, 2014 Cash = \$81.8M, Debt = \$263.2M (net debt = \$181.4M), and TTM EBITDA (continuing operations) = \$154.3M.
- Net Debt/EBITDA* = 1.2x.
- Balance sheet provides flexibility for future cash uses.

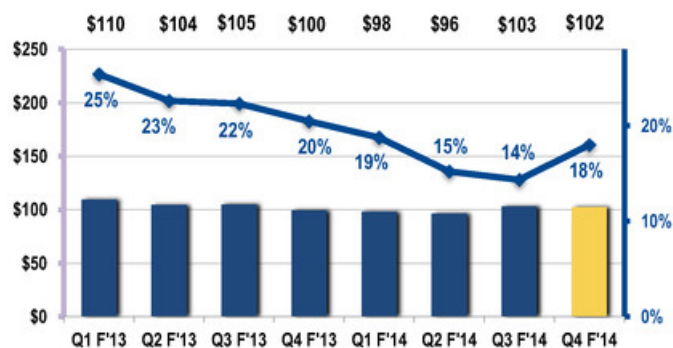
* EBITDA is a non-GAAP measure. See appendix for the reconciliation of net income to EBITDA.

WORKPLACE SAFETY

Q4 F'14 vs. Q4 F'13 PERFORMANCE (Millions of USD)

	Q4 F'14	Q4 F'13	Change
Sales	\$ 102.3	\$ 99.5	2.8%
Segment Profit	18.4	20.4	- 9.5%
Segment Profit %	18.0%	20.5%	- 2.5 pts

SALES & SEGMENT PROFIT % (Millions of USD)



Q4 F'14 SUMMARY:

- Revenues up 2.8%:
 - Organic = +0.9%.
 - Fx = +1.9%.
- Segment profit of 18.0% is below prior year, but above the run rate coming into the quarter.
- Return to organic growth partly driven by changes made in the middle of fiscal 2014.
- Increased catalog advertising spend in all major geographies and selected price increases starting to improve profitability.

OUTLOOK:

- Low single digit organic sales growth anticipated in fiscal 2015.
- Anticipate F'15 segment profit as a % of sales to approximate the rate we experienced coming out of F'14.

NEW PRODUCTS

Strong sales during the quarter of the BMP-21™ Plus & BMP-21™ Lab printers, launched last quarter

Tough on the outside, Smart on the inside - Rugged performance, high-visibility printer for wire identification applications and another version for laboratory applications.

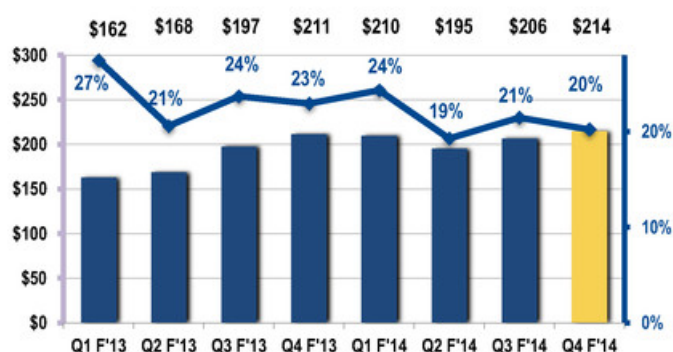


IDENTIFICATION SOLUTIONS

Q4 F'14 vs. Q4 F'13 PERFORMANCE (Millions of USD)

	Q4 F'14	Q4 F'13	Change
Sales	\$ 214.4	\$ 211.1	+ 1.6%
Segment Profit	43.3	48.4	- 10.4%
Segment Profit %	20.2%	22.9%	- 2.7 pts

SALES & SEGMENT PROFIT % (Millions of USD)



Q4 F'14 SUMMARY:

- Revenues up 1.6%:
 - Organic = +1.2%
 - Fx = +0.4%.
- PDC organic sales declined low single digit percentages in F'14.
- Segment profit negatively impacted by operational inefficiencies, sales mix, and increased selling resources to drive future organic sales growth.

OUTLOOK:

- Expect low single-digit organic sales growth for F'15.
- Expect segment profit as a % of sales to be consistent with F'14.

Brady Contact:

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See our web site at
www.investor.bradycorp.com



TOTAL COMPANY INCOME STATEMENTS

COMPARABLE INCOME STATEMENTS		(Millions of USD)	
Three Months Ended July 31,			
	2014	2013	Change
Sales	\$ 316.7	\$ 310.6	\$ 6.1
Gross Margin	154.1	157.9	(3.8)
% of Sales	48.6%	50.8%	(2.2) pts
Research and Development	(9.4)	(9.4)	-
Selling, General and Admin.	(111.3)	(107.0)	(4.3)
% of Sales	(35.2%)	(34.4%)	0.8 pts
Impairment Charges	(148.6)	(204.4)	55.8
Restructuring Charges	(0.8)	(15.6)	14.8
Operating Loss	(116.0)	(178.5)	62.5
Interest and Other	(3.0)	(2.8)	(0.2)
Income Taxes	22.0	5.8	16.2
Loss from Continuing Operations	\$ (97.0)	\$ (175.6)	\$ 78.6
% of Sales	(30.6%)	(56.5%)	25.9 pts
Loss from Continuing Operations per Class A Nonvoting Common Share	\$ (1.89)	\$ (3.40)	\$ 1.52
Net Earnings from Continuing Operations, Excluding Certain Items (Non-GAAP measure)*			
	\$ 21.0	\$ 28.6	\$ (7.6)
% of Sales	6.6%	9.2%	(2.6) pts
Net Earnings from Continuing Operations Per Class A Diluted Nonvoting Share, Excluding Certain Items (Non-GAAP measure)*			
	\$ 0.41	\$ 0.55	\$ (0.14)

* Non-GAAP Net Earnings from Continuing Operations, Excluding Restructuring and Net Earnings from Continuing Operations Per Class A Diluted Nonvoting Share Excluding Restructuring are non-GAAP measures. See slides #20 and #21.

DEBT STRUCTURE

(Thousands of USD)	Int. Rate	Fixed vs. Variable	July 31, 2014 Balance	July 31, 2013 Balance
Revolver Borrowings (due Feb. 2017):				
USD-denominated (L+1.125)	1.25%	Variable	\$ 42,000	\$ 39,000
China Borrowings:				
USD-denominated notes payable	3.73%	Variable	19,423	11,613
Private Placements:				
USD-denominated 2004 Series	5.14%	Fixed	-	18,750
USD-denominated 2006 Series	5.30%	Fixed	52,285	78,429
USD-denominated 2007 Series	5.33%	Fixed	49,114	65,485
EUR-denominated 2010 Series (7-yr.)	3.71%	Fixed	40,164	39,900
EUR-denominated 2010 Series (10-yr.)	4.24%	Fixed	60,246	59,850
TOTAL DEBT			\$ 263,232	\$ 313,027

EBITDA RECONCILIATION – Total Company

EBITDA - Total Company

('000s of USD)

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 earnings before interest expense, income taxes, depreciation, amortization and impairment charges. 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 Consolidated Statements of Earnings data. EBITDA should not be considered as an alternative to net earnings or operating income as an indicator of the Company's operating performance, or as an alternative to net cash provided by operating activities 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.

Fiscal 2014					
	Q1	Q2	Q3	Q4	Total
EBITDA:					
Net earnings (loss)	\$ 23,928	\$ 16,425	\$ 24,088	\$ (110,409)	\$ (45,968)
Interest expense	3,720	3,676	3,381	3,523	14,300
Income taxes	11,130	2,933	3,799	(19,890)	(2,028)
Depreciation and amortization	10,878	11,464	11,440	10,816	44,598
Loss on sale of discontinued operations	—	—	—	1,602	1,602
Impairment charges	—	—	—	148,551	148,551
EBITDA (non-GAAP measure)	\$ 49,656	\$ 34,498	\$ 42,708	\$ 34,193	\$ 161,055

Fiscal 2013					
	Q1	Q2	Q3	Q4	Total
EBITDA:					
Net earnings (loss)	\$ 27,187	\$ (8,684)	\$ 4,233	\$ (177,271)	\$ (154,535)
Interest expense	4,162	4,406	4,186	3,887	16,641
Income taxes	13,481	30,626	7,595	(4,417)	47,285
Depreciation and amortization	10,675	11,371	13,991	12,688	48,725
Intangible asset write-down in restructuring charges	—	—	3,207	—	3,207
Loss on write-down of assets held for sale	—	—	15,658	—	15,658
Impairment charges	—	—	—	204,448	204,448
EBITDA (non-GAAP measure)	\$ 55,505	\$ 37,719	\$ 48,870	\$ 39,335	\$ 181,429

EBITDA RECONCILIATION – Continuing Operations

EBITDA – Continuing Operations

('000s of USD)

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

Fiscal 2014					
	Q1	Q2	Q3	Q4	Total
EBITDA from Continuing Operations:					
Earnings (loss) from continuing operations	\$ 18,134	\$ 10,517	\$ 20,184	\$ (96,981)	\$ (48,146)
Interest expense	3,720	3,676	3,381	3,523	14,300
Income taxes	95	—	4,074	(22,040)	(4,963)
Depreciation and amortization	178	—	11,440	10,816	44,598
Impairment charges	—	—	—	148,551	148,551
EBITDA from Continuing Operations (non-GAAP)	\$ 41,327	\$ 30,065	\$ 39,079	\$ 43,869	\$ 154,340

Fiscal 2013					
	Q1	Q2	Q3	Q4	Total
EBITDA from Continuing Operations:					
Earnings (loss) from continuing operations	\$ 26,291	\$ (10,671)	\$ 21,680	\$ (175,557)	\$ (138,257)
Interest expense	4,162	4,406	4,186	3,887	16,641
Income taxes	13,178	28,960	6,202	(5,757)	42,583
Depreciation and amortization	7,684	8,490	11,065	12,688	39,927
Intangible asset write-down in restructuring charges	—	—	3,207	—	3,207
Impairment charges	—	—	—	204,448	204,448
EBITDA from Continuing Operations (non-GAAP)	\$ 51,315	\$ 31,185	\$ 46,340	\$ 39,709	\$ 168,549

NON-GAAP NET EARNINGS FROM CONTINUING OPERATIONS

Reconciliation of Non-GAAP Net Earnings from Continuing Operations

('000s of USD)

Brady is presenting the Non-GAAP measure "Net Earnings from Continuing Operations Excluding Certain Items." This is not a calculation based upon GAAP. The amounts included in this Non-GAAP measure are derived from amounts included in the Consolidated Statements of Earnings data. We do not view these items to be part of our sustainable results. We believe this measure provides an important perspective of underlying business trends and results and provides a more comparable measure from year to year. The table below provides a reconciliation of Net Loss from Continuing Operations to Net Earnings from Continuing Operations Excluding Certain Items:

	Three Months Ended July 31,		Year Ended July 31,	
	2014	2013	2014	2013
Net Loss from Continuing Operations (GAAP measure)	\$ (96,981)	\$ (175,557)	\$ (48,146)	\$ (138,257)
Cost of goods sold:				
Purchase accounting expense related to inventory	—	—	—	949
Selling, general and administrative:				
Reversal of restricted stock grant expense	—	(2,624)	—	(2,624)
PDC acquisition-related expenses	—	—	—	2,959
Non-cash income tax charges	—	3,976	—	28,976
Restructuring charges	580	11,236	10,261	18,889
Impairment charges	117,394	191,556	117,394	191,556
Net Earnings from Continuing Operations Excluding Certain Items (non-GAAP measure)	\$ 20,993	\$ 28,587	\$ 79,509	\$ 102,448

NON-GAAP NET EARNINGS FROM CONTINUING OPERATIONS PER DILUTED CLASS A NONVOTING SHARE

Reconciliation of Non-GAAP Net Earnings from Continuing Operations per Diluted Class A Nonvoting Share

Brady is presenting the Non-GAAP measure "Net Earnings from Continuing Operations Per Diluted Class A Nonvoting Common Share Excluding Certain Items." This is not a calculation based upon GAAP. The amounts included in this Non-GAAP measure are derived from amounts included in the Consolidated Financial Statements and supporting footnote disclosures. We do not view these items to be part of our sustainable results. We believe this measure provides an important perspective of underlying business trends and results and provides a more comparable measure from year to year. The table below provides a reconciliation of Net Loss from Continuing Operations Per Diluted Class A Nonvoting Common Share to Net Earnings from Continuing Operations Per Diluted Class A Nonvoting Common Share Excluding Certain Items:

	Three Months Ended July 31,		Year Ended July 31,	
	2014	2013	2014	2013
Net Loss from Continuing Operations Per Diluted Class A Nonvoting Share (GAAP measure)	\$ (1.89)	\$ (3.40)	\$ (0.93)	\$ (2.70)
Cost of goods sold:				
Purchase accounting expense related to inventory	—	—	—	0.02
Selling, general and administrative:				
Reversal of restricted stock grant expense	—	(0.05)	—	(0.05)
PDC acquisition-related expenses	—	—	—	0.06
Non-cash income tax charges	—	0.08	—	0.56
Restructuring charges	0.01	0.22	0.20	0.37
Impairment charges	2.29	3.71	2.2	3.71
Net Earnings from Continuing Operations Per Diluted Class A Share Excluding Certain Items (non-GAAP measure)	\$ 0.41	\$ 0.55	\$ 1.53	\$ 1.98

