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): February 20, 2013

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

Commission File Number 1-14959

Wisconsin	**39-0971239**
(State of Incorporation)	**(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))

Item 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On February 21, 2013, Brady Corporation (the "Company") issued a press release announcing its fiscal 2013 second 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 2.05 COSTS ASSOCIATED WITH EXIT OR DISPOSAL ACTIVITIES

On February 20, 2013, the Board of Directors of Brady Corporation approved a reorganization of the Company into three global product-based business platforms effective May 1, 2013, and a restructuring action to reduce approximately 5-7% of the Company's global workforce. Upon completion of the reorganization, the platforms will be Identification Solutions, Workplace Safety and Die Cut, with Matthew O. Williamson, Scott Hoffman and Stephen Millar, respectively, slated to lead these businesses. Mr. Williamson is currently Vice President of the Company and President--Brady Americas, Mr. Hoffman is currently Vice President--Corporate and Business Development of the Company and Mr. Millar is currently Vice President of the Company and President--Brady Asia Pacific. The Company is implementing the reorganization and restructuring actions to further enhance its coordinated global business strategies for each business platform, to improve efficiency of operations, to promote greater customer focus and to reduce operating expenses. The Company will begin segment reporting in the three business platforms in the fourth fiscal quarter of 2013.

In connection with the restructuring action, the Company expects to incur pre-tax cash charges of approximately $15-$18 million, primarily related to employee severance/termination benefits, substantially all of which will result in cash expenditures. The Company expects to recognize most of these charges in the third and fourth quarters of fiscal 2013 and complete most of the restructuring by the end of fiscal year 2013. Upon completion of the restructuring action, the Company expects to realize annualized savings of approximately $25-$30 million from the restructuring.

A copy of the press release issued by the Company in connection with the reorganization and restructuring action is being furnished to the Securities and Exchange Commission as Exhibit 99.1 attached hereto and is incorporated herein by reference.

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

On February 20, 2013, Peter C. Sephton, who serves as Vice President of the Company and President--Brady EMEA, notified the Company of his intent to resign these positions effective April 30, 2013. Mr. Sephton will remain employed with the Company for the period after his resignation of these positions through July 31, 2013 in order to assist the Company in its reorganization to three global product-based business platforms, at which time Mr. Sephton will retire. The Company anticipates entering into a written agreement with Mr. Sephton by the end of the current fiscal quarter in connection with his resignation and retirement that would provide for payment of his current salary and benefits through his retirement on July 31, a severance payment of GBP 340,000, including a portion of that sum as consideration for a non-compete covenant and up to GBP 5,000 for reimbursement of legal fees. Mr. Sephton's resignation and retirement was described in a press release issued by the Company in connection with the reorganization and restructuring action disclosed in Item 2.05 hereto which is furnished to the Securities and Exchange Commission as Exhibit 99.1 attached hereto and is incorporated herein by reference.

Upon completion of the reorganization described in Item 2.05 above, the following executive officer changes will be implemented:

<u>President--Identification Solutions</u>: Matthew Williamson will become President--Identification Solutions and remain a Vice President of the Company. There will be no immediate changes to Mr. Williamson's compensation as previously described in the Company's filings with the SEC as a result of his change in title.

<u>President--Workplace Safety</u>: Scott Hoffman will become President--Identification Solutions and remain a Vice President of the Company. Mr. Hoffman, 49, joined the Company in 1986 and has held a variety of sales, marketing and leadership positions at the Company. Most recently he held the position of Vice President and General Manager--Americas from 2008 until he was appointed to his current position of Vice President--Corporate and Business Development in January 2009. Mr. Hoffman participates in the Company's equity incentive and other benefit plans on a basis similar to other executive officers. The Company currently has a Change of Control Agreement with Mr. Hoffman, amended as of December 23, 2008, in the form filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the period ended January 31, 2009, which is incorporated herein by reference. There will be no immediate changes to Mr. Hoffman's compensation as a result of his change in title.

President--Die Cut: Stephen Millar will become President--Die Cut and remain a Vice President of the Company and President-Brady Asia Pacific. There will be no immediate changes to Mr. Millar's compensation as previously described in the Company's filings with the SEC as a result of his change in title.

None of Messrs. Williamson, Hoffman and Millar has any family relationship with any director or executive officer of the Company, nor is any a party to any related party transactions with the Company. Pursuant to the Company's Bylaws, each will serve in his executive position at the discretion of the Company's Board of Directors.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits.

The following are filed as Exhibits to this Report.

Exhibit No.	Description of Exhibit
99.1	Press Release of Brady Corporation, dated February 21, 2013, relating to second quarter fiscal 2013 financial results.
99.2	Informational slides provided by Brady Corporation, dated February 21, 2013, relating to second quarter fiscal 2013 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: February 21, 2013

/s/ Thomas J. Felmer

Thomas J. Felmer

Senior Vice President &
Chief Financial Officer

EXHIBIT INDEX

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99.2	Informational slides provided by Brady Corporation, dated February 21, 2013, relating to second quarter fiscal 2013 financial results.

EXHIBIT 99.1

For More Information:
Investor contact: Aaron Pearce 414-438-6895
Media contact: Carole Herbstreit 414-438-6882

For Immediate Release

Brady Corporation Reports Fiscal 2013 Second Quarter Results and Announces Reorganization

MILWAUKEE (February 21, 2013)--Brady Corporation (NYSE: BRC) ("Brady" or "Company"), a world leader in identification solutions, today reported its financial results for the fiscal 2013 second quarter ended January 31, 2013 and also announced a reorganization of its business.

Quarter Ended January 31, 2013 Financial Results:

Sales for the fiscal 2013 second quarter ended January 31, 2013, were up 1.1 percent to $324.2 million compared to $320.6 million in the second quarter of fiscal 2012. Organic sales declined 3.1 percent, the impact of foreign currency translation increased sales by 0.2 percent, and acquisitions, net of divestitures added 4.0 percent. By segment, organic sales increased 0.6 percent in the Americas and decreased 5.0 percent in EMEA and 7.0 percent in the Asia-Pacific region.

During the second quarter of fiscal 2013, the Company acquired Precision Dynamics Corporation ("PDC") for $301 million. PDC is a leader in identification products primarily for the healthcare sector with annual revenues of approximately $173 million. In connection with this acquisition, the Company incurred certain acquisition-related costs including a non-cash tax charge of $25.0 million related to the repatriation of cash to the U.S. and $5.1 million of other acquisition-related expenses. During the second quarter of fiscal 2013, the Company also realized a $5.2 million pre-tax gain on the settlement of an insurance claim related to the 2011 flood in Thailand. In the second quarter of last fiscal year, the Company recorded a non-cash impairment charge of $115.7 million for the write down of goodwill in the Asia-Pacific region. Non-routine and other items, along with restructuring charges are quantified on pages 11-12 of this news release for comparability purposes.

Net income (loss) in the fiscal 2013 second quarter was $(8.7) million compared to $(90.0) million in the same quarter last year. Non-GAAP net income* was $19.5 million in the second quarter of fiscal 2013, compared to $25.7 million in the second quarter of fiscal 2012.

Earnings (loss) per diluted Class A Common Share were $(0.17) in the second quarter of fiscal 2013 compared to $(1.72) in the same quarter last year. Non-GAAP Diluted Earnings per Class A Common Share* were $0.38 in the second quarter of fiscal 2013, compared to $0.49 in the second quarter of fiscal 2012.

Six Months Ended January 31, 2013 Financial Results:

Sales for the six-month period ended January 31, 2013, were down 1.3 percent to $661.8 million compared to $670.1 million in the same period last year. Organic sales were down 2.5 percent, the impact of foreign currency translation decreased sales by 1.0 percent, and acquisitions, net of divestitures added 2.2 percent.

Net income (loss) for the six months ended January 31, 2013 was $18.5 million compared to $(57.2) million in the same period of fiscal 2012. Non-GAAP net income* was $49.9 million for the six months ended January 31, 2013, compared to $58.5 million in the same period of fiscal 2012.

Earnings (loss) per diluted Class A Common Share were $0.36 for the six-month period ended January 31, 2013 compared to $(1.09) in the same period of fiscal 2012. Non-GAAP Diluted Earnings per Class A Common Share* were $0.97 for the six months ended January 31, 2013, compared to $1.12 in the same period in fiscal 2012.

Brady to Reorganize its Business:

Brady also reported that as part of its strategy to improve organic growth and profitability that it will be changing its organizational structure from geographically-based to an organization structured around three global business platforms: Identification Solutions, Workplace Safety and Die-Cut.

The Identification Solutions business will focus on innovative identification solutions for a broad range of applications including wire identification, product identification, safety and facility identification and healthcare identification. The Workplace Safety business will be expanding its multi-channel direct marketing model by providing a broader set of workplace safety products with an increased focus on e-business. The Die-Cut business will continue to provide precision solutions primarily to the global electronics industry. Mr. Matthew Williamson will lead the global Identification Solutions business. Mr. Williamson has been with Brady for 34 years and is currently serving as Vice President of the Company and President - Brady Americas. Mr. Scott Hoffman will lead the global Workplace Safety business. Mr. Hoffman has been with Brady for 27 years and is currently serving as Vice President - Corporate and Business Development of the Company. Mr. Stephen Millar will lead the Die-Cut business. Mr. Millar has been with Brady for 14 years and is currently serving as Vice President of the Company and President - Asia-Pacific. Peter Sephton, currently president of Brady's EMEA region, will be retiring from Brady effective July 31, 2013. Mr. Sephton will remain in his current role as Vice President of Brady and President - Brady EMEA through April 30, 2013 when he will resign these positions and will then assist with the transition to the new global business platforms through his retirement on July 31, 2013.

Commentary and Guidance:

“In the second quarter of fiscal 2013, we experienced slight organic sales growth in the Americas and we experienced a 5.0 percent organic sales decline in EMEA due to a challenging European economy. Our performance in Asia-Pacific was weaker than expected due to challenges in both our Australian business and our Thailand hard-disk drive business,” stated Brady's President and Chief Executive Officer, Frank M. Jaehnert. “The acquisition of PDC, a leader in the U.S. healthcare identification space, is a significant step forward in our move into faster-growing end businesses with less cyclicality. PDC provides an important anchor position for Brady in the attractive healthcare sector, which is a sector in which we plan continued investment."

Mr. Jaehnert continued, "We believe that our reorganization around global business platforms will create better alignment of resources required to deliver increasing levels of organic sales growth. We will also be able to create a leaner, flatter organization that is closer to the customer, allowing us to reduce costs by approximately $25 million to $30 million annually, some of which will be reinvested into growth initiatives. Costs to implement this reorganization are expected to range from $15 million to $18 million. The global business reorganization will be effective May 1, 2013 with most of the restructuring completed by the end of fiscal 2013. Looking forward, I am confident that the actions we are taking, including the acquisition of PDC and the reorganization around global businesses will accelerate future sales growth and increase future profitability."

"We anticipate continuing pressure on organic sales for the remainder of fiscal 2013 as the global macro-economy remains sluggish," said Brady's Chief Financial Officer, Thomas J. Felmer. "Based on what we see for the remainder of the year, and including $0.05 to $0.07 of anticipated earnings from PDC as well as some savings from restructuring activities in the fourth quarter, we expect earnings per diluted Class A Common Share to be towards the lower end of our prior guidance of between $2.20 and $2.40, exclusive of non-routine items, restructuring charges, and other items, for our full-year fiscal 2013, with the fourth quarter being stronger than the third quarter. This is based on exchange rates as of January 31, 2013 and a full-year income tax rate, excluding the impact of non-routine items, in the mid-to-upper 20 percent range."

A webcast regarding Brady's fiscal 2013 second 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 premises, products and people. Brady's 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 millions of customers in electronics, telecommunications, manufacturing, electrical, construction, education, medical and a variety of other industries. Brady is headquartered in Milwaukee, Wisconsin and as of January 31, 2013 employed approximately 8,200 people at operations in the Americas, EMEA and Asia-Pacific. Brady's fiscal 2012 sales were approximately $1.32 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: the length or severity of the current worldwide economic downturn or timing or strength of a subsequent recovery; increased usage of e-commerce allowing for ease of price transparency; 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, 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; difficulties in making and integrating acquisitions; risks associated with newly acquired businesses; risks associated with restructuring plans; environmental, health and safety compliance costs and liabilities; 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; 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, 2012.

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
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Dollars in Thousands, Except Per Share Amounts)

	(Unaudited)		(Unaudited)	
	Three Months Ended January 31,		Six Months Ended January 31,	
	2013	2012	2013	2012
Net sales	$ 324,182	$ 320,584	$ 661,828	$ 670,092
Cost of products sold	174,130	167,279	347,156	348,956
Gross margin	150,052	153,305	314,672	321,136
Operating expenses:				
Research and development	8,551	9,972	17,036	19,781
Selling, general and administrative	117,240	104,843	225,501	213,775
Restructuring charges	4,031	—	4,031	—
Impairment charge	—	115,688	—	115,688
Non-routine items	(5,220)	—	(1,782)	—
Total operating expenses	124,602	230,503	244,786	349,244
Operating income (loss)	25,450	(77,198)	69,886	(28,108)
Other income and (expense):				
Investment and other income (expense)	897	812	1,294	610
Interest expense	(4,406)	(4,933)	(8,569)	(9,980)
Income before income taxes	21,941	(81,319)	62,611	(37,478)
Income taxes	30,625	8,635	44,107	19,744
Net (loss) income	$ (8,684)	$ (89,954)	$ 18,504	$ (57,222)
Per Class A Nonvoting Common Share:				
Basic net income	$ (0.17)	$ (1.72)	$ 0.36	$ (1.09)
Diluted net income	$ (0.17)	$ (1.72)	$ 0.36	$ (1.09)
Dividends	$ 0.19	$ 0.185	$ 0.38	$ 0.37
Per Class B Voting Common Share:				
Basic net income	$ (0.17)	$ (1.72)	$ 0.34	$ (1.11)
Diluted net income	$ (0.17)	$ (1.72)	$ 0.34	$ (1.11)
Dividends	$ 0.19	$ 0.185	$ 0.36	$ 0.35
Weighted average common shares outstanding (in thousands):				
Basic	51,177	52,447	51,108	52,552
Diluted	51,177	52,447	51,507	52,552

BRADY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in Thousands)

	(Unaudited) January 31, 2013	July 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 141,311	$ 305,900
Accounts receivable—net	229,219	199,006
Inventories:		
Finished products	75,040	64,740
Work-in-process	17,549	15,377
Raw materials and supplies	32,242	25,407
Total inventories	124,831	105,524
Prepaid expenses and other current assets	47,656	40,424
Total current assets	543,017	650,854
Other assets:		
Goodwill	877,972	676,791
Other intangible assets	185,495	84,119
Deferred income taxes	6,032	45,356
Other	22,711	20,584
Property, plant and equipment:		
Cost:		
Land	9,145	8,651
Buildings and improvements	105,501	101,962
Machinery and equipment	313,512	292,130
Construction in progress	12,444	10,417
	440,602	413,160
Less accumulated depreciation	289,860	283,145
Property, plant and equipment—net	150,742	130,015
Total	$ 1,785,969	$ 1,607,719
LIABILITIES AND STOCKHOLDERS' INVESTMENT		
Current liabilities:		
Notes payable	$ 112,340	$ —
Accounts payable	103,197	86,646
Wages and amounts withheld from employees	40,564	54,629
Taxes, other than income taxes	8,313	9,307
Accrued income taxes	8,869	14,357
Other current liabilities	46,930	40,815
Current maturities on long-term debt	61,264	61,264
Total current liabilities	381,477	267,018
Long-term obligations, less current maturities	264,417	254,944
Other liabilities	102,225	76,404
Total liabilities	748,119	598,366
Stockholders' investment:		
Common stock:		
Class A nonvoting common stock—Issued 51,261,487 and 51,261,487 shares, respectively and outstanding 47,711,496 and 47,630,926 shares, respectively	513	513
Class B voting common stock—Issued and outstanding, 3,538,628 shares	35	35
Additional paid-in capital	315,425	313,008
Earnings retained in the business	731,294	732,290
Treasury stock—3,234,991 and 3,245,561 shares, respectively of Class A nonvoting common stock, at cost	(88,354)	(92,600)
Accumulated other comprehensive income	81,475	59,411
Other	(2,538)	(3,304)
Total stockholders' investment	1,037,850	1,009,353
Total	$ 1,785,969	$ 1,607,719

BRADY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in Thousands)

	(Unaudited) Six Months Ended January 31, 2013	2012
Operating activities:		
Net income (loss)	$ 18,504	$ (57,222)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22,046	22,176
Non-cash portion of restructuring charges	200	—
Non-cash portion of stock-based compensation expense	6,868	5,506
Impairment charge	—	115,688
Loss (gain) on sales of businesses	3,138	—
Deferred income taxes	26,050	(4,831)
Changes in operating assets and liabilities (net of effects of business acquisitions/divestitures):		
Accounts receivable	(5,418)	6,029
Inventories	(4,475)	(11,814)
Prepaid expenses and other assets	(2,772)	(5,155)
Accounts payable and accrued liabilities	(13,629)	(36,297)
Income taxes	(6,318)	9,221
Net cash provided by operating activities	44,194	43,301
Investing activities:		
Purchases of property, plant and equipment	(15,667)	(11,100)
Payments of contingent consideration	—	(2,580)
Settlement of net investment hedges	—	(797)
Acquisition of business, net of cash acquired	(300,757)	—
Sales of businesses, net of cash retained	10,178	—
Other	(549)	(128)
Net cash used in investing activities	(306,795)	(14,605)
Financing activities:		
Payment of dividends	(19,499)	(19,452)
Proceeds from issuance of common stock	4,409	2,301
Purchase of treasury stock	(5,121)	(12,309)
Proceeds from borrowings on credit revolver	220,000	—
Repayment of borrowings on credit revolver	(112,472)	—
Income tax benefit from the exercise of stock options and deferred compensation distribution, and other	1,273	566
Net cash provided by (used in) financing activities	88,590	(28,894)
Effect of exchange rate changes on cash	9,422	(9,442)
Net decrease in cash and cash equivalents	(164,589)	(9,640)
Cash and cash equivalents, beginning of period	305,900	389,971
Cash and cash equivalents, end of period	$ 141,311	$ 380,331
Supplemental disclosures:		
Cash paid during the period for:		
Interest, net of capitalized interest	$ 7,866	$ 9,521
Income taxes, net of refunds	19,964	16,189
Acquisitions:		
Fair value of assets acquired, net of cash	$ 168,675	$ —
Liabilities assumed	(57,860)	—
Goodwill	189,942	—
Net cash paid for acquisitions	$ 300,757	$ —

Information by regional segment for the three and six months ended January 31, 2013 and 2012 is as follows:

(Dollars in Thousands)	Americas	EMEA	Asia-Pacific	Total Region	Corporate and Eliminations	Total
SALES TO EXTERNAL CUSTOMERS						
Three months ended:						
January 31, 2013	$ 147,716	$ 94,395	$ 82,071	$ 324,182	—	$ 324,182
January 31, 2012	$ 138,405	$ 95,593	$ 86,586	$ 320,584	—	$ 320,584
Six months ended:						
January 31, 2013	$ 296,408	$ 187,628	$ 177,792	$ 661,828	—	$ 661,828
January 31, 2012	$ 292,267	$ 192,949	$ 184,876	$ 670,092	—	$ 670,092
SALES INFORMATION						
Three months ended January 31, 2013:						
Organic	0.6 %	(5.0)%	(7.0)%	(3.1)%	—%	(3.1)%
Currency	(0.4)%	(0.3)%	1.8 %	0.2 %	—%	0.2 %
Acquisitions/Divestitures	6.5 %	4.0 %	0.0 %	4.0 %	—%	4.0 %
Total	6.7 %	(1.3)%	(5.2)%	1.1 %	—%	1.1 %
Six months ended January 31, 2013:						
Organic	(0.1)%	(4.1)%	(4.6)%	(2.5)%	—%	(2.5)%
Currency	(0.8)%	(3.0)%	0.8 %	(1.0)%	—%	(1.0)%
Acquisitions/Divestitures	2.3 %	4.3 %	0.0 %	2.2 %	—%	2.2 %
Total	1.4 %	(2.8)%	(3.8)%	(1.3)%	—%	(1.3)%
SEGMENT PROFIT						
Three months ended:						
January 31, 2013	$ 32,336	$ 23,723	$ 5,514	$ 61,573	$ (1,794)	$ 59,779
January 31, 2012	$ 35,798	$ 26,562	$ 7,733	$ 70,093	$ (2,359)	$ 67,734
Percentage change	(9.7)%	(10.7)%	(28.7)%	(12.2)%		(11.7)%
Six months ended:						
January 31, 2013	$ 76,969	$ 47,290	$ 17,569	$ 141,828	$ (3,767)	$ 138,061
January 31, 2012	$ 79,028	$ 52,861	$ 21,037	$ 152,926	$ (5,622)	$ 147,304
Percentage change	(2.6)%	(10.5)%	(16.5)%	(7.3)%		(6.3)%

NET INCOME RECONCILIATION (dollars in thousands)

	Three Months Ended January 31,		Six Months Ended January 31,	
	2013	2012	2013	2012
Total profit for reportable segments	$ 61,573	$ 70,093	$ 141,828	$ 152,926
Corporate and eliminations	(1,794)	(2,359)	(3,767)	(5,622)
Unallocated amounts:				
Administrative costs	(35,518)	(29,244)	(65,926)	(59,724)
Restructuring charges	(4,031)	—	(4,031)	—
Impairment charge	—	(115,688)	—	(115,688)
Non-routine items	5,220	—	1,782	—
Investment and other income	897	812	1,294	610
Interest expense	(4,406)	(4,933)	(8,569)	(9,980)
Income (loss) before income taxes	21,941	(81,319)	62,611	(37,478)
Income taxes	30,625	8,635	44,107	19,744
Net (loss) income	$ (8,684)	$ (89,954)	$ 18,504	$ (57,222)

GAAP TO NON-GAAP MEASURES
(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.

EBITDA:

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, 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.

	Fiscal 2013				
	Q1	Q2	Q3	Q4	Total
EBITDA:					
Net income (loss)	$ 27,188	$ (8,684)			$ 18,504
Interest expense	4,163	4,406			8,569
Income taxes	13,482	30,625			44,107
Depreciation and amortization	10,675	11,371			22,046
EBITDA (non-GAAP measure)	$ 55,508	$ 37,718	—	—	$ 93,226

	Fiscal 2012				
	Q1	Q2	Q3	Q4	Total
EBITDA:					
Net income (loss)	$ 32,732	$ (89,954)	$ 27,652	$ 11,659	$ (17,911)
Interest expense	5,047	4,933	4,735	4,375	19,090
Income taxes	11,109	8,635	9,676	11,241	40,661
Depreciation and amortization	11,241	10,935	10,745	11,066	43,987
Impairment charge	—	115,688	—	—	115,688
EBITDA (non-GAAP measure)	$ 60,129	$ 50,237	$ 52,808	$ 38,341	$ 201,515

GAAP TO NON-GAAP MEASURES
(Dollars in Thousands, Except Per Share Amounts)

Income Before Taxes Excluding Restructuring Charges, Non-Routine Items, and Other:
Brady is presenting the Non-GAAP measure "Income Before Taxes Excluding Restructuring Charges, Non-Routine Items, and Other." This is not a calculation based upon GAAP. The amounts included in this Non-GAAP measure are derived from amounts included in the Condensed Consolidated Statements of Income 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 Income (Loss) Before Taxes to Income Before Taxes Excluding Restructuring Charges, Non-Routine Items, and Other:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2013	2012	2013	2012
Income (loss) before taxes (GAAP measure)	$ 21,941	$ (81,319)	$ 62,611	$ (37,478)
Non-routine items - pre-tax				
Gain on Thailand insurance recovery	(5,220)	—	(5,220)	—
Loss on the sale of Brady Medical	—	—	3,675	—
Gain on the sale of Varitronics	—	—	(237)	—
Non-routine items - pre-tax	(5,220)	—	(1,782)	—
Other items - pre-tax				
Cost of goods sold				
Purchase accounting expense related to inventory	1,530	—	1,530	—
Selling, general and administrative				
PDC acquisition-related expenses	3,600	—	3,600	—
Restructuring charges	4,031	—	4,031	—
Impairment charge	—	115,688	—	115,688
Income taxes				
Non-cash tax charge	—	—	—	—
Other items - pre-tax	9,161	115,688	9,161	115,688
Income Before Taxes Excluding Restructuring Charges, Non-Routine Items, and Other (Non-GAAP measure)	**$ 25,882**	**$ 34,369**	**$ 69,990**	**$ 78,210**

Income Taxes Excluding Restructuring Charges, Non-Routine Items, and Other:
Brady is presenting the Non-GAAP measure "Income Taxes Excluding Restructuring Charges, Non-Routine Items, and Other." This is not a calculation based upon GAAP. The amounts included in this Non-GAAP measure are derived from amounts included in the Condensed Consolidated Statements of Income 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 to Income Taxes Excluding Restructuring Charges, Non-Routine Items, and Other:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2013	2012	2013	2012
Income taxes (GAAP measure)	$ 30,625	$ 8,635	$ 44,107	$ 19,744
Non-routine items - tax effect				
Gain on Thailand insurance recovery	(1,201)	—	(1,201)	—
Loss on the sale of Brady Medical	—	—	1,098	—
Gain on the sale of Varitronics	—	—	(875)	—
Non-routine items - tax effect	(1,201)	—	(978)	—
Other items - tax effect				
Cost of goods sold				
Purchase accounting expense related to inventory	581	—	581	—
Selling, general and administrative				
PDC acquisition-related expenses	641	—	641	—
Restructuring charges	750	—	750	—
Impairment charge	—	—	—	—
Income taxes				
Non-cash tax charge	(25,000)	—	(25,000)	—
Other items - tax effect	(23,028)	—	(23,028)	—
Income Taxes Excluding Restructuring Charges, Non-Routine Items, and Other (Non-GAAP measure)	**$ 6,396**	**$ 8,635**	**$ 20,101**	**$ 19,744**

GAAP TO NON-GAAP MEASURES
(Dollars in Thousands, Except Per Share Amounts)

Net Income Excluding Restructuring Charges, Non-Routine Items, and Other:
Brady is presenting the Non-GAAP measure "Net Income Excluding Restructuring Charges, Non-Routine Items, and Other." This is not a calculation based upon GAAP. The amounts included in this Non-GAAP measure are derived from amounts included in the Condensed Consolidated Statements of Income 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) Income to Net Income Excluding Restructuring Charges, Non-Routine Items, and Other:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2013	2012	2013	2012
Net (loss) income (GAAP measure)	$ (8,684)	$ (89,954)	$ 18,504	$ (57,222)
Non-routine items - net of tax				
Gain on Thailand insurance recovery	(4,019)	—	(4,019)	—
Loss on the sale of Brady Medical	—	—	2,577	—
Gain on the sale of Varitronics	—	—	638	—
Non-routine items - net of tax	(4,019)	—	(804)	—
Other items - net of tax				
Cost of goods sold				
Purchase accounting expense related to inventory	949	—	949	—
Selling, general and administrative				
PDC acquisition-related expenses	2,959	—	2,959	—
Restructuring charges	3,281	—	3,281	—
Impairment charge	—	115,688	—	115,688
Income taxes				
Non-cash tax charge	25,000	—	25,000	—
Other items - net of tax	32,189	115,688	32,189	115,688
Net Income Excluding Restructuring Charges, Non-Routine Items, and Other (Non-GAAP measure)	**$ 19,486**	**$ 25,734**	**$ 49,889**	**$ 58,466**

Diluted Net Income Per Class A Nonvoting Common Share Excluding Restructuring Charges, Non-Routine Items, and Other:
Brady is presenting the Non-GAAP measure "Diluted Net Income Per Class A Nonvoting Common Share Excluding Restructuring Charges, Non-Routine Items, and Other." This is not a calculation based upon GAAP. The amounts included in this Non-GAAP measure are derived from amounts included in the Condensed Consolidated Statements of Income 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 Diluted Net (Loss) Income Per Class A Nonvoting Common Share to Diluted Net Income Per Class A Nonvoting Common Share Excluding Restructuring Charges, Non-Routine Items, and Other:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2013	2012	2013	2012
Diluted Net (Loss) Income Per Class A Nonvoting Share (GAAP measure)	$ (0.17)	$ (1.72)	$ 0.36	$ (1.09)
Non-routine items				
Gain on Thailand insurance recovery	(0.08)	—	(0.08)	—
Loss on the sale of Brady Medical	—	—	0.05	—
Gain on the sale of Varitronics	—	—	0.01	—
Non-routine items	(0.08)	—	(0.02)	—
Other items				
Cost of goods sold				
Purchase accounting expense related to inventory	0.02	—	0.02	—
Selling, general and administrative				
PDC acquisition-related expenses	0.06	—	0.06	—
Restructuring charges	0.06	—	0.06	—
Impairment charge	—	2.21	—	2.21
Income taxes				
Non-cash tax charge	0.49	—	0.49	—
Other items	0.63	2.21	0.63	2.21
Diluted Net Income Per Class A Nonvoting Share Excluding Restructuring Charges, Non-Routine Items, and Other (Non-GAAP measure)	**$ 0.38**	**$ 0.49**	**$ 0.97**	**$ 1.12**

F’13 Q2 Financial Results

February 21, 2013

WE IDENTIFY AND PROTECT PREMISES, PRODUCTS, AND PEOPLE.

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: the length or severity of the current worldwide economic downturn or timing or strength of a subsequent recovery; increased usage of e-commerce allowing for ease of price transparency; 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, 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; difficulties in making and integrating acquisitions; risks associated with newly acquired businesses; risks associated with restructuring plans; environmental, health and safety compliance costs and liabilities; 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; 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, 2012.

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.

ACQUISITION OF PRECISION DYNAMICS CORPORATION ("PDC")

- Largest acquisition in Brady's history - $301 million purchase price with $173 million of sales.
- PDC Overview:
  - 85% of business is in healthcare sectors
  - 15% of business is in the sale of ID products to the leisure and entertainment, and law enforcement sectors
  - Diverse product offering, customer base, and channels to customer
- Sizeable acquisition of a leader in the healthcare industry with positive macro secular trends
- Meaningful shift in customers served by Brady
- Common products and processes allow us to leverage New Product Development, Operations and our Global Footprint

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PDC FINANCIALS

F'13 Financial Forecasts:

- Revenues = Approximately $105M
- Gross Profit Margin (exclusive of a $1.5M purchase accounting charge) in the low 40% range.
- Operating Income = $9M
- EPS – Diluted (excl. restructuring & acquisition-related expenses) = $0.05 - $0.07/share
- EBITDA = $19M

F'14 Financial Forecasts:

- Revenues = Approximately $180M
- Gross Profit Margin in the low 40% range.
- Operating Income = $16M
- EPS – Diluted = $0.10 - $0.15/share
- EBITDA = $33M

Financing:

- Initially funded through 2/3rd cash and 1/3rd revolving line of credit borrowings.
- Continue to assess long-term financing opportunities.

BUSINESS REORGANIZATION

- Reorganizing around three global business platforms:
  - Identification Solutions
  - Workplace Safety
  - Die-Cut
- Dedicated global businesses improve alignment of resources and creates a leaner, flatter organization that is closer to the customer.
- Will result in structural cost reductions of approximately $25M to $30M annually, some of which will be reinvested into growth initiatives.
- Costs to implement this reorganization are expected to range from $15M to $18M, most of which will be recognized in the third and fourth quarters of fiscal 2013.
- The global business reorganization will be effective May 1, 2013 with most of the restructuring completed by the end of fiscal 2013.

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RESTRUCTURING, NON-ROUTINE ITEMS & OTHER ITEMS

During the 2nd quarter of F'13 and F'12, there were certain non-routine and other comparability items, including the following impacts on diluted EPS:

	Q2 F'13	Q2 F'12
Diluted Earnings (Loss) Per Share (GAAP MEASURE)	$ (0.17)	$ (1.72)
Restructuring Charges	0.06	-
Non-Cash Goodwill Impairment Charge	-	2.21
Non-Routine Items:		
Gain on Thailand Insurance Recovery	(0.08)	-
Cost of Goods Sold:		
PDC Purchase Accounting Expenses Related to Inventories	0.02	-
Selling, General, & Administrative Expenses:		
PDC Acquisition-related Expenses	0.06	-
Tax Charges:		
Non-Cash Tax Charges Related to the Repatriation of Cash	0.49	-
Diluted EPS, Excluding Restructuring Charges, Non-Routine Items, and Other Items* (NON-GAAP MEASURE)	**$ 0.38**	**$ 0.49**

* Net Income, excluding restructuring charges, non-routine items, and other items and Diluted EPS, excluding restructuring charges, non-routine items, and other items are non-GAAP measures. See slides #21 and #22.

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Q2 F'13 - FINANCIAL SUMMARY

- Sales up 1.1% to $324.2M vs. $320.6M in Q2 of F'12.
  - Organic sales down 3.1%, acquisitions, net of divestitures increased sales by 4.0%, and foreign currency increased sales by 0.2%.
- Gross Profit Margin of 46.3% in Q2 of F'13 compared with 47.8% in Q2 of F'12.
- SG&A expense of 36.2% of sales in Q2 of F'13 vs. 32.7% of sales in Q2 of F'12.
- Income tax expense of $30.6M (tax rate of 140%)
  - Excluding the $25M non-cash tax charge related to the repatriation of cash to the United States to finance the acquisition of PDC, the tax rate would have been approximately 25%.
- Net income (loss) of $(8.7M) vs. $(90.0M) in Q2 of F'12.
  - Net Income, excluding restructuring charges, non-routine items, and other items* was $19.5M vs. $25.7M in Q2 of F'12.
- Diluted Earnings (Loss) per Share of $(0.17) in Q2 of F'13 vs. $(1.72) in Q2 of F'12.
  - Diluted Earnings (Loss) per Share, excluding restructuring charges, non-routine items and other items* was $0.38 vs. $0.49 in Q2 of F'12.

* Net Income, excluding restructuring charges, non-routine items, and other items and Diluted EPS, excluding restructuring charges, non-routine items, and other items are non-GAAP measures. See slides #21 and #22.

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F'13 DILUTED EPS GUIDANCE

Diluted EPS $2.20 to $2.40

(Excluding after-tax restructuring charges, non-routine items, and other items)

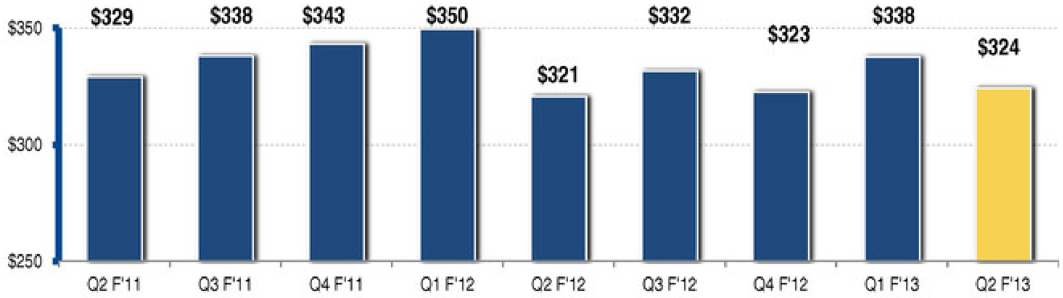
Guidance Assumptions:

- Full-year income tax rate in the mid-to-upper 20% range (exclusive of non-cash charges related to the repatriation of cash to finance PDC).
- Inclusive of the on-going financial results of PDC, which are forecasted at $0.05 - $0.07/share.
- Foreign currency exchange rates as of January 31, 2013.
- Full-year depreciation and amortization expense of approximately $56 million (includes $10M of depreciation and amortization from the acquisition of PDC).
- Full-year capital expenditures of approximately $35 - $38 million.
- Free cash flow of approximately 120% of net income (excluding non-cash tax charges).

In accordance with our normal practice, our guidance does not assume any acquisitions or dispositions. Brady Corporation's practice is to only change or reconfirm guidance in a public forum.

SALES OVERVIEW

SALES (Millions of USD)



	Q2 F'11	Q3 F'11	Q4 F'11	Q1 F'12	Q2 F'12	Q3 F'12	Q4 F'12	Q1 F'13	Q2 F'13
Organic Sales	10%	1%	(0.6%)	3.5%	(1.8%)	(0.5%)	(2.6%)	(1.9%)	(3.1%)

Q2 F'13 TOTAL COMPANY SALES:

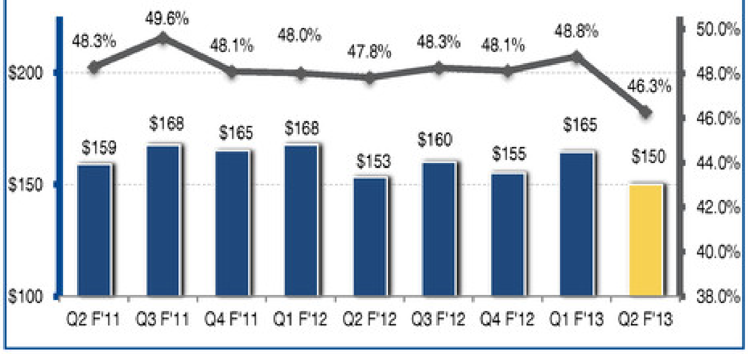
- Q2 F'13 Sales up 1.1%.
  - (3.1%) organic sales decline.
  - 4.0% growth from acquisitions, net of divestitures
  - 0.2% growth due to currency translation.

Q2 F'13 SALES COMMENTARY:

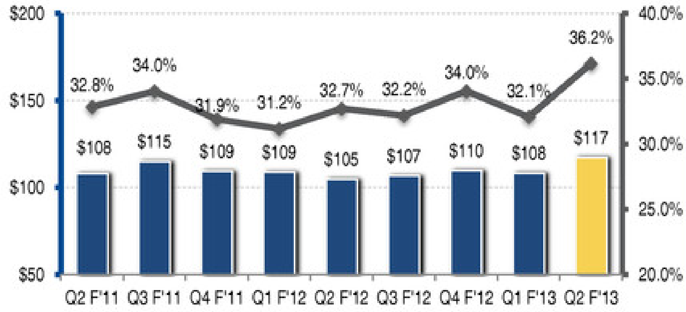
- Americas – Growth in North American ID Solutions offset by weakness in Brazil.
- EMEA – Growth in Middle East, Africa, and Central Europe not enough to make up for softness in Western Europe.
- Asia – Weakness in the hard disk drive business and Australia.

GROSS PROFIT MARGIN AND SG&A

GROSS PROFIT & GPM% (Millions of USD)



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



GROSS PROFIT MARGIN DRIVERS:

- GPM of 46.3% compared to 47.8% in Q2 of F'12.
- Excluding the impact of PDC purchase accounting on cost of goods sold, Q2 F'13 GPM would have been 46.7%.

SG&A EXPENSE DRIVERS:

- SG&A up in absolute dollars from $104.8M in Q2 of F'12 to $117.2M in Q2 of F'13.
- SG&A impacted by the acquisition of PDC and investments for organic growth initiatives, in particular geographic expansion, focus markets, and digital.

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NET INCOME* AND DILUTED EPS*

NET INCOME* (Millions of USD)

DILUTED EPS (Class A Shares)*

Q2 F'13 NET INCOME* & DILUTED EPS*:

- Q2 F'13 diluted EPS, excluding restructuring charges and other items of $0.38 compared to $0.49 in Q2 of F'12.
- Investments in organic growth initiatives, including geographic expansion, focus markets, new product development, and digital negatively impacted net income in Q2 of F'13.

Q2 F'13 NET INCOME* & DILUTED EPS*:

- Benefits from restructuring being redeployed into initiatives to drive future organic growth and profit improvement.

* Net Income, excluding restructuring charges, non-routine items, and other items and Diluted EPS, excluding restructuring charges, non-routine items , and other items are non-GAAP measures. See slides #21 and #22.

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WHEN PERFORMANCE MATTERS MOST

CASH GENERATION

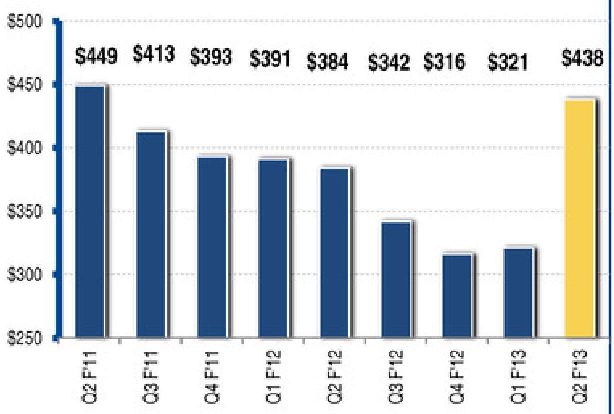
	3 Mos. Ended Jan. 31, 2013	Year-to-Date Jan. 31, 2013
Cash Balance - Beginning of Period	**$ 321.3**	**$ 305.9**
Cash Flow from Operating Activities	24.0	44.2
Capital Expenditures	(9.5)	(15.7)
Proceeds from Sales of Businesses	-	10.2
Acquisition of Businesses	(300.8)	(300.8)
Repurchase of Stock	-	(5.1)
Dividends	(9.8)	(19.5)
Incremental Borrowings	108.0	108.0
Effect of Exchange Rate on Cash	5.4	9.4
Other	2.7	4.7
Cash Balance - Jan. 31, 2013	**$ 141.3**	**$ 141.3**

CASH GENERATION – Q2 F'13:

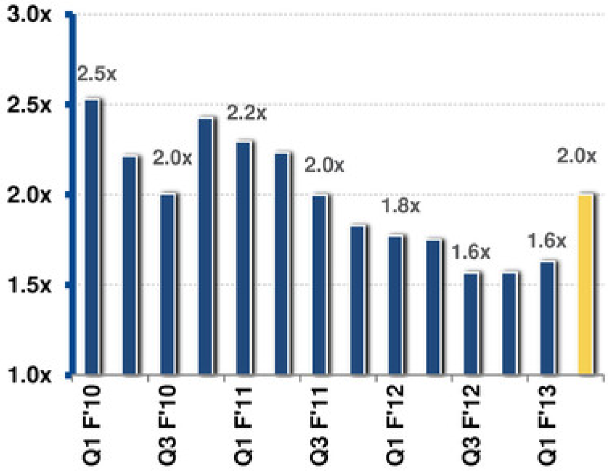
- Purchased PDC for $301M.
- Incremental borrowings were to fund the acquisition of PDC.

DEBT & EBITDA

GROSS DEBT (Millions of USD)



GROSS DEBT / TTM EBITDA*



STRONG BALANCE SHEET:

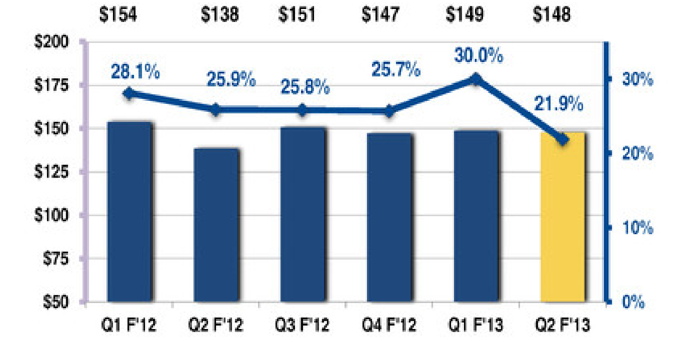
- Continue to have a strong balance sheet and conservative leverage.
- January 31, 2013 Cash = $141M
- January 31, 2013 Debt = $438M
- Debt/EBITDA:
  - Gross Debt/EBITDA = 2.4x (2.0x including the TTM EBITDA of PDC).
  - Net Debt/EBITDA = 1.6x (1.4x including the TTM EBITDA of PDC).

AMERICAS – Q2 F'13 SUMMARY

Q2 F'13 vs. Q2 F'12 PERFORMANCE

	Q2 F'12	Q2 F'13	Change
Sales	$ 138.4	$ 147.7	+ 6.7%
Segment Profit	35.8	32.3	- 9.7%
Segment Profit %	25.9%	21.9%	- 4.0 pts

SALES & SEGMENT PROFIT % (Millions of USD)



Q2 F'13 SUMMARY:

- Revenues up 6.7%:
  - Organic = 0.6%
  - Fx = (0.4%)
  - Acquisitions, net of dispositions = 6.5%
- Growth in North American ID Solutions offset by softness in Brazil and Direct Marketing.
- Segment profit was reduced by approximately $1.5M due to the application of PDC purchase accounting on inventories.
- Segment profit down 9.7%. Excluding PDC, segment profit would have been 23.4% of sales.

OUTLOOK:

- Low single-digit organic sales growth led by North American ID Solutions.
- PDC to be accretive to segment profit in absolute dollars, but dilutive as a % of sales.

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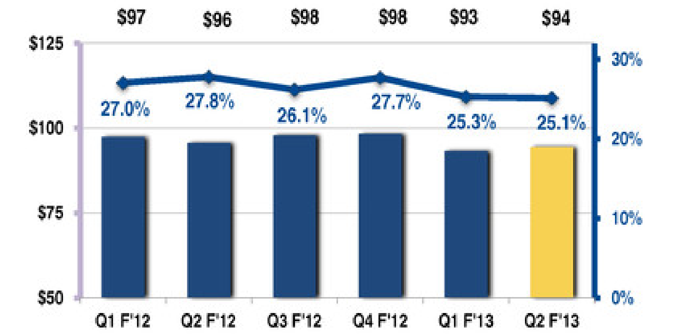
WHEN PERFORMANCE MATTERS MOST

EMEA – Q2 F'13 SUMMARY

Q2 F'13 vs. Q2 F'12 PERFORMANCE

	Q2F'12	Q2 F'13	Change
Sales	$ 95.6	$ 94.4	- 1.3%
Segment Profit	26.6	23.7	- 10.7%
Segment Profit %	27.8%	25.1%	- 2.7 pts

SALES & SEGMENT PROFIT % (Millions of USD)



Q2 F'13 SUMMARY:

- Revenues down (1.3%):
  - Organic = (5.0%)
  - Fx = (0.3%)
  - Acquisitions, net of divestitures = 4.0%
- Growth in Central Europe, Middle East, and Africa partially offsetting macro-economic weakness in Western Europe and the wind-down of the former Die-Cut facility in Sweden.
- Segment profit down 10.7% due primarily to reduced organic sales in the challenging macro-environment.

OUTLOOK:

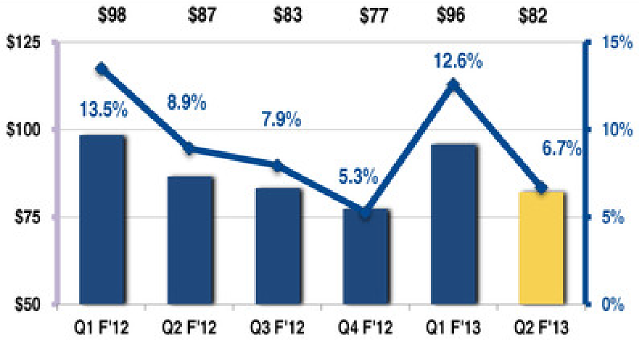
- Economic headwinds continue and are expected throughout the second half of F'13.
- Slightly negative organic sales for the balance of F'13.

ASIA-PACIFIC – Q2 F'13 SUMMARY

Q2 F'13 vs. Q2 F'12 PERFORMANCE

	Q2 F'12	Q2 F'13	Change
Sales	$ 86.6	$ 82.1	- 5.2%
Segment Profit	7.7	5.5	- 28.7%
Segment Profit %	8.9%	6.7%	- 2.2 pts

SALES & SEGMENT PROFIT % (Millions of USD)



Q2 F'13 SUMMARY:

- Revenues down (5.2%):
  - Organic = (7.0%)
  - Fx = 1.8%
- Hard disk drive die-cut business demand down.
- Australia macro-economy weak, causing a reduction in organic sales.
- Investing in Asian Identification Solutions business for future growth.
- Segment profit down 28.7%, reflecting declines in our hard disk drive business and Australia and investments in Identification Solutions.

OUTLOOK:

- Challenging Q3 due to weaknesses in Australia and the hard disk drive business in Thailand, but a rebound in Q4.

BRADY WHEN PERFORMANCE MATTERS MOST

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

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DEBT STRUCTURE

(Millions of USD)	Int. Rate	Fixed vs. Var.	Jan. 31, 2013 Balance	July 31, 2012 Balance
Revolver Borrowings (due Feb. 2017):				
USD-denominated (L+1.125)	1.3%	Variable	$ 13,000	$ -
EUR-denominated (L+1.125)	1.2%	Variable	66,478	-
GBP-denominated (L+1.125)	1.6%	Variable	32,862	-
Private Placements:				
USD-denominated 2004 Series	5.1%	Fixed	37,500	37,500
USD-denominated 2006 Series	5.3%	Fixed	104,571	104,571
USD-denominated 2007 Series	5.3%	Fixed	81,857	81,857
EUR-denominated 2010 Series (7-yr.)	3.7%	Fixed	40,701	36,912
EUR-denominated 2010 Series (10-yr.)	4.2%	Fixed	61,052	55,368
TOTAL DEBT			**$ 438,021**	**$ 316,208**
Less: Current Maturities			$ (61,264)	$ (61,264)
			$ 376,757	$ 254,944

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WHEN PERFORMANCE MATTERS MOST

INCOME STATEMENTS

COMPARABLE INCOME STATEMENT (Millions of USD)

	Three Months Ended January 31,		
	2013	2012	Change
Sales	**$ 324.2**	**$ 320.6**	**$ 3.6**
Gross Margin	**150.1**	**153.3**	**(3.2)**
% of Sales	*46.3%*	*47.8%*	*(1.5) pts*
Research and Development	(8.6)	(10.0)	1.4
Selling, General and Admin.	(117.2)	(104.8)	(12.4)
% of Sales	*(36.2%)*	*(32.7%)*	*3.4 pts*
Restructuring Expense	(4.0)	-	(4.0)
Impairment Charge	-	(115.7)	115.7
Non-Routine Items	5.2	-	5.2
Operating Income	**25.5**	**(77.2)**	**102.7**
Interest and Other	(3.5)	(4.1)	0.6
Income Taxes	(30.7)	(8.6)	(22.1)
Net Income	**$ (8.7)**	**$ (90.0)**	**$ 81.3**
% of Sales	*(2.7%)*	*(28.1%)*	*25.4 pts*
Diluted EPS	**$ (0.17)**	**$ (1.72)**	**$ 1.55**
Net Income *(Excl. Restructuring Charges and Non-Routine Items)*	**$ 19.5**	**$ 25.7**	**$ (6.2)**
% of Sales	*6.0%*	*8.0%*	*(2.0) pts*
Diluted EPS *(Excl. Restructuring Charges and Non-Routine Items)*	**$ 0.38**	**$ 0.49**	**$ (0.11)**
Weighted Average Shares Outstanding	51.2	52.4	(1.3)
EBITDA	**$ 37.7**	**$ 50.2**	**$ (12.5)**
% of Sales	*11.6%*	*15.7%*	*(4.0) pts*

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EBITDA RECONCILIATION

EBITDA ('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 income before interest expense, income taxes, 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.

	Fiscal 2013				
	Q1	Q2	Q3	Q4	Total
EBITDA:					
Net income (loss)	$ 27,188	$ (8,684)			$ 18,504
Interest expense	4,163	4,406			8,569
Income taxes	13,482	30,625			44,107
Depreciation and amortization	10,675	11,371			22,046
EBITDA (non-GAAP measure)	$ 55,508	$ 37,718	$ -	$ -	$ 93,226

	Fiscal 2012				
	Q1	Q2	Q3	Q4	Total
EBITDA:					
Net income (loss)	$ 32,732	$ (89,954)	$ 27,652	$ 11,659	$ (17,911)
Interest expense	5,047	4,933	4,735	4,375	19,090
Income taxes	11,109	8,635	9,676	11,241	40,661
Depreciation and amortization	11,241	10,935	10,745	11,066	43,987
Impairment charge	-	115,688	-	-	115,688
EBITDA (non-GAAP measure)	$ 60,129	$ 50,237	$ 52,808	$ 38,341	$ 201,515

Net Income, Excluding Restructuring Charges, Non-Routine Items, & Other

Reconciliation of Net income, Excluding Restructuring Charges, Non-Routine Items, and Other ('000s of USD)

Brady is presenting the Non-GAAP measure "Net Income Excluding Restructuring Charges, Non-Routine Items, and Other." This is not a calculation based upon GAAP. The amounts included in this Non-GAAP measure are derived from amounts included in the Condensed Consolidated Statements of Income 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) Income to Net Income Excluding Restructuring Charges, Non-Routine Items, and Other:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2013	2012	2013	2012
Net (loss) income (GAAP measure)	$ (8,684)	$ (89,954)	$ 18,504	$ (57,222)
Non-routine items - net of tax				
Gain on Thailand insurance recovery	(4,019)	—	(4,019)	—
Loss on the sale of Brady Medical	—	—	2,577	—
Gain on the sale of Varitronics	—	—	638	—
Non-routine items - net of tax	(4,019)	—	(804)	—
Other items - net of tax				
Cost of goods sold				
Purchase accounting expense related to inventory	949	—	949	—
Selling, general and administrative				
PDC acquisition-related expenses	2,959	—	2,959	—
Restructuring charges	3,281	—	3,281	—
Impairment charge	—	115,688	—	115,688
Income taxes				
Non-cash tax charge	25,000	—	25,000	—
Other items - net of tax	32,189	115,688	32,189	115,688
Net Income Excluding Restructuring Charges, Non-Routine Items, and Other (Non-GAAP measure)	**$ 19,486**	**$ 25,734**	**$ 49,889**	**$ 58,466**

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Diluted EPS, Excluding Restructuring Charges, Non-Routine Items, & Other

Reconciliation of Diluted EPS, Excluding Restructuring Charges, Non-Routine Items, and Other:

Brady is presenting the Non-GAAP measure "Diluted Net Income Per Class A Nonvoting Common Share Excluding Restructuring Charges, Non-Routine Items, and Other." This is not a calculation based upon GAAP. The amounts included in this Non-GAAP measure are derived from amounts included in the Condensed Consolidated Statements of Income 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 Diluted Net (Loss) Income Per Class A Nonvoting Common Share to Diluted Net Income Per Class A Nonvoting Common Share Excluding Restructuring Charges, Non-Routine Items, and Other:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2013	2012	2013	2012
Diluted Net (Loss) Income Per Class A Nonvoting Share	$ (0.17)	$ (1.72)	$ 0.36	$ (1.09)
Non-routine items				
Gain on Thailand insurance recovery	(0.08)	-	(0.08)	-
Loss on the sale of Brady Medical	-	-	0.05	-
Gain on the sale of Varitronics	-	-	0.01	-
Non-routine items	(0.08)	-	(0.02)	-
Other items				
Cost of goods sold				
Purchase accounting expense related to inventory	0.02	-	0.02	-
Selling, general and administrative				
PDC acquisition-related expenses	0.06	-	0.06	-
Restructuring charges	0.06	-	0.06	-
Impairment charge	-	2.21	-	2.21
Income taxes				
Non-cash tax charge	0.49	-	0.49	-
Other items	0.63	2.21	0.62	2.21
Diluted Net Income Per Class A Nonvoting Share Excluding Restructuring Charges, Non-Routine Items, and Other (Non-GAAP measure)	**$ 0.38**	**$ 0.49**	**$ 0.97**	**$ 1.12**

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