

BRADY ANALYST DAY

Corporate Strategy and Business Development

October 1, 2009

AGENDA FOR TODAY

Two Themes:

- We have become much more systematic in our approach around growth, to meet our aspirations and to meet changes in our environment
- Have redefined and upgraded efforts around both M&A and organic growth

KEY OBJECTIVES – CORPORATE STRATEGY TEAM

- Responsible for defining and driving Brady's next growth platforms (organic and inorganic)
- Enhance internal strategic marketing capability
- Build an astute team of strategists – pipeline for future Brady leadership roles
- Accelerate growth

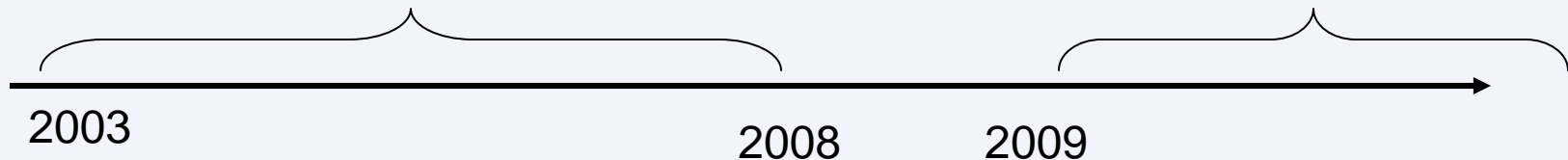
CHANGING FACE OF GROWTH AT BRADY

Prior Growth Period

- Sales grow from \$550 million to \$1.5 billion
- Net Income increased from \$21 million to \$132 million
- 27 acquisitions, mainly in core businesses
- Strong geographic expansion
- Solid new product development enhancements
- Strengthened position in global niche markets

Future Growth Platforms

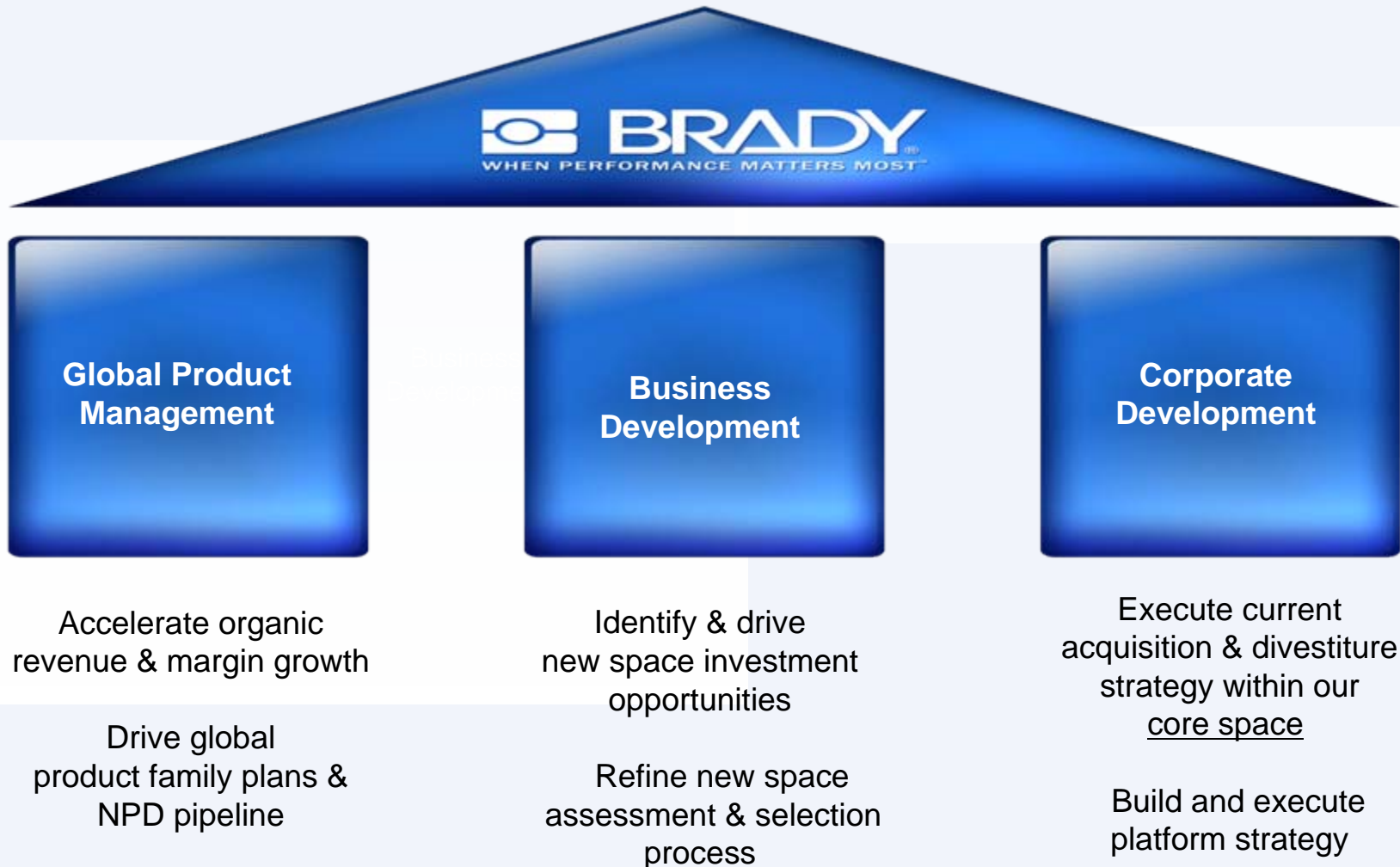
- Focus on looking for larger opportunities
- Maximizing core and adjacent market opportunities closest to where we create the most value today.
- Leveraging our advantaged capabilities
- Mix of organic and inorganic



Downturn

- Increased focus on refreshing strategy, building talent and processes to position company for the future

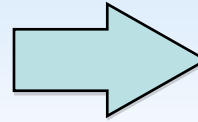
BUILDING ORGANIZATIONAL CAPABILITY



STRATEGIES TO DRIVE GROWTH: Moving to the Next Level

New Product Development

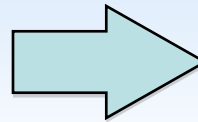
From refreshers and enhancements



To proprietary new products, innovation and new markets

Geographies

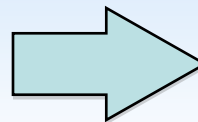
From setting up operation in new locations



To further penetrating markets where we are and developing new markets

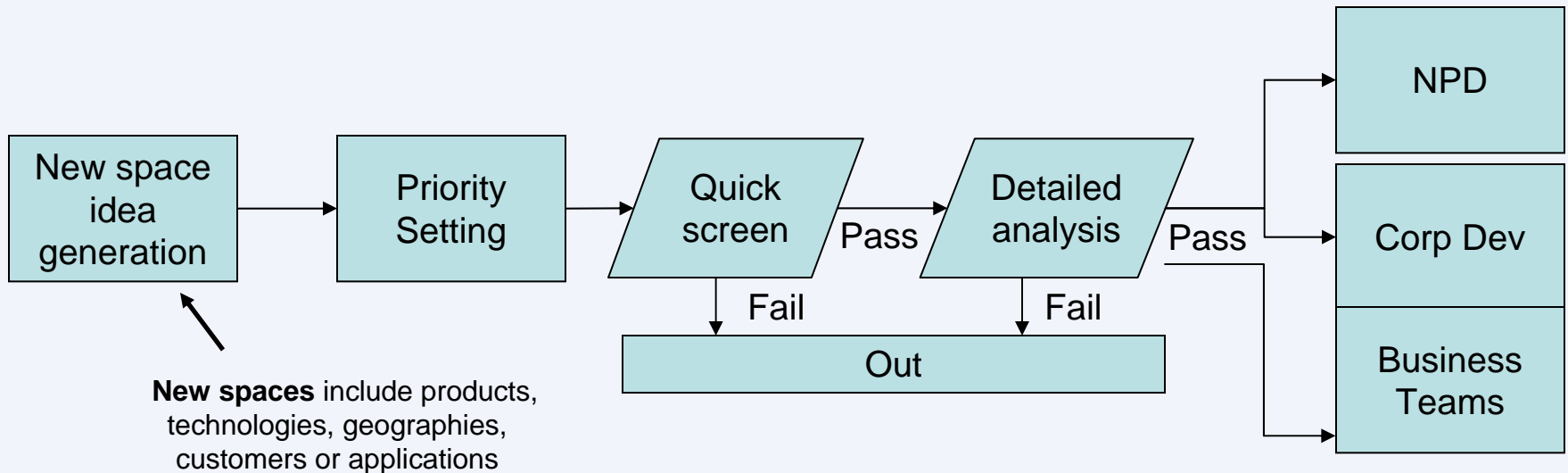
Acquisitions

From acquiring competitors in our space



To acquiring businesses in adjacent spaces

New space process is being refined to allow focus on bigger ideas and quicker cycling



Areas of focus

- Richer new idea generation through discovery VOCs
 - Systematic approach for M&A led adjacency's
- Prioritization through early engagement with business teams
 - Quicker go/no-go decisions by using prescreens

BRADY CORPORATE DEVELOPMENT (M&A) TEAM

Key Responsibilities

**Proactive
Strategy &
Prospect
Development**

**Transaction
Execution**

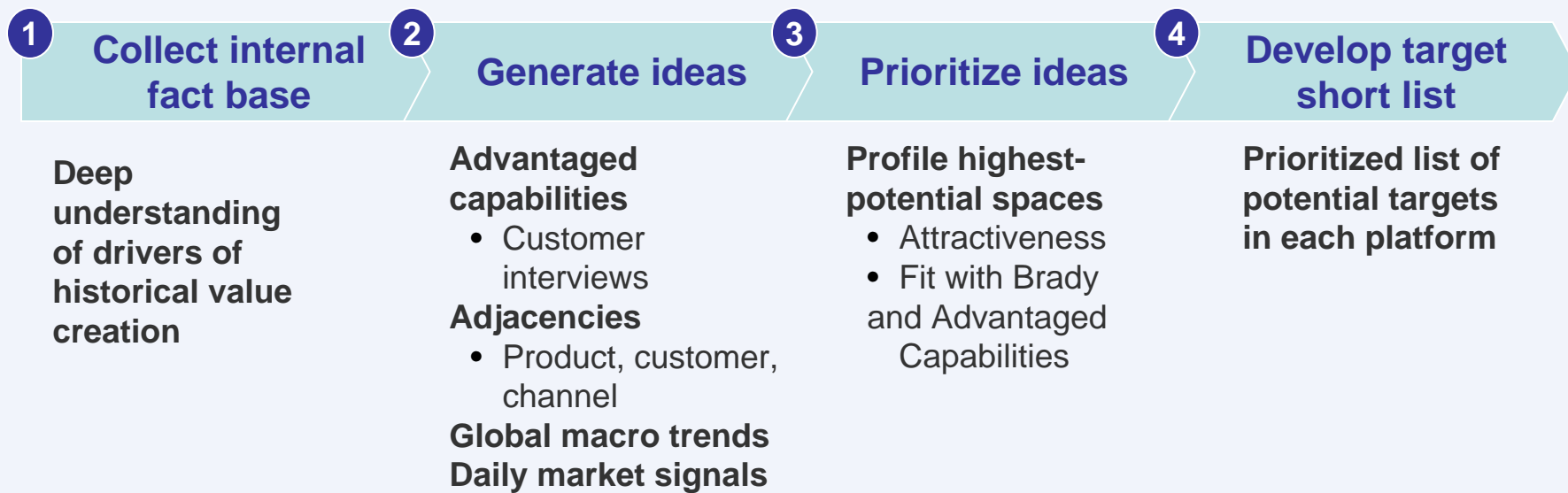
**Best of class
Integration
Process &
Tools**

DISCIPLINED ACQUISITION & INTEGRATION STRATEGY

- Dedicated experienced global team
- Candidates & Platforms driven by strategy
- Top talent leads integration
- Quarterly review of integration results and opportunities with CEO & CFO
- Institutionalizing lessons learned
- A variant of EVA, SVE is a primary tool to gauge financial attractiveness



Systematic process to identify most attractive future adjacency M&A platforms



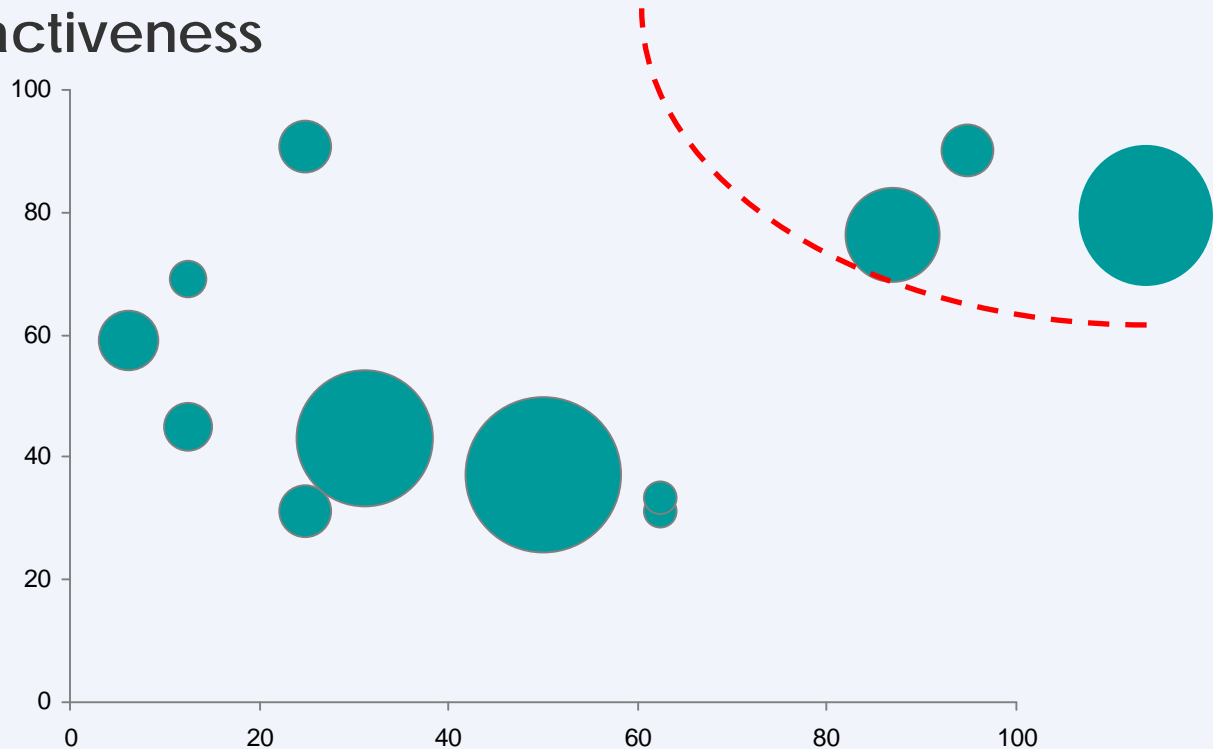
Great acquirers share a set of characteristics and build winning M&A strategies:

- Understand what you do well (Advantaged Capabilities) and deploy it in acquired companies to create value
 - Discipline to go deep on a small number of priority spaces (platforms)
 - Patience to wait for the right acquisitions in targeted platforms
 - Understanding valuation and walk-away price
 - Thoughtful integration to extract maximum value from each deal

Summary viewpoint – attractiveness and fit of adjacency acquisition opportunities (EXAMPLE)

Looking for big ideas in attractive adjacencies that fit our capabilities

• Attractiveness



Mkt attractiveness

- Size & growth
- Profitability
- Megatrend-supported
- Available attractive segments / niches
- Platform potential
- Industry structure
- Potential entry path (available targets)

Brady fit

- Relevance of advantaged capabilities
- "Stretch" from Brady core

• Fit

SUMMARY

- Brady has an outstanding track record for growth
- We are refreshing strategy with a very systematic and disciplined approach
- We are investing in talent and building capabilities
- We have developed processes to position the company for the future