BRADY CORPORATION

F2009 Q2 CONFERENCE CALL

February 20, 2009

FORWARD-LOOKING STATEMENTS

We believe that certain statements in this presentation are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements related to future, not past, events included in this presentation, including, without limitation, statements regarding our future financial position, business strategy, targets, projected sales, costs, earnings, capital expenditures, debt levels and cash flows, and plans and objectives of management for future operations are forward-looking statements. When used in this presentation, 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 our control, that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. For us, uncertainties arise from future financial performance of major markets we serve, which include, without limitation, telecommunications, manufacturing, electrical, construction, laboratory, education, governmental, public utility, computer, transportation; difficulties in making and integrating acquisitions; risks associated with newly acquired businesses; our ability to retain significant contracts and customers; future competition; our ability to develop and successfully market new products; changes in the supply of, or price for, parts and components; increased price pressure from suppliers and customers; interruptions to sources of supply; environmental, health and safety compliance costs and liabilities; our ability to realize cost savings from operating initiatives; our ability to attract and retain key talent; difficulties associated with exports; risks associated with international operations; fluctuations in currency rates versus the US dollar; technology changes; potential write-offs of our substantial intangible assets; risks associated with obtaining governmental approvals and maintaining regulatory compliance for new and existing products; business interruptions due to implementing business systems; and numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive and regulatory nature contained from time to time in our U.S. Securities and Exchange Commission filings, including, but not limited to, those factors listed in the "Risk Factors" section located in Item 1A of Part II of our Form 10-K for the period ended July 31, 2008. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.

We refer to certain non-GAAP financial measures in this presentation. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found within this presentation.

BRADY'S FISCAL 2009 Q2

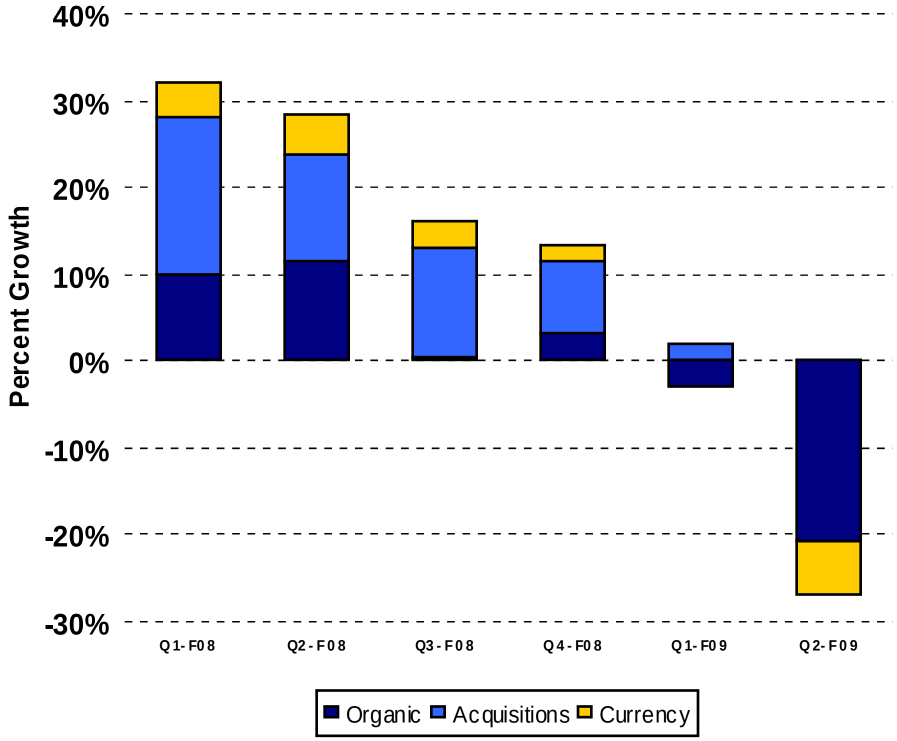
- Sales of $266M, down 27% or $98M vs. prior year
- Gross Margin at 47.3%, down 80 bps from prior year
- SG&A at 35.1%, up 150 bps as % of sales, but down $29M from prior year
- Pre-tax Restructuring charges of $19.4M
  - 2/3rd of F'09's planned restructuring activities executed in Q2
  - $11M Americas, $6M Europe, $2M Asia
- Operating Income
  - $4.6M, down 89% from prior year
  - Excluding restructuring $24.0M, down 43%
- Net Income
  - $4.2M net loss vs. $26.7M net income prior year
  - Excluding restructuring $9.8M or 3.7% of sales
- Diluted EPS of negative $0.08 vs. $0.48 prior year, excluding restructuring $0.19, down 61%
- Cash Flow from Operations at $26.7M, down 50% from prior year
  - Primarily driven by decline in Q2 earnings vs. prior year Q2
  - Depreciation & Amortization at $13.5M down 13% from prior year

RESTRUCTURING RECONCILIATION

	Employee Related	Asset Write-offs	Other	Total
Beginning balance, July 31, 2008	$ —	$ —	$ —	$ —
Restructuring charge	1,058	335	246	1,639
Non-cash write-offs	—	(335)	—	(335)
Cash payments	(595)	—	(116)	(711)
Ending balance, October 31, 2008	$ 463	$ —	$ 130	$ 593
Restructuring charge	17,035	1,213	1,160	19,408
Non-cash write-offs	(368)	(1,213)	—	(1,581)
Cash payments	(5,486)	—	(451)	(5,937)
Ending balance, January 31, 2009	$ 11,644	$ —	$ 839	$ 12,483

Majority of restructuring relates to employee related severance. $5.9M of the charges were paid during the quarter, with the remainder to be paid in the future

Q2 TOTAL COMPANY GROWTH

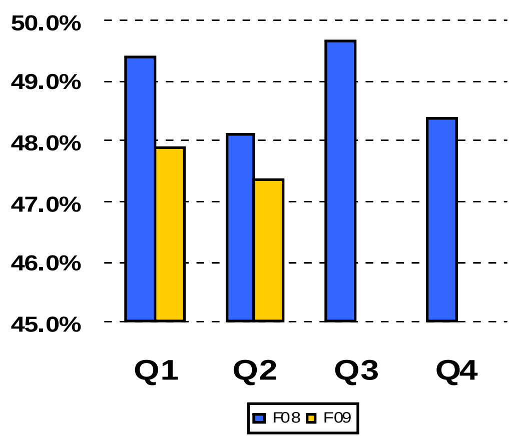


Total Sales Growth %
Fiscal 2008 - 2009

- Total sales -27%
- Organic sales -21%
  - By segment
    - Americas -20%
    - Europe -17%
    - Asia-Pacific -29%
- Flat acquisition growth
  - By segment
    - Americas 1%
- Currency -6%
  - By segment
    - Americas - 3%
    - Europe - 12%
    - Asia - 5%

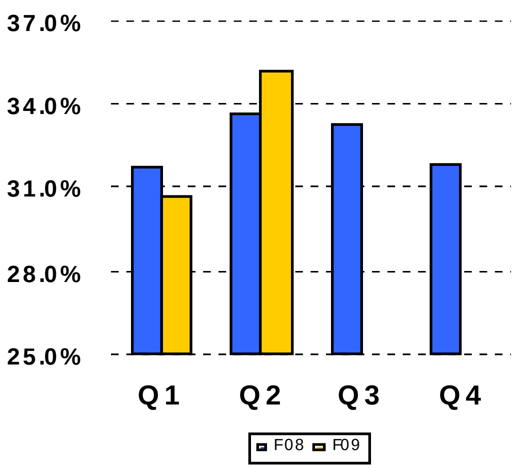
Q2 % GROSS MARGIN & % SG&A

% Gross Margin



- 47.3%, down 80 bps vs. prior year Q2
- Sales decline impacts ability to absorb fixed costs

% SG&A



- 35.1%, up 150 bps vs. prior year Q2
- Spending down $29M vs. prior year Q2

Q2 NEW PRODUCT DEVELOPMENT

IP™ 300 Printer with Auto-cutter

The Brady IP™ Printer, now with auto cutting, is a fully integrated, easy-to-use printer, material, and software system. The system offers material recognition, automatic formatting and user-friendly printer features for labels, sleeves, and tags.

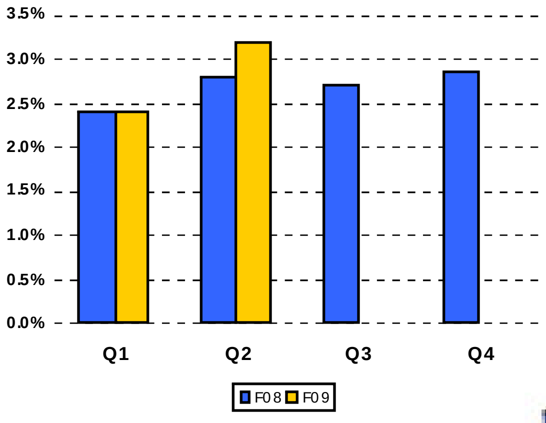
LabelMark ™ v4.0 Software

This versatile label design software is written specifically for identification applications in the aerospace, telecomm, electrical and general industrial markets. LabelMark™ v4.0 is the logical solution for label design, editing and printing.

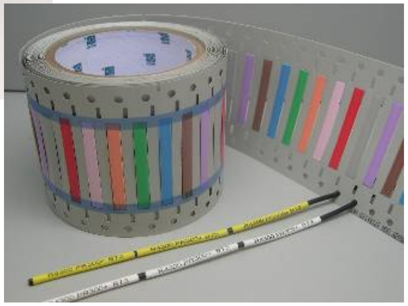
B-342 RoHS compliant PermaSleeve™

PermaSleeve™ Commercial Grade B-342 heat shrinkable sleeve wire identification is RoHS compliant to 2005/618/EC MCV amendment to RoHS Directive 2002/95/EC, without exemptions.

R&D % of sales



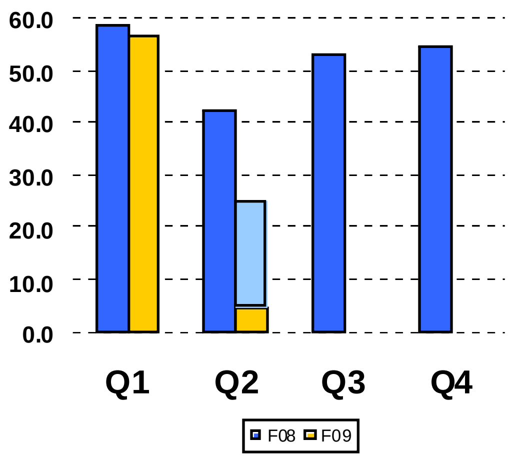
Up 40 bps vs. prior year Q2



BRADY WHEN PERFORMANCE MATTERS MOST

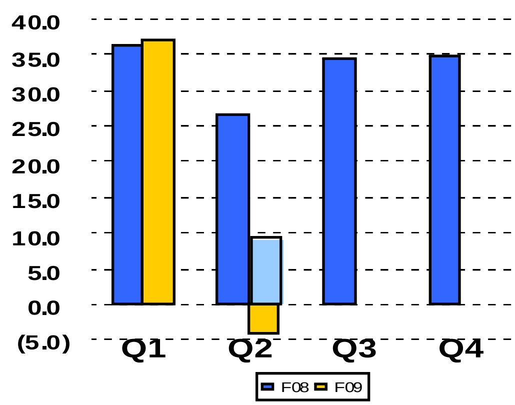
PROFITABILITY BY QUARTER

$M Operating Income



- Operating income of $4.6M, down 89%
- Excluding restructuring operating income of $24.0M, down 43%
  - 9.0% of sales

$M Net Income

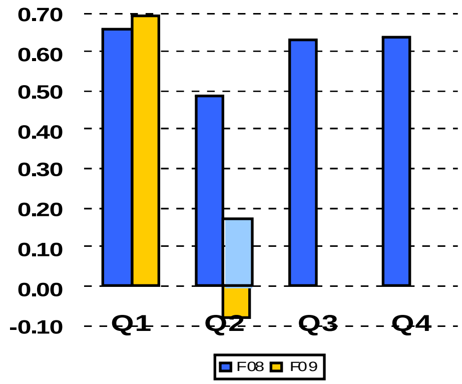


- Net loss $4.2 vs. net income of $26.7M prior year
- Excluding restructuring net income of $9.8M, down 63%
  - 3.7% of sales

BRADY. WHEN PERFORMANCE MATTERS MOST

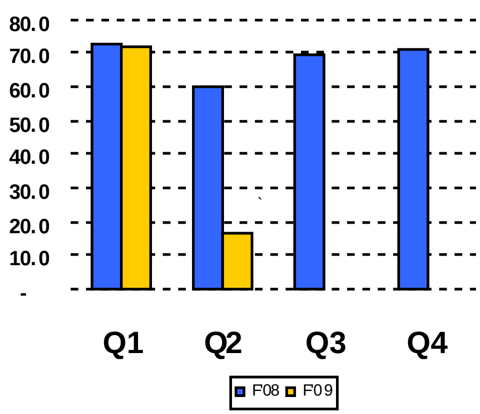
PROFITABILITY BY QUARTER

$ Diluted Earnings Per Share



- Diluted EPS for the quarter is a negative 8 cents vs. 48 cents in prior year
- Excluding restructuring 19 cents
- Includes affect of approximately 200k shares purchased in the quarter

$M EBITDA

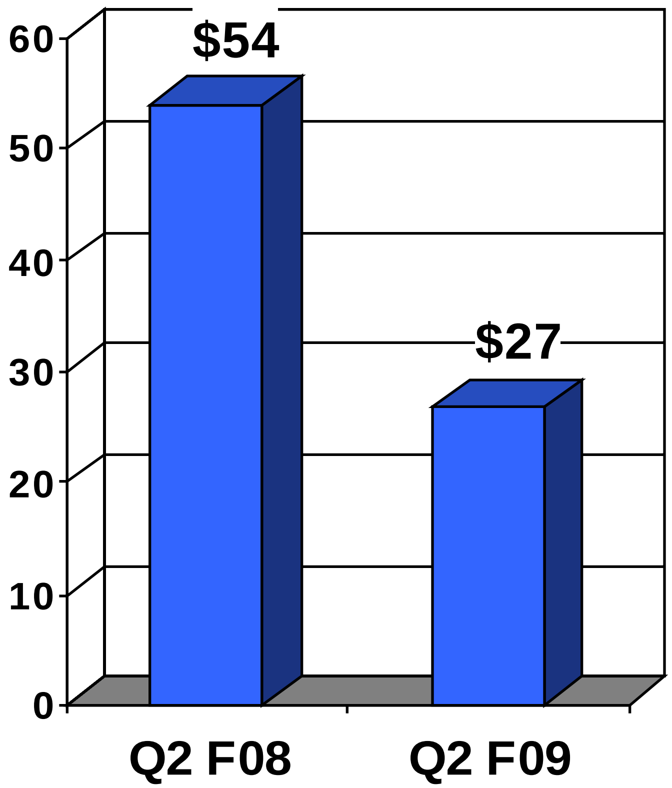


- Q2 EBITDA of $16.4M, down 73%
- Presented for the convenience of our lenders and investors
- EBITDA is a non-GAAP measure - see appendix for reconciliation

BRADY. WHEN PERFORMANCE MATTERS MOST

F'09 2nd QUARTER CASH FLOW - $M's

(US $ Millions)



*CFOA – Cash Flow from Operating Activities

Q2 Cash Balance Walk

Beginning Balance end of Q1	**$178.8**
CFOA*	**26.7**
Share repurchase	**(3.8)**
Effect of exchange rate	**(4.3)**
Capital Exp	**(6.5)**
Dividends	**(8.9)**
Other	**3.1**
Ending Balance end of Q2	**$185.1**

Q2 Cash flow from Operating Activities strong at $26.7M

BALANCE SHEET STRENGTH

Jan 31, 2009 vs. Jul 31, 2008 (US $ Millions)

	Jan 31	Jul 31
Assets		
Cash & Equivalents	$185	$258
Short Term Investments		
Accounts Receivable	191	262
Inventories	122	135
Other Current Assets	44	44
Other Assets	43	48
Goodwill & Intagibles	838	934
Net Property Plant & Equipment	153	170
Total	**$1,576**	**$1,851**

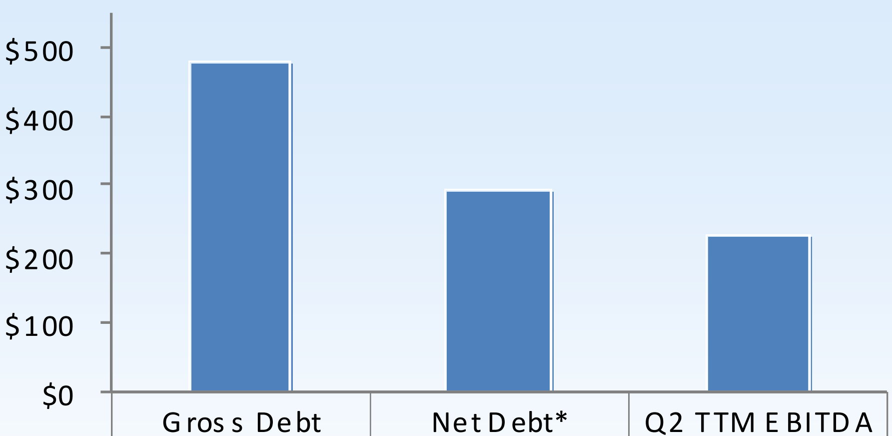
	Jan 31	Jul 31
Liabilities		
Current Liabilities	$177	$288
Other Liabilities	55	63
Short-Term Debt	21	21
Long-Term Debt	457	457
Total Liabilities	710	829
Equitiy		
Stockholders Investments	866	1,022
Total	**$1,576**	**$1,851**

Continue to have strong balance sheet with strong cash balance and modest low-rate debt balance

DISCIPLINED CAPITAL STRUCTURE

We maintain a conservative balance sheet with flexibility for future growth

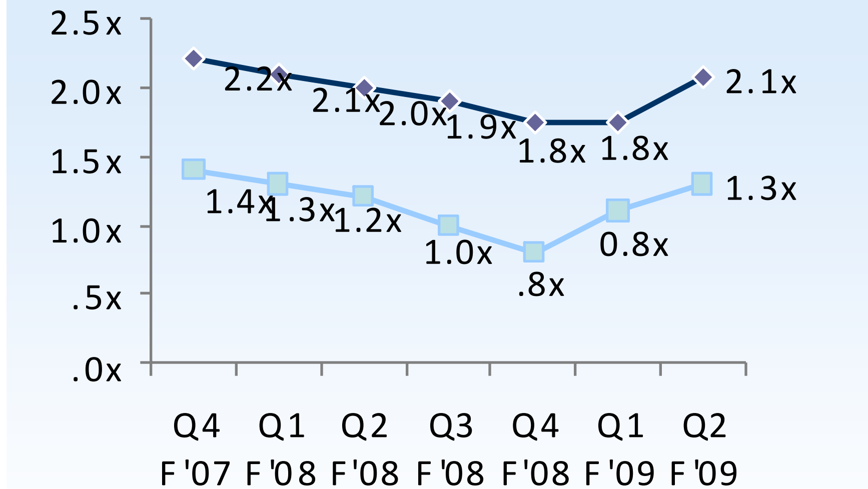
Q2 Ending Balances



	Gross Debt	Net Debt*	Q2 TTM EBITDA
$M's	479	293	228

*ST plus LT Debt less Cash and Cash Equivalents and ST Investments

Debt / EBITDA vs. Net Debt/EBITDA



F09 GUIDANCE & ASSUMPTIONS

F'09 guidance**

Pre-Restructuring:

Net Income $85 - $95 million (down from $95 - $105 million)

Diluted EPS $1.61 - $1.80 (down from $1.78 - $1.97)

Post-Restructuring:

Net Income $65 – $75 million (down from $75 - $85 million)

Diluted EPS $1.23 - $1.42 (down from $1.40 - $1.59)

Capital Expenditures $30 million (unchanged)

Depreciation and Amortization $60 million (unchanged)

Guidance Assumptions:

- Economy will continue to remain soft thru our FYE July 31, 2009
- Mid teens % decline in base business
- Current exchange rates
- Full year tax rate of 28%

Guidance Includes:

- ~20% reduction in employee headcount (~10% temporary workers, ~10% permanent)
- Elimination of F09 merit increases
- Reductions in all discretionary spending budgets
- Pre-tax restructuring expenses of approx. $30M and corresponding annual savings of approx. $45M ($30M F'09)

**In accordance with our normal practice, this guidance assumes constant currencies and economic conditions, and does not include any future acquisitions. This guidance is as of February 20th. Brady Corporation's policy is to reconfirm or change guidance only in a public forum.

SEGMENT HIGHLIGHTS - AMERICAS

US $ Millions

	Q2		
	F'09	F'08	V%
Sales	123.0	156.6	-22%
Segment Profit	22.0	32.0	-31%

Q3 Outlook:
- Continue to aggressively manage cost base
- Realize profit improvements from actions taken in Q2
- Continue to implement lean principles
- Specific initiatives to drive down working capital

- Organic sales -20%
  - Dramatic economic downturn impacting all areas of the business
  - Brady business decline greater based on impact of distribution partners reducing inventory levels and OEM mfg sector economic impact
  - Brazil decline related to electronics and automotive
  - Canada down due to economy and cancellation of oil sands projects
  - Mexico growth slowing
- Acquisitions +1% (DAWG)
- Currency -3%
- Segment Profit down 31% or $10.0M
  - Loss of sales volume impacts ability to absorb fixed costs
  - Aggressively managing cost base
  - Applying pressure to suppliers for cost reductions

SEGMENT HIGHLIGHTS - EUROPE

US $ Millions

	Q2		
	F'09	F'08	V%
Sales	87.2	122.6	-29%
Segment Profit	22.9	31.1	-26%

<u>Q3 Outlook:</u>
- Full impact of cost reductions taken in Q2 and continued focus on cost base
- Focus on MRO and shifting resources to more profitable businesses
- Continued focus on working capital management and quality of earnings

- Organic sales -17%
  - Major industry shutdowns around holidays had a more pronounced effect than expected
  - Sharp declines in OEM portion of the business resulting from automotive and electronics industry declines
  - Economic impact less severe to MRO direct marketing businesses
  - Pockets of growth opportunities
- Acquisitions - none
- Currency -12%
  - Euro and GBP
- Segment profit down 26% or $8.2M
  - Large impact from currency
  - Tough p/y comparable
  - Up as a % of sales to 26.3%

SEGMENT HIGHLIGHTS – ASIA PACIFIC

US $ Millions

	Q2		
	F'09	F'08	V%
Sales	56.3	84.9	-34%
Segment Profit	4.1	12.7	-67%

<u>Q3 Outlook:</u>
- Continued weakness in electronics segment
- Focus on reducing variable costs and infrastructure
- Opportunities for MRO products for government funded infrastructure

- Organic sales -29%
  - Significant slowdown in electronics segment
  - All geographies impacted by slow down
  - Maintained existing market share
  - Little to no surplus inventory in pipeline
- Acquisitions – no impact
- Currency -5%
- Segment profit down 67% or $8.6M
  - Significant reductions in variable expenses
  - Not able to reduce fixed costs as fast as sales declined

F’09 OUTLOOK AND PRIORITIES

- Watching and ready to take any additional steps necessary to deal with continued economic challenges
- Execution of Brady’s Business Performance System (BBPS)
- Organic growth
  - Continue investment and improvements in new product development
- Continue roll out of SAP and focus on E-business
  - Nearly 70% of our business on SAP
  - Leverage Shared Services and common practices
- Acquisition growth
  - Continue to update strategy and review opportunities
- Focus on cost structure, profitability and working capital management

FOR MORE INFORMATION

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And see our Web site at
www.investor.bradycorp.com

RECONCILIATIONS

(US $ Thousands)

	Fiscal 2008				
	Q1	Q2	Q3	Q4	Total
EBITDA (1)					
Net income	$ 36,370	$ 26,690	$ 34,353	$ 34,775	$132,188
Interest expense	6,720	6,747	6,962	5,956	26,385
Income taxes	15,366	11,276	12,187	15,170	53,999
Depreciation and amortization	14,168	15,501	16,013	14,905	60,587
EBITDA (non-GAAP measure)	$ 72,624	$ 60,214	$ 69,515	$ 70,806	$273,159

	Fiscal 2009				
	Q1	Q2	Q3	Q4	Total
EBITDA (1)					
Net income	$ 37,110	$ (4,150)			$ 32,960
Interest expense	6,361	6,314			12,675
Income taxes	14,575	756			15,331
Depreciation and amortization	13,712	13,481			27,193
EBITDA (non-GAAP measure)	$ 71,758	$ 16,401	$ -	$ -	$ 88,159

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