

12 January 2009

Trading Statement and Acquisition of Commodities Software (UK) Limited

Trading Statement

Brady plc (“Brady” or the “Group”), the leading provider of trading, risk management and settlement solutions to the metals and commodities sectors, is pleased to provide an update on trading performance for the year ended 31 December 2008.

The Group expects to announce revenues and profit before taxation comfortably ahead of market expectations for the full year.

Cash balances at 31 December 2008 were £7.8 million, compared to £5.9 million at 31 December 2007.

Full details of the Group's financial performance for 2008 together with the outlook for 2009 will be provided in the preliminary results, which are expected to be announced on 11 March 2009.

Acquisition

Brady is also pleased to announce that it has acquired Commodities Software (UK) Limited (“Comsoft”), a UK based company providing software for the risk management and administration of raw materials or ‘concentrates’ for the metals market. Comsoft has been operating since 1994 and its clients are based in Europe and North America.

The total consideration, payable in cash, is estimated to be £1,500,000 plus the value attributable to working capital, currently estimated at £100,000. The consideration consists of an initial payment of £725,000 (plus the value attributable to working capital) and contingent payments estimated to total £775,000. The contingent amounts are payable over the two years following completion and are dependent on the successful achievement of certain performance criteria during that period. The acquisition is expected to be earnings enhancing in 2009.

The Directors believe that

- the acquisition has a compelling strategic and financial rationale and provides an attractive opportunity to accelerate further growth;
- Comsoft offers the Group a greater depth of functionality and expertise in concentrates, particularly aimed at mining and smelting companies and trading companies, broadening Brady's concentrates product offering;
- Brady's infrastructure will enable it to significantly accelerate the growth of Comsoft;
- the enlarged customer base provides an increased level of recurring revenues from ongoing support and maintenance contracts; and
- the significant experience of the individuals at Comsoft will be an asset to the Group.

Brady's expertise in metal trading and risk solutions combined with Comsoft's strength in raw materials solutions creates an excellent platform to drive revenue synergies. As a result of this complementary nature of the businesses, the Directors do not anticipate any headcount reductions or cost savings following this acquisition, but intend to invest further resources in order to accelerate growth.

Comsoft's unaudited consolidated accounts for the year ended 31 March 2008 show revenues of £565,000 generating a loss before taxation of £57,000. Adjusting for exceptional amortisation charges and the inclusion of directors' remuneration, Comsoft reported a normalised profit before taxation of £173,000. The unaudited consolidated net assets were £484,000 at 31 March 2008.

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