

7 February 2012

Brady plc
("Brady" or the "Company")

Acquisition of Navita Systems AS

Conditional Placing of 23,376,694 ordinary shares at 77p to raise £18 million

The Board of Brady, the leading provider of trading, risk management and settlement solutions to the energy, metals and soft commodities sectors, today announces that it has conditionally agreed to acquire Navita Systems AS ("Navita"), a leading provider of systems to the energy markets, focusing on physical power and carbon emission trading, for an aggregate consideration of Kr 157,265,000 (approximately £17.1 million) (the "Acquisition") to be satisfied in cash, other than Kr 6,276,273 (approximately £682,000), which will be satisfied through the issue of new ordinary shares in the Company (the "Consideration Shares") effectively at the Placing Price (as referred to below). Navita is a privately owned company based in Halden, Norway.

The Company intends to raise £18 million (before expenses) by way of a conditional placing by Cenkos Securities plc (the "Placing") of 23,376,694 new ordinary shares in the Company (the "Placing Shares") with various institutional and other investors at a price of 77 pence per share (the "Placing Price") to fund the cash consideration payable for the Acquisition.

The Placing is conditional, *inter alia*, upon resolutions being passed at a General Meeting of the Company (the "General Meeting") to be held on 7 March 2012 to give the Directors of the Company the necessary share capital authorities to effect the Placing. The Placing Shares are expected to be admitted to trading on AIM on or around 8 March 2012.

Background to and reasons for the Placing

The Directors believe that the Acquisition will complement Brady's existing business by extending its reach further in the energy sector and is in line with the Company's stated strategy of complementing organic growth with the acquisition of suitable companies to strengthen the Company's product and customer base. The Navita Group operates in Europe and North America and has a particularly strong presence in the large and expanding energy markets for electricity, gas, emission certificates and coal. The Directors believe that these markets remain highly attractive and complementary to Brady's existing Energy Trading and Risk Management (ETRM) business and offer significant cross-selling opportunities to the enlarged customer base. The Directors anticipate enhancing the Navita business with a stronger commercial focus. The Navita Group currently operates under a traditional up-front licence model but this is anticipated to switch to a licence rental model following the Acquisition and, as such, the Directors anticipate that the acquisition of Navita will significantly increase the Group's overall recurring revenues, improve the Group's quality of earnings and reduce the inherent risk attached to securing large up-front licence deals.

Brady's strategy is to complement organic growth with the acquisition of suitable companies to enhance the Company's product offering and customer base. The Directors believe that there is a strong opportunity to become a leading consolidator of energy, metals and commodity software companies and that the acquisition of Navita will be a key step in developing its energy business and reaching overall critical mass and scale. The Directors believe that the Acquisition is strategically compelling for the following reasons:

- Further penetration in the energy asset class. The Acquisition strengthens the Company's position as the largest native European commodities software provider, the fifth largest ECTRM player globally.
- Extends product coverage. The Acquisition will result in the addition of complementary energy software solutions, extending product coverage to include scheduling, nominations and metering.
- Large and growing market opportunity. The global market size for ECTRM is estimated at \$2 billion per annum in 2011 and is forecasted to grow at 11 per cent. per annum.

- Opportunity for cross-selling to non energy clients. Energy is a significant input in the production of other commodity classes covered by Brady's software: metals, agricultural and oil, creating further potential cross-selling activities. The Company's customer base will be significantly increased affording further cross selling opportunities.
- Cost reductions. Following a business review, the Navita Group has commenced a pre-agreed reorganisation which, together with Brady Energy's committed cost reductions, will contribute to a 25 per cent. reduction in the headcount of the Enlarged Brady Energy business.
- Further increase Brady's recurring revenues and quality of earnings. The Directors believe that, following the proposed change from a traditional up-front licence to a licence rental model, the Acquisition will further increase Brady's recurring revenues, thereby enhancing quality of earnings and reducing overall risk from the reliance on up-front licence transactions, the timing of which is inherently difficult to predict.
- Further increase in critical mass. The Directors believe that the acquisition of Navita will further strengthen Brady's brand and commercial presence in Europe as well as the Americas, complementing the Group's already strong commercial presence in mainland Europe and its smaller presence in the Americas and Asia.

Current trading and prospects

On 5 September 2011, Brady announced its unaudited interim results for the six months to 30 June 2011, which included the following summary consolidated figures:

Financial Summary (before exceptional items for 2010):

	<i>6 months to 30 June 2011 (Unaudited) £'000</i>	<i>6 months to 30 June 2010 (Unaudited) £'000</i>	<i>Year to 31 December 2010 (Audited) £'000</i>
Sales revenue	8,840	4,630	11,117
Recurring revenue	4,781	1,782	3,963
EBITDA	1,242	546	2,083
Operating result	545	354	1,509
Basic earnings per share (pence)	1.37	1.14	4.82
Free cash and cash equivalents	10,377	3,287	9,761

On 16 January 2012, the Company issued an update on trading performance for the year ended 31 December 2011. In summary, the Group expects to report revenue growth of approximately 70%, ahead of market expectations. On a like-for-like basis, adjusted for acquisitions in 2010, the Group achieved revenue growth of approximately 10%. The Group's recurring revenues increased by approximately 145% and represented approximately 52% of total revenues compared to 36% for 2010. The Group expects to report EBITDA in line with market expectations, growth of approximately 70% and earnings per share and profit after tax (before exceptional items) in line with market consensus forecasts.

The above is not a substitute for reading the full text of the interim results and the trading update, which can be found on Brady's website at www.bradyplc.com.

The Placing

The Company is proposing to raise approximately £18 million (before expenses) through the issue of the Placing Shares at the Placing Price. The Placing Price represents a discount of approximately 4.9 per cent. to the closing mid-market price of 81 pence per Ordinary Share on 6 February 2012, being the business day prior to the date of this announcement.

The Placing Shares will represent approximately 29.7 per cent. of the Company's enlarged issued ordinary share capital immediately following admission of the Placing Shares to trading on AIM ("Admission") and the issue of the Consideration Shares.

A circular containing further details of the Placing and notice of the General Meeting of the Company convened to be held on 7 March 2012 (to give the Directors of the Company the necessary share capital authorities to effect the Placing) (the "Circular") is being posted to shareholders of the Company today and will be available at the Company's website at www.bradyplc.com.

The Placing Agreement

Cenkos Securities plc ("Cenkos") has entered into a Placing Agreement with the Company whereby it has agreed to use its reasonable endeavours, as agent for the Company, to procure placees for all the Placing Shares at the Placing Price.

The Placing Agreement contains warranties from the Company in favour of Cenkos in relation to, *inter alia*, the accuracy of the information in this announcement and in the Circular and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Cenkos in relation to certain liabilities it may incur in respect of the Placing. Cenkos has the right to terminate the Placing Agreement in certain circumstances, in particular, in the event of a material breach of the warranties and in the event of a *force majeure* event occurring at any time prior to Admission.

Admission to trading on AIM

Application will be made to the London Stock Exchange for the aggregate Placing Shares to be admitted to trading on AIM. It is expected that Admission will take place and trading in the Placing Shares on AIM will commence on 8 March 2012.

The Placing Shares will, when issued, rank *pari passu* in all respects with the existing issued Ordinary Shares including the right to receive dividends and other distributions declared following the date of relevant Admission.

Recommendation

The Directors consider the Acquisition and the Placing set out in the Circular, to be posted to shareholders today, to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend Shareholders to vote in favour of the resolutions to be proposed at the General Meeting, as they have irrevocably undertaken to do in respect of their own shareholdings and those of their related parties of 10,383,885 existing Ordinary Shares, representing approximately 18.9 per cent. of the voting rights exercisable in respect of the current issued ordinary share capital of the Company.

Commenting on the Acquisition and the Placing/today's news, Chief Executive of Brady, Gavin Lavelle, said:

"The announcement of the Navita acquisition represents a significant step for Brady in our strategy to accelerate growth in our energy business and builds on the success to date of our Viz acquisition in December 2010. The extended solution set that the combined company will bring to the market offers best of breed solutions, enabling customers to benefit from a one-stop shop for both their physical and derivatives trading and risk management solutions."

"We will significantly increase the depth and breadth of our energy solutions portfolio by welcoming a team of highly-trained staff from Navita - individuals who know the marketplace and the market participants, and who already have existing client relationships. As a result of the acquisition, we will also

have a greater presence in targeted international markets where we see major opportunities for further growth. This will result in us being able to offer a broader service to our enlarged customer base.”

The figures in this announcement assume an exchange rate of Kr9.2 / £1

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Circular posted to Shareholders	8 February 2012
Latest time and date for receipt of Form of Proxy	1.00 p.m. on 5 March 2012
General Meeting	1:00 p.m. on 7 March 2012
Admission and trading of the Placing Shares expected to commence on AIM	8:00 a.m. on 8 March 2012*
CREST accounts to be credited in respect of the Placing Shares in uncertificated form	8 March 2012*
Completion of the Acquisition	8 March 2012*
Posting of share certificates for Placing Shares (* assuming clearance from the Norwegian Competition Authority is received prior to or on the date of the General Meeting)	30 March 2012*

For further information, please contact:

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About Brady

Brady plc (BRY.L) is a leading global provider of trading and risk management software to the worldwide commodity and energy markets. Brady combines fully integrated and complete solutions supporting the entire commodity trading operation, from capture of financial and physical trading, through risk management, handling of physical operations, back office financials and treasury settlement, for energy, refined and unrefined metals, softs and agriculturals.

Brady has 25 years' expertise in the commodity markets with over 150 customers worldwide, including some of the largest financial institutions, producers and mining corporations which depend on Brady's software solutions to deliver vital business transactions across their global operations. Brady clients include many of the world's largest miners, refiners and producers, trading companies, tier one banks and a large number of London Metal Exchange (LME) Category 1 and 2 clearing members and many leading European energy generators, traders and consumers. For further information visit: www.bradypc.com

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