

1 April 2010

Brady plc (“Brady” or the “Company”)

Notice of Annual General Meeting (“AGM”) and posting of Whitewash Circular

The Board of Brady announces that a circular and the Company’s annual report and accounts for the year ended 31 December 2009 have today been sent to shareholders. The circular gives notice of the Company’s annual general meeting to be held at 60 Cannon Street, London, EC4N 6JP on 29 April 2010 at 12:00 pm. The purpose of the circular is to set out the resolutions to be proposed at the AGM to approve:

- various matters which the Company commonly deals with at its Annual General Meetings (namely the adoption of our Annual Report and Accounts for the year ended 31 December 2009, the declaration of a final dividend for that year, the approval of the Remuneration Report for that year, the re-appointment of our auditors and certain directors who are retiring by rotation under our Articles of Association and the grant to the Directors of the authority to allot Ordinary Shares on a non-pre-emptive basis); and
- a proposed new general share buy-back authority.

The circular also summarises the reasons why the Directors consider that it would be in the interests of all Shareholders for the Company to be able to purchase Ordinary Shares in the market pursuant to the proposed new general share buy-back authority and sets out certain other required information relating to the Transaction.

BACKGROUND AND REASONS FOR THE AUTHORITY

The background to the desire for a buy-back authority and the reasons that the Directors believe that it is in the interests of all Shareholders are as follows:

- although the Company has significant cash resources and the Directors believe that the Company’s share price does not recognise the Company’s true potential value, the Company does not intend to utilise the Company’s cash resources in a general buy-back programme that will substantially reduce the Company’s cash balances and further reduce share liquidity. Indeed, the Company believes that a strong balance sheet with high cash balances are a significant advantage when negotiating new licence deals with large global customers, also providing strong working capital to facilitate future growth and providing the Company with a strong base in order to support potential future acquisitions;

- on a number of occasions in recent months, the Company has seen disproportionate reductions in its share price following sales of relatively insignificant share numbers, believed to be for no other reason than the Company's general lack of share liquidity; and
- the Directors believe that having this authority in place will allow the market makers to better stabilise the Company's share price in relation to minor share transactions.

NEW GENERAL BUY-BACK AUTHORITY

The Board proposes to seek Shareholder approval to empower the Company to make market purchases of the Company's shares in the future. The authority is limited to a maximum of 750,000 ordinary shares representing approximately 2.6 per cent of the Company's issued ordinary share capital as at 31 March 2010 (being the latest practicable date prior to the publication of this document). The authority will expire at the conclusion of the Annual General Meeting in 2011 or, if earlier, 15 months from the passing of this resolution. The maximum price payable for the purchase by the Company of Ordinary Shares will be limited to 5 per cent. above the average of the middle market quotations for an Ordinary Share as derived from the AIM Market of the London Stock Exchange plc for the five business days prior to the purchase. The minimum price payable by the Company for the purchase of Ordinary Shares will be 1p per share (being the amount equal to the nominal value of an Ordinary Share).

The Directors would use the share purchase authority with discretion and purchases would only be made from the Company's distributable reserves not required for other purposes and in the light of market conditions prevailing at the time. In reaching a decision to purchase Ordinary Shares, the Directors would take account of the Company's cash resources and capital and the effect of such purchases on the Company's business and would only make market purchases if satisfied that they would increase earnings per Ordinary Share and be in the interests of Shareholders generally. No announcement will be made by the Company in advance of market purchases, but any purchases made by the Company would be announced by 7.30 a.m. on the business day next following the transaction.

Under the Companies Act 2006, shares which a company buys back are normally to be treated as cancelled. As an alternative, a listed company has, since December 2003, been able to hold such shares as treasury shares. Treasury shares can be subsequently cancelled, sold for cash or used for the purpose of employee share schemes. No dividends are paid on shares which are held in treasury and no voting rights attach to treasury shares.

The Directors would consider holding as treasury shares any Ordinary Shares which the Company may re-purchase pursuant to the proposed buy-back authority. The Directors believe that holding such shares as treasury shares will provide the Company with increased flexibility in managing its share capital. Resolution 2 in the Notice of AGM is proposed to authorise the Directors to sell Ordinary Shares that are re-purchased and held in treasury for cash without pre-emption rights applying to such sale, in the same way as would apply to the allotment of new Ordinary Shares pursuant to that Resolution.

CITY CODE ON TAKEOVERS AND MERGERS

Under Rule 9 of the City Code on Takeovers and Mergers (the "**City Code**") any person who acquires an interest (as defined in the City Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent or more of the voting rights of a company which is subject to the City Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if a further interest in shares is acquired by any such person.

An offer under Rule 9 must be in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the Company during the 12 months prior to the announcement of the offer.

Dr Robert Brady and his wife, Angela Marcantonio, (the "**Concert Party**") are deemed to be acting in concert for the purposes of the Code.

The current interests in Ordinary Shares of the Concert Party and the percentages of the voting rights in the Company attributable to such interests are:

<u>Person</u>	<u>No. of Ordinary Shares</u>	<u>%</u>
Dr Robert Brady	8,625,395	30.48
Angela Marcantonio (wife of Dr Robert Brady)	433,333	1.53
Total	9,058,728	32.01

If the Company re-purchases shares pursuant to the general buy-back authority and at the time the voting rights attributable to the interests in Ordinary Shares of the Concert Party continued to exceed 30 per cent. of the voting rights of the Company or as a result increases to more than 30 per cent. of such voting rights, an obligation under Rule 9 of the City Code would arise on the Concert Party to make a cash offer for the issued shares of the Company not already owned by it.

The Panel has agreed, however, to waive the obligation to make a general offer that would otherwise arise as a result of the re-purchase by the Company of its shares pursuant to the general buy-back authority subject to the approval of independent shareholders (the "**Waiver**"). Accordingly, Resolution 3 is being proposed at the General Meeting, and will be taken on a poll. Dr Robert Brady and the Concert Party will not be entitled to vote on the resolution.

Assuming that the entirety of the general buy-back authority is utilised by the Company, the Concert Party will be interested in shares carrying 30 per cent. or more of the Company's voting share capital, but will not hold shares carrying more than 50 per cent. of such voting rights and any further increase in his interest in shares will be subject to the provisions of Rule 9 of the City Code.

Waiver

The waiver described in Resolution 3 applies only in respect of increases in the percentage interest of the Concert Party resulting from purchases by the Company of its own shares pursuant to the general buy-back authority and not in respect of other increases in the Concert Party's interests in Ordinary Shares.

Potential Interests in Ordinary Shares of the Concert Party following acquisitions pursuant to the general buy-back authority

If the general buy-back authority set out in Resolution 1 of the Notice of AGM is exercised in full and assuming no disposals of Ordinary Shares by the Concert Party and no issues of Ordinary Shares by the Company in the meantime, the interests in Ordinary Shares of the Concert Party and the percentage of the voting rights in the Company attributable to such interests would be:

<u>Person</u>	<u>No. of Ordinary Shares</u>	<u>%</u>
Dr Robert Brady	8,625,395	31.31
Angela Marcantonio (wife of Dr Robert Brady)	433,333	1.57
Total	9,058,728	32.88

The intentions of the Concert Party

Dr Robert Brady and the Concert Party have confirmed to the Company that they are not proposing, following any increase in their percentage interests in Ordinary Shares or voting rights as a result of a re-purchase of Ordinary Shares by the Company, to seek any change in the composition of the Board or the general nature of the Company's business.

Dr Robert Brady and the Concert Party have also confirmed that their intentions regarding the future of the Company's business, their intentions regarding the locations of the Company's places of business and their intentions regarding the continued employment of its employees and management (and those of its subsidiaries) will not be altered as a result of any increase in their percentage interests in Ordinary Shares or voting rights as a result of a re-purchase of Ordinary Shares by the Company, nor will there be any redeployment of the fixed assets of the Company as a result of such an increase.

RECOMMENDATION RELATING TO THE TRANSACTION

Dr Robert Brady has not taken part in any decision of the Board relating to any proposal to seek the Waiver from the Panel since it is, inter alia, his and the Concert Party's potential interest in Ordinary Shares which is the subject of the Waiver, nor will he vote on Resolution 3. Additionally, Dr Robert Brady has confirmed that he will not participate in any decision to re-purchase shares while the general buy-back authority is in place. The Concert Party may attend the AGM but will not vote on the Waiver Resolution, which will be taken by means of a poll.

All of the executive and non-executive Directors of the Company other than Dr. Robert Brady (the "**Independent Directors**"), who have been so advised by Cenkos Securities plc, consider the proposed Transaction to be fair and reasonable and in the best interests of the shareholders of the Company other than the Concert Party and the Company as a whole, and that it may be appropriate in the future for the Company to re-purchase Ordinary Shares under the general buy-back authority. However, the Board would not be prepared to recommend the general buy-back authority in circumstances which would lead to a general offer for the Ordinary Shares being required to be made by the Concert Party.

The Independent Directors therefore unanimously recommend that you vote in favour of Resolutions 1 and 3 in the Notice of AGM as they intend to do in respect of their own interests in 2,836,282 Ordinary Shares in aggregate, representing approximately 10.02 per cent. of the Ordinary Shares currently in issue.

An electronic copy of the shareholder circular can be accessed at the Company's website: www.bradypc.com

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of the circular	1 April 2010
Latest time and date for receipt of Forms of Proxy for Annual General Meeting	12.00 p.m. on 27 April 2010
Annual General Meeting	12.00 p.m. on 29 April 2010