Bradken®
Bradken Limited (ABN 33 108 693 009)
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9 February 2010

Manager, Company Announcements
Australian Stock Exchange Limited
Level 4
20 Bridge Street
Sydney NSW 2000

Dear Sir

Please find attached the Company's announcement of it's interim results for the 2009/10 year, for immediate release to the market.

Included in this announcement is Appendix 4D and Half Yearly Report for the period to 31 December 2009.

Yours faithfully

Bruce Arnott
Company Secretary
Encl:

BRADKEN LIMITED

Appendix 4D

Half Year Report Period Ended 31 December 2009

Results for Announcement to the Market

	Percentage Change		$'000
Revenues from ordinary activities	-25.4%	to	465,814
Profit (loss) from ordinary activities after tax attributable to members	-26.4%	to	25,716
Net Profit (loss) for the period attributable to members	-26.4%	to	25,716

Dividends

	Amount per Security	Percentage Franked
Current period:		
Interim Dividend	13.0 cents	100%
Record Date for determining entitlements to the dividend:	19th February 2010	
Date the dividend is payable:	15th March 2010	
Prior corresponding period:		
Interim Dividend	10.0 cents	100%

Net Tangible Assets per Security	
As at 31st December 2009	$1.58
As at 31st December 2008	$1.24

Bradken Limited

ABN 33 108 693 009

Interim report - 31 December 2009

Contents

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Bradken Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Directors' Report

Your directors present their report on the consolidated entity consisting of Bradken Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2009.

Directors

The following persons were directors of Bradken Limited during the whole of the half-year and up to the date of this report:

Name

Nick Greiner
Non Executive Chairman

Phil Arnall
Non Executive Director

Greg Laurie
Non Executive Director

Brian Hodges
Managing Director

Vince O'Rourke
Non Executive Director

Peter Richards
Non Executive Director

Commentary on results and review of operations

Financial Overview

	HY10 $m	HY09 $m	Change %
Sales	463.0	615.8	-25
EBITDA	70.7	90.7	-22
NPAT	25.7	34.9	-26
Earnings per share *	19.8	28.3	-30
Dividends per share	13.0	10.0	30
Net operating cash flow	81.8	53.0	54
Net operating and investing cash flow	55.4	-92.0	
ROFE (EBITA)	15.8%	23.0%	
ROE	15.2%	26.5%	
Net Debt / EBITDA	2.19	2.20	
Interest cover	4.00	4.50	

** EPS is based on the number of shares at the end of the period*

Sales revenue for the six months to December 2009 of $463.0m was $153m or 25% lower than for the six months to December 2008. While the Rail business reported strong trading conditions in the half, with revenue up 21%, the Global Financial Crisis impacted significantly on revenue of the rest of the businesses particularly Engineered Products in the USA. Strengthening of the Australian dollar reduced the A$ equivalent sales of the offshore operations by approximately $23m.

EBITDA of $70.7m was achieved, $20m or 22% lower than the corresponding period. Net profit after tax attributable to ordinary equity holders (NPAT) of $25.7m was $9.2m or 26% below the corresponding period, resulting in earnings per share of 19.8 cents for HY10 (based on number of shares at 31 December 2009). Despite the tough trading conditions, a tight focus on reducing costs in line with demand levels has allowed gross margins to increase in all businesses and the EBITDA to sales ratio to increase to 15.3% from 14.7% in HY09.

The Directors have declared a fully franked interim dividend of 13.0 cents per share. The Company's dividend reinvestment plan remains active, without a discount, and the dividend is payable on 15 March 2010 with a record date and last DRP election date of 19 February 2010. The pricing period for the DRP will be 10 working days beginning 23 February 2010.

Operating cash flow in HY10 of $81.8m was 54% higher than that of the previous period due to reduced working capital and lower capital expenditure. Working capital levels were managed in line with lower activity levels, reducing by $40m from June 2009. Inventory reduced by $40m and receivables by $22m while creditors also reduced by $21m.

The strong cash performance enabled a reduction in net debt of $72m from June 2009 to $326.3m at December 2009. Favourable translation of the US denominated debt contributed $17m of the reduction. The Company's gearing is sound with Net Debt to Net Debt plus Equity improved from 53% to 46% and Net Debt at 2.19 times EBITDA.

Refinancing of the Australian bank debt facilities was completed in December 2009 with increased facility size and an expiry date of December 2012. The three banks from the previous facility remained in the new syndicated facility with an additional global bank added to provide flexibility for the future.

Both the Australian businesses and the USA business operated well within their Covenants during the period and continue to do so. Financial ratios for the Australian businesses at 31 December were Debt to EBITDA of 1.95 times and Interest Cover of 5.7 times compared to the Covenants limits of less than 3 times and greater than 3 times respectively. The USA business's borrowings, comprising US$69m senior notes and US$25.1m of bank debt, has limited Covenants and are well within their respective limits. The expiry date for the USA facilities are in November 2011 (US$75m facility) and November 2014 (US$69m of senior notes).

Further debt reductions are targeted for the full year through continued control of working capital and a reduced capex spend in FY10 of around $40m. Our target level for total net debt, for the current business structure, is $300m or below at 30 June 2010.

Segment revenues and results

A summary of consolidated revenues and results for the half-year by significant industry segments is set out on pages 9 and 10.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

Rounding of amounts

The company is of a kind referred to in Class order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the director's report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of directors.

Brian Hodges
Managing Director

Sydney
8 February 2010

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Auditor's Independence Declaration

As lead auditor for the review of Bradken Limited for the half-year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Bradken Limited and the entities it controlled during the period.

John Campion

J Campion
Partner
PricewaterhouseCoopers

Sydney
8 February 2010

	Notes	Half-year 2009 $'000	2008 $'000
Revenue from continuing operations		**462,978**	615,793
Cost of sales		**(366,230)**	(494,237)
Gross profit		**96,748**	121,556
Other income		**2,836**	8,638
Selling and technical expenses		**(19,485)**	(21,503)
Administration expenses		**(29,397)**	(36,725)
Finance costs		**(14,832)**	(19,198)
Profit before income tax		**35,870**	52,768
Income tax expense		**(9,910)**	(17,111)
Profit for the half-year	3	**25,960**	35,657
Other comprehensive income			
Changes in the fair value of available-for-sale financial assets		**13,545**	(14,997)
Changes in the fair value of cash flow hedges		**400**	(2,169)
Exchange differences on translation of foreign operations		**(8,253)**	22,467
Income tax relating to components of other comprehensive income		**(4,183)**	5,150
Other comprehensive income for the half-year net of tax		**1,509**	10,451
Total comprehensive income for the half-year		**27,469**	46,108
Profit attributable to:			
Owners of Bradken Limited		**25,716**	34,933
Non-controlling interest		**244**	724
		25,960	35,657
Total comprehensive income for the half-year is attributable to:			
Owners of Bradken Limited		**27,225**	45,384
Non-controlling interest		**244**	724
		27,469	46,108
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share:		**20.0**	29.2
Diluted earnings per share:		**19.8**	29.0

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

	31 December 2009 $'000	30 June 2009 $'000
Current assets		
Cash and cash equivalents	**7,640**	13,243
Trade and other receivables	**140,208**	162,593
Inventories	**137,714**	178,075
Derivative financial instruments	**-**	680
Total current assets	**285,562**	354,591
Non-current assets		
Receivables	**6,507**	5,644
Property, plant and equipment	**380,073**	391,330
Deferred tax assets	**6,968**	12,478
Intangible Assets	**174,091**	183,144
Available for sale financial assets	**27,674**	10,379
Total non-current assets	**595,313**	602,975
Total assets	**880,875**	957,566
Current liabilities		
Trade and other payables	**94,617**	116,147
Borrowings	**23,694**	47,929
Current tax liabilities	**3,242**	3,104
Provisions	**33,594**	37,639
Derivative financial instruments	**907**	-
Total Current Liabilities	**156,054**	204,819
Non-current liabilities		
Borrowings	**310,231**	363,840
Deferred tax liabilities	**26,465**	29,168
Provisions	**9,291**	10,084
Total non-current liabilities	**345,987**	403,092
Total liabilities	**502,041**	607,911
Net assets	**378,834**	349,655
Equity		
Contributed equity	**240,591**	223,460
Reserves	**8,687**	5,977
Retained profits	**126,662**	117,442
Capital and reserves attributable to the owners of Bradken Limited	**375,940**	346,879
Non-controlling interest	**2,894**	2,776
Total equity	**378,834**	349,655

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

		Attributable to owners of Bradken Limited					
		Contributed Equity	Reserves	Retained earnings	Total	Non-controlling interest	Total equity
	Notes	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2008		**81,039**	**7,147**	**97,365**	**185,551**	**2,037**	**187,588**
Profit for the half-year		-	-	34,933	**34,933**	724	**35,657**
Changes in the fair value of available-for-sale financial assets		-	(14,997)	-	**(14,997)**	-	**(14,997)**
Changes in the fair value of cash flow hedges		-	(2,169)	-	**(2,169)**	-	**(2,169)**
Exchange differences on translation of foreign operations		-	22,467	-	**22,467**	-	**22,467**
Income tax relating to components of other comprehensive income		-	5,150	-	**5,150**	-	**5,150**
Total comprehensive income for the half-year		**-**	**10,451**	**34,933**	**45,384**	**724**	**46,108**
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs		138,735	-	-	**138,735**	-	**138,735**
Dividends provided for or paid		-	-	(26,374)	**(26,374)**	(108)	**(26,482)**
Acquisition adjustment		-	-	-	**-**	(16)	**(16)**
Employee share options - value of employee services		(782)	(18)	-	**(800)**	-	**(800)**
		137,953	(18)	(26,374)	111,561	(124)	111,437
Balance at 31 December 2008		**218,992**	**17,580**	**105,924**	**342,496**	**2,637**	**345,133**
Balance at 1 July 2009		**223,460**	**5,977**	**117,442**	**346,879**	**2,776**	**349,655**
Profit for the half-year		-	-	25,716	**25,716**	**244**	**25,960**
Changes in the fair value of available-for-sale financial assets		-	13,545	-	**13,545**	-	**13,545**
Changes in the fair value of cash flow hedges		-	400	-	**400**	-	**400**
Exchange differences on translation of foreign operations		-	(8,253)	-	**(8,253)**	-	**(8,253)**
Income tax relating to components of other comprehensive income		-	(4,183)	-	**(4,183)**	-	**(4,183)**
Total comprehensive income for the half-year		-	1,509	25,716	27,225	244	27,469
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs		-	-	-	**-**	-	**-**
Dividends provided for or paid		16,496	-	(16,496)	**-**	(126)	**(126)**
Acquisition taxation adjustment		635	-	-	**635**	-	**635**
Employee share options - value of employee services		-	1,201	-	**1,201**	-	**1,201**
		17,131	1,201	(16,496)	1,836	(126)	1,710
Balance at 31 December 2009		**240,591**	**8,687**	**126,662**	**375,940**	**2,894**	**378,834**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	Half-year 2009 $'000	2008 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**581,708**	752,361
Payments to suppliers and employees (inclusive of goods and services tax)		**(479,156)**	(660,240)
		102,552	92,121
Interest received		**74**	296
Interest paid		**(12,402)**	(20,508)
Income taxes paid		**(8,457)**	(18,923)
Net cash inflow / (outflow) from operating activities		**81,767**	52,986
Cash flows from investing activities			
Payments for purchase of businesses, net of cash acquired	6	**-**	(131)
Payments for purchase of subsidiary net of cash acquired		**(574)**	(91,036)
Payment for property, plant and equipment		**(22,038)**	(41,162)
Payment for design costs		**(34)**	(183)
Payment for available for sale financial assets		**(3,749)**	(12,957)
Proceeds from sale of property, plant and equipment		**26**	486
Net cash inflow / (outflow) from investing activities		**(26,369)**	(144,983)
Cash flows from financing activities			
Proceeds from issue of shares		**11,967**	138,742
Proceeds from borrowings		**14,090**	27,982
Repayment of borrowings		**(58,757)**	(45,754)
Payment of finance lease liabilities		**(5,092)**	(4,483)
Payments for shares bought back		**-**	(1,653)
Dividends paid to company's shareholders		**(11,967)**	(26,375)
Dividends paid to minority interests in subsidiaries		**(126)**	(108)
Dividends received		**501**	101
Net cash inflow / (outflow) from financing activities		**(49,384)**	88,452
Net increase / (decrease) in cash and cash equivalents		**6,014**	(3,545)
Cash and cash equivalents at the beginning of the half-year		**507**	19,092
Effects of exchange rate changes on cash and cash equivalents		**(1,086)**	8,641
Cash and cash equivalents at the end of the half-year		**5,435**	24,188

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Basis of preparation of half-year financial report

This general purpose financial report for the interim half year reporting period ended 31 December 2009 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Bradken Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

Changes in accounting policy

Bradken Limited had to change some of its accounting policies as the result of new or revised accounting standards which became operative for the annual reporting period commencing on 1 July 2009.

The affected policies and standards are:

- Principles of consolidation – revised AASB 127 *Consolidated and Separate Financial Statements* and changes made by AASB 2008-7 *Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Business combinations – revised AASB 3 *Business Combinations*
- Segments – new AASB 8 *Operating Segments*

Principles of consolidation

Dividends received from investments in subsidiaries, jointly controlled entities or associates after 1 July 2009 are recognised as revenue even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a result of the dividend payment. Under the entity's previous policy, these dividends would have been deducted from the cost of the investment.

The changes were implemented prospectively from 1 July 2009. There has been no impact on the current period as none of the non-controlling interests have a deficit balance. There have also been no transactions whereby an interest in an entity is retained after the loss of control of that entity, no transactions with non-controlling interests and no dividends paid out of pre-acquisition profits.

Business combinations

AASB 3 (revised) continues to apply the acquisition method to business combinations, but with some significant changes.

All payments to purchase a business are now recorded at fair value at the acquisition date, with contingent payments classified as debt and subsequently remeasured through the income statement. Under the Group's previous policy, contingent payments were only recognised when the payments were probable and could be measured reliably and were accounted for as an adjustment to the cost of acquisition.

Acquisition-related costs are expensed as incurred. Previously, they were recognised as part of the cost of acquisition and therefore included in goodwill.

Non-controlling interests in an acquiree are now recognised either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. This decision is made on an acquisition-by-acquisition basis. Under the previous policy, the non-controlling interest was always recognised at its share of the acquiree's net assets.

If the Group recognises acquired deferred tax assets after the initial acquisition accounting there will no longer be any adjustment to goodwill. As a consequence, the recognition of the deferred tax asset will increase the Group's net profit after tax.

Segment reporting

The Group has applied AASB 8 *Operating Segments* from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in a change to the reportable segments presented with the Industrial segment amended to exclude the Cast Metal Services business. Cast Metal Services is no longer managed by the Industrial segment manager and, as it does not meet the quantitative thresholds required by AASB 8, management has concluded that the results of this segment should no longer be separately reported. The results of this operation are now included in the "all other segments" column and comparative disclosures have also been amended to reflect this change.

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the Managing Director.

2 Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Managing Director that are used to make strategic decisions.

Industrial is a supplier of cast, machined and fabricated components manufactured to customer specifications or purpose designed to suit customer needs into industries such as Smelters and Refineries, Steel Manufacturers, Power Generation Providers and Sugar Production. Mining Products consists of design, supply and service of wear components for all types of earth moving and mineral processing equipment in the Mining, Mineral Processing and Quarry industries. Rail is a package provider of Freight Rollingstock products and services including freight wagons, bogies, drawgear, inventory management, spare and renewed parts and the maintenance and refurbishment of rollingstock. Power & Cement based in the UK is a supplier of large white iron wear parts for the power and cement industries. Engineered Products based in the US is a supplier of cast parts to the Energy, Mining, Industrial and Rail Transport industries specialising in large (greater than 4,500 kg) highly engineered steel castings.

Although the Industrial segment does not meet the quantitative thresholds required by AASB 8, management has concluded that this segment should be reported, as it is closely monitored by the Managing Director.

(b) Segment information provided to the Managing Director

The segment information provided to the Managing Director for the reportable segments for the half-year ended 31 December 2009 is as follows:

	Industrial	Mining Products	Rail	Power and Cement	Engineered Products	All other segments	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Half-year 2009							
Total segment revenue	28,503	175,274	143,681	16,953	96,668	40,454	501,533
Inter-segment revenue	-	(9,916)	-	-	-	(28,639)	(38,555)
Revenue from external customers	28,503	165,358	143,681	16,953	96,668	11,815	462,978
Gross margin	8,778	58,701	31,790	5,912	32,507	3,767	141,455
Half-year 2008							
Total segment revenue	43,368	229,527	118,410	25,317	193,127	60,452	670,201
Inter-segment revenue	-	(14,834)	-	-	-	(39,574)	(54,408)
Revenue from external customers	43,368	214,693	118,410	25,317	193,127	20,878	615,793
Gross margin	12,988	72,297	21,678	7,647	53,404	5,964	173,978
Total segment assets							
At 31 December 2009	68,036	272,191	92,789	34,370	249,340	164,149	880,875
At 30 June 2009	71,277	295,441	92,310	44,064	292,166	162,308	957,566

2 Segment information (continued)

The Managing Director assesses the performance of each operating segment based on a measure of gross margin. Gross margin is considered the most relevant measure of individual segment results as manufacturing plants all make product for the various segments and transfer product at cost. This measurement basis excludes the allocation of manufacturing variances and overheads from individual manufacturing plants as any allocation would be arbitrarily based.

A reconciliation of standard gross margin to operating profit before income tax is provided as follows:

	Half-year	
	2009	2008
	$'000	$'000
Gross margin	**141,455**	173,978
Fixed manufacturing overheads and other cost of sale adjustments	**(44,707)**	(52,422)
Other income	**2,836**	8,638
Selling and technical expenses	**(19,485)**	(21,503)
Administration expenses	**(29,397)**	(36,725)
Finance costs	**(14,832)**	(19,198)
Profit before income tax	**35,870**	52,768

The amounts provided to the Managing Director with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

3 Profit for the half-year

	Half-year 2009 $'000	2008 $'000
Profit for the half-year includes the following items that are unusual by their nature, size or incidence:		
Gains		
Gains on repurchase of bonds	**-**	6,526
Less: Applicable income tax expense	**-**	(2,284)
	-	4,242

4 Dividends

	Half-year 2009 $'000	2008 $'000
Ordinary shares		
Dividends provided for or paid during the half-year	**16,622**	26,483

Dividends not recognised at the end of the half-year

In addition to the above dividends, since the end of the half-year the directors have declared the payment of an interim dividend of 13.0 cents per fully paid ordinary share (2008 - 10.0 cents), fully franked based on tax paid at 30%. The aggregate amount of the dividend to be paid on 15 March 2010 out of retained profits at 31 December 2009, but not recognised as a liability at the end of the half-year, is	**16,871**	12,357

5 Equity securities issued

	Half-year		Half-year	
	2009 Shares	2008 Shares	**2009 $'000**	2008 $'000
Issues of ordinary shares during the half-year				
Exercise of rights issued under the Bradken Limited Performance Rights Plan - shares acquired on market	**-**	279,645	**-**	1,653
Exercise of rights issued under the Bradken Limited Performance Rights Plan - shares issued	**206,722**	-	**-**	-
Dividend reinvestment plan issues	**737,003**	197,954	**4,529**	2,108
Shares issued in relation to underwriting of dividend	**1,902,559**	-	**11,967**	-
Transfer from share-based payments reserve	**-**	-	**-**	782
Share buy back and cancellation	**-**	(477,599)	**-**	(3,762)
Institutional, Retail and Staff placements in connection with capital raising to acquire the assets of Americast Technologies Inc.	**-**	17,496,171	**635**	138,734
	2,846,284	17,496,171	**17,131**	139,515

6 Business Combination

Current Period

There were no acquisitions in the current perod.

Prior Period

(i) Americast Technologies

On 6 August 2008 Bradken Operations Pty Ltd (a 100% subsidiary of Bradken Limited) acquired the remaining equity interest that it did not already own in AmeriCast Technologies Inc. for a consideration of $111,398,000.

The total consideration comprised a cash outlay of $122,243,000 including $10,845,000 for the initial 17% interest in the issued equity of the acquired company and an equity issue to fund the balance of the purchase.

6 Business combination (continued)

The equity raising undertaken resulted in the issue of 17,496,171 shares in Bradken Limited at an issue price of $8.05 each realising $138,735,000 after placement costs.

A total of $111,398,000 of the equity raising was used as consideration to complete the Americast acquisition.

The acquired business contributed revenues of $193,127,000 and net profit after tax of $10,751,000 to the Group for the period 6 August 2008 to 31 December 2008. If the acquisition had occurred on 1 July 2008, consolidated revenue and consolidated net profit after tax and minority interests for the half-year ended 31 December 2008 would have been $647,329,000 and $33,816,000 respectively.

Details of net assets acquired and goodwill are as follows:

	$'000
Purchase consideration	
Cash paid	**122,243**
Direct costs relating to the acquisition	**5,748**
Total purchase consideration	**127,991**
Fair value of net identifiable assets acquired (refer below)	**43,505**
Goodwill	**84,486**

The goodwill is attributable to the profitability of the acquired business and synergies expected to arise after the company's acquisition of the new subsidiary. The fair value of plant & equipment, other assets and liabilities are based on current book values. No acquisition provisions were created.

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount $'000	Fair value $'000
Cash	24,090	24,090
Property, plant and equipment	91,229	92,374
Inventories	54,072	54,072
Receivables	53,171	55,236
Deferred Tax Assets	1,970	1,970
Other Assets	13,120	13,120
Other Intangibles	41,437	37,055
Payables	(52,821)	(44,056)
Current Tax Liability	(991)	(991)
Deferred Tax Liabilities	(26,143)	(28,829)
Provisions	(503)	(503)
Employee benefit liabilities, including superannuation	(10,356)	(10,356)
Borrowings	(149,677)	(149,677)
Net identifiable assets acquired	**38,598**	**43,505**

Directors' declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 4 to 12 are in accordance with the Corporations Act 2001, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance, for the half-year ended on that date; and

(b) there are reasonable grounds to believe that Bradken Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.

Brian Hodges
Managing Director

Sydney
8 February 2010

PRICEWATERHOUSECOOPERS

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Independent auditor's review report to the members of Bradken Limited

Report on the half year financial report

We have reviewed the accompanying half-year financial report of Bradken Limited, which comprises the statement of financial position as at 31 December 2009, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Bradken Group (the consolidated entity). The consolidated entity comprises both Bradken Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Bradken Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independent auditor's review report to the members of Bradken Limited (continued)

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of the Company for the half-year ended 31 December 2009 included on Bradken Limited's web site. The company's directors are responsible for the integrity of the Bradken Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001* .

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bradken Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001* .

PricewaterhouseCoopers

PricewaterhouseCoopers

John Campion

J Campion

Partner

Sydney

8 February 2010

Corporate directory

Directors

Nick Greiner
Chairman

Brian Hodges
Managing Director

Phil Arnall

Greg Laurie

Vince O'Rourke

Peter Richards

Company Secretary
Bruce Arnott

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Facsimile: +61 2 9261 8489
Internet: www.linkmarketservices.com.au

Auditors
PricewaterhouseCoopers
26 Honeysuckle Drive
Newcastle NSW 2300

Stock Exchange
The Company is listed on the Australian Stock Exchange. The home exchange is Sydney.

Web site address
www.bradken.com.au