



Monday, 13 March 2017

ASX Market Announcement Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

**Takeover bid by Hitachi Construction Machinery Co., Ltd. for Bradken Limited:
Second Supplementary Target's Statement**

Bradken Limited ("**Bradken**") today lodged its second supplementary target's statement in relation to the off-market takeover bid by Hitachi Construction Machinery Co., Ltd. ("**HCM**") for all of the issued shares in Bradken ("**Second Supplementary Target's Statement**").

Copies of the Second Supplementary Target's Statement have been lodged with the Australian Securities and Investments Commission and sent to HCM today.

In accordance with section 647(3)(b) of the Corporations Act 2001 (Cth), a copy of the Second Supplementary Target's Statement is enclosed.

Steven Perry – Chief Financial Officer

Tel: +61 2 4926 8200
Fax: +61 2 4926 8201
Email: bradken@bradken.com

About Bradken

Bradken is a leading supplier of differentiated consumable and capital products for the mining, freight rail, transport, defence, oil & gas, power generation, sugar and other primary industries. The Company employs approximately 3,050 people in 19 manufacturing facilities and more than 39 sales and service centres across Australia, New Zealand, USA, Canada, India, Indonesia, Malaysia, South Africa, South America and China. Bradken became a publicly listed company in August 2004 has been in business for over 90 years and operates three market-focused divisions, supported by two global support functions.

For further information about Bradken, visit www.bradken.com

SECOND SUPPLEMENTARY TARGET'S STATEMENT

In relation to the off-market takeover bid for all the ordinary shares in Bradken Limited by Hitachi Construction Machinery Co., Ltd. (**HCM**).

Your Bradken Directors unanimously recommend that you **ACCEPT** HCM's Offer.

This is an important document and requires your immediate attention.

If you are in doubt as to what you should do, you should consult your investment, financial, taxation or other professional adviser.

For more information, please call the Shareholder Information Line on 1300 131 543 (within Australia) or +61 1300 131 543 (outside Australia) between 9.00am and 5.00pm (Sydney time) Monday to Friday.

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth). It is the second supplementary target's statement (**Second Supplementary Target's Statement**) issued by Bradken Limited ABN 33 108 693 009 (**Bradken**) in relation to the off market takeover bid for all the ordinary shares in Bradken by Hitachi Construction Machinery Co., Ltd. (**HCM**). This Second Supplementary Target's Statement supplements, and should be read together with Bradken's original target's statement dated 25 October 2016 (**Target's Statement**) and the first supplementary target's statement dated 15 February 2017 (**First Supplementary Target's Statement**).

Unless the context requires otherwise, defined terms in the Target's Statement have the same meaning in this Second Supplementary Target's Statement. The Second Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement or the First Supplementary Target's Statement.

A copy of this Second Supplementary Target's Statement was lodged with the Australian Securities and Investment Commission (**ASIC**) and given to ASX on 13 March 2017. Neither ASIC, the ASX nor any of their respective officers take any responsibility for the contents of this Second Supplementary Target's Statement.

Your Bradken Directors continue to unanimously recommend that you ACCEPT HCM's Offer promptly.

1. HCM DECLARES OFFER UNCONDITIONAL

All Conditions to the Offer have now been satisfied or waived by HCM and it declared that the Offer was unconditional on 9 March 2017.

Bradken notes that HCM advised on 13 March 2017 that its voting power and relevant interest in the Bradken shares was approximately 60%.

Bradken shareholders who have validly accepted the HCM Offer and whose acceptance forms were received by Computershare by 7.00pm (Sydney time) on Wednesday, 8 March 2017, and Bradken shareholders that accepted under the institutional acceptance facility established by HCM, provided that their acceptance forms and/or custodian directions were received by Computershare by 7.00pm (Sydney time) on Wednesday, 8 March 2017, will be paid by 21 March 2017.

In addition, HCM today announced further accelerated payment terms under which Bradken shareholders who validly accept the HCM Offer, and whose acceptance forms are received by Computershare or who otherwise initiate acceptances through CHESS, between 7.00pm (Sydney time) on Wednesday 8 March 2017 and 7.00pm (Sydney time) on Thursday, 16 March 2017, will be paid by Tuesday, 28 March 2017.

2. OFFER PERIOD

The Offer is scheduled to close at 7.00pm (Sydney time) on **24 March 2017**, unless further extended by HCM in accordance with the Corporations Act.

3. DIRECTORS RECOMMENDATION TO ACCEPT

Your Directors strongly recommend that you ACCEPT the Offer promptly so that your acceptance is received before the end of the Offer Period. If you wish to accept the Offer, you should also do so as soon as possible so that you will be eligible for the accelerated payment announced by HCM on 13 March 2017.

Please refer to HCM's announcement dated 13 February 2017 for details on how to accept the Offer. A copy is available on Bradken's website at www.bradken.com.

In addition to the reasons to accept outlined in the Target's Statement your Directors note the following reasons to accept:

- HCM's Offer is now **unconditional**.
- HCM has acquired a majority and controlling stake of at least 60% in Bradken, regardless of further acceptances, and this stake is likely to increase by the end of the Offer Period. Accordingly, Bradken shareholders who do not accept the Offer will become minority shareholders in Bradken (unless HCM becomes entitled to proceed with compulsory acquisition).
- There are risks involved in being a minority shareholder. These risks are outlined in section 2.5 (reason 5) of Bradken's Target's Statement.

- No Superior Proposal has emerged since the announcement of HCM's Offer on 3 October 2016 and with HCM's voting power now exceeding 50%, Bradken's Board does not expect a Superior Proposal to emerge before the close of the Offer.
- The HCM Offer of \$3.25 cash provides certainty of value and removes your exposure to the risks and uncertainties associated with a continued investment in Bradken. The Offer price is also a substantial premium to prices at which Bradken shares were trading prior to the announcement of the HCM Offer.
- Each of your Bradken Directors has now accepted the Offer in respect of all of the Bradken shares they own or control.

4. EMPLOYEE INCENTIVES

As foreshadowed in section 12.5 of the Target's Statement all Bradken Performance Rights on issue have now vested following the Offer becoming unconditional and HCM acquiring more than 50% of the Bradken shares.

Bradken has issued 2,744,741 new Bradken shares on vesting of the Share Rights and will pay employees an aggregate of \$8,710,744 due to vesting of the Cash Rights. The new Bradken shares issued and certain other Bradken shares held by employees have been released from all disposal restrictions imposed by Bradken.

5. AUTHORISATION

This Second Supplementary Target's Statement has been approved by a resolution passed by the Directors of Bradken.

Dated 13 March 2017, being the date on which the Second Supplementary Target's Statement was lodged with ASIC.

Signed for and on behalf of Bradken Limited:



Phillip Arnall
Chairman
Bradken Limited