



11 February 2014

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 its interim results for the 2013/14 year, for immediate release to the market.

Included in this announcement is Appendix 4D and Half Yearly Report for the period to 31 December 2013.

Yours faithfully

Steven Perry
Company Secretary
Encl:

BRADKEN LIMITED

Appendix 4D

Half Year Report Period Ended 31 December 2013

Results for Announcement to the Market

		<u>Percentage Change</u>		<u>\$'000</u>
Revenues from ordinary activities	Down	17.1%	to	567,621
Profit (loss) from ordinary activities after tax attributable to members	Down	18.5%	to	38,087
Net Profit (loss) for the period attributable to members	Down	18.5%	to	38,087

Dividends		
	<u>Amount per Security</u>	<u>Percentage Franked</u>
Current period:		
Interim Dividend	15.0 cents	0%
Ex-Dividend Date for determining dividend entitlement:	17th February 2014	
Record Date for dividend entitlement:	21st February 2014	
Date the dividend is payable:	21st March 2014	
Prior corresponding period:		
Interim Dividend	20.0 cents	100%

Net Tangible Assets per Security	
As at 31st December 2013	\$2.37
As at 31st December 2012	\$2.17

Bradken Limited

Interim Report 31 December 2013

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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 2013 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.

Corporate directory

Directors	Nicholas Greiner, AC, B.Ec., MBA <i>Independent Non-Executive Chairman</i>
	Brian Hodges, B.Chem.Eng. (Hons) <i>Managing Director and Chief Executive Officer</i>
	Phil Arnall, B.Com. <i>Independent Non Executive Director</i>
	Eileen Doyle, PhD <i>Independent Non Executive Director</i>
	Greg Laurie, B.Com. <i>Independent Non Executive Director</i>
	Peter Richards, B.Com. <i>Independent Non Executive Director</i>
	David Smith, B.Sc., PhD Appointed 1 February 2014 <i>Independent Non Executive Director</i>
Company Secretary and CFO	Steven Perry, B.Com. MBA, CPA
Joint Company Secretary	David Chesterfield, MBA
Principal registered office in Australia	20 McIntosh Drive Mayfield West NSW 2304 Telephone: +61 2 4926 8200
Share registry	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000 Telephone: +61 2 8280 7519
Auditor	Ernst & Young 680 George Street Sydney NSW 2000
Stock exchange listings	Bradken Limited shares are listed on the Australian Stock Exchange. The home exchange is Sydney.
Web site address	www.bradken.com

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 2013.

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	Brian Hodges Managing Director	Phil Arnall Non Executive Director
Eileen Doyle Non Executive Director	Greg Laurie Non Executive Director	Peter Richards Non Executive Director
David Smith Non Executive Director (appointed 1 February 2014)		

Commentary on results and review of operations**Financial Overview**

	HY14	HY13	Change
NPAT	\$38.1m	\$46.7m	Down 18%
EBITDA	\$86.2m	\$105.1m	Down 18%
EBITDA margin	15.3%	15.5%	
Sales revenue	\$563.6m	\$680.5m	Down 17%
Operating cash flow	\$67.0m	\$70.8m	
Earnings per share	22.5 cents	27.6 cents	Down 5.1 cents
Dividends per share	15.0 cents	20.0 cents	Down 25%
LTIFR	4.8	4.3	

Net profit after tax attributable to members for the half-year was \$38.1m (2013 \$46.7m).

Additional information on the review of the operations of the Bradken Group during the half-year and the results of those operations is attached in the ASX Release.

State of affairs

During the period, the company announced that it has made a scrip based non-binding and indicative proposal to acquire all of the ordinary shares in Austin Engineering Ltd. (ANG) that it does not currently own at a fixed exchange ratio of 0.75 Bradken shares for one Austin share. Bradken currently owns 21.5% of the outstanding shares in ANG. Discussions remain ongoing.

Segment revenues and results

A summary of consolidated revenues and results for the half-year by significant industry segments is set out on pages 10 and 11.

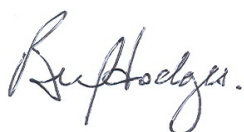
Auditors' independence declaration

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

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 unless otherwise noted.

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



Brian Hodges
Managing Director
Sydney
10 February 2014



Nick Greiner
Chairman



Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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Auditor's Independence Declaration to the Directors of Bradken Limited

In relation to our audit of the financial report of Bradken Limited for the for the half year ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive, stylized script.

Ernst & Young

A handwritten signature in black ink that appears to be 'Trent van Veen' in a cursive, stylized script.

Trent van Veen
Partner
Sydney
10 February 2014

Liability limited by a scheme approved under
Professional Standards Legislation.

Consolidated income statement
For the half-year ended 31 December 2013

	Notes	Half-year	
		31 December	31 December
		2013 \$'000	2012 \$'000
Revenue from continuing operations		563,571	680,516
Cost of sales		(450,373)	(536,996)
Gross profit		113,198	143,520
Other income		4,050	4,311
Selling and technical expenses		(29,307)	(31,079)
Administration expenses		(32,544)	(39,272)
Finance costs		(17,287)	(15,768)
Share of net profit of associates accounted for using the equity method		952	4,053
Profit before income tax	5	39,062	65,765
Income tax expense		(975)	(19,050)
Profit for the half-year		38,087	46,715
Profit attributable to:			
Owners of Bradken Limited		38,087	46,715
		38,087	46,715
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share:		22.5	27.6
Diluted earnings per share:		22.2	27.3

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

Consolidated statement of comprehensive income
For the half-year ended 31 December 2013

	Notes	Half-year	
		31 December	31 December
		2013	2012
		\$'000	\$'000
Profit for the half-year		38,087	46,715
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of cash flow hedges		407	289
Exchange differences on translation of foreign operations		10,999	(4,292)
Income tax relating to these items		(122)	(87)
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial (losses) / gains on retirement benefit obligations		3,165	(342)
Other comprehensive income for the half-year net of tax		14,449	(4,432)
Total comprehensive income for the half-year		52,536	42,283
Total comprehensive income for the half-year is attributable to:			
Owners of Bradken Limited		52,536	42,283
		52,536	42,283

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

Consolidated statement of financial position
As at 31 December 2013

		31 December	30 June
		2013	2013
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents		124,629	92,489
Receivables		140,376	167,810
Other receivables and other assets		453	453
Inventories		239,771	266,926
Current tax assets		10,877	11,794
Derivative financial instruments		6,350	17,519
Total current assets		522,456	556,991
Non-current assets			
Receivables		3,149	2,880
Other receivables and other assets		5,078	5,078
Property, plant and equipment		637,597	616,225
Deferred tax assets		9,996	6,059
Intangible assets		383,496	382,739
Investments accounted for using the equity method	2	55,005	49,261
Total non-current assets		1,094,321	1,062,242
Total assets		1,616,777	1,619,233
Current liabilities			
Payables		132,145	197,029
Borrowings		44,583	29,283
Current tax liabilities		5,672	3,004
Provisions		46,668	52,850
Derivative financial instruments		4,744	6,932
Total Current Liabilities		233,812	289,098
Non-current liabilities			
Payables		8,459	8,231
Borrowings		526,274	494,749
Deferred tax liabilities		46,497	43,882
Provisions		11,691	17,963
Total non-current liabilities		592,921	564,825
Total liabilities		826,733	853,923
Net assets		790,044	765,310
Equity			
Contributed equity		542,071	542,071
Reserves		43,090	29,145
Retained profits		204,883	194,094
Capital and reserves attributable to the owners of Bradken Limited		790,044	765,310
Total equity		790,044	765,310

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

Consolidated statement of changes in equity
For the half-year ended 31 December 2013

		Attributable to owners of Bradken Limited				
		Contributed Equity	Reserves	Retained earnings	Total	
Notes		\$'000	\$'000	\$'000	\$'000	
	Balance at 1 July 2012	538,562	(13,007)	193,895	719,450	
	Profit for the half-year	-	-	46,715	46,715	
	Other comprehensive income	-	(4,090)	(342)	(4,432)	
	Total comprehensive income for the half-year	-	(4,090)	46,373	42,283	
Transactions with owners in their capacity as owners:						
	Dividends provided for or paid	4	3,809	-	(36,255)	(32,446)
	Deferred tax adjustment for previously booked placement costs		18	-	-	18
	Employee share options - value of employee services		-	1,550	-	1,550
			3,827	1,550	(36,255)	(30,878)
	Balance at 31 December 2012		542,389	(15,547)	204,013	730,855
	Balance at 1 July 2013		542,071	29,145	194,094	765,310
	Profit for the half-year		-	-	38,087	38,087
	Other comprehensive income		-	11,284	3,165	14,449
	Total comprehensive income for the half-year		-	11,284	41,252	52,536
Transactions with owners in their capacity as owners:						
	Dividends provided for or paid	4	-	-	(30,463)	(30,463)
	Employee share options - value of employee services		-	2,661	-	2,661
			-	2,661	(30,463)	(27,802)
	Balance at 31 December 2013		542,071	43,090	204,883	790,044

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

Consolidated statement of cash flows
For the half-year ended 31 December 2013

	Notes	Half-year	
		31 December	31 December
		2013	2012
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		622,434	853,651
Payments to suppliers and employees (inclusive of goods and services tax)		(542,128)	(753,843)
Transaction costs relating to acquisition of subsidiary and acquisition of business		-	(16)
		<u>80,306</u>	<u>99,792</u>
Interest received		355	77
Interest paid		(13,457)	(14,614)
Income taxes paid		<u>(173)</u>	<u>(14,408)</u>
Net cash inflow / (outflow) from operating activities		<u>67,031</u>	<u>70,847</u>
Cash flows from investing activities			
Payments for purchase of businesses, net of cash acquired		-	(2,461)
Payment for property, plant and equipment		(34,841)	(66,678)
Payments for design costs		(2,019)	(3,428)
Increase in investments by way of share purchases		(6,441)	-
Proceeds from sale of property, plant and equipment		424	18,688
Dividends received		<u>1,649</u>	<u>1,521</u>
Net cash inflow / (outflow) from investing activities		<u>(41,228)</u>	<u>(52,358)</u>
Cash flows from financing activities			
Proceeds from borrowings		154,214	72,894
Repayment of borrowings		(113,236)	(55,927)
Payments of finance lease liabilities		(5,308)	(5,519)
Dividends paid to company's shareholders		<u>(30,463)</u>	<u>(32,446)</u>
Net cash inflow / (outflow) from financing activities		<u>5,207</u>	<u>(20,998)</u>
Net increase / (decrease) in cash and cash equivalents		31,010	(2,509)
Cash and cash equivalents at the beginning of the half-year		91,822	101,719
Effects of exchange rate changes on cash and cash equivalents		<u>1,794</u>	<u>(643)</u>
Cash and cash equivalents at the end of the half-year		<u>124,626</u>	<u>98,567</u>

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 consolidated financial report for the interim half year reporting period ended 31 December 2013 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 2013 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. The presentation of financial information may also differ to the previous financial report to facilitate comparability of current year financial information.

(a) Impact of standards issued but not yet applied by the entity

In December 2009, the AASB issued AASB 9 Financial Instruments which addresses the classification and measurement of financial assets and may affect the group's accounting for its financial assets. The standard is not applicable until 1 January 2015 but is available for early adoption. The Group is yet to assess its full impact. The Group has not yet decided when to adopt AASB 9.

(b) Impact of adoption of the revised AASB 119 Employee Benefits

Defined benefit superannuation plans

The group operates three defined benefit plans in its North American operations. The revised AASB 119 has been applied retrospectively from 1 July 2012. This has not had a material impact on the financial statements as the only change in the Group's accounting policy is with respect to the way the Group accounts for the expected return on plan assets. The difference between actual returns and the amount reported in the profit and loss will permanently bypass the profit and loss by being recorded as an actuarial variance.

The Group recognises a liability or asset in respect of defined benefit superannuation plans in the statement of financial position measured as the present value of the defined benefit obligation at the end of the reporting period less the fair value of the superannuation fund's assets at that date. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the end of the reporting period, calculated on a regular basis by independent actuaries using the projected unit credit method.

Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

(c) Changes in accounting policy

The following accounting standards are applicable to the Group for the first time during the current period.

AASB 10 Consolidated Financial Statements

AASB 11 Joint Arrangements

AASB 12 Disclosure of Interests in Other Entities; and

AASB 13 Fair Value Measurement

The adoption of these standards did not have a significant impact on the Group's financial results, balance sheet or disclosures, with the exception of *AASB 13 Fair Value Measurement*, which has resulted in additional disclosure in the notes to the financial statements (Note 7). All other accounting policies are consistent with those adopted and disclosed in the annual financial report for the year ended 30 June 2013. Accounting policies are applied consistently by each entity in the Group.

2 Investments in associates

	Half-year December
	2013
	\$'000
(a) Movements in carrying amounts	
Carrying amount at the beginning of the financial period	49,261
Increase in investment by way of share purchases in current period *	6,441
Share of profits after income tax	952
Dividends received/receivable	(1,649)
Carrying amount at the end of the financial period	55,005

* During the period, Bradken fully subscribed to its entitlement under the Austin Engineering Limited share placement. This resulted in Bradken paying \$6,440,928 to receive 2,012,790 shares in Austin Engineering Limited. As a result there has been no change to Bradken's ownership interest (21.47%) in Austin Engineering Limited.

3 Segment information

(a) Description of segments

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

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment. Segment assets include all assets used by a segment and consist primarily of receivables, inventories and property, plant and equipment, net of related provisions.

Segment revenues, expenses and results include transfers between segments. Sales of scrap between controlled entities are made on an "arm's-length" basis and are eliminated on consolidation. All other transfers are made at variable cost and are eliminated on consolidation.

Mining Products consists of design, supply and service of wear components for all types of earth moving in the Mining and Quarry industries. Mineral Processing consists of design supply and service of mill liner components in the Mineral Processing 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. Engineered Products, based in North America, is a supplier of cast parts to the Energy, Power, Cement, Industrial and Rail Transport industries specialising in large (greater than 4,500 kg) highly engineered steel castings.

The "all other" segment also represents other smaller businesses including Cast Metal Services.

(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 2013 is as follows:

	Mining Products	Mineral Processing	Engineered Products	Rail	All other segments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Half-year 2013						
Total segment revenue	176,864	137,738	128,412	118,672	78,754	640,440
Inter-segment revenue	(12,062)	(21,001)	(4,816)	(9,210)	(29,780)	(76,869)
Revenue from external customers	164,802	116,737	123,596	109,462	48,974	563,571
Gross margin	59,699	42,050	43,219	27,649	18,266	190,883
Half-year 2012						
Total segment revenue	188,938	130,462	221,904	135,393	106,514	783,211
Inter-segment revenue	(18,590)	(20,350)	(16,998)	(3,486)	(43,271)	(102,695)
Revenue from external customers	170,348	110,112	204,906	131,907	63,243	680,516
Gross margin	59,267	40,514	70,088	17,509	26,339	213,717
Total segment assets						
At 31 December 2013	351,673	338,716	293,830	248,375	126,265	1,358,859
At 30 June 2013	403,769	361,859	336,862	85,364	119,692	1,307,546
Corporate assets are not disclosed separately within the half year financial statements.						
Total segment liabilities						
At 31 December 2013	40,674	28,707	48,830	54,530	19,432	192,173
At 30 June 2013	53,605	47,999	61,268	75,607	22,580	261,059
Corporate liabilities are not disclosed separately within the half year financial statements.						

3 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	
	December	December
	2013	2012
	\$'000	\$'000
Gross margin	190,883	213,717
Fixed manufacturing overheads and other cost of sale adjustments	(77,685)	(70,197)
Other income	4,050	4,311
Selling and technical expenses	(29,307)	(31,079)
Administration expenses	(32,544)	(39,272)
Finance costs	(17,287)	(15,768)
Share of net profit of associates accounted for using the equity method	952	4,053
Profit before income tax	39,062	65,765

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.

4 Dividends

	Half-year	
	December	December
	2013	2012
	\$'000	\$'000
Ordinary shares		
Dividends provided for or paid during the half-year	30,463	36,255
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 unfranked dividend of 15.0 cents per fully paid ordinary share (2012 - 20.0 cents fully franked based on tax paid at 30%). The aggregate amount of the dividend to be paid on 21 March 2014 out of retained profits at 31 December 2013, but not recognised as a liability at the end of the half-year, is	25,386	33,848

5 Significant items

During the period the company reached a commercial in confidence settlement with Norcast S.ar.L regarding the 2011 acquisition of Norcast. An amount of \$30,412k (before tax) had been expensed during the 30 June 2013 financial year pursuant to the legal case relating to the Federal Court of Australia judgment sum, interest and associated costs. As a consequence of the Federal Court of Australia setting aside its initial judgement and the settlement reached with Norcast S.ar.L, a gain of \$13,668k (before tax) has been recorded in the current period. The income tax benefit associated with this settlement has been reflected in the current period.

6 Equity securities issued

	Half-year		Half-year	
	December 2013 Shares	December 2012 Shares	December 2013 \$'000	December 2012 \$'000
Issues of ordinary shares during the half-year				
Dividend reinvestment plan issues	-	611,286	-	3,809
Adjustments to Institutional Placement costs June 2011	-	-	-	18
	-	611,286	-	3,827

7 Fair value measurement

Derivative financial instruments are initially recognised in the statement of financial position at cost and subsequently remeasured to their fair value. Accordingly there is no difference between the carrying value and the fair value of derivative financial instruments at reporting date.

The Group uses two different methods in estimating the fair value of a financial instrument. The methods comprise:-

- Level 1 - the fair value is calculated using quoted prices in active markets; and
- Level 2 - the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

The valuation techniques applied by the Group are consistent with those applied and disclosed in the 2013 annual financial report. As at 31 December 2013, all derivatives measured at fair value are done so using the Level 2 method. There were no transfers between Level 1 and Level 2, and no financial instruments were measured at Level 3 (where fair value is measured using unobservable inputs for the asset or liability) for the periods presented in this report.

The carrying amounts and fair values of interest bearing liabilities at balance date are:

	31 December 2013		30 June 2013	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
On balance sheet				
<i>Non traded financial liabilities</i>				
Bank overdrafts	3	3	667	667
Bank loans	336,541	339,253	291,824	294,147
US private placement	220,895	225,051	218,675	223,025
Other loans	870	870	975	975
Lease liabilities	12,548	12,548	11,891	11,891
	570,857	577,725	524,032	530,705

8 Offsetting financial assets and liabilities

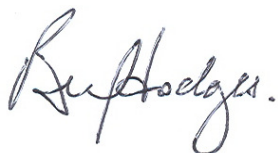
Bradken presents derivative assets and derivative liabilities on a gross basis. Certain derivative assets and liabilities are subject to enforceable master netting arrangements with individual counterparties if they were subject to default. As at 31 December 2013, if these netting arrangements were to be applied to the derivative portfolio, derivative assets are reduced by \$2.75m (30 June 2013: \$4.4m) and derivative liabilities are reduced by \$2.75m (30 June 2013: \$4.4m).

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 2013 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



Nick Greiner
Chairman

Sydney
10 February 2014

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 consolidated statement of financial position as at 31 December 2013, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half year end or from time to time during the half year.

Directors' responsibility for the half year financial report

The directors of the company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls that the directors determine are necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

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 a 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 2013 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 and the entities it controlled during the half year, 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. 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is referenced in the Directors' Report.



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 2013 and of its performance for the half year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script, likely belonging to Trent van Veen.

Trent van Veen
Partner
Sydney
10 February 2014