

HD Australian Bradken receives \$730-mn buyout offer from Pacific Equity and Bain Capital

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Australian **mining** products maker Bradken Ltd today said that has received an A\$872 **million** (\$730.56 **million**) non-binding and indicative buyout offer from private **equity** firms Pacific **Equity** Partners Pty Limited and Bain Capital.

The consortium has offered to pay \$5.10 per share on condition of completion of due diligence and a board recommendation, amongst others.

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In a statement to the Australian Securities Exchange, Bradken said the consortium had made an initial \$6.00 per share or A\$1 **billion** offer in August, but did not proceed with a **firm** offer.

The board of Bradken said that it is reviewing the offer along with its advisors and noted that there is no guarantee of a transaction.

The board also noted that the offer has been made at a low point in the **mining** cycle during a time of significant share price volatility in the broader **mining** services sector.

Bradken is the leading supplier of consumable and capital products to the **mining**, freight rail, steel making, smelting, transport, cement, **oil** and gas, power generation, sugar and other primary industries.

The New South Wales-based **company** employs almost 4,600 people in 34 manufacturing facilities and more than 30 sales and service centres across Australia, New Zealand, US, Canada, the UK, Indonesia, Malaysia, South Africa, South America and **China**.

Bradken had recently offered to buy a foundry in Tamil Nadu, India for \$27 **million** and expects to close the deal in January 2015.

The foundry is a 17,000m2 facility with a capacity of over 20KT/pa. It will provide low-cost manufacturing capacity to its key customer markets in Australasia and Africa as well as a large domestic market in India.

Bradken will initially develop the foundry as an Asian region low-cost source of high quality mill liners, **coal** and cement wear parts and large structural components.

Bradken has recently been struggling because of low demand from the **mining** industry. Its stock price has fallen by about 45 per cent this year, forcing it to shut higher-cost foundries, cut workforce by 10 per cent, and withdraw a takeover offer for Austin Engineering Ltd, where it already owns nearly a 22-per cent **stake**.

CO brares : Bradken Ltd | bainca : Bain Capital, LLC | peprt : Pacific Equity Partners

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