



A.B.N. 92 009 657 489

Half Year Financial Report - 30 September 2009
(Including additional ASX Appendix 4D disclosures)

Contents

Results for announcement to the market (including required Appendix 4D information)

Directors' half-year report

Consolidated interim financial report for the half year ended 30 September 2009

The attached Interim Financial Report for the half-year ended 30 September 2009 forms part of this document. This half yearly report is to be read in conjunction with the Campbell Brothers Limited 2009 annual financial report and the notes contained therein.

Campbell Brothers Limited and its Controlled Entities
Results for announcement to the market for the half-year ended 30 September 2009 – Appendix 4D
(Previous corresponding period: half-year ended 30 September 2008)

				\$'000
Revenue from ordinary activities	Down	12.2%	to	400,906
Profit from ordinary activities after tax attributable to members	Down	32.9%	to	38,259
Net profit for the period attributable to members	Down	32.9%	to	38,259

Dividends	Amounts per security	Franked amount per Security
Interim dividend *	45.0¢	22.5¢
Previous corresponding period	50.0¢	25.0¢

* Payable on all shares, including those new shares issued in November 2009 pursuant to the Company's one-for-six renounceable rights issue.

Record date for determining entitlements to the interim dividend: 3 December 2009

The last date for receipt of election notices for the company DRP: 3 December 2009

Additional dividend information

Details of dividends declared or paid during or subsequent to the half-year ended 30 September 2009 are as follows:

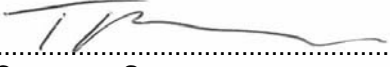
Record date	Payment date	Type	Amount Per security	Total dividend \$,000	Franked amount per security	Conduit foreign income per security
13 June 2009	1 July 2009	Final 2009	50 cents	26,517	25.0 cents	25.0 cents
3 December 2009	16 December 2009	Interim 2010	45 cents	28,152	22.5 cents	22.5 cents

NTA Backing

	Current period	Previous corresponding period
Net tangible asset per ordinary share	\$2.96	\$2.43

Review Opinion

The unqualified review report of the company's auditors, KPMG, is attached to this document and highlights no areas of dispute.

Sign here:  Date: 24/11/2009
Company Secretary
Tim Mullen



A.C.N 009 657 489

AND

ITS CONTROLLED ENTITIES

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED
30 September 2009

Campbell Brothers Limited and its controlled entities

Directors' report

The directors present their report together with the consolidated interim financial report for the half year ended 30 September 2009 and the review report thereon.

Directors

The directors of the Company at any time during or since the end of the half year are:

GEOFFREY J McGRATH MIE

Chairman and Independent Non-Executive Director Age 67

Appointed a director in 2003 and was appointed chairman in 2004.

GREG F KILMISTER B Sc (Hons), FRACI, MAIG

Managing Director and Chief Executive Officer Age 53

Appointed Managing Director and Chief Executive of Campbell Brothers in 2005.

NEROLIE WITHNALL BA, LLB, FAICD

Independent Non-Executive Director Age 65

Appointed a director in 1994.

MARTIN D KRIEWALDT BA, LLB (Hons), FAICD

Independent Non-Executive Director Age 60

Appointed a director in 2001.

RAYMOND G HILL FAICD

Independent Non-Executive Director Age 67

Appointed a director in 2003.

BRUCE R BROWN B Com, AAUQ

Independent Non-Executive Director Age 65

Appointed a director in 2005.

MELVYN J BRIDGES B AppSc, FAICD

Independent Non-Executive Director Age 59

Appointed a director on 29 September 2009.

ANTONY J LOVE B Com, AAUQ, FAPI, FAICD

Independent Non-Executive Director Age 63

Retired as a director on 28 July 2009.

Campbell Brothers Limited and its controlled entities

Review of operations

Net profit

Directors are pleased to report that the Group achieved net profit after tax of \$38.26 million in the half year to September 2009, in line with recent guidance provided to the market. The result was down 33% on the previous corresponding period and was generated from revenue of \$400.91 million (down 12% on the September 2008 half).

The September 2009 results compare favourably with those achieved in the corresponding period two years ago - revenue was 9% ahead of that generated in the September 2007 half year (\$366.60 million) and net profit after tax was up 17% (September 2007 underlying net profit after tax excluding unusual items: \$32.66 million).

This represents a sound financial performance in an uncertain economic environment during the period. The fall in revenue and profit was largely due to reduced global demand in mineral exploration markets for analytical testing services provided by the ALS Minerals division. All other divisions of the ALS Laboratory Group produced improved revenue and profit contribution compared with the September 2008 half year.

Recent data indicate there is stability and in some regions growth returning to the markets serviced by the Group. In October and November 2009 the Company announced two important acquisitions in Australia (refer *Events subsequent to balance date* below). The combination of these new businesses and existing operational capacity will place the Group in a strong position to take advantage of opportunities as business conditions improve.

Directors have declared a partly franked (50%) interim dividend of 45 cents per share, payable on all ordinary shares including new shares issued in November 2009 pursuant to the Company's one-for-six renounceable rights issue (2008: 50 cents, partly franked to 50%). It will be paid on 16 December 2009 on all shares registered in the Company's register at the close of business on 3 December 2009.

In thousands of AUD	Half year to 30 September 2009	Half year to 30 September 2008
Revenue	400,906	456,358
Profit before financing costs and income tax	59,553	88,603
Net financing costs	(5,786)	(7,600)
Income tax expense	(15,460)	(23,745)
Profit after income tax	38,307	57,258
Net profit attributable to minority interest	(48)	(214)
Profit after tax attributable to equity holders of the Company	38,259	57,044
Earnings per share		
Basic earnings per share *	69.19c	105.27c
Diluted earnings per share		
Diluted earnings per share *	69.12c	105.26c

* In accordance with the requirements of *AASB133 Earnings per Share* current and prior year earnings per share have been adjusted for the effect of new shares allotted in November 2009 pursuant to the Company's one-for-six renounceable rights issue (refer note 14).

Campbell Brothers Limited and its controlled entities

Review of operations (continued)

Contributions from business segments were as follows:

ALS Minerals	2009	2008	(Decrease)
	\$000	\$000	
Revenue	97,630	165,956	(41.2%)
Segment Contribution	24,629	64,974	(62.1%)
Margin (segment contribution to revenue)	25.2%	39.2%	

ALS Minerals experienced a significant reduction in sample volumes compared with the previous corresponding period as global exploration activity fell in response to tight credit conditions. Whilst the contribution margin as a percentage of revenue fell substantially from the previous year, the division's ability to react quickly in reducing its variable costs produced a strong margin performance given the difficult market conditions.

The division experienced improving business volumes in the September 2009 quarter.

ALS Environmental	2009	2008	Increase
	\$000	\$000	
Revenue	119,055	108,292	9.9%
Segment Contribution	26,015	16,527	57.4%
Margin (segment contribution to revenue)	21.9%	15.3%	

The ALS Environmental division produced a strong result for the half year to September 2009, with the increase in revenue driven by both acquired and organic growth. Cost control initiatives across all regions resulted in a significant improvement in contribution margin.

ALS Coal	2009	2008	Increase
	\$000	\$000	
Revenue	31,180	27,805	12.1%
Segment Contribution	8,502	5,445	56.1%
Margin (segment contribution to revenue)	27.3%	19.6%	

Increasing levels of global export activity driven by higher coal prices and improving industry sentiment provided the impetus for a healthy performance by ALS Coal across all regions. The division maintained its focus on efficiency during the half year producing a strong improvement in contribution margin on revenue.

ALS Tribology	2009	2008	Increase
	\$000	\$000	
Revenue	15,435	7,494	106.0%
Segment Contribution	2,683	931	188.2%
Margin (segment contribution to revenue)	17.4%	12.4%	

ALS Tribology had the benefit of a full six months' contribution from its North American business (acquired August 2008) in the half year to September 2009. When combined with organic growth in other regions this enabled the division to more than double the half year revenue of the previous corresponding period.

Campbell Brothers Limited and its controlled entities

Review of operations (continued)

Campbell Chemicals	2009	2008	(Decrease)
	\$000	\$000	
Revenue	79,137	81,940	(3.4%)
Segment Contribution	4,074	5,216	(21.9%)
Margin (segment contribution to revenue)	5.1%	6.4%	

The Campbell Chemicals division experienced varied economic conditions across its many markets in Australasia and the Pacific. Tighter margins on sales and the weakening US dollar affected the performance of the industrial chemicals business. A focus on client service and operational efficiency enabled the Panamex trading business to produce an improved revenue and margin performance.

Reward Distribution	2009	2008	(Decrease)
	\$000	\$000	
Revenue	61,300	67,717	(9.5%)
Segment Contribution	2,140	2,343	(8.7%)
Margin (segment contribution to revenue)	3.5%	3.5%	

Reward Distribution realised reduced revenue as a result of tight tourism and hospitality markets, strong competition and the continuing reassessment of target markets. The business is realising the benefits of cost control initiatives of the previous twelve months as evidenced by maintaining contribution margin on revenue despite falling sales.

The business has relocated its headquarters to a new centralised warehouse and administration centre at Yatala (South East Queensland) replacing Brisbane and Gold Coast premises.

Events subsequent to balance date

On 1 October 2009, directors announced a one-for-six renounceable rights issue of ordinary shares in the Company at \$22.00 per share. The issue closed oversubscribed on 2 November 2009 and raised approximately \$191 million net of underwriting fees and other costs. A total of 8,939,575 new shares were allotted on 11 November 2009.

On 27 October 2009 the Company through its wholly-owned subsidiary, Australian Laboratory Services Pty Ltd (ALS) announced a cash takeover offer for all of the ordinary shares of PearlStreet Limited (PST) at 75 cents per share. The directors of PST have unanimously agreed to recommend the offer in the absence of a superior proposal. A Bidder's Statement and a Target's Statement were dispatched to PST shareholders on 12 November 2009. As of 23 November 2009, ALS has received acceptances for more than 60% of PST's ordinary shares, including acceptance from PST's major shareholder and Managing Director, Mr Anthony Wooles, the directors of the PST board and a number of large institutional shareholders.

Perth-based PST is listed on the Australian Securities Exchange and is the largest Non Destructive Testing services provider in Australia. It provides testing, inspection, and asset care services to the energy, resources and infrastructure sectors. The offer for PST represents total consideration of approximately \$108 million, comprising \$64 million for equity and \$44 million for net debt.

On 12 November 2009 the Company through its wholly-owned subsidiary, Australian Laboratory Services Pty Ltd announced that it had executed an agreement to acquire 100 percent of Ecowise Environmental Pty Limited (Ecowise) for a total consideration of \$51 million. The consideration comprises \$40 million for equity and \$11 million of assumed debt. Ecowise operates laboratories and aligned environmental services in Australia, focusing on the water sector, across 17 east coast laboratories and offices.

Other than the matters discussed above, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Campbell Brothers Limited and its controlled entities

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 22 and forms part of the directors' report for the half year ended 30 September 2009.

Rounding off

The entity is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:

G J McGrath
Chairman
Brisbane
24 November 2009

G F Kilmister
Managing Director
Brisbane
24 November 2009

Campbell Brothers Limited and its controlled entities

Interim profit and loss statement

For the half year ended 30 September 2009

In thousands of AUD

Continuing operations

	CONSOLIDATED	
	30 September 2009	30 September 2008
Revenue from sale of goods	137,307	146,524
Revenue from rendering of services	263,599	309,834
	400,906	456,358
Other income	461	929
Changes in inventories of finished goods and work in progress	(4,880)	14,424
Raw materials and consumables purchased	(108,174)	(135,521)
Employee expenses	(132,887)	(141,447)
Warehousing and distribution costs	(12,701)	(16,696)
Amortisation and depreciation	(19,746)	(16,523)
Selling expenses	(3,874)	(4,659)
Administration and other expenses	(60,559)	(69,051)
Share of net profits of associates and joint ventures accounted for using the equity method	1,007	789
Profit before financing costs and income tax	59,553	88,603
Financial income	87	365
Financial expenses	(5,873)	(7,965)
Net financing costs	(5,786)	(7,600)
Profit before income tax	53,767	81,003
Income tax expense	(15,460)	(23,745)
Profit for the period	38,307	57,258
Attributable to:		
Equity holders of the Company	38,259	57,044
Minority interest	48	214
Profit for the period	38,307	57,258
Earnings per share		
Basic earnings per share *	69.19c	105.27c
Diluted earnings per share *	69.12c	105.26c

* In accordance with the requirements of AASB133 *Earnings per Share* current and prior year earnings per share have been adjusted for the effect of new shares allotted in November 2009 pursuant to the Company's one-for-six renounceable rights issue (refer note 14).

The interim profit and loss statement is to be read in conjunction with the notes to the interim financial report set out on pages 13 to 19.

Campbell Brothers Limited and its controlled entities

Interim statement of comprehensive income

For the half year ended 30 September 2009

In thousands of AUD

	CONSOLIDATED	
	30 September 2009	30 September 2008
Profit for the period	38,307	57,258
Other comprehensive income*		
Foreign exchange translation differences	(22,856)	13,625
Gain/(loss) on hedge of net investments in foreign subsidiaries	5,894	(3,304)
Net gain/(loss) on cash flow hedges taken to equity	1,364	(562)
Other comprehensive income for the period, net of income tax	(15,598)	9,759
Total comprehensive income for the period	22,709	67,017
Attributable to:		
Equity holders of the Company	22,661	66,803
Minority interest	48	214
Total comprehensive income for the period	22,709	67,017

* All movements in comprehensive income are disclosed net of applicable income tax.

The interim statement of comprehensive income is to be read in conjunction with the notes to the interim financial report set out on pages 13 to 19.

Campbell Brothers Limited and its controlled entities

Interim balance sheet

As at 30 September 2009

In thousands of AUD

	CONSOLIDATED	
	30 September 2009	31 March 2009
Current assets		
Cash and cash equivalents	52,092	60,260
Trade and other receivables	143,577	140,573
Inventories	65,328	73,562
Other	13,260	12,108
Total current assets	274,257	286,503
Non-current assets		
Receivables	4,712	6,204
Investments accounted for using the equity method	18,697	11,383
Investment property	11,222	11,255
Deferred tax assets	8,546	11,146
Property, plant and equipment	202,618	210,344
Intangible assets	261,445	268,090
Other investments	162	163
Total non-current assets	507,402	518,585
Total assets	781,659	805,088
Current liabilities		
Bank overdraft	3,680	746
Trade and other payables	70,558	84,729
Loans and borrowings	31,213	169,365
Income tax payable	8,196	12,289
Employee benefits	17,650	18,192
Total current liabilities	131,297	285,321
Non-current liabilities		
Loans and borrowings	223,441	99,723
Deferred tax liabilities	2,433	2,708
Employee benefits	2,134	2,255
Other	2,014	2,013
Total non-current liabilities	230,022	106,699
Total liabilities	361,319	392,020
Net assets	420,340	413,068
Equity		
Share capital	253,557	242,724
Reserves	(15,332)	48
Retained earnings	180,882	169,140
Total equity attributable to equity holders of the Company	419,107	411,912
Minority interest	1,233	1,156
Total equity	420,340	413,068

The interim balance sheet is to be read in conjunction with the notes to the interim financial report set out on pages 13 to 19.

Campbell Brothers Limited and its controlled entities

Interim statement of changes in equity

For the half year ended 30 September 2009

In thousands of AUD

	CONSOLIDATED							
	Share Capital	Foreign Currency Translation	Hedging reserve	Employee share-based awards	Retained earnings	Total	Minority Interest	Total Equity
Balance 1 April 2009	242,724	3,826	(3,975)	197	169,140	411,912	1,156	413,068
Total comprehensive income for the period								
Profit or loss	-	-	-	-	38,259	38,259	48	38,307
Other comprehensive income								
Foreign currency translation differences	-	(22,856)	-	-	-	(22,856)	-	(22,856)
Gain/(loss) on hedge of net investments in foreign subsidiaries	-	5,894	-	-	-	5,894	-	5,894
Net gain/(loss) on cash flow hedge taken to equity	-	-	1,364	-	-	1,364	-	1,364
Total other comprehensive income	-	(16,962)	1,364	-	-	(15,598)	-	(15,598)
Total comprehensive income for the period	-	(16,962)	1,364	-	38,259	22,661	48	22,709
Transactions with equity holders, recorded directly in equity								
Contributions by and distributions to owners								
Dividends to equity holders	-	-	-	-	(26,517)	(26,517)	-	(26,517)
Shares issued under dividend reinvestment plan (587,486 ordinary shares at \$18.44 per share)	10,833	-	-	-	-	10,833	-	10,833
Share-settled performance rights awarded during the period	-	-	-	218	-	218	-	218
Minority interest ownership of subsidiary acquired	-	-	-	-	-	-	29	29
Total contributions by and distributions to owners	10,833	-	-	218	(26,517)	(15,466)	29	(15,437)
Balance at 30 September 2009	253,557	(13,136)	(2,611)	415	180,882	419,107	1,233	420,340

Campbell Brothers Limited and its controlled entities

Interim statement of changes in equity (cont)

For the half year ended 30 September 2008

In thousands of AUD

	CONSOLIDATED							
	Share Capital	Foreign Currency Translation	Hedging reserve	Employee share-based awards	Retained earnings	Total	Minority Interest	Total Equity
Balance 1 April 2008	223,111	(5,331)	(681)	-	120,502	337,601	604	338,205
Total comprehensive income for the period								
Profit or loss	-	-	-	-	57,044	57,044	214	57,258
Other comprehensive income								
Foreign currency translation differences	-	13,625	-	-	-	13,625	-	13,625
Gain/(loss) on hedge of net investments in foreign subsidiaries	-	(3,304)	-	-	-	(3,304)	-	(3,304)
Net gain/(loss) on cash flow hedge taken to equity	-	-	(562)	-	-	(562)	-	(562)
Total other comprehensive income	-	10,321	(562)	-	-	9,759	-	9,759
Total comprehensive income for the period	-	10,321	(562)	-	57,044	66,803	214	67,017
Transactions with equity holders, recorded directly in equity								
Contributions by and distributions to owners								
Dividends to equity holders	-	-	-	-	(31,282)	(31,282)	-	(31,282)
Shares issued under dividend reinvestment plan (441,505 ordinary shares at \$26.71 per share)	11,793	-	-	-	-	11,793	-	11,793
Total contributions by and distributions to owners	11,793	-	-	-	(31,282)	(19,489)	-	(19,489)
Balance at 30 September 2008	234,904	4,990	(1,243)	-	146,264	384,915	818	385,733

The interim statement of changes in equity is to be read in conjunction with the notes to the interim financial report set out on pages 13 to 19.

Campbell Brothers Limited and its controlled entities

Interim statement of cash flows

For the half year ended 30 September 2009

In thousands of AUD

	CONSOLIDATED	
	30 September 2009	30 September 2008
Cash flows from operating activities		
Cash receipts from customers	420,180	477,983
Cash paid to suppliers and employees	(360,118)	(397,282)
Cash generated from operations	60,062	80,701
Interest paid	(5,872)	(7,965)
Interest received	87	365
Income taxes paid	(17,955)	(20,038)
Net cash from operating activities	36,322	53,063
Cash flows from investing activities		
Payments for property, plant and equipment	(27,231)	(32,951)
Payments for net assets on acquisition of businesses and controlled entities (net of cash acquired)	(462)	(24,547)
Additional payment in respect of prior year acquisition of controlled entity	(1,222)	-
Payment for investment in joint venture	(7,053)	-
Dividend from associate	745	656
Repayment from joint venture entity	589	-
Proceeds from sale of other non-current assets	1,301	1,183
Net cash used in investing activities	(33,333)	(55,659)
Cash flows from financing activities		
Proceeds from borrowings	20,300	36,824
Repayment of borrowings	(12,876)	(14,961)
Lease payments	(1,258)	(1,556)
Lease receipts	416	416
Dividends paid	(15,275)	(19,388)
Net cash from (used in) financing activities	(8,693)	1,335
Net decrease in cash and cash equivalents	(5,704)	(1,261)
Cash and cash equivalents at 1 April	59,514	45,235
Effect of exchange rate fluctuations on cash held	(5,398)	2,571
Cash and cash equivalents at 30 September	48,412	46,545

The interim statement of cash flows is to be read in conjunction with the notes to the interim financial report set out on pages 13 to 19.

Campbell Brothers Limited and its controlled entities

Condensed notes to the consolidated interim financial report

1. Reporting entity

Campbell Brothers Limited (the "Company") is a company domiciled in Australia. The interim financial report of the Company as at and for the six months ended 30 September 2009 comprises the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

The consolidated annual financial report of the Group as at and for the year ended 31 March 2009 is available upon request from the Company's registered office at Level 2, 299 Coronation Drive Milton Qld 4064 or at www.campbell.com.au.

2. Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with *AASB 134 Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 31 March 2009.

This consolidated interim financial report was approved by the Board of Directors on 24 November 2009.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

3. Significant accounting policies

Except as described below, the accounting policies applied by the Group in this interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 31 March 2009.

Presentation of financial statements

The Group applied revised AASB 101 *Presentation of Financial Statements (2007)*, which became effective as at 1 April 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied in this interim financial report as of and for the six month period ended on 30 September 2009.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy impacts only presentation aspects, there is no impact on earnings per share.

Accounting for borrowing costs

In respect of borrowing costs relating to qualifying assets for which the commencement date is on or after 1 April 2009, the Group capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset. Previously the Group immediately recognised all borrowing costs as an expense. This change in accounting policy was due to the prospective adoption of *AASB 123 Borrowing Costs (2007)* in accordance with the transitional provisions of such standard; comparative figures have not been restated. The change in accounting policy had no material impact on assets, profit or earnings per share in the interim period ended 30 September 2009.

Campbell Brothers Limited and its controlled entities

Condensed notes to the consolidated interim financial report

Determination and presentation of operating segments

For financial periods commencing on and after 1 April 2009 the Group determines and presents operating segments based on information that internally is provided to the Chief Executive Officer (CEO), who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of AASB 8 *Operating Segments*. Previously operating segments were determined and presented in accordance with AASB 114 *Segment Reporting*. The new accounting policy in respect of segment operating disclosures is presented as follows.

Comparative segment information has been re-presented in conformity with the transitional requirements of AASB 8. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributed to the segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, financing costs, and income tax expense.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

4. Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 March 2009.

5. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 31 March 2009.

Campbell Brothers Limited and its controlled entities

Condensed notes to the consolidated interim financial report

6. Segment reporting

<i>In thousands of AUD</i>	Revenue		Contribution		Segment margin *	
	2009	2008	2009	2008	2009	2008
ALS Minerals	97,630	165,956	24,629	64,974	25.2%	39.2%
ALS Environmental	119,055	108,292	26,015	16,527	21.9%	15.3%
ALS Coal	31,180	27,805	8,502	5,445	27.3%	19.6%
ALS Tribology	15,435	7,494	2,683	931	17.4%	12.4%
Campbell Chemicals	79,137	81,940	4,074	5,216	5.1%	6.4%
Reward Distribution	61,300	67,717	2,140	2,343	3.5%	3.5%
Eliminations **	(2,831)	(2,846)	-	-	-	-
Total Reportable Segments	400,906	456,358	68,043	95,436		

* Segment margin is calculated as segment contribution as a percentage of segment revenue.

** Intersegment revenue is generated by Campbell Chemicals from sales to other segments.

Reconciliation of reportable segment profit

<i>In thousands of AUD</i>	2009	2008
Contribution from reportable segments	68,043	95,436
Unallocated amounts :		
Net financing costs	(5,786)	(7,600)
Other corporate expenses	(8,490)	(6,833)
Consolidated profit before income tax	53,767	81,003

The Group has 6 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately. For each of the strategic business units, the CEO reviews internal management reports on at least a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- ALS Minerals - provides assaying and analytical testing services for mining and mineral exploration companies.
- ALS Environmental - provides analytical testing data to assist consulting and engineering firms, industry, and governments around the world in making informed decisions about their environmental projects.
- ALS Coal - provides specialist services to the coal industry such as coal sampling & analysis and certification of export cargoes.
- ALS Tribology - provides analysis of lubricating oil from a wide variety of mechanical equipment for preventative maintenance purposes.
- Campbell Chemicals - Manufacture and distribution of cleaning agents and chemicals for both domestic and industrial customers.
- Reward Distribution - Distribution of non-food consumables to the healthcare, building services, hospitality and leisure industries.

Campbell Brothers Limited and its controlled entities

Condensed notes to the consolidated interim financial report

7. Investments accounted for using the equity method

Investments in associates and joint ventures

During the period the Group along with an unrelated third party, incorporated a new company in Saudi Arabia, Australian Laboratory Services Arabia Co. The Group contributed \$7.053 million to the new company, resulting in an ownership interest of 42%. The Group has joint control over the new company and will account for its investment using the equity method. There were no other material movements in carrying amounts during the period.

8. Loans and borrowings

Bank Loans

During the period the Group refinanced a portion of its bank loan facilities resulting in the replacement of tranches totalling \$200 million (which matured in mid-November 2009) with \$130 million worth of facilities maturing in 2011 and 2012. Amounts drawn under those facilities which were not re-financed have either been repaid or have been transferred to other available facilities subsequent to period end.

9. Dividends

The following dividends were declared and paid by the Company:

For the six months ended 30 September

In thousands of AUD

Final dividend paid 1 July 2009 (1 July 2008)

2009	2008
26,517	31,282

Since 30 September 2009, directors have declared a partly franked (50%) interim dividend of 45 cents per ordinary share, amounting to \$28.152 million payable on 16 December 2009. The dividend is payable on all ordinary shares including new shares issued in November 2009 pursuant to the Company's one-for-six renounceable rights issue (refer note 14). The financial effect of this dividend has not been brought to account in the financial report for the period ended 30 September 2009.

10. Capital commitments

At 30 September 2009 the Group had not entered into any material capital commitments (31 March 2009: \$17 million, 30 September 2008: \$19 million).

11. Contingencies

In June 2009 additional purchase consideration of \$1.222 million was paid pursuant to a purchase agreement for Swedish laboratory group, Analytica AB. The additional purchase consideration paid has been recognised as an increase in goodwill in the interim financial report. There is no further amount payable under this agreement. Apart from the payment mentioned above there have been no other significant changes in contingent liabilities since 31 March 2009.

Campbell Brothers Limited and its controlled entities

Condensed notes to the consolidated interim financial report

12. Acquisition of subsidiaries

In thousands of AUD

	Interest Acquired	Date acquired	Consideration
Six months ended 30 September 2009			
ALS Laboratory Group New Caledonia	60%	31 July 2009	532
Six months ended 30 September 2008			
IQA Laboratory Co., Ltd	100%	7 May 2008	8,786
Staveley Services North America Inc	100%	31 July 2008	15,693
Business assets acquired during the period			267
			<u>24,746</u>

In the period to 30 September 2009 ALS Laboratory Group New Caledonia had not commenced trading and therefore did not contribute to the Group's consolidated net profit.

For the comparative period six months ended 30 September 2008 the acquired entities contributed \$432 thousand to the Group's consolidated net profit. If the acquisitions had occurred on 1 April 2008, Group revenue for the 6 months ended 30 September 2008 from continuing operations would have been \$463.093 million, and net profit from continuing operations attributable to equity holders of the Company would have been \$57.337 million.

The acquisitions had the following effect on the Group's assets and liabilities:

<i>In thousands of AUD</i>	Recognised values on acquisition	
	2009	2008
Property, plant and equipment	-	4,643
Inventories	-	588
Trade and other receivables	-	3,724
Cash and cash equivalents	70	199
Trade and other payables	-	(4,100)
Net identifiable assets and liabilities	70	5,054
Outside equity interest at acquisition	(29)	-
Goodwill on acquisition	491	19,692
Consideration paid, satisfied in cash	532	24,746
Cash (acquired)	(70)	(199)
Net cash outflow	<u>462</u>	<u>24,547</u>

The amounts recognised at acquisition for each class of acquirees' assets and liabilities were the same as the carrying amounts of those items in the accounts of the acquired entities immediately before acquisition as those carrying amounts approximate fair values.

The goodwill recognised on the acquisition is attributable mainly to the skills and technical talent of the acquired business workforce and the synergies expected to be achieved from integrating the companies into the Group's ALS Laboratory Group.

Campbell Brothers Limited and its controlled entities

Condensed notes to the consolidated interim financial report

13. Share-based payments

Performance rights granted during the period

During the period the Group granted performance rights under its Long Term Incentive (LTI) plan which was established in 2008 and is designed as a retention and reward tool for high performing personnel. Under the plan key employees may be granted conditional performance rights to receive ordinary shares in the Company at no cost to the employees (or in limited cases to receive cash-settled awards). The terms and conditions of performance rights granted during the current and prior periods are set out below:

	Equity-settled			Cash-settled
Date of grant	30 June 2009	3 Sept 2008	5 Aug 2008	3 Sept 2008
Number of performance rights	34,203	28,184	7,388	8,966
Testing date for performance rights	31 March 2012	31 March 2011	31 March 2011	31 March 2011
Vesting date	1 July 2012	1 July 2011	1 July 2011	1 July 2011
Weighted average fair value at date of grant	\$17.29	\$29.46	\$24.16	\$29.46

Vesting conditions in relation to the above rights:

Employees must be employed by the Group on the vesting date. The rights vest only if Earnings Per Share ("EPS") and relative Total Shareholder Return ("TSR") hurdles are achieved by the Company over the specified performance period. 50 percent of each employee's rights are subject to EPS measurement and 50 percent are subject to the TSR measurement

The fair value of services received in return for performance rights granted is based on the fair value of the rights granted measured using Binomial Tree (EPS hurdle) and Monte-Carlo Simulation (TSR hurdle) valuation methodologies.

Campbell Brothers Limited and its controlled entities

Condensed notes to the consolidated interim financial report

14. Events subsequent to balance date

On 1 October 2009, directors announced a one-for-six renounceable rights issue of ordinary shares in the Company at \$22.00 per share. The issue closed oversubscribed on 2 November 2009 and raised approximately \$191 million net of underwriting fees and other costs. A total of 8,939,575 new shares were allotted on 11 November 2009.

On 27 October 2009 the Company through its wholly-owned subsidiary, Australian Laboratory Services Pty Ltd (ALS) announced a cash takeover offer for all of the ordinary shares of PearlStreet Limited (PST) at 75 cents per share. The directors of PST have unanimously agreed to recommend the offer in the absence of a superior proposal. A Bidder's Statement and a Target's Statement were dispatched to PST shareholders on 12 November 2009. As of 23 November 2009, ALS has received acceptances for more than 60% of PST's ordinary shares, including acceptance from PST's major shareholder and Managing Director, Mr Anthony Wooles, the directors of the PST board and a number of large institutional shareholders.

Perth-based PST is listed on the Australian Securities Exchange and is the largest Non Destructive Testing services provider in Australia. It provides testing, inspection, and asset care services to the energy, resources and infrastructure sectors. The offer for PST represents total consideration of approximately \$108 million, comprising \$64 million for equity and \$44 million for net debt.

On 12 November 2009 the Company through its wholly-owned subsidiary, Australian Laboratory Services Pty Ltd announced that it had executed an agreement to acquire 100 percent of Ecowise Environmental Pty Limited (Ecowise) for a total consideration of \$51 million. The consideration comprises \$40 million for equity and \$11 million of assumed debt. Ecowise operates laboratories and aligned environmental services in Australia, focusing on the water sector, across 17 east coast laboratories and offices.

Other than the matters discussed above, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Campbell Brothers Limited

Directors' declaration

In the opinion of the directors of Campbell Brothers Limited ("the Company"):

1. the financial statements and notes set out on pages 7 to 19, are in accordance with the *Corporations Act 2001* including:
 - (a) giving a true and fair view of the financial position of the Group as at 30 September 2009 and of its performance, as represented by the results of its operations and cash flows for the half year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

G J McGrath

Chairman

Brisbane

24 November 2009

G F Kilmister

Managing Director

Brisbane

24 November 2009

Independent auditor's review report to the members of Campbell Brothers Limited

We have reviewed the accompanying interim financial report of Campbell Brothers Limited (the 'Company'), which comprises the consolidated interim balance sheet as at 30 September 2009, consolidated interim profit and loss statement, consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the interim period ended on that date, a statement of accounting policies and other explanatory notes 1 to 14 and the directors' declaration of the Group comprising the Company and the entities it controlled at the half year's end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of the Company are responsible for the preparation and fair presentation of the interim 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 controls relevant to the preparation and fair presentation of the interim 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 interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 September 2009 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Campbell Brothers Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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*.

Conclusion

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

- (a) giving a true and fair view of the Group's financial position as at 30 September 2009 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

Mitchell C Petrie
Partner

Brisbane

24 November 2009

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Campbell Brothers Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the financial period ended 30 September 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Mitchell C Petrie
Partner
Brisbane
24 November 2009