

Greg Kilmister  
Managing Director  
Campbell Brothers Limited


Annual General Meeting  
11am on 27 July 2010

Thank you Geoff.

**Full Year Results – Overview**  
*- no unusual items in either year*

	<u>Mar 09</u>	<u>Mar 10</u>	<u>Change</u>
Revenue (\$mn)	920	826	-10%
EBITDA (\$mn)	202.3	156.9	-22%
Profit before tax (\$mn)	150.7	105.9	-30%
Net profit after tax (\$mn)	106.2	75.3	-29%
Wtd. ave. number of shares	54,423,000	58,347,000	7.2%
Earnings per share (c)	195.2	129.1	-34%
Full Year Dividend (c)	100	100	-
Number of employees (FTE) As at the end of year – 31 <sup>st</sup> March	5717	7205	26%
Safety Statistic – LTIFR	4	2	

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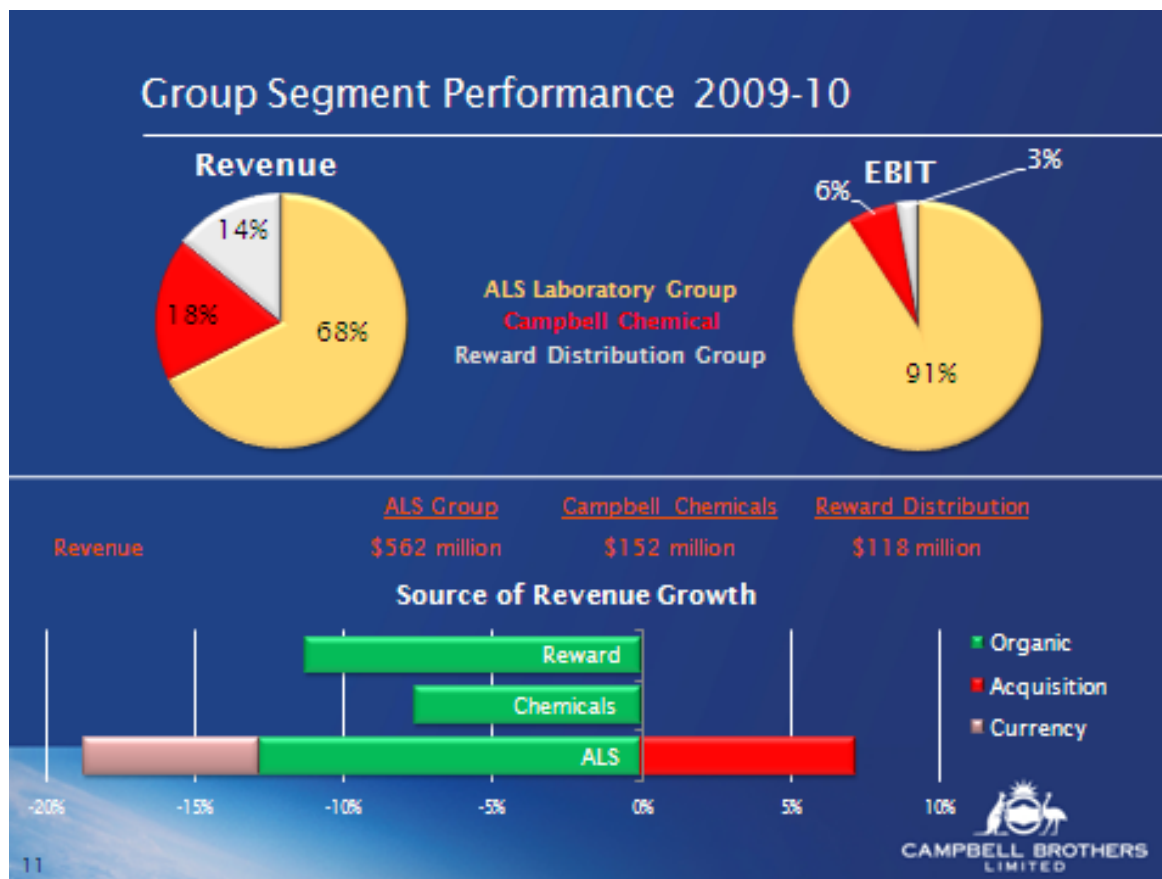
Ladies and gentlemen.

The year under review was probably the most challenging in the history of your company. We went from the very best of times in 2008, where there was more work available for most of our businesses than we could cope with, to an environment that severely tested the underlying operational and financial model of the company. Some of our businesses saw demand for our products and services fall very significantly. Our global minerals business for example, saw sample volumes drop by 37 percent in calendar 2009 compared to the previous year. Such a significant, sharp reduction in demand places considerable pressure on any business.

We reacted well to the GFC by very early focusing efforts on cost reduction, reducing capital expenditure, reducing discretionary spending, freezing salaries, putting significant efforts in to stabilising our client base, and reducing our workforce. The financials for the year under review demonstrate that we weathered the GFC very well, and I take this opportunity to thank all staff for embracing the changes required at the time. In fact I believe that today your company has never been in a stronger position. We have a very strong Balance Sheet. Our brands are highly respected. Our assets are in great shape. Most importantly, our management and staff have demonstrated an ability to excel in the toughest of environments, when many of our competitors were found wanting.

This morning I will discuss:

- last years performance of the individual divisions;
- provide you with an update on the integration of Ecowise and PearlStreet;
- address our current takeover offer for Ammtec Limited; and
- finally provide a little more insight into the half year guidance given by the Chairman.



The company operates three main businesses; the ALS Laboratory Group, Campbell Chemicals and Reward Distribution.

In the year under review approximately two thirds of the revenue earned came from ALS, one sixth from the chemical division, and one sixth from Reward. As has been the case for quite some years, in excess of 90 percent of the profit earned came from the laboratory business and therefore I will focus most of my discussion on ALS.

The bottom half of the slide on the screen shows the source of revenue growth or decrease last year. I have previously stated that Campbell Brothers is not a company that relies solely on acquisitions for growth. We recognise that the key to increasing the value of the company comes through organic growth. Acquisitions are required as the seeds for growth but our focus is very much on organic growth. However you can readily see the impact of the GFC, as revenues for all of our businesses decreased by between 7 and 18 percent on a like for like basis. In the coming year we will see a reversal of this trend and to date we are experiencing significant growth in most of our businesses.

I'll now turn to the individual divisions of the company.

## Campbell Chemicals

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Overview

- Solid year in tough markets
- Panamex expansion into Reunion (French) very successful
- Input costs generally less volatile than previous year
- Robust cost control program was maintained
- Contractual security of several key customers till 2012


Outlook

- Continued aggressive cost consolidation and input cost position recovery
- Further development of key Panamex brands in new strategic markets

	2010	2009	Change
Revenue	\$152mn	\$164mn	(8%)
EBITDA	\$11.5mn	\$11.4mn	1%
EBIT	\$8.2mn	\$7.9mn	4%
EBIT Margin	5.4%	4.8%	+60 bps



Brisbane Chemical Plant



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Campbell Chemicals is one of Australia's leading importers, manufacturers and distributors of chemicals and associated hygiene products, employing more than 300 people and with a presence throughout the Pacific region and more recently in French Reunion in the Indian Ocean.

The Group operates across a range of industries from food and beverage, healthcare and hospitality, to consumer goods, commercial cleaning, laundry and agriculture.

Its business units comprise:

- Cleantec Chemicals;
- Panamex Pacific;
- and Deltrex Chemicals.

Cleantec operates two business units; Food Hygiene Systems, and Textile and Commercial Hygiene Systems.

Food Hygiene has always been the flagship of the division, and continued to perform well through 2009 with revenue increasing six percent in a very competitive environment. Operating profit increased by 13 percent compared to the previous year.

Textile and Commercial Hygiene Systems continued to struggle but performed considerably better than in previous years, following the restructuring of this group two years ago. Panamex had a good year with increases in both revenue and operating profit. The strategy of introducing selected brands into the French Reunion market is working well and provides a growth opportunity in the current year.

Deltrex saw revenue and operating profit decrease compared to the previous year, as its customers reduced volumes as a result of the tighter Australian economic conditions and there were fewer opportunities to take advantageous forward positions on commodity chemicals.

# Reward Group

## Overview

- Solid year despite difficult hospitality markets
- Increasing pricing pressure in replenishment segment
- LTIFR of zero achieved
- Better stock control and reduced stock holdings
- Consolidated Brisbane and Nerang warehouses into a new purpose built warehouse in Yatala
- Stronger sales force in place

	2010	2009	Change
Revenue	\$118mn	\$133mn	(11%)
EBITDA	\$5.0mn	\$5.2mn	(4%)
EBIT	\$3.4mn	\$3.4mn	-
EBIT Margin	2.9%	2.6%	+34 bps

## Outlook

- Trading to remain challenging
- Price pressure
- Two new divisions in place
  - National Corporate Accounts
  - BTE - "turn key" fit-out services
- National catalogue launched in May 2010



Reward Distribution Centre - Yatala



The Reward Distribution Group supplies non-food consumables to motels, hospitals, restaurants, fast food chains, five-star hotels, nursing homes, sport clubs and the retail sector. In addition it provides design and fit-out services to new restaurants, accommodation providers, and mine camp developments and refurbishments.

The business had another tough year as competition in all market sectors saw prices come under considerable pressure. Revenues were down 11 percent and operating profit was flat.

Our strategies for consolidating existing warehouses, reducing the number of stocked items, improving client services, and leveraging our buying power continued through the year.

The group was restructured into three market focused sub-divisions; Replenishment, National Corporate Accounts and BTE. This restructuring is designed to create better focus, and leverage the national footprint of the group.

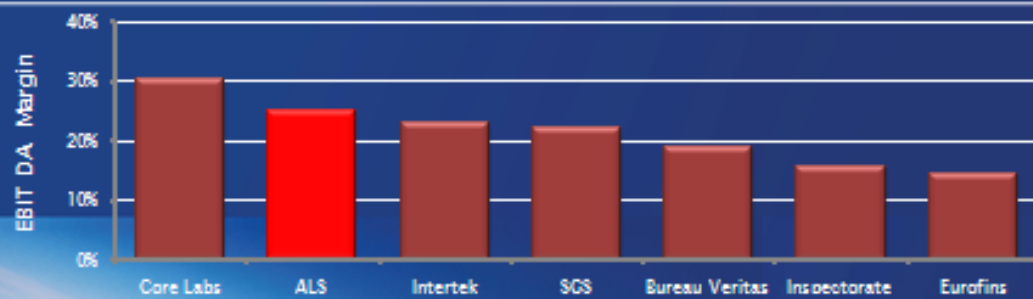
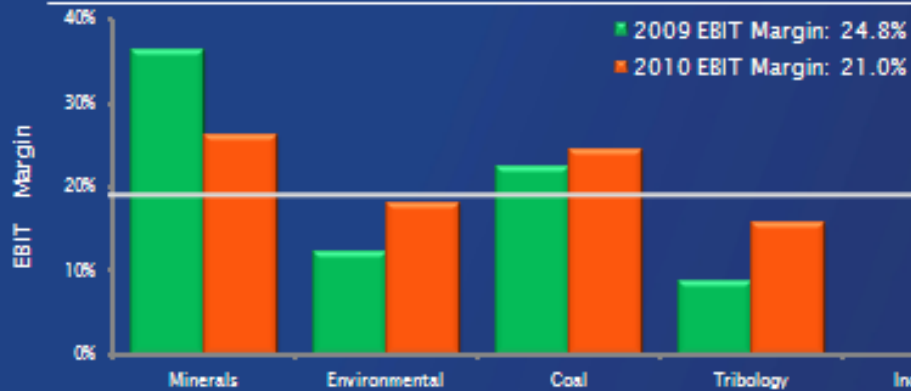
Until we see a significant improvement in discretionary spending in Australia or a rationalising of competitors, the market for Reward will continue to be very challenging.



During the year ALS continued on its long term strategy of geographical and market segment diversification, whilst at the same time maintaining its margin through the challenges presented by the GFC.

As the slide on the screen shows the international presence of the group is impressive. We now operate 142 laboratories plus a significant number of offices in 41 countries around the world. During the year we added new greenfield laboratories in Saudi Arabia, Colombia, New Caledonia and Canada. We expanded into the industrial testing sector through the acquisition of PearlStreet, and cemented our position as the premier laboratory group in the Australian water sector through the acquisition of Ecowise.

## ALS Margin Performance (Inc. all ALS overheads)



\*ALS EBITDA margin includes the full cost of Campbell Brothers Corporate Expenses  
\*Excluding ALS all other companies based on the December 2009 full year

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We maintained the EBIT margin for ALS above our long term target of 20 percent and all divisions within ALS, excluding the minerals group, improved margins compared to the previous year. This is an outstanding result. Importantly, excluding Core Laboratories (a specialist oil and gas laboratory group based in the United States) our underlying margin is better than all of our global competitors. Many of these competitors are significantly larger than ALS. As an example SGS, the largest player in the field, has more than 59,000 staff and more than 1,000 laboratories around the world.

Let me now address the major divisions within ALS in more detail.

## Minerals Division

### Overview

- Regional sample flows decreased by 20% to 51%
- Pricing pressure
- Hub and spoke model allowed margin to be maintained
- All target minerals including gold impacted
- Focus on enhanced global quality systems in the downturn

	2010	2009	Change
Revenue	\$205mn	\$311mn	(34%)
EBITDA	\$68mn	\$124mn	(45%)
EBIT	\$53mn	\$112mn	(52%)
EBIT Margin	26%	36%	-1010 bps

### Outlook

- Evidence of a "sustained" recovery
- Major new laboratory capacity in Vancouver, Reno, Zacatecas, Val d'or, Townsville and Johannesburg - in place and ready for the next "boom"
- New data management tools for clients under development - enhanced Webtrieve™ recently rolled out
- Committed to developing global metallurgical services - Amtec acquisition opportunity



New 13,500 m<sup>2</sup> Vancouver Hub Laboratory



The Minerals Division has been a very significant high performance part of ALS for many years. It is the number one provider of geochemical services in the world with operations in Australia, Asia, North America, South America, Africa and Europe.

We saw a collapse in sample volumes in October 2008 as exploration funding started to dry up, and mining companies put many projects on hold, as most commodity prices fell due to uncertainty about world demand. In the year under review we saw sample flows reduced on a regional basis by between 20 and 51 percent.

Our hub and spoke model allowed us to quickly react to this significant and rapid change, and whilst the operating margin in the division fell from a record high of 36 percent, it was maintained at 26 percent for the year under review. This is an outstanding performance and highlights the strength of management and the quality of systems within this group.

Despite the challenging market conditions we remained committed to our long-term strategies and developed previously much needed capacity increases in Vancouver, Reno, Zacatecas, Val d'or, Townsville and Johannesburg; ready for the next inevitable boom. That boom is already nearly upon us as sample volumes at this point have once again increased to near record levels. We also established a joint venture laboratory in New Caledonia to service the nickel industry in that territory.

## Environmental Division

### Overview

- All regions improved margins in flat to decreasing markets
- Global market share increasing
- Asia showed strong growth in revenue in local currencies and margin
- North American and European margins continued to improve
- Acquisition of Ecowise positions the company in the Australian water market

### Outlook

- US markets improving
- Further margin improvement in North America
- Food opportunities in Europe
- Mainland China remains a challenge
- New LIMS under development
- Expanded Water Sciences services in Australia
- Redevelopment of the Brisbane laboratory
- New 4000m<sup>2</sup> laboratory to be developed in Bangkok

	2010	2009	Change
Revenue	\$245mn	\$235mn	4%
EBITDA	\$60mn	\$44mn	36%
EBIT	\$44mn	\$28mn	54%
EBIT Margin	17.9%	12.1%	+580 bps



New Vancouver Environmental Laboratory



Revenues in the Environmental division grew to \$245 million dollars during the year. Importantly we saw the operating profit in the division increase by 580 base points to 18 percent, with a further increase expected in the 2010-11 year.

Operating profit for the Environmental division grew to \$44 million dollars from \$28 million dollars in the previous year; an increase of 54 percent. Whilst revenue decreased slightly in North America and Europe, operating profit from these regions nearly doubled as we continued to improve the operating efficiencies through ALS's management systems. Asia had an exceptionally strong year, whilst the flagship Australian operations continued to set new benchmarks for the industry.

We opened further logistics centres in Queensland to better service the market and increased the range of high-end technical services provided, as we targeted emerging needs and new market segments. We are targeting the air market, and through the acquisition of Ecowise have a very strong position in the Australian water sector, which is likely to see further deregulation over the coming years. Plans are in hand for a major redevelopment of both the Brisbane and Sydney laboratories that will add further capacity and capabilities to this group.

## Coal Division

### Overview

- Australian operations continued to grow - supported by the majors
- South African operations contracted by >30% - exposure to minors
- Canadian laboratory fully operational but not yet profitable
- Global LIMS is 60% rolled out

	2010	2009	Change
Revenue	\$61.8mn	\$59.2mn	4%
EBITDA	\$17.2mn	\$14.9mn	15%
EBIT	\$15.0mn	\$13.2mn	14%
EBIT Margin	24.3%	22.3%	+200 bps

### Outlook

- Coal demand and pricing remain strong
- South Africa activity increasing
- Finalise roll out of global LIMS
- New 9,000m<sup>2</sup> - \$15 million - Bore Core and Coal Technology Laboratory to be built in Brisbane - largest commercial coal laboratory in the world



New 2,300 m<sup>2</sup> Witbank Laboratory - Africa



ALS first started to develop its coal services in 2007 and today we are one of the largest laboratory service providers in this market in the world, and arguably the best coal laboratory group in the world. With operations in Australia, South Africa and Canada we can access samples from projects around the world.

During the year, the Australian operations performed exceptionally well with strong support from the majority of Australian coal producers. Our South African operations saw revenues decrease by nearly 40 percent as small producers and explorers in South Africa curtailed projects to conserve funds. We are now seeing many of these projects coming back on stream, as confidence returns to the industry in that region.

During the year we commissioned a new purpose built, company owned coal laboratory in Witbank in South Africa at a total cost of 5 million dollars, and are confident that the capacity that facility provides will be quickly taken up by the industry. Furthermore we see significant opportunities in Mozambique in the region and are working on a number of exciting opportunities; some of which are at advanced stages.

Australia is the largest exporter of coal in the world and our operations here performed extremely well during the year but were capacity constrained as we continued to gain market share. As a long-term fix for our capacity problems in Australia, we are currently looking for a new site in South East Queensland. This site will house a new bore core laboratory and pilot plant facilities. The Coal division remains a very important part of our future and we are committed to further global development of this group.

## Tribology Division

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Overview

- First full year of North American operations
- Significant margin improvement in North America
- ALS LIMS and systems rolled out to 90% of North American operations
- New laboratory established in the Hunter Valley
- New laboratory established in Johannesburg
- Market share improvement in Australia


Outlook

- Further margin improvement in North America
- New client web interface to be released in North America
- Pursue global client contracts
- Expansion in South America

	2010	2009	Change
Revenue	\$29.8mn	\$24.0mn	24%
EBITDA	\$5.8mn	\$3.3mn	75%
EBIT	\$4.6mn	\$2.1mn	124%
EBIT Margin	15.6%	8.7%	+690 bps



*Atlanta Tribology Laboratory*



Tribology is the smallest of the ALS divisions and provides preventative maintenance services through the analysis of used lubricants. The major client base for these services includes mines, the transport industry and fixed plant.

Tribology became a truly global business for ALS with the acquisition of Staveley Services in North America in mid 2008. We continue to focus our efforts on improving the underlying margin of the Staveley business and whilst significant improvement was achieved last year, we still have a long way to go. We have now rolled out the ALS LIMS into all of the North American operations and whilst this will initially add to costs, we see significant productivity improvements flowing to the business once all staff are fully trained on the system.

Markets for our Tribology services remain somewhat subdued, especially in North America, but we are confident the market will pick up towards the end of the year.

## Industrial Division

### Overview

- PearlStreet acquired in December 2009
- Integration focus April - June 2010
- Corporate offices in Melbourne and Perth closed
- Two sites in Perth rationalized to one new site
- CAPEX on new equipment
- New site established in Roma

### Outlook

- Margin improvement
- Two sites in Sydney to be consolidated
- Rollout ALS management systems
- Develop competitive advantage
- Focus on major industrial/resource clients
- Leverage off existing ALS relationships and locations
- Overseas expansion likely in calendar 2011

	2010	2009	Change
Revenue	\$19.8mn	-	
EBITDA	\$1.9mn	-	
EBIT	\$1.3mn	-	
EBIT Margin	6.6%	-	



Brizbane Laboratory



ALS established a new Industrial Division in January of this year following the acquisition of PearlStreet Limited. PearlStreet was the leading provider of industrial testing services in Australia with 590 staff and more than 25 locations. PearlStreet provides asset care services including non-destructive testing, inspection, mechanical testing and product testing services to the power, oil & gas, mineral processing, mining, materials handling, and water and infrastructure sectors. In addition PearlStreet provides asset management services to two power stations in Western Australia.

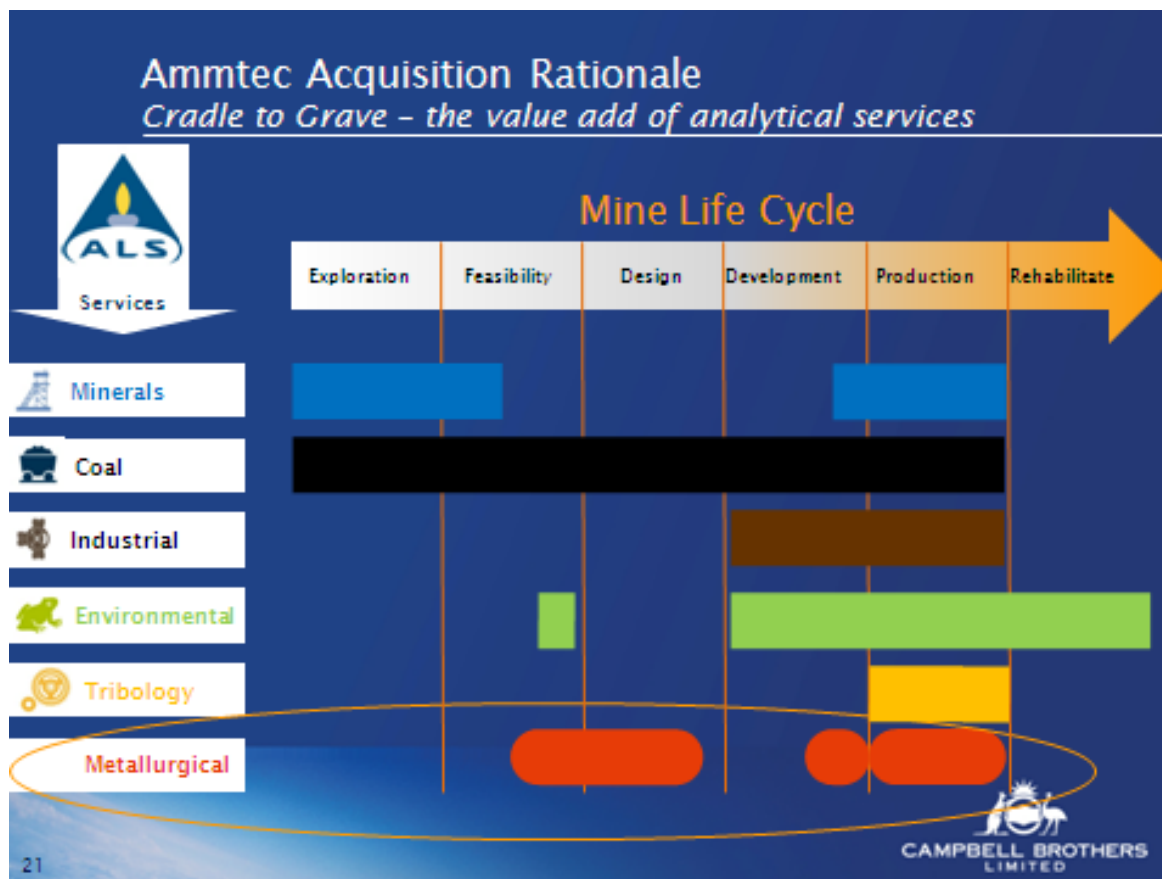
We estimate that the global market for industrial testing and inspection would be well in excess of 20 billion dollars. This is a large and genuinely global market that will continue to grow as more assets are brought on line and existing assets continue to age. Prior to our acquisition, PearlStreet was operating at an EBIT margin of 8.7% in 2009.

ALS sees its systems and business philosophy as being very applicable to the industrial testing markets. We see a real opportunity to become a significant player in this market and PearlStreet provided an ideal vehicle to enter that market.

Our strategy is to fully integrate PearlStreet into ALS as our Industrial division, and then work on the margins in that business to increase the margin closer to the ALS target of 20 percent. To date we have integrated PearlStreet and rebranded the business. The staff have embraced ALS as the new owners and are working enthusiastically to achieve our vision for the business.

We are already seeing an improvement in underlying margin and whilst it is still early in the new financial year, the margin has increased to 10 percent. This is a positive start and once that margin achieves an acceptable level it is our intention to take the division overseas using ALS's existing footprint and business relationships.

This is a truly exciting opportunity for us and I would not be surprised if within the next decade, the Industrial division grows to be the largest business unit within ALS.



On the 5th July this year Campbell Brothers lodged a bidders statement for a \$123 million dollar takeover of Ammtec Limited. Ammtec is a West Australian based metallurgical laboratory group with operations in Perth, Adelaide, Sydney and Bernie (Tasmania). Ammtec has been around for many years and was listed in 1994. They have a broad technical base in metallurgy and a strong reputation.

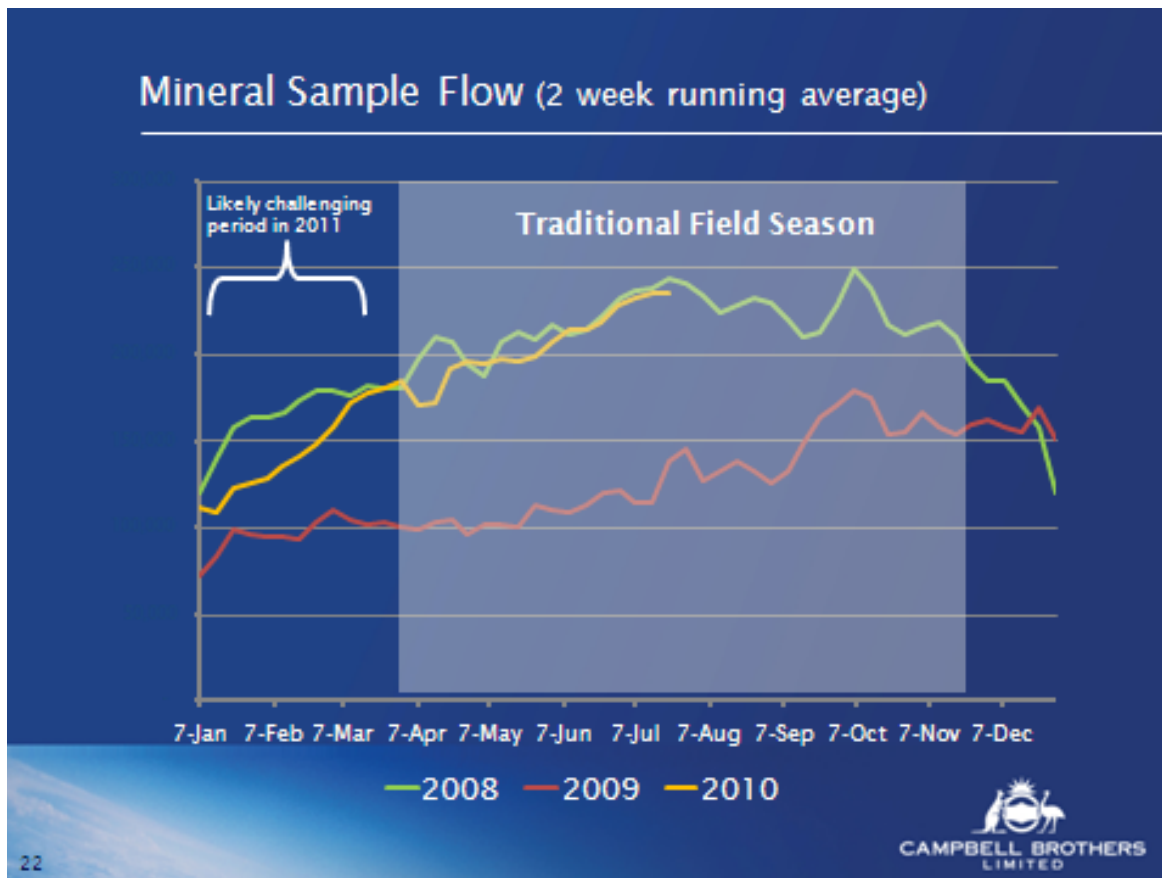
The slide on the screen shows our view of the life-cycle of a mine from initial exploration through to land rehabilitation. ALS is positioning itself as a premier technical service provider through the full life-cycle of a mine. As you can see most of our divisions provide services at various points through that cycle. A potential weakness for our minerals division is that it tends to disengage with a project through the design and early construction phases. Metallurgical service providers are well engaged with the project through these two phases. We recognised this, and for the past three years have searched for opportunities around the world that would

fill this void for us. Ammtec was selected as potentially the best opportunity based on its size, location, broad commodity base and reputation.

The actual global market for metallurgical services is relatively small in comparison to ALS's traditional markets, so our interest is not whetted by the size of the market. Nor is it about synergy opportunities or potential margin improvement. This acquisition is all about wanting to further broaden the range of technical services we can offer our resources clients.

A successful acquisition would be a great outcome for existing Ammtec employees as we will globalise the business and this will create significant career opportunities. Importantly for Ammtec shareholders they have an opportunity to accept cash at a 33 percent premium to the value of those shares prior to us announcing our offer, or accepting Campbell Brothers shares in a 2 for 17 share swap. This provides existing Ammtec shareholders with an ability to stay invested in the space but in a much larger, global, and more successful company. We believe there are many compelling arguments as to why the offer should be accepted and remain determined to see a successful outcome.

I would now like to comment briefly on current trading conditions, and provide a little more substance to the \$63 to \$68 million dollar profit guidance for the first half of the current year given by the Chairman.



Markets for the majority of ALS's services have been strong through the first quarter of the current financial year, continuing the trend we first started to see in December 2009. In particular mineral sample flows have been very strong. The chart on the screen shows total mineral sample flow into ALS laboratories around the world for calendar 2008, 2009, and year to date 2010. In all regions we have seen a strong industry recovery and are now tracking close to the record levels achieved in 2008. This is a result of market growth, increased market share and new laboratory sites accessing new geographical regions. Before we get too excited about the trend we must remember that the chart shows sample numbers not revenue. Furthermore the underlying costs in running the minerals division have increased as we have expanded capacity, brought new laboratories on stream, and embarked on a number of significant projects that add costs today but will not generate value for a few years. That said it is obvious that the minerals group will have a very solid first half. The second half is likely to be more challenging as we do expect to see a genuine "off season" in January, February and March next year and our cost base will be high in that final quarter as we maintain assets and staffing levels for what should be a very robust 2011 field season. For the Coal division we expect the first half to show both increased revenue and margin as South Africa picks up and we move past the start-up losses in Canada.

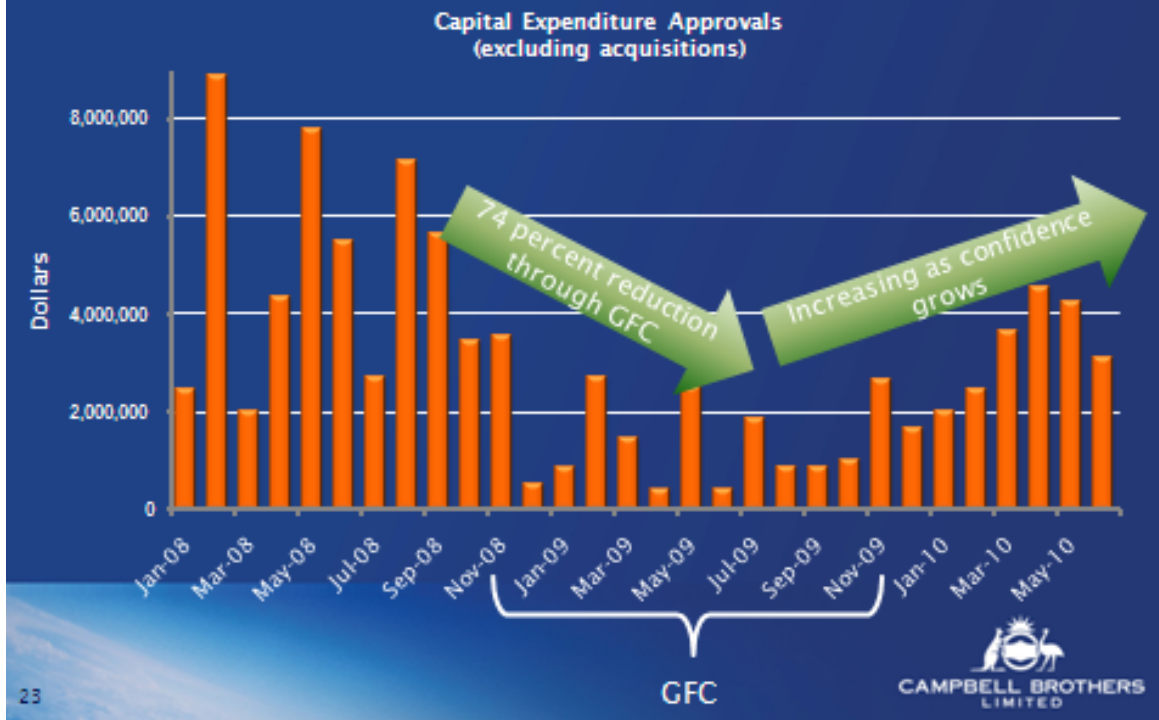
The Environmental division is performing well and the Ecowise acquisition is adding to earnings.

Tribology will likely finish the first half slightly behind last year for the reasons previously discussed, and the new Industrial division will make a positive contribution in line with expectations.

Unfortunately we will also have a few businesses that will fall below expectations. The Reward group is finding current markets extremely challenging and is presently not profitable, although we do expect to see an improvement as recently won national contracts start to add much needed volume to the business. In 2007, ALS established a full service joint venture minerals laboratory in Russia. Soon after building that laboratory, the global mining companies that encouraged us to enter that market stopped development plans in Russia because of the GFC. This placed us in an untenable position, and whilst we have achieved some support from local Russian companies we are reviewing the viability of maintaining those operations. A similar picture has unfolded for our China mineral facilities although our investment there is much lower.

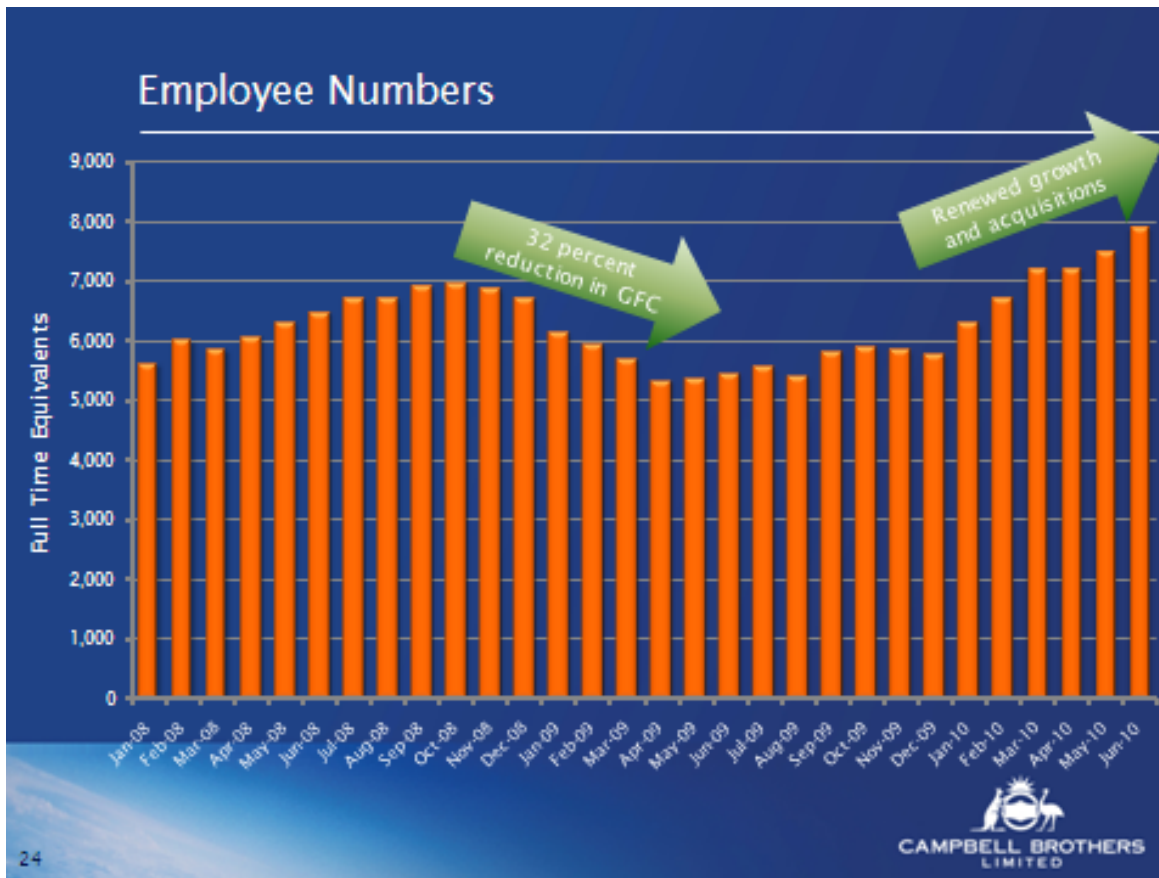
In summary whilst some smaller operations struggle, our major businesses are doing well and are on track to deliver a very solid record first half result.

## Capital Expenditure Control



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If we are to continue growing the company we must reinvest in new equipment, new technologies and maintain our assets in the best possible condition. Last year I showed how we had reduced Capex expenditure approvals by 74 percent in response to the GFC. In December 2009 as soon as we had solid evidence that markets were improving we immediately started investing again in new assets, and pursuing innovative ways to improve our offerings and continue to develop a competitive advantage. Whilst our businesses are not overly capital intensive, it is important that we continue investing for the future and I expect that capex spending will increase through the year.



During the GFC, we were forced to reduce our workforce and I reported to you last year that staff numbers had been reduced by 32 percent to a low of 5,343 full time equivalents in April of 2009. The acquisition of Ecowise and PearlStreet added an extra 955 staff to the group in January of this year and organic growth in other parts of the business has seen total staff numbers increase to in excess of 7,900 in June of this year.

I mentioned previously that all staff rose to the occasion last year and embraced the changes required to maintain the performance of the company, albeit at a reduced level of activity. We simply could not have had a better team and I trust that all shareholders recognise the value of that team.

We can be proud of our achievements last year in that we demonstrated Campbell Brothers is a great company regardless of economic conditions. We validated our operating model and demonstrated that we had the conviction to do what it takes to protect the company moving forward.

The 58 years since this company was first listed have to date been a great journey, but I know the best is still yet ahead of us.

Before closing I would like to once again acknowledge the thousands of employees all around the world that make Campbell Brothers what it is today. There is no better team.

I wish to especially acknowledge our global compliance team. The Chairman mentioned the exceptional work of this team, particularly in the area of occupational health and safety. We have 29 dedicated individuals in this group scattered around the world focusing on the safety of our staff and site visitors, and ensuring we adhere to our social and environmental responsibility policies. The work of this group is of the highest standards and we should not underestimate the importance of being recognised as corporate best practice in this regard. It is a journey without end, but I am very appreciative of the fact that we cover a substantial distance in that journey each and every year. To Michael Burcham and his team well done. To my executive team, many of whom are here at this meeting, you rose to the occasion. You make leadership look easy.

To the Board, I thank you and in particular our chairman, Geoff McGrath, for your enthusiastic support and guidance over the last year. It is appreciated.

Shareholders, I look forward to reporting back to you next year on what is shaping up as another record year for your company.

Thank you.