



A.B.N. 92 009 657 489

Half Year Financial Report - 30 September 2010
(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 2010

The attached Interim Financial Report for the half-year ended 30 September 2010 forms part of this document. This half yearly report is to be read in conjunction with the Campbell Brothers Limited 2010 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 2010– Appendix 4D
(Previous corresponding period: half-year ended 30 September 2009)

				\$'000
Revenue from ordinary activities	Up	36.6%	to	547,530
Profit from ordinary activities after tax attributable to members	Up	73.2%	to	66,252
Net profit for the period attributable to members	Up	73.2%	to	66,252

Dividends	Amounts per security	Franked amount per Security
Interim dividend *	65.0¢	32.5¢
Previous corresponding period	45.0¢	22.5¢

* Payable on all ordinary shares.

Record date for determining entitlements to the interim dividend: 9 December 2010

The last date for receipt of election notices for the company DRP: 9 December 2010

The dividend reinvestment plan discount will be 5.0%. (2010 interim dividend: 7.5%)

Additional dividend information

Details of dividends declared or paid during or subsequent to the half-year ended 30 September 2010 are as follows:

Record date	Payment date	Type	Amount Per security	Total dividend \$,000	Franked amount per security	Conduit foreign income per security
11 June 2010	1 July 2010	Final 2010	55 cents	34,628	27.5 cents	27.5 cents
9 December 2010	21 December 2010	Interim 2011	65 cents	43,524	32.5 cents	32.5 cents

NTA Backing

	Current period	Previous corresponding period
Net tangible asset per ordinary share	\$4.40	\$2.96

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:


.....
Company Secretary
Tim Mullen

Date: 30/11/2010



A.C.N 009 657 489

AND

ITS CONTROLLED ENTITIES

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED
30 September 2010

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 2010 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 68

Appointed a director in 2003 and appointed chairman in 2004.

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

Managing Director and Chief Executive Officer Age 54

Appointed Managing Director and Chief Executive in 2005.

NEROLIE WITHNALL BA, LLB, FAICD

Independent Non-Executive Director Age 66

Appointed 1994.

MARTIN D KRIEWALDT BA, LLB (Hons), FAICD

Independent Non-Executive Director Age 61

Appointed 2001.

RAYMOND G HILL FAICD

Independent Non-Executive Director Age 68

Appointed 2003.

BRUCE R BROWN B Com, AAUQ FAICD

Independent Non-Executive Director Age 66

Appointed 2005.

MELVYN J BRIDGES B AppSc, FAICD

Independent Non-Executive Director Age 60

Appointed 2009.

Campbell Brothers Limited and its controlled entities

Review of operations

Net profit

Directors are pleased to report that the Group achieved a record interim net profit after tax (attributable to equity holders of the Company) of \$66.25 million in the half year to September 2010, in line with recent guidance provided to the market. The result was up 73% on the previous corresponding period and was generated from revenue of \$547.53 million (up 37% on the September 2009 half).

This record performance was achieved despite the dampening effect of a stronger Australian dollar on foreign earnings translation, and reflects both a recovery in business conditions and the Group's preparation for that recovery. Investments in strategic acquisitions and increased operational capacity during the year to March 2010 established a platform from which the Group was able to take advantage of a significant growth in business volumes. In particular the recovery in global mineral exploration activity lifted demand for the analytical testing services provided by ALS Minerals division, which experienced a 56% increase in revenue over the September 2009 half.

ALS Environmental and ALS Coal divisions recorded very strong revenue growth on the previous corresponding period. The new ALS Industrial division (formed following the acquisition of industrial services company PearlStreet in January 2010) generated revenue in excess of \$57 million for the half year.

In accordance with revised AASB3 Business Combinations which applied to the Group from 1 April 2010, transaction costs associated with acquisitions amounting to \$2,341,000 (pre-tax) have been expensed in the profit and loss statement during the current half year. In prior periods such costs were included as part of the cost of acquisition. (Refer note 3 to the financial statements.)

Directors have declared a partly franked (50%) interim dividend of 65 cents per share, payable on all ordinary shares (2009: 45 cents, partly franked to 50%). It will be paid on 21 December 2010 on all shares registered in the Company's register at the close of business on 9 December 2010. The dividend reinvestment plan discount will be 5.0%.

In thousands of AUD

	Half year to 30 September 2010	Half year to 30 September 2009
Revenue	547,530	400,906
Profit before acquisition costs, financing costs and income tax	100,038	59,553
Acquisition costs	(2,341)	-
Net financing costs	(5,263)	(5,786)
Income tax expense	(26,197)	(15,460)
Profit after income tax	66,237	38,307
Net (profit) / loss attributable to minority interests	15	(48)
Profit after tax attributable to equity holders of the Company	66,252	38,259
Earnings per share		
Basic earnings per share	104.54c	69.19c
Diluted earnings per share		
Diluted earnings per share	104.34c	69.12c

Campbell Brothers Limited and its controlled entities

Review of operations (continued)

Contributions from business segments were as follows:

ALS Minerals	2010 \$000	2009 \$000	Increase
Revenue	152,697	97,630	56.4%
Segment Contribution	53,089	24,629	115.6%
Margin (segment contribution to revenue)	34.8%	25.2%	

A recovery in global mineral exploration activity lifted demand for the analytical services provided by ALS Minerals division, with all regions recording increased revenue over the September 2009 half year. Contribution margin as a percentage of revenue improved significantly across the Division, demonstrating a disciplined management of variable costs during a period of strong growth in business volumes.

ALS Environmental	2010 \$000	2009 \$000	Increase
Revenue	155,668	119,055	30.8%
Segment Contribution	35,305	26,015	35.7%
Margin (segment contribution to revenue)	22.7%	21.9%	

ALS Environmental division performed strongly during the period securing important government project work in a number of countries. The Australian region now includes an expanded presence in the Australian water services sector (following the acquisition of Ecowise Environmental in November 2009).

ALS Coal	2010 \$000	2009 \$000	Increase
Revenue	36,150	31,180	15.9%
Segment Contribution	8,725	8,502	2.6%
Margin (segment contribution to revenue)	24.1%	27.3%	

Increasing levels of export activity driven by higher coal prices and improving industry sentiment drove revenue growth in ALS Coal, particularly in the Australian business. Inconsistent workflows in other regions resulted in a slightly lower global contribution margin on revenue.

ALS Tribology	2010 \$000	2009 \$000	Increase / (Decrease)
Revenue	15,852	15,435	2.7%
Segment Contribution	1,901	2,683	(29.1)%
Margin (segment contribution to revenue)	12.0%	17.4%	

A stronger Australian dollar softened the translation of revenue and contribution earned by the North American region which dominates ALS Tribology division. The disappointing fall in contribution margin is the focus of management's attention in the second half.

ALS Industrial	2010 \$000	2009 \$000
Revenue	57,452	-
Segment Contribution	6,979	-
Margin (segment contribution to revenue)	12.1%	-

The new ALS Industrial division (formed following the acquisition of PearlStreet in January 2010) performed ahead of expectations during the half year and continues to be the leader in its field, providing testing and inspection services to the energy, resources and infrastructure sectors.

Campbell Brothers Limited and its controlled entities

Review of operations (continued)

Campbell Chemicals	2010	2009	Increase /
	\$000	\$000	(Decrease)
Revenue	74,058	79,137	(6.4)%
Segment Contribution	4,436	4,074	8.9%
Margin (segment contribution to revenue)	6.0%	5.1%	

Despite a small contraction in revenue, Campbell Chemicals recorded an improved segment contribution, realising benefits from a stronger Australian dollar and operational efficiencies. Cleantec, Deltrex and Panamex all generated improved gross sales margins in most regions in which they operate.

Campbell Chemicals will be restructured during the second half following the disposal of the Cleantec business unit in December 2010 (refer *Events subsequent to balance date*).

Reward Distribution	2010	2009	(Decrease)
	\$000	\$000	
Revenue	58,638	61,300	(4.3)%
Segment Contribution	(1,755)	2,140	(182.0)%
Margin (segment contribution to revenue)	(3.0)%	3.5%	

The Reward Distribution hospitality supplies business delivered a disappointing result for the half year to September 2010, generating lower revenue and contributing a loss in an environment characterised by tight tourism and hospitality markets, strong price competition and the continuing reassessment of target markets. The business has experienced improving sales volumes in September and October 2010 as a result of seasonality and by securing a number of important national sales contracts. An improved performance is expected from Reward in the second half.

Campbell Brothers Limited and its controlled entities

Events subsequent to balance date

Ammtec acquisition:

On 12 November 2010, the Group closed its cash and scrip offer for all of the issued capital in Ammtec Limited (a Perth-based, ASX-listed company providing metallurgical services and specialised engineering and resin technologies to the global mining industry). As at the date of this report, the Company's wholly-owned subsidiary Australian Laboratory Services Pty Ltd (ALS) holds 97.3% of Ammtec's ordinary shares, acquired for a combined consideration of \$156,688,000 (Cash: \$37,527,000; Ordinary shares in the Company: \$119,161,000). A compulsory acquisition notice was lodged with the ASX on 10 November 2010 in respect of Ammtec ordinary shares for which acceptances had not been received. The financial effects of the acquisition have not yet been determined due to the proximity of the acquisition to the issue of the interim financial report. Refer note 8 to the financial statements.

Cleantec divestment:

On 17 November 2010, the Company's agreement to divest the Cleantec arm of Campbell Chemicals division to Ecolab Pty Ltd received clearance from the Australian Competition and Consumer Commission. The financial effect of the transaction, which is due to complete on 1 December 2010, has not been brought to account in this interim financial report. It will be recognised in the annual financial statements for the year ending 31 March 2011 and is expected to result in recognition of a pre-tax gain on sale of approximately \$8,000,000. Refer note 7 to the financial statements.

US Private Placement debt issue:

In October 2010 the Group accepted offers from investors in the US Private Placement debt market to purchase long term senior unsecured notes with a total face value of AUD153,043,000 as summarised below. The notes are to be issued on 7 December 2010 and the proceeds will be directed primarily towards repayment of various bank loan liabilities which mature over the next six months. Refer note 9 to the financial statements.

<i>Currency</i>	<i>Amount (\$'000)</i>	<i>AUD equivalent (\$'000)</i>	<i>Term</i>
USD	30,000	31,005	7 years
USD	55,000	56,842	10 years
CAD	65,000	65,196	10 years

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 24 and forms part of the directors' report for the half year ended 30 September 2010.

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
30 November 2010



G F Kilmister
Managing Director
Brisbane
30 November 2010

Campbell Brothers Limited and its controlled entities

Interim profit and loss statement

For the half year ended 30 September 2010

In thousands of AUD

Continuing operations

	CONSOLIDATED	
	30 September 2010	30 September 2009
Revenue from sale of goods	131,617	137,307
Revenue from rendering of services	415,913	263,599
	547,530	400,906
Other income	648	461
Changes in inventories of finished goods and work in progress	9,160	(4,880)
Raw materials and consumables purchased	(118,954)	(108,174)
Employee expenses	(201,797)	(132,887)
Warehousing and distribution costs	(14,058)	(12,701)
Amortisation and depreciation	(21,185)	(19,746)
Selling expenses	(5,973)	(3,874)
Administration and other expenses	(97,511)	(60,559)
Share of net profits / (losses) of associates and joint ventures accounted for using the equity method	(163)	1,007
Profit before financing costs and income tax	97,697	59,553
Financial income	287	87
Financial expenses	(5,550)	(5,873)
Net financing costs	(5,263)	(5,786)
Profit before income tax	92,434	53,767
Income tax expense	(26,197)	(15,460)
Profit for the period	66,237	38,307
Attributable to:		
Equity holders of the Company	66,252	38,259
Minority interest	(15)	48
Profit for the period	66,237	38,307
Earnings per share		
Basic earnings per share	104.54c	69.19c
Diluted earnings per share	104.34c	69.12c

The interim profit and loss statement is to be read in conjunction with the notes to the interim financial report set out on pages 14 to 21.

Campbell Brothers Limited and its controlled entities

Interim statement of comprehensive income

For the half year ended 30 September 2010

In thousands of AUD

	CONSOLIDATED	
	30 September 2010	30 September 2009
Profit for the period	66,237	38,307
Other comprehensive income*		
Foreign exchange translation differences	(11,054)	(22,856)
Gain/(loss) on hedge of net investments in foreign subsidiaries	772	5,894
Net gain/(loss) on cash flow hedges taken to equity	1,163	1,364
Other comprehensive income for the period, net of income tax	(9,119)	(15,598)
Total comprehensive income for the period	57,118	22,709
Attributable to:		
Equity holders of the Company	57,133	22,661
Minority interest	(15)	48
Total comprehensive income for the period	57,118	22,709

* 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 14 to 21.

Campbell Brothers Limited and its controlled entities

Interim balance sheet

As at 30 September 2010

	Note	CONSOLIDATED	
		30 September 2010	31 March 2010
<i>In thousands of AUD</i>			
Current assets			
Cash and cash equivalents		65,270	57,937
Trade and other receivables		183,972	160,532
Inventories		60,685	63,984
Assets classified as held for sale	7	39,288	-
Other		13,706	12,036
Total current assets		362,921	294,489
Non-current assets			
Receivables		1,446	5,173
Investments accounted for using the equity method		17,632	19,261
Investment property		11,255	11,138
Deferred tax assets		13,641	14,925
Property, plant and equipment		218,693	216,846
Intangible assets		387,873	393,092
Other investments	8	7,657	161
Total non-current assets		658,197	660,596
Total assets		1,021,118	955,085
Current liabilities			
Bank overdraft		265	19
Trade and other payables		90,020	78,127
Loans and borrowings	9	62,569	8,364
Income tax payable		11,786	6,303
Employee benefits		29,470	26,043
Liabilities classified as held for sale	7	5,757	-
Total current liabilities		199,867	118,856
Non-current liabilities			
Loans and borrowings	9	147,852	196,514
Deferred tax liabilities		1,573	2,068
Employee benefits		1,802	4,157
Other		2,782	3,746
Total non-current liabilities		154,009	206,485
Total liabilities		353,876	325,341
Net assets		667,242	629,744
Equity			
Share capital		471,626	456,734
Reserves		(27,202)	(18,199)
Retained earnings		221,396	189,772
Total equity attributable to equity holders of the Company		665,820	628,307
Minority interest		1,422	1,437
Total equity		667,242	629,744

The interim balance sheet is to be read in conjunction with the notes to the interim financial report set out on pages 14 to 21.

Campbell Brothers Limited and its controlled entities

Interim statement of changes in equity

For the half year ended 30 September 2010

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 2010	456,734	(17,889)	(1,169)	859	189,772	628,307	1,437	629,744
Total comprehensive income for the period								
Profit or loss	-	-	-	-	66,252	66,252	(15)	66,237
Other comprehensive income								
Foreign currency translation differences	-	(11,054)	-	-	-	(11,054)	-	(11,054)
Gain/(loss) on hedge of net investments in foreign subsidiaries	-	772	-	-	-	772	-	772
Net gain/(loss) on cash flow hedge taken to equity	-	-	1,163	-	-	1,163	-	1,163
Total other comprehensive income	-	(10,282)	1,163	-	-	(9,119)	-	(9,119)
Total comprehensive income for the period	-	(10,282)	1,163	-	66,252	57,133	(15)	57,118
Transactions with equity holders, recorded directly in equity								
Contributions by and distributions to owners								
Dividends to equity holders	-	-	-	-	(34,628)	(34,628)	-	(34,628)
Shares issued under dividend reinvestment plan (557,524 ordinary shares at \$26.71 per share)	14,892	-	-	-	-	14,892	-	14,892
Share-settled performance rights awarded during the period	-	-	-	116	-	116	-	116
Total contributions by and distributions to owners	14,894	-	-	116	(34,628)	(19,620)	-	(19,620)
Balance at 30 September 2010	471,626	(28,171)	(6)	975	221,396	665,820	1,422	667,242

Campbell Brothers Limited and its controlled entities

Interim statement of changes in equity (cont)

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

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 14 to 21.

Campbell Brothers Limited and its controlled entities

Interim statement of cash flows

For the half year ended 30 September 2010

In thousands of AUD

	CONSOLIDATED	
	30 September 2010	30 September 2009
Cash flows from operating activities		
Cash receipts from customers	559,884	420,180
Cash paid to suppliers and employees	(472,399)	(360,118)
Cash generated from operations	87,485	60,062
Interest paid	(5,550)	(5,872)
Interest received	287	87
Income taxes paid	(17,631)	(17,955)
Net cash from operating activities	64,591	36,322
Cash flows from investing activities		
Payments for property, plant and equipment	(41,750)	(27,231)
Payments for investments	(7,496)	-
Payments for net assets on acquisition of businesses and controlled entities (net of cash acquired)	(2,777)	(462)
Additional payment in respect of prior year acquisition of controlled entity	-	(1,222)
Payment for investment in joint venture	-	(7,053)
Dividend from associate	1,471	745
Repayment from joint venture entity	-	589
Proceeds from sale of other non-current assets	260	1,301
Net cash used in investing activities	(50,292)	(33,333)
Cash flows from financing activities		
Proceeds from borrowings	15,000	20,300
Repayment of borrowings	(449)	(12,876)
Lease payments	(1,348)	(1,258)
Lease receipts	416	416
Dividends paid	(19,634)	(15,275)
Net cash from (used in) financing activities	(6,015)	(8,693)
Net movement in cash and cash equivalents	8,284	(5,704)
Cash and cash equivalents at 1 April	57,918	59,514
Effect of exchange rate fluctuations on cash held	(1,197)	(5,398)
Cash and cash equivalents at 30 September	65,005	48,412

The interim statement of cash flows is to be read in conjunction with the notes to the interim financial report set out on pages 14 to 21.

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 2010 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 2010 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 2010.

This consolidated interim financial report was approved by the Board of Directors on 30 November 2010.

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.

Campbell Brothers Limited and its controlled entities

Condensed notes to the consolidated interim financial report

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 2010.

Business combinations

The Group has adopted revised *AASB 3 Business Combinations (2008)* and amended *AASB 127 Consolidated and Separate Financial Statements (2008)* for business combinations occurring in the financial year commencing 1 April 2010. All business combinations occurring on or after 1 April 2010 are accounted for by applying the acquisition method. The change in accounting policy is applied prospectively and had no material impact on earnings per share.

Measuring goodwill

The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination (see below). If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

Share-based payment awards

When share-based payment awards exchanged (replacement awards) for awards held by the acquiree's employees (acquiree's awards) relate to past services, then a part of the market-based measure of the awards replaced is included in the consideration transferred. If they relate to future services, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

Contingent liabilities

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Non-controlling interest

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs

Transaction costs, other than share and debt issue costs, incurred in relation to business combinations after 1 April 2010 are expensed by the Group as incurred. Previously these costs were included as part of the cost of the acquisition. Transaction costs amounting to \$2,341,000 have been expensed in the profit and loss statement during the current half year.

Campbell Brothers Limited and its controlled entities

Condensed notes to the consolidated interim financial report

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 expenses. 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 2010.

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 2010.

Campbell Brothers Limited and its controlled entities

Condensed notes to the consolidated interim financial report

6. Segment reporting

The Group has 7 reportable segments, as described below, representing 7 distinct strategic business units each of which are managed separately and offer different products and services. 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.
- ALS Industrial – provides the energy, resources and infrastructure sectors with testing, inspection and asset care services.
- 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.

<i>In thousands of AUD</i>	Revenue		Contribution		Segment margin *	
	2010	2009	2010	2009	2010	2009
ALS Minerals	152,697	97,630	53,089	24,629	34.8%	25.2%
ALS Environmental	155,668	119,055	35,305	26,015	22.7%	21.9%
ALS Coal	36,150	31,180	8,725	8,502	24.1%	27.3%
ALS Tribology	15,852	15,435	1,901	2,683	12.0%	17.4%
ALS Industrial **	57,452	-	6,979	-	12.1%	-
Campbell Chemicals***	74,058	79,137	4,436	4,074	6.0%	5.1%
Reward Distribution	58,638	61,300	(1,755)	2,140	(3.0)%	3.5%
Eliminations ****	(2,985)	(2,831)	-	-	-	-
Total Reportable Segments	547,530	400,906	108,680	68,043		

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

** ALS Industrial was established following the acquisition of PearlStreet Limited in January 2010.

*** Campbell Chemicals segment revenue includes \$31,054,000 relating to the Cleantec business unit which will be divested subsequent to balance date. Refer note 7.

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

Reconciliation of reportable segment profit

<i>In thousands of AUD</i>	2010	2009
Contribution from reportable segments	108,680	68,043
Unallocated amounts :		
Acquisition costs	(2,431)	-
Net financing costs	(5,263)	(5,786)
Other corporate expenses	(8,552)	(8,490)
Consolidated profit before income tax	92,434	53,767

Campbell Brothers Limited and its controlled entities

Condensed notes to the consolidated interim financial report

7. **Assets and liabilities classified as held for sale**

On 28 September 2010, the Company announced an agreement to divest the Cleantec arm of Campbell Chemicals division to Ecolab Pty Ltd. The sale was conditional upon approval from the Australian Competition and Consumer Commission (approval was subsequently obtained on 17 November 2010 and the transaction will complete on 1 December 2010 – refer note 14). The assets / liabilities to be disposed of / assumed have been reclassified as current and are identified separately in the balance sheet as “held for sale”.

8. **Other investments**

Investments in other entities

On 18 May 2010 the Group announced its intention to make an offer for all of the issued capital in Ammtec Limited (a Perth-based, ASX-listed metallurgical and mineral testing consultancy company). As at 30 September 2010 the Group had accumulated an interest in 5.5% of Ammtec’s issued capital through on-market purchases of ordinary shares for a total cash consideration of \$7,496,000. This interest is classified as an “other investment” because the Group did not exert significant influence or control over Ammtec at balance date.

Refer note 14 for details of progress made with the offer subsequent to balance date.

9. **Loans and borrowings**

Bank Loans

Current bank loans comprise the portion of the Group’s bank loans repayable within one year. In October 2010 the Group accepted offers from investors in the US Private Placement debt market to purchase long term senior unsecured notes from the Group in December 2010 (refer note 14 for details). Proceeds from the issue will be directed primarily towards repayment of various bank loan liabilities which mature over the next six months.

Non-current bank loans are repayable on or before May 2012.

Funding available to the Group from undrawn facilities at 30 September 2010 amounted to \$127,796,000 (March 2010: \$135,715,000).

10. **Dividends**

The following dividend was declared and paid by the Company during the half year:

In thousands of AUD

	2010	2009
Final 2010 dividend paid 1 July 2010 (1 July 2009)	34,628	26,517

Since 30 September 2010, directors have declared a partly franked (50%) interim dividend of 65 cents per ordinary share, amounting to \$43,524,000 payable on 21 December 2010. The dividend is payable on all ordinary shares. The financial effect of this dividend has not been brought to account in the financial report for the period ended 30 September 2010.

11. **Capital commitments**

At 30 September 2010 the Group had capital expenditure commitments of \$6,379,000 (31 March 2010: \$5,567,000, 30 September 2009: nil).

Campbell Brothers Limited and its controlled entities

Condensed notes to the consolidated interim financial report

12. Acquisition of businesses and controlled entities

In thousands of AUD

	Interest Acquired	Date acquired	Consideration
Half year ended 30 September 2010			
Business assets acquired *	100%	May 2010	2,777
Half year ended 30 September 2009			
ALS Laboratory Group New Caledonia	60%	July 2009	532

* Comprises the assets of Bureau Veritas Pharmaceutical (NSW) and Foodservice Development International (Qld). Businesses assets acquired have been absorbed into controlled entities.

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

<i>In thousands of AUD</i>	Recognised values on acquisition	
	2010	2009
Cash and cash equivalents	-	70
Net identifiable assets and liabilities	804	70
Outside equity interest at acquisition	-	(29)
Goodwill on acquisition	1,973	491
Consideration paid, satisfied in cash	2,777	532
Cash (acquired)	-	(70)
Net cash outflow	2,777	462

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's workforce and the synergies expected to be achieved from integrating the companies into the Group's existing businesses.

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 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:

	Half year ended 30 September 2010	Year ended 31 March 2010		
Equity-settled				
Date of grant	27 July 2010	24 Nov 2009	1 Oct 2009	30 Jun 2009
Number of rights	37,134	32,587	11,676	34,203
Testing date for performance hurdles	31 Mar 2013	31 Mar 2012	31 Mar 2012	31 Mar 2012
Vesting date	1 Jul 2013	1 Jul 2012	1 Jul 2012	1 Jul 2012
Weighted average fair value at date of grant	\$25.06	\$23.57	\$26.91	\$17.29
Cash-settled				
Date of grant	27 July 2010		1 Oct 2009	
Number of rights	10,076		15,684	
Testing date for performance hurdles	31 Mar 2013		31 Mar 2012	
Vesting date	1 Jul 2013		1 Jul 2012	
Weighted average fair value at date of grant	\$25.06		\$26.91	

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

Ammtec acquisition:

On 12 November 2010, the Group closed its cash and scrip offer for all of the issued capital in Ammtec Limited (a Perth-based, ASX-listed company providing metallurgical services and specialised engineering and resin technologies to the global mining industry). As at the date of this report, the Company's wholly-owned subsidiary Australian Laboratory Services Pty Ltd (ALS) holds 97.3% of Ammtec's ordinary shares, acquired for a combined consideration of \$156,688,000 (Cash: \$37,527,000; Ordinary shares in the Company: \$119,161,000). A compulsory acquisition notice was lodged with the ASX on 10 November 2010 in respect of Ammtec ordinary shares for which acceptances had not been received. The financial effects of the acquisition have not yet been determined due to the proximity of the acquisition to the issue of the interim financial report. (Refer note 8.)

Cleantec divestment:

On 17 November 2010, the Company's agreement to divest the Cleantec arm of Campbell Chemicals division to Ecolab Pty Ltd received clearance from the Australian Competition and Consumer Commission. The financial effect of the transaction, which is due to complete on 1 December 2010, has not been brought to account in this interim financial report. It will be recognised in the annual financial statements for the year ending 31 March 2011 and is expected to result in recognition of a pre-tax gain on sale of approximately \$8,000,000. (Refer note 7.)

US Private Placement debt issue:

In October 2010 the Group accepted offers from investors in the US Private Placement debt market to purchase long term senior unsecured notes with a total face value of AUD153,043,000 as summarised below. The notes are to be issued on 7 December 2010 and the proceeds will be directed primarily towards repayment of various bank loan liabilities which mature over the next six months. (Refer note 9.)

<i>Currency</i>	<i>Amount (\$'000)</i>	<i>AUD equivalent (\$'000)</i>	<i>Term</i>
USD	30,000	31,005	7 years
USD	55,000	56,842	10 years
CAD	65,000	65,196	10 years

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 8 to 21, 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 2010 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

30 November 2010



G F Kilmister

Managing Director

Brisbane

30 November 2010



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

Report on the financial report

We have reviewed the accompanying interim financial report of Campbell Brothers Limited, which comprises the consolidated balance sheet as at 30 September 2010, consolidated profit and loss statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year period ended on that date, notes 1 to 14 comprising a summary of significant accounting policies and other explanatory information 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 half-year.

Directors' responsibility for the interim financial report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the interim 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 interim 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 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 2010 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 2010 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
30 November 2010



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 half-year ended 30 September 2010 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.

A handwritten signature in black ink that reads 'KPMG' in a stylized, cursive font.

KPMG

A handwritten signature in black ink that reads 'M. Petrie' in a cursive font.

Mitchell C Petrie
Partner

Brisbane
30 November 2010