

21 November 2006

Campbell Brothers delivers record half year result

Brisbane-based diversified industrial company Campbell Brothers Limited today announced a record half-year result, with underlying net profit after tax (before unusual items) attributable to shareholders of the Company increasing by 49.5 percent to \$26.0 million.

The profit was generated from a turnover of \$324.2 million, an increase of 29.3 percent from \$250.7 million in 2005.

The result was driven primarily by the Company's ALS Laboratory Group which continued to grow as a result of very strong market conditions and significant acquisitions in the later part of last financial year.

Campbell Brothers Chairman Geoff McGrath said expectations are that the March 2007 full year net profit before unusual items will show a similar percentage increase to that achieved in the September 2006 half year.

Directors have declared a partly franked (50%) interim dividend of 28 cents per share (2005: 21 cents, fully franked) which will be paid on 15 December 2006 on all shares registered in the Company's register at the close of business on 5 December 2006.

Results of each of the Company's four major divisions were:

	2006 \$000	2005 \$000	Increase / (Decrease)
ALS Laboratory Group			
Revenue	163,936	95,811	71%
Segment Contribution	41,152	23,922	72%
Campbell Chemicals			
Revenue	79,793	87,592	(9)%
Segment Contribution	4,217	4,669	(10)%
Reward Distribution			
Revenue	66,205	52,176	27%
Segment Contribution	3,085	2,656	16%
Campbell Brothers Services			
Revenue	16,848	16,390	3%
Segment Contribution	482	518	(1)%

The ALS Laboratory Group again produced significant increases in both revenue and contribution with all segments of its operations exceeding expectations.

Campbell Brothers Managing Director Greg Kilmister said the improved result was from very strong market growth in minerals analysis and significant acquisitions in the environmental testing segment during the later part of last financial year.



“ALS is continuing to invest through acquisitions and the opening of new laboratories, particularly in identified growth markets. We will maintain our current focus on significantly expanding our Asian, European and African operations where we have relatively low market penetration” he said.

The Chemicals division experienced a reduction in revenue and contribution compared with the previous corresponding half-year.

Mr Kilmister said the reduction resulted from the finalisation of contract manufacturing services temporarily provided to Colgate Palmolive, the purchaser of its branded consumer products business sold in October 2004.

Other parts of the division are delivering improving returns following rationalisations of product lines and operational restructures in both the Industrial Chemical and Panamex Pacific business units.

The Reward Distribution division has increased both its revenue and contribution during the half year as it realises the benefits of being a business with a truly national presence.

“Opportunities exist for operational efficiencies to be derived from integration of distribution and supply chains, product catalogues, stock lines and internal administration,” Mr Kilmister said. The company is very optimistic about the expected performance of this division in 2007.

Campbell Brothers Services has realised a moderate increase in revenue and a small reduction in contribution during the traditionally slow winter months.

Mr Kilmister said its national network of pest control operations is currently updating its marketing strategies and information systems to drive maximum benefit from its market penetration and geographic coverage.

Following a critical review of operations, the carpet cleaning business unit initiated a significant change to its branding and promotions in September 2006 and now trades as Harvey Norman Home Services. These changes resulted in a series of one-off costs being incurred during the half year.

ENDS:

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