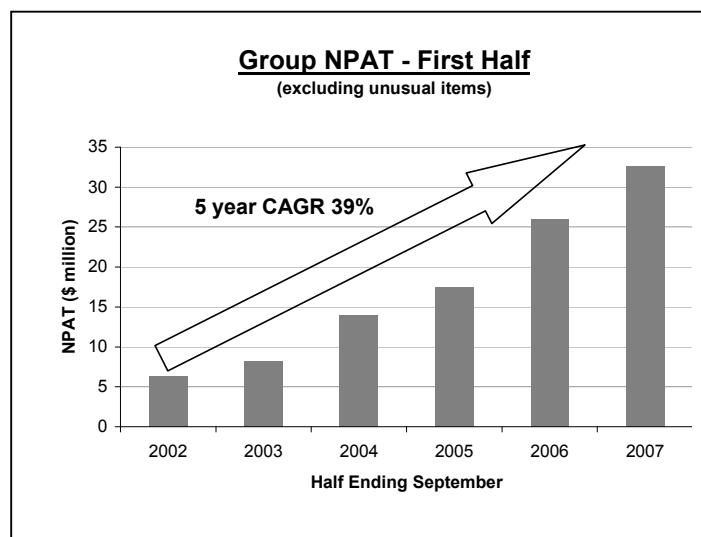


27 November 2007

## Record half year result for Campbell Bros

Brisbane-based diversified industrial company Campbell Brothers Limited (ASX Code: CPB) today announced that underlying net profit after tax (excluding unusual items) attributable to shareholders of the Company had increased by 25.4 percent to \$32.66 million for the half year to 30 September 2007.

The profit was generated from a turnover of \$366.60 million, an increase of 13.1 percent from \$324.24 million in 2006.



Campbell Brothers Chairman, Geoff McGrath said the strong improvement in net profit was achieved despite adverse effects of the strengthening Australian dollar on the translation of offshore earnings.

“By way of illustration, the average exchange rate used to translate US dollar earnings to Australian dollars in the six months to September 2007 was \$US0.8448 compared with \$US0.7560 for the previous corresponding period. The impact of this exchange rate

movement has decreased the after tax profit for the first half by approximately \$2 million.”

The result was again driven by the Company’s laboratory services division, ALS Laboratory Group, which experienced ongoing growth due to buoyant market conditions and acquisitions in the previous financial year.

“Expectations are that underlying net profit after tax (excluding unusual items) for the full year to March 2008 will show a similar percentage increase to that achieved in the September 2007 half year”, Mr McGrath said.

“The consolidated entity will continue to focus on maintaining growth and ensuring it extracts the best possible return on its investments,” he added.

Directors have declared a partly franked (50%) interim dividend of 35 cents per share (2006: 28 cents, partly franked to 50%) which will be paid on 17 December 2007 on all shares registered in the Company’s register at the close of business on 6 December 2007.



Results of each of the Company's business divisions were:

Financial Results \$'000	Revenue			Contribution		
	H12008	H12007	+ / -	H12008	H12007	+ / -
ALS Laboratory Group	207,399	163,936	26.5%	49,685	41,152	20.7%
Campbell Chemicals*	76,434	67,866	12.6%	4,707	3,735	26.0%
Reward Distribution	74,272	66,205	12.2%	2,638	3,085	(14.5%)
Discontinued operations**	11,255	28,775		68	964	
Intra-group revenue	(2,764)	(2,543)				
<b>Total divisional</b>	<b>366,596</b>	<b>324,239</b>	<b>13.1%</b>	<b>57,098</b>	<b>48,936</b>	<b>16.7%</b>
<b>Net underlying profit after tax (before unusual items)</b>				<b>32,658</b>	<b>26,046</b>	<b>25.4%</b>
Plus unusual items net of tax				5,549	-	
Net profit				38,207	26,046	46.7%

\* excludes the consumer products contract manufacturing business (sold Sept 07)

\*\* includes Campbell Brothers Services and consumer products contract manufacturing business

ALS Laboratory Group achieved significant increases in both revenue and profit contribution despite the unfavourable effects of movements in foreign exchange rates.

Campbell Brothers Managing Director, Greg Kilmister said the results were derived from very strong market growth in minerals analysis across all regions and acquisitions in the environmental testing segment during the past year.

"ALS is continuing to invest in future growth through acquisitions and the opening of new laboratories."

"During the half year, ALS entered into joint venture arrangements with MMC Norilsk Nickel in Russia and JK Tech Pty Ltd in Australia. On 1 September 2007, ALS acquired e-Lab in the USA. e-Lab are an environmental laboratory group with operations in Texas and Michigan. On 1 October 2007, ALS acquired ACIRL Pty Ltd, an Australian provider of analytical and technology services to the black coal industry, for \$76.8 million", Mr Kilmister said.

To counteract the weakening of the US dollar over the past six months, ALS has implemented a number of strategies, including reviewing prices and moving to non US dollar denominated contracts where appropriate.

The Chemicals segment delivered improvements in revenue and contribution from both the Industrial Chemical and Panamex Pacific business units during the half year.

"Panamex Pacific has enjoyed increased sales in strategically important markets and has started to show the benefit from cost control initiatives introduced in the previous financial year.



“The Industrial Chemical division produced an improved result despite tightening margins, assisted by a robust approach to controlling overheads”, Mr Kilmister said.

Mr Kilmister added that both business units will concentrate on deriving continued growth from a focus on servicing their key markets.

The consumer products contract manufacturing business was divested at the end of September 2007.

Reward Distribution experienced a fall in contribution despite increased revenue during the six months to September 2007.

“The business has continued to incur high levels of integration and restructuring costs as it rationalises products, warehouses, IT systems and administrative functions across its national network. Most of the systems required to run Reward as a truly national distribution group have now been put in place, and the business can focus its efforts on sales and customer service with the confidence in knowing it can now deliver a superior total service”, Mr Kilmister stated.

“The strategy to ensure the future profitable growth of Reward Distribution will continue to be implemented during the coming months and is expected to deliver benefits by the end of the current financial year. The business will concentrate on deriving maximum value from being a professionally managed distributor in a national market”.

**ENDS:**

**For further information:**

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