

CAMPBELL BROTHERS LIMITED

HALF YEAR REVIEW



6 MONTHS TO 30 SEPTEMBER 2009



**CAMPBELL BROTHERS
LIMITED**

REVIEW OF HALF YEAR

ENDED 30 SEPTEMBER 2009

CAMPBELL BROTHERS LIMITED (ASX CODE: CPB) HAS ANNOUNCED 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 result 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.

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%).

The dividend 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. The dividend reinvestment plan discount will be 7.5%.

The Group has six reportable segments, which are the Group's strategic business units. Results of each of the Company's business segments were:

ALS LABORATORY GROUP

THE ALS LABORATORY GROUP IS A GLOBAL LEADER IN THE PROVISION OF ANALYTICAL LABORATORY AND TECHNICAL SERVICES TO INTERNATIONAL ENVIRONMENTAL, MINERALS, COAL AND TRIBOLOGY (USED OIL) MARKETS WITH ADDITIONAL TECHNICAL SERVICES PROVIDED IN THE AREAS OF FOOD, MICROBIOLOGY, ELECTRONICS, ECOTOXICOLOGY, OCCUPATIONAL HEALTH AND AIR QUALITY. AN OVERVIEW OF THE MAIN DIVISIONS ARE AS FOLLOWS:

ALS MINERALS

ALS Minerals provides assaying and analytical testing services for mining and mineral exploration companies.

	H12010 \$000	H12009 \$000	(Decrease)
Revenue	97,630	165,956	(41.2%)
Segment contribution	24,629	64,974	(62.1%)
Margin	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

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.

	H12010 \$000	H12009 \$000	Increase
Revenue	119,055	108,292	9.9%
Segment contribution	26,015	16,527	57.4%
Margin	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 LABORATORY GROUP

continued



ALS COAL

ALS Coal provides specialist services to the coal industry such as coal sampling & analysis and certification of export cargoes.

	H12010 \$000	H12009 \$000	Increase
Revenue	31,180	27,805	12.1%
Segment contribution	8,502	5,445	56.1%
Margin	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

ALS Tribology provides analysis of lubricating oil from a wide variety of mechanical equipment for preventative maintenance purposes.

	H12010 \$000	H12009 \$000	Increase
Revenue	15,435	7,494	106.0%
Segment contribution	2,683	931	188.2%
Margin	17.4%	12.4%	

ALS Tribology had the benefit of a full six months' contribution from its North American business, Staveley Services (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 CHEMICALS



CAMPBELL CHEMICALS INCORPORATES THREE BUSINESS UNITS: CLEANTEC, DELTREX CHEMICALS AND PANAMEX PACIFIC, COVERING A WIDE RANGE OF INDUSTRIAL AND COMMERCIAL PRODUCTS AND ENGINEERING SERVICES THROUGHOUT AUSTRALIA, NEW ZEALAND, THE SOUTH PACIFIC & OTHER EXPORT MARKETS.

	H12010 \$000	H12009 \$000	(Decrease)
Revenue	79,137	81,940	(3.4%)
Segment contribution	4,074	5,216	(21.9%)
Margin	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



REWARD
DISTRIBUTION
Local Service - National Strength



THE REWARD DISTRIBUTION GROUP IS A MAJOR SUPPLIER OF NON-FOOD CONSUMABLES TO THE HEALTHCARE, BUILDING SERVICES, HOSPITALITY AND LEISURE INDUSTRIES ACROSS AUSTRALIA AND NEW ZEALAND

	H12010 \$000	H12009 \$000	(Decrease)
Revenue	61,300	67,717	(9.5%)
Segment contribution	2,140	2,343	(8.7%)
Margin	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 the Brisbane and Gold Coast premises

RECENT ACTIVITY

In recent months, the Company has undertaken a renounceable rights issue and announced two important acquisitions in Australia.

1:6 RENOUNCEABLE RIGHTS ISSUE

On 1 October 2009, the Company 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.

ACQUISITIONS

PearlStreet Limited Takeover Offer

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 percent 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.

Ecwise Environmental

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 Ecwise Environmental Pty Limited (Ecwise) for a total consideration of \$51 million. The consideration comprises \$40 million for equity and \$11 million of assumed debt. Ecwise operates laboratories and aligned environmental services in Australia, focusing on the water sector, across 17 east coast laboratories and offices.

It is anticipated that 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.

SHAREHOLDER INFORMATION

Visit the Company's website at **www.campbell.com.au** for the latest information on the Company's activities.

SHARE REGISTRY

To update and manage your shareholding, go to **www-au.computershare.com** and login to Investor Centre to make changes.

Any questions concerning your CBL shareholding, please contact our Share registry at:

Computershare Investor Services Pty Ltd
GPO Box 523, Brisbane Qld 4001
Toll free: 1300 552 270 (within Australia)
Phone: +61 3 9415 4000 (outside Australia)
Fax: +61 7 3229 9860
Internet at: www.computershare.com
Email: web.queries@computershare.com.au

ANNUAL REPORTS

The latest Annual Report can be accessed from the Company's website at **www.campbell.com.au**. For shareholders wishing to receive a hard copy of the annual report, please contact our Share registry, Computershare Investor Services Pty Ltd, to request that a hard copy be sent to you in future.

CHANGING YOUR ADDRESS?

If you change your address, please promptly notify our Share registry in writing. You should quote your Holder Identification Number (HIN) or your Securityholder Reference Number (SRN), whichever is applicable, and also quote your old address as an added security check.

DIRECT DEPOSIT OF DIVIDENDS INTO BANK ACCOUNT

You can choose to have your CBL dividends paid directly into a bank, building society or credit union account in Australia on the dividend payment date. Details will then be confirmed by an advice mailed to you on that date. Please contact Computershare Investor Services for an Application Form.

DIVIDEND REINVESTMENT PLAN (DRP)

If you want your dividend payments reinvested to purchase more CBL shares at a discounted price, contact Computershare Investor Services for a DRP Application form and Explanatory booklet or go to **www.campbell.com.au** and download the DRP booklet and forms from the General Information section under Investor Information.

FINANCIAL SUMMARY

	H12010 \$000	H12009 \$000	Change
Revenue	400,906	456,358	-12.2%
Profit before financing costs and income tax	59,553	88,603	
Less: Net financing costs	5,786	7,600	
Less: Income tax expense	15,460	23,745	
Profit after income tax	38,307	57,258	-33.1%
Less: Profit attributable to minority interests	48	214	
Profit after tax attributable to members	38,259	57,044	-32.9%
Issued Capital	253,557	234,904	
Total Equity	420,340	385,733	
Dividend per Share (cents) ⁽¹⁾	45.0	50.0	
Earnings per Share (cents)*	69.19	105.27	
Weighted average number of ordinary shares*	55,298,254	54,189,006	
Net Debt ⁽²⁾	206,242	235,011	
Gearing Ratio (%) ⁽³⁾	32.9	37.9	
Interest Cover (times)	10.3	11.7	

(1) 50% franked (2) Debt/overdraft – Cash (3) Net Debt/(Net Debt + Total Equity)

* 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.

FINANCIAL CALENDAR

2009/2010

Year End	31 March 2010
Full Year Results and Dividend Announcement	25 May 2010
Record Date for Final Dividend and DRP	11 June 2010
Annual Report Released and Notice of Meeting Mailed	25 June 2010
Final Dividend Payment Date	1 July 2010
AGM	27 July 2010

Note: Dates subject to alteration

ANALYSTS

- RBS Morgans
- JP Morgan Securities
- Foster Stockbroking
- Merrill Lynch Equities
- UBS Securities Australia
- Macquarie Equities
- Hunter Green Institutional Broking



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