



Campbell Brothers Limited

Half Yearly Shareholders' Report

6 Months to 30 September 2000



CAMPBELL BROTHERS ANNOUNCES FURTHER STRONG GAINS

Campbell Brothers Limited has announced a net profit after tax, before amortisation and abnormal items attributable to members, of \$6.84 million for the six months ended 30 September 2000. The result is a 13.8% increase on the same period last year.

An abnormal gain associated with the company's relocation from its manufacturing site at Bowen Hills lifted net operating profit, on a post-abnormal basis, to \$10.81 million. This abnormal gain resulted from the disposal of land and buildings at Bowen Hills after allowing for relocation costs. The relocation plans are well underway and the company expects to finish moving its operations from the Bowen Hills site well before the June 30 2001 deadline required for the City-Valley Bypass road project being undertaken by the Brisbane City Council.

Group turnover rose 27.08% to \$160.02 million.

The company lifted interim dividend to a fully franked 13 cents per share, a rise of two cents or 18.2%, from the 11 cents per share paid in the previous corresponding period. The dividend will be paid on 15 December 2000 on all shares registered in the company's register at the close of business on 24 November 2000.

All of the company's divisions performed creditably during the first half.

The Soap and Chemical division's contribution lifted 17.9% to \$7.9 million. The company said the division's consumer products business produced a result ahead of last year with productivity gains expected in the second half due to the consolidation of manufacturing and distribution in Sydney. The Industrial Chemicals business also performed ahead of last year.

Of the company's other operations, Laboratory Services' contribution rose 19.85% to \$4.83 million. Predominantly this was attributable to the good performance of the ALS/Chemex Laboratories acquired in October 1999. Distribution Operations' contribution rose 63% to \$355,000. This business also benefited from a recent acquisition.

FINANCIAL SUMMARY

Half Year Ended 30 September	2000 \$'000	1999 \$'000	% Variance
Net Sales	160,020	125,918	27.08
Net Contribution Before Tax	13,191	11,068	19.18
Less: Unallocated Corporate Admin & Finance Expenses	3,260	2,505	
Operating Profit Before Tax, Amortisation and Abnormals	9,931	8,563	15.98
Less: Taxation	3,087	2,550	
Net Operating Profit After Tax Before Amortisation and Abnormals	6,844	6,013	13.82
Less: Goodwill Amortisation	703	453	
Net Operating Profit After Tax and Amortisation Before Abnormals	6,141	5,560	10.45
Add: Abnormal Items (Net of Tax)	4,079	-	
Net Profit	10,220	5,560	83.81
Share Capital	66,184	64,333	2.88
Shareholders' Equity	95,923	84,301	13.79
Dividend per Share (cents)	13.0	11.0	18.18
Earnings per Share (cents)			
Before Abnormals	19.68	18.07	8.91
Return on Average Shareholders' Funds Before Abnormals and Goodwill	14.9	14.4	3.47

STOP PRESS

Sale of Soap Business

On the 1st of December Campbell Brothers announced the sale of the soap business to Faulding Healthcare for approximately \$4.6m plus stock.

Campbell Brothers started business as a soap maker in 1863, but in recent times, soap manufacture has been a small part of the overall business. The decision to sell this part of the business has largely come about due to the relocation of all the operations from the Brisbane Bowen Hills site, which has been acquired by the Brisbane City Council for the construction of the City-Valley bypass road.

While all other operations of the consumer business have been transferred to the Company's Smithfield site in Sydney, it was clear that after considering the estimated cost of re-establishing the soap plant at another location, the best economic option was to sell this part of the business. Obviously, given the long history of the Company in soap making, the decision was made with some regret. However, in all the circumstances, there was no doubt that the sale was in the Company's best interests.

The money received from the sale of the soap business will be used to fund the expansion of other areas of the Company.

CONSUMER PRODUCTS DIVISION

The first half of the 2000 fiscal year has been one of considerable activity for the Consumer Products Division of Campbell Brothers Limited. The division now operates as two separate business units; *Campbell Consumer Products* and *Panamex Pacific*.

Campbell Consumer Products

Campbell Consumer Products is the Company's original consumer products business specialising in cleaning and related products for the Australian and New Zealand household sectors. Its brands include Fluffy, Hurricane, Castle, Love 'n Care, Natural Selections and Moresoft. In addition, the business is a major manufacturer of retailer-owned brands.

This business has undergone substantial modification during the period, in respect to both brand positioning and major operational changes.

In a major thrust to improve the viability of its brands, the division has redesigned the Hurricane brand and consolidated the Bushland and Hurricane brands to strengthen its position in the value-for-money laundry segment. In addition, Budget Bleach has now also been replaced by Hurricane Bleach and Bushland Fabric Softener has been replaced by the faster growing Moresoft Fabric Softener brand. These changes have been well received by the retailers, who seek fewer, stronger brands on their shelves, and by the consumer, judging by the performance of these brands since they were released. The Fluffy brand remains the division's market leader in fabric softeners, and it expects to undertake further brand rationalisation in future in line with market and consumer demands.

Operational changes to the business include the closure of the liquid manufacturing and distribution functions in Brisbane and the consolidation of these activities into the division's major operations facility at Smithfield in Sydney. This has been a massive project and has been accomplished to specification in the desired time frame and in line with expenditure estimates. The division now has a modern, efficient, flexible liquid and powder manufacturing and distribution facility, with all the benefits of single location and economies of scale.

The business unit continues to ensure effective cost containment as a key determinant of its business performance.

In addition, substantial improvements have been made in the sales, technical, information systems and administration areas of the business, as well as striving for continual economic consumer response (ECR) improvements in line with industry trends. The business unit has a team of competent, professional individuals intent on ongoing improvements in both processes and performance. The business unit is also highly active in seeking out new business opportunities.

Panamex Pacific

Panamex Pacific is the Auckland-based trading operation of the Consumer Products Division, specialising in the distribution of consumer goods principally in the Pacific Island markets. During the first half, the business focussed on consolidation of activities following the high level of acquisition last year. Whilst the period has been difficult in many of its markets from a trading perspective, characterised by some regional instability and exchange rate fluctuations, sales performance has been in line with expectations. The business unit continues to rationalise its operations consistent with the changing trading environment, with the team of dedicated professionals working earnestly to improve performance.

The manufacturing facility in Lae, PNG, has been upgraded substantially and now manufactures soap and bottled cooking oil, in addition to match manufacturing. Other manufacturing opportunities are being investigated.

In respect to the US operation, the business unit is actively seeking to increase its level of representation of major US companies in the Pacific. In addition, the business is dedicating significant resources to enhance its performance as global export agents for Burns Philp Food Inc.

INDUSTRIAL CHEMICALS

Hygiene Systems

The business performed well during the six-month period, with Food and Commercial Hygiene sectors trading ahead of budget and well ahead of last year.

A re-launch of the Alliance Technology brand during the period was well accepted by the market, with its reinvigorated colour-coding and enhanced brand image.

The integration of the Western Australian operation of Bettachem began allowing product ranges to be streamlined and operational systems brought online.

Some key national contracts were won, enhancing the division's reputation as a provider of world-class chemical solutions.

The management team has put in a lot of effort and planning for the pending relocation of the business to the new site at Darra in Queensland. The business is on track to be operational at its new site by second quarter 2001.

Deltrex Chemicals

Contribution for the period from this business unit was ahead of last year.

Emphasis was on maximising margins through price reductions from suppliers and a review of distribution costs.

The impact of the lower A\$ continues to impact on the cost of overseas raw material imports.

In the Victorian market, Deltrex successfully tendered for the supply of chemical product to several public sector utilities.

There was also an increased focus on the Sydney market.

Reward Supply

The business felt the lagged effects of the Olympics with the expected tourist numbers down on estimates. Traditional tourist spots, such as the Gold Coast, experienced lower than expected visitors pre-Olympics.

The general view in the catering and hospitality trade is there has been a hold back in business generally with business starting to experience the effects of price increases, especially on imported products.

The amalgamation of the Reward/Coastal Packaging business to the one location at 85 Lawrence Drive, Nerang has now been completed, with the integration of two computer systems and the introduction of the GST proving an enormous challenge.

Further IT measures are being put in place to enable cost savings and efficiencies for the near future and to allow for the expanding customer base.

The Parker & Harvey operations in the Northern Territory traded within expectations. Sales have been encouraging, with improvements in product range and market targeting, along with an expanded sales base to the immediate offshore region.

The NZ operations of Proclean have been trading within parameters despite a downturn in sales from the Building Services market. There are moves to expand the business to areas outside the traditional contract cleaning market which should yield positive results.

AUSTRALIAN LABORATORY SERVICES

Despite the downturn in the Australian mining industry, the business overall turned in a favourable result for the six month period, due mainly to the inclusion of Chemex Laboratories and the continuing strength and development of the environmental laboratories.

The Environmental division returned a solid six months performance with the Oil division's contribution down on last year.

The move to larger, more modern premises at Smithfield, NSW provides increased capacity for the NSW environmental laboratory operations.

Following the recent integration of the ALS and Chemex Minerals divisions, the Minerals division (trading as ALS Chemex) will now be headquartered in Vancouver, allowing better access to global markets.

New opportunities continue to be sourced to complement ALS's capabilities in the growing Environmental analysis field.

A new microbiology laboratory in Melbourne is due for completion in December 2000.

The Hong Kong Environmental laboratory continued its good growth over the period. Opportunities arose in such diverse markets as vegetable testing for pesticides and analysis of Chinese natural medicines.

The Singapore laboratory has seen a retraction in the large environmental projects and food analysis projects previously on offer. It is expected that electronic testing will pick up in newer areas such as the analysis of electronic waste-water, trouble shooting on electronic parts failure, and trace heavy analysis in electronic water.

The new GMO (Genetically Modified Organisms) laboratory in Singapore is now operational. The laboratory was developed to look at maize and soy products to certify that no genetically modified crops are being used.

The minerals laboratory in Laos has been closed and a new facility developed in Tanzania in East Africa.

FINANCIAL CALENDAR

2000/2001

Year End	31 March 2001
Full Year Results and Dividend Announced	15 May 2001
Record Date for Final Dividend and DRP	8 June 2001
Annual Report Released and Notice of Meeting Mailed	15 June 2001
Final Dividend Paid	2 July 2001
AGM in Brisbane	17 July 2001

Note: Dates subject to alteration

SHAREHOLDER INFORMATION

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

If you have any questions concerning your CBL shareholding, share transfers or dividends, please contact our Share registry, Computershare Registry Services Pty Ltd. They can be contacted by phone on (07) 3237 2100, by fax on (07) 3229 9860 or on the Internet at www.computershare.com.au.

Annual Reports

Do you wish to continue receiving the full annual report? If not, please contact our Share registry, Computershare Registry Services Pty Ltd, to request that the annual report not be sent to you in future. The latest Annual Report can be accessed from the Company's website.

Changing Your Address?

If you change your address, please promptly notify our Share registrar in writing. You should quote your SRN (Shareholder Reference Number) and also quote your old address as an added security check.

Direct Deposit into Bank Accounts

If you choose, your CBL dividends can be paid directly into a bank, building society or credit union account in Australia on the dividend payment date. Details will be confirmed by an advice mailed to you on that date. Application forms are available from the Share registrar.

Dividend Reinvestment Plan

If you want your dividends reinvested to purchase more CBL shares at a discounted price, contact the Share registry for a DRP Application form and Explanatory booklet. The current discount is 5% off the weighted average market price, calculated over the ten trading days subsequent to the record date.



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