

CHAIRMAN'S ADDRESS

Address delivered by the chairman Mr R J White at the 52nd Annual General Meeting of the Company on Tuesday 29th July 2003 in the Grand Ballroom of the Hilton Hotel, Brisbane, 190 Elizabeth Street, Brisbane.

Welcome to the 52nd Annual General Meeting of your Company as a public company listed on the Australian Stock Exchange.

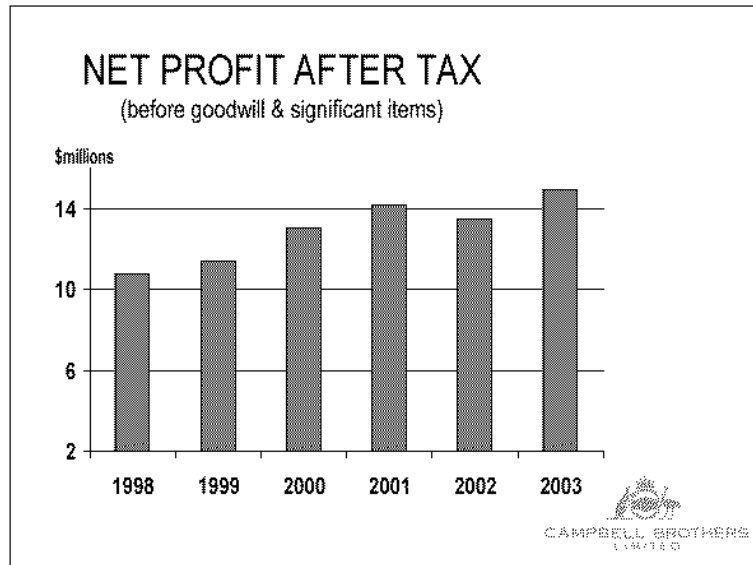
I would like to make a few comments about the year under review before turning to a number of other issues and more importantly the progress the company is making in the current financial year.

Net profit (after tax before goodwill amortisation attributable to members) was \$14.92M for the year ended 31 March 2003, an increase of 10.6% over the \$13.49M achieved in 2002. As is apparent from the chart before

you, the increase over the previous year, namely 2001 was more modest. The 2002 result was the only reduction in yearly profit over the 6 years illustrated in the chart or in fact, for the past 10 years.

When reporting on the first half year result for the 2003 year profits were running some 10% behind the 2002 year, but the Directors were confident that the shortfall would be overcome in the second half year period. This was achieved and a little later in this address I will comment on the projection of last year's better second-half result into the current financial year.

As is apparent in the following two charts detailing the sales revenue and the contribution from the individual businesses, both the Laboratory Services and Industrial Division recorded very strong growth both in turnover and in profit contribution. The Company's Consumer Products Division on the other hand, whilst suffering a small setback in revenue came under severe pressure in a very competitive market environment and suffered a significant reduction in profit. This division also includes the recently developed service sector targeting consumers and commercial customers with a range of services including pest control and carpet cleaning. This initiative has not yet achieved the contribution that is expected and will be the subject of continuing review as the current year unfolds. The board remains committed to the provision of services and nothing bears witness to this commitment to the service sector more than the rapid expansion of both turnover and profit contribution from the Laboratory Services Division in recent years.



DIVISIONAL RESULT

SALES	2003	2002	2001	% Change
	\$m	\$m	\$m	2003/2001
DIVISION				
Laboratory Services	114.40	96.76	68.78	+66.3%
Consumer	132.10	138.90	140.64	-6.1%
Industrial	115.54	102.62	95.73	+20.7%



DIVISIONAL RESULT

CONTRIBUTION	2003	2002	2001	% Change
	\$m	\$m	\$m	2003/2001
DIVISION				
Laboratory Services	16.35	11.54	8.72	+87.5%
Consumer	5.90	10.16	10.19	-42.1%
Industrial	7.93	6.20	7.09	+11.8%



The Annual Report before you, at pages 2 & 3 provides a tabulation of 26 acquisitions spread across all operating divisions over the last 10 years. This has led to continuing opportunities for add-on synergies to the existing operations and for further growth within the new businesses. This philosophy will continue and it is likely that a number of additional add-on acquisitions will be considered during the current financial year.

DIVIDEND

Although the figures we have been considering illustrate a satisfactory return to profitability growth, it was appropriate in all the circumstances to hold the dividend to shareholders at the 30c per share level, which has now been maintained for the last three years. The board is very mindful of the need to maintain dividend payout at a rate which rewards shareholders for their long term support of the company whilst at the same time providing adequate funds for growth opportunities and maintaining external borrowings at an appropriate level.

BORROWINGS

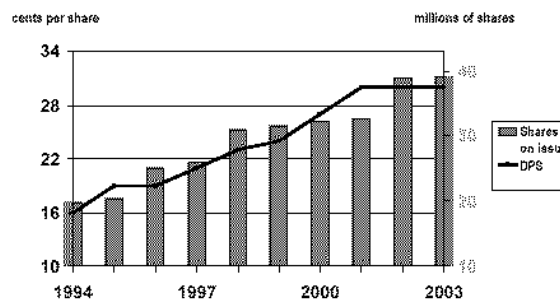
A tabulation of borrowings, gearing ratio and interest cover illustrates the continuing sound position of the Company's balance sheet. An additional chart demonstrates the growth in both shares on issue and dividend rate per share over the last decade.

BORROWINGS

BALANCE SHEET	2003	2002
	31 March	31 March
Net Borrowings (\$m) (Debt-Cash)	85.8	83.3
Gearing Ratio (%)	40.4	39.4
Interest Cover (times)	4.4	4.3

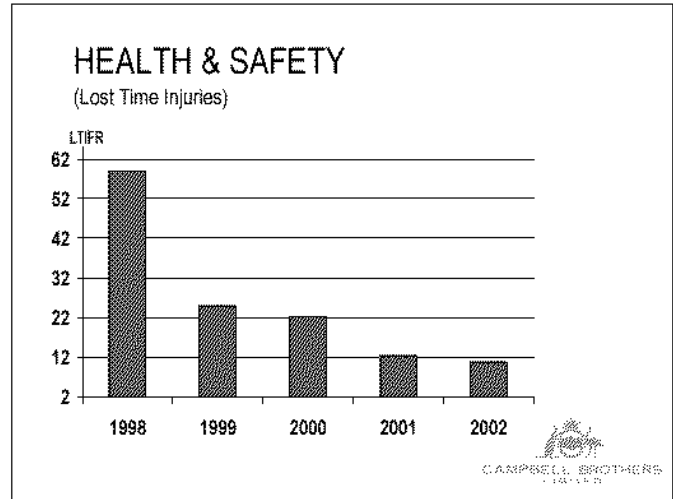
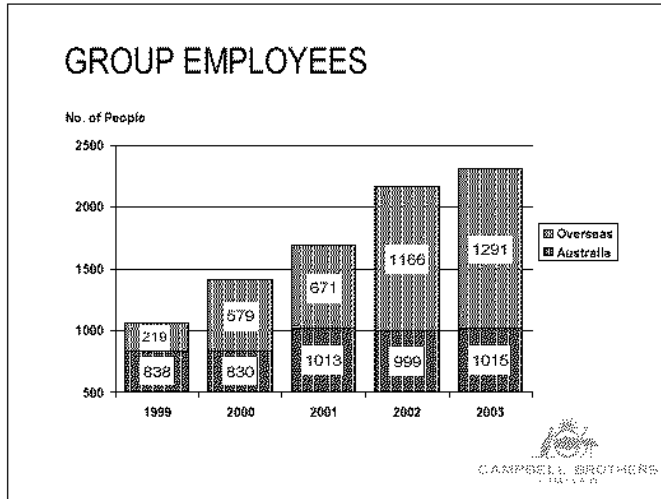


DIVIDENDS v SHARES ON ISSUE



EMPLOYMENT

The spread of the Company's operations has now taken total employment above 2300 people as illustrated on the next chart but more importantly, progress with the Company's health and safety programs is demonstrated by a very significant improvement in the number of lost time injuries occurring in the business and the graph is reproduced from the Annual Report to demonstrate this point.



GOVERNANCE

A great deal has been written and said about the systems of governance operating within Australian companies and in fact international companies, over the past twelve months. This has been highlighted by a number of spectacular company failures where apparently questionable practices which failed to protect shareholders investment have been operating. Last year in my address to you I identified a number of issues which were already reflected in the practice of this company and this year we have in advance of the requirement by the Australian Stock Exchange spelt out in great detail the progress we have made in complying with the principles laid down by the ASX Corporate Governance Council, despite the fact that these recommendations were only published on the 31 March this year. The statement of the Company's level of compliance of the core principles covers 8 pages in the Company's report but suffice to say, in this address the Company has had substantial compliance with those principles in place for some time and will continue to review and refine those procedures inline with contemporary best practice for the operation of a public company.

DIRECTORATE

As indicated in the notice of meeting distributed to all shareholders, two of the company's currently serving directors will retire in the foreseeable future. Mr Roderick Campbell who has been a director for the past 13 years, will step down within the next few months and although I am seeking your support for my re-election in a resolution to be put forward to the meeting shortly, it is my current intention that I will not seek further re-election beyond that term.

In these circumstances we are particularly fortunate to have secured the services of Mr Geoffrey McGrath as an independent non-executive director who, until his retirement earlier in 2003, has been managing director of GWA International Limited since 1992 and a senior executive officer in the antecedents to that group for more than forty years. Thus he has had enormously valuable experience in an internationally focussed industrial company. Accordingly your support will be sought for Mr McGrath's election to the board and an adjustment to the maximum amount of directors' fees that may be paid in any one year to allow for a period of overlap when the number of board members will move temporarily beyond the five non-executive members normally in office.

CURRENT YEAR'S PROGRESS

Whilst the comments I have made in the early part of this address are directed at understanding the Company's performance in the last year or two, it is more important that we spend a few moments considering the current state of affairs and where we expect the months immediately ahead will take the Company. In the previous analysis I indicated that activity and profit generation had expanded strongly in the second half of the financial year which concluded on 31 March 2003 and it is very pleasing to be able to report to shareholders that that momentum has been maintained and is in fact increasing as the current year unfolds. The pleasing improvement within both the Laboratory Services and the Industrial Division has continued whilst the deterioration in some sections of the Consumer Products Division has been arrested. As I indicated previously, some elements within that business are not performing satisfactorily and will require a great deal of vigorous attention during the current year and beyond.

Directors are confident that the current trend in business will produce a profit at least 30% greater in the period six months to 30 September 2003 as against the previous year. It is however appropriate to remind shareholders that this represents about a 20% improvement over the result for the corresponding period one year earlier, namely to 30 September 2001. The world around us is changing rapidly, as is the business environment in which we operate and whilst currently not aware of any major impediment to the Group's continuing operations, Directors are not able to make a firm prediction for the full financial year at this time. We will however continue to report to you progressively as the year unfolds with the half-year's result to 30 September due to be released no later than 25 November.

STAFF AND MANAGEMENT

The recovery in profit growth from a period of about two years of relatively flat performance is heartening to the board and I'm sure also to the shareholders. It has come about and can only continue as a result of the vigorous endeavours of the managing director Mr Brown and all those divisional managers, professionals and staff who respond to his leadership. The board again records its appreciation of their efforts and I'm sure that all shareholders will support my expression of a "job well done" to all concerned.

DIRECTORS

As I indicated some moments ago, the time is fast approaching when I should withdraw from my position as a Director and as Chairman of the Company. It is my intention during the current financial year to oversee the smooth transition of responsibilities so that the ongoing processes of the Board are not negatively impacted by the inevitable change of personnel. In this endeavour and in my role as Chairman of a board which works hard to support its managing director and senior management, I have been strongly supported by

the other non-executive directors and accordingly I once again record my appreciation to the deputy chairman Mr Rod Campbell, Mrs Nerolie Withnall who as Chairman of the Audit and Compliance Committee has been in the forefront of addressing the issues of corporate governance which have received so much publicity of late, Mr Tony Love and Mr Martin Kriewaldt. Mr McGrath who has only recently joined the board will undoubtedly make a strong contribution to that support and will, I am sure, take an aggressive approach to the Company's ambitions to continue to grow and reward shareholders.

It is no longer a requirement for shareholders to formally approve the annual report and accounts of the Company, but to receive and consider them. Accordingly the accounts and directors report for Campbell Brothers Limited for the year ended 31 March 2003 are now before you for consideration and discussion.

R J White
Chairman

Brisbane, 29 July 2003