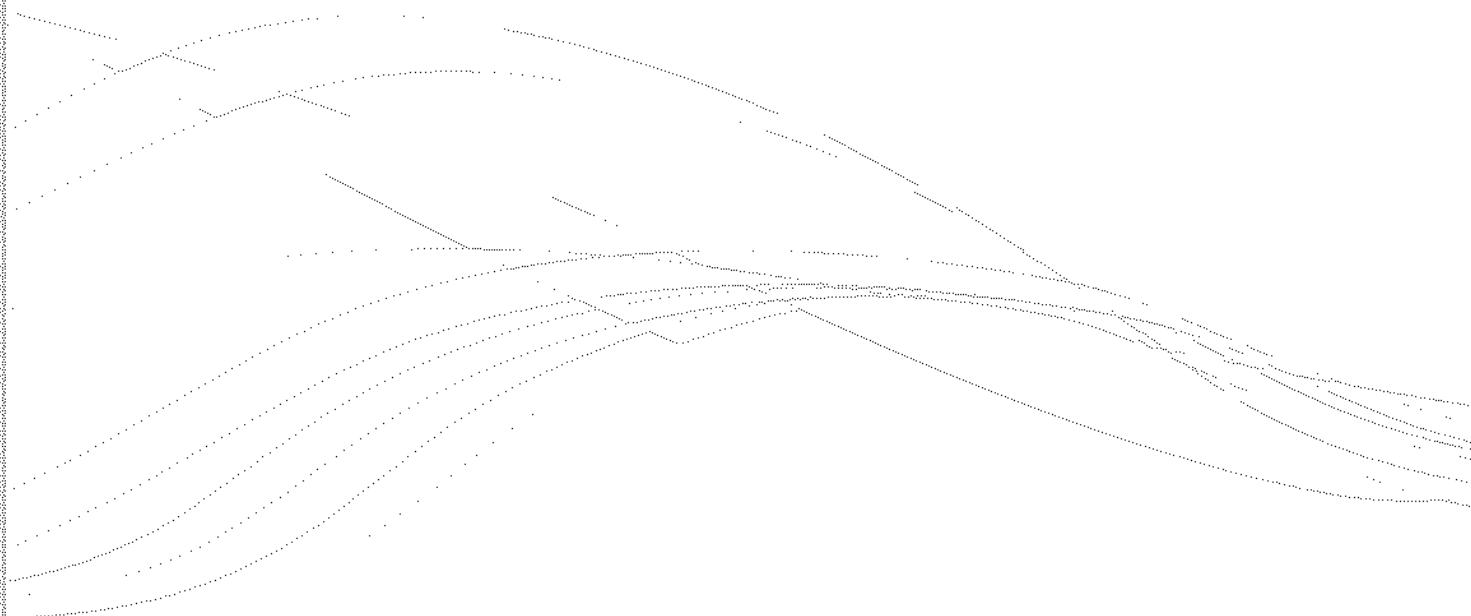


>>> **ANNUAL REPORT 2004**

WILLIAMS & WILCOX HOLDINGS



CAMPBELL BROTHERS
LIMITED

ANNUAL GENERAL MEETING

The 53rd Annual General Meeting of Campbell Brothers Limited will be held on Tuesday 27 July 2004 at 11.00am in the Grand Ballroom, Hilton Hotel, 190 Elizabeth Street, Brisbane.

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FINANCIAL CALENDAR

2003/ 2004

Record Date for Final	
Dividend and DRP	10 June 2004
Final Dividend Paid	1 July 2004
Annual General Meeting	27 July 2004

2004/ 2005

Half Year End	30 September 2004
Half Year Results and	
Dividend Announced	25 November 2004
Record Date for Interim	
Dividend and DRP	3 December 2004
Interim Dividend Paid	20 December 2004

Note: Dates subject to alteration

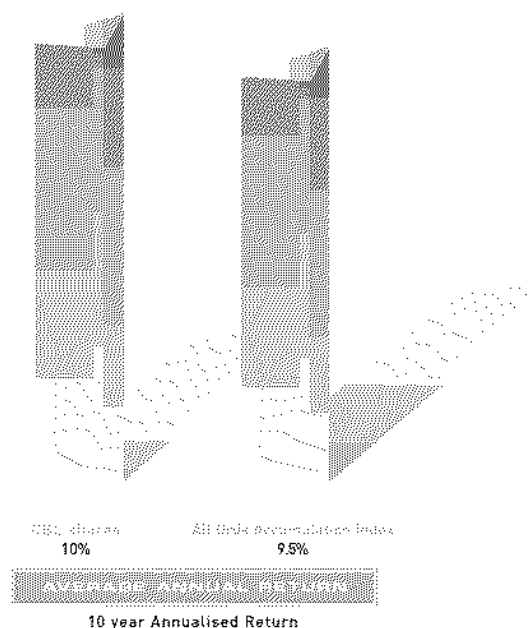


Campbell Brothers Limited is a diversified industrial company listed on the Australian Stock Exchange.

The Company has delivered consistently strong results, creating long term value for shareholders.

Over the last ten years, the relative performance of the Company's shares has kept pace with the benchmark All Ordinaries Accumulation Index, with an average annual rate of return of 10 percent over this period.

Our value is derived from investing in businesses that enhance shareholders' wealth and we will continue to seek out complementary acquisition opportunities when they arise.



Campbell Brothers Limited operates throughout Australia, New Zealand, Asia, North & South America, the Pacific and Africa. Our principal business divisions are:

➤ **LABORATORY SERVICES**

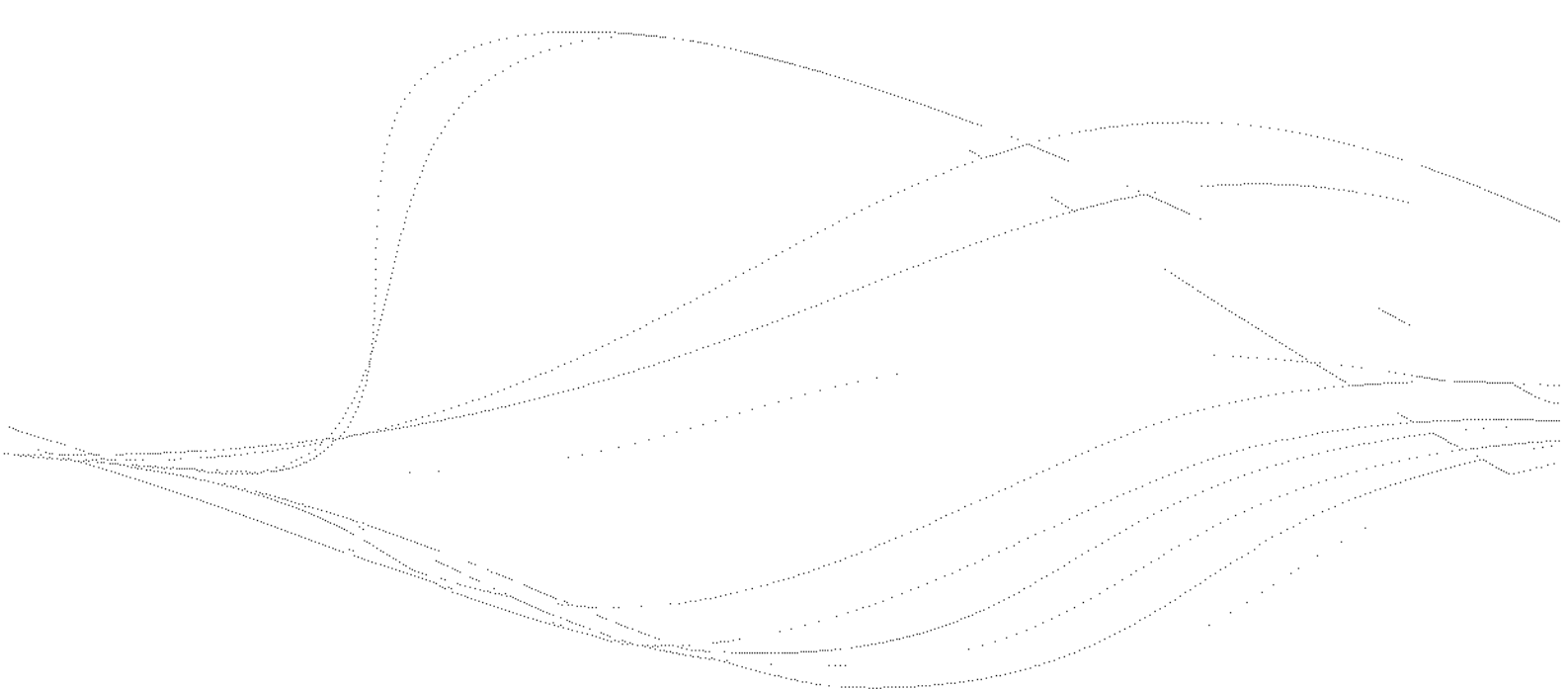
A world leader in analytical laboratory services in the environmental, minerals and oil markets with additional technical services provided in the areas of food, microbiology, electronics, ecotoxicology, occupational health and air quality.

➤ **CONSUMER**

This division incorporates four business units covering a wide range of consumer products and services. It is the largest Australian-owned manufacturer and distributor of household laundry and cleansing products, offers technically advanced sales and marketing systems to grocery manufacturers and retailers, operates in the home services market, and distributes consumer and industrial goods throughout the South Pacific.

➤ **INDUSTRIAL**

Incorporates leading businesses involved in the importation, manufacture and distribution of chemical cleaning products, the provision of engineering system services, water treatment technologies and the distribution of non-food consumables. The division's major markets include healthcare, hospitality, food and beverage processing, commercial cleaning and agriculture.



ACQUISITION HIGHLIGHTS

1995

February - purchase of the **Deltrex Chemicals** business, importers, distributors and manufacturers of general and specialty chemicals.

1996

October - acquisition of the **Geolab Laboratory Group** in South America.

December - purchase of the **Wolseley Castle** and **Ajax Chemicals (NZ)** consumer products businesses from Clyde Industries (Evans Deakin).

1998

January - purchase of the **Suco International** industrial chemical products business.

February - purchase of the **Alliance Technology** floorcare products business.

December - purchase of the **Proclean NZ** business, manufacturer and distributor of industrial chemicals.

1999

April - purchase of **Panamex Pacific**, a NZ-based distributor of branded consumer products throughout the South Pacific and PNG.

May - purchase of **Bettachem**, a WA-based specialty chemical manufacturer and distributor.

May - acquisition of 51% of **Parker and Harvey Chemical**, a Northern Territory-based distributor of chemical and janitorial supplies.

June - purchase of **White Lily** consumer goods stock and brandnames.

June - acquisition of **Niugini Match (Mfg.) Ltd**, a PNG-based manufacturer & distributor of consumer products.

June - purchase of **Coastal Packaging Distributors**, a Gold Coast (QLD) based distributor of packaging products.

July - purchase of **Industrial Solutions Australia**, a specialised water and effluent management business.

October - acquisition of the **Chemex Laboratory Group**, a Vancouver-based assay and geochemical analytical services group.

October - purchase of **Burns Philp Company of San Francisco**, an export trading business based in San Francisco.

2000

April/November - acquisition of **National Service Providers**, a leading domestic service delivery group.

April - acquisition of outstanding minority shareholding in **ALS Geolab**, Peru.

2001

April - acquisition of **ASL Analytical Service Laboratories**, a Canadian-based environmental laboratory group.

April - formed **CROSSMARK Asia Pacific**, a joint venture with US group, Crossmark Holdings, Inc., offering specialised sales and merchandising services to the fast moving consumer goods (FMCG) market in the Asia Pacific region.

December - acquisition of **Bondar Clegg**, a Canadian-based minerals laboratory group.

2002

February - purchase of Brisbane-based pest control business, **Arrest-A-Pest**.

May - acquired, in conjunction with 50% joint venture partner Crossmark Holdings, Inc., 100% interest in **Superbroker Strategic Limited** and **Airtime Sales Limited**, brokers and distributors to the retail grocery market in NZ.

July - purchased, in conjunction with 50% joint venture partner Crossmark Holdings, Inc., the business of **Nationwide Brokers**, providers of broking and merchandising services to manufacturers and retail chains in Australia.

October - acquired 100% interest in **Albert Crocker & Son Pty Ltd**, a Sydney-based distributor of non-food consumables to the hospitality industry in New South Wales.

December - acquired 70% interest in **Indequim**, a Mexican based environmental laboratory.

2003

August - purchase of **Gould & Kennedy**, a specialist tableware and hospitality supply business based in Brisbane.

September/October/November - purchase of Queensland-based pest control businesses: **Hickman Pest Control**, **Exopest (Australia)** and **Direct Pest Control**.

November - acquired 80% interest in **Currey (N.Q.) Pty Ltd**, a Townsville-based distributor of non-food consumables to the hospitality industry in North Queensland.

December - acquired 80% interest in **Whitsunday Catering Supplies Pty Ltd**, an Airlie Beach-based distributor of non-food consumables to the hospitality industry in North Queensland.

FINANCIAL HIGHLIGHTS

YEAR AT A GLANCE

	2004 \$000	2003 \$000
Sales Revenue	390,269	359,278
Net Profit after tax (before goodwill amortisation) attributable to members	17,939	14,919
Contributed Equity	104,327	100,067
Total Equity	135,746	126,491
Earnings per Share (cents) (before goodwill amortisation) attributable to members	45.14	38.25
Dividends per Share (cents)	33.0	30.0
Net Tangible Asset Backing per Share (\$)	1.56	1.53
Gearing Ratio (%) (net debt/(net debt + total equity))	40.9	40.4
Interest Cover (times)	4.7	4.4

SALES

Total Sales revenue for the Group was \$390.27 million for 2004, an 8.6% increase on the \$359.28 million recorded in 2003.

The Sales by Division were as follows:

DIVISION	2004 \$000	2003 \$000	CHANGE %
Laboratory Services	123,937	114,403	8.3
Consumer	127,899	132,104	(3.2)
Industrial	141,460	115,540	22.4

PROFIT

Consolidated net profit after tax (before goodwill amortisation) attributable to members was \$17.94 million for 2004, an increase of 20.2% on the \$14.92 million achieved last year.

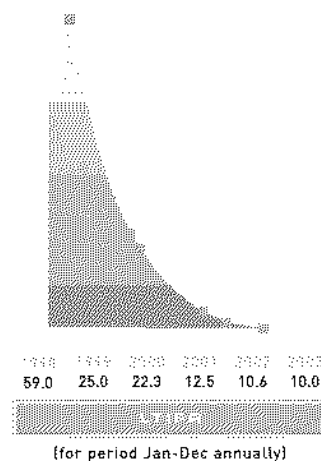
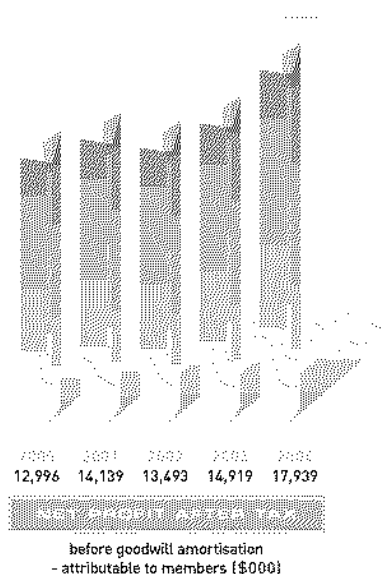
Profit contribution from ordinary activities before goodwill amortisation, tax and corporate overheads for each division was as follows:

DIVISION	2004 \$000	2003 \$000	CHANGE %
Laboratory Services	21,497	16,347	31.5
Consumer	5,212	5,903	(11.7)
Industrial	9,325	7,931	17.6

DIVIDENDS

The Company will pay a final dividend for 2004 of 19 cents per share (2003: 17 cents), fully franked at the 30% tax rate (2003: 30%). The total dividend for the year will be 33 cents (2003: 30 cents).

Total dividend for the year increased by 3 cents to 33 cents.



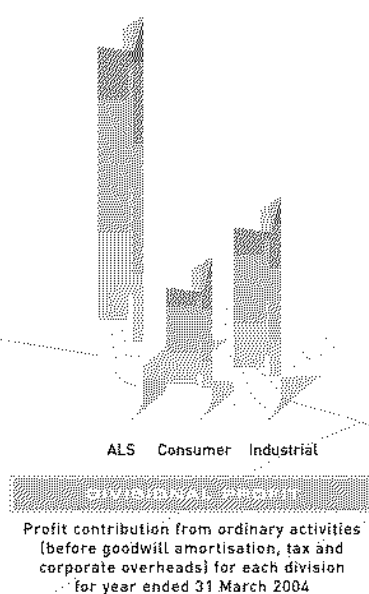
HEALTH AND SAFETY PERFORMANCE

Injury statistics for the Company continued to show a positive trend in the decrease across most injury measurement indices. The most indicative figure of the health and safety performance of the Company is the Lost Time Injury Frequency Rate (LTIFR), which measures the number of LTI's per million hours of work [Reported as per AS1885].

* LTI is a work injury which results in an inability to work for at least one full day or shift any time after the day or shift in which the injury occurred.

The Company achieved a net profit (after tax before goodwill amortisation) attributable to members of \$17.94 million for the 12 months ended 31 March 2004, an increase of 20.2 percent over the previous year's result.

This excellent result was primarily due to the strong performances from our Laboratory Services and Industrial divisions.



The Laboratory Services division, which continues to drive the profitability of the Company, now represents 60 percent of total divisional profit contribution. The ALS Laboratory Group is one of the largest commercial analytical laboratory groups in the world specialising in mineral and environmental analysis.

The division has benefited from efficiencies achieved from the merger of entities involved in the Bondar Clegg acquisition in December 2001 with its existing operations in Canada and South America.

The strong performance of the Industrial division was attributable mainly to new acquisitions by the distribution business and the addition of new products and services from the chemical business.

The Consumer division suffered a decline in revenue and profitability during the year. A review has been carried out on this division with various options canvassed to generate a rate of return that is acceptable to shareholders.

An overview of developments for each division follows:

LABORATORY SERVICES

- Start-up laboratories in China (environmental testing) and South Africa (mineral analysis)
- Emerging opportunities for "green testing" of electrical and electronic equipment

INDUSTRIAL

- Add to floor care product range
- Expansion of commercial laundry business
- Enhance national presence as leading supplier to the hospitality industry

CONSUMER

- Maximise value of laundry/detergents business
- Continue to grow distribution business in the Pacific region
- Enhance position as a market leader in the provision of retail services
- Establish a national network of pest control and washroom hygiene service businesses

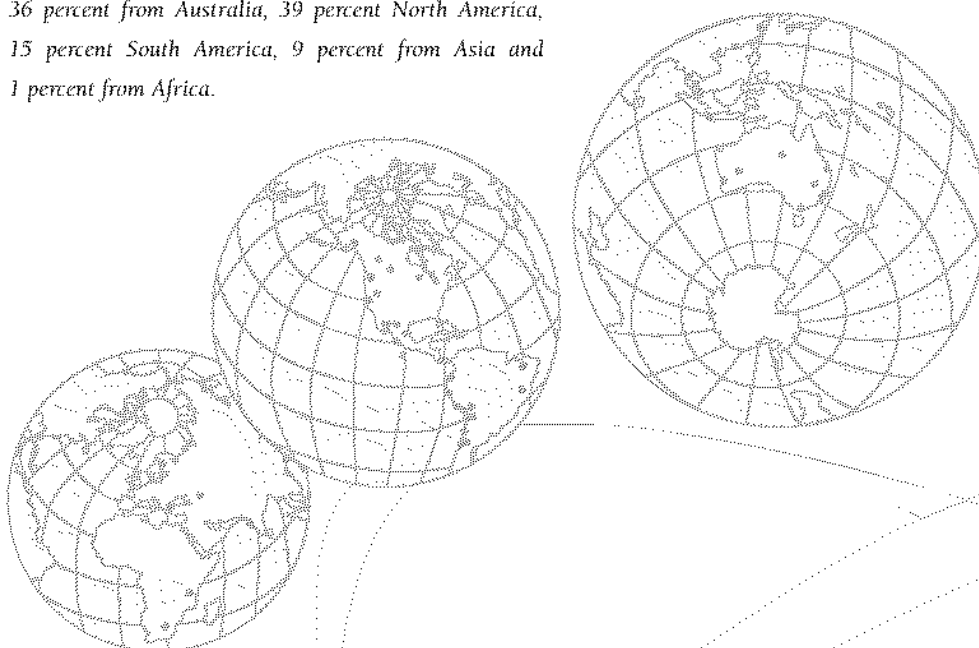
OUTLOOK FOR YEAR AHEAD

The Company expects to continue its earnings growth in the coming financial year as the Laboratory Services and Industrial divisions continue to do well and as the Company continues to explore acquisition and expansion opportunities in all areas of its business.

(The "Review of Operations" commentary is located in the Directors' Report on page 25 of this annual report.)

Commercial analytical laboratories play a key role in commerce, trade, mining, health services and environmental monitoring. With operations in seventeen countries and 39 laboratories worldwide, the ALS Laboratory Group (ALS Group) is one of the largest and most diversified commercial analytical laboratory groups in the world.

ALS revenue spread is truly global; being approximately 36 percent from Australia, 39 percent North America, 15 percent South America, 9 percent from Asia and 1 percent from Africa.



The ALS Group turned in a strong performance for the year ended 31 March 2004, achieving revenues of \$124 million and a 31.5% increase in EBITA over the previous year's result.

It is estimated that the global value of commercial chemical analytical services (excluding health related services) is in excess of AUD12 billion per annum. In the 2003 calendar year, the ALS Group processed in excess of four million samples and reported approximately 100 million determinations.

The ALS Group comprises several business units, operating mainly in the areas of minerals, environmental, electronics, food and oils analysis. The main business units operating worldwide are:

- **ALS Chemex (Minerals Division)**
- **ALS Environmental (Environmental Division)**

The Group's strong profit performance for the year was delivered solely through market growth and good business management. The ALS Group did not make any major acquisitions during the year, which allowed management to focus on refining business systems and consolidating existing operations. Successful strategies included a renewed emphasis on succession planning, knowledge management systems, and strategic business review and planning sessions.

The improvements in internal systems allowed us to better prepare for opportunities and act as soon as they were identified. A number of opportunities, particularly in the emerging "Green Testing" market (product certification for environmental contaminants) were identified and are currently being investigated.

Growth strategies for the coming year are:

- **developing opportunities in Asia**
- **reviewing opportunities for entering European markets and**
- **marketing the services of our major new laboratory, currently under construction in South Africa.**





ALS CHEMEX

ALS Chemex is the world's premier provider of analytical services to the mining and exploration industries. We specialise in analysing geological materials, as well as other services ranging from commercial and industrial mineral analysis to on-site mine laboratory design and operation.

ALS Chemex laboratories are located in North and South America, Australia, Asia and Africa. Our shared approach to analysis puts us in the unique position to offer clients an international consistency of service.

A major step in improving our customer service and reporting standards was the development and implementation of a unique Internet based interface programme allowing our clients direct access to their data. We are marketing Webtrieve™ as an "open lab" policy as it allows our clients to view all steps of data processing. This initiative is part of our strategy to further enhance ALS Chemex as the laboratory of choice for major mining houses.

Some of the major exploration projects in South America are now progressing to the mining phase which will see a reduction of available work in both Argentina and Chile. Peru and Brazil however, are both expected to see significant sample flow increases over the coming year.

The Australian exploration market has been fairly flat with cost control measures now in place to increase profitability during 2004/05. A major expansion of our Perth facility will be completed by the second half of 2004. This development will see a doubling in sample processing capacity and will allow us to increase market share in the important West Australian market.

The bulk of processing in the Canadian laboratory is samples from Peru, USA and Mexico. The current strong metal prices should see an improved performance from these countries.

South Africa has a long history of mining and exploration. Currently six of the ten largest mining companies in the world are undertaking substantial activities in this region. The construction of our new laboratory north of Johannesburg is nearing completion and is expected to be fully operational by August 2004. This significant laboratory complex will be capable of servicing not just South Africa, but the growing industry throughout the continent.

Many new mining opportunities have been identified throughout Africa and Asia. Several major mining companies have found themselves lacking sufficient laboratory services and have approached ALS Chemex to establish local facilities. These opportunities are part of our growth strategy for the coming year.



ALS ENVIRONMENTAL

ALS Environmental is uniquely positioned as the only genuinely international business with the technological depth and capital resources to provide leading edge environmental analytical services. We provide high quality analytical testing data to help consulting and engineering firms, industry, and governments around the world make informed decisions about their environmental projects.

ALS Environmental laboratories are strategically located in Australia, Canada, Chile, Hong Kong, Indonesia, Malaysia, Mexico, Peru, and Singapore. Construction was recently completed on a new laboratory in Shanghai - the first foreign owned commercial environmental laboratory established in mainland China. Other Asian opportunities are currently being pursued including Taiwan, Thailand and Japan.

The Australian operations were the major contributor to the year's excellent result. New "high end" services including dioxin analysis, metal speciation and analysis of marine samples have added to the internal expertise of the company, and positioned us as the most technically competent commercial laboratory group in Australia. The Sydney, Brisbane and Melbourne laboratories all performed well, attributable mainly to a buoyant property market providing an increase in site assessments and site remediation projects.

A new Laboratory Information Management System (StarLims) has been launched at the Brisbane laboratory, and after its successful implementation, will now be deployed globally. It is expected to have a significant impact on the operations of our laboratories.

Our South American laboratories have focused on the emerging environmental markets of Mexico, Chile and Peru. Whilst development of our businesses in these markets is still at an embryonic stage, we are well positioned to take advantage of the inevitable upswing as environmental regulations in these markets are further developed and enforced.

The Canadian business accessed the upstream oil and gas markets by establishing a service centre in Fort St John, British Columbia. The initial response from this move has been very encouraging and has resulted in improved sample flows to both the Calgary and Vancouver laboratories.

The Asian market is relatively mature, relying on government and industry spending on infrastructure and environmental programs. Business typically involves on site assessments and general environmental monitoring. ALS Environmental expects to capitalise on emerging markets in this region during 2004/05, anticipating growth in areas such as testing for hazardous compounds in components and raw materials in electrical and electronic equipment.



ALS Environmental



The Consumer Division is made up of several businesses involved in the manufacture and distribution of household laundry products, branded consumer goods and the provision of consumer services.



Business units included in this Division are:

- Campbell Consumer Products (CCP)
- Panamex Pacific
- Crossmark Asia Pacific
- National Service Providers

The division achieved sales of \$128 million and a contribution of \$5.2 million for the year ended 31 March 2004, a reduction of 3.2% and 11.7% respectively on last year's result.

Management has undertaken a strategic review of this division and is currently examining options to maximise value to shareholders.

CAMPBELL CONSUMER PRODUCTS (CCP)

Campbell Consumer Products is based at Smithfield in Sydney's western suburbs. It is the largest Australian owned manufacturer and marketer of household laundry, fabric care and cleansing products. The Campbell Consumer Products' brands are available throughout Australia and New Zealand in all major supermarkets.

The Campbell Consumer Products business came under strong pressure during the year with competition from the multinationals impacting our ability to maintain market share for some of our product lines.

The major supermarket chains have continued their 'Every Day Low Prices' offering to consumers, which has the effect of lowering our return on sales.

Impacting on our sales during the year has been the continuing strategy of major retailers replacing proprietary brand products with their own 'house' brands. To offset the loss of sales, we are able to perform some of the contract manufacturing of these house brands for the major retailers as well as other private label manufacture for third parties.

The Campbell Consumer Products business has undergone a review of its operations. One outcome of the review is a possible sale of certain consumer brands and associated plant and equipment. The Board has yet to finalise its decision as to a preferred option to maximise shareholders' funds.



PANAMEX PACIFIC

Panamex Pacific is an Auckland based business specialising in the distribution of branded fast moving consumer goods and building products, principally to the Pacific Island markets.

The year saw a modest increase in profitability. Our continual growth in the Papua New Guinea market has given us the opportunity to introduce further product offerings in 2004/05, with expected profit increases.

The projected growth for the coming year includes increases in the overall distribution business in New Zealand, improvement in efficiencies in Papua New Guinea and development of the Samoan and USA operations.

CROSSMARK ASIA PACIFIC

Crossmark Asia Pacific is a joint venture initiative with North American partner, Crossmark Holdings Inc. The core of the business is the provision of sales and marketing support to the Australian and New Zealand grocery retail and manufacturing sectors, with particular regard to the fast moving consumer goods (FMCG) market.

Following major acquisition and merger expansions in recent years, 2003/04 has seen both the Australian and New Zealand businesses focus on introducing the retail service offerings into new channels. This, combined with technology enhancements, is continuing to improve Crossmark's position in the provision of market leading third party services to the FMCG industry.

NATIONAL SERVICE PROVIDERS

National Service Providers supplies a diverse range of services to Australian consumers including carpet and upholstery cleaning, pest control and washroom hygiene services.

Strengthening the organisation's portfolio through acquisition remains a priority of National Service Providers. During the year, several Qld-based pest control businesses were acquired, namely Hickman Pest Control, Exopest (Australia) and Direct Pest Control. Further expansion is planned to establish a national network of pest control and washroom hygiene services businesses.

State management of the carpet cleaning division was restructured to allow for better management and servicing of customers' needs.

Strategies for the coming year include:

- **enhancement to the national outbound call centre**
- **strengthening our alliance with the Myer Group**
- **expanding our services to alternative regions.**



CROSSMARK
Asia Pacific





The Industrial Division comprises of leading businesses involved in the supply of both general and hygiene-related chemical products and the distribution of non-food consumables to various industrial and commercial markets in Australasia and some parts of Asia.



Business units included in this Division are:

- Cleantec CHS
- Cleantec FHS
- Deltrex Chemicals
- Reward Distribution Group

Contribution for the Division was \$9.3 million on sales of \$141.5 million for the year ended 31 March 2004, an increase of 17.6% and 22.4% respectively on the previous year's result.

CHEMICAL

The Chemical division comprises three customer-facing businesses: Cleantec CHS, Cleantec FHS and Deltrex Chemicals, supported by centrally-managed operations, technical and administration functions based on a shared services model.

Production and distribution operations are located in Brisbane, Sydney, Melbourne and Adelaide, and warehousing facilities in Perth. The technical development centre is located in Brisbane.

We have performed very well operationally this year with an emphasis on smart technological solutions and elimination of duplication, with the aim of improving performance and costs for each of the businesses. Our Perth operational facility was closed during the year, with manufacturing reverting to Brisbane and a contract warehousing facility established in Perth.

Our technical team continues its market-leading product development focus providing smart, innovative solutions to assist in the markets we serve. Our technical performance is enhanced by some strategic alliances with similar participants in foreign markets, and strong relationships with key raw material suppliers.

The centralisation of administration facilities for all Chemical division businesses which was implemented in 2002/03 continues to prove successful. Substantial advances in areas of accounting, human resources and information technology have benefited both our people and the processing outcomes.

Where feasible, we focus on standardising, simplifying and centralising processes to ensure consistency of performance and to gain cost savings where possible. This emphasis will continue in the year ahead.



CLEANTEC CHS

The Cleantec CHS (Commercial Hygiene Systems) business unit focuses on supplying innovative hygiene solutions to the hospitality, health and aged care, building services and commercial laundry markets. Specialist product ranges are available to satisfy laundry, housekeeping, kitchen, personal care, floor care and medical (theatre) hygiene requirements. With the exception of the commercial laundry market which is supported directly, all markets are supplied via an expanding distribution network throughout Australia, New Zealand and the Pacific Islands.

There has been a solid turnaround this year, driven mainly by the management team's redesign of the business based on a distribution network model. The distribution model was enhanced by the addition of floor care equipment products, resulting in our appointment to master distributor for the Windsor and Truvox ranges. This strengthens our positioning as floor care specialists.

The year ahead will be one of consolidated growth with potential expansion of the commercial laundry business.

CLEANTEC FHS

The Cleantec FHS (Food Hygiene Systems) business unit focuses on supplying market-leading total hygiene solutions to the food processing industries in Australia and parts of Asia. Also included in Cleantec FHS this year is the water treatment business (previously known as ISA) and the CSE engineering solutions business. The inclusion of these businesses into Cleantec FHS has enhanced our total services offering to the markets we serve, which includes dairy processors and farms, brewers and beverage producers, meat processors and other food industry participants. In essence, the business provides innovative cleaning, sanitising, water and effluent treatment solutions and engineering systems.

We have had a solid performance in this business for the year, consolidating our position in key markets, expanding our service offering and strengthening our team composition.

The year ahead sees opportunities to expand in New Zealand and Asia as well as enhance our profile in the Australian market, either through distributors or by direct investment.

DELTREX CHEMICALS

Deltrex Chemicals is a provider of general and some specialty chemicals to a vast array of industries throughout Australia, with product emphasis on alkalis, acids and chlorine derivatives. Deltrex has had a more difficult year compared to previous years, with a downturn in performance resulting from the impacts of exchange rate appreciation, some market dynamic disruptions and changes to the structure of the business.

The core business remains solid, despite the growing commoditisation of the products we sell. The business is differentiated by a continuing commitment to quality, strong logistics performance, competitive pricing and the ability to globally source product that satisfies customer needs.

A largely new management team is steadily improving the customer-facing and supply processes to improve this business and maintain its market position to ensure sustainable returns in the future.





INDUSTRIAL

DISTRIBUTION

The Reward Distribution Group (Reward Group), based at Nerang on Queensland's Gold Coast, has been trading for over 35 years as a major distributor of non-food consumables to the hospitality and institutional markets.

We now have business units operating in North and South East Queensland, New South Wales, Northern Territory and New Zealand.

The Reward Group had an outstanding year, achieving a 100% EBITA growth, mainly due to acquisitions and business process improvements.

During the year, we acquired the businesses of :

- **Gould & Kennedy (based in Brisbane)**
- **Curreys (based in Townsville) and**
- **Hospac (based in Whitsunday islands)**

Further acquisitions are planned in order to develop an Australasian presence.

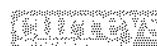
Major initiatives for the Reward Group in the coming year include:

- Consolidation of the recently acquired North Qld operations
- Further rationalisation of the Reward and Gould & Kennedy businesses in South-East Qld
- Push into the hospitality market in NZ and
- Derive additional purchasing benefits from our expanded Australian presence

Following is an overview of each of the businesses forming the Reward Group:



GOULD & KENNEDY



Reward Supply, with businesses located at the Gold Coast and Darwin, has a long history of supply to the hospitality and institutional market. Both businesses continue to produce solid sales and returns each year.

Campbell Proclean has been operating in New Zealand since the early 1970's and have established themselves as market leaders in the distribution and provision of hygiene systems. Proclean are a "One Stop Shop" for the supply of chemicals, consumables, equipment and cleaning systems.

Crocker Hospitality has been a driving force behind the hospitality industry in NSW for over 40 years. Crockers specialise in the Club and Pub trade but in the past 12 months has expanded into the 5 star and Nursing Home Market. This coming year will see Crockers expand into other markets as we develop this business.

Gould & Kennedy is Queensland's leading supplier of restaurant quality Tableware, Kitchenware and ancillary product ranges to the Hospitality and Foodservice industry - as well as the serious home cook. Commencing in 1942, Gould & Kennedy have grown to be one of the largest operators of its type in Australia.

Curreys are specialist distributors of Catering equipment and Hospitality Supplies with branch operations throughout North Queensland and have refined their product and services through dealing with remote regions in Northern Australia and it's offshore Island neighbours over a 35 year period.

Hospac is a long standing business which operates in the Whitsundays and Mackay region of North Qld. It is one of the major suppliers of Catering Equipment and Hospitality Supplies to the Island Resorts and also specialises in supply to the mining areas west of Mackay.



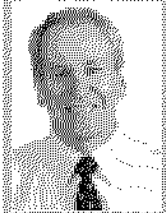
BOARD of DIRECTORS



> **RODNEY J WHITE** *FC.PA., Dip. Comm., FA.I.C.D.*

Chairman - Independent Non-Executive Director Age 72.

Mr White became a director of Campbell Brothers in 1975 and was appointed chairman in 1990. He has been a director and chairman of a number of public companies. Until his retirement in 1988 he was chief executive of Incitec Limited for the previous nine years. He is a former president of the Queenstand Chamber of Manufactures. He is Chairman of the Remuneration Committee and a member of the Audit and Compliance Committee.



> **GEOFFREY J McGRATH** *MRE.*

Deputy Chairman - Independent Non-Executive Director Age 61

Mr McGrath was appointed a director of Campbell Brothers in June 2003. He retired from GWA International Limited in May 2003 after 43 years service, including the last 10 years as Managing Director. He is a consultant to the GWA Group and a director of Fletcher Building Limited. He is a member of the Remuneration Committee.



> **BRUCE R BROWN** *B.Com., A.A.U.Q.*

Managing Director and Chief Executive Officer Age 59.

Mr Brown became chief executive of Campbell Brothers in 1990 and was appointed Managing Director in 1993. He has been with the Company for 28 years.



> **ANTONY J LOVE** *B. Com., A.A.U.Q., F.A.P.I., FA.I.C.D.*

Independent Non-Executive Director Age 57.

Mr Love was appointed a director of Campbell Brothers in 1986. He is Managing Director of McGee Isles Love Pty. Ltd. and a director of A.P. Eagers Limited and Bank of Queenstand Limited.



> **NEROLIE WITHNALL** *B.A., LL.B., M.A.I.C.D.*

Independent Non-Executive Director Age 60.

Mrs Withnall was appointed a director of Campbell Brothers in 1994. She is a consultant to Minter Ellison Lawyers and a director of Pan Australian Resources NL, Alchemia Limited, the Major Sports Facilities Authority and the Brisbane Institute. She is a member of the Takeovers Panel, the Corporations and Markets Advisory Committee and the Council of the Australian National Maritime Museum. She is Chairman of the Audit and Compliance Committee.



> **MARTIN D KRIEWALDT** *B.A., LL.B.(Hons), FA.I.C.D.*

Independent Non-Executive Director Age 54.

Mr Kriewaldt was appointed a director of Campbell Brothers in 2001. He is a consultant to law firm Allens Arthur Robinson and insurance brokers Aon Corporation. He is Chairman of Opera Queensland Limited and a director of Suncorp-Metway Ltd, GWA International Limited, Oil Search Limited and Peptech Limited. He is a member of the Audit and Compliance Committee and the Remuneration Committee.



> **RAYMOND G HILL** *FA.I.C.D.*

Independent Non-Executive Director Age 62.

Mr Hill was appointed a director of Campbell Brothers in October 2003. He retired in July 2002 after a career spanning thirty years with Queensland dairy company Parmalat Australia Ltd [formerly Pauls Limited] including the last 8 years as Group General Manager/Managing Director. He remains a director of Parmalat Australia Ltd.

CORPORATE GOVERNANCE STATEMENT

For the year ended 31 March 2004

This statement outlines the main corporate governance practices in place and the extent to which the Company has followed the recommendations of the ASX Corporate Governance Council throughout the year, including recommendations made by the Implementation Review Group of the ASX issued on 31 March 2004, unless otherwise stated. In this statement the Council's document published on 31 March 2003 is referred to as "the guidelines".

This statement and information identified therein is available on the Company's website at www.campbell.com.au under the Corporate Governance section.

PRINCIPLE 1: BOARD AND MANAGEMENT

For many years the Board has developed and implemented policies and practices which ensure that the Company complies with the recommendations and principles set out in the guidelines, while recognising that in a dynamic company with a small board the relationships among directors, and particularly the relationship between the chairman and the chief executive officer, cannot be fully regulated and documented. During the year, the Board reviewed its policies and practices in this area and has published a summary of the revised board charter on the Company's website.

PRINCIPLE 2: BOARD STRUCTURE

During the financial year the Board comprised six non-executive directors (including the Chairman) and one executive director (the Managing Director). The names, skills and experience of the directors in office at the date of this Statement, and the period of office of each director, are set out in the Directors' Report and in the Annual Report.

Independent professional advice

Each director has the right, at the Company's expense, to seek independent professional advice in relation to the execution of Board responsibilities. Prior approval of the Chairman, which will not be unreasonably withheld, is required. Where appropriate, directors share such advice with the other directors.

Independence of directors

The Board considers that all directors, other than the Managing Director, are independent of management influence. The Board distinguishes between the concept of independence, and the issues of conflict of interest or material personal interests which may arise from time to time. Wherever there is an actual or potential conflict of interest or material personal interest, the Board's policies and procedures ensure that:

- the interest is fully disclosed and the disclosure is recorded in the register of directors' interests and in the Board minutes
- the relevant director is excluded from all considerations of the matter by the Board
- the relevant director does not receive any segment of the Board papers or other documents in which there is any reference to the matter.

As the determination of independence remains a matter for the Board's judgement, the Board confirms that all directors meet the stated requirements for independence as recommended in the guidelines, except that:

- one independent director, Mrs Nerolie Withnall, does not satisfy the requirement, in that, she was a principal of Minter Ellison Lawyers, the Company's primary provider of legal services, until 30 June 2001. The Board does not consider that this affects Mrs Withnall's independence as a director in relation to any matter other than the selection of legal advisers, and the nature and quality of legal services. In relation to these matters, the Managing Director has authority to make decisions without reference to the Board, and when any such matters are referred to the Board the procedures outlined above for dealing with conflicts of interest have always been followed and continue to be followed since Mrs Withnall's retirement from legal practice.
- a number of directors have been in office for many years, as disclosed in the Annual Report. The Board does not consider that the independence of a director can be assessed by reference to an arbitrary and set period of time. The Company has diverse operations which have grown considerably over the past ten years and in the Board's view derives benefits from having long-serving directors with detailed knowledge of its history and experience of its operations in many fields and countries.
- from time to time conflicts of interest may arise, particularly having regard to the diversity of the Company's operations. These are dealt with in accordance with the procedure outlined above for dealing with conflicts. They do not affect the capacity of the relevant director to act with independence in relation to all other matters.

The chairman of the Company is an independent non-executive director.

The roles of chairman and chief executive are exercised by separate individuals.

CORPORATE GOVERNANCE STATEMENT

For the year ended 31 March 2004

PRINCIPLE 2: BOARD STRUCTURE *continued*

Nomination Committee

As Campbell Brothers Limited has a relatively small Board, the full Board is the Nomination Committee and regularly reviews Board membership. This includes an assessment of the necessary and desirable competencies of Board members, Board succession plans and an evaluation of the Board's performance, and consideration of appointments and removals.

When a Board vacancy occurs, the Nomination Committee identifies the particular skills, experience and expertise that will best complement Board effectiveness, and then undertakes a process to identify candidates who can meet those criteria.

In its deliberations, the Nomination Committee is particularly focused on the number and nature of other directorships, and availability of time to commit to the Company's affairs, of all present and potential directors.

The Company follows all of the recommendations in the guidelines and the ASX Listing Rules for the appointment of directors, although directors are not appointed for specific terms. Criterion for continued office is effective contribution which is regularly reviewed in the processes referred to above.

During the year, the Board revised its Nomination Committee charter following a review of its policies and procedures for selection and appointment of directors and review of performance. A summary of the role, rights and responsibilities of the Nomination Committee, as well as the committee's policy for appointment of directors, will be made available on the Company's website.

PRINCIPLE 3: ETHICAL STANDARDS

Code of Conduct

Through established practices and policies the Board supports the need for directors and employees to observe the highest standards of behaviour and business ethics. All directors, managers and employees are expected to act with integrity, striving at all times to enhance the reputation and performance of the Group. The Board's policies reflect all the guidelines.

Appropriate training programs on the Group's internal policies including workplace health and safety, environmental law compliance, trade practices legislation and affirmative action programs support this process.

A formal Code of Conduct which draws together all of the Company's existing policies has been reviewed and a summary of its main provisions is published on the Company's website.

Trading in company securities by directors, officers and employees

The Board has established written guidelines, set out in its Insider Trading Policy, that restrict dealings by directors and relevant employees in the Company's shares, and in shares in other companies related to the Company's operations.

The Insider Trading Policy complies with the guidelines. It identifies certain periods when, in the absence of knowledge of unpublished price-sensitive information, directors and relevant employees may buy or sell shares. These periods are the four weeks following the announcement of half year and full year results and following the Annual General Meeting.

To protect in particular the confidentiality of potentially price sensitive information about the clients of the laboratory services division of the Company all employees of that division are specifically prohibited from trading in the shares of a company which is a client of the division.

A summary of the main provisions of the Insider Trading Policy is published on the Company's website.

PRINCIPLE 4: FINANCIAL REPORTING

Certification of financial reports

The Managing Director and Chief Financial Officer state in writing to the Board each reporting period that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. The statements from the Managing Director and Chief Financial Officer are based on a formal sign off framework established throughout the Company and reviewed by the Audit and Compliance Committee as part of the six-monthly financial reporting process.

Audit and Compliance Committee

The Company has an established Audit and Compliance Committee (the Committee) operating under written terms of reference approved by the Board.

CORPORATE GOVERNANCE STATEMENT

For the year ended 31 March 2004

PRINCIPLE 4: FINANCIAL REPORTING *continued*

Audit and Compliance Committee *continued*

The Committee comprises three independent non-executive members with an independent chairman who is not also chairman of the Board. This complies with the recommendation in the guidelines as well as Listing Rule 12.7 of ASX (including the proposed amendment relating to the top 300 companies). The names and qualifications of members of the Committee are set out in the Directors' Report and in the Annual Report. Meetings of the Committee are attended, by invitation, by the Managing Director, the Group Finance Manager/Company Secretary, the Group Compliance Manager, the engagement partner from the Company's external auditor and such other senior staff or professional people as may be appropriate from time to time. The number of meetings of the Committee held during the year are set out in the Directors' Report.

The Committee operates under formal terms of reference (Charter) approved by the Board which are reviewed annually.

The functions and responsibilities of the Committee under its Charter comply with the recommendation in the guidelines.

Minutes of all Committee meetings are provided to the Board and the Chairman of the Committee also reports to the Board after each Committee meeting. The form of the minutes and of the report comply with recommendations in the guidelines.

Auditor independence

The external auditor, KPMG, has declared its independence to the Board. The Audit partner was rotated as from the commencement of the 2003/04 audit i.e. 1 April 2003. The Committee has examined detailed material provided by the external auditor and by management and has satisfied itself that the standards for auditor independence and associated issues are fully complied with.

The Company complies with the reporting guidelines on Principle 4 in its annual report.

The Audit Committee's terms of reference are available, along with other information suggested in the recommendation, on the Company's website.

PRINCIPLE 5: MATERIAL DISCLOSURE

The Company has established policies and procedures which comply with the recommendation in the guidelines for timely disclosure of material information concerning the Company. These policies and procedures are regularly reviewed to ensure that the Company complies with its obligations at law and under the ASX Listing Rules.

The Company Secretary is responsible for communications with the Australian Stock Exchange including responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing information going to the ASX, shareholders and other interested parties. The matter of continuous disclosure is a permanent item on the agenda for all Board meetings and is specifically addressed by each director at those meetings.

The directors have obligations under a Disclosure of Interests and Transactions in Securities Agreement entered into with the Company to inform the Company of any securities trading in the Company.

All announcements made to the ASX by the Company are published on the Company's website.

A summary of the policies and procedures the Company has in place to ensure compliance with ASX Listing Rule disclosure requirements is published on the Company's website.

PRINCIPLE 6: SHAREHOLDER COMMUNICATION

Communications strategy

The Company aims to keep shareholders informed of the Company's performance and all major developments in an ongoing manner. Information is communicated to shareholders through:

- the annual report which is distributed to all shareholders (unless specifically requested otherwise);
- the half-year shareholders' report which is distributed to all shareholders (unless specifically requested otherwise), containing summarised financial information and a review of the operations during the period since the annual report; and
- other correspondence regarding matters impacting on shareholders as required.

All documents that are released publicly are made available on the Company's web site.

Shareholders are also encouraged to participate in the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategies and goals. Important issues are presented to shareholders as single resolutions.

Availability of auditor at AGM

The senior engagement partner of the Company's external auditor, KPMG, attends the Company's annual general meetings and is available to answer questions from shareholders about the audit. The Chairman advises the shareholders of this at the commencement of each annual general meeting.

CORPORATE GOVERNANCE STATEMENT

For the year ended 31 March 2004

PRINCIPLE 7: RISK MANAGEMENT

Oversight of the risk management function

The Company places a high priority on risk management and identification throughout the Group's operations and regularly reviews its adequacy in this regard. Under the guidance of the Audit and Compliance Committee, a comprehensive risk control program has been developed which includes legislative compliance, property protection and health, safety and environment audits using risk assessors, self audits, engineering and professional advisers.

The Company has a qualified compliance manager who oversees the design and implementation of the risk control program, monitors performance and develops appropriate programs to enhance awareness and compliance. These programs include training for employees, using both internal and external experts. Regular review meetings are held with divisional general managers and senior personnel to provide guidance and strategies for implementation of risk mitigation measures in their businesses.

The compliance manager reports in writing to the Board each month and in writing personally to meetings of the Audit and Compliance Committee and supervises not only the six-monthly sign off process but also the follow up of any non-compliances or identified areas requiring further training or risk management.

Internal financial controls

In view of its size, its divisional structure with divisional accounting functions, and considering cost-effectiveness, the Company relies on its financial management team, led by the chief financial officer and the group financial controller, and under the control of the Managing Director, to perform internal audit functions. This is done with regular consultation with the external auditors but is independent of them.

The group financial controller reports in writing to each Board meeting.

The chief financial officer attends all Board meetings, and both he and the group financial controller attend all meetings of the Audit and Compliance Committee and provide written reports to that Committee.

Certification of risk management controls

In conjunction with the certification of financial reports under Principle 4, the Managing Director and Chief Financial Officer state in writing to the Board each reporting period that:

- the statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.
- the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The statements from the Managing Director and Chief Financial Officer are based on a formal sign off framework established throughout the Company and reviewed by the Audit and Compliance Committee as part of the six-monthly financial reporting process.

A description of the Company's risk management policy and internal compliance and control system is available on the Company's website.

PRINCIPLE 8: BOARD PERFORMANCE

The Board undertakes an annual review of its performance together with an assessment of the Group's executive management in line with recommendations of the guidelines.

The Board provides induction programs for new directors in accordance with the recommendation and complies with all of the recommendations in relation to independent professional advice, access to the company secretary, the appointment and removal of the company secretary, and the provision of information, including requests for additional information. The company secretary attends all Board meetings.

Induction and training programs for key executives are designed and implemented under the supervision of the Managing Director.

PRINCIPLE 9: REMUNERATION

The Remuneration Committee of the Board of Directors is responsible for recommending and reviewing remuneration arrangements for the directors, the chief executive officer and the senior executive team. The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by the reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. Officers, other than the non-executive directors, are given the opportunity to receive their base remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without increasing the total cost for the Company.

CORPORATE GOVERNANCE STATEMENT

For the year ended 31 March 2004

PRINCIPLE 9: REMUNERATION *continued*

To assist in achieving these objectives, the Company's remuneration policy links the nature and amount of executive directors' and officers' remuneration to the Company's financial and operational performance. All key senior executives have the opportunity to qualify for participation in the Executive Performance Bonus Plan which currently provides benefits where specified criteria are met.

Executives are those who are directly accountable and responsible for the operational management and strategic direction of the Company and the consolidated entity.

Remuneration Committee

The Board has an established Remuneration Committee, comprising three non-executive directors. Their names and attendance at meetings of the Committee are set out in the Directors' Report. The Committee's composition and responsibilities comply with the recommendation outlined in the guidelines.

A summary of the Committee's role, rights, responsibilities and membership requirements are available on the Company's website.

Structure of remuneration

The structure of non-executive directors' remuneration and that of executives is set out in the relevant section of the Directors' Report.

Details of the nature and amount of each element of the remuneration of each director of the Company and each of the five executive officers of the Company and the consolidated entity receiving the highest remuneration for the financial year are disclosed in the relevant section of the Directors' Report.

Directors' retirement benefits

In accordance with the current terms of Directors' Retiring Allowance (DRA) agreements, allowances payable at the time of retirement of non-executive directors will be reduced by the amounts of any contributions made by the Company, on their behalf, to superannuation funds during their terms of office. These DRA agreements were approved by shareholders at the 1992 AGM before the introduction of statutory superannuation.

Under the terms of the DRA agreements, after fifteen years service, retiring non-executive directors receive, on a sliding scale, benefits up to a maximum of five times the average annual remuneration in the three years preceding retirement. Only two directors, Mr Rodney White and Mr Antony Love, qualify for the maximum benefit.

The Remuneration Committee is considering methods of abolition of these DRA agreements, in favour of alternative remuneration arrangements for non-executive directors which are more in line with current market trends, and in compliance with the guidelines. When a decision is made by the Board the matter will be taken to shareholders in general meeting for their consideration and approval.

Share and option plans

The Remuneration Committee is responsible for reviewing recommendations in respect to issues under the Company's share and option plans which were approved by shareholders at the 1996 AGM. Directors approve issues under the plans only after being satisfied that this is in accordance with the terms of shareholders' approval. Shares or options issued under the plans are set out in the relevant section of the Directors' Report. They form only a modest proportion of executives' remuneration. Non-executive directors are not eligible to participate in these plans.

PRINCIPLE 10: ACCOUNTABILITY

The Company has well-established policies, procedures and codes of conduct which seek to promote throughout the Company, and in the many countries in which it operates its businesses, a culture of compliance with legal requirements and ethical standards.

The Board recognises that managing "natural, human, social and other forms of capital" may also assist in creating value for shareholders. To this end the Board seeks, by the individual contributions of directors and by encouraging activities of its executives, to uphold community standards and to maintain good relations with community and government organisations. However the Board seeks to balance these considerations in order to ensure that the claims of "legitimate stakeholders" do not prejudice or diminish the legitimate expectations of shareholders. The Board does not support a process by which companies are regulated in their dealings in these areas, beyond the consideration of their programs to ensure compliance with legal and ethical standards.

As indicated under Principle 3, a Code of Conduct which draws together all of the Company's policies and codes has been established and a summary of its main provisions is available on the Company's website.

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DIRECTORS' REPORT

The directors present their report together with the financial report of Campbell Brothers Limited ("the Company") and the consolidated financial report of the consolidated entity, being the Company and its controlled entities, for the year ended 31 March 2004 and the auditors' report thereon.

DIRECTORS

The directors of the Company in office any time during the financial year and until the date of this report are:

Rodney J White, Chairman and Independent Non-Executive Director

Geoffrey J McGrath, Deputy Chairman and Independent Non-Executive (Appointed 1 June 2003)

Bruce R Brown, Managing Director and Chief Executive Officer

Antony J Love, Independent Non-Executive Director

Nerolie Withnall, Independent Non-Executive Director

Martin D Kriewaldt, Independent Non-Executive Director

Raymond G Hill, Independent Non-Executive Director (Appointed 28 October 2003)

Roderick C Campbell, (Retired 26 August 2003)

The Directors' qualifications, experience and responsibilities are shown on page 17 of the Annual Report.

Mr M D Kriewaldt and Mr A J Love retire by rotation in accordance with Article 34 of the Company's Constitution and, being eligible, offer themselves for re-election.

Mr R G Hill, appointed a director by the board on 28 October 2003, retires in accordance with Article 32 of the Company's Constitution and, being eligible, offers himself for re-election.

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

DIRECTOR'S NAME	DIRECTIONS' MEETINGS		AUDIT & COMPLIANCE COMMITTEE MEETINGS		REMUNERATION COMMITTEE MEETINGS	
	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS AVAILABLE	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS AVAILABLE	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS AVAILABLE
Mr R J White	10	10	4	4	1	1
Mr G J McGrath	8	7	-	-	-	-
Mr B R Brown	10	10	-	-	-	-
Mr A J Love	10	9	-	-	-	-
Mrs N Withnall	10	10	4	3	-	-
Mr M D Kriewaldt	10	10	4	4	1	1
Mr R G Hill	5	5	-	-	-	-
Mr R C Campbell	5	5	-	-	1	1

(1) This column shows the number of meetings held while a director or member of a committee

(2) This column shows the number of meetings attended while a director or member of a committee

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity in the course of the financial year were:

- the manufacture and distribution of consumer products and cleaning agents;
- the distribution of consumer products and services;
- the manufacture and distribution of industrial cleaning agents and chemicals;
- the distribution of non-food consumables to the healthcare, building services, hospitality and leisure industries; and
- the provision of consulting and analytical laboratory services.

There have been no significant changes in the nature of the activities of the consolidated entity during the financial year.

DIRECTORS' REPORT
CONSOLIDATED RESULT

	2004 \$'000	2003 \$'000
Revenue from sale of goods and rendering of services	390,269	359,278
Consolidated profit from ordinary activities before borrowing costs, income tax and amortisation of goodwill and before amortisation of goodwill and development costs in respect of equity accounted investments	30,559	25,386
Net borrowing costs	(5,752)	(5,125)
Income tax expense relating to profit from ordinary activities	(6,903)	(5,703)
Consolidated net profit from ordinary activities after income tax before amortisation of goodwill	17,904	14,558
Net (profit) / loss attributable to outside equity interests	35	361
Consolidated net profit, before amortisation of goodwill and before amortisation of goodwill and development costs in respect of equity accounted investments, attributable to members of the parent entity	17,939	14,919
Amortisation of goodwill in respect of controlled entities	(2,900)	(2,635)
Amortisation of goodwill and development costs in respect of equity accounted investments	(398)	(388)
Net profit attributable to members of the parent entity	14,641	11,896

REVIEW OF OPERATIONS

The consolidated entity experienced strong profit growth during the past financial year, continuing the improved performance of the second half of the previous year. Its strategy of business expansion through acquisition is expected to deliver further earnings growth in the coming year.

Net profit

Net profit after tax (before goodwill amortisation) attributable to members of the parent entity increased by 20.2% to \$17.94 million for the year ended 31 March 2004, from the \$14.92 million achieved last year. The result was realised from a turnover of \$390.27 million, representing an 8.6% increase on the \$359.28 million in 2003.

The directors have declared a final fully franked dividend for the year of 19 cents per share (2003: 17 cents) bringing the total fully franked dividend for the year to 33 cents (2003: 30 cents).

Contributions to the result from business divisions are as follows:

LABORATORY SERVICES

	2004 \$'000	2003 \$'000	INCREASE / DECREASE PERCENTAGE
Revenue	123,937	114,403	8.3%
Segment contribution	21,497	16,347	31.5%

The Laboratory Services division recorded significant increases in revenue and profit contribution from both minerals and environmental sectors in all geographical regions. This year has seen a focus on refining business systems as well as consolidating and optimising existing operations. This places the company in a very strong position for future opportunities including the expansion into African, Asian and European markets.

DIRECTORS' REPORT

REVIEW OF OPERATIONS *continued*

Net profit *continued*

CONSUMER

	2004 \$'000	2003 \$'000	INCREASE / DECREASE (%)
Revenue	127,899	132,104	(3.2%)
Segment contribution	5,212	5,903	(11.7%)

Consumer division's traditional household laundry and detergents manufacturing business returned an improved performance in the year to March 2004. During the year, several acquisitions were made to strengthen the consumer services unit's portfolio in pest control and washroom hygiene services. Further acquisition opportunities are being pursued to establish a national network of pest control and washroom hygiene service businesses.

The review of the Consumer division referred to in previous reports has been completed. Directors and management are currently examining options, including partial disposal, to maximise this division's value to shareholders. Further details will be made available once the Company's position has been finalised.

INDUSTRIAL

	2004 \$'000	2003 \$'000	INCREASE / DECREASE (%)
Revenue	141,460	115,540	22.4%
Segment contribution	9,325	7,931	17.6%

The Industrial division performed well during the financial year in its three business units: Cleantec, Deltrex Chemicals and Reward Distribution Group. Cleantec's results reflected a focus on an expanding range of products and services in target markets. Whilst Deltrex was affected by exchange rate fluctuations, market changes and business restructuring, its core business remains solid. Reward Distribution Group will continue to benefit from greater purchasing power and rationalisation of its operations following quality acquisitions during the year.

DIVIDENDS

\$'000,000

Dividends paid or declared by the Company since the end of the previous financial year were:

As provided for in last year's report:

Final fully franked ordinary dividend of 17 cents per share in respect of the year ended 31 March 2003, paid on 1 July 2003	6,657
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In respect of the current financial year:

Interim fully franked ordinary dividend of 14 cents per share, paid on 19 December 2003	5,573
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Final fully franked ordinary dividend, declared since the end of the financial year by the directors of the Company, to be paid on 1 July 2004 of 19 cents per share. (The financial effect of this dividend has not been brought to account in the financial statements for the year ended 31 March 2004. Refer Note 1w.)	7,610
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Total dividends paid or declared in respect of the year ended 31 March 2004	13,183
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All dividends paid or declared by the Company since the end of the previous financial year carry franking credits with a 30% tax rate.

STATE OF AFFAIRS

Changes in the state of affairs of the consolidated entity during the financial year were the result of its continued strategy of business expansion through acquisition in distribution and service industries. Details are as follows:

- Effective 1 August 2003, a wholly-owned controlled entity, Reward Supply Co. Pty Ltd, acquired the business of Gould & Kennedy, a distributor to the hospitality industry in Queensland and New South Wales.
- A wholly-owned controlled entity, NSP Pest Control Pty Ltd, acquired three Queensland-based pest control businesses during the months of September and November 2003: Hickman Pest Control, Exopest (Australia) and Direct Pest Control.



DIRECTORS' REPORT

STATE OF AFFAIRS *continued*

- Effective 1 December 2003, Reward Supply Co. (N.Q.) Pty Ltd, a controlled entity in which the consolidated entity has an 80% interest, acquired 100% of the shares in each of Currey (N.Q.) Pty Ltd and Whitsunday Catering Supplies Pty Ltd, distributors to the hospitality industry in North Queensland.

In the opinion of the directors there were no other significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review not otherwise disclosed in this report or the consolidated financial statements.

MATTERS SINCE END OF FINANCIAL YEAR

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

LIKELY DEVELOPMENTS

During the next financial year, the consolidated entity will continue to pursue its policies of increasing the profitability and market share of the business units in its diversified portfolio. Ongoing business strategies will focus on maintaining growth and ensuring the consolidated entity generates the best possible return on its investments.

DIRECTORS' INTERESTS AND BENEFITS

The relevant interest of each director in the share capital of the Company as notified by the directors to the Australian Stock Exchange in accordance with section 205G(1) of the Corporations Act 2001 as at the date of this report is:

	ISSUED ORDINARY SHARES		OPTIONS OVER UNISSUED ORDINARY SHARES	
	RECEIVED AS MEMBER	ACQUIRED BY INHERITANCE	RECEIVED AS MEMBER	ACQUIRED BY INHERITANCE
Mr R J White	50,786	36,569	-	-
Mr G J McGrath	-	100,000	-	-
Mr B R Brown	77,272	25,000	75,000	-
Mr A J Love	10,434	52,732	-	-
Mrs N Withnall	1,372	-	-	-
Mr M D Kriewaldt	-	36,974	-	-
Mr R G Hill	-	5,000	-	-

Since the end of the previous financial year no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the consolidated financial statements) by reason of a contract made by the Company, its controlled entities or a related body corporate with the director or with a firm of which the director is a member, or with an entity in which the director has a substantial interest, with the exception of the transactions with Mr B R Brown outlined below.

Mr B R Brown has a loan with the Company under the Employee Share Plan. Following approval at the Annual General Meetings in July 1999 and 2001, Mr Brown was issued share options under the Executive Option and Employee Share Plan. Further details of these transactions are set out in Note 30 to the financial statements.

ENVIRONMENTAL REGULATION

The consolidated entity is committed to complying with environmental legislation, standards, and codes of practice relevant to the particular business in the areas in which it operates. The main chemical manufacturing facilities, located in Brisbane, Sydney and Melbourne, are regulated under State and local government legislation. Each site holds a current licence and/or consent from the relevant environment protection authority or local council.



DIRECTORS' REPORT

ENVIRONMENTAL REGULATION *continued*

Environmental management

As part of the consolidated entity's compliance program, environmental matters are reported on monthly by all divisional managers. In addition, internal sign-offs are completed by all managers on a six-monthly basis; reporting on performance against relevant environmental legislation and key environmental risks in their area of operations. The Group Compliance and Risk Manager coordinates the environmental management program and provides quarterly reports summarising the Group's environmental performance to the Audit and Compliance Committee.

An internal compliance audit program is run throughout all businesses. The main manufacturing facilities are also audited by external independent consultants, who focus on environmental due diligence and licence compliance.

The consolidated entity participates directly in national environment industry committees, namely the Australian Consumer and Specialty Products Association - Environment Committee and Technical Committee. The committees liaise with government authorities, review regulation and develop pro-active industry policies on relevant environmental issues.

Initiatives

There were a number of environmental initiatives implemented during the year including:

- A new trade waste management system was implemented at Cleantec Darra, which focussed on phosphate recovery and re-use of factory wash waters.
- A site contamination assurance program was conducted at Cleantec Darra that included the installation of permanent groundwater monitoring wells. Results confirmed by Sinclair Knight Merz showed that there was no evidence of contaminants entering the surrounding groundwater.
- The trade waste treatment plant at Deltrex Laverton was upgraded to ensure the site continued to comply with its trade waste agreement with Melbourne Water.
- Campbell Consumer Products implemented a waste minimisation program that reduced the overall volume of liquid trade waste being generated by 30% (measured in kilolitres).
- New dust collection facilities were installed at all ALS Chemex laboratories in Australia during 2003. A proactive dust monitoring program was run in conjunction with the site upgrades, and will continue to be run throughout 2004 on all ALS Chemex sites.
- Independent environmental due diligence audits were conducted for the main manufacturing sites.
- Campbell Industrial Products directly participated in Industry Environmental working groups.

Performance against environmental compliance requirements

There were no material breaches of environmental statutory requirements and no prosecutions during the year. Internal and external audits and internal reporting and monitoring have indicated a high level of compliance with site licence conditions and relevant legislation.

DIRECTORS' AND OFFICERS' EMOLUMENTS

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the directors, the chief executive officer and the executive team. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by the reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

To assist in achieving these objectives, the Remuneration Committee links the nature and amount of executive directors' and officers' emoluments to the Company's financial and operational performance. All senior executives have the opportunity to qualify for participation in the Executive Performance Bonus Plan which currently provides benefits where specified criteria are met.

DIRECTORS' REPORT

DIRECTORS' AND OFFICERS' EMOLUMENTS *continued*

Details of the nature and amount of each element of the emolument of each director of the Company and each of the five executive officers of the Company and the consolidated entity receiving the highest emolument for the financial year are as follows:

Emoluments of directors of Campbell Brothers Limited

	GRAND TOTAL \$	SENIOR MANAGEMENT \$	OTHER EXECUTIVE \$	COMPASS \$	OTHER BENEFITS \$	TOTAL \$
Mr R J White	90,200	- ⁽¹⁾	-	-	-	90,200
Mr R C Campbell	20,042	1,804	187,208 ⁽²⁾	-	-	209,053
Mr A J Love	41,500	3,735	-	-	-	45,235
Mrs N Withnall	53,500	4,815	-	-	-	58,315
Mr M D Kriewaldt	48,100	4,329	-	-	-	52,429
Mr G J McGrath	34,583	3,112	-	-	-	37,696
Mr R G Hill	17,930	1,614	-	-	-	19,544
Mr B R Brown	430,575	10,450	46,475	150,000	14,000	651,500

(1) The superannuation fund rules require a member's benefit to be paid out if the member is not employed full time (minimum 30 hrs per week) after turning 70 years of age. Mr R J White meets this requirement and his superannuation benefit was paid to him after 30 June 2003.

(2) Directors' Retiring Allowance benefit paid to Mr R C Campbell on his retirement from the Board.

Allowances are payable at the time of retirement of non-executive directors in accordance with the terms of Directors' Retiring Allowance agreements, approved by shareholders of the Company in general meeting on 14 July 1992. These allowances are reduced by the amounts of any accumulated benefits accruing to such directors during their terms of office under the terms of the Campbell Brothers Superannuation Fund. Details regarding the financial effect of providing for retiring allowances during the current financial year are disclosed in Notes 18 and 29 to the financial statements.

Emoluments of the five most highly paid executive officers of the Company and the consolidated entity

	GRAND TOTAL \$	SENIOR MANAGEMENT \$	OTHER EXECUTIVE \$	COMPASS \$	OTHER BENEFITS \$	TOTAL \$
Company						
Mr G Kilmister	237,878	56,874	27,631	98,100	8,250	428,733
Mr A Austin	179,267	32,881	9,102	67,500	8,250	297,000
Mr D Tregurtha	198,973	36,277	28,250	15,000	8,250	286,750
Mr P Davis	176,098	17,610	19,400	30,000	5,500	248,608
Mr N Thompson	98,972	58,442	19,986	60,000	5,500	242,900
Consolidated						
Mr G Kilmister	237,878	56,874	27,631	98,100	8,250	428,733
Mr H Blok	251,237	-	-	106,372	5,500	363,109
Mr A Austin	179,267	32,881	9,102	67,500	8,250	297,000
Mr D Tregurtha	198,973	36,277	28,250	15,000	8,250	286,750
Mr P Davis	176,098	17,610	19,400	30,000	5,500	248,608

The terms 'director' and 'officer' have been treated as mutually exclusive for the purposes of this disclosure. Executives are those who are directly accountable and responsible for the operational management and strategic direction of the Company and the consolidated entity.

Other Benefits

These include payment of allowances, annual leave accrued and paid on termination, payment and provision of other benefits such as motor vehicles and fringe benefits tax.

Options Issued

(A) The fair value of the options is calculated at the date of grant using a Black-Scholes model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed above is the portion of the fair value of the options allocated to this reporting period.

DIRECTORS' REPORT

DIRECTORS' AND OFFICERS' EMOLUMENTS *continued*

All options expire on the earlier of their expiry date or termination of the employee's employment. Options do not vest until four years after grant date and thereafter exercise is conditional on the executive remaining employed with the consolidated entity until this date. In determining fair value, it has been assumed that service period requirements will be met.

Further details of options granted are set out under "Options" below.

OPTIONS

Options granted to directors' and senior executives

No options were granted under the Executive Option and Employee Share Plan during or since the end of the financial year (2003: Nil).

Unissued shares under option

At the date of this report unissued ordinary shares of the Company under option are:

EXPIRY DATE	EXERCISE PRICE	UNISSUED ORDINARY SHARES
17 July 2006	\$5.50	75,000
13 November 2006	\$5.18	210,000

All options expire on the earlier of their expiry date or termination of the employee's employment (other than from retirement).

In addition, the options are exercisable any time after 4 years from the date of grant but before the end of 5 years from date of grant, or at any time after the shares in the Company become the subject of a takeover scheme or announcement as defined in the Corporations Act 2001.

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

The market value of shares under these options at 31 March 2004 was \$6.12 (2003: \$4.34).

Shares issued on exercise of options

During or since the end of the financial year, the Company issued ordinary shares as a result of the exercise of options as follows:

EXPIRY DATE	NUMBER OF SHARES	ISSUANCE PRICE PER SHARE	MARKET VALUE OF SHARES (END OF YEAR) (2003: \$4.34)
30 September 2004	310,000 ⁽¹⁾	\$4.36	\$5.69 to \$6.25

(1) *Exercised by various executives.*

There were no amounts unpaid on the shares issued.



DIRECTORS' REPORT

INDEMNITY AND INSURANCE OF OFFICERS

Indemnity

Under its Constitution, the Company has agreed to indemnify to the extent permitted by law and the Corporations Act 2001:

- every person who is or has been an officer of the Company, including a director or secretary, against any liability (other than for legal costs) incurred by that person as an officer of the Company (including liabilities incurred by the officer as an officer of a subsidiary of the Company where the Company requested the officer to accept that appointment).
- every person who is or has been an officer of the Company, including a director or secretary, against reasonable legal costs incurred in defending an action for a liability incurred by that person as an officer of the Company (including such legal costs incurred by the officer as an officer of a subsidiary of the Company where the Company requested the officer to accept that appointment).

Insurance premiums

During the financial year the Company paid insurance premiums in respect of directors' and officers' liability and legal expense insurance contracts, for current and former directors and senior executives, including senior executives of its controlled entities. The current directors are listed elsewhere in this report. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

It is a condition of the policies that premiums paid and terms and conditions of the policies are not to be disclosed.

ROUNDING

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:

R J White
Chairman

Dated at Brisbane on 25 May 2004

B R Brown
Managing Director

Dated at Brisbane on 25 May 2004

STATEMENTS of FINANCIAL PERFORMANCE

For the year ended 31 March 2004

		CONSOLIDATED		THE COMPANY	
		2004 RMB'000	2003 RMB'000	2004 RMB'000	2003 RMB'000
Revenue from sale of goods	2	253,060	231,624	143,287	149,600
Revenue from rendering of services	2	137,209	127,654	-	-
Other revenues from ordinary activities	2	2,101	1,310	3,943	8,964
Total revenue		392,370	360,588	147,230	158,564
Changes in inventories of finished goods and work in progress		(185)	(298)	(1,786)	(1,328)
Raw materials and consumables purchased		(175,498)	(164,498)	(79,277)	(81,308)
Employee expenses		(95,142)	(88,493)	(23,027)	(22,150)
Amortisation of product dispensers, development costs, leased assets and leasehold improvements	3	(2,871)	(2,544)	(1,208)	(1,128)
Borrowing costs	3	(5,888)	(5,266)	(4,789)	(4,160)
Depreciation expense	3	(9,997)	(10,280)	(2,948)	(2,955)
External services costs		(3,802)	(4,222)	-	-
Marketing and promotions costs		(14,070)	(13,311)	(8,946)	(9,100)
Warehousing and distribution costs		(18,626)	(20,941)	(11,327)	(14,041)
Operating lease rentals		(3,846)	(3,504)	(2,015)	(793)
Net book value of non-current assets disposed		(1,453)	(660)	(87)	(219)
Other expenses from ordinary activities		(36,334)	(27,246)	(8,028)	(11,360)
Share of net profits/(losses) of associates and joint venture accounted for using the equity method	28	(249)	548	-	-
Profit from ordinary activities before income tax expense and amortisation of goodwill		24,409	19,873	3,792	10,022
Amortisation of goodwill	3	(2,900)	(2,635)	(567)	(567)
Profit from ordinary activities before income tax expense		21,509	17,238	3,225	9,455
Income tax expense relating to ordinary activities	5	(6,903)	(5,703)	(861)	(1,625)
Net profit from ordinary activities after income tax expense		14,606	11,535	2,364	7,830
Net loss attributable to outside equity interests	23	35	361	-	-
Net profit attributable to members of the parent entity	21	14,641	11,896	2,364	7,830
Non-owner transaction changes in equity:					
Net exchange differences on translation of financial statements of self-sustaining foreign operations	20	(4,838)	(3,334)	-	-
Total adjustments attributable to members of the parent entity recognised directly in equity		(4,838)	(3,334)	-	-
Total changes in equity from non-owner related transactions attributable to members of the parent entity	24	9,803	8,562	2,364	7,830
Basic earnings per share	6	36.84c	30.50c		
Diluted earnings per share	6	36.81c	30.48c		
Basic earnings per share (before amortisation of goodwill and amortisation of development costs in respect of equity accounted investments)	6	45.14c	38.25c		

The statements of financial performance are to be read in conjunction with the notes to the financial statements numbered 1 to 34.

STATEMENTS of FINANCIAL POSITION
As at 31 March 2004

		CONSOLIDATED		THE COMPANY	
	NOTES	2004 R'000	2003 R'000	2004 R'000	2003 R'000
Current assets					
Cash assets	7	7,217	6,858	832	1,141
Receivables	8	66,009	62,997	23,604	27,159
Inventories	9	34,241	31,661	16,649	18,434
Other	10	4,317	5,078	1,057	1,841
Total current assets		111,784	106,594	42,142	48,575
Non-current assets					
Receivables	8	2,448	1,076	87,340	75,136
Investments accounted for using the equity method	11	3,459	4,488	-	-
Other financial assets	12	30	36	22,476	22,475
Property, plant and equipment	13	85,947	86,572	42,810	44,423
Intangibles	14	73,330	66,530	27,106	27,673
Deferred tax assets	5(d)	4,355	4,345	3,384	1,815
Other	15	2,992	3,228	2,167	2,276
Total non-current assets		172,561	166,275	185,283	173,798
Total assets		284,345	272,869	227,425	222,373
Current liabilities					
Payables	16	33,932	32,347	14,733	14,518
Interest bearing liabilities	17	3,541	3,658	22	-
Current tax liabilities	5(b)	2,452	3,011	767	353
Provisions	18	8,668	14,576	3,442	10,247
Total current liabilities		48,593	53,592	18,964	25,118
Non-current liabilities					
Interest bearing liabilities	17	97,716	88,983	89,762	79,273
Other financial liabilities		329	256	-	-
Deferred tax liabilities	5(c)	1,436	2,684	768	974
Provisions	18	525	863	213	341
Total non-current liabilities		100,006	92,786	90,743	80,588
Total liabilities		148,599	146,378	109,707	105,706
Net assets		135,746	126,491	117,718	116,667
Equity					
Contributed equity	19	104,327	100,067	104,327	100,067
Reserves	20	[7,344]	[2,506]	2,188	2,188
Retained profits	21	37,768	28,700	11,203	14,412
Total parent entity interest		134,751	126,261	117,718	116,667
Outside equity interests	23	995	230	-	-
Total equity		135,746	126,491	117,718	116,667
Commitments and contingent liabilities	25				

The statements of financial position are to be read in conjunction with the notes to the financial statements numbered 1 to 34.

STATEMENTS of CASH FLOWS
For the year ended 31 March 2004

	CONSOLIDATED		THE COMPANY	
	2004	2003	2004	2003
Cash flows from operating activities				
Cash receipts in the course of operations	415,878	386,785	163,086	169,461
Cash payments in the course of operations	(378,195)	(348,787)	(148,292)	(152,613)
Dividends received	-	-	4,500	5,500
Interest received	136	141	31	66
Borrowing costs paid	(5,767)	(5,486)	(4,803)	(4,379)
Income taxes paid	(6,827)	(3,526)	(2,534)	(784)
Net cash provided by operating activities	32(ii) 25,225	29,127	11,988	17,251
Cash flows from investing activities				
Payments for property, plant and equipment	(11,856)	(12,593)	(1,307)	(4,017)
Loans to controlled entities for payments for acquisitions	-	-	(13,231)	(9,783)
Payments for net assets on acquisition of businesses and controlled entities	32(iii) (13,016)	(5,459)	-	-
Additional payment in respect of prior year acquisition of controlled entity	(1,268)	(1,385)	-	-
Dividend from associate	756	-	-	-
Proceeds from sale of non-current assets	1,414	613	55	281
Payments for investments in associate and joint venture entity	-	(1,843)	-	-
Loan to associate for payment for acquisition	(1,365)	(747)	-	-
Net cash used in investing activities	(25,335)	(21,414)	(14,483)	(13,519)
Cash flows from financing activities				
Proceeds from issue of shares under Executive Option and Employee Share Plans	1,352	87	1,352	87
Proceeds from borrowings	14,500	21,794	14,500	21,794
Repayment of borrowings	(4,228)	(21,064)	(4,477)	(17,300)
Lease payments	(1,299)	(1,006)	(16)	(21)
Dividends paid	32(iv) (9,172)	(9,700)	(9,172)	(9,700)
Net cash provided by / (used in) financing activities	1,153	(9,889)	2,187	(5,140)
Net increase / (decrease) in cash held	1,043	(2,176)	(308)	(1,408)
Net cash at the beginning of the year	32(i) 6,306	9,027	1,141	2,549
Effect of exchange rate changes on the balances of cash held in foreign currencies	(857)	(545)	-	-
Net cash at the end of the year	32(i) 6,492	6,306	833	1,141

The statements of cash flows are to be read in conjunction with the notes to the financial statements numbered 1 to 34.

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. It has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values or fair values of non-current assets.

The accounting policies have been consistently applied by the entities in the consolidated entity and, except where there is a change in accounting policy, are consistent with those of the previous year.

b) Principles of consolidation

Controlled entities

The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases. Outside interests in the equity and results of the entities that are controlled by the Company are shown as a separate item in the consolidated financial statements.

Associates

Associates are those entities, other than partnerships, over which the consolidated entity exercises significant influence and which are not intended for sale in the near future. In the consolidated financial statements, investments in associates are accounted for using equity accounting principles. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. The consolidated entity's equity accounted share of associates' net profit or loss is recognised in the consolidated statement of financial performance from the date significant influence commences until the date significant influence ceases. Other movements in reserves are recognised directly in consolidated reserves.

Joint venture entities

In the consolidated financial statements, investments in joint venture entities, including partnerships, are accounted for using equity accounting principles. Investments in joint venture entities are carried at the lower of the equity accounted amount and recoverable amount.

The consolidated entity's share of the joint venture entity's net profit or loss is recognised in the consolidated statement of financial performance from the date joint control commenced until the date joint control ceases. Other movements in reserves are recognised directly in consolidated reserves.

Transactions eliminated on consolidation

Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

c) Revenue recognition - Note 2

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

Sale of goods

Revenue from the sale of consumer and industrial products (net of rebates, returns, discounts and other allowances) is recognised when control of the goods passes to the customer.

Rendering of services

Revenue from services is recognised when the service has been provided to the customer.

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue from the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

Dividends

Dividend revenue from controlled entities is recognised by the parent entity when declared by the controlled entities. Dividend revenue from associates is recognised by the parent entity when received. Dividends received out of pre-acquisition reserves are eliminated against the carrying amount of the investment and not recognised in revenue.

Interest

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued***d) Taxation - Note 5**

The consolidated entity adopts the liability method of tax effect accounting.

Income tax expense is calculated on profit from ordinary activities adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to tax losses are only brought to account when their realisation is virtually certain. The tax effect of capital losses is not recorded unless realisation is virtually certain.

Capital gains tax, if applicable, is provided for in establishing period income tax expense when an asset is sold.

Tax consolidation

The Company is the head entity in the tax-consolidated group comprising all the Australian wholly-owned subsidiaries set out in Note 27. The implementation date for the tax-consolidated group was 1 April 2003. The head entity recognises all of the current and deferred tax assets and liabilities of the tax-consolidated group (after elimination of intragroup transactions).

The tax-consolidated group has entered into a tax funding agreement that requires wholly-owned subsidiaries to make contributions to the head entity for:

- deferred tax balances recognised by the head entity on implementation date, including the impact of any relevant reset tax cost bases and
- current tax assets and liabilities and deferred tax balances arising from external transactions occurring after the implementation of tax consolidation.

Under the tax funding agreement, the contributions are calculated on a "stand-alone basis" so that the contributions are equivalent to the tax balances generated by external transactions entered into by wholly-owned subsidiaries. The contributions are payable as set out in the agreement and reflect the timing of the head entity's obligations to make payments for tax liabilities to the relevant tax authorities. The assets and liabilities arising under the tax funding agreement are recognised as intercompany assets and liabilities with a consequential adjustment to income tax expense and or revenue.

e) Receivables - Note 8***Trade debtors***

The settlement of trade debtors varies depending on the nature of the business. Generally payment is expected between 25 and 90 days. The collectibility of debts is monitored on a regular basis and a specific provision is made for any doubtful accounts. Bad debts are written off during the period in which they are identified.

Other debtors

The settlement of other debtors varies depending on the nature of the business. The collectibility of the debt is assessed at balance date and a specific provision is made for any doubtful accounts.

f) Inventories - Note 9

Inventories are valued at the lower of cost and net realisable value.

Manufacturing activities

Cost is based on the standard cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of both variable and fixed costs. Fixed costs have been allocated on the basis of normal operating capacity.

Other activities

For activities other than manufacturing the first-in first-out principle is adopted when assigning costs to inventories.

Net realisable value

Net realisable value is determined on the basis of each entity's normal selling pattern. Expenses of marketing, selling and distribution to customers are estimated and are deducted to establish net realisable value.

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

g) Recoverable amount of non-current assets valued on a cost basis

The carrying amounts of all non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the net profit or loss in the reporting period in which it occurs. In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

h) Revaluations of non-current assets

Classes of non-current assets measured at fair value are revalued with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from fair value at reporting date. Revaluation increments, on a class of assets basis, are recognised in the asset revaluation reserve except for amounts reversing a decrement previously recognised as an expense, which are recognised as revenues. Revaluation decrements are only offset against revaluation increments relating to the same class of asset and any excess is recognised as an expense. Potential capital gains tax is only taken into account if the asset is held for sale.

i) Earnings per share - Note 6

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to members of the parent entity for the reporting period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares adjusted for any bonus issue.

EPS, before amortisation of goodwill and amortisation of development costs in respect of equity accounted investments, is calculated by dividing the net profit, before amortisation of goodwill and amortisation of development costs in respect of equity accounted investments, attributable to members of the parent entity for the reporting period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

j) Acquisition of assets

All assets acquired, including property, plant and equipment and intangibles other than goodwill, are initially recorded at their cost of acquisition at the date of acquisition, being fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Where settlement of any part of the cash consideration is deferred, the amounts payable are recorded at their present value, discounted at the rate applicable to the consolidated entity if a similar borrowing were obtained from an independent financier under comparable terms and conditions. The unwinding of the discount is treated as interest expense.

The costs of assets constructed or internally generated by the consolidated entity, other than goodwill, include the cost of materials and direct labour. Directly attributable overheads and other incidental costs are also capitalised to the asset.

Expenditure is only recognised as an asset when the entity controls the future economic benefits as a result of the costs incurred that are probable and can be measured reliably.

Subsequent additional costs

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the consolidated entity in future years, otherwise, the costs are expensed as incurred.

k) Investments - Notes 11 and 12

Controlled entities

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount. Dividends are brought to account in the statement of financial performance when they are declared by the controlled entities.

Associates and joint venture entities

An associate is an entity, other than a partnership, over which the consolidated entity exercises significant influence and where the investment in that entity has not been acquired with a view to disposal in the near future.

In the consolidated financial report, investments in associates and joint venture entities are accounted for using equity accounting principles. Refer Note 1(b).

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

l) Property, plant and equipment - Note 13

Property, plant and equipment are capitalised at historical cost and depreciated as outlined below.

Freehold land and buildings are valued every three years on an existing use basis of valuation.

Depreciation of property, plant and equipment

Items of property, plant and equipment, including buildings but excluding freehold land, are depreciated over their estimated useful lives. Both straight-line and diminishing value methods are used.

The depreciation rates used for each class of asset are as follows:

Buildings	1.25% to 4%
Plant and equipment	10% to 33.3%
Leasehold improvements	5% to 20%
Leased plant and equipment	20% to 25%

Leased plant and equipment - Notes 25 and 26

Leases of plant and equipment under which the Company or its controlled entities assume substantially all of the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases are capitalised. A lease asset and liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Contingent rentals are written off as an expense of the accounting period in which they are incurred. Capitalised lease assets are amortised on a straight line basis over the term of the relevant lease, or where it is likely the consolidated entity will obtain ownership of the asset, the life of the asset. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged to the statement of financial performance.

Payments made under operating leases are charged to the statement of financial performance in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

m) Intangibles - Note 14

Goodwill

Goodwill, representing the excess of purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired on acquisition of controlled entities and businesses, is amortised on a straight line basis over a maximum of 20 years, being the period of time during which benefits are expected to arise.

In establishing the fair value of the identifiable net assets acquired, a liability for restructuring costs is only recognised at the date of acquisition when there is a demonstrable commitment and a detailed plan. The liability is only recognised where there is little or no discretion to avoid payments to other parties in settlement of costs of the restructuring and a reliable estimate of the amount of the liability as at the date of acquisition can be made.

The carrying amounts are reviewed at each reporting date and where the balance exceeds the value of expected future benefits, the difference is charged to the statement of financial performance.

Trademarks and brandnames

Purchased trademarks and brandnames are accounted for on the basis of the fair value method. Fair values are assigned on the basis of directors' valuation at the time of purchase. The fair values of purchased trademarks and brandnames are reassessed annually using the 'relief from royalty' method and included in the financial statements at the revalued amounts where materially different from their carrying values.

No amortisation is provided against the carrying value of these trademarks and brandnames on the basis that the lives of these assets are considered unlimited at this point in time.

Trademarks and brandnames have an unlimited legal life and the trademarks and brandnames recorded in the financial statements are not currently associated with products which are likely to become commercially or technically obsolete.

Internally generated trademarks and brandnames are not recognised in the statement of financial position.

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

n) Product dispensers and development costs - Note 15

Product dispensers are provided free on loan to customers of the industrial division to promote future product sales. Development costs are those costs incurred in establishing new business operations. In the prior year, product dispensers and development costs were disclosed in aggregate as deferred expenditure. This reclassification was undertaken to provide users of the report with more relevant information. Expenditure of a material amount is carried forward to the extent it is recoverable out of future revenue, where it does not relate solely to revenue which has already been brought to account, and where it contributes to the future earning capacity of the consolidated entity. Such expenditure is amortised over the period during which the related benefits are expected to arise.

The carrying amounts are reviewed at each reporting date and where the balance exceeds the value of expected future benefits, the difference is charged to the statement of financial performance.

o) Payables - Note 16

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company or consolidated entity. Trade accounts payable are normally settled within 45 days.

p) Interest bearing liabilities - Note 17

Bank loans and overdrafts are carried on the statement of financial position at their principal amount. Interest expense is accrued at the contracted rate for loans or the prevailing market rate for overdrafts and included in "other creditors and accruals".

q) Provisions - Note 18

A provision is recognised when a legal, equitable or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain.

If the effect is material, a provision is determined by discounting the expected future cash flows (adjusted for expected future risks) required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability most closely matching the expected future payments, except where noted below. The unwinding of the discount is treated as part of the expense related to the particular provision.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the recovery receivable is recognised as an asset when it is probable that that the recovery will be received and the recovery is measured on a basis consistent with the measurement of the related provision.

In the statement of financial performance, the expense recognised in respect of a provision is presented net of the recovery. In the statement of financial position, the provision is recognised net of the recovery receivable only when the entity has a legally recognised right to set-off the recovery receivable and the provision, and intends to settle on a net basis, or to realise the asset and settle the provision simultaneously.

r) Employee entitlements

Annual leave - Note 18

The provision for employee entitlements to annual leave expected to be settled within 12 months of the year-end represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs.

Long service leave - Note 18

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date. The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities. The unwinding of the discount is treated as long service leave expense.

Directors' retiring allowances - Note 18

The Company has entered into agreements for the provision of retiring allowances for directors in terms of Section 237 of the Corporations Act 2001 and as approved by shareholders in a general meeting. Provision has been made for the current accrued entitlement of directors under these agreements.

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

r) Employee entitlements *continued*

Superannuation fund - Note 25A

The Company and its controlled entities are required to make contributions to employee superannuation funds. Such contributions are charged to the statement of financial performance as they are made.

Employee share plans - Note 19

The Company has issued options to senior executives pursuant to the Executive Option and Employee Share Plan and has issued shares under the Employee Share Plan. Other than the costs incurred in administering the plans which are expensed as incurred, the plans do not result in any expense to the consolidated entity.

s) Derivatives - Note 33

As a result of its operating and investing activities, the consolidated entity is exposed to changes in interest rates and foreign exchange rates. The consolidated entity uses interest rate swaps and options and forward foreign exchange contracts to hedge these risks in certain instances. Derivative financial instruments are not held for speculative purposes.

Hedges

Transactions are designated as a hedge of the anticipated specific purchase or sale of goods or services, purchase of qualifying assets, or an anticipated interest transaction, only when they are expected to reduce exposure to the risks being hedged. Gains or losses on the hedge arising up to the date of the anticipated transaction, together with any costs or gains arising at the time of entering into the hedge, are deferred and included in the measurement of the anticipated transaction when the transaction has occurred as designated. Any gains or losses on the hedge transaction after that date are included in the statement of financial performance.

The net amounts receivable or payable under open interest rate swaps and the associated deferred gains or losses are not recorded on the statement of financial position until the hedge transaction occurs. Interest rate option premiums are recorded in "prepayments" when paid and included in the measurement of the transaction when it occurs.

The net amounts receivable or payable under forward foreign exchange contracts and the associated deferred gains or losses are recorded on the statement of financial position from the date of inception of the hedge transaction. The net receivables or payables are revalued using the foreign exchange rates current at reporting date.

When the anticipated transaction is no longer expected to occur as designated, the deferred gains and losses relating to the hedged transaction are recognised immediately in the statement of financial performance.

Where a hedge transaction is terminated early and the anticipated transaction is still expected to occur as designated, the deferred gains and losses that arose on the hedge prior to its termination continue to be deferred and are included in the measurement of the purchase or sale or interest transaction when it occurs. Where a hedge transaction is terminated early because the anticipated transaction is no longer expected to occur as designated, deferred gains and losses that arose on the hedge prior to its termination are included in the statement of financial performance for the period.

Net investment in foreign operation

Foreign exchange differences relating to foreign currency transactions hedging a net investment in a self-sustaining foreign operation, together with any related income tax expense / revenue, are transferred to the foreign currency translation reserve on consolidation.

t) Foreign currency

Transactions

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of financial performance in the financial year in which the exchange rates change.

Translation of controlled foreign entities

The statements of financial position of controlled entities incorporated overseas (being self-sustaining foreign operations) are translated at the rates of exchange ruling at balance date. The statements of financial performance are translated at a weighted average rate for the year. Exchange differences arising on translation are taken directly to the foreign currency translation reserve.

The balance of the foreign currency translation reserve relating to a foreign operation that is disposed of, or partially disposed of, is transferred to retained profits in the year of disposal.

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

u) Borrowing costs - Note 3

Borrowing costs include interest and lease finance charges.

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate.

Interest payments in respect of financial instruments classified as liabilities are included in borrowing costs. Where interest rates are hedged or swapped, the borrowing costs are recognised net of any effect of the hedge or swap.

v) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) or similar value-added taxes in foreign countries, except where the amount of tax is not recoverable from the relevant taxation authority. In these circumstances the tax is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, taxation authorities is included as a current asset or current liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, taxation authorities are classified as operating cash flows.

w) Change in accounting policy - Provision for dividend

The consolidated entity has applied AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" (issued in October 2001) for the first time from 1 April 2003. Dividends are now recognised at the time they are declared, determined or publicly recommended. Previously, interim and final dividends were recognised in the financial year to which they related, even though the dividends were announced after the end of that period.

The adjustments to the consolidated and Company financial report as at 1 April 2003 as a result of this change are:

- an increase of \$6,657,000 in opening retained profits and
- a decrease of \$6,657,000 in provision for dividends.

There was no impact on profit or loss for the financial year to 31 March 2004.

The pro-forma restatements of provision for dividend and retained profits below show the information that would have been disclosed had the new accounting policy always been applied.

	CONSOLIDATED		THE COMPANY	
	2003 \$'000 (RESTATED)	2003 \$'000 (UNRESTATED)	2003 \$'000 (RESTATED)	2003 \$'000 (UNRESTATED)
<i>Restatement of provision for dividend - Note 18</i>				
Balance at end of year - as previously reported	-	6,657	-	6,657
Effect of change in accounting policy	-	(6,657)	-	(6,657)
Restated balance at end of year	-	-	-	-
<i>Restatement of retained profits - Note 21</i>				
Reported retained profits at end of previous year	28,700	28,527	14,412	18,305
Increase in retained profits on initial adoption of AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets"	6,657	6,589	6,657	6,589
Restated retained profits at beginning of year	35,357	35,116	21,069	24,894
Net profit attributable to members of the parent entity	14,641	11,896	2,364	7,830
Dividends paid	(12,230)	(11,655)	(12,230)	(11,655)
Restated retained profits at end of year	37,768	35,357	11,203	21,069

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

	CONSOLIDATED		THE COMPANY	
	2004 R1000	2003 R1000	2004 R1000	2003 R1000
2 REVENUES FROM ORDINARY ACTIVITIES				
Revenue from:				
Sale of goods	253,060	231,624	143,287	149,600
Rendering of services	137,209	127,654	-	-
	390,269	359,278	143,287	149,600
Other revenues:				
From operating activities:				
Dividends from related parties	-	-	-	4,500
Interest from:				
Related parties	70	-	3,856	3,739
Other parties	66	141	32	66
Other revenue	551	556	-	378
From outside operating activities:				
Proceeds from sale of non-current assets	1,414	613	55	281
	2,101	1,310	3,943	8,964
3 PROFIT FROM ORDINARY ACTIVITIES				
Profit from ordinary activities has been arrived at after charging / (crediting) the following items:				
Amortisation of:				
Product dispensers	1,198	1,110	1,195	1,102
Development costs	214	210	-	-
Leased plant and equipment	628	486	3	16
Leasehold improvements	831	738	10	10
	2,871	2,544	1,208	1,128
Amortisation of goodwill	2,900	2,635	567	567
Bad and doubtful debts expense	433	423	13	47
Borrowing costs:				
Interest - other parties	5,746	5,143	4,782	4,159
Finance charges on capitalised leases	142	123	7	1
	5,888	5,266	4,789	4,160
Cost of goods sold	176,778	171,338	92,635	100,023
Depreciation of:				
Buildings	673	678	467	470
Plant and equipment	9,324	9,602	2,481	2,485
	9,997	10,280	2,948	2,955
Net foreign exchange (gains) / losses	442	243	183	(62)
Net (gain) / loss on sale of non-current assets	39	47	32	(62)
Operating lease rentals	3,846	3,504	2,015	793
Research and development expense	268	415	268	415
Inventories written-off	216	119	18	51

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

	CONSOLIDATED		THE COMPANY	
	2004	2003	2004	2003
4 AUDITORS' REMUNERATION				
Audit services:				
Auditors of the Company - KPMG	183,700	177,900	135,500	129,250
Other KPMG member firms	184,226	170,675	-	-
Other auditors	7,204	6,423	-	-
Other services:				
Auditors of the Company - KPMG:				
Audit of share register, annual general meeting proxies and other assurance services	9,800	9,600	8,800	8,600
Due diligence services and assistance	208,979	8,565	208,979	7,565
Accounting advice and assistance	7,900	-	7,900	-
Other KPMG member firms:				
Accounting advice and assistance	11,654	48,787	-	-
5 TAXATION				
(a) Income Tax Expense				
Prima facie income tax expense calculated at 30% (2003: 30%) on the profit from ordinary activities	6,453	5,172	967	2,836
Increase in income tax expense due to:				
Amortisation of goodwill	870	790	170	170
Depreciation of buildings	67	55	39	28
Tax losses of non-resident controlled entities not carried forward as a future income tax benefit	158	193	-	-
Difference resulting from different tax rates in overseas countries	78	159	-	-
Receipt of dividends from non-resident related parties	43	-	-	-
Income tax expense related to current and deferred tax transactions of the wholly-owned subsidiaries in the tax-consolidated group	-	-	1,392	-
Sundry items	579	296	59	122
Decrease in income tax expense due to:				
Recovery of income tax expense under a tax funding agreement	-	-	(1,392)	-
Capital allowance - buildings	(114)	(69)	(65)	(30)
Research and development allowance	(38)	(48)	(38)	(48)
Rebatable non-taxable dividends	-	-	-	(1,350)
Non-assessable income relating to the restructure of Canadian operations	(29)	-	-	-
Share of net profits of equity accounted investments	(283)	(165)	-	-
Carry forward income tax losses utilised during the income year	(189)	-	-	-
Sundry items	(302)	(395)	(133)	(133)
Income tax expense on the profit from ordinary activities before individually significant income tax items	7,293	5,988	999	1,595
Individually significant income tax items:				
Net deferred tax balances recognised by head entity in relation to wholly-owned subsidiaries within the tax consolidated group upon implementation of Tax Consolidation	-	-	(1,126)	-
Recovery of income tax expense under a tax funding agreement at transition	-	-	1,126	-
Income tax under / (over) provided in prior years	(390)	(285)	(138)	30
Income tax expense attributable to profit from ordinary activities	6,903	5,703	861	1,625

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

5 TAXATION *continued*

Income tax expense attributable to profit from ordinary activities is made up of:

	CONSOLIDATED		THE COMPANY	
	2004	2003	2004	2003
Current income tax provision	7,397	5,879	1,483	1,412
Deferred income tax provision	(455)	48	(340)	7
Future income tax benefit	351	61	(446)	176
Tax-related payable to wholly-owned subsidiary	-	-	302	-
Under / (over) provision in prior year	(390)	(285)	(138)	30
	6,903	5,703	861	1,625

(b) Current tax liabilities

Provision for Current Income Tax

Movements during the year were as follows:

Balance at beginning of year	3,011	2,068	353	-
Income tax paid (net of refund due)	(6,827)	(3,526)	(2,534)	(784)
Current year's income tax expense relating to ordinary activities	7,397	5,879	1,483	1,412
Income tax expense related to wholly-owned subsidiary transactions in the consolidated group	-	-	1,742	-
Prior year tax refunds receivable reported as Other Current Assets	(715)	-	-	-
Addition through acquisition of a controlled entity	66	59	-	-
Under / (over) provision in prior years	(480)	(1,469)	(277)	(275)
	2,452	3,011	767	353

(c) Deferred tax liabilities

Provision for Deferred Income Tax

Provision for deferred income tax comprises the estimated expense at an income tax rate of 30% (2003: 30%)

on the following items:

Difference in depreciation of property, plant and equipment for accounting and income tax purposes	536	1,644	58	580
Prepayments and deferred revenue and expenditure	297	799	243	394
Expenditure currently deductible for tax but deferred and amortised for accounting purposes	241	174	241	-
Foreign exchange gains not yet realised	140	67	-	-
Sundry items	222	-	226	-
	1,436	2,684	768	974

(d) Deferred tax assets

Future Income Tax Benefit

Future income tax benefit comprises the estimated future benefit at an income tax rate of 30% (2003: 30%) on the following items:

Provisions, accruals and accrued employee entitlements not currently deductible	3,846	3,805	3,034	1,454
Tax losses carried forward	46	343	-	-
Difference in depreciation and amortisation of property, plant and equipment for accounting and income tax purposes	224	392	187	-
Foreign exchange losses not yet realised	106	(195)	37	361
Sundry items	133	-	126	-
	4,355	4,345	3,384	1,815

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

6 EARNINGS PER SHARE

Basic earnings per share*

Diluted earnings per share*

Earnings per share before amortisation of goodwill and amortisation of development costs in respect of equity accounted investments**

* Consolidated profit attributable to members of the parent entity of \$14,641,000 (2003: \$11,896,000) has been used as the earnings in the calculation of basic and diluted earnings per share. There are no applicable adjustments required.

** Calculated as a basic earnings per share using consolidated profit, before amortisation of goodwill and amortisation of development costs in respect of equity accounted investments, attributable to members of the parent entity of \$17,939,000 (2003: \$14,919,000).

Weighted average number of ordinary shares used in the calculation of basic earnings per share

Effect of executive share options on issue

Weighted average number of ordinary shares used in the calculation of diluted earnings per share

There have been no conversions to, calls for, or subscriptions for ordinary shares or issues of potential ordinary shares since 31 March 2004 and before the date of this financial report.

No options lapsed during the financial year (2003: 60,000). The diluted EPS calculation for 2003 includes that portion of these options assumed to be issued for nil consideration, weighted with reference to the date the options lapsed. The weighted average number included in 2003 was 3,086.

During the financial year 310,000 options were converted to ordinary shares (2003: 20,000). The diluted EPS calculation includes that portion of these options assumed to be issued for nil consideration, weighted with reference to the date of conversion. The weighted average number included is 30,284 (2003: 597).

The following Executive Share Options have not been included in the calculation of diluted EPS as they are not dilutive:

Executive Share Options

Expiry date 17 July 2006

Expiry date 13 November 2006

CONSOLIDATED

2004
2003

36.84 30.50

36.81 30.48

45.14 38.25

2004
2003

39,738,153 39,000,273

33,459 35,690

39,771,612 39,035,963

2004
2003

75,000 75,000

- 210,000

CONSOLIDATED

2004
2003

6,851 6,642

366 216

7,217 6,858

THE COMPANY

2004
2003

466 925

366 216

832 1,141

7 CASH ASSETS

Cash

Short term bank deposits

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

		CONSOLIDATED		THE COMPANY	
		2004 2003	2003 2002	2003 2002	2002 2001
8 RECEIVABLES					
Current					
Trade debtors		63,123	59,205	21,190	21,603
Provision for doubtful trade debtors		(1,708)	(1,552)	(96)	(66)
		61,415	57,653	21,094	21,537
Other debtors		4,594	5,344	816	1,122
Amounts owing by controlled entities		-	-	1,694	4,500
		66,009	62,997	23,604	27,159
Non-current					
Amounts owing by controlled entities		-	-	87,340	74,807
Amount owing by associate and joint venture		2,448	747	-	-
Other debtors		-	329	-	329
		2,448	1,076	87,340	75,136
9 INVENTORIES					
Current					
Raw materials and stores at cost		7,684	8,815	2,978	3,830
Work in progress at cost		2,117	1,016	274	224
Finished goods at cost		24,440	21,830	13,397	14,380
		34,241	31,661	16,649	18,434
10 OTHER CURRENT ASSETS					
Prepayments		3,560	3,420	1,045	1,836
Other		757	1,658	12	5
		4,317	5,078	1,057	1,841
11 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD					
Unlisted shares in associates at cost	28	2,600	2,412	-	-
Investment in joint venture entity	28	859	2,076	-	-
		3,459	4,488	-	-
12 OTHER FINANCIAL ASSETS					
Non-current					
Investments in:					
Unlisted shares in controlled entities at cost	27	-	-	22,476	22,475
Unlisted shares in other entities at cost		30	36	-	-
		30	36	22,476	22,475
13 PROPERTY, PLANT AND EQUIPMENT					
Freehold land and buildings:					
At cost		37,066	36,335	25,066	25,040
Accumulated depreciation		(2,882)	(2,436)	(1,468)	(1,001)
		34,184	33,899	23,598	24,039
Plant and equipment:					
At cost		105,634	105,462	31,103	26,776
Accumulated depreciation		(62,646)	(64,300)	(12,248)	(10,119)
		42,988	41,162	18,855	16,657

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

	CONSOLIDATED		THE COMPANY	
	2004	2003	2004	2003
13 PROPERTY, PLANT AND EQUIPMENT <i>continued</i>				
Leasehold improvements:				
At cost	6,370	6,212	103	103
Accumulated depreciation	(3,450)	(3,025)	(23)	(13)
	2,920	3,187	80	90
Leased plant and equipment:				
At capitalised cost	3,544	2,622	129	-
Accumulated depreciation	(1,133)	(1,020)	(4)	-
	2,411	1,602	125	-
Capital works in progress at cost	3,444	6,722	152	3,637
	85,947	86,572	42,810	44,423
Valuations				
Valuations of the consolidated entity's freehold land and buildings were performed as at 31 March 2003 by independent valuers on the basis of the market values of the properties concerned in their existing use. The valuations obtained amounted to: Consolidated - \$40,246,000; the Company - \$27,850,000. As land and buildings are recorded at cost, the valuations have not been brought to account.				
Reconciliations				
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:				
Freehold land and buildings				
Carrying amount at beginning of year	33,899	33,502	24,039	23,428
Additions	1,310	497	26	54
Transfers from capital works in progress	192	-	-	-
Reclassification from plant and equipment	-	1,027	-	1,027
Disposals	(500)	-	-	-
Depreciation	(673)	(678)	(467)	(470)
Net foreign currency differences on translation of self-sustaining operations	(44)	(449)	-	-
Carrying amount at end of year	34,184	33,899	23,598	24,039
Plant and equipment				
Carrying amount at beginning of year	41,162	44,515	16,657	19,647
Additions	8,240	6,143	1,179	309
Acquisitions through entities acquired	993	921	-	-
Transfers from capital works in progress	4,555	1,957	3,586	368
Transfers from leased plant and equipment	197	137	-	-
Reclassification to buildings	-	(1,027)	-	(1,027)
Disposals	(764)	(596)	(87)	(155)
Depreciation	(9,324)	(9,602)	(2,480)	(2,485)
Net foreign currency differences on translation of self-sustaining operations	(2,071)	(1,286)	-	-
Carrying amount at end of year	42,988	41,162	18,855	16,657

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

	CONSOLIDATED		THE COMPANY	
	2004 2003	2004 2003	2004 2003	2004 2003
13 PROPERTY, PLANT AND EQUIPMENT <i>continued</i>				
<i>Leasehold improvements</i>				
Carrying amount at beginning of year	3,187	3,343	90	100
Additions	750	776	-	-
Transfers from capital works in progress	27	75	-	-
Acquisitions through entities acquired	67	11	-	-
Disposals	(22)	-	-	-
Amortisation	(831)	(738)	(10)	(10)
Net foreign currency differences on translation of self-sustaining operations	(258)	(280)	-	-
Carrying amount at end of year	2,920	3,187	80	90
<i>Leased plant and equipment</i>				
Carrying amount at beginning of year	1,602	1,716	-	80
Additions	1,009	583	128	-
Acquisitions through entities acquired	804	2	-	-
Transfers to plant and equipment	(197)	(137)	-	-
Disposals	(167)	(64)	-	(64)
Amortisation	(628)	(486)	(3)	(16)
Net foreign currency differences on translation of self-sustaining operations	(12)	(12)	-	-
Carrying amount at end of year	2,411	1,602	125	-
<i>Capital works in progress</i>				
Carrying amount at beginning of year	6,722	4,410	3,637	355
Additions	1,556	4,594	101	3,650
Transfers to property, plant and equipment	(4,774)	(2,032)	(3,586)	(368)
Net foreign currency differences on translation of self-sustaining operations	(60)	(250)	-	-
Carrying amount at end of year	3,444	6,722	152	3,637
14 INTANGIBLES				
Goodwill at cost	62,858	53,261	11,335	11,335
Accumulated amortisation	(13,004)	(10,351)	(4,491)	(3,924)
	49,854	42,910	6,844	7,411
Purchased trademarks and brandnames at fair value	23,476	23,620	20,262	20,262
	73,330	66,530	27,106	27,673
15 OTHER NON-CURRENT ASSETS				
Product dispensers	5,338	4,261	5,263	4,243
Accumulated amortisation	(3,111)	(1,981)	(3,096)	(1,967)
	2,227	2,280	2,167	2,276
Development costs	1,296	1,309	-	-
Accumulated amortisation	(531)	(361)	-	-
	765	948	-	-
	2,992	3,228	2,167	2,276

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

	CONSOLIDATED		THE COMPANY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
16 PAYABLES				
Current				
Trade creditors	16,496	18,397	6,399	8,676
Other creditors and accruals*	17,436	13,950	7,475	5,842
Amounts owing to controlled entities	-	-	859	-
	33,932	32,347	14,733	14,518
* During the year, a controlled entity, Reward Supply Co. Pty Ltd, entered into an agreement to purchase the Gould & Kennedy hospitality distribution business. Pursuant to the purchase agreement additional consideration of \$1,000,000 is payable during the next financial year. This amount has been accrued at balance date.				
17 INTEREST BEARING LIABILITIES				
Current				
Bank overdrafts - secured	725	552	-	-
Bank loans - secured	1,916	2,542	-	-
Lease liabilities	26 900	564	22	-
	3,541	3,658	22	-
Non-current				
Bank loans - secured	95,903	87,739	79,676	70,459
Lease liabilities	26 1,813	1,244	97	-
Amounts owing to controlled entities	-	-	9,989	8,814
	97,716	88,983	89,762	79,273

Bank overdrafts

The consolidated entity's bank overdrafts are payable on demand and are subject to annual review. Interest on bank overdrafts is charged at prevailing market rates. The weighted average interest rate for all overdrafts as at 31 March 2004 is 7.3% (2003: 7.6%).

Bank loans

The current bank loans comprise the portion of the consolidated entity's bank loans payable within one year. The non-current bank loans are payable on or before December 2008 and are subject to annual review. The weighted average interest rate for all bank loans is 5.6% (2003: 5.5%) at 31 March 2004.

Lease liabilities

The consolidated entity's lease liabilities are secured by the leased assets.

Borrowing facilities

The Company has provided a charge over its assets and undertakings, and registered first mortgages over Australian properties of the Company and certain of its Australian controlled entities, to its bankers as security for overdrafts, bank loans and certain other borrowing facilities. In addition, the Company and a number of its controlled entities, namely Australian Laboratory Services Pty Ltd, ALS Canada Ltd, ALS Technichem (Singapore) Pte Ltd, ALS Technichem (HK) Pty Ltd, Bushland Products Pty Ltd, National Service Providers Pty Ltd, NSP Pest Control Pty Ltd, Pofade Pty Ltd, Sinvil Pty Ltd, NSP Dry Cleaning Pty Ltd, Reward Supply Co. Pty Ltd, Albert Crocker & Son Pty Ltd and Strategic Retail Performance Pty Ltd, have entered into a cross guarantee and indemnity to secure borrowing facilities of those controlled entities.

The carrying amounts of the pledged freehold land and buildings at 31 March 2004 are consolidated \$31,278,000 (2003: nil) and the Company \$23,598,000 (2003: nil).

A facility in New Zealand is secured by trade debtors of a controlled entity, Bushland Products Pty Ltd.

The consolidated entity has access to the following lines of credit:

	CONSOLIDATED		THE COMPANY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Maximum facilities	115,237	109,916	106,000	100,200
Unutilised facilities	16,693	19,083	6,982	9,078
Utilised facilities	98,544	90,833	* 99,018	91,122

* Facilities in Canada, Singapore and Malaysia are secured by letters of credit totalling \$19,342,000 from the Company's bank.

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

	CONSOLIDATED		THE COMPANY	
	2004 2003	2004 2003	2004 2003	2004 2003
18 PROVISIONS				
Current				
Directors' retiring allowances	752	984	752	984
Dividend	-	6,657	-	6,657
Employee entitlements	7,916	6,935	2,690	2,606
	8,668	14,576	3,442	10,247
Non-current				
Employee entitlements*	525	863	213	341
	525	863	213	341
* Employee entitlements not expected to be settled within twelve months of reporting date have been calculated using a discount rate of 5.5% (2003: 5.3%).				
Number of employees	2,423	2,306	297	306
Reconciliations				
Reconciliations of the carrying amounts of each class of provision, except for employee benefits are set out below:				
Dividends				
Carrying amount at the beginning of the year	6,657		6,657	
Provision for 2004 interim dividend	5,573		5,573	
Payments made during the year	(12,230)		(12,230)	
Carrying amount at end of year	-		-	
19 CONTRIBUTED EQUITY				
Issued and paid up share capital				
40,050,332 ordinary shares, fully paid (2003: 39,162,191)	104,327	100,067	104,327	100,067
Movements in ordinary share capital				
Balance at beginning of year	100,067	98,186	100,067	98,186
Shares issued:				
578,141 shares (2003: 384,680) under the Dividend Reinvestment Plan ⁽¹⁾	2,908	1,794	2,908	1,794
310,000 shares (2003: 20,000) from the exercise of options ⁽²⁾	1,352	87	1,352	87
Balance at end of year	104,327	100,067	104,327	100,067

(1) Issued pursuant to the Company's Dividend Reinvestment Plan:

1 July 2003 - 333,007 shares at \$4.53

19 December 2003 - 245,134 shares at \$5.71

(2) Issued pursuant to the exercise of options granted under the Executive Option and Employee Share Plan:

1 Oct 2003 to 3 Dec 2003 - 310,000 shares at \$4.36

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

19 CONTRIBUTED EQUITY *continued*

Terms and Conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

Employee Share Plan

The current Employee Share Plan ("the Share Plan") was approved by shareholders at the Company's annual general meeting on 10 July 1996. Under the Share Plan, eligible employees of the Company or of its controlled entities may acquire ordinary fully paid shares in the Company. The Share Plan has been designed to take advantage of taxation concessions available to employee participants under such plans.

Participation in the Share Plan by employees is at the discretion of the Board of Directors. The Board sets the conditions under which employees can participate having regard to length of service and salary range. The Board administers the Share Plan as a non-discriminatory plan within the meaning of Australian taxation legislation. The price of shares issued under the Share Plan is determined at the discretion of directors and may be less than the prevailing market price. Employees may be offered loans from a controlled entity to finance their purchase of shares under the plan. Plan loans are interest free and repayable over 25 years.

Shares acquired by an employee under the Share Plan are held by a trustee for at least three years and until the whole of any related loan has been paid in full by the employee. Once the loan has been repaid and a period of three years has expired, the trustee transfers the shares to the employee. Dividends are applied by the trustee in reducing the employee's plan loan. During the period while shares are held by the trustee, the employee does not have voting rights in respect of those shares. On termination of employment, an employee has thirty days in which to decide whether to either repay the loan and receive their shares by way of transfer from the trustee or request that the shares be sold by the trustee after which any proceeds in excess of the outstanding loan amount are paid to the employee.

The aggregate number of shares held by the trustee under the Share Plan at any time must not exceed 5% of the total issued capital of the Company. There were no issues of shares under the Share Plan during the financial year (2003: Nil). The market price of shares issued under the Share Plan as at 31 March 2004 was \$6.12 (2003: \$4.34).

Details of the movement in employee shares under the Share Plan are as follows:

	THE COMPANY	
	2004	2003
Number of shares at beginning of year	505,156	554,250
Number of shares distributed to employees	(71,106)	(49,094)
Number of shares at end of year	434,050	505,156

The amounts recognised as receivable in the financial statements of the consolidated entity and the Company in relation to employee shares at the end of the year are:

	CONSOLIDATED		THE COMPANY	
	2004	2003	2004	2003
Current receivables - Other debtors	1,375,459	1,739,958	-	-
Current receivables - Amounts owing by controlled entities	-	-	1,375,459	1,739,958

Executive Share Option Plan

The Company operates an executive share option plan ("the Option Plan") approved by shareholders at the Company's annual general meeting on 10 July 1996. Under the Option Plan the Board of Directors issues options to acquire shares to executives of the Company. Executive directors of the Company are eligible to participate in an issue of options under the plan. Non-executive directors are not eligible to participate. The Board determines the number, exercise price and expiry date of options issued to executives.

Upon exercise of the options and payment of the exercise price by an executive, he or she is allotted one fully paid ordinary share in the Company for each option exercised. The Option Plan includes provisions dealing with adjustments to the terms of options existing at the time of any new issues of the Company's shares or reconstructions of capital. Executives have no voting rights in respect of any unissued ordinary shares.

On termination of employment of a participating executive (for any reason other than retirement, retrenchment or death) any unexercised options will lapse at termination of employment. In cases of retirement, retrenchment or death, the executive or the executive's personal representative has a period of three months after the date of termination to exercise the options before they lapse.

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

19 CONTRIBUTED EQUITY *continued*

Executive Share Option Plan *continued*

Summary of options over unissued ordinary shares

The fair value of shares issued as a result of exercising the options during the reporting period at their issue date is the market price of shares of the Company on the Australian Stock Exchange as at close of trading.

The options are exercisable any time after 4 years from the date of issue but before the end of 5 years from date of issue, or at any time after the shares in the Company become the subject of a takeover scheme or announcement as defined in the Corporations Act 2001. These options do not entitle the holder to participate in any share issue of the Company or any other body corporate. The market value of shares under these options at 31 March 2004 was \$6.12 [2003: \$4.34].

The amounts recognised in the financial statements of the consolidated entity and the Company in relation to executive share options exercised during the financial the year were:

	CONSOLIDATED		THE COMPANY	
	2004 \$	2003 \$	2004 \$	2003 \$
Issued ordinary share capital	1,351,600	87,200	1,351,600	87,200

Details of options over unissued ordinary shares as at the beginning and end of the financial year and movements during the year are set out below.

Grant date	Exercise date (on or after)	Expiry date	Exercise price	No. of options at beginning of year	Options granted	Options lapsed	Options exercised	No. of options at end of year		Ordinary shares issued on exercise of options			
								On issue	Vested	Proceeds received \$	Date issued	No. of shares issued	Fair value aggregate \$

Consolidated and Company - 2004

											Between 1 Oct '03 & 3 Dec '03		
30 Sep '99	30 Sep '03	30 Sep '04	\$4.36	310,000	-	-	310,000	-	-	1,351,600		310,000	1,827,000
17 Jul '01	17 Jul '05	17 Jul '06	\$5.50	75,000	-	-	-	75,000	-	-		-	-
13 Nov '01	13 Nov '05	13 Nov '06	\$5.18	210,000	-	-	-	210,000	-	-		-	-
				595,000				285,000	-				

Consolidated and Company - 2003

30 Sep '99	30 Sep '03	30 Sep '04	\$4.36	360,000	-	30,000	20,000	310,000	-	87,200	15 Jul '02	20,000	102,000
17 Jul '01	17 Jul '05	17 Jul '06	\$5.50	75,000	-	-	-	75,000	-	-		-	-
13 Nov '01	13 Nov '05	13 Nov '06	\$5.18	240,000	-	30,000	-	210,000	-	-		-	-
				675,000				595,000	-				

	CONSOLIDATED		THE COMPANY	
	2004 \$	2003 \$	2004 \$	2003 \$
20 RESERVES				
Capital profits	364	364	358	358
Foreign currency translation	(10,379)	(5,541)	-	-
General	2,671	2,671	1,830	1,830
	(7,344)	(2,506)	2,188	2,188

Movements During the Year

Foreign currency translation

Balance at beginning of year	(5,541)	(2,207)	-	-
Net translation adjustment	(4,838)	(3,334)	-	-
Balance at end of year	(10,379)	(5,541)	-	-

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

20 RESERVES *continued*

Nature and purpose of reserves

Capital profits

Upon disposal of revalued assets, any related revaluation increment standing to the credit of the asset revaluation reserve is transferred to the capital profits reserve.

Foreign currency translation

The foreign currency translation reserve records the foreign currency differences arising from the translation of self-sustaining foreign operations, the translation of transactions that hedge the Company's net investment in a foreign operation or the translation of foreign currency monetary items forming part of the net investment in a self-sustaining operation. Refer to accounting policy Note 1(i).

General

The amount standing to the credit of the general reserve resulted from prior period allocations of retained profits for non-specific purposes

	CONSOLIDATED		THE COMPANY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
21 RETAINED PROFITS				
Retained profits at beginning of year	28,700	28,527	14,412	18,305
Net profit attributable to members of the parent entity	14,641	11,896	2,364	7,830
Dividends	(5,573)	(11,723)	(5,573)	(11,723)
Retained profits at end of year	37,768	28,700	11,203	14,412

22 DIVIDENDS

Dividends paid by the Company are:

Final 2003 fully franked ordinary dividend of
17 cents per share, paid on 1 July 2003
Interim 2004 fully franked ordinary dividend of
14 cents per share (2003: 13 cents),
paid on 19 December 2003

	CONSOLIDATED		THE COMPANY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
-	-	6,657	-	6,657
5,573	5,573	5,066	5,573	5,066
5,573	5,573	11,723	5,573	11,723

Since 31 March 2004, directors have declared a fully franked final dividend of 19 cents per ordinary share, amounting to \$7,610,000, payable on 1 July 2004. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 31 March 2004. (Refer Note 1w.)

All dividends paid or declared by the Company since the end of the previous financial year carry franking credits with a 30% tax rate.

	CONSOLIDATED		THE COMPANY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Dividend franking account				
30% franking credits available to shareholders for subsequent financial years	6,101	4,833	5,871	1,158

The above available amounts are based on the balance of the dividend franking account at year end adjusted for:

- (a) franking credits that will arise from the payment of the current tax liability
- (b) franking debits that will arise from the payment of dividends recognised as a liability at year end (the 2003 financial year only) and
- (c) franking credits that will arise from the receipt of dividends recognised as receivables at year end.

The ability to use the franking account credits is dependent upon there being sufficient available profits to declare dividends.

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

22 DIVIDENDS *continued*

Transfer of franking credits to the parent entity

In accordance with the New Business Tax System (Consolidation) Act (No. 1) 2002, all members of the tax consolidated group operate one franking account maintained by the parent entity.

The amount of franking credits available to shareholders disclosed as at 31 March 2004 has been measured in accordance with the abovementioned Act, which represents all of the franking credits previously attributable to the parent entity and all of its 100% wholly owned Australian subsidiaries.

Franking credits of \$5,097,000 were transferred from the wholly-owned Australian entities to the parent entity at the time these entities entered the tax consolidated group.

Comparative information for 2003 has not been restated for this change in attribution. Had the comparative information been calculated on the new attribution basis, "the franking credits available" balance as at 31 March 2003 would read - The Company: \$4,792,000, reflecting the total number of "franking credits available" to the tax consolidated entity as at 31 March 2003.

23 OUTSIDE EQUITY INTERESTS

Outside equity interests in controlled entities comprise:

Interests in retained profits held by outside equity interests at the beginning of the year
Interests in net profit/(loss) from ordinary activities after income tax
Interests in dividends paid
Adjustment arising on acquisition of outside equity interests

Interests in retained profits at the end of the year
Interests in contributed equity
Interests in reserves

CONSOLIDATED

2004 2004	2003 2003
(196)	193
(35)	(361)
-	(61)
-	33
(231)	(196)
1,152	352
74	74
995	230

24 TOTAL EQUITY RECONCILIATION

Total equity at beginning of year
Total changes in parent entity interest in equity recognised in statement of financial performance
Transactions with owners as owners:
Contributions of equity
Dividends
Total changes in outside equity interests
Total equity at end of year

CONSOLIDATED

2004 2004	2003 2003
126,491	127,841
9,803	8,562
4,260	1,881
(5,573)	(11,723)
765	(70)
135,746	126,491

THE COMPANY

2004 2004	2003 2003
116,667	118,679
2,364	7,830
4,260	1,881
(5,573)	(11,723)
-	-
117,718	116,667

25 COMMITMENTS AND CONTINGENT LIABILITIES

The estimated maximum amounts of commitments and contingent liabilities not provided for in the financial statements of the consolidated entity as at 31 March 2004 are set out below:

A. COMMITMENTS

Superannuation commitments

The Company and its controlled entities contribute to occupational superannuation (accumulated benefits) plans for employees. The consolidated entity currently contributes at least the statutory percentage, of employees' "ordinary time earnings", required in each jurisdiction in which it operates.

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

	CONSOLIDATED		THE COMPANY	
	2004	2003	2004	2003
25 COMMITMENTS AND CONTINGENT LIABILITIES <i>continued</i>				
A. COMMITMENTS <i>continued</i>				
Capital expenditure commitments				
Plant and equipment: payable within one year	923	1,713	286	-
Lease rental commitments				
Future operating lease rentals of property, plant and equipment payable:				
Within one year	3,670	4,319	1,292	1,201
Later than one year but not later than five years	4,503	4,607	1,106	1,084
Later than five years	712	3	1	-
	8,885	8,929	2,399	2,285

The consolidated entity leases property, plant and equipment under operating leases expiring over terms of up to six years. Leases generally provide the consolidated entity with a right of renewal at which time all terms are renegotiated. Lease commitments in respect of finance leases are disclosed in Note 26.

B. CONTINGENT LIABILITIES

Guarantees

Bank facilities of related entities are secured by guarantees from the Company in the following amounts:

	THE COMPANY	
	2004	2003
Crossmark Asia Pacific (joint venture partnership)	2,700	2,700
Australian Hospitality Imports Pty Ltd (associate)	275	-
Reward Supply Co. Pty Ltd (controlled entity)	271	-
National Service Providers Pty Ltd (controlled entity)	-	320

Partnership liabilities

A controlled entity, Strategic Retail Performance Pty Ltd, as a 50% partner in a joint venture partnership, is jointly and severally liable for 100% of all liabilities incurred by that partnership. The assets of the partnership are sufficient to meet such liabilities (refer Note 28). Total partnership liabilities amounted to \$9,020,000 at 31 March 2004 (2003: \$7,996,000). In addition, a maximum of \$1,148,000 may be payable by the partnership over the next two years in connection with the acquisition of the Nationwide Food Brokers business in July 2003. Any such payments are contingent upon the achievement of certain performance hurdles.

C. PURCHASE OF CONTROLLED ENTITIES AND BUSINESSES

During a previous year, a controlled entity, ALS Canada Ltd, entered into an agreement to purchase the Chemex Laboratories group. Pursuant to the purchase agreement a maximum of an additional CAD5,500,000 (AUD6,203,000) plus interest may be payable if certain performance hurdles are achieved over the next financial year. No amount was paid or payable in respect of this arrangement during the year ended 31 March 2004.

During a previous year, a controlled entity, Bushland Products Pty Ltd, entered into an agreement to purchase the Panamex Pacific businesses. Pursuant to the purchase agreement a maximum of an additional \$415,000 may be payable if certain performance hurdles are achieved over the next three years. No amount was paid or payable in respect of this arrangement during the year ended 31 March 2004.

As the achievement of the above performance hurdles is uncertain, no liability has been recognised as at the end of financial year in respect of these arrangements.

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

26 LEASE LIABILITIES

Included as lease liabilities are the present values of future rentals for leased assets capitalised:

	CONSOLIDATED		THE COMPANY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Current	900	564	22	-
Non-current	1,813	1,244	97	-
	2,713	1,808	119	-
Lease commitments in respect of capitalised finance leases are payable:				
Within one year	986	661	31	-
Later than one year but not later than five years	1,984	1,334	111	-
	2,970	1,995	142	-
Future finance charges	(257)	(187)	(23)	-
Total lease liability	2,713	1,808	119	-

The consolidated entity leases plant and equipment under finance leases expiring over terms of up to five years. At the end of the lease terms the consolidated entity generally has the option to purchase the equipment at a percentage of market value - a price deemed to be a bargain purchase option.

27 PARTICULARS IN RELATION TO CONTROLLED ENTITIES

Company	PERCENTAGE OWNED	COUNTRY OF INCORPORATION / RESIDENCE	PERCENTAGE OWNED BY CAMPBELL BROS LTD	PERCENTAGE OWNED BY CAMPBELL BROS LTD
Campbell Brothers Limited		Aust		
Controlled entities				
Australian Laboratory Services Pty Ltd		Aust	100	100
ALS Analytical Testing (Shanghai) Co. Ltd	2	China	100	-
ALS Bolivia Ltda	3	Bolivia	100	100
ALS Canada Ltd	4	Canada	100	100
ALSMX, S.A. de C.V.	5	Mexico	100	100
ALS-Indequim, S.A. de C.V. (formerly Investigacion y Desarrollo Quimico, S.A. de C.V.)	5	Mexico	70	70
Sistemas Ecologicos Indequim, S.A. de C.V.	5	Mexico	100	100
ALS [Barbados] Ltd	5	Barbados	100	100
ALS Chemex South Africa (Proprietary) Ltd	2	South Africa	100	-
ALS Brasil Ltda (formerly Bondar Clegg Brasil Ltda)	5	Brazil	100	100
Bondar Clegg de Mexico S.A. de C.V.	5	Mexico	100	100
Chemex Labs S.A. de C.V.	5	Mexico	100	100
ALS Peru S.A.	5	Peru	100	100
ALS Patagonia S.A.	5	Chile	100	100
ALS Geolab SRL	5	Argentina	100	100
ALS Technichem [Singapore] Pte Ltd		Singapore	100	100
ALS Technichem [HK] Pty Ltd		Hong Kong	100	100
ASL International Ltd	5	Barbados	100	100
PT. ALS Indonesia	5	Indonesia	65	65
Bushland Products Pty Ltd		Aust	100	100
Orion Export Ltd		NZ	67	67
Campbell Brothers Trading Pty Ltd		Aust	100	100
Campbell Cleantec (Asia) Pte Ltd	2	Singapore	100	-
Carpi Ltd		PNG	100	100
Panamex Pacific [PNG] Ltd		PNG	100	100

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

27 PARTICULARS IN RELATION TO CONTROLLED ENTITIES *continued*

CONTROLLER	COUNTRY OF INCORPORATION	PERCENTAGE OWNED	PERCENTAGE OF VOTING POWER
Controlled entities <i>continued</i>			
CBL Campbell Brothers USA, Inc	USA	100	100
ALS USA, Inc	USA	100	100
Panamex Pacific, Inc (formerly Panamex Export, Inc)	USA	100	100
JK Enterprises, Inc	American Samoa	100	-
National Service Providers Pty Ltd	Aust	100	100
NSP Pest Holdings Pty Ltd (formerly Roto-Rooter Australia Pty Ltd)	Aust	100	100
NSP Pest Control Pty Ltd	Aust	100	100
NSP Holdings Pty Ltd (formerly Roto Rooter Australia Total Care Pty Ltd)	Aust	100	100
NSP Management Pty Ltd	Aust	100	100
Polade Pty Ltd	Aust	100	100
Grace Bros. Carpet Cleaning Pty Ltd (formerly Home Valet Pty Ltd) atf RGM Unit Trust No 1	Aust	100	100
Sinviit Pty Ltd	Aust	100	100
NSP Hygiene Services Pty Ltd (formerly One on One Pty Ltd)	Aust	100	100
NSP Telemarketing Pty Ltd	Aust	100	100
Myer Home Services Pty Ltd atf RGM Unit Trust No 2	Aust	100	100
NSP Dry Cleaning Pty Ltd	Aust	100	100
Roto-Rooter Ltd	NZ	100	100
Orion Export SARL	Wallis Is	51	51
Panamex Pacific Ltd	NZ	100	100
Proclean Ltd	NZ	100	100
Reward Supply Co. Pty Ltd	Aust	100	100
Reward Supply Co. (N.Q.) Pty Ltd (formerly Grace Bros Home Services Pty Ltd)	Aust	80	100
Currey (N.Q.) Pty Ltd	Aust	100	-
Whitsunday Catering Supplies Pty Ltd	Aust	100	-
Albert Crocker & Son Pty Ltd	Aust	100	100
Reward Supply Co. (N.T.) Pty Ltd	Aust	51	51
Parker Sales & Service Pty Ltd	Aust	51	51
Strategic Retail Performance Pty Ltd	Aust	100	100

Footnotes

- Controlled entities acquired during the year.
- Controlled entities incorporated during the year.
- Controlled entity formed from the merger of ITS Bolivia Ltda and Bondar Clegg Bolivia Ltda.
- During the year, the Canadian entities of No. 223 Seabright Holdings Ltd and Bondar Clegg Canada Ltd, were merged into ALS Canada Ltd.
- Controlled entities with a financial year end of 31 December, which differs to the Company's year end of 31 March.
- Controlled entity, A.C.N. 002 904 083 Pty Ltd (formerly Grace Bros Carpet Cleaning Pty Ltd), was voluntarily deregistered effective 11 February 2004. There was no profit or loss on the voluntary liquidation.
- This controlled entity is currently in the process of being voluntarily deregistered. There will be no profit or loss on the voluntary liquidation.
- This controlled entity is in the process of changing its name.
- This controlled entity was previously 100% owned by National Services Providers Pty Ltd. During the year, the entity was transferred to ownership of Reward Supply Co. Pty Ltd. It sold 20% of its equity to minority interests as part of the entity's acquisition of Currey (N.Q.) Pty Ltd and Whitsunday Catering Supplies Pty Ltd.

Refer to Note 31 for details of segment profit from ordinary activities and Note 32 (iii) for details of acquisitions.

The Company owns 100% of the issued capital of Campbell Brothers Limited Superannuation Pty. Ltd. but control does not exist, as set out in that company's constitution.

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

2B INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Three controlled entities hold the following investments:

NAME	PROFESSOR'S AGENCY	BALANCE DATE	CONSOLIDATED		CONSOLIDATED	
			CAMPBELL BROS LTD	CAMPBELL BROS LTD	CAMPBELL BROS LTD	CAMPBELL BROS LTD
ALS Technichem						
(Malaysia) Sdn Bhd ⁽¹⁾	Laboratory services	31 December	40	40	1,468	1,990
Airtime Sales Australia Pty Ltd ⁽²⁾	Retail brokerage services	31 March	50	-	442	-
Crossmark New Zealand Ltd ⁽²⁾	Retail brokerage services	31 March	50	50	690	422
Crossmark Asia Pacific ⁽²⁾	Retail brokerage services	31 March	50	50	859	2,076
Australian Hospitality Imports Pty Ltd ⁽¹⁾	Glassware importer / distributor	31 March	50	-	-	-
					3,459	4,488

(1) Associate. (2) Joint venture entity (partnership).

Results of associates and joint venture entity

Share of associates' and joint venture entity's:

Profit from ordinary activities before income tax expense and amortisation of goodwill and development costs

Amortisation of goodwill and development costs

Profit from ordinary activities before income tax expense

Income tax expense relating to profit from ordinary activities

Share of associates' and joint venture entity's retained profits at the beginning of the financial year

Cost of investments

Dividends received from associate

Deferred tax asset recognised on acquisition of business by joint venture

Carrying amount of investments at end of year

Summary of performance and financial position of associates and joint venture entity

The consolidated entity's share of aggregate profits / (losses), assets and liabilities of associates and joint venture entity:

Net profit

Current assets

Non-current assets

Total assets

Current liabilities

Non-current liabilities

Total liabilities

Net assets

CONSOLIDATED

CAMPBELL BROS LTD	CAMPBELL BROS LTD
946	1,597
(374)	(364)
572	1,233
(821)	(685)
(249)	548
1,979	1,431
1,730	1,979
2,509	2,509
(756)	-
(24)	-
3,459	4,488
(249)	548
20,866	14,053
8,473	8,844
29,339	22,897
21,601	13,412
4,499	5,304
26,100	18,716
3,239	4,181

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

29 DIRECTORS' AND EXECUTIVES' REMUNERATION

Directors' remuneration

The number of directors of the Company whose remuneration from the Company or any related party falls within the following bands:

\$10,000 - \$19,999
\$30,000 - \$39,999
\$40,000 - \$49,999
\$50,000 - \$59,999
\$80,000 - \$89,999
\$90,000 - \$99,999
\$200,000 - \$209,999
\$490,000 - \$499,999
\$650,000 - \$659,999

Total income paid or payable, or otherwise made available, to all directors of the Company and controlled entities from the Company, or any related party (includes fees paid to non-executive directors of the Company of \$306,000 (2003: \$249,000) and the income of non-resident executive directors of controlled foreign entities)

Superannuation and retirement payments

Contributions by the Company on behalf of directors of the Company and controlled entities to the Campbell Brothers Superannuation Fund in accordance with Superannuation Guarantee legislation*

Retirement allowance paid to a director of the Company*

CONSOLIDATED		THE COMPANY	
2004	2003	2004	2003
		1	-
		1	-
		1	3
		2	1
		-	1
		1	-
		1	-
		-	1
		1	-
3,776,593	2,761,653	957,355	746,306
19,409	22,402	19,409	22,402
187,208	-	187,208	-
206,617	22,402	206,617	22,402

* Allowances are payable at the time of retirement of non-executive directors in accordance with the terms of Directors' Retiring Allowance agreements, approved by shareholders of the Company in general meeting on 14 July 1992. These allowances are reduced by the amounts of any accumulated benefits accruing to such directors during their terms of office under the terms of the Campbell Brothers Superannuation Fund.

Executives' remuneration

The remuneration of executives who work wholly or mainly outside Australia is not included in this disclosure.

The number of executive officers whose remuneration from entities in the consolidated entity or related parties falls within the following bands:

\$120,000 - \$129,999
\$140,000 - \$149,999
\$160,000 - \$169,999
\$180,000 - \$189,999
\$200,000 - \$209,999
\$210,000 - \$219,999
\$220,000 - \$229,999
\$230,000 - \$239,999
\$240,000 - \$249,999
\$270,000 - \$279,999
\$280,000 - \$289,999
\$380,000 - \$389,999
\$410,000 - \$419,999
\$420,000 - \$429,999
\$490,000 - \$499,999
\$650,000 - \$659,999

Total income received, or due and receivable from the Company or entities in the consolidated entity or related parties by executive officers whose income is \$100,000 or more

2004	2003	2004	2003
1	1	1	-
3	2	-	-
3	1	1	-
1	2	-	1
-	2	-	2
1	-	1	-
1	-	-	-
1	1	1	1
1	-	1	-
1	-	1	-
1	1	1	1
-	1	-	1
-	1	-	1
1	-	1	-
-	1	-	1
1	-	1	-
3,785,920	3,166,519	2,620,715	2,393,978

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

30 RELATED PARTIES

Directors

The directors of the Company in office any time during the year were:

Mr R J White, Mr R C Campbell (retired 26 August 2003), Mr A J Love, Mrs N Withnall, Mr M D Kriewaldt, Mr G J McGrath (appointed 1 June 2003), Mr R G Hill (appointed 28 October 2003) and Mr B R Brown (Managing Director).

Details of transactions with directors, representing remuneration and retirement benefits, are set out in Note 29.

Employee Share Plan loans to directors

In accordance with the terms of the Employee Share Plan for employees of the consolidated entity, Mr B R Brown Managing Director of the Company has a loan outstanding at the end of the year of \$22,000 (2003: \$30,000). During the year, \$8,000 (2003: \$7,000) was repaid from dividends received. No interest is charged on this loan.

The following directors of controlled entities have loans outstanding in accordance with the terms of the Employee Share Plan for employees of the consolidated entity: G Affleck, A Austin, H Blok, R G Foss, D Gie, G Kitmister, T Leahy, S Skinner, N Thompson and D Tregurtha. The aggregate balance outstanding at the end of the year was \$295,000 (2003: \$295,000). Loans increased \$31,000 (2003: \$33,000) during the year. A total of \$31,000 (2003: \$28,000) was repaid during the year from dividends received. These loans are on terms and conditions no more favourable than loans available to other employees under the Employee Share Plan.

Other transactions with the Company or its controlled entities

Mrs N Withnall was a director of Darling Downs Foods Limited until February 2004 which purchased goods and services from the consolidated entity in the ordinary course of business.

Mrs N Withnall is a consultant to Minter Ellison Lawyers which renders services to the consolidated entity in the ordinary course of business.

Mr M Kriewaldt is a director of Suncorp-Metway Ltd. The consolidated entity enters into financial market transactions with this company in the ordinary course of business.

Mr R Hill is a director of Parmalat Australia Ltd which during the ordinary course of its business purchases goods and services from the consolidated entity on an arms length basis.

A controlled entity paid rent on leased premises owned by a related entity of Mr R G Foss, a director of a controlled entity. Rent paid during the year amounted to \$ Nil (2003: \$37,734).

Transactions entered into during the year with directors of the Company and its controlled entities or with their director-related entities which are within normal customer, supplier, employee or shareholder relationships on terms and conditions no more favourable than those available to their customers, suppliers, employees or shareholders include:

- participation in the Company's Dividend Reinvestment Plan whereby ordinary shares were allotted in lieu of the payment in cash of dividends on ordinary shares;
- acquisition of shares and options in the Company under the Executive Option and Employee Share Plans;
- dividends from shares held in the Company;
- purchase and sales of goods and services and
- contracts of employment and reimbursement of expenses.

Directors' holdings of shares and share options

The interests of directors and their director-related entities in shares and share options in the Company at year-end were: 440,417* (2003: 1,214,846) issued ordinary shares and 75,000 (2003: 125,000) options over unissued ordinary shares.

* The decrease in interests of directors and their director-related entities is due mainly to the retirement of Mr R C Campbell during the year. At the end of last year, shares held by him and entities related to him were 941,668.

(The balance of issued ordinary shares differs from the holdings disclosed in the Directors' Report due to share transactions occurring between balance date and the date of the Directors' Report and the inclusion in that Report of non-controlling, director-related entity holdings as disclosed by directors of the Company).

Directors' transactions in shares and share options

During the year, directors and their director-related entities were issued 2,144 shares under the Dividend Reinvestment Plan, acquired 165,184 shares via on-market purchases and sold 276,030 shares via on-market sales. A balance of 665,727 shares relating to Mr R C Campbell's interests were removed from forming part of directors' interests.

During the year, 50,000 options previously granted to the Managing Director in 1999, were exercised into ordinary shares at \$4.36 per option. The market value of the shares at the date of exercise was \$6.00.

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

30 RELATED PARTIES *continued*

Controlled entities

Details of interests in controlled entities are set out in Notes 12 and 27. Details of dealings with these entities are set out below:

The Company maintains accounts with group entities to finance certain expenditures in those entities (refer Note 8). Interest is charged on the outstanding balance of these accounts (refer Note 2).

The Company supplied chemical products to the Bushland Products, National Service Providers and Reward Supply groups in the normal course of business and on normal terms and conditions.

The aggregate amounts receivable from wholly-owned controlled entities by the Company at balance date are disclosed in Note 8 and the aggregate amounts payable to wholly-owned controlled entities by the Company at balance date are disclosed in Note 17.

Dividends received or due and receivable by the Company from wholly-owned controlled entities are disclosed in Note 2.

Associated entities

Details of investments in incorporated associates and a joint venture partnership are set out in Notes 11 and 28. Details of dealings with these entities are set out below:

The consolidated entity advanced a loan to Crossmark New Zealand Limited to finance business acquisitions (refer Note 8).

Joint venture partnership, Crossmark Asia Pacific, renders sales and merchandising services to the Company in the normal course of business and on normal terms and conditions.

Superannuation fund

Details of the consolidated entity's employee superannuation fund are set out in Note 25A.

31 SEGMENT REPORTING

Primary reporting - Business segments

The major products / services from which the consolidated entity's segments derive revenue are:

Business segments	Products / services
Laboratory Services	Provision of consulting and analytical laboratory services.
Consumer	Manufacture and distribution of consumer products and cleaning agents. Distribution of consumer products and services.
Industrial	Manufacture and distribution of industrial cleaning agents and chemicals. Distribution of non-food consumables to the healthcare, building services, hospitality and leisure industries.

Intersegment pricing is determined on an arms-length basis.

	LABORATORY SERVICES		CONSUMER		INDUSTRIAL		ELIMINATIONS		CONSOLIDATED	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Revenue										
External segment revenue	123,937	114,403	127,899	132,104	140,397	113,999	-	-	392,233	360,506
Inter-segment revenue	-	-	-	-	1,063	1,541	(1,063)	(1,541)	-	-
Total segment revenue	123,937	114,403	127,899	132,104	141,460	115,540	(1,063)	(1,541)	392,233	360,506
Unallocated revenue									137	82
Total revenue									392,370	360,588
Segment contribution										
Segment result before amortisation of goodwill	21,262	15,854	5,696	5,848	9,325	7,391	-	-	36,283	29,633
Share of net profit / [loss] of equity accounted investments	235	493	(484)	55	-	-	-	-	(249)	548
Total segment contribution	21,497	16,347	5,212	5,903	9,325	7,391	-	-	36,034	30,181
Profit										
Segment result after amortisation of goodwill	20,337	14,848	4,555	4,812	8,491	7,338	-	-	33,383	26,998
Share of net profit of equity accounted investments	235	493	(484)	55	-	-	-	-	(249)	548
Unallocated corporate expenses									(11,625)	(10,308)
Profit from ordinary activities before income tax									21,509	17,238
Income tax expense									(6,903)	(5,703)
Net profit									14,606	11,535

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

31 SEGMENT REPORTING *continued*

Primary reporting - Business segments *continued*

	LABORATORY SERVICES		CONSUMER		INDUSTRIAL		ELIMINATIONS		CONSOLIDATED	
	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03
Amortisation and depreciation										
Amortisation of goodwill	925	1,006	1,141	1,036	834	593	-	-	2,900	2,635
Depreciation and other amortisation	6,813	7,170	2,507	2,491	3,381	3,019	-	-	12,701	12,680
Unallocated corporate depreciation and amortisation									167	144
Total amortisation and depreciation									15,768	15,459
Non-cash expenses other than depreciation and amortisation										
Unallocated corporate non-cash expenses	1,368	150	48	833	85	47	-	-	1,501	1,030
Total non-cash expenses									1,275	1,030
Assets										
Segment assets	78,255	79,370	96,392	97,018	89,029	75,761	-	-	263,676	252,149
Equity accounted investments	1,469	1,990	1,991	2,498	-	-	-	-	3,460	4,488
Unallocated corporate assets									17,209	16,232
Consolidated total assets									284,345	272,869
Liabilities										
Segment liabilities	12,064	12,830	13,701	13,796	14,983	12,114	-	-	40,748	38,740
Unallocated corporate liabilities									107,851	107,638
Consolidated total liabilities									148,599	146,378
Non-current assets										
Acquisitions of non-current assets	9,307	7,478	1,534	4,479	1,879	434	-	-	12,720	12,391
Unallocated corporate acquisitions									145	202
Total acquisitions of non-current assets									12,865	12,593

Secondary reporting - Geographical segments

The consolidated entity's business segments operate geographically as follows:

<i>Geographical segments</i>	<i>Products / services</i>
Australasia	Provision of consulting and analytical laboratory services. Manufacture and distribution of consumer and industrial cleaning agents and chemicals. Distribution of consumer products and services. Distribution of non-food consumables to the healthcare, building services, hospitality and leisure industries.
Americas	Provision of consulting and analytical laboratory services. Distribution of consumer products.
Other*	Provision of consulting and analytical laboratory services. Manufacture and distribution of consumer products.

	AUSTRALASIA		AMERICAS		OTHER*		CONSOLIDATED	
	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03
External segment revenue by location of customers	292,759	268,202	77,040	60,960	22,571	23,426	392,370	360,588
Segment assets by location of assets	224,012	207,791	44,479	47,455	15,854	17,623	284,345	272,869
Acquisitions of non-current assets	7,633	8,486	4,652	3,482	580	625	12,865	12,593

* Comprises Asia and Papua New Guinea.

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

		CONSOLIDATED		THE COMPANY	
	2003/04	2003/04	2003/04	2003/04	2003/04
32 NOTES TO THE STATEMENTS OF CASH FLOWS					
(i) Reconciliation of cash					
For the purposes of the Statements of Cash Flows, cash includes cash assets net of outstanding bank overdrafts. The cash as at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:					
Cash assets	7	7,217	6,858	833	1,141
Bank overdraft	17	(725)	(552)	-	-
		6,492	6,306	833	1,141
(ii) Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities					
Profit from ordinary activities after income tax		14,606	11,535	2,364	7,830
Add/(less) items classified as investing / financing activities:					
Dividends receivable		-	-	-	(4,500)
(Profit)/loss on sale of property, plant and equipment		39	47	32	(62)
Finance changes on capitalised leases		142	123	7	1
Add/(less) non cash items:					
Amortisation		5,771	5,179	1,775	1,695
Amounts set aside to provisions		626	51	(133)	(188)
Depreciation		9,997	10,280	2,948	2,955
Inventories written off		216	119	18	51
Bad debts written off		433	423	13	47
Write down in value of investment		-	437	-	-
Share of associates' and joint venture's net (profit) / loss		249	(548)	-	-
Unrealised foreign currency (gain) / loss		-	-	183	(62)
Net cash provided by operating activities before change in assets and liabilities		32,079	27,646	7,207	7,767
Change in assets and liabilities during the financial year:					
(Increase) / decrease in amounts owing by controlled entities		-	-	(1,011)	2,724
(Increase) / decrease in trade and other debtors		(5,456)	2,507	5,470	4,682
(Increase) / decrease in inventories		338	(79)	1,656	1,338
(Increase) / decrease in other current assets		1,215	(989)	635	162
(Increase) in product dispensers and development costs		(1,210)	(1,433)	(1,085)	(1,516)
(Decrease) / increase in trade and other creditors		(336)	105	(649)	1,210
(Decrease) / increase in taxation provisions		(1,403)	1,517	(235)	884
(Decrease) / increase in deferred revenue		(2)	(147)	-	-
Net cash provided by / (used in) operating activities		25,225	29,127	11,988	17,251
(iii) Acquisition of controlled entities and businesses					
CONTROLLED ENTITIES AND BUSINESSES ACQUIRED DURING THE YEAR	DATE ACQUIRED	INTEREST ACQUIRED %	CONSIDERATION \$000		
Currey (N.Q.) Pty Ltd	30 November 2003	100	2,565		
Whitsunday Catering Supplies Pty Ltd	1 December 2003	100	1,640		
Businesses acquired during the year (a)	1 August - 1 December 2003	100	10,550		
				14,755	

(a) Businesses acquired have been absorbed into controlled entities.

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

32 NOTES TO THE STATEMENTS OF CASH FLOWS *continued*

(iii) Acquisition of controlled entities and businesses *continued*

Details of the acquisitions are as follows:

	CONSOLIDATED	
	2004 \$'000	2003 \$'000
Total consideration	14,755	6,590
Minority equity investment in Reward Supply Co. (N.Q.) Pty Ltd	(800)	-
Consideration payable in future years	(1,000)	-
Cash acquired	61	(1,131)
Outflow of cash	13,016	5,459
Fair value of net assets acquired:		
Property, plant and equipment	1,876	934
Intangibles	446	-
Inventories	4,096	2,012
Trade debtors	2,019	3,171
Other debtors and prepayments	140	382
Future income tax benefit	141	160
Cash assets	(61)	1,131
Trade creditors	(2,197)	(2,128)
Other creditors and accruals	(615)	(600)
Provisions	(557)	(904)
Lease liabilities	(1,051)	(320)
Bank loans and overdrafts	-	(50)
Net assets at date of acquisition	4,237	3,788
Outside equity interest at acquisition	-	(352)
Goodwill on acquisition	10,518	3,154
Consideration	14,755	6,590

(iv) Dividends paid

Dividends paid during the year totalled \$12,230,000 (2003: \$11,654,000). Of this, \$2,908,000 (2003: \$1,794,000) was reinvested under the Dividend Re-investment Plan, and \$150,000 (2003: \$160,000) was attributable to the repayment of employee share loans in accordance with the Employee Share Plan. The amount of dividend paid in cash was \$9,172,000 (2003: \$9,700,000).

(v) Non-cash financing activities

During the financial year the consolidated entity acquired property, plant and equipment with an aggregate fair value of \$1,009,000 (2003: \$583,000) by means of finance leases (the Company: \$128,000; 2003: nil).

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

33 ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

(a) Interest rate risk

The consolidated entity enters into interest rate swaps and interest rate options to manage cash flow risks associated with floating interest rates on borrowings.

Interest rate risk exposures

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities are set out below:

		FINANCIAL ASSETS	EXPOSURE TO INTEREST RATES	EXPOSURE TO INTEREST RATES	EXPOSURE TO INTEREST RATES	EXPOSURE TO INTEREST RATES	EXPOSURE TO INTEREST RATES
		2004	2003	2002	2001	2000	1999
2004							
Financial Assets							
Cash assets	7	7,217	-	-	-	7,217	1.1%
Receivables	8	661	-	-	67,796	68,457	4.8%
		7,878	-	-	67,796	75,674	
Financial Liabilities							
Payables	16	-	-	-	33,932	33,932	n/a
Bank overdrafts and loans	17	98,544	-	-	-	98,544	5.7%
Lease liabilities	17	-	900	1,813	-	2,713	7.7%
Dividends payable	18	-	-	-	-	-	n/a
Employee benefits	18	9,193	-	-	-	9,193	5.5%
		107,737	900	1,813	33,932	144,382	
Interest rate contracts (notional principal amounts)		(34,139)	5,000	29,139			
2003							
Financial Assets							
Cash assets	7	6,858	-	-	-	6,858	1.3%
Receivables	8	-	-	-	64,076	64,076	n/a
		6,858	-	-	64,076	70,934	
Financial Liabilities							
Payables	16	-	-	-	32,347	32,347	n/a
Bank overdrafts and loans	17	90,833	-	-	-	90,833	5.5%
Lease liabilities	17	-	564	1,244	-	1,808	7.8%
Dividends payable	18	-	-	-	6,657	6,657	n/a
Employee benefits	18	8,782	-	-	-	8,782	5.3%
		99,615	564	1,244	39,004	140,427	
Interest rate contracts (notional principal amounts)		(35,151)	5,000	30,151			

* The weighted average effective interest rate on bank overdrafts and loans incorporates the effect of interest rate contracts.

NOTES to THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

33 ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE *continued*

(b) Foreign exchange risk

The consolidated entity borrows funds in foreign currencies to hedge its investments in foreign controlled entities. The consolidated entity enters into forward foreign exchange contracts in line with its policy to hedge a proportion of certain anticipated sales and purchase commitments denominated in foreign currencies (principally US dollars and Euros) in each month. The terms of these commitments are generally less than three months. The amount of anticipated future sales and purchases is forecast in light of current conditions in foreign markets, customer orders, commitments to suppliers and experience. The AUD-equivalents of gross values of forward foreign exchange contracts at 31 March 2004 were:

	CONSOLIDATED	
	31-03-04 31-03-03	
Buy US dollars*	1,809	3,120
Sell US dollars *	-	814
Buy Euros *	67	366
	1,876	4,300

* all contracts maturing not later than one year

(c) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

Recognised financial instruments

The credit risk on financial assets of the consolidated entity which have been recognised on the statement of financial position is the carrying amount, net of any provision for doubtful debts.

The consolidated entity minimises concentrations of credit risk by undertaking transactions with a large number of customers.

The consolidated entity is not materially exposed to any individual overseas country or individual customer. Concentrations of credit risk on trade debtors are: Laboratory Services 36.9% (2003: 37.5%), Consumer 29.5% (2003: 30.8%), Industrial 33.6% (2003: 31.7%).

Unrecognised financial instruments

Credit risk on interest rate and foreign exchange contracts which have not been recognised on the statement of financial position is minimal as counterparties are large Australian and international banks with acceptable credit ratings determined by a recognised ratings agency.

The credit risk on interest rate contracts is limited to the net amount to be received from counterparties on contracts that are favourable to the consolidated entity. The accrued amount due to the consolidated entity at 31 March 2004 amounted to \$11,000 (2003: nil).

The maximum credit risk exposure on foreign currency contracts is the full amount the consolidated entity pays when settlement occurs, should the counterparty fail to pay the amount which it is committed to pay the consolidated entity. The exposure at 31 March 2004 is quantified in Note (b) above.

(d) Net fair values of financial assets and liabilities

The carrying amounts of financial assets and liabilities recognised in the statement of financial position approximate their fair values.

The valuation of financial instruments not recognised in the statement of financial position, detailed below, reflects the estimated amounts which the consolidated entity would expect to (pay) or receive to terminate the contracts, net of transaction costs, or replace the contracts at their market rates at reporting date. This is based on independent market quotations and determined using standard valuation techniques.

	CONSOLIDATED	
	31-03-04 31-03-03	
Interest rate contracts - refer Note 33 (a)	(313)	(586)
Forward foreign exchange contracts - refer Note 33 (b)	(39)	(11)
	(352)	(597)

34 EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

DIRECTORS' DECLARATION

In the opinion of the directors of Campbell Brothers Limited:

- (a) the financial statements and notes numbered 1 to 34 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company and the consolidated entity as at 31 March 2004 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



R J White
Chairman

Dated at Brisbane on 25 May 2004



B R Brown
Managing Director

Dated at Brisbane on 25 May 2004

INDEPENDENT AUDIT REPORT
To the members of Campbell Brothers Limited

SCOPE

The financial report and directors' responsibility

The financial report comprises the statements of financial position, statements of financial performance, statements of cash flows, accompanying notes 1 to 34 to the financial statements, and the directors' declaration for both Campbell Brothers Limited (the "Company") and Campbell Brothers Limited and its controlled entities (the "Consolidated Entity"), for the year ended 31 March 2004. The Consolidated Entity comprises both the company and the entities it controlled during that year.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's and the Consolidated Entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- > examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- > assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

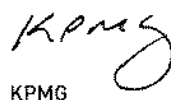
AUDIT OPINION

In our opinion, the financial report of Campbell Brothers Limited is in accordance with:

(a) the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 31 March 2004 and of their performance for the financial year ended on that date; and
- (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.


KPMG



Mitchell C Petrie
Partner

Dated at Brisbane on 25 May 2004

SHAREHOLDER INFORMATION

TWENTY LARGEST SHAREHOLDERS AS AT 25 MAY 2004

NUMBER	ADDRESS	NO. OF ORDINARY SHARES HELD	PERCENTAGE OF TOTAL
1. Westpac Custodian Nominees Limited	New South Wales	2,650,313	6.62
2. RBC Global Services Australia Nominees Pty Limited (BKCUST A/C)	New South Wales	1,566,727	3.91
3. Milton Corporation Limited	New South Wales	1,177,758	2.94
4. Faircase Pty Ltd	Queensland	750,454	1.87
5. Smersh Investments Pty Ltd (Smersh A/C)	Queensland	500,000	1.25
6. Campbell Brothers Trading Pty Ltd (Campbell Bros Emp S/Plan A/C)	Queensland	428,050	1.07
7. Gardenglen Pty Ltd	Queensland	421,535	1.05
8. Argo Investments Limited	South Australia	377,434	0.94
9. GIO General Ltd	Queensland	326,692	0.82
10. Mrs Dorothy Anne Stewart	Queensland	325,457	0.81
11. National Nominees Limited	Victoria	303,652	0.76
12. Mrs Joyce Selina Hinds	Queensland	256,175	0.64
13. Barrambin Trading Company Pty Ltd	Queensland	246,054	0.61
14. Ourmacs Pty Ltd	Queensland	245,905	0.61
15. Choiseul Investments Limited	New South Wales	235,134	0.59
16. Suncorp General Insurance Limited	Queensland	228,244	0.57
17. Mrs Roma Agnes Hall	Queensland	227,592	0.57
18. Mrs Joyce Evelyn Lloyd	Queensland	221,379	0.55
19. ANZ Executors and Trustee Company Limited	Victoria	214,647	0.54
20. Wallaby 23 Pty Ltd (The P M Winning Family A/C)	Queensland	212,433	0.53
TOTAL		10,915,635	27.25

SHAREHOLDER INFORMATION

OTHER STOCK EXCHANGE REQUIREMENTS

Substantial Shareholders

The number of shares held by substantial shareholders as disclosed in substantial shareholding notices given to the Company as at 25 May 2004 were:

	NO. OF SHARES HELD	% OF PAID UP
Challenger Financial Services Group	2,040,120	5.17

Statement of Quoted Securities

The Company's total number of shares on issue is 40,050,332 ordinary fully paid shares. At 25 May 2004 the total number of shareholders owning these shares was 5,674 on the register of members maintained by Computershare Investor Services Pty Ltd.

27.25% of total issued capital is held by or on behalf of the twenty largest shareholders.

Voting Rights

Under the Company's Constitution, every member entitled to vote who is present at a general meeting of the Company in person or by proxy or by attorney or in the case of a corporation, by representative, shall, upon a show of hands, have one vote only.

Proxies - Where a member appoints 2 proxies, neither proxy is entitled to a vote on a show of hands.

Poll - On a poll, every member entitled to vote shall, whether present in person or by proxy or attorney or, in the case of a corporation, by representative, have one vote for every share held by the member.

At 25 May 2004, there were options over 285,000 unissued ordinary shares held by 10 senior executives granted under an Executives' Option and Employee Share Plan. There are no voting rights attached to the unissued ordinary shares.

Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

Distribution Schedule of Shareholders

NO. OF SHAREHOLDERS	NO. OF SHAREHOLDERS
1 - 1,000	1,372
1,001 - 5,000	3,016
5,001 - 10,000	690
10,001 - 100,000	556
100,001 and over	40
	5,674

The number of shareholders each holding less than a marketable parcel of the Company's ordinary shares at 25 May 2004 was 81.

Uncertificated Share Register

The Company's share register is totally uncertificated. Two forms of uncertificated holdings are available to shareholders:

- > *Issuer Sponsored holdings:* sponsored by the Company. Has the advantage of being uncertificated without the need to be sponsored by a stockbroker.
- > *Broker Sponsored holdings:* sponsored by a stockbroker. This type is attractive to regular stockmarket traders or those shareholders who have their share portfolio managed by a stockbroker.

Holding statements are issued to shareholders within 5 business days after the end of any month in which transactions occur that alter the balance of your shareholding.

Stock Exchange Listing

The shares of Campbell Brothers Limited are listed on the Australian Stock Exchange under the trade symbol CPB, with Brisbane being the home exchange. Details of trading activity are published in most daily newspapers, generally under the abbreviation of Cam Bros.



OTHER SHAREHOLDER INFORMATION

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

Share Registry

If you have any questions concerning your CBL shareholding, share transfers or dividends, please contact our Share registry, Computershare Investor Services Pty Ltd. They can be contacted by phone on 1300 552 270 (within Australia), +61 7 3237 2100, by fax on +61 7 3229 9860 or on the Internet at www-au.computershare.com

Annual Reports

If you do not wish to continue receiving the annual report, please contact our Share registry, Computershare Investor Services Pty Ltd, to request that the annual report not be sent to you in future. You will still be sent the notice of meeting. The latest Annual Report can be accessed from the Company's website at www.campbell.com.au.

Changing Your Address?

If you change your address, please promptly notify our Share registrar in writing. You should quote your SRN (Shareholder Reference Number) or HIN (Holder Identification 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. Currently, the DRP Plan is only open to shareholders with registered addresses in Australia or New Zealand.

GENERAL INFORMATION

> Registered Office

29 Finchley Street
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> Company Secretaries

Andrew Austin, B.Bus., A.S.A., F.C.I.S.
Bruce R. Brown, B.Com., A.A.U.Q.

> Auditors

KPMG

> Solicitors

Minter Ellison Lawyers

> Bankers

Australia and New Zealand Banking Group Limited
HSBC Bank Australia Limited

> Share Registry

Computershare Investor Services Pty Limited
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Brisbane Qld 4000
Enquiries: 1300 552 270 (within Australia)
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Facsimile: 61 7 3229 9860

www-au.computershare.com

SHAREHOLDER INFORMATION

TEN YEAR SUMMARY

	1988/89 R 000 000	1989/90 R 000 000	1990/91 R 000 000	1991/92 R 000 000	1992/93 R 000 000	1993/94 R 000 000	1994/95 R 000 000	1995/96 R 000 000	1996/97 R 000 000	1997/98 R 000 000
Sales Revenue	97,133	113,369	137,599	174,920	198,755	271,736	319,146	336,219	359,278	390,269
Funds Employed										
Contributed equity	8,840	11,306	11,688	14,956	63,020	65,186	67,049	98,186	100,067	104,327
Reserves	15,727	25,495	27,379	49,024	3,295	3,505	4,576	828	(2,506)	(7,344)
Retained profits	9,157	9,733	12,152	12,743	16,071	19,767	28,850	28,527	28,700	37,768
Outside equity interests	198	-	194	(2)	18	151	66	300	230	995
Non-current liabilities	14,244	7,500	40,363	21,120	25,970	50,295	86,888	94,378	92,786	100,006
Current liabilities	21,849	21,315	29,993	29,383	31,098	50,665	53,055	48,855	53,592	48,593
Total funds employed	70,015	75,349	121,769	127,224	139,472	189,569	240,484	271,074	272,869	284,345
Represented By										
Fixed assets	22,732	25,244	40,672	46,088	46,792	65,863	77,361	87,486	86,572	85,947
Current assets	29,613	31,913	43,947	42,514	54,116	76,973	90,528	108,337	106,594	111,784
Non-current assets	3,735	4,389	5,670	5,247	5,118	5,414	21,150	9,470	13,173	13,284
Intangibles	13,935	13,803	31,480	33,375	33,446	41,319	51,445	65,781	66,530	73,330
Total assets	70,015	75,349	121,769	127,224	139,472	189,569	240,484	271,074	272,869	284,345
Trading Results										
Borrowed costs (net)	549	1,486	1,560	1,754	1,591	2,792	4,203	4,910	5,125	5,752
Depreciation	2,536	3,221	3,392	4,713	5,591	6,681	8,120	9,329	10,280	9,997
Amortisation	962	1,517	1,707	2,173	1,962	2,229	3,429	4,602	5,179	5,771
Net profit before tax	6,688	6,957	11,640	15,732	16,317	18,560	19,647	16,319	17,238	21,509
Income tax expense	1,889	2,605	4,202	5,677	5,670	6,295	3,028	5,030	5,703	6,903
Net profit after tax (before g'will & ind. sig. items)	5,145	5,436	7,911	10,748	11,416	13,199	13,913	13,548	14,558	17,904
Net profit after tax (before g'will & ind. sig. items) - attributable to members	5,083	5,393	7,912	10,748	11,396	12,996	14,139	13,493	14,919	17,939
Net profit after tax, goodwill & ind. sig. items - attributable to members	4,737	4,309	7,439	10,055	10,627	12,062	17,985	11,234	11,896	14,641
Dividend	3,336	3,611	4,893	9,464	7,299	8,366	9,429	11,607	11,723	13,183
Other Statistics										
Net tangible asset backing per share	\$ 1.13	1.45	0.84	1.45	1.61	1.52	1.56	1.60	1.53	1.56
Earnings per share (before g'will & ind. sig. items)	c 29.48	28.08	34.13	36.51	37.63	42.72	44.36	35.95	37.33	45.05
Earnings per share (before g'will & ind. sig. items) - attributable to members	c 29.12	27.86	34.13	36.51	37.56	42.06	45.08	35.81	38.25	45.14
Earnings per share (after g'will & ind. sig. items) - attributable to members	c 27.20	22.30	32.08	34.16	35.09	39.04	57.34	29.81	30.50	36.84
Dividend per share	c 19.0	19.0	21.0	23.0	24.0	27.0	30.0	30.0	30.0	33.0
Return on average shareholders funds (before g'will & ind. sig. items)	% 16.0	13.5	16.2	16.8	14.3	15.5	14.7	11.9	11.5	13.7
Return on average shareholders funds (after g'will & ind. sig. items)	% 14.8	10.7	15.2	15.7	13.4	14.1	19.0	9.9	9.4	11.2
Net borrowings (debt - cash)	\$ 18,366	9,989	43,180	20,637	22,624	48,166	84,876	83,251	85,783	94,040
Gearing ratio (net debt/(net debt + contrib. equity))	% 35.1	17.7	45.6	21.2	21.5	35.2	45.8	39.4	40.4	40.9
Interest cover (after tax before g'will & ind. sig. items)	times 10.4	4.7	6.1	7.1	8.2	5.7	4.3	3.8	3.8	4.1
Interest cover	times 13.2	5.7	8.5	10.0	11.3	7.6	5.7	4.3	4.4	4.7
No. of employees	678	697	987	1,123	1,057	1,409	1,684	2,165	2,306	2,423

(a) Following the issue of 4,485,982 shares

(b) Following the issue of 763,586 shares

(c) Following the issue of 6,535,015 shares

(d) Dividend excludes special dividend of 10 cents per share

(e) Following the issue of 559,131 shares

(f) On 1 July 1998, the balance of \$45.9 million in the share premium
a/c (Reserves) was transferred to the Share Capital a/c

(g) Following the issue of 560,171 shares

(h) Following the issue of 448,380 shares

(i) Following the issue of 7,278,595 shares

(j) Following the issue of 404,680 shares

(k) Following the issue of 888,141 shares

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21 Solent Circuit
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New Zealand
231 Hinemoa Street,
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PANAMEX PACIFIC

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South Australia
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South Australia, 5013
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Facsimile: 61 8 8447 6599

NATIONAL SERVICE PROVIDERS

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255 Rawson Street Auburn,
New South Wales 2144
Telephone: 61 2 9735 7777
Facsimile: 61 2 9748 4001
www.natsp.com

Queenland
NSP Pest Control
t/a Arrest-A-Pest
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Sumner Park Qld 4074
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Facsimile: 61 7 3279 2421
www.arrestapest.com.au

REWARD DISTRIBUTION GROUP

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Gold Coast Qld 4211
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Facsimile: 61 7 5596 5155
www.rewardsupply.com.au

Gould & Kennedy
300 Cullen Avenue East
Eagle Farm, Brisbane
Qld 4009
Freecall: 1300 666 023
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Facsimile: 61 7 3868 1444
www.gouldkennedy.com.au

Curreys
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Townsville, Qld, 4810
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Facsimile: 61 7 4721 5288
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Hospac
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