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- ANNOUNCEMENT TO ASX -

Board Rejects Increased Offer from Campbell Brothers

The Board of CCI Holdings Limited ("**CCI**") met today and discussed the increased Offer of 35 cents per share announced yesterday by Campbell Brothers Limited ("**Campbell**").

The Board rejects the opportunistic hostile takeover Offer from Campbell. Although the Offer has been increased slightly and the extensive conditions have been waived, the Board is convinced that nothing material has changed in relation to the inadequacy of the Offer.

In simple terms, the increased Offer still fails to satisfy the majority of concerns set out in CCI's Target's Statement of 2 August 2006. These are evident:

- The Offer continues to take little account of CCI's record operating results and cash flows confirmed to the Australian Stock Exchange this morning. As announced, these show impressive increases in operating revenues of 13% and in operating EBIT of 74%.
- The Offer continues to imply an earnings multiple that is far below that of Campbell and other comparable companies.
- CCI shares traded as high as 35 cents even before this latest Offer was announced.
- Shareholders will be denied the fully franked dividend already declared by the Board.
- The Offer provides an inadequate price premium to CCI shareholders for obtaining full control over their business and does not pass on to shareholders any of the potentially significant synergistic benefits that Campbell expects to gain from CCI.
- Recent buyers of CCI Shares, including employees through the share scheme, may have to pay tax at higher rates on the proceeds of the Offer.
- The increased Offer still does not adequately reflect the genuine value of CCI's leadership position in a number of markets.
- The Offer is opportunistic and will deny existing shareholders the benefits of the Company's improved financial performance.

For these reasons, the Board of CCI continues to reject the Campbell bid. **Directors advise they have no intention of accepting the Offer in respect of their own or associated shares, comprising 31.4%** of the company's issued share capital. Director Rob Chenery, presently overseas and uncontactable, holds a further 1.1%.

The Board of CCI strongly urges shareholders to continue to REJECT THE OFFER AND TAKE NO ACTION in respect of their shares.

For and on behalf of the Board

Peter BJ Murray
Chairman of Directors

5 September 2006