



CAMPBELL BROTHERS
LIMITED

ABN 92 009 657 489

Half Year Review

6 months to 30 September 2011



Review of Half Year

ended 30 September 2011

(issued 29 November 2011)

The Group achieved a record interim net profit after tax (attributable to equity holders of the Company) of \$102.3 million in the half year to September 2011, in line with recent guidance provided to the market.

The result was up 54% on the previous corresponding period and was generated from revenue of \$667.5 million (up 22% on the September 2010 half).

All divisions within the ALS laboratory services business recorded increased profit contributions and margins over the previous corresponding period. In particular, strong growth in global mineral exploration activity lifted demand for the analytical testing services provided by ALS Minerals division. Increased sample flow, combined with earnings generated by Ammtec (acquired November 2010) and Stewart Group (acquired July 2011) served to deliver a 79% increase in segment profit contribution over the September 2010 half-year. ALS Environmental division delivered strong gains in revenue and profit contribution, particularly within the Australian and North American regions.

ALS' Coal, Tribology and Industrial divisions all recorded solid growth in earnings compared with the previous corresponding period and the Reward Distribution hospitality supplies division returned to profitability during the September 2011 half.

The translation of foreign earnings was impacted by a stronger Australian dollar during the period. The average exchange rate against the US dollar was USD1.06 for the September 2011 half-year (previous corresponding period: USD0.90).

Directors have declared a partly franked (50%) interim dividend of 95 cents per share, payable on all ordinary shares (2010: 65 cents, partly franked to 50%). It will be paid on 19 December 2011 on all shares registered in the Company's register at the close of business on 13 December 2011. The company's dividend reinvestment plan remains suspended.

The Group has seven reportable segments, representing seven distinct strategic business units each of which are managed separately and offer different products and services. The following summary describes the operations in each of the Group's reportable segments and the contributions from the business segments for the half year ended 30 September 2011.



ALS Group



ALS is a global leader in the provision of analytical laboratory and technical services to international minerals, environmental, coal, tribology (used oil) and industrial markets.

An overview of the main ALS business units are as follows:



ALS MINERALS

Provides assaying and analytical testing services and metallurgical services for mining and mineral exploration companies as well as inspection services.

	H12012 \$'000	H12011 \$'000	Increase
Revenue	267,674	152,697	75.3%
Segment contribution	95,016	53,089	79.0%
Margin (segment contribution to revenue)	35.5%	34.8%	

Strong growth in global mineral exploration activity led to ALS Minerals division processing a record number of samples during the half-year to September 2011. Investments in increased operational capacity over the past two years enabled the business to service this growth successfully. The interim financial results of the division were boosted by contributions from Ammtec (acquired November 2010; Revenue \$39,053,000 and Contribution \$7,238,000) and Stewart Group (acquired July 2011; Revenue \$21,096,000 and Contribution \$5,834,000).



ALS Group



ALS ENVIRONMENTAL

Provides analytical testing data to assist consulting and engineering firms, industry, and governments around the world in making informed decisions about their environmental projects

	H12012 \$'000	H12011 \$'000	Increase
Revenue	173,034	155,668	11.2%
Segment contribution	40,016	35,305	13.3%
Margin (segment contribution to revenue)	23.1%	22.7%	

The Australian and North American regions of ALS Environmental posted strong growth in revenue and profit contribution during the period, primarily the result of winning new contracts and clients. It is anticipated that additional project work will deliver improved financial results for other geographies in the division in the second half.



ALS COAL

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

	H12012 \$'000	H12011 \$'000	Increase
Revenue	39,393	36,150	9.0%
Segment contribution	9,630	8,725	10.4%
Margin (segment contribution to revenue)	24.4%	24.1%	

Contracts for new work in the South African and Canadian operations of ALS Coal division delivered improved revenue and margin performance in those regions during the period. The Australian business performed in line with the previous corresponding half-year, recovering well from natural disasters which contributed to a slow start to the year.



ALS Group



ALS TRIBOLOGY

Provides analysis of lubricating oil from a wide variety of mechanical equipment for preventative maintenance purposes.

	H12012 \$'000	H12011 \$'000	Increase / (Decrease)
Revenue	15,143	15,852	(4.5%)
Segment contribution	2,823	1,901	48.5%
Margin (segment contribution to revenue)	18.6%	12.0%	

Whilst all regions within the ALS Tribology division generated improved revenue and segment contribution as measured in local currencies, exchange rate differences resulted in lower reported sales revenue when translated into Australian dollars. A focus on cost management produced significant margin improvement particularly in the North American business.



ALS INDUSTRIAL

Provides the energy, resources and infrastructure sectors with testing, inspection and asset care services.

	H12012 \$'000	H12011 \$'000	Increase
Revenue	60,240	57,452	4.9%
Segment contribution	8,252	6,979	18.2%
Margin (segment contribution to revenue)	13.7%	12.1%	

ALS Industrial division produced improved revenue and margin performance during the half year, despite the divestment of its asset management business unit in July 2011. The acquisition of Austpower Engineering in October 2011 will significantly increase the division's presence in the power generation sector and strengthens its position in providing asset care services to the power, oil & gas, resources and infrastructure industries in Australia.



Campbell Chemicals



CAMPBELL CHEMICALS

Manufacture and distribution of cleaning agents and chemicals for both domestic and industrial customers.

	H12012 \$'000	H12011 \$'000	(Decrease)
Revenue	45,490	74,058	(38.6%)
Segment contribution	3,304	4,436	(25.5%)
Margin (segment contribution to revenue)	7.3%	6.0%	

Campbell Chemicals division generated lower revenue and contribution levels during the period; the fall being directly attributable to the sale of the Cleantec business unit in December 2010. Excluding the direct impact of the divestment, the division's revenue and segment contribution grew by 2.4% and 4.7% respectively compared with the previous corresponding period.



REWARD DISTRIBUTION

Distribution of non-food consumables to the healthcare, building services, hospitality and leisure industries.

	H12012 \$'000	H12011 \$'000	Increase
Revenue	66,572	58,638	13.5%
Segment contribution	2,008	(1,755)	n/a
Margin (segment contribution to revenue)	3.0%	(3.0)%	

The Reward Distribution hospitality supplies business returned to profitability during the half year to September 2011, following the implementation of a revised approach to product markets, brands and the division's operational cost base

Events since Half Year end

to 29 November 2011

ACQUISITIONS

Austpower Engineering

On 13 October 2011, the Group acquired Austpower Engineering for \$28 million plus a potential future earn-out depending on financial performance over the next two years. Austpower is an industrial inspection and engineering business, based in Newcastle NSW, providing advanced inspection services to the power generation industry in Australia and will be part of the ALS Industrial Division. The acquisition serves to strengthen ALS Industrial's position as the premier provider of advanced technology, engineering-led, asset care services to the power, oil & gas, resources and infrastructure sectors in Australia.

Columbia Analytical Services

On 31 October 2011, the Group acquired US-based environmental, food and pharmaceutical testing company Columbia Analytical Services (CAS) for \$34 million. CAS is based in Kelso, Washington State and operates six laboratories across the United States. The acquisition positions ALS Environmental as the number two US environmental group by revenue and establishes a small foothold for the Group in food and pharmaceutical testing in the USA – an important step in the strategy to develop a global business in this sector.

BANK LOAN RE-FINANCING

In November 2011 the Group executed loan facility agreements with a number of Australian and Canadian banks. These floating rate facilities replace existing facilities maturing on or before 31 May 2012 and provide the Group with committed bank loan funding lines totalling \$201 million for three years maturing in November 2014.

Shareholder information

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

SHARE REGISTRY

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

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

Computershare Investor Services Pty Ltd
GPO Box 523
Brisbane Qld 4001
Toll free: 1300 552 270 (within Australia)
Phone: +61 7 3237 2100 (outside Australia)
Fax: +61 7 3229 9860
Internet at: **www.computershare.com**
Email: queries@computershare.com.au

ANNUAL REPORTS

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

CHANGING YOUR ADDRESS?

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

DIRECT DEPOSIT OF DIVIDENDS INTO BANK ACCOUNT

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

DIVIDEND REINVESTMENT PLAN (DRP)

The DRP has been suspended until further notice.

Financial Summary

Half year ended 30 September

	H12012 \$000	H12011 \$000	Change
Revenue	667,546	547,530	+21.9%
Profit before acquisition costs, financing costs and income tax	150,705	100,038	
Less: Acquisition costs*	607	2,341	
Less: Net financing costs	6,151	5,263	
Less: Income tax expense	41,374	26,197	
Profit after income tax	102,573	66,237	+54.9%
(Profit)/Loss attributable to minority interests	(231)	15	
Profit after tax attributable to equity holders	102,342	66,252	+54.5%
Issued Capital	610,382	471,626	
Total Equity	873,152	667,242	
Dividend per Share (cents) ⁽¹⁾	95.0	65.0	
Earnings Per Share (cents)	151.61	104.54	
Weighted average number of ordinary shares	67,503,411	63,376,827	
Net Debt ⁽²⁾	360,603	145,416	
Gearing Ratio (%) ⁽³⁾	29.2	17.9	
Interest Cover (times)	24.4	18.6	

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

* In accordance with revised accounting standard AASB3 Business Combinations, which applied to the Group from 1 April 2010, transaction costs associated with acquisitions have been expensed in the profit and loss statement.

Financial Calendar

2011/2012

Year End	31 March 2012
Full Year Results and Dividend Announcement	21 May 2012
Record Date for Final Dividend	8 June 2012
Annual Report Released and Notice of Meeting Mailed	29 June 2012
Final Dividend Payment Date	2 July 2012
AGM	31 July 2012

ANALYSTS

- RBS Morgans
- JP Morgan Securities
- Foster Stockbroking
- Macquarie Equities
- Deutsche Bank
- Ord Minnett
- Credit Suisse
- UBS Securities Australia
- Hunter Green Institutional Broking
- Taylor Collinson
- Morgan Stanley
- Moelis Securities



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