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ASX RELEASE

18 May 2010

Campbell Brothers Limited announces intention to make an offer for Ammtec Limited at \$3.35 per share

Choice of all cash offer or all share alternative

33% premium to the closing price on 18 May 2010

Campbell Brothers Limited (ASX: CPB) today announced that its wholly owned subsidiary, Australian Laboratory Services Pty Ltd (ALS), intends to make a cash offer for all of the issued capital in Ammtec Limited (ASX: AEC), including any shares issued following the exercise of existing Ammtec options during the offer period (the Offer).

The Offer will also include an all share alternative, offering Ammtec shareholders the choice of accepting Campbell Brothers shares (rather than cash) as consideration for their Ammtec shares.

Strategic rationale

Campbell Brothers is a leading Australian diversified services company, providing state of the art analytical testing services internationally, as well as commercial chemical and cleaning solutions throughout Australia and the Pacific, and hospitality wares and distribution throughout Australia and New Zealand. Founded in 1863 and listed in 1952, Campbell Brothers currently employs over 7,000 staff operating from 200 sites in 44 countries worldwide.

ALS, a wholly owned subsidiary of Campbell Brothers, is a global leader in the provision of analytical laboratory and technical services to international environmental, minerals, coal, tribology (used oil), food, and industrial markets. It is one of the largest and most successful laboratory groups in the world, operating more than 160 laboratories in 42 countries and offering a broad range of inspection and analytical testing services.

Perth-based Ammtec is a leading metallurgical and mineral testing consultancy, having served the local and international mining industries since 1979. It is one of only a few comprehensive metallurgical testing firms globally, and currently operates laboratories in Western Australia, New South Wales, South Australia and Tasmania.

Campbell Brothers' Offer will provide Ammtec shareholders with the opportunity to realise a substantial premium for their shares. Campbell Brothers' believes the cash offer will be attractive to Ammtec shareholders given the relatively illiquid market for Ammtec shares. The option to receive Campbell Brothers shares in lieu of cash will be attractive to Ammtec shareholders who wish to participate in the benefits from the acquisition, from the larger and more liquid market for Campbell Brothers shares, and from the benefits that come with a more diversified portfolio of geographic and end market exposures. There may also be potential capital gains tax rollover relief available to Ammtec shareholders accepting Campbell Brothers shares as their preferred form of consideration.

All cash offer

Campbell Brothers intends to offer Ammtec shareholders cash consideration of \$3.35 per share, representing a 33% premium to the closing price of \$2.51 per share on 18 May 2010 and a 24% premium to the 30 trading day volume weighted average price (VWAP) of \$2.71 per share up to, and including, 18 May 2010.

The Offer values Ammtec's equity, on a fully diluted basis, at approximately \$123 million.¹ Campbell Brothers believes the Offer represents a highly attractive multiple of 19.0 times Ammtec's after tax earnings for the year ended 30 June 2009. The Offer also represents an enterprise value to EBITDA multiple of 9.5 times for the same period.²

¹ Dilution based on options outstanding as disclosed in Ammtec 2009 Annual Report.

² Enterprise value calculated based on balance sheet position shown in Ammtec Half Year Report for the period ended 31 December 2009, adjusted for interim dividend and dividend reinvestment plan.



All share alternative

For Ammtec shareholders who determine to accept the Offer and receive Campbell Brothers shares (rather than cash) as consideration, the actual number of Campbell Brothers shares which they will receive if they accept the Offer (and it becomes unconditional) will be 2 Campbell Brothers shares for every 17 Ammtec shares held.

Greg Kilmister, Campbell Brothers' Managing Director commented:

"The acquisition of Ammtec will provide Campbell Brothers with the opportunity to roll-out Ammtec's specialised testing capability globally and to leverage the combined expertise of both companies to pursue new business initiatives.

It builds on Campbell Brothers recent acquisitions of PearlStreet and Ecowise, and represents a further diversification and deepening of our testing capabilities through a significant extension of our service offering to the local and international mining industries.

We look forward to working with Ammtec's staff to build out Ammtec's specific capabilities through Campbell Brothers global network, and expect that the combined operations of Campbell Brothers and Ammtec will present staff with enhanced career opportunities.

We look forward to early engagement with Ammtec during the offer process, with the aim of satisfying outstanding conditions and completing the Offer as soon as possible."

The Offer will be subject to a limited set of conditions including confirmation of Ammtec's earnings for the year ending 30 June 2010 and a minimum 90% acceptance condition.

Importantly, the Offer will not be subject to any finance conditions.

A formal Bidder's Statement is expected to be lodged with the Australian Securities and Investments Commission (ASIC) shortly.

J.P. Morgan Australia Limited is acting as financial adviser and Minter Ellison is acting as legal adviser to Campbell Brothers.

For further information please contact:

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Campbell Brothers Limited
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CONDITIONS OF THE OFFER

The Offer and any contracts resulting from acceptance of the Offer are subject to fulfilment of the following conditions:

(a) Minimum acceptance

At or before the end of the offer period, Campbell Brothers and its associates together have interests in at least 90% (by number) of Ammtec shares.

(b) Earnings Confirmation

The Target's Statement containing a statement expressed to be made with the approval of the Ammtec Board (Earnings Confirmation) which confirms, to the best of the knowledge and belief of the Ammtec Board, after having made due enquiry, each of the matters set out below in respect of the Ammtec financial year ending 30 June 2010 (on the basis of the application of accounting principles consistent with those applied to the Ammtec results for the half year to 31 December 2009 announced to the ASX on 15 February 2010), and the Earnings Confirmation not being materially varied, revoked or qualified (whether in any supplementary Target's Statement or otherwise) prior to the end of the offer period:

- (i) Revenue from continuing operations will be greater than \$52.5 million;
- (ii) Operating EBITDA will be greater than \$12.4 million; and
- (iii) Operating EBIT will be greater than \$10.3 million.

(c) No market fall

Between the date of announcement of the Offer (Announcement Date) and the end of the offer period, the S&P/ASX 200 Index does not close below 3,800 on any two consecutive trading days.

(d) No material adverse change

Between the Announcement Date and the end of the offer period, no event, matter, change or condition occurs, is announced or becomes known to Campbell Brothers (whether or not it becomes public) where that event, matter, change or condition has had, or could reasonably be expected to have, a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of Ammtec taken as a whole.

(e) No prescribed occurrence

Between the Announcement Date and the end of the offer period, none of the occurrences specified in Section 652C(1) or (2) of the Corporations Act (Cth) 2001 occurs to Ammtec or any of its subsidiaries.

(f) Regulatory approvals

Between the Announcement Date and the end of the offer period, all necessary approvals for the proposed transaction, including (without limitation):

- (i) All approvals which are required by law or any public authority to permit the Offer to be made and accepted by Ammtec shareholders in all applicable jurisdictions; and
- (ii) All approvals which are required by law or by any public authority as a result of the Offer or the acquisition of the Ammtec shares and which are necessary for the continued operation of the business of Ammtec and its subsidiaries or of Campbell Brothers and its subsidiaries,

are granted, given, made or obtained on an unconditional basis and, at the end of the offer period, remain in full force and effect in all respects and are not subject to any notice, intention or indication of intention to revoke, suspend, restrict, modify or not renew the same.

(g) No regulatory actions

Between the Announcement Date and the end of the offer period, there is not in effect any preliminary or final decision, order or decree issued by a governmental agency (provided that this condition will not be triggered by any order or action by the Takeovers Panel or ASIC), no action or investigation is taken by any governmental



CAMPBELL BROTHERS LIMITED

agency and no application is made to any governmental agency which restrains, prohibits or may otherwise materially adversely impact upon the completion of the Offer.

(h) No material transactions

Between the Announcement Date and the end of the offer period, Ammtec does not enter into any material acquisitions, disposals or new commitments outside of the ordinary course of business.

(i) Conduct of business

Between the Announcement Date and the end of the offer period, no member of the Ammtec group:

- (i) Gives or agrees to give any mortgage, charge, lien or other encumbrance over any of its assets otherwise than in the ordinary course of business;
- (ii) Makes or proposes to make any material change to its constitution;
- (iii) Increases or agrees to increase its level of indebtedness (including financial liabilities incurred under finance leases) or issues or agrees to issue any indebtedness or debt securities other than advances under existing credit facilities in the ordinary course of business;
- (iv) Makes or agrees to make any loans, advances or capital contributions to, or investments in, any other person other than in the ordinary course of business;
- (v) Increases the remuneration of, pays any bonus (other than in accordance with existing contractual entitlements as at the Announcement Date), issues any securities, options or performance rights or otherwise varies the employment arrangements with any of the directors of Ammtec (collectively, Relevant Employees);
- (vi) Accelerates the rights of any of the Relevant Employees to compensation or benefits of any kind (including under an executive or employee share or option plan and including by vesting the outstanding performance rights)
- (vii) Pays any of the Relevant Employees termination or retention payments (otherwise than in accordance with existing contractual entitlements at the Announcement Date);
- (viii) Offers to acquire (including, without limitation, by making takeover offers under Chapter 6 of the Corporations Act) or agrees to acquire one or more companies, businesses, assets or shares (or any interest in one or more companies, businesses, assets, or shares) for an amount, in aggregate, greater than \$5.0 million;
- (ix) Disposes of, offers to dispose of or agrees to dispose of one or more companies, businesses, assets or shares (or any interest in one or more companies, businesses, assets or shares), the value of which exceeds \$2.0 million;
- (x) Enters into, or offers to enter into or agrees to enter into, any agreement, joint venture, asset or profit share, partnership or commitment which would require expenditure, or the foregoing of revenue, by Ammtec and/or its Subsidiaries of an amount which is, in aggregate, more than \$2.0 million, other than in the ordinary course of business;
- (xi) Enters into, amends, or terminates any material contract; or
- (xii) Resolves, agrees, commits or announces an intention to do any of the things referred to in paragraphs (i)-(xi) above.

(j) Third party rights and consents

If Ammtec is a party to, is bound by, or is subject to, an agreement, arrangement or understanding which as a result of the acquisition of Ammtec shares by Campbell Brothers under the Offer or a change in control of Ammtec as a result of the Offer, entitles a third party to exercise any rights (including termination rights or pre-emptive rights), and the exercise of those rights would have a material adverse impact on the business, assets, liabilities, financial or trading position, profitability or prospects of Ammtec, then, between the Announcement Date and the end of the offer period, the third party:

- (i) Agrees to not exercise, purport to exercise, or state an intention or claim a right to exercise, those rights; and
- (ii) Gives its consent or waiver in a form reasonably acceptable to Campbell Brothers to the acquisition of Ammtec shares by Campbell Brothers

(k) No dividends or distributions

Between the Announcement Date and the end of the offer period, none of Ammtec, or any body corporate which is or becomes a subsidiary of Ammtec, without the prior written consent of Campbell Brothers declares, or distributes any dividend, bonus or other share of its profits or assets.



CAMPBELL BROTHERS LIMITED

(I) No break fees

Between the Announcement Date to the end of the offer period, neither Ammtec nor any subsidiary of Ammtec agrees (whether on a conditional or contingent basis or otherwise) to pay or provide any amount or benefit to any person, or to forego or otherwise reduce any payment or benefit to which it would otherwise be entitled, for the purpose of soliciting, encouraging or facilitating or otherwise in connection with a proposal or offer by that person, or by any other person, in relation to a transaction under which:

- (i) Any person (together with its associates) may acquire voting power of 10% or more in Ammtec or any subsidiary of Ammtec (whether by way of takeover bid, compromise or arrangement under Part 5.1 of the Corporations Act or otherwise);
- (ii) Any person may acquire, directly or indirectly (including by way of joint venture, dual listed company structure or otherwise), any interest in all or a substantial part of the business or assets of Ammtec or of any subsidiary of Ammtec; or
- (iii) Any person may otherwise acquire control of or merge or amalgamate with Ammtec or any subsidiary of Ammtec.