ALS Limited

ABN 92 009 657 489

Interim Financial Report

for the Half Year Ended 30 September 2018

(including additional ASX Appendix 4D disclosures)

ALS Limited and its subsidiaries
Interim Financial Report for the Half Year Ended 30 September 2018

Contents

The attached Interim Financial Report for the half year ended 30 September 2018 forms part of this document. This half yearly report is to be read in conjunction with the ALS Limited 2018 Annual Financial Report and the notes contained therein.

ALS Limited and its subsidiaries
Results for announcement to the market
For the half year ended 30 September 2018

Appendix 4D
(Previous corresponding period: half year ended 30 September 2017)

				$M
Revenue from ordinary activities^	Up	9.0%	to	830.1
Underlying net profit after tax from continuing operations * attributable to members	Up	29.8%	to	93.3
Profit/(loss) from ordinary activities after tax attributable to members	Up	N/A	to	85.5
Net profit/(loss) for the period attributable to members	Up	N/A	to	85.5

Dividends

	Amount per ordinary share	Franked amount per ordinary share
Interim dividend	11.0 cents	2.2 cents
Previous corresponding period	8.0 cents	3.2 cents

Record date for determining entitlements to the interim dividend: 30 November 2018

In light of the Company's plans to continue the on-market share buyback program (refer Subsequent Events note 12 to the financial statements) the dividend reinvestment plan will remain suspended.

Additional dividend information:

Details of dividends declared or paid during or subsequent to the half year ended 30 September 2018 are as follows:

Record date	Payment date	Type	Amount per ordinary share	Total dividend	Franked amount per ordinary share	Conduit foreign income per ordinary share
7 June 2018	2 July 2018	Final 2018	9.0 cents	$44.0m	3.6 cents	5.4 cents
30 Nov 2018	18 Dec 2018	Interim 2019	11.0 cents	$53.5m	2.2 cents	8.8 cents

Other financial information:

	Current period	Previous corresponding period
Basic underlying * earnings per ordinary share	19.1 cents	14.3 cents
Basic earnings per ordinary share	17.5 cents	(1.8) cents
Net tangible assets per ordinary share	20.2 cents	45.1cents

^ Includes revenues from both continuing and discontinued operations

* Refer to page 3 of the attached Interim Financial Report for a reconciliation of Underlying net profit after tax from continuing operations to Statutory net profit after tax.

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 30 September 2018 Interim Financial Report. The unqualified review report of the company's auditor, KPMG, is attached to this document and highlights no areas of dispute.

Sign here: .... Date: 20/11/2018

Company Secretary
Michael Pearson

ALS Limited

ABN 92 009 657 489

Interim Financial Report

for the Half Year Ended 30 September 2018

ALS Limited and its subsidiaries
Directors' Report
For the half year ended 30 September 2018

The directors present their report together with the consolidated interim financial report for the half year ended 30 September 2018 and the auditor's review report thereon.

Directors

The directors of the Company at any time during or since the end of the half year are:

BRUCE PHILLIPS B Sc (Hons) (Geology)

Chairman and Independent Non-Executive Director

Appointed a director 2015 and appointed Chairman 2016.

RAJ NARAN B Sc (Chemistry), B A (Mathematics)

Managing Director and Chief Executive Officer

Appointed Managing Director and Chief Executive Officer 2017.

MEL BRIDGES B AppSc, PhD, FAICD

Independent Non-Executive Director

Appointed 2009.

GRANT MURDOCH M Com (Hons), FAICD, FCA

Independent Non-Executive Director

Appointed 2011.

JOHN MULCAHY PhD, BE (Civil Eng) (Hons), FIE Aust

Independent Non-Executive Director

Appointed 2012.

CHARLIE SARTAIN B Eng (Hons) (Mining), FAUSIMM, FTSE

Independent Non-Executive Director

Appointed 2015.

TONIANNE DWYER B Juris (Hons), LLB (Hons), GAICD

Independent Non-Executive Director

Appointed 2016.

Review and results of operations

Financial performance

The Group recorded underlying net profit after tax from continuing operations (attributable to equity holders of the Company, and excluding discontinued operations, restructuring and other one-off items, divestment and impairment losses and amortisation of acquired intangibles) of $93.3 million for the half year – slightly higher than the guidance range of $85.0 million to $90.0 million provided to the market at the Company's Annual General Meeting in August 2018.

It is 29.8% higher than the $71.9 million underlying net profit from continuing operations earned in the previous corresponding period (pcp) primarily due to increased earnings from those businesses servicing mineral commodities markets and improved performance from the Life Science businesses.

The half year statutory result was a net profit after tax attributable to equity holders of the Company (including discontinued operations, restructuring and other one-off items, divestment and impairment losses and amortisation of acquired intangibles) of $85.5 million, compared with the net loss of $8.9 million recorded in the half year to September 2017.

In March 2018 Directors decided to exit the Group's Oil & Gas laboratory business. The results of this operation have been classified as "discontinued operations" as have prior year comparatives for the other Oil & Gas services business sold in July 2017. Note that the results for Oil & Gas laboratories were previously reported within the Commodities segment for the half-year to September 2017. ALS is in discussions with a number of parties interested in acquiring its Oil & Gas laboratories and is targeting to complete a transaction during the second half of FY2019.

Revenue from continuing operations of $826.1 million was up 15.2% on the $716.8 million recorded in the previous corresponding period. This was driven by revenue gains from acquisitions in Life Sciences and strong organic growth across all business streams. The recovery being experienced in mineral commodities markets helped increase revenue in that segment up 24.8% over the pcp at an improved contribution margin of 26.7%. Revenue in Life sciences grew by 11.0% and the contribution margin of 15.1% was down slightly from 15.3% in the pcp. While the Industrial segment recorded a 6.6% growth in revenue, the segment's margins declined from the compounding effects of increased competition and a changing revenue mix.

The Group remains focused on being ready to take advantage of future opportunities by targeting organic growth and technology innovation in all business sectors together with acquisitions predominantly in the Life Sciences and Industrial divisions where it is evaluating a select number of high quality prospects. Efforts in the Commodities division are targeted at adopting new technologies and maintaining its assets, client service levels, reputation and market share to support the continued recovery in its markets.

In November 2017 following the divestment of the majority of the Oil & Gas services business and a review of ongoing capital requirements, Directors announced an on-market share buyback of up to $175 million. As at September 2018 a total of 17.5 million shares (representing 3.5% of the original base) have been bought back on-market for an overall consideration of $121.7 million. Directors have determined to increase the total potential amount of the share buyback to $225 million, extending the buy-back period for an additional twelve months to December 2019.

Directors have declared an FY2019 interim dividend of 11.0 cents per share partly franked to 20%, payable on all ordinary shares (2017: 8.0 cents, partly franked to 40%). It will be paid on 18 December 2018 on all shares registered in the Company's register at the close of business on 30 November 2018. In light of the Company's plans to continue the on-market share buyback program the dividend reinvestment plan will remain suspended.

ALS Limited and its subsidiaries
Directors' Report
For the half year ended 30 September 2018
Review and results of operations (continued)

The Group's financial performance for the half year to 30 September 2018 is summarised as follows:

2018 **$m**	**Underlying results (1)** **Continuing operations**	 **Discontinued operations(2)**	**Restructuring & other one-off items(1)**	**Divestments & impairment charges**	**Amortisation of intangibles**	**Statutory result**
Revenue	826.1	4.0	-	-	-	**830.1**
EBITDA (3)	178.5	(1.3)	(6.1)	-	-	**171.1**
Depreciation & amortisation	(35.0)	(0.8)	-	-	(1.3)	**(37.1)**
EBIT (3)	143.5	(2.1)	(6.1)	-	(1.3)	**134.0**
Interest expense	(14.9)	-	-	-	-	**(14.9)**
Tax expense	(35.0)	0.4	1.3	-	-	**(33.3)**
	93.6	(1.7)	(4.8)	-	(1.3)	**85.8**
Non-controlling interests	(0.3)	-	-	-	-	**(0.3)**
Net profit / (loss) after tax (NPAT)	93.3	(1.7)	(4.8)	-	(1.3)	**85.5**
Basic EPS (cents)	**19.1**					17.5
Diluted EPS (cents)	**19.1**					17.5

2017 **$m** *Restated*	**Underlying results (1)** **Continuing operations**	 **Discontinued operations(2)**	**Restructuring & other one-off items(1)**	**Divestments & impairment charges**	**Amortisation of intangibles**	**Statutory result**
Revenue	716.8	44.6	-	-	-	**761.4**
EBITDA (3)	146.4	2.2	(6.7)	0.9	-	**142.8**
Foreign exchange losses transferred from FCTR (2)	-	-	-	(11.1)	-	**(11.1)**
Impairments	-	-	-	(63.0)	-	**(63.0)**
Depreciation & amortisation	(34.0)	(4.1)	-	-	(1.2)	**(39.3)**
EBIT (3)	112.4	(1.9)	(6.7)	(73.2)	(1.2)	**29.4**
Interest expense	(13.1)	-	-		-	**(13.1)**
Tax expense	(26.5)	0.3	1.9	-		**(24.3)**
	72.8	(1.6)	(4.8)	(73.2)	(1.2)	**(8.0)**
Non-controlling interests	(0.9)	-	-	-	-	**(0.9)**
Net profit / (loss) after tax (NPAT)	71.9	(1.6)	(4.8)	(73.2)	(1.2)	**(8.9)**
Basic EPS (cents)	**14.3**					**(1.8)**
Diluted EPS (cents)	**14.2**					**(1.8)**

(1) The terms 'Underlying Result' and 'Restructuring & Other One-off Items' are non-IFRS disclosures. They have been presented to assist in the assessment of the relative performance of the Group from period to period. The calculations thereof are based on non-IFRS information and are unaudited. Restructuring and other one-off items includes a foreign exchange loss of $2.2 million realised on restructuring of intra-group loan balances and acquisition costs of $0.7m (2017:$0.2m)

(2) On 31 July 2017 the Group divested the majority of its assets in the Oil & Gas technical services sector. In March 2018, following a further review of the Group's presence in the sector, Directors decided to exit the remaining business – O&G Laboratories. Refer note 10.

(3) EBITDA = EBIT plus depreciation, amortisation, divestment gains/(losses), and impairments. EBIT = Earnings before interest and tax. The terms EBITDA and EBIT are non-IFRS disclosures. They have been presented to provide a measure of the Group's performance before the impact of depreciation and amortisation (i.e. non-cash items) as well as that of interest and tax expenses. The calculations thereof are based on non-IFRS information and are unaudited.

Review and results of operations (continued)

The Group has three reportable operating segments as at 30 September 2018: Commodities, Life Sciences and Industrial. Following a decision in March 2018 to exit the Group's Oil & Gas laboratory business, a fourth segment - Oil & Gas Laboratories – has been classified as "discontinued operations" together with the other Oil & Gas services business sold in July 2017. The results for Oil & Gas laboratories were previously reported within the Commodities segment for the half-year to September 2017.

Contributions from business segments are set out below.

Commodities	**2018 $M**	**2017* $M**	**Variance**
Revenue	313.8	251.4	24.8%
Segment contribution	83.0	56.5	
Restructuring and related costs	0.8	1.4	
Underlying segment contribution	83.8	57.9	44.7%
Margin (underlying segment contribution to revenue)	26.7%	23.0%	
Underlying segment EBITDA	94.6	69.5	36.1%
Margin (underlying segment EBITDA to revenue)	30.2%	27.7%	

**Restated*

Stronger market conditions and scalable business models drove significant improvements in the Commodities division's financial results for the period. Geochemistry sample flows increased globally as both established mining clients and junior explorers continued to lift their activity and spending levels. These trends also impacted favourably on the other Commodities business streams.

Sample flows in Geochemistry were 14% higher than the pcp at an underlying margin of 31% as the business gained market share globally. The Geochemistry management team continued to focus on ensuring that productivity and sample turn-around times met or exceeded clients' expectations. We remain optimistic about an ongoing recovery and the likely demand for services and are therefore continuing to invest in our workforce and physical capacity to ensure demand is met.

ALS Coal continues to perform well in an improved operating environment, increasing its market share across both the bore core and superintending service lines. While pricing remains competitive, the business achieved a 38% improvement in underlying contribution compared with the pcp. The Metallurgy and Commodities Inspection business streams also experienced strong growth in the demand for their services, with both recording revenue increases in excess of 30% and more than doubling their profit contributions compared with the September 2017 half year.

Review and results of operations (continued)

Life Sciences	2018 $M	2017 $M	Variance
Revenue	406.0	365.7	11.0%
Segment contribution	60.3	53.1	
Restructuring and related costs	0.9	2.8	
Underlying segment contribution	61.2	55.9	9.5%
Margin (underlying segment contribution to revenue)	15.1%	15.3%	
Underlying segment EBITDA	81.7	74.9	9.1%
Margin (underlying segment EBITDA to revenue)	20.1%	20.5%	

All regions of the Life Sciences division delivered revenue growth during the half year to September 2018. Underlying profit contributions increased in most geographies, though this was offset by weaker performance in the US and some parts of Asia. Competitive pressures across these jurisdictions, together with the impact of Asian greenfield activities, resulted in a small decline in overall divisional contribution margin.

Pleasingly we can report improvement in the profitability of the UK businesses due to recent contract wins. This business is now consistently delivering the contributions we anticipated in our business acquisition model. A global improvement project continues across Life Sciences in the Americas to improve business productivity through process optimisation, sample miniaturisation and elimination of waste. Positive results from this initiative have started to flow through to the bottom line of the Canadian and Latin American operations. These improvements are now being introduced to ALS' environmental operations in the US and are a key element of management's response to the increasingly competitive landscape for the business in that country.

Both of the key Life Sciences business streams (Environmental and Food/Pharmaceutical) achieved solid revenue gains compared with the pcp. The business has a strong pipeline of bolt-on acquisition opportunities in food and pharmaceutical testing where the value proposition is strong.

The general economic environment continues to be very price-sensitive requiring the business to make the cost adjustments necessary to continue its growth in existing markets. ALS Life Sciences is enhancing its capabilities to provide clients with a broad range of solutions and services, delivered with the superior turnaround time and quality on which ALS has built its reputation.

Review and results of operations (continued)

Industrial	2018 $M	2017 $M	Variance
Revenue	106.3	99.7	6.6%
Segment contribution	11.3	14.7	
Restructuring and related costs	1.3	0.3	
Underlying segment contribution	12.6	15.0	(16.0%)
Margin (underlying segment contribution to revenue)	11.9%	15.0%	
Underlying segment EBITDA	15.7	18.0	(12.8%)
Margin (underlying segment EBITDA to revenue)	14.7%	18.1%	

Revenue gains were achieved across all regions of the Industrial division, with the Asset Care and Tribology business streams both benefitting from joint business development programs. However, contribution margins were lower, particularly in Asset Care which felt the compounding effects of increased competition and a changing revenue mix.

The Australian Asset Care business was successful in more than compensating for lost LNG construction revenue with maintenance-related services to the power, mining and water sectors. However, the shift from contracts with 100% labour utilisation to more ad-hoc projects, plus the effects of overall price competition, impacted profit margins. The US operations were successful in growing revenue by more than 15% versus the pcp as they commenced execution of a new business development plan.

The Tribology business stream grew global revenue by 5% during the half year and continued to deliver strong profitability. New global sales and marketing efforts have recently resulted in contract wins which are expected to deliver increased work volumes during the second half of FY2019.

Discontinued operations:

Oil & Gas (Laboratories)	2018 $M	2017 $M
Revenue	4.0	4.8
Segment contribution	(2.1)	(2.2)
Restructuring and related costs	-	-
Underlying segment contribution	(2.1)	(2.2)
Underlying segment EBITDA	(1.3)	(1.6)

Oil & Gas (non-laboratories)	2018 $M	2017 $M
Revenue	-	39.8
Segment contribution	-	0.3
Restructuring and related costs	-	-
Underlying segment contribution	-	0.3
Underlying segment EBITDA	-	3.8

The Group divested the majority of its assets in the Oil & Gas technical services sector in July 2017. Following a decision by Directors in March 2018 to exit the Group's Oil & Gas laboratory business, it has been re-classified as discontinued operations. The results for Oil & Gas laboratories were previously reported within the Commodities segment for the half-year to September 2017. Refer to note 10.

Events subsequent to balance date

Refinancing

On 23 October 2018, the Group completed the refinancing of its bank debt by executing a series of new committed, multi-currency, bilateral, revolving credit facilities totalling USD 300 million (AUD 415.7 million). ALS's new revolving bank lines replaced the maturing bank facilities totalling USD 40 million (AUD55.4 million) all of which were undrawn. The new bank debt facilities are for a tenor of 3 years and will provide the Group with funding flexibility to cover the upcoming maturity of US Private Placement notes as well as for acquisitions and general corporate purposes.

Capital management

In November 2017 Directors announced an on-market share buyback of up to $175 million. As at 30 September 2018 a total of 17.5 million shares (representing 3.5% of the original base) have been bought back on-market for an overall consideration of $121.7 million. On 20 November 2018, the Directors announced an increase in the total potential amount of the share buyback to $225 million, extending the buyback period for an additional twelve months to December 2019.

Other than the matters discussed above, there has not arisen in the interval between the end of the half 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 Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Lead auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 26 and forms part of the Directors' Report for the half year ended 30 September 2018.

Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and in accordance with that Instrument, amounts in the financial report and directors' report have been rounded off to the nearest one hundred thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:

Bruce Phillips
Chairman

Brisbane
20 November 2018

Raj Naran
Managing Director

Brisbane
20 November 2018

ALS Limited and its subsidiaries
Consolidated interim statement of profit and loss and Other Comprehensive Income
For the half year ended 30 September 2018

In millions of AUD	Note	30 September 2018	Restated * 30 September 2017
Continuing operations			
Revenue	*6*	826.1	716.8
Expenses		(654.3)	(640.7)
Share of profit of equity-accounted investees, net of tax		0.6	0.6
Profit before financing cost, depreciation and amortisation		172.4	76.7
Amortisation and depreciation		(36.3)	(35.2)
Profit before net financing costs (EBIT)		136.1	41.5
Finance income		0.9	1.8
Finance cost		(15.8)	(14.9)
Net financing costs		(14.9)	(13.1)
Profit before tax		121.2	28.4
Income tax expense		(33.7)	(24.6)
Profit from continuing operations		87.5	3.8
Discontinued operations			
Loss of discontinued operations, net of tax	*10*	(1.7)	(11.8)
(Loss)/Profit for the period		85.8	(8.0)
(Loss)/Profit attributable to:			
Equity holders of the Company		85.5	(8.9)
Non-controlling interest		0.3	0.9
(Loss)/Profit for the period		85.8	(8.0)
Other comprehensive income			
Items that are or may be reclassified subsequently to the profit and loss (net of tax)			
Foreign exchange translation		(25.7)	41.9
Gain/(Loss) on hedge of net investments in foreign subsidiaries, net of tax		-	(2.9)
Gain on cash flow hedges taken to equity, net of tax		0.3	(0.6)
Other comprehensive income for the period, net of tax		(25.4)	38.4
Total comprehensive income for the period		60.4	30.4
Total comprehensive income attributable to:			
Equity holders of the company		60.1	29.5
Non-controlling interest		0.3	0.9
Total comprehensive income for the period		60.4	30.4
Basic earnings per share attributable to equity holders		17.52c	(1.77)c
Diluted earnings per share attributable to equity holders		17.47c	(1.77)c
Basic earnings per share attributable to equity holders from continuing operations		17.87c	0.58c
Diluted earnings per share attributable to equity holders from continuing operations		17.82c	0.57c

**See discontinued operations note 10.*

The interim profit and loss statement is to be read in conjunction with the notes to the interim financial report set out on pages 13 to 22.

ALS Limited and its subsidiaries
Consolidated interim balance sheet
As at 30 September 2018

In millions of AUD	Note	30 September 2018	31 March 2018
Current Assets			
Cash and cash equivalents		153.4	187.6
Trade and other receivables		341.7	278.3
Inventories		70.2	75.8
Other assets		39.5	35.2
Assets held for sale		23.6	25.3
Total current assets		**628.4**	**602.2**
Non-current assets			
Investment property		10.2	10.2
Deferred tax assets		37.3	22.0
Property, plant and equipment		416.5	400.0
Intangible assets		1,001.2	980.6
Other assets		45.4	43.3
Total non-current assets		**1,510.6**	**1,456.1**
Total assets		**2,139.0**	**2,058.3**
Current Liabilities			
Bank overdraft		0.5	0.4
Trade and other payables		202.5	169.8
Loans and borrowings	*8*	261.9	-
Employee benefits		48.9	44.7
Other liabilities		12.0	0.6
Liabilities held for sale		1.0	0.7
Total current liabilities		**526.8**	**216.2**
Non-current liabilities			
Loans and borrowings	*8*	477.9	697.1
Deferred tax liabilities		21.3	9.5
Employee benefits		8.8	8.6
Other		4.8	4.9
Total non-current liabilities		**512.8**	**720.1**
Total liabilities		**1,039.6**	**936.3**
Net assets		**1,099.4**	**1,122.0**
Equity			
Share capital		1,335.8	1,348.1
Reserves		(33.9)	(8.9)
Retained earnings		(214.2)	(229.1)
Total equity attributable to equity holders of the company		**1,087.7**	**1,110.1**
Non-controlling interest		11.7	11.9
Total equity		**1,099.4**	**1,122.0**

The interim balance sheet is to be read in conjunction with the notes to the interim financial statements set out on pages 13 to 22.

ALS Limited and its subsidiaries
Consolidated interim statement of changes in equity
For the half year ended 30 September 2018

In millions of AUD	Note	Share Capital	Foreign Currency Translation	Other reserves	Employee share-based awards	Retained earnings	Total	Non-controlling Interest	Total Equity
Restated balance 30 March 2018*		**1,348.1**	**(16.3)**	**3.4**	**4.0**	**(229.1)**	**1,110.1**	**11.9**	**1,122.0**
Adjustment on initial application of AASB 15 (net of tax)	*3*					(21.3)	(21.3)		(21.3)
Adjustment on initial application of AASB 9 (net of tax)	*3*					(3.4)	(3.4)		(3.4)
Adjusted balance 1 April 2018		**1,348.1**	**(16.3)**	**3.4**	**4.0**	**(253.8)**	**1,085.4**	**11.9**	**1,097.3**
Profit/(loss) for the period		-	-	-	-	85.5	85.5	0.3	85.8
Other comprehensive income		-	(25.7)	0.3	-	-	(25.4)	-	(25.4)
Total comprehensive income for the period		-	(25.7)	0.3	-	85.5	60.1	0.3	60.4
Transactions with owners in their capacity as owners:									
Dividends provided for or paid		-	-	-	-	(44.0)	(44.0)	(0.5)	(44.5)
Buy back of ordinary shares		(14.9)	-	-	-	-	(14.9)	-	(14.9)
Equity-settled performance rights awarded and vested		2.6	-	-	0.4	(1.9)	1.1	-	1.1
Total contributions and distributions to owners		(12.3)	-	-	0.4	(45.9)	(57.8)	(0.5)	(58.3)
Changes in ownership interests									
Acquisition of non-controlling interest without change in control		-	-	-	-	-	-	-	-
Non-controlling interest ownership of subsidiary acquired		-	-	-	-	-	-	-	-
Total changes in ownership interests		-	-	-	-	-	-	-	-
Total transactions with owners		(12.3)	-	-	0.4	(45.9)	(57.8)	(0.5)	(58.3)
Balance at 30 September 2018		**1,335.8**	**(42.0)**	**3.7**	**4.4**	**(214.2)**	**1,087.7**	**11.7**	**1,099.4**

**The Group has initially applied AASB 9 and AASB 15 at 1 April 2018. Under the transition methods chosen, comparative information is not restated. See note 3.*

The interim statement of changes in equity is to be read in conjunction with the notes to the interim financial statements set out on pages 13 to 22.

ALS Limited and its subsidiaries
Consolidated interim statement of changes in equity
For the half year ended 30 September 2018

In millions of AUD	Note	Share Capital	Foreign Currency Translation	Other reserves	Employee share-based awards	Retained earnings	Total	Non-controlling Interest	Total Equity
Balance 1 April 2017		**1,453.4**	**(85.4)**	**3.7**	**4.1**	**(200.2)**	**1,175.6**	**9.6**	**1,185.2**
(Loss)/Profit for the period		-	-	-	-	(8.9)	(8.9)	0.9	(8.0)
Other comprehensive income		-	39.0	(0.6)	-	-	38.4	-	38.4
Total comprehensive income for the period		-	39.0	(0.6)	-	(8.9)	29.5	0.9	30.4
Transactions with owners in their capacity as owners:									
Dividends to equity holders		-	-	-	-	(40.3)	(40.3)	-	(40.3)
Issue of ordinary shares		-	-	-	-	-	-	-	-
Equity-settled performance rights awarded and vested		1.5	-	-	(1.0)	0.1	0.6	-	0.6
Total contributions and distributions to owners		1.5	-	-	(1.0)	(40.2)	(39.7)	-	(39.7)
Changes in ownership interests									
Acquisition of non-controlling interest without change in control		-	-	-	-	-	-	-	-
Non-controlling interest ownership of subsidiary acquired		-	-	-	-	-	-	0.7	0.7
Total changes in ownership interests		-	-	-	-	-	-	0.7	0.7
Total transactions with owners		1.5	-	-	(1.0)	(40.2)	(39.7)	0.7	(39.0)
Balance at 30 September 2017		**1,454.9**	**(46.4)**	**3.1**	**3.1**	**(249.3)**	**1,165.4**	**11.2**	**1,176.6**

The interim statement of changes in equity is to be read in conjunction with the notes to the interim financial statements set out on pages 13 to 22.

ALS Limited and its subsidiaries
Consolidated interim statement of cash flows
For the half year ended 30 September 2018

In millions of AUD	30 September 2018	30 September 2017
Cash flows from operating activities		
Cash receipts from customers	882.5	802.2
Cash paid to suppliers and employees	(755.1)	(710.6)
Cash generated from operations	127.4	91.6
Interest paid	(15.8)	(14.9)
Interest received	0.9	1.8
Income taxes paid	(24.9)	(20.9)
Net cash from operating activities	87.6	57.6
Cash flows from investing activities		
Payments for property, plant and equipment	(45.8)	(39.2)
Payments for net assets on acquisition of businesses and subsidiaries (net of cash acquired)	(17.1)	(17.9)
Payment for minority interest	-	-
Net proceeds from the sale of the Oil & Gas operations	-	79.5
Loan repayments/(advances) from/(to) associates	(0.8)	(0.3)
Dividend from associate	0.6	1.2
Proceeds from sale of other non-current assets	0.5	3.7
Net cash used in investing activities	(62.6)	27.0
Cash flows from financing activities		
Proceeds from borrowings	-	-
Repayment of borrowings	(0.4)	-
Issued capital bought back on-market	(14.9)	-
Lease payments	-	(0.3)
Dividends paid	(44.5)	(40.3)
Net cash from (used in)/from financing activities	(59.8)	(40.6)
Net movement in cash and cash equivalents	(34.8)	44.0
Cash and cash equivalents at 1 April	187.2	248.9
Effect of exchange rate fluctuations on cash held	0.5	0.4
Cash and cash equivalents at 30 September	152.9	293.3

The interim statement of cash flows is to be read in conjunction with the notes to the interim financial statements set out on pages 13 to 22.

1. Reporting entity

ALS Limited (the "Company") is a company domiciled in Australia. The interim financial report of the Company as at and for the six months ended 30 September 2018 comprises the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

The consolidated annual financial report of the Group as at and for the year ended 31 March 2018 is available upon request from the Company's registered office at 32 Shand Street, Stafford, QLD, 4053 or at www.alsglobal.com.

2. Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 31 March 2018.

This consolidated interim financial report was approved by the Board of Directors on 20 November 2018.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest one hundred thousand dollars, unless otherwise stated.

3. Significant accounting policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statement as at and for the year ended 31 March 2018.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 March 2019.

The Group has initially adopted AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments* from 1 April 2018.

The effect of initially applying these standards is mainly attributed to the following:

- Non-project related works in progress no longer recognised as revenue;
- Deferral in recognition of revenues attaching to the Company's Tribology operations;
- Increase in impairment losses recognised on financial assets.

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced AASB 118 Revenue, AASB 111 Construction Contracts and related interpretations.
The Group has adopted AASB 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application, 1 April 2018. Accordingly, the information presented for FY18 has not been restated and is presented, as previously reported, under AASB 118, AASB 111 and related interpretations.

AASB 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces AASB 139 Financial Instruments: Recognition and Measurement. The Group has taken an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of AASB 9 are recognised in retained earnings and reserves as at 1 April 2018. Accordingly, the information presented for FY18 does not generally reflect the requirements of AASB 9 but rather those of AASB 139.

3. Significant accounting policies (continued)

The following table summarises the impact, net of tax, of transition to AASB 15 and AASB 9 on retained earnings and Non-Controlling Interest at 1 April 2018

In millions of AUD	**As reported at 31 March 2018**	**Adjustments due to adoption of AASB 15**	**Adjustments due to adoption of AASB 9**	**Adjusted opening balances at 1 April 2018**
Trade and other receivables (net)	278.3	-	(3.4)	274.9
Inventories	75.8	(11.6)	-	64.2
Assets held for sale	25.3	(0.5)	-	24.8
Trade and other payables	(169.8)	(9.2)	-	(179.0)
Retained earnings	229.1	21.3	3.4	253.8

There was no material impact on the Balance sheet and Profit & Loss for the period ended 30 September 2018 as a result of the implementation of the new standards.

Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2018 and earlier application is permitted; however, the Group has not early adopted the following new or amended standards in preparing these condensed consolidated interim financial statements.

The Group has the following updates to information provided in the last annual financial statements about the standards issued but not yet effective that may have a significant impact on the Group's consolidated financial statements.

AASB 16 Leases

AASB 16 replaces existing leases guidance, including AASB 117 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases – Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard will become effective for the Company for annual periods beginning on or after 1 April 2019.

AASB 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The actual impact of applying AASB 16 on the financial statements in the period of initial application will depend on future economic conditions, including the Group's borrowing rate at 1 April 2019, the composition of the Group's lease portfolio at that date, the Group's latest assessment of whether it will exercise any lease renewal options and the extent to which the Group chooses to use practical expedients and recognition exemptions.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply AASB 16 to all contracts entered into before 1 April 2019 and identified as leases under AASB 117 and Interpretation 4.

The Group plans to apply AASB 16 initially on 1 April 2019, using a modified retrospective approach. Therefore, the cumulative effect of adopting AASB 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

3. Significant accounting policies (continued)

When applying a modified retrospective approach to leases previously classified as operating leases under AASB 117, the lessee can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. The Group is assessing the potential impact of using these practical expedients.

The Group is not required to make any adjustments for leases in which it is a lessor.

Thus far, the most significant impact identified is that the Group will recognise new assets and liabilities for its operating leases of office and laboratory facilities as well as fleet vehicles.

In addition, the nature of expenses related to those leases will now change because AASB 16 replaces the straight-line operating lease expense with a amortisation charge for right-of-use assets and interest expense on lease liabilities.

No significant impact is expected for the Group's finance leases.

4. Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 March 2018.

5. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 31 March 2018.

Fair values of financial instruments

The Group's financial assets and liabilities are included in the balance sheet at amounts that approximate fair values with the exception of fixed rate debt (carrying value $737.8m) which has a fair value of $732.3m (March 2018: $706.3m). The fair value at 30 September 2018 of derivative assets held for risk management purposes, which are the Group's only financial instruments carried at fair value, was an asset of $6.1m (March 2018: $5.6m) measured using Level 2 valuation techniques as defined in the fair value hierarchy. The Group does not have any financial instruments that are categorised as Level 1 or Level 3 in the fair value hierarchy.

Fair value hierarchy

In valuing financial instruments, the Group uses the following fair value measurement hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

6. Revenue

The Group's operations and main revenue streams are those described in the last annual financial statements (see also Note 10 for operations that were discontinued during the reporting period). The Group's revenue is derived from contracts with customers.

The nature and effect of initially applying AASB 15 on the Group's interim financial statements are disclosed in Note 3.

Disaggregation of revenue

Revenue is disaggregated by geographical location of customers.

In millions of AUD	30 September 2018	31 March 2018
Africa	30.8	21.4
Asia/Pacific	304.9	281.6
EMENA (Europe, Middle East, North Africa)	195.6	179.8
Americas	298.8	278.6
	830.1	761.4

7. Segment reporting

The Group has three reportable segments, as described below, representing three distinct strategic divisions each of which is managed separately and offers different products and services. For each of the strategic business units, the CEO reviews internal management reports on at least a monthly basis. Following a decision by Directors in March 2018 to exit the Group's Oil & Gas Laboratory business, a fourth segment – Oil & Gas Laboratories – has been re-classified together with the other Oil & Gas services business sold 31 July 2017 as "discontinued operations". The following summary describes the operations in each of the Group's reportable segments:

- Commodities - provides assaying and analytical testing services and metallurgical services for mining and mineral exploration companies and provides specialist services to the coal industry such as coal sampling, analysis and certification, formation evaluation services, and related analytical testing.

- Life Sciences - provides analytical testing data to assist consulting and engineering firms, industry, and governments around the world in making informed decisions about environmental, food and pharmaceutical, electronics, and animal health testing matters.

- Industrial – provides asset care and tribology testing services to the energy, resources and infrastructure sectors.

7. Segment reporting (continued)

2018 *In millions of AUD*	**Commodities**	**Life Sciences**	**Industrial**	**Other** [1]	**Total Continuing Operations**	**Discontinued (Oil & Gas Labs)**	**Consolidated**
Revenue	313.8	406.0	106.3	-	826.1	4.0	830.1
Underlying EBITDA [2]	94.6	81.7	15.7	(13.5)	178.5	(1.3)	177.2
Depreciation and amortisation	(10.8)	(20.5)	(3.1)	(0.6)	(35.0)	(0.8)	(35.8)
Underlying EBIT [2]	83.8	61.2	12.6	(14.1)	143.5	(2.1)	141.4
Restructuring & other one-off items	(0.8)	(0.9)	(1.3)	(3.1)	(6.1)	-	(6.1)
Amortisation of intangibles	-	-	-	(1.3)	(1.3)	-	(1.3)
Net financing costs				(14.9)	(14.9)	-	(14.9)
Statutory profit before income tax	83.0	60.3	11.3	(33.4)	121.2	(2.1)	119.1
Underlying EBIT margin [2]	*26.7%*	*15.1%*	*11.9%*		*17.4%*		*17.0%*
Underlying EBITDA margin [2]	*30.2%*	*20.1%*	*14.7%*		*21.6%*		*21.3%*
Segment assets	755.4	891.3	237.3	42.5	1,926.5	21.2	1,947.7
Cash and cash equivalents							153.4
Tax Assets							37.9
Total assets per the balance sheet							2,139.0
Segment liabilities	(82.1)	(111.7)	(48.4)	(14.3)	(256.5)	(9.4)	(265.9)
Loans, borrowings & bank overdraft							(740.3)
Tax liabilities							(33.4)
Total liabilities per the balance sheet							(1,039.6)

1 Represents unallocated corporate costs. Net expenses of $14.1 million in 2018 comprise net foreign exchange gain of $4.1 million and other corporate costs of $18.2 million. Restructuring & other one-off items includes a foreign exchange loss of $2.2 million realised on restructuring of intra-group loan balances and acquisition costs of $0.7million.
2 Underlying EBITDA = Underlying EBIT plus depreciation and amortisation. Underlying EBIT = Underlying Earnings before interest and tax. The terms EBITDA and EBIT are non-IFRS disclosures.

7. Segment reporting (continued)

2017 (restated)

In millions of AUD	**Commodities**	**Life Sciences**	**Industrial**	**Other [1]**	**Total Continuing Operations**	**Discontinued (Oil & Gas Labs and Non Labs)**	**Consolidated**
Revenue	251.4	365.7	99.7	-	716.8	44.6	761.4
Underlying EBITDA [2]	69.5	74.9	18.0	(16.0)	146.4	2.2	148.6
Depreciation and amortisation	(11.6)	(19.0)	(3.0)	(0.4)	(34.0)	(4.1)	(38.1)
Underlying EBIT [2]	57.9	55.9	15.0	(16.4)	112.4	(1.9)	110.5
Restructuring & other one-off items	(1.4)	(2.8)	(0.3)	(2.2)	(6.7)	(10.2) [3]	(16.9)
Amortisation of intangibles	-	-	-	(1.2)	(1.2)	-	(1.2)
Impairment	(40.0)	-	(23.0)	-	(63.0)	-	(63.0)
Net financing costs	-	-	-	(13.1)	(13.1)	-	(13.1)
Statutory profit before income tax	16.5	53.1	(8.3)	(32.9)	28.4	(12.1)	16.3
Underlying EBIT margin [2]	*23.0%*	*15.3%*	*15.0%*		*15.7%*		*14.5%*
Underlying EBITDA margin [2]	*27.7%*	*20.5%*	*18.1%*		*20.4%*		*19.5%*
Segment assets	697.0	807.5	233.2	47.8	1,785.5	33.1	1,818.6
Cash and cash equivalents							294.1
Tax Assets							22.0
Total assets per the balance sheet							2,134.7
Segment liabilities	(59.2)	(90.9)	(35.4)	(21.9)	(207.4)	10.3	(217.7)
Loans, borrowings & bank overdraft							(727.7)
Tax liabilities							(12.7)
Total liabilities per the balance sheet							(958.1)

1 Represents unallocated corporate costs. Net expenses of $16.4 million in 2017 comprise net foreign exchange losses of $4.0 million and other corporate costs of $12.4 million. Restructuring and other one-off items includes acquisition costs of $0.2million.

2 Underlying EBITDA = Underlying EBIT plus depreciation and amortisation. Underlying EBIT = Underlying Earnings before interest and tax. The terms EBITDA and EBIT are non-IFRS disclosures.

3 Restructuring and other one-off items from discontinued operations includes gain on sale of $0.9m and foreign exchange losses transferred from FCTR $11.1 million.

8. Loans and borrowings

In millions of AUD	30 September 2018	31 March 2018
Current Liabilities		
Long term notes	261.9	-
	261.9	-
Non-current liabilities		
Long term notes	476.8	695.6
Bank loans	1.1	1.5
	477.9	697.1

Bank loans

Funding available to the Group from undrawn facilities at 30 September 2018 amounted to $55.4 million (March 2018: $52.1 million). During October 2018, the Group has finalised the negotiation of a series of bi-lateral, multi-currency debt facility agreements with five Australian and international banks to increase the quantum of total available undrawn facilities up to USD300 million (AUD 415.7 million). These new facilities are due to mature in November 2021.

Long term notes

The Company's controlled entities ALS Group General Partnership and ALS Canada Ltd have previously issued long term, fixed rate notes to investors in the US Private Placement market which remain unpaid at balance date. All loan notes have total fixed interest coupons ranging between 3.40% - 4.79% and bullet maturity dates repayable at various intervals between July 2019 and July 2022.

The weighted average interest rate (incorporating the effect of interest rate contracts) for all bank loans and long term notes at balance date is 4.1% (March 2018: 4.0%).

9. Dividends

The following dividend was declared and paid by the Company during the half year:

In millions of AUD	2018	2017
Final 2018 dividend paid 2 July 2018 (3 July 2017)	44.0	40.3

Since 30 September 2018, directors have declared an interim dividend of 11.0 cents per share (partly franked to 20% or 2.2 cents) amounting to $53.5 million payable on 18 December 2018. The dividend is payable on all ordinary shares registered in the Company's register at the close of business on 30 November 2018. The financial effect of this dividend has not been brought to account in the financial report for the period ended 30 September 2018.

10. Discontinued operations

On 31 July 2017, the Group divested the majority of its assets in the Oil & Gas technical services sector (Non-Labs). In March 2018, a decision was made to also divest the laboratory services component (Labs).

Information attributable to discontinued operations is as follows:

In millions of AUD	**2018**	**2017**
Discontinued operations		
Oil & Gas Non-Labs		
Revenue	-	39.8
Amortisation and depreciation	-	(3.5)
Other expenses	-	(36.0)
Results from operating activities	-	0.3
Income tax expense	-	(0.1)
Result from operating activities, net of income tax	-	0.2
Gain on sale of discontinued operations	-	0.9
Foreign exchange losses on inter-company balances, transferred from the foreign currency translation reserve on divestment of Oil & Gas subsidiaries	-	(11.1)
Loss of discontinued operations	-	(10.0)
Basic and diluted earnings per share from discontinued operations	-	(2.0)c

In millions of AUD	**2018**	**2017**
Oil & Gas Labs		
Revenue	4.0	4.8
Amortisation and depreciation	(0.8)	(0.6)
Other expenses	(5.3)	(6.4)
Results from operating activities	(2.1)	(2.2)
Income tax expense	0.4	0.4
Loss of discontinued operations, net of income tax	(1.7)	(1.8)
Basic and diluted earnings per share from discontinued operations	(0.4)c	(0.4)c

11. Share-based payments

Performance-hurdle rights granted

During the period the Group granted performance-hurdle rights under its Long Term Incentive (LTI) plan which is designed as a reward and retention tool for high performing personnel. Under the plan key employees may be granted conditional rights to receive ordinary shares in the Company at no cost to the employees (or in limited cases to receive cash-settled awards).

The terms and conditions of LTI rights granted during the current and prior periods are set out below:

	Half year ended 30 Sept 2018	Half year ended 30 Sept 2017
Equity-settled		
Date of grant	1 August 2018	20 July 2017
Number of performance-hurdle rights	562,687	522,023
Weighted average fair value at date of grant of performance-hurdle rights	$6.98	$6.21
Testing date for performance hurdles	31 March 2021	31 March 2020
Vesting date and testing date for service condition	1 July 2021	1 July 2020
Cash-settled		
Date of grant	1 August 2018	20 July 2017
Number of performance-hurdle rights	32,742	40,974
Weighted average fair value at date of grant of performance-hurdle rights	$6.98	$6.21
Testing date for performance hurdles	31 March 2021	31 March 2020
Vesting date and testing date for service condition	1 July 2021	1 July 2020

The fair value of services received in return for performance rights issued in the current period is based on the fair value of the rights granted measured using Binomial Tree (EPS, EBITDA and RoCE hurdles) and Monte-Carlo Simulation (TSR hurdle) valuation methodologies.

Vesting conditions in relation to performance-hurdle rights issued in current period:

Employees must remain employed by the Group until vesting date. The rights vest only if underlying Earnings Per Share (“EPS”), relative underlying EBITDA margin, underlying Return on Capital Employed (“RoCE”) or relative Total Shareholder Return (“TSR”) hurdles are achieved by the Company over the specified performance period. Each employee’s rights are subject to EPS, EBITDA, RoCE and TSR hurdles in equal measure.

Service based rights granted (deferred STI compensation)

During the period the Group granted service based rights under its Short Term Incentive (STI) plan for the first time. Employees achieving “outperformance” stretch targets during the year ended March 2018 were granted rights to ALS shares in August 2018 as deferred compensation for the “outperformance” component of their incentives. A total of 132,491 service based rights were granted during the half year (2017: Nil). An estimated accrual for the fair value of services received in return for these rights has been made at 30 September 2018.

Vesting conditions in relation to service based rights issued in current period:

Employees must remain employed by the Group until vesting date (1 April 2020). There are no other vesting conditions attached to the rights.

12. Events subsequent to balance date

Refinancing

On 23 October 2018, the Group completed the refinancing of its bank debt by executing a series of new committed, multi-currency, bilateral, revolving credit facilities totalling USD 300 million (AUD 415.7 million). ALS's new revolving bank lines replaced the maturing bank facilities totalling USD 40 million (AUD55.4 million) all of which were undrawn. The new bank debt facilities are for a tenor of 3 years and will provide the Group with funding flexibility to cover the upcoming maturity of US Private Placement notes as well as for acquisitions and general corporate purposes.

Capital management

In November 2017 Directors announced an on-market share buyback of up to $175 million. As at 30 September 2018 a total of 17.5 million shares (representing 3.5% of the original base) have been bought back on-market for an overall consideration of $121.7 million. On 20 November 2018, the Directors announced an increase in the total potential amount of the share buyback to $225 million, extending the buyback period for an additional twelve months to December 2019.

Other than the matters discussed above, there has not arisen in the interval between the end of the half 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 Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

ALS Limited and its subsidiaries

Directors' declaration

In the opinion of the directors of ALS Limited ("the Company"):

1. The financial statements and notes set out on pages 8 to 22, are in accordance with the *Corporations Act 2001* including:

   a) giving a true and fair view of the Group's financial position as at 30 September 2018 and of its performance, as represented by the results of its operations and cash flows for the half year ended on that date: and

   b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

2. 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:

Bruce Phillips Chairman	Raj Naran Managing Director
Brisbane 20 November 2018	Brisbane 20 November 2018

Independent Auditor's Review Report

To the shareholders of ALS Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of ALS Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of ALS Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 September 2018 and of its performance for the ***Interim Period*** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Consolidated interim balance sheet as at 30 September 2018;
- Consolidated interim statement of profit and loss and other comprehensive income, Consolidated interim statement of changes in equity and Consolidated interim statement of cash flows for the Interim Period ended on that date;
- Notes 1 to 12 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises ALS Limited (the Company) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

The ***Interim Period*** is the 6 months ended on 30 September 2018.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- for such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 September 2018 and its performance for the interim period ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of ALS Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

KPMG

Scott Guse

Partner

Brisbane
20 November 2018

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of ALS Limited

I declare that, to the best of my knowledge and belief, in relation to the review of ALS Limited for the half-year ended 30 September 2018 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Scott Guse
Partner

Brisbane
20 November 2018