


September 2014 Half Year Results

24 November 2014

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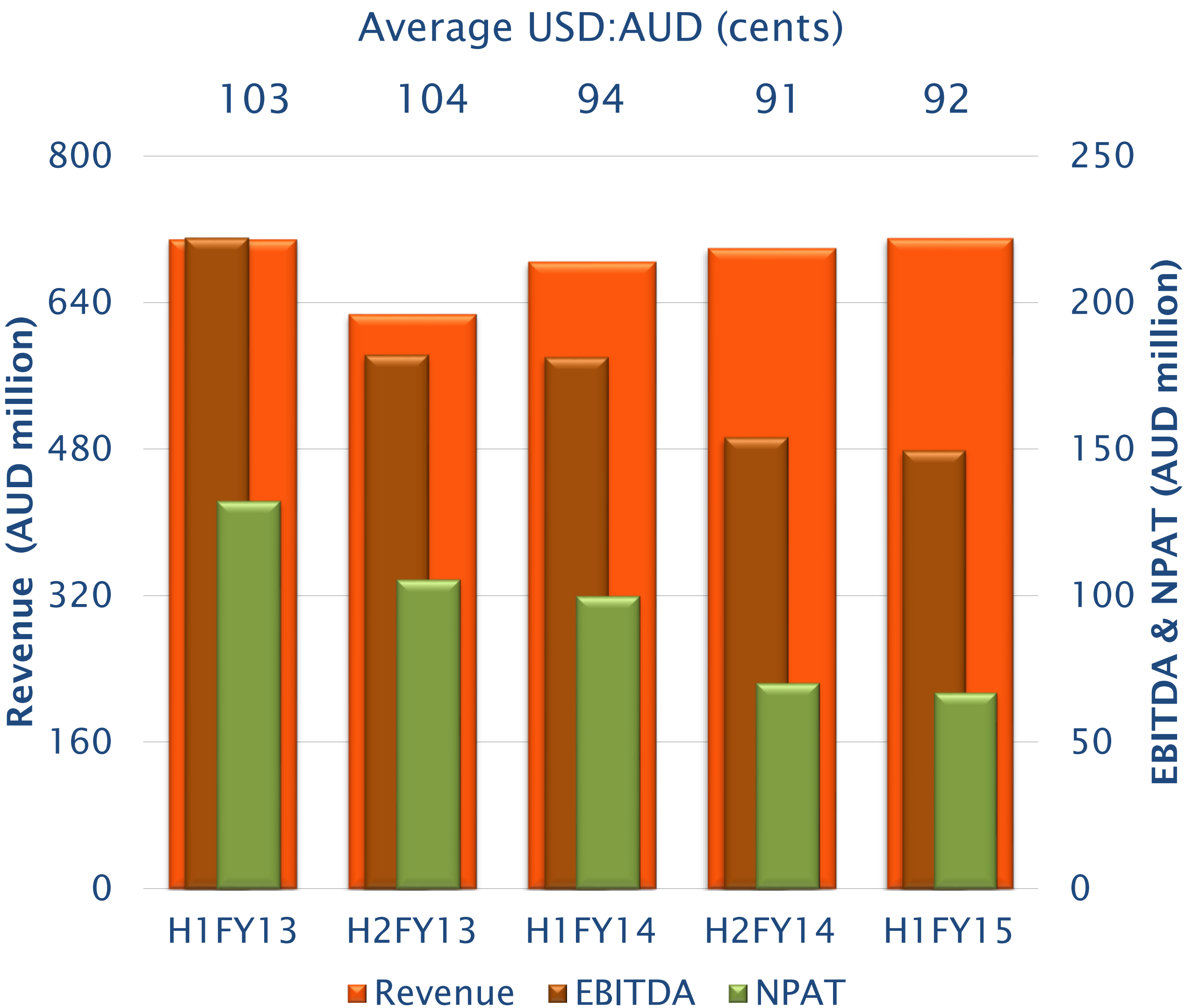
September 2014 Half Year Summary

	H1 FY14 ($mn)	H1 FY15 ($mn)			
half year	Underlying[1]	Underlying[1]	Discontinued Operations & Impairment	Restructuring Costs	Amortisation of Intangibles
Revenue	684.6	710.3	58.8	-	-
EBITDA	181.4	149.8	(0.6)	(2.2)	-
Depreciation & amortisation	(34.6)	(40.8)	(0.3)	-	(6.0)
EBIT	146.8	109.0	(0.9)	(2.2)	(6.0)
Interest expense	(9.7)	(16.6)	-	-	-
Tax expense	(36.3)	(24.7)	-	0.7	-
Non-controlling interests	(0.8)	(0.7)	(0.2)	-	-
NPAT	100.0	67.0	(1.1)	(1.5)	(6.0)
EPS (basic – cents per share)	27.7	16.9			
Dividend (cents per share)	19	11			

[1] Excludes Reward Distribution which was divested on 31st October 2014

September 2014 Half Year Trend



REVENUE

30th September 2014

$710mn

4% pcp

EBITDA

30th September 2014

$150mn

17% pcp

NPAT

30th September 2014

$67mn

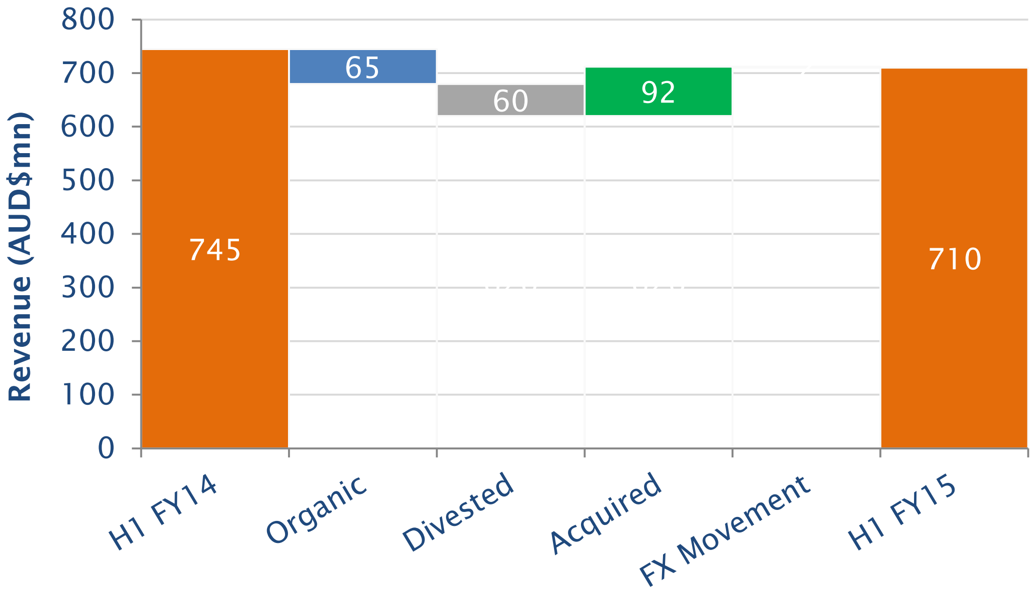
33% pcp

Underlying financial data excluding discontinued businesses

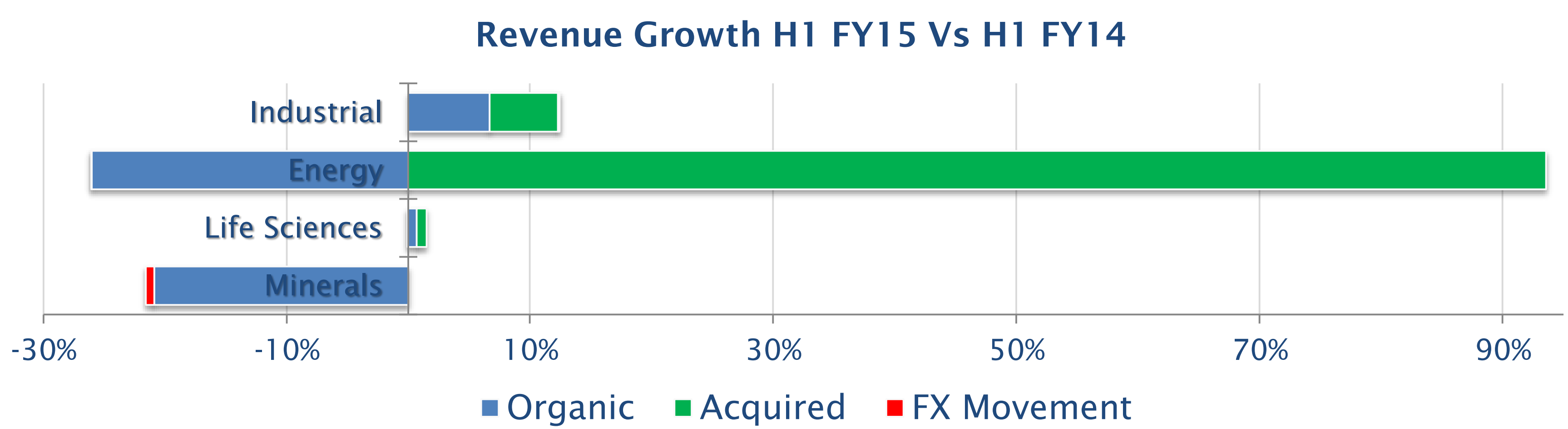
Revenue Growth

ALS Group Revenue Growth

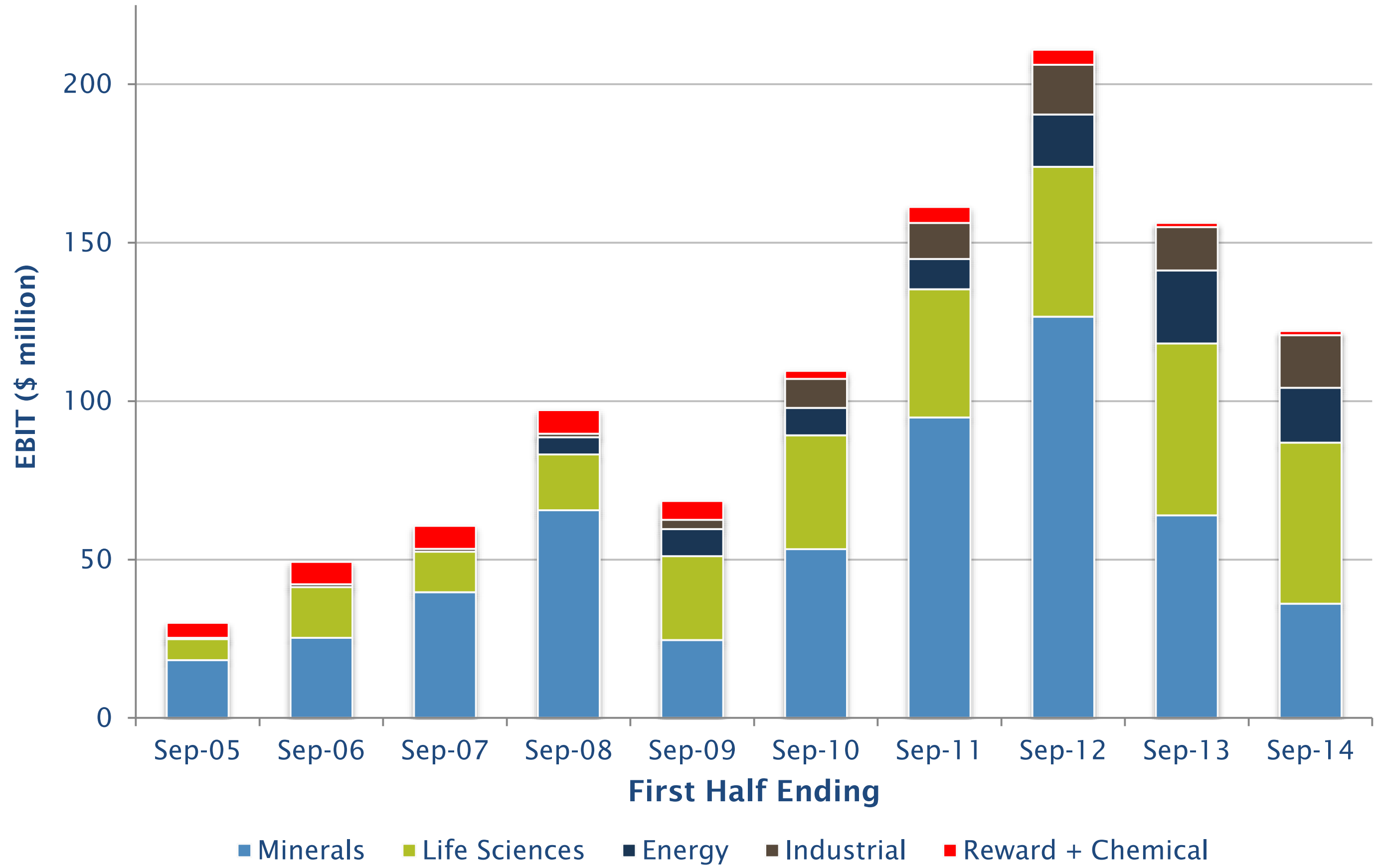
- Organic Growth -9%
- Divestments (see note) -8%
- Acquired Growth +12%
- Currency Impact -0.2%



Note: Reward Distribution divested in Oct-14 but shown as divested in H1 FY5



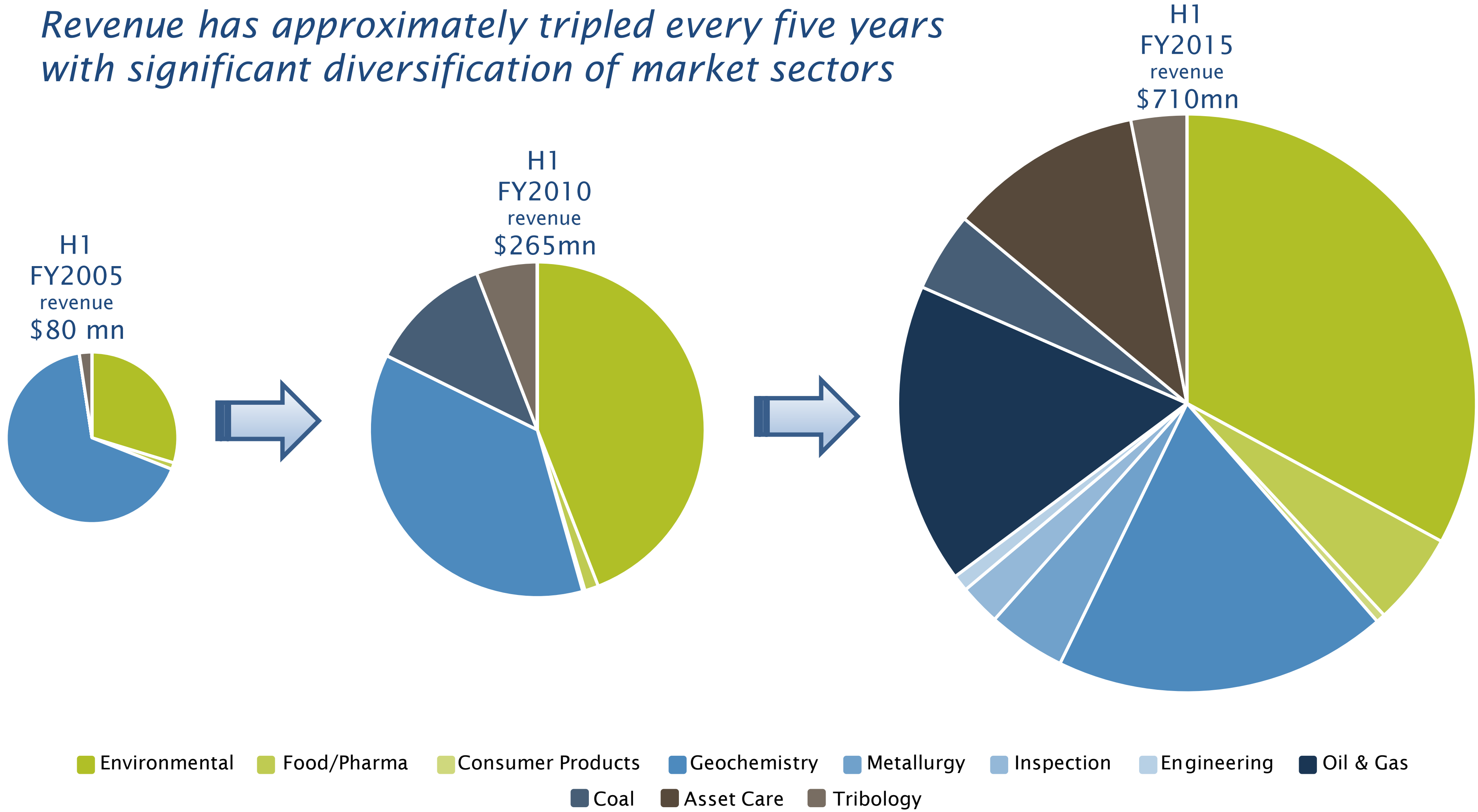
Operating Profit (EBIT) Historical



Note: Chemical Division ("Chemical") divested during Sep-12 half year

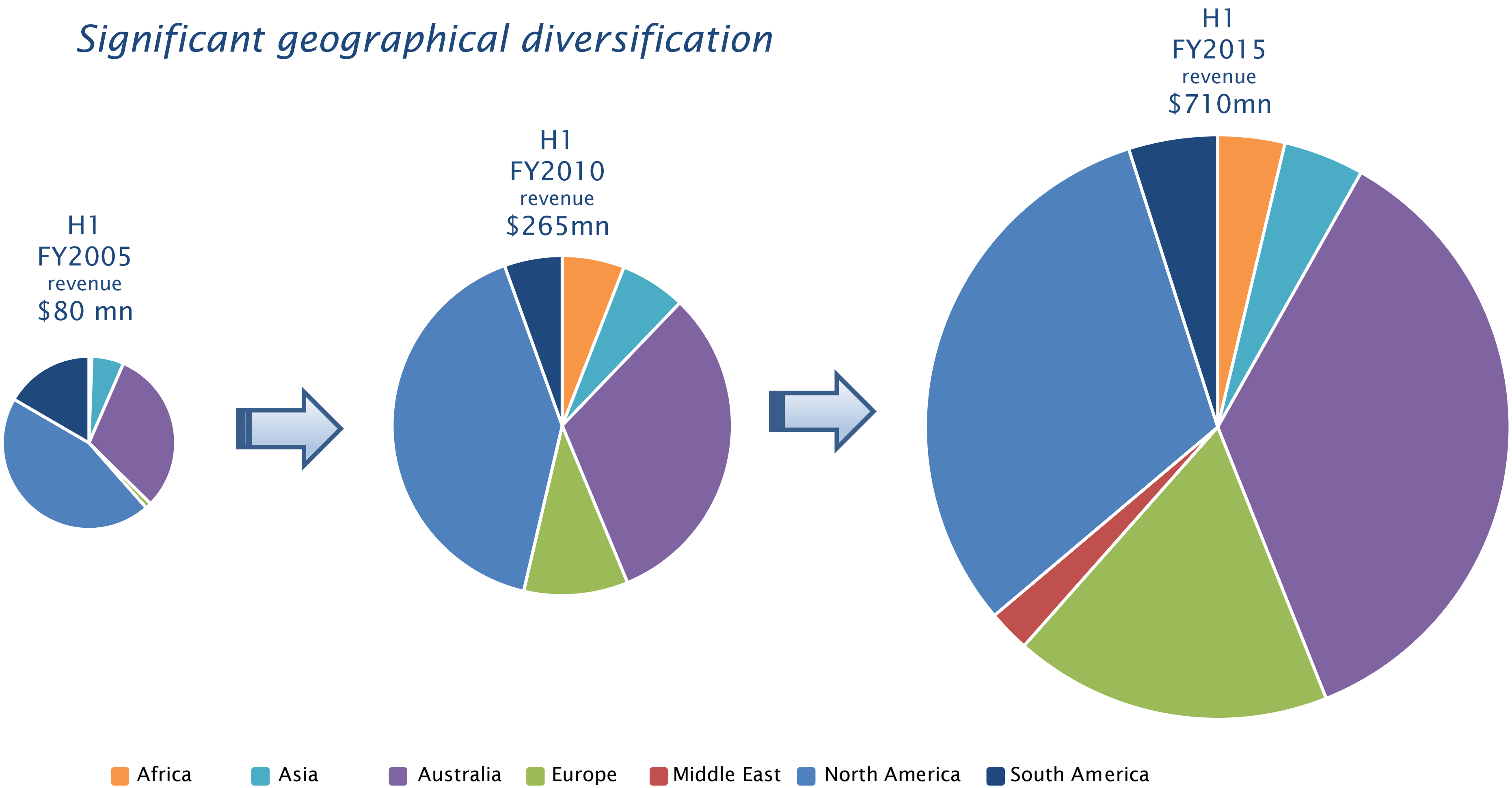
Laboratory revenue - journey over the last decade?

Revenue has approximately tripled every five years with significant diversification of market sectors



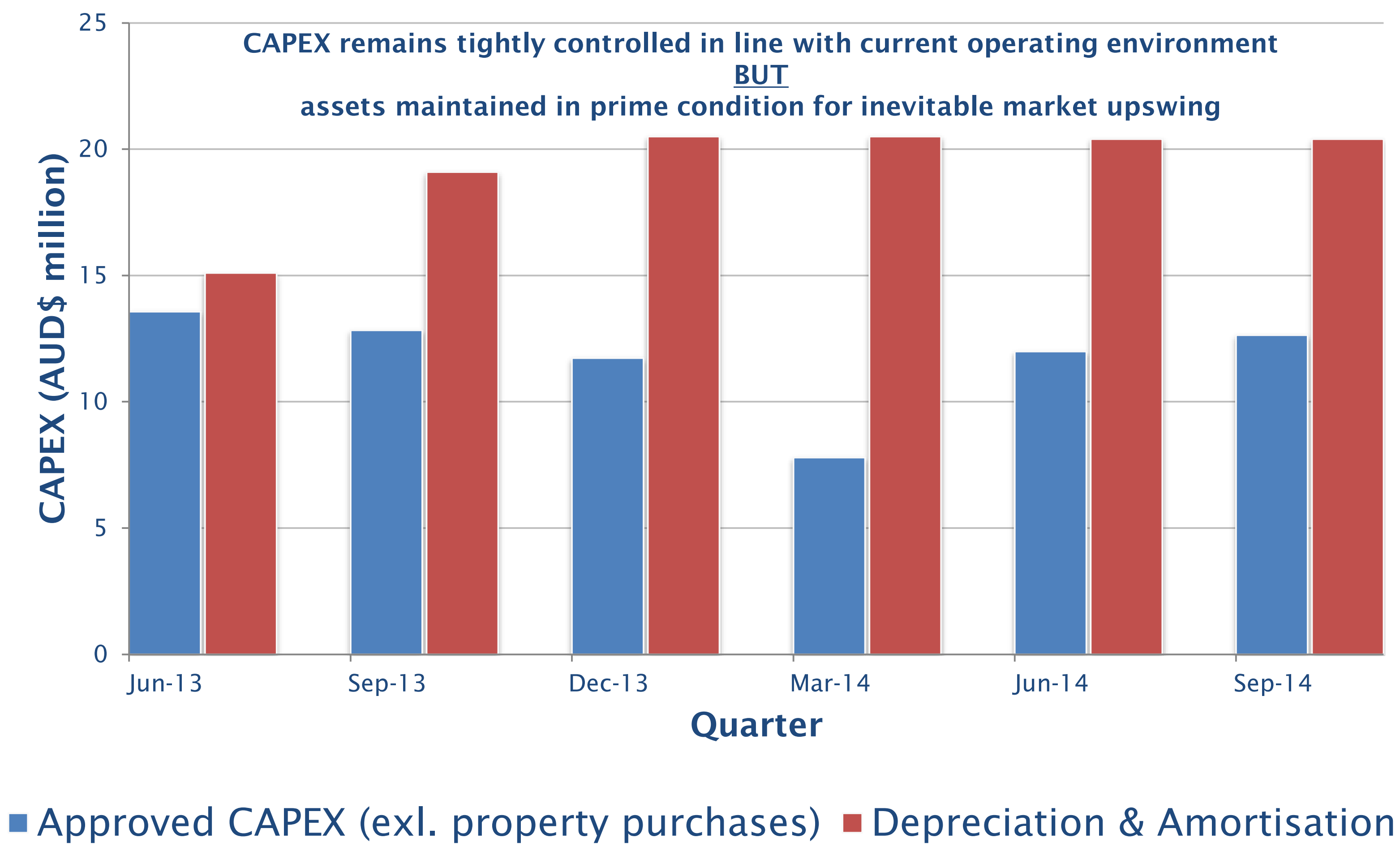
Laboratory revenue - journey over the last decade?

Significant geographical diversification



Global Location Map – genuine global footprint

CAPEX and Depreciation



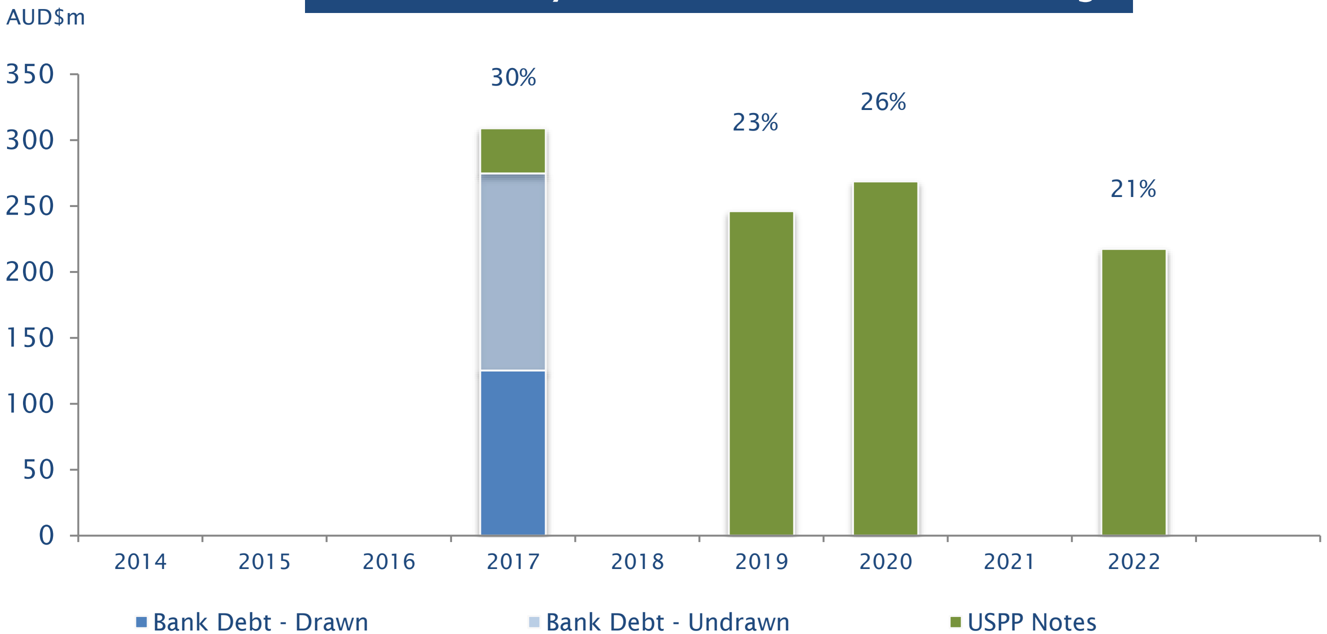
Cash Flow and Funding

	Sep-14	Sep-13
Cash Flow		
EBITDA (excl Reward write-down)	$149mn	$179mn
Operating cash flow	$133mn	$147mn
Conversion	89%	82%

		Oct-14 *	Mar-14
Funding statistics			
Gearing ratio	Comfort 45%	34.2%	33.9%
Leverage (net debt / EBITDA)	Max 3.00	2.5	2.2
EBITDA interest cover	Min 3.75	9.0	12.2

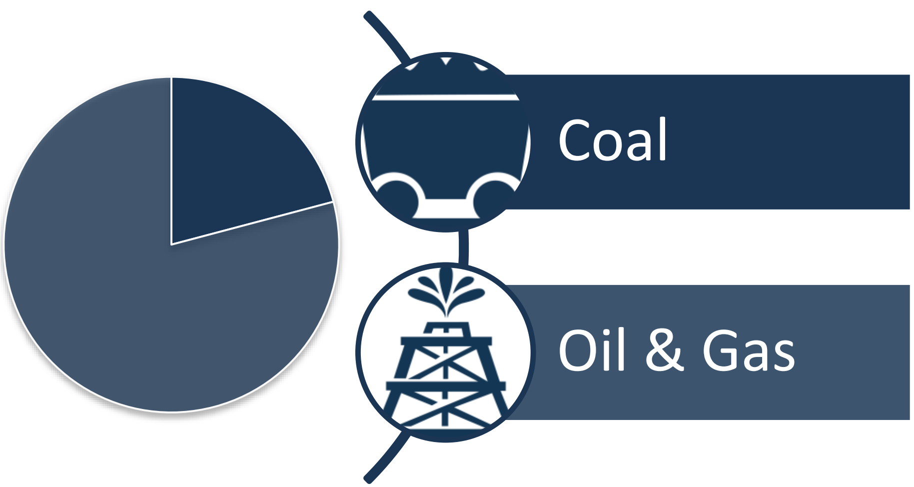
* At 31 October 2014 following sale of Reward Distribution

Debt Maturity after October 2014 re-financing



Energy Division

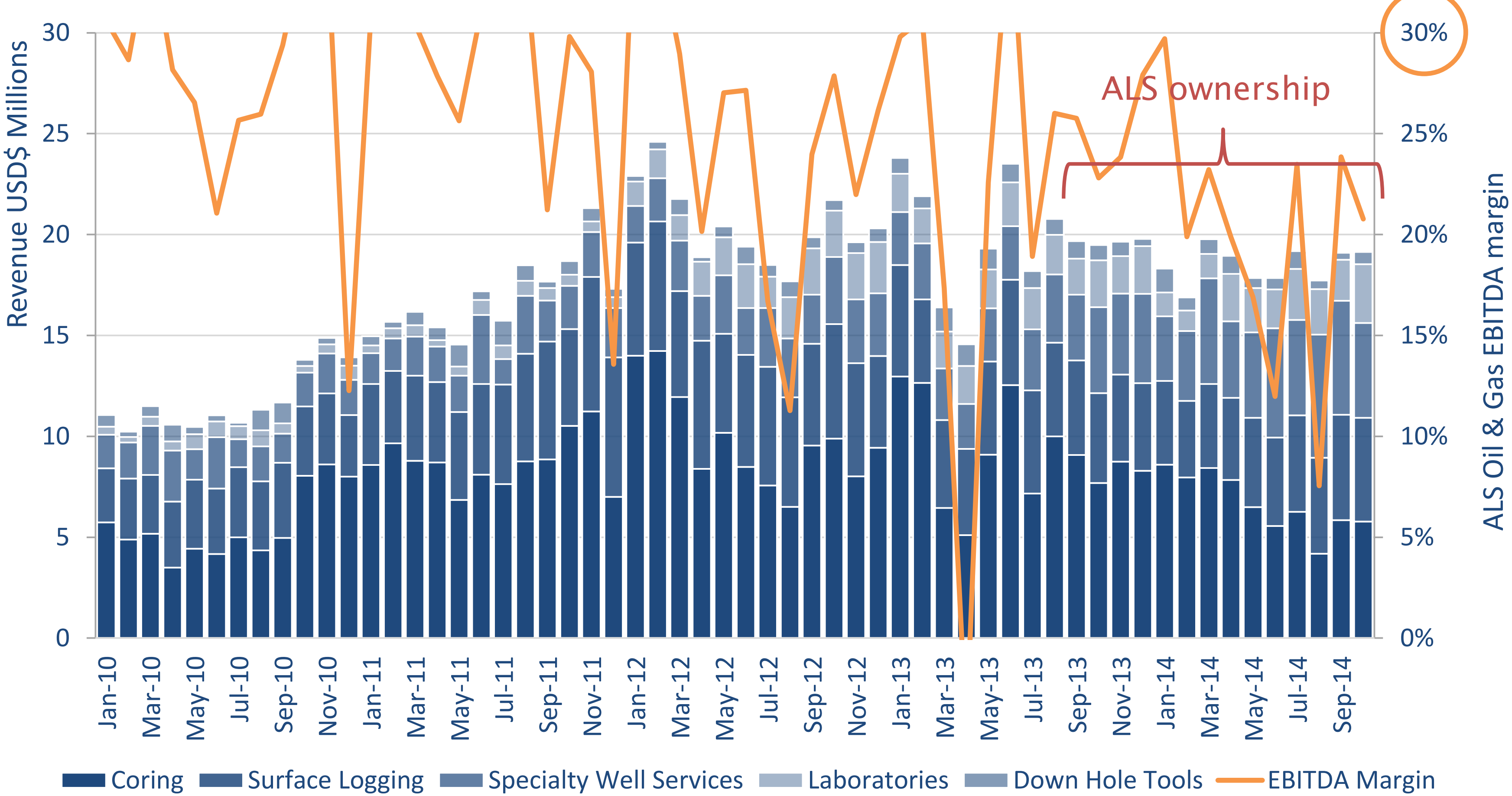
	H1 FY15	H1 FY14	Change
Revenue	$152mn	$91mn	+68%
EBITDA	$28mn	$28mn	+2%
EBIT	$17mn	$23mn	-25%
EBIT Margin	11.4%	25.3%	-1390 bps



Overview

- Coal
  - Australian exploration down 33% pcp and exports up 8% pcp
  - ALS market share in Australia at +60% following recent contract wins
  - Prices and margins remain under pressure
  - Tavan Tolgoi (Mongolia) lab built on time and on budget
- Oil & Gas
  - CSG activity in Australia increasing as projects move to production phase
  - Service development skewed towards production cf. exploration

ALS Oil & Gas – financial journey



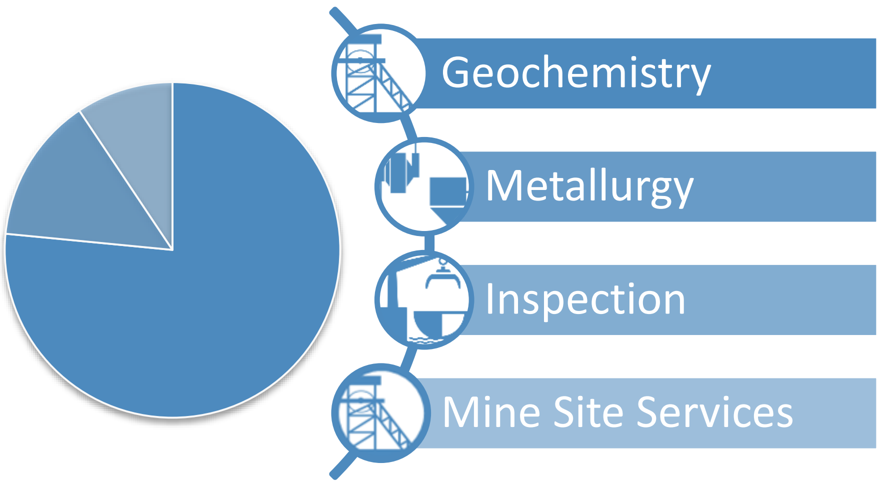
- Revenues stable despite downturn in coring
- EBITDA margin in September and October returning to more historical levels prior to full benefit of restructuring and cost reduction initiatives

ALS Oil & Gas – operational journey

- All business stream (coring, surface logging, specialty well services, laboratories, down hole tools) global managers relocated to Houston Texas – effective September 2014
- Reservoir Group Corporate office in Aberdeen rationalised– effective December 2014
- Reservoir Group Corporate office in Houston closed - effective November 2013
- Previous CEO of ALS Oil & Gas exited – effective August 2014
- North American support services integrated into ALS resources – effective October 2014
- Global Mobility Policy in place – effective August 2014
- Rationalised facilities in USA and S.E. Asia – effective October 2014
- Relocated Surface Logging business into new 40,000 sq. ft. building in Houston – effective January 2014
- Control Room built in Houston for remote control surface logging initiative – July 2014
- Four acquisitions completed in calendar 2014
- Expect to sign contract to purchase 40,000 sq. ft. building in Houston to house hub laboratory – November 2014
- Oil & Gas laboratory LIMS & Client Portal 30% completed – October 2014. Full completion by July 2015
- Five key technical staff recruited for Houston laboratory – September 2014
- Global ALS financial portal customised and fully adopted by all business streams – effective April 2014
- All sites on ALS global IT network – completed August 2014
- New strategic development three year plans in place for all business streams – effective November 2014

Minerals Division

	H1 FY15	H1 FY14	Change
Revenue	$182mn	$232mn	-22%
EBITDA	$48mn	$76mn	-38%
EBIT	$36mn	$64mn	-44%
EBIT Margin	19.8%	27.5%	-770 bps



Overview

- Geochemistry
  - Geochemistry revenues down 25% in line with global exploration spend of USD$14.2 bn in CY2013 versus USD$10.7 bn forecast in CY2014
  - EBIT margin at 22% - below target range
  - 2 new minesite laboratories commissioned in H1 with an additional 2 expected in H2
- Metallurgy
  - Revenue down 20% - lower activity levels and pricing
  - Underlying cost base reduced by 10%
  - Santiago (Chile) facility expected to be at breakeven through the second half
  - New column leaching and piloting added to Santiago facility
- Inspection
  - China expansion tracking in advance of plan
  - EBIT margin improved 350bps pcp to 24%

Geochemical Markets – global perspective

Figure 3: Worldwide Exploration Budgets by Target, 2014
(1,961 Companies Budgeting $10.74 Billion)

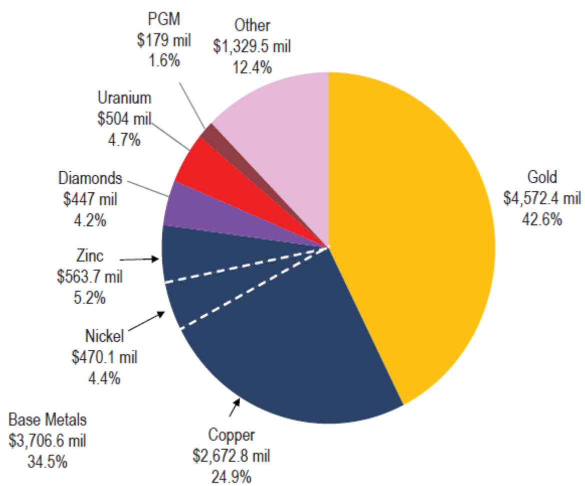


Figure 7: Worldwide Exploration Budgets by Region, 2014
(1,961 Companies Budgeting $10.74 Billion)

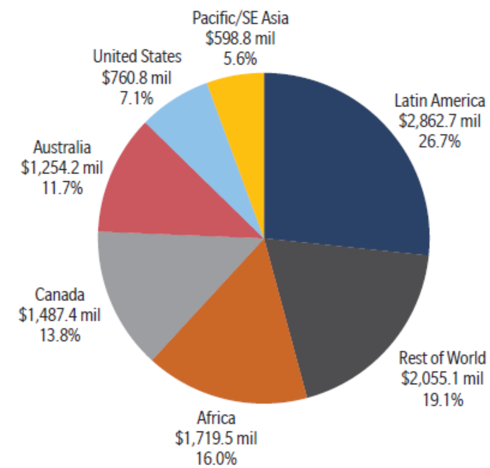
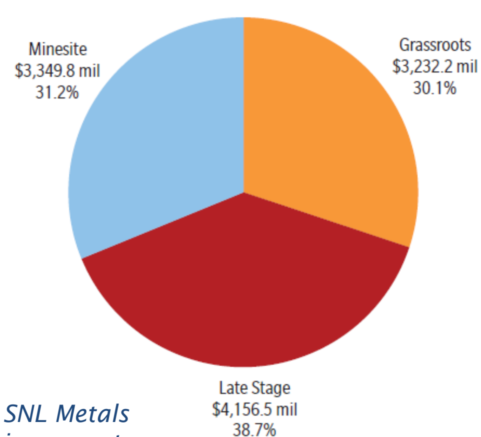


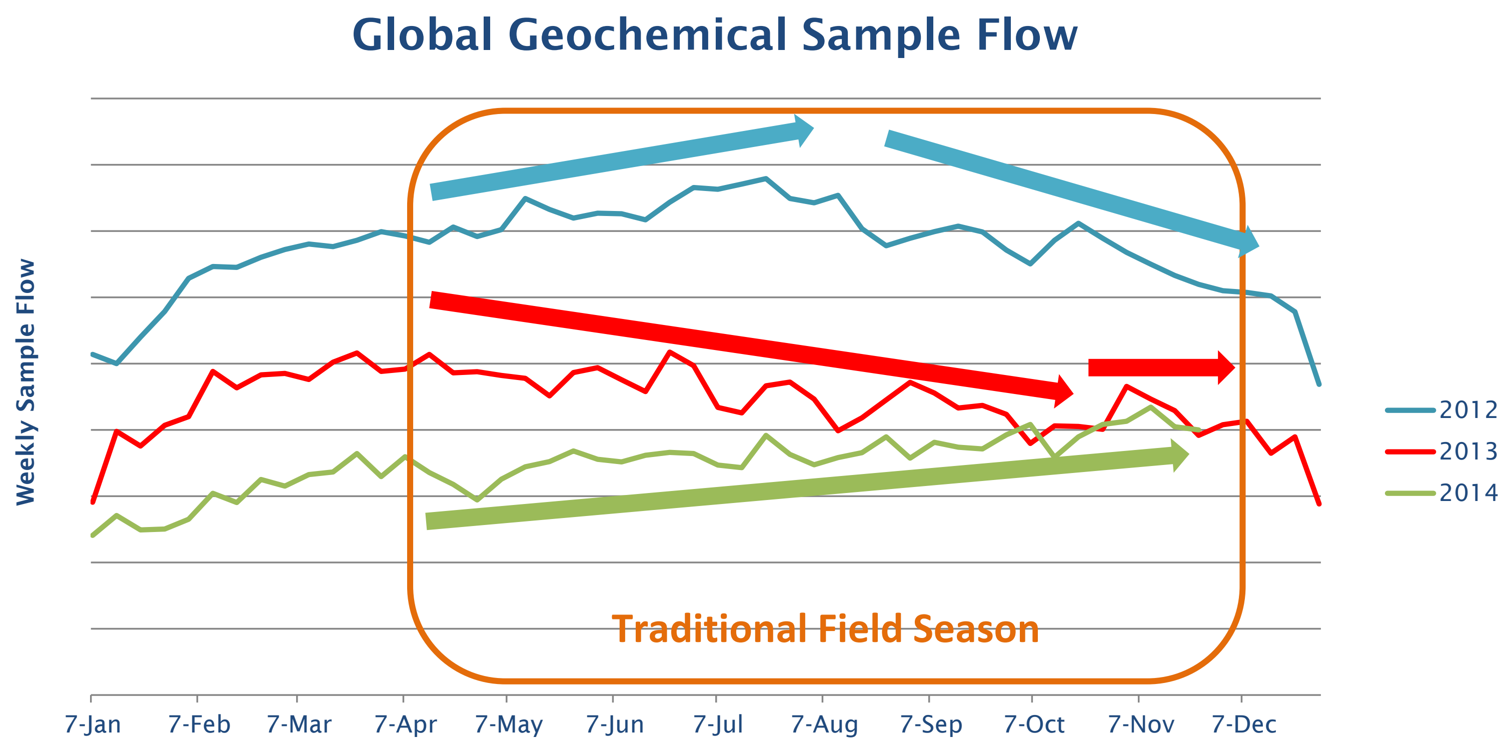
Figure 5: Worldwide Exploration Budgets by Stage of Development, 2014
(1,961 Companies Budgeting $10.74 Billion)



- Global exploration budgets down 47% from actual spend in CY2012
- Commodity mix and geographical activity consistent with previous years
- Focus on minesite and late stage remains

Source: SNL Metals and Mining report

Geochemical Market – ALS perspective



- CY2012 – activity stalled halfway through the field season as the industry went into decline
- CY2013 – sample flow decrease through most of the field season – underlying market decline
- CY2014 – sample flow increasing through the field season – more normal pattern
- Current sample flow similar to same time last year – bottom of cycle? &/or market share increase

Life Sciences Division

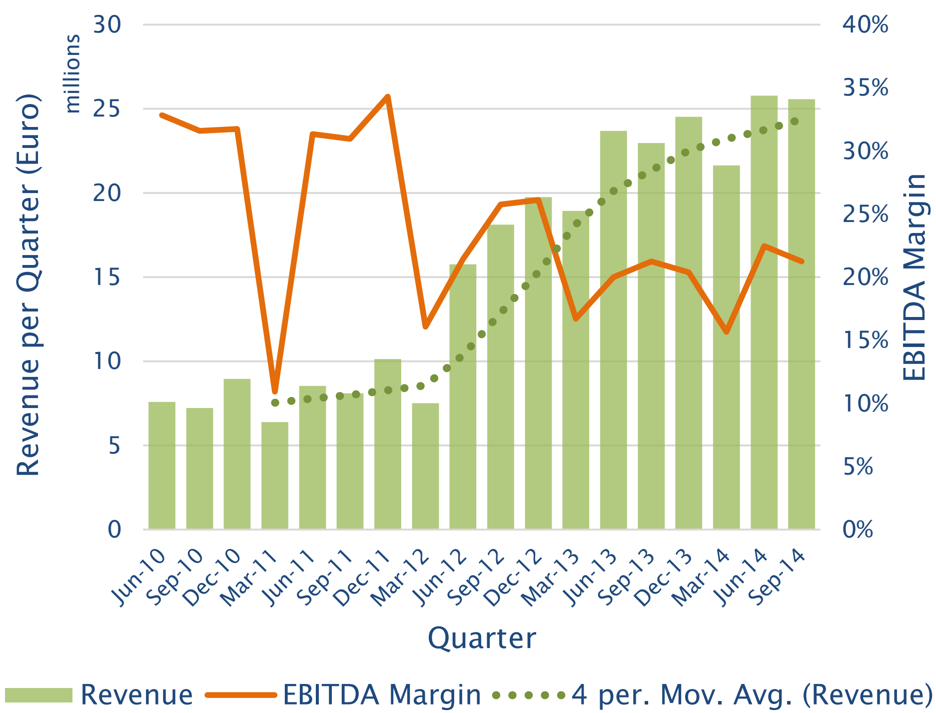
	H1 FY15	H1 FY14	Change
Revenue	$276mn	$272mn	+1%
EBITDA	$66mn	$69mn	-5%
EBIT	$51mn	$54mn	-6%
EBIT Margin	18.4%	19.9%	-150 bps

Overview

- Environmental
  - Organic revenue growth in USA, Asia, Europe and South America
  - Volume increases in Australia and Canada but revenue and margin decreases due to pricing pressure
  - New facilities in Brazil, Chile, Peru, China and Indonesia
  - Cost management initiatives to improve margin through H2
  - Successful in Southern Water long-term contract in United Kingdom (+5 years)
  - Implemented key strategies to combat pricing pressures and increase market share
  - Technology leader in the industry
  - Expect 1% to 2% growth in global market
  - Key market drivers (outsourcing, clean environment and consolidation) will continue to drive the business

Life Sciences Division

Life Sciences - Europe



Life Sciences - Europe

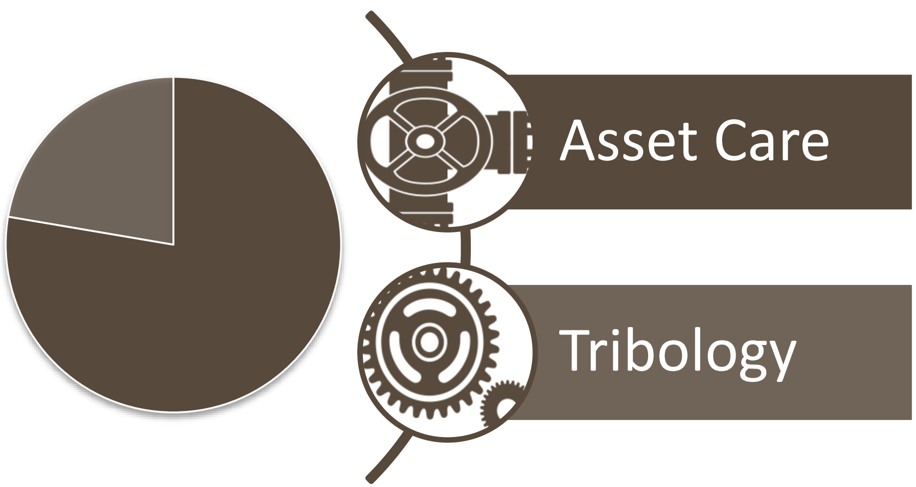
- Strong revenue growth despite very mature market
- EBITDA margins in excess of competitors despite strong competition

Overview

- Food/Pharma
  - Food/Pharma organic growth of 12% pcp
  - New Food Chemistry buildings completed in England and Denmark
  - Consolidated market leadership position in United Kingdom
  - Infrastructure for global food business developed and implemented
  - Continued execution of global Food Strategy
  - Entry into key markets and strategic positioning
  - Global market estimated to be growing at 8% per annum
  - Increasing demand for testing "Farm to Fork"
  - Increasing regulations on food quality from governments
  - New products create need for additional testing
  - Market demand for high quality international laboratories
  - Business growth due to new opportunities and investment in facilities

Industrial Division

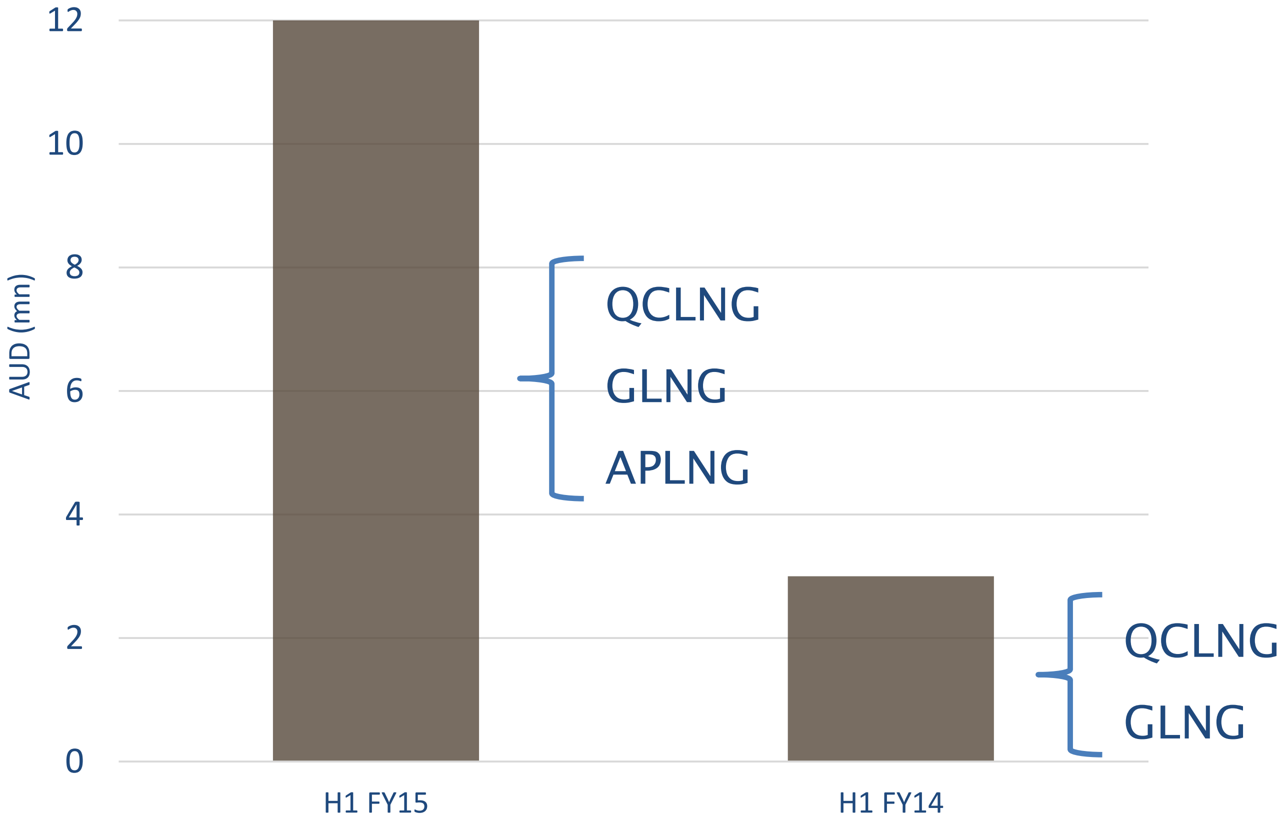
	H1 FY15	H1 FY14	Change
Revenue	$100mn	$89mn	+12%
EBITDA	$20mn	$16mn	+22%
EBIT	$17mn	$14mn	+21%
EBIT Margin	16.6%	15.3%	+130 bps



Overview

- Asset Care
  - Strong outage program and peak Gladstone LNG construction in H1
  - Weakening Australian revenues in H2 as construction activity ramps down
  - Well positioned in CSG and LNG maintenance sectors
  - AIT acquisition performing to expectation
  - Targeting further expansion in the USA via <USD$20mn acquisition in H2
- Tribology
  - Revenue up 20% pcp and EBIT margin up 160bps
  - New Perth facility to be commissioned in December (doubling capacity)
  - Next generation WebTrieve™ client portal in beta testing
  - Oilcheck fully integrated and delivering desired outcomes

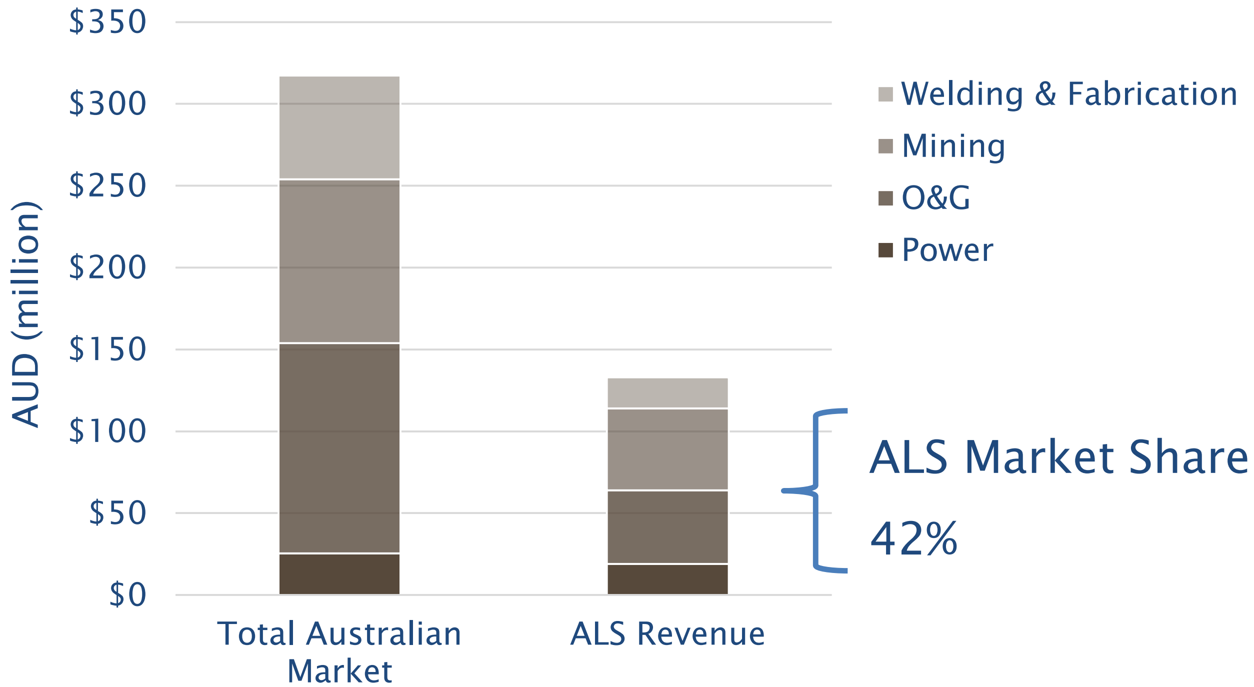
LNG Construction Revenue



Wheatstone project commencing H2 FY15 ($22mn)

Asset Care Market Analysis – Australia

Source: Company estimates



Sector	Driver	Market Demand
Power	Production	–
Oil & Gas	Construction --> Production	↑
Mining	Production	↑
Welding & Fabrication	Construction	↓