

30 April 2015

FY2015 Preliminary Result Guidance

- **unaudited underlying NPAT \$135 million**
- **likely non-cash impairment of \$290 million**

Directors advise that the unaudited March 2015 full year underlying net profit after tax was \$135 million; a 21% decrease on the \$172 million underlying result last year. The underlying fourth quarter result was \$21.2 million, compared to the fourth quarter FY2014 result of \$24.0 million.

Directors see this result as a solid outcome in current market conditions and demonstrates that the company's focus on its cost base, maximizing market share, and continuing to execute its long-term strategies of market sector and geographical diversification is working.

Underlying unaudited net profit after tax in H2FY15 was \$67.3 million compared to \$67.7 million in H1FY15 and \$71.1 million in H2FY14. The stability of earnings over the last three half year periods is pleasing in that it suggests the company's geographical and market sector diversification is providing some insulation to the current commodities down cycle.

In light of significant movements in the oil price over the last eight months and the subsequent lowering of forward curve oil price expectations, the Company is currently assessing the need for potential impairments against the carrying value of its oil and gas investments. ALS advises that it expects its Full Year Results, due to be released on the 28th May, to include recognition of non-cash impairments of \$290 million.

Any non-cash impairment charges will have no impact on ALS's credit worthiness or debt facilities, as borrowing covenants only relate to leverage (net debt:EBITDA) and EBITDA interest cover. As at the 31st March 2015, ALS's leverage ratio was 2.5 compared to 2.7 at the end of September 2014 and a covenant of 3.25, and its interest cover was 9.0 compared to a covenant of 3.75.

Managing Director, Greg Kilmister commented;

"The impairment charge against ALS's oil & gas investments is an outcome of current and expected mid-term market conditions as the result of the rapid decline in the global oil price, and where ALS is along the journey of developing the suite of services identified in our 2012 strategic planning. The upstream oil and gas markets remain very attractive to ALS and we are confident in achieving our long-term goals in the sector. We are continuing to implement our strategies, including the opening of a new 10 million dollar oil and gas laboratory in Houston in the latter part of this year."

"The Company continues to execute its other major strategy of developing its Life Sciences business, in particular its global food testing footprint. This month, ALS completed the

acquisition of ControlVet in Europe. ControlVet is the premier full service food testing laboratory in Portugal and has a presence in Spain and Poland. The acquisition, whilst relatively small, brings another 100 staff to ALS's European operations. Other small food testing acquisitions in Europe and North America are planned this year now that we have built an appropriate integration platform. The Company has also just recently approved the building of a new \$5 million pharmaceutical laboratory in Ely, central England."

-ENDS-

Further information:

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About ALS Limited

ALS is a global Testing, Inspection & Certification business. The company's strategy is to broaden its exposure into new sectors and geographies.