

23 November 2012

ALS announces record interim result

ALS Limited (formerly Campbell Brothers Limited) (**ASX Code: ALQ**) today announced a record interim net profit after tax (attributable to equity holders of the Company) of \$135.5 million in the half year to September 2012, in line with guidance provided to the market at the AGM in July.

The after tax profit is an increase of 32% on the previous corresponding period and was generated from revenue of \$813.6 million, an increase of 22% on the September 2011 half.

ALS Chairman, Nerolie Withnall said that all ALS testing and inspection services divisions recorded strong increases in revenues and profit contributions compared with the previous corresponding period.

“In particular, significant growth in demand for services in ALS Energy, ALS Life Sciences and ALS Minerals saw these divisions post revenue gains of 28% or more for the half. ALS Industrial also performed well, recording revenue growth of 13% at a significantly higher margin than in the September 2011 half-year.”

Mrs Withnall said that she was particularly pleased that the ALS brand continued to grow in recognition and strength globally.

Results of each of the Company’s business segments for the half year are:

Financial Results	Revenue			Contribution		
	H12013	H12012	+ / -	H12013	H12012	+ / -
<i>In millions of AUD</i>						
ALS Minerals	344.9	267.6	+28.9%	126.6	95.0	+33.3%
ALS Life Sciences	225.0	173.0	+30.1%	47.3	40.0	+18.3%
ALS Energy	53.4	39.4	+35.5%	16.5	9.7	+70.1%
ALS Industrial	85.5	75.4	+13.4%	15.7	11.0	+42.7%
Reward Distribution	62.2	66.6	-6.6%	0.9	2.0	-55.0%
Campbell Chemicals*	42.6	45.5	-6.4%	3.8	3.3	+15.2%
Total segments	813.6	667.5	+21.9 %	210.8	161.0	+30.9%
Net profit after tax				135.5	102.3	+32.5%

* The Campbell Chemicals segment was divested during the September 2012 half year.

Directors have declared a partly franked (50%) interim dividend of 21 cents per share (on a post 5-for-1 share split basis) payable on all ordinary shares (2011: 19 cents, partly franked to 50%). The dividend will be paid on 18 December 2012 on all shares registered in the Company's register at the close of business on 5 December 2012. The Company's dividend reinvestment plan will operate for the interim dividend at a 5.0% discount to market price.

Commenting on the Group performance, ALS Managing Director, Greg Kilmister, said that despite the negative sentiment surrounding the resources industry, particularly in Australia, he was pleased with the market share growth and margin improvement across almost all businesses.

"Investments in increased operational capacity, a commitment to technology, and training and up-skilling programs for all staff have enabled the businesses to maintain impeccable service levels in the face of continuing growth in demand for our services" Mr Kilmister said.

The Life Sciences Division which includes the environmental and food businesses saw revenue increase by 30.1% over the previous first half to \$225 million. Operating margin decreased slightly to 21.0% due to the division now being more strongly weighted to the European and North American geographies which are more seasonal than Australia. The Life Sciences Division experienced significant revenue improvement during the half-year across all geographic regions. The Australian and Asian businesses produced robust organic growth and higher margins from increased market share and the successful containment of variable costs. Sales growth in the North American and European regions was driven by a combination of acquired and organic factors, though integration costs in both territories resulted in lower contribution margins.

The Minerals Division continued the strong growth reported over recent years as the company increased its market share; particularly in Asia, Europe, North Africa and Western Australia. New hub laboratories under construction in Chile and Ireland; the new Iron Technical Centre being constructed in Perth; plus the recently completed hub laboratory rebuilds in Perth and South Africa, position the company for further growth through market share improvement and the inevitable future upswing in global exploration activity. Expanded metallurgical capacity is also under construction in Adelaide and Canada, and a new metallurgical laboratory is being built in Chile.

The Energy Division, currently consisting of the company's coal businesses, had a very strong first half with revenue up 35.5% to \$53.4 million and operating profit up 70.1% to \$16.5 million. Strong increases in market share across all regions generated substantial revenue growth. Mr Kilmister attributed the strong performance to the operational benefits of the new Brisbane hub laboratory

commissioned last year, a shift by the coal industry to access higher quality services, and an improved performance in South Africa.

The Industrial Division generated both revenue and margin improvement driven by the Power Services business acquired in 2011 and a significant improvement in the North American tribology business. The traditional Asset Care business in Australia has been challenged by rising costs and project/shutdown delays but has improved over recent months. New contract wins and changes to its operating platform will see the business continue to improve in the new year.

The Reward Distribution hospitality supplies business remained profitable but struggled under pricing pressure in a contracting market. The company is in the process of implementing a new business model that should see a more sustainable turnaround achieved during the second half.

In regard to the expected full year to March 2013 result, Mr Kilmister said that sentiment in the resources sector, particularly in regards to exploration, has been subdued for many months despite commodity prices remaining strong compared to long term trends.

“Total geochemical sample flow into the company’s laboratories has been in decline for a number of months; however the slowdown is not as rapid nor as deep as seen during the GFC and is somewhat offset by growth in the non-minerals divisions of ALS. Total geochemical sample flow in the 2013 financial year is expected to be in line with samples received in the 2012 financial year”.

“The company believes there will be a normal off season in the March 2013 quarter due to the northern winter. This has not been the case since 2009 as companies worked to bring projects back on line following the disruption of the GFC,” Mr Kilmister said.

“Excluding seasonality, the company expects to see a return to growth in the geochemical market in late calendar 2013, although this remains difficult to predict at this stage”.

The company expects that net profit after tax for the financial year ending March 2013, will be in the range of \$235 to \$255 million.

In line with the Company’s diversification strategy, the Group made several acquisitions in the Life Sciences sector during the period, namely Eclipse Scientific Group (UK/Ireland) in April 2012, a provider of food, dairy, water and pharmaceutical testing services to a blue chip customer base comprising manufacturers, food processors and retailers; Milana A/S. (Denmark) in July 2012 and Artek (Turkey) in August 2012, both environmental analytical laboratory testing companies.



Both the Chemicals Division businesses were divested during the half year; the Panamex business was sold to private investors and existing management, whilst the Deltrex business was sold to Redox Pty Ltd, for total proceeds of \$43 million.

-ENDS-

Further information:

Greg Kilmister
Managing Director
ALS Limited
+61 (7) 3367 7900

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.

Change of name

Effective 1 August 2012, the Company changed its name from Campbell Brothers Limited to ALS Limited, following shareholder approval at the annual general meeting held on 31 July 2012.

THE NAME CHANGE OCCURRED ON THE AUSTRALIAN SECURITIES EXCHANGE (ASX) ON 21 AUGUST 2012. THE NEW ASX CODE IS ALQ (WAS CPB).

Five-for-one share split

The Company's shares were split on the basis of five new shares for every one share held. The split took effect on 9 August 2012.