

27 February 2014

## **ALS provides updated trading commentary**

On 25 November 2013, ALS Limited (ASX Code: ALQ) provided commentary that it expected after tax group net profit for the December 2013 quarter to be approximately \$47 million, in line with the performance in each of the first two quarters. No forecast was provided for the fourth quarter to March 2014 due to uncertain market conditions in what is traditionally the off-season for most of ALS' business streams.

Directors now advise that the December 2013 quarter's after tax group net profit was \$44 million, in line with the forecast result.

Trading in the final quarter is being impacted by continuing tight market conditions in the minerals and coal sectors; very abnormal weather conditions in North America due to the influence of the polar vortex which has led to 16 days of lost laboratory operations in January and February; and a shift in North American Oil & Gas drilling activity from exploration to production drilling. The quarter has also seen further restructuring costs, bringing full year one off restructuring costs to approximately \$12 million before tax.

The company remains confident that its current diversification strategies, operating model, and focus on cost management and right sizing the businesses for the current market, position the company strongly for future growth. In particular, the company is pleased that the EBIT margin for the Geochemistry business for the first ten months of the current financial year remains strong at 27% in an environment where revenues have fallen by one third.

Subject to final audit, the after tax profit including unusual items and excluding amortization of intangibles for the year ended 31 March 2014 is expected to be in the range of \$160 to \$170 million.

The Company's preliminary final results for the year ended 31 March 2014 (Appendix 4E) will be released to the market on 27 May 2014.

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### **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.**

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