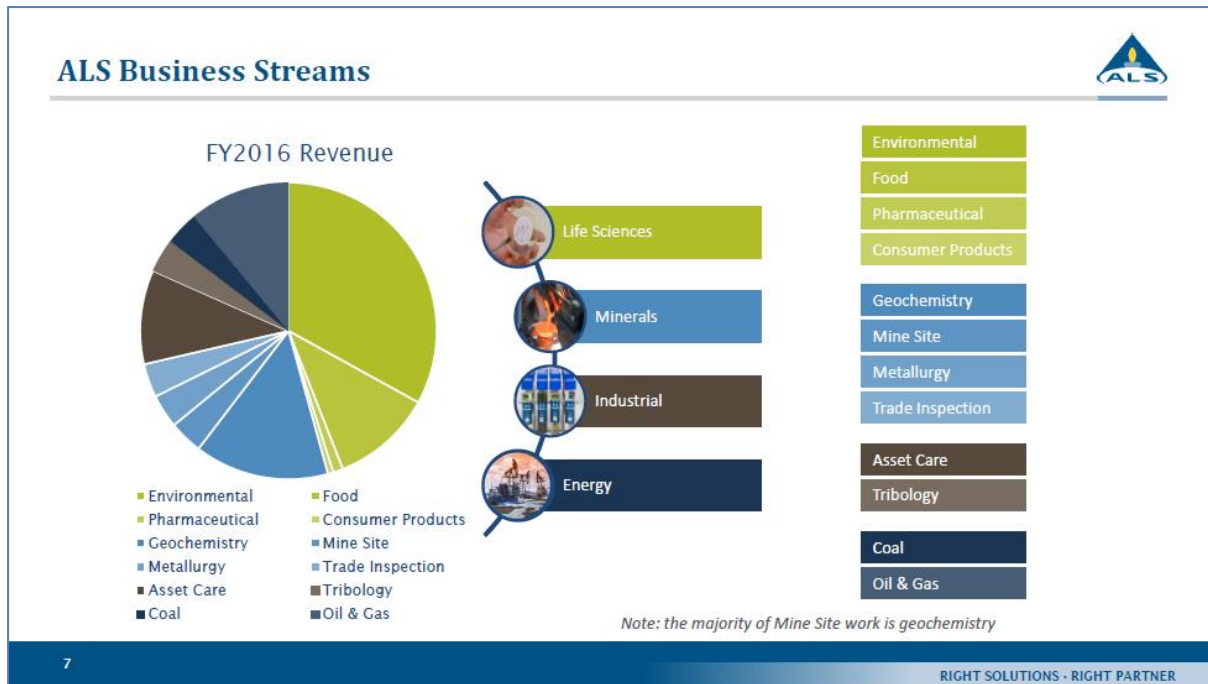


Bruce Phillips  
Chairman Elect  
ALS Limited

Annual General Meeting  
11am on 26 July 2016

Thank you Nerolie and good morning ladies and gentlemen.



My name is Bruce Phillips and the Board has elected me to succeed Nerolie as the next Chairman of your Company. For me, it is obviously both an honour and a privilege to be elected by the Board as your new Chairman.

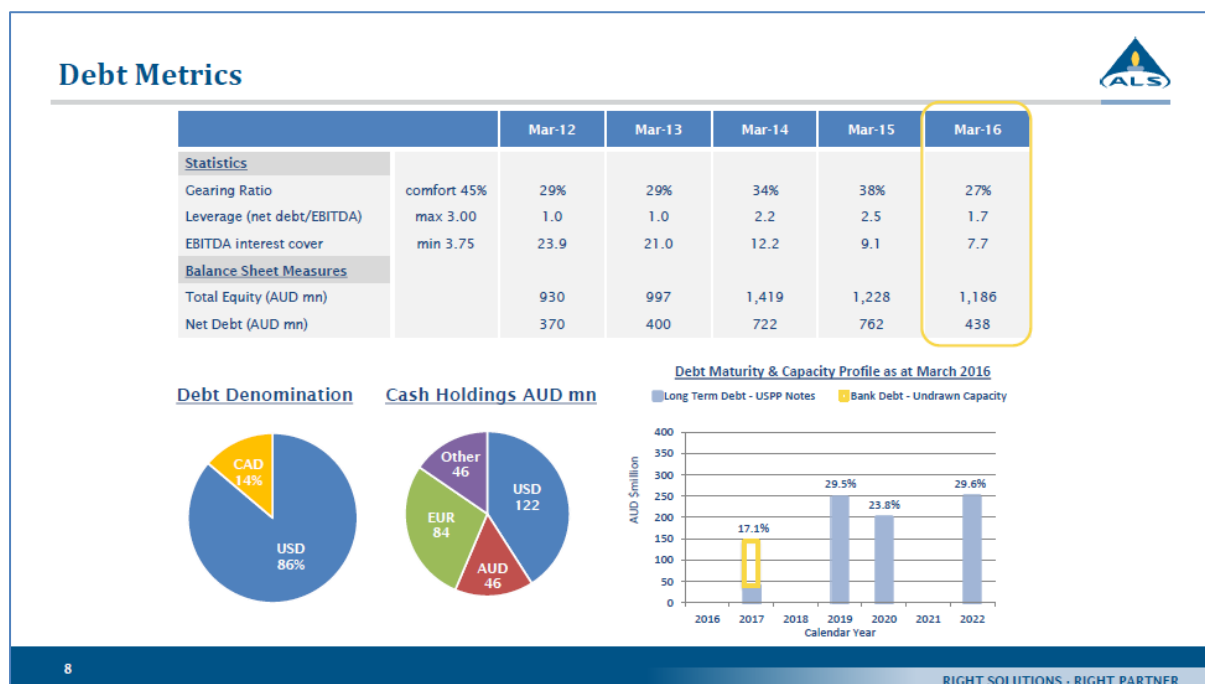
Today I want to talk about some key matters of interest in the future of your company, including capital management, dividend policy, our increasing focus on sustainability, the business outlook and finally provide some broad market guidance for investors.

But first, for those of you who do not know my background, I am a geophysicist by profession and have 40 years of technical, financial and managerial experience in the energy sector, including coal, oil, gas and electricity, all sectors of relevance to ALS.

My executive career included working for both large multi-national companies and much smaller entities on projects in six continents. My last role as an executive was as the founder and Managing Director of AWE Limited, which held operations in Australia, NZ, Asia and South America, so I relate quite readily to ALS's global business model.

In terms of experience as a director, I have sat on public company boards for almost 20 years. I am currently Chairman of AWE Limited and a non-executive director of AGL Energy Limited. Previously I was also a non-executive director of Sunshine Gas limited, and was past Chairman of Platinum Capital Limited.

But enough about me..... suffice to say I look forward to serving you as Chairman of this great company.



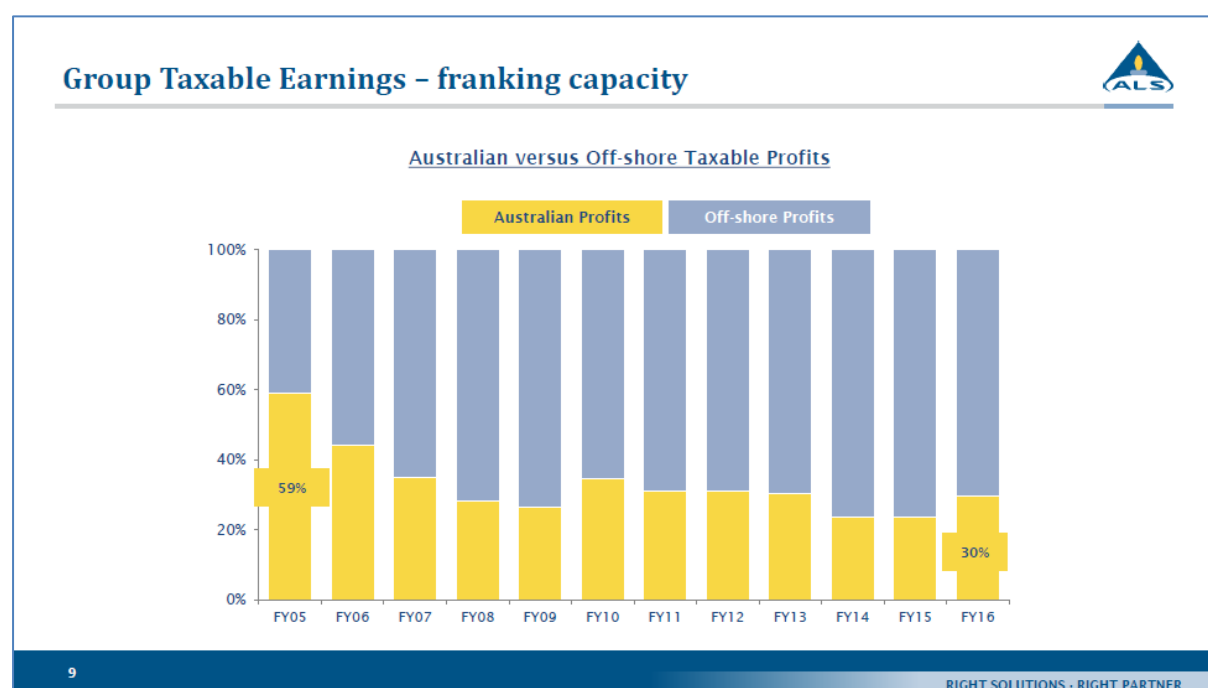
I now wish to make a few comments about the Company's approach to capital management. This approach is guided by the principles of efficiency and prudence, with the overall objective of generating acceptable returns in excess of our cost of capital over the course of the cycles which affect the markets for ALS' services.

ALS has always adopted a relatively conservative stance in managing its balance sheet, conscious of its standing with investors and lenders as an investment-grade credit risk, and the benefits that flow from that in terms of the availability and cost of funding. An example of this was the equity-raising conducted in December 2015 which was undertaken for the dual purposes of providing funding for acquisitions in the Life Sciences division, while also ensuring the Company's balance sheet remained strong during the current period of downturn in the minerals and energy markets.

ALS' ongoing capital management is governed by a set of internal financial risk management policies which are reviewed and adopted by the Board. These policies deal with a range of measures including the cost of capital, sources & tenure of debt, gearing & leverage, share buy-backs and of course dividend payout practices.

The Company runs short, medium and long term financial projections, incorporating scenarios across the financial and commodity cycles which affect the markets for our services. The Board then sets a series of internal limits for the capital management measures. The limits contain a buffer inside any financial covenant ratios imposed by our lending agreements. They are tested against the outcomes of projected scenarios which include any proposed corporate activities such as asset acquisitions, and debt or equity raisings.

Any proposed capital management initiative must deliver on the Company's overall objective of generating returns at a margin in excess of its cost of capital over the medium to long term, while at the same time adhering to our internal risk management policies.



The Company's dividend payment policy has an important influence on both capital management initiatives and shareholder returns. Nerolie mentioned in her Chairman's address to last year's AGM that the Company was likely to reduce the percentage of its profits paid in dividends in the future, noting that any dividend should at the very least allow distribution of 100% of available franking credits as they are more valuable in the hands of shareholders.

The payout ratios in terms of underlying net profit in FY2015 and FY2016 were 62% and 61% respectively, in two of the most difficult trading years the Company has experienced. This is down from previous levels where ALS had traditionally paid out approximately 70% of profits.

At these payout levels, it means the majority of the funding for the growth of the Company over the past ten years has come from divesting non-core assets, equity raisings, or of course borrowings. The Board needs to manage the Company's capital resources, including annual profits, efficiently and

prudently to drive the best total shareholder return over the medium to long term. The Board is also conscious of providing investors with a degree of certainty regarding dividends by minimising fluctuations in the payout ratio.

In balancing these considerations, it is therefore likely the Company's future dividend payout ratio will be in the range of 50% to 60% of underlying net profit as we move through the resources cycles. This will enable greater reinvestment of capital in growth initiatives.

Shareholders would be aware that Sustainability policy is very important in delivering superior shareholder returns, and in delivering on our social responsibilities as a good corporate citizen. To heighten its focus, the Board has formed a new Sustainability Committee, with the following principles:

- To deliver superior, sustainable returns for shareholders;
- To Operate a healthy and safe workplace;
- To minimise the adverse impact of our business activities on the environment;
- To benefit the local communities in which we operate; and
- To build a team that is engaged, motivated and rewarded.

In the future we will be reporting in more detail on the measures we undertake to achieve our goal of a sustainable business, and provide transparency and clarity to our stakeholders.

## New Business – structure and end market focus

**Life Sciences**

- Environmental
- Food
- Pharmaceutical
- Industrial Hygiene
- Consumer Products

**Commodities**

- Geochemistry
- Metallurgy
- Coal
- Oil & Gas
- Trade Inspection

**Industrial**

- Asset Care
- Tribology

How do our end markets want to interact with ALS?

“One ALS” Project

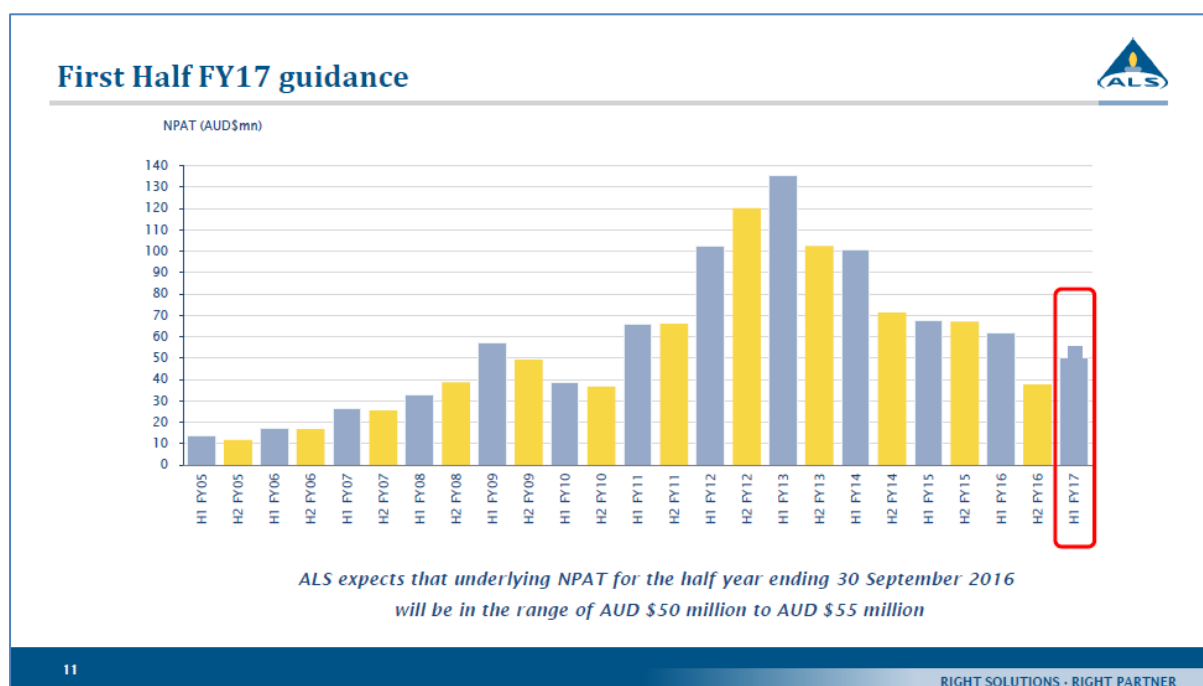
- promoting a broad range of services to an end market
- packaging services
- cross business stream ALS portal
- improve and simplify B2B interaction
- leveraging clients across business streams

10
RIGHT SOLUTIONS - RIGHT PARTNER

ALS is committed to the strong and sustainable growth strategies which have been the basis of its growth over the last two decades.

The Company is confident that the quality of its assets, its operating model, strong balance sheet and its disciplined strategic focus, will see it continue to increase its market share and secure long term profit growth despite the challenges of current market conditions.

The Group will continue to pursue growth opportunities in Life Sciences, particularly in the food sector where we are evaluating a select number of high quality bolt-on acquisition targets.



Past practice for ALS has been to provide half year guidance at the AGM, and whilst it is difficult in current market conditions, that is also our intention today.

We are seeing growth in our Environmental, Food, Pharmaceutical, Geochemistry and Tribology businesses. Profits from the Coal and Asset Care business units remain flat, and unfortunately we have experienced further decline in our Oil and Gas operations.

The Board expects first half underlying after tax profit to be in the range of \$50 to \$55 million, compared with \$61.9 million in the first half last year. This guidance of course assumes no material change in market activity levels and foreign exchange rates and no material adverse events in the Group's business activities for the remainder of the first half to September 2016.

Our current expectation for underlying profit after tax for the full year to March 2017 is broadly in line with analyst consensus. The Managing Director, Greg Kilmister, will provide further details on this shortly.

In conclusion ladies & gentlemen, I would like to thank my fellow Board members for demonstrating their confidence in appointing me as ALS's new Chairman.

I would also like to acknowledge Greg, his executive team, managers, and indeed all of our staff around the world. They have built a great and quite unique global business, and as Chairman I intend to lead a Board that provides them with the skills and support needed to continue that journey.

I look forward to chairing the AGM next year and sharing with you the successes we are targeting in 2016-17.

Finally and very importantly, Nerolie, on behalf of the Board, management and the shareholders, I would like to thank you for your long service and distinguished contribution as a director and Chairman of the Company. We wish you all the very best on your retirement from the Board.

Ladies and gentlemen, thank you for your attention, I now hand over to Greg Kilmister, Managing Director.