



ALS Limited

ABN 92 009 657 489

**Interim Financial Report
for the Half Year Ended 30 September 2014
(including additional ASX Appendix 4D disclosures)**

ALS Limited and its subsidiaries

Interim Financial Report for the Half Year Ended 30 September 2014

Contents

- Results for announcement to the market (including required Appendix 4D information)
- Directors' half year report
- Consolidated interim financial report for the half year ended 30 September 2014

The attached Interim Financial Report for the half year ended 30 September 2014 forms part of this document. This half yearly report is to be read in conjunction with the ALS Limited 2014 Annual Financial Report and the notes contained therein.

ALS Limited and its subsidiaries

Results for announcement to the market

For the half year ended 30 September 2014

Appendix 4D

(Previous corresponding period: half year ended 30 September 2013)

\$M				
Revenue from ordinary activities	Up	3.3%	to	769.1
Underlying net profit after tax * attributable to members	Down	32.8%	to	67.7
Profit from ordinary activities after tax attributable to members	Down	40.2%	to	58.4
Net profit for the period attributable to members	Down	40.2%	to	58.4

Dividends

	Amount per ordinary share	Franked amount per ordinary share
Interim dividend	11.0 cents	1.1 cents
Previous corresponding period	19.0 cents	9.5 cents

Record date for determining entitlements to the interim dividend: 4 December 2014

The last date for receipt of election notices for the company DRP: 5 December 2014

Additional dividend information:

Details of dividends declared or paid during or subsequent to the half year ended 30 September 2014 are as follows:

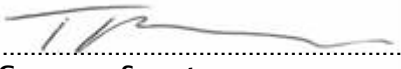
Record date	Payment date	Type	Amount per ordinary share	Total dividend	Franked amount per ordinary share	Conduit foreign income per ordinary share
13 June 2014	2 July 2014	Final 2014	20.0 cents	\$78.9m	10.0 cents	10.0 cents
4 Dec 2014	19 Dec 2014	Interim 2015	11.0 cents	\$43.8m	1.1 cents	9.9 cents

Other financial information:

	Current period	Previous corresponding period
Basic underlying * earnings per ordinary share	17.1 cents	27.9 cents
Basic earnings per ordinary share	14.7 cents	27.1 cents
Net tangible assets per ordinary share	-2.41 cents	-6.86 cents

* Refer to page 3 of the attached Interim Financial Report for a reconciliation of Underlying net profit after tax to Statutory net profit after tax.

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 30 September 2014 Interim Financial Report. The unqualified review report of the company's auditors, KPMG, is attached to this document and highlights no areas of dispute.

Sign here: 
Company Secretary
 Tim Mullen

Date: 24/11/2014



ALS Limited

ABN 92 009 657 489

**Interim Financial Report
for the Half Year Ended 30 September 2014**

ALS Limited and its subsidiaries

Directors' Report

For the half year ended 30 September 2014

The directors present their report together with the consolidated interim financial report for the half year ended 30 September 2014 and the auditor's review report thereon.

Directors

The directors of the Company at any time during or since the end of the half year are:

NEROLIE WITHNALL BA, LLB, FAICD

Chairman and Independent Non-Executive Director Age 70

Appointed a director 1994 and appointed Chairman in 2012.

GREG KILMISTER B Sc (Hons), FRACI, MAIG, CCEO

Managing Director and Chief Executive Officer Age 58

Appointed Managing Director and Chief Executive Officer in 2005.

RAY HILL FAICD

Independent Non-Executive Director Age 72

Appointed 2003.

BRUCE BROWN B Com, AAUQ, FAICD

Independent Non-Executive Director Age 70

Appointed 2005.

MEL BRIDGES B AppSc, PhD, FAICD

Independent Non-Executive Director Age 64

Appointed 2009.

GRANT MURDOCH M Com (Hons), FAICD, FCA

Independent Non-Executive Director Age 63

Appointed 2011.

JOHN MULCAHY PhD, BE (Civil Eng) (Hons), FIE Aust

Independent Non-Executive Director Age 64

Appointed 2012.

ALS Limited and its subsidiaries

Directors' Report

For the half year ended 30 September 2014

Review and results of operations

Financial performance

The Group delivered underlying net profit after tax (attributable to equity holders of the Company, and excluding amortisation of acquired intangibles, restructuring and related costs, divestment write-downs and acquisition costs) of \$67.7 million for the half year. The result was slightly ahead of guidance of \$64.0 million provided to the market on 22 September 2014 and is 33% behind the \$100.8 million underlying net profit of the previous corresponding period (PCP).

Half year statutory net profit after tax attributable to equity holders of the Company (including amortisation of acquired intangibles, restructuring and related costs, divestment write-downs and acquisition costs) was \$58.4 million, down 40% on the \$97.7 million recorded in the half year to September 2013. Refer to page 3 for a detailed summary and reconciliation of results.

Revenue of \$769.1 million was up 3% on the \$744.7 million recorded in the PCP, however reduced resources exploration activity, pricing pressure and a changing revenue mix for the Group resulted in a lower overall profit margin. Trading during the period was impacted by continuing tight market conditions in all sectors while the improvement in earnings traditionally experienced during the northern hemisphere summer was less than expected.

ALS Minerals experienced a 22% reduction in revenue compared with the September 2013 half with all geographic regions being affected. All other ALS testing and inspection services divisions recorded revenue increases over the PCP, though pricing pressures and internal issues led to ALS Energy's underlying contribution margin falling from 25% to 11%. The Group remains focused on cost management and right-sizing the businesses for the current market. This together with the ongoing development and integration of the Oil & Gas business stream within ALS Energy positions the Company strongly for future growth as its markets recover.

The Group divested its hospitality supplies business Reward Distribution in October 2014. Refer note 14 to the interim financial report – Events subsequent to balance date.

Directors have declared a partly franked (10%) interim dividend of 11 cents per share payable on all ordinary shares (2013: 19 cents, partly franked to 50%). It will be paid on 19 December 2014 on all shares registered in the Company's register at the close of business on 4 December 2014. The Company's dividend reinvestment plan will operate for the interim dividend at a 5.0% discount to market price.

ALS Limited and its subsidiaries

Directors' Report

For the half year ended 30 September 2014

Review and results of operations (continued)

The Group's financial performance for the half year to 30 September 2014 is summarised as follows:

2014 \$m	Continuing operations	Discontinued operations (operating result)	Underlying operating result (1)	Write-down - discontinued operations	Acquisition costs	Restructuring & related costs (1)	Amortisation of intangibles	Statutory result
Revenue	710.3	58.8	769.1	-	-	-	-	769.1
EBITDA (2)	149.8	1.6	151.4	(2.2)	-	(2.2)	-	147.0
Depreciation & amortisation	(40.8)	(0.3)	(41.1)	-	-	-	(6.0)	(47.1)
EBIT (2)	109.0	1.3	110.3	(2.2)	-	(2.2)	(6.0)	99.9
Interest expense	(16.6)	-	(16.6)	-	-	-	-	(16.6)
Tax expense	(24.7)	(0.4)	(25.1)	0.4	-	0.7	-	(24.0)
Non-controlling interests	67.7	0.9	68.6	(1.8)	-	(1.5)	(6.0)	59.3
	(0.7)	(0.2)	(0.9)	-	-	-	-	(0.9)
Net profit after tax	67.0	0.7	67.7	(1.8)	-	(1.5)	(6.0)	58.4
Basic EPS (cents)			17.1					14.7
Diluted EPS (cents)			17.0					14.7

2013 \$m	Continuing operations	Discontinued operations (operating result)	Underlying operating result (1)	Write-down - discontinued operations	Acquisition costs	Restructuring & related costs (1)	Amortisation of intangibles	Statutory result
Revenue	684.6	60.1	744.7	-	-	-	-	744.7
EBITDA (2)	181.4	1.6	183.0	-	(1.7)	(2.7)	-	178.6
Depreciation & amortisation	(34.6)	(0.3)	(34.9)	-	-	-	-	(34.9)
EBIT (2)	146.8	1.3	148.1	-	(1.7)	(2.7)	-	143.7
Interest expense	(9.7)	-	(9.7)	-	-	-	-	(9.7)
Tax expense	(36.3)	(0.3)	(36.6)	-	0.5	0.8	-	(35.3)
Non-controlling interests	100.8	1.0	101.8	-	(1.2)	(1.9)	-	98.7
	(0.8)	(0.2)	(1.0)	-	-	-	-	(1.0)
Net profit after tax	100.0	0.8	100.8	-	(1.2)	(1.9)	-	97.7
Basic EPS (cents)			27.9					27.1
Diluted EPS (cents)			27.9					27.1

- (1) The terms Underlying Result and Restructuring & Related Costs are non-IFRS disclosures. They have been presented to assist in the assessment of the relative performance of the Group from period to period. The calculations thereof are based on non-IFRS information and are unaudited.
- (2) EBITDA = EBIT plus depreciation and amortisation. EBIT = Earnings before interest and tax. The terms EBITDA and EBIT are non-IFRS disclosures. They have been presented to provide a measure of the Group's performance before the impact of depreciation and amortisation (i.e. non-cash items) as well as that of interest and tax expenses. The calculations thereof are based on non-IFRS information and are unaudited.

ALS Limited and its subsidiaries

Directors' Report

For the half year ended 30 September 2014

Review and results of operations (continued)

Contributions from business segments were as follow:

ALS Minerals	2014 \$M	2013 \$M	(Decrease)
Revenue	182.0	232.1	(21.6%)
Segment contribution	35.4	63.0	
Restructuring and related costs	0.7	0.9	
Underlying segment contribution	36.1	63.9	(43.5%)
Margin (underlying segment contribution to revenue)	19.8%	27.5%	
Underlying segment EBITDA	47.5	76.2	(37.7%)

ALS Minerals experienced a further reduction in sample volumes during the period in line with the fall in global exploration market expenditure. Geochemistry contribution margin fell to 22% as a percentage of revenue. While this is below its target range, the business has maintained its focus on cost management and ensuring its facilities are well-equipped to manage work flow increases when market activity improves. Two mine site laboratories were commissioned during the half year - providing "late stage" services to clients. Revenue from the Metallurgy business was down 20% on the PCP.

ALS Life Sciences	2014 \$M	2013 \$M	Increase/ (Decrease)
Revenue	276.1	272.3	1.4%
Segment contribution	50.2	53.5	
Restructuring and related costs	0.6	0.8	
Underlying segment contribution	50.8	54.3	(6.4%)
Margin (underlying segment contribution to revenue)	18.4%	19.9%	
Underlying segment EBITDA	65.9	69.2	(4.8%)

Sample flows in ALS Life Sciences increased globally over the PCP, however pricing pressure, particularly in Australia and Canada, resulted in revenue remaining flat. Average prices for environmental services in Australia have declined by 10 percent over the past 12 months. Upgraded and new environmental facilities recently established in Brazil, Chile, Peru, China and Indonesia will provide additional capacity for new project work. Cost management initiatives are expected to result in improved margin performance in the second half. Development of ALS's global food and pharmaceutical testing business continues with the completion of new laboratories in England and Denmark together with implementation of its laboratory information management system.

ALS Energy	2014 \$M	2013 \$M	Increase/ (Decrease)
Revenue	152.3	90.9	67.5%
Segment contribution	16.8	22.0	
Restructuring and related costs	0.5	1.0	
Underlying segment contribution	17.3	23.0	(24.8%)
Margin (underlying segment contribution to revenue)	11.4%	25.3%	
Underlying segment EBITDA	28.2	27.7	1.8%

Whilst revenue in ALS Energy was 68% ahead of the PCP, segment contribution was lower than achieved last year. This was due to lower volumes and reduced pricing in the coal business, and market pressures and internal issues in the Oil and Gas business stream.

A series of restructuring and refocusing initiatives were commenced in ALS Oil and Gas in the later months of the half year. These include the centralisation of management in Houston Texas, the relocation and rationalisation of a number of operational sites and further integration of business processes into the broader ALS. Strategic development plans are currently being prepared and implemented for all components of the business. These initiatives are expected to start delivering benefits prior to the end of the current financial year.

ALS Limited and its subsidiaries

Directors' Report

For the half year ended 30 September 2014

Review and results of operations (continued)

ALS Industrial	2014 \$M	2013 \$M	Increase
Revenue	99.9	89.3	11.9%
Segment contribution	16.4	13.7	
Restructuring and related costs	0.2	-	
Underlying segment contribution	16.6	13.7	21.2%
Margin (underlying segment contribution to revenue)	16.6%	15.3%	
Underlying segment EBITDA	19.6	16.1	21.7%

ALS Industrial achieved increased revenue and contribution from both the Asset Care and Tribology business streams. In the Asset Care business, peak Gladstone LNG construction and a strong first quarter outage program offset declining demand for services in the welding and fabrication sector. The Tribology business continued to grow profitably with revenue increasing 20% compared with the PCP. The Oilcheck and AIT acquisitions, made in October 2013, both contributed strongly to the result.

Events subsequent to balance date

The Group entered into three-year, multi-currency debt facility agreements with five Australian and international banks amounting to USD240 million (AUD 275 million) in October 2014. These facilities replace the previous bank debt arrangements which were due to mature in November 2014.

The Company divested the Reward Distribution hospitality supplies segment in October 2014. The sale will generate approximately \$22 million in proceeds for the Group. The segment has been disclosed as a discontinued operation in the interim profit and loss statement and its assets and liabilities are classified as "held for sale" in the interim balance sheet. The Group has recorded a write-down of \$1.8 million after tax in relation to the divestment. Refer notes 7 and 8 to the financial report.

Other than the matters referred to above, there has not arisen in the interval between the end of the half year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

ALS Limited and its subsidiaries

Directors' Report

For the half year ended 30 September 2014

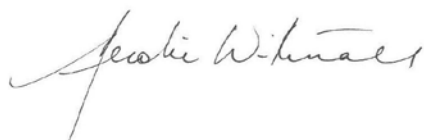
Lead auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 24 and forms part of the Directors' Report for the half year ended 30 September 2014.

Rounding off

The entity is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest one hundred thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:



Nerolie Withnall
Chairman

Brisbane
24 November 2014



Greg Kilmister
Managing Director

Brisbane
24 November 2014

ALS Limited and its subsidiaries

Interim profit and loss statement

For the half year ended 30 September 2014

In millions of AUD

Note

	Consolidated	
		Restated*
	30 September 2014	30 September 2013
Continuing operations		
Revenue from sale of goods	3.0	-
Revenue from rendering of services	707.3	684.6
	710.3	684.6
Other income	0.9	0.8
Changes in inventories of finished goods and work in progress	(8.2)	16.8
Raw materials and consumables purchased	(63.6)	(57.5)
Employee expenses	(342.5)	(311.1)
Warehousing and distribution costs	(15.0)	(15.2)
Occupancy Costs	(23.9)	(20.6)
Amortisation and depreciation	(46.8)	(34.6)
Selling expenses	(8.8)	(9.3)
Administration and other expenses	(103.5)	(112.8)
Share of net profits/(losses) of associates and joint ventures accounted for using the equity method	1.9	1.3
	100.8	142.4
Profit before financing costs and income tax		
Finance income	1.0	1.3
Finance expense	(17.6)	(11.0)
Net finance expense	(16.6)	(9.7)
	84.2	132.7
Profit before income tax		
Income tax expense	(24.0)	(35.0)
Profit from continuing operations	60.2	97.7
Discontinued operations		
(Loss)/Profit of discontinued operations (net of income tax)	(0.9)	1.0
Profit for the period	59.3	98.7
Attributable to:		
Equity holders of the Company	58.4	97.7
Non-controlling interest	0.9	1.0
Profit for the period	59.3	98.7
Basic and diluted earnings per share attributable to equity holders	14.7c	27.1c
Basic and diluted earnings per share attributable to equity holders from continuing operations	15.0c	26.9c

The interim profit and loss statement is to be read in conjunction with the notes to the interim financial report set out on pages 13 to 21.

*See discontinued operations – Note 7

ALS Limited and its subsidiaries

Interim statement of comprehensive income

For the half year ended 30 September 2014

In millions of AUD

	Note	Consolidated	
		30 September 2014	30 September 2013
Profit for the period		59.3	98.7
Other comprehensive income *			
<i>Items that are or may be reclassified subsequently to profit and loss</i>			
Foreign exchange translation differences		14.8	43.8
Gain/(loss) on hedge of net investments in foreign subsidiaries		0.2	(7.8)
Net gain/(loss) on cash flow hedges taken to equity		0.9	0.5
Other comprehensive income for the period, net of income tax		15.9	36.5
Total comprehensive income for the period		75.2	135.2
Attributable to:			
Equity holders of the company		74.3	134.0
Non-controlling interest		0.9	1.2
Total comprehensive income for the period		75.2	135.2

* All movements in comprehensive income are disclosed net of applicable income tax.

The interim statement of comprehensive income is to be read in conjunction with the notes to the interim financial statements set out on pages 13 to 21.

ALS Limited and its subsidiaries

Interim balance sheet

As at 30 September 2014

In millions of AUD

		Consolidated	
	Note	30 September 2014	31 March 2014
Current Assets			
Cash and cash equivalents		110.7	138.9
Trade and other receivables		316.2	317.1
Inventories		77.7	85.2
Other assets		33.8	44.2
Assets held for sale	8	34.0	-
Total current assets		572.4	585.4
Non-current assets			
Receivables		2.9	2.1
Investments accounted for using the equity method		11.2	10.4
Investment property		10.7	10.8
Deferred tax assets		29.5	26.8
Property, plant and equipment		486.5	481.6
Intangible assets		1,454.9	1,412.7
Other assets		9.8	7.5
Total non-current assets		2,005.5	1,951.9
Total assets		2,577.9	2,537.3
Current Liabilities			
Bank overdraft		0.4	2.7
Trade and other payables		132.5	167.4
Loans and borrowings	9	118.3	115.5
Income tax payable		5.7	7.0
Employee benefits		40.1	41.1
Liabilities held for sale	8	11.9	-
Total current liabilities		308.9	333.7
Non-current liabilities			
Loans and borrowings	9	787.9	749.7
Deferred tax liabilities		1.3	1.3
Employee benefits		7.8	6.1
Other		26.7	27.1
Total non-current liabilities		823.7	784.2
Total liabilities		1,132.6	1,117.9
Net assets		1,445.3	1,419.4
Equity			
Share capital		1,090.9	1,061.0
Reserves		(39.1)	(54.9)
Retained earnings		381.3	401.6
Total equity attributable to equity holders of the company		1,433.1	1,407.7
Non-controlling interest		12.2	11.7
Total equity		1,445.3	1,419.4

The interim balance sheet is to be read in conjunction with the notes to the interim financial statements set out on pages 13 to 21.

ALS Limited and its subsidiaries

Interim statement of changes in equity

For the half year ended 30 September 2014

In millions of AUD

Balance 1 April 2014

Total comprehensive income for the period

Profit or loss

Other comprehensive income

Foreign exchange translation differences

Gain/(loss) on hedge of net investments in foreign subsidiaries

Net gain/(loss) on cash flow hedges taken to equity

Total other comprehensive income

Total comprehensive income for the period

Transactions with equity holders, recorded directly in equity

Contributions by and distributions to owners

Dividends to equity holders

Shares issued under dividend reinvestment plan

(3,543,523 ordinary shares at \$8.32 per share)

Treasury shares transferred to employees under the LTI Plan

Share-settled performance rights awarded during the period

Share-settled performance rights vested or lapsed during the period

Total contributions by and distributions to owners

Balance at 30 September 2014

	Consolidated						
	Share Capital	Foreign Currency Translation	Other reserves	Employee share-based awards	Retained earnings	Total	Non-controlling Interest
Balance 1 April 2014	1,061.0	(30.2)	(26.0)	1.3	401.6	1,407.7	11.7
Total comprehensive income for the period							
Profit or loss	-	-	-	-	58.4	58.4	0.9
Other comprehensive income							
Foreign exchange translation differences	-	14.8	-	-	-	14.8	-
Gain/(loss) on hedge of net investments in foreign subsidiaries	-	0.2	-	-	-	0.2	-
Net gain/(loss) on cash flow hedges taken to equity	-	-	0.9	-	-	0.9	-
Total other comprehensive income	-	15.0	0.9	-	-	15.9	-
Total comprehensive income for the period	-	15.0	0.9	-	58.4	74.3	0.9
Transactions with equity holders, recorded directly in equity							
Contributions by and distributions to owners							
Dividends to equity holders	-	-	-	-	(78.9)	(78.9)	(0.4)
Shares issued under dividend reinvestment plan (3,543,523 ordinary shares at \$8.32 per share)	29.5	-	-	-	-	29.5	-
Treasury shares transferred to employees under the LTI Plan	0.4	-	-	-	-	0.4	-
Share-settled performance rights awarded during the period	-	-	-	0.5	-	0.5	-
Share-settled performance rights vested or lapsed during the period	-	-	-	(0.6)	0.2	(0.4)	-
Total contributions by and distributions to owners	29.9	-	-	(0.1)	(78.7)	(48.9)	(0.4)
Balance at 30 September 2014	1,090.9	(15.2)	(25.1)	1.2	381.3	1,433.1	12.2

The interim statement of changes in equity is to be read in conjunction with the notes to the interim financial statements set out on pages 13 to 21.

ALS Limited and its subsidiaries

Interim statement of changes in equity (continued)

For the half year ended 30 September 2013

In millions of AUD

	Share Capital	Foreign Currency Translation	Other reserves	Consolidated Employee share-based awards	Retained earnings	Total	Non-controlling Interest	Total Equity
Balance 1 April 2013	667.9	(69.2)	(30.4)	1.7	415.4	985.4	11.7	997.1
Total comprehensive income for the period								
Profit or loss	-	-	-	-	97.7	97.7	1.0	98.7
Other comprehensive income								
Foreign exchange translation differences	-	43.6	-	-	-	43.6	0.2	43.8
Gain/(loss) on hedge of net investments in foreign subsidiaries	-	(7.8)	-	-	-	(7.8)	-	(7.8)
Net gain/(loss) on cash flow hedges taken to equity	-	-	0.5	-	-	0.5	-	0.5
Total other comprehensive income	-	35.8	0.5	-	-	36.3	0.2	36.5
Total comprehensive income for the period	-	35.8	0.5	-	97.7	134.0	1.2	135.2
Transactions with equity holders, recorded directly in equity								
Contributions by and distributions to owners								
Dividends to equity holders	-	-	-	-	(92.8)	(92.8)	(0.8)	(93.6)
Shares issued under dividend reinvestment plan (3,937,994 ordinary shares at \$8.92 per share)	35.1	-	-	-	-	35.1	-	35.1
Treasury shares purchased and held in trust during the period	(0.2)	-	-	-	-	(0.2)	-	(0.2)
Proceeds of the renounceable 1 for 11 rights issue (net of costs) ¹	241.2	-	-	-	-	241.2	-	241.2
Direct issue of shares to fund acquisition (5,750,418 ordinary shares at \$8.60 per share)	49.5	-	-	-	-	49.5	-	49.5
Share-settled performance rights awarded during the period	-	-	-	0.9	-	0.9	-	0.9
Share-settled performance rights vested during the period	-	-	-	(1.0)	(0.7)	(1.7)	-	(1.7)
Non-controlling interest ownership of subsidiary acquired	-	-	-	-	-	-	0.5	0.5
Total contributions by and distributions to owners	325.6	-	-	(0.1)	(93.5)	232.0	(0.3)	231.7
Balance at 30 September 2013	993.5	(33.4)	(29.9)	1.6	419.6	1,351.4	12.6	1,364.0

¹ Costs attributable to the 1 for 11 rights issue totalled \$6.7m

The interim statement of changes in equity is to be read in conjunction with the notes to the interim financial statements set out on pages 13 to 21.

ALS Limited and its subsidiaries

Interim statement of cash flows

For the half year ended 30 September 2014

In millions of AUD

	Consolidated	
	30 September 2014	30 September 2013
Cash flows from operating activities		
Cash receipts from customers	843.1	826.5
Cash paid to suppliers and employees	(709.7)	(679.9)
Cash generated from operations	133.4	146.6
Interest paid	(17.6)	(10.9)
Interest received	1.0	1.1
Income taxes paid	(29.6)	(36.3)
Net cash from operating activities	87.2	100.5
Cash flows from investing activities		
Payments for property, plant and equipment	(37.5)	(39.4)
Payments for net assets on acquisition of businesses and subsidiaries (net of cash acquired)	(24.8)	(435.8)
Loan repayments/(advances) from/(to) associates	(0.1)	0.5
Dividend from associate	1.1	0.7
Proceeds from sale of other non-current assets	1.6	3.5
Net cash used in investing activities	(59.7)	(470.5)
Cash flows from financing activities		
Proceeds from borrowings	25.0	844.7
Repayment of borrowings	(28.5)	(660.2)
Proceeds from issue of new issued capital	-	239.7
Lease payments	(1.4)	(1.3)
Dividends paid	(49.8)	(57.6)
Net cash from (used in)/from financing activities	(54.7)	365.3
Net movement in cash and cash equivalents	(27.2)	(4.7)
Cash and cash equivalents at 1 April	136.2	112.8
Effect of exchange rate fluctuations on cash held	1.3	8.3
Cash and cash equivalents at 30 September	110.3	116.4

The interim statement of cash flows is to be read in conjunction with the notes to the interim financial statements set out on pages 13 to 21.

ALS Limited and its subsidiaries

Condensed notes to the consolidated interim financial report

For the half year ended 30 September 2014

1. Reporting entity

ALS Limited (the "Company") is a company domiciled in Australia. The interim financial report of the Company as at and for the six months ended 30 September 2014 comprises the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

The consolidated annual financial report of the Group as at and for the year ended 31 March 2014 is available upon request from the Company's registered office at Level 2, 299 Coronation Drive, Milton Qld 4064 or at www.alsglobal.com.

2. Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 31 March 2014.

This consolidated interim financial report was approved by the Board of Directors on 24 November 2014.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest one hundred thousand dollars, unless otherwise stated.

3. Significant accounting policies

The accounting policies applied by the Group in this interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 31 March 2014.

4. Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 March 2014.

5. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 31 March 2014.

Fair values of financial instruments

The Group's financial assets and liabilities are included in the balance sheet at amounts that approximate fair values with the exception of fixed rate debt which has a fair value of \$824.8m (March 2014: \$765.0m). The fair value at 30 September of derivative assets held for risk management, which are the Group's only financial instruments carried at fair value, was an asset of \$9.8m (March 2014: \$15.5m asset) measured using Level 2 valuation techniques as defined in the fair value hierarchy. The Group does not have any financial instruments that are categorised as Level 1 or Level 3 in the fair value hierarchy.

ALS Limited and its subsidiaries

Condensed notes to the consolidated interim financial report

For the half year ended 30 September 2014

5. Financial risk management (continued)

Fair value hierarchy

In valuing financial instruments, the Group uses the following fair value measurement hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

6. Segment reporting

The Group has 5 reportable segments, as described below, representing 5 distinct strategic business units each of which is managed separately and offers different products and services. For each of the strategic business units, the CEO reviews internal management reports on at least a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- ALS Minerals - provides assaying and analytical testing services and metallurgical services for mining and mineral exploration companies.
- ALS Life Sciences - provides analytical testing data to assist consulting and engineering firms, industry, and governments around the world in making informed decisions about environmental, food and pharmaceutical, electronics, and animal health testing matters.
- ALS Energy - provides specialist services to both the black coal and oil and gas industries such as coal sampling, analysis and certification, hydrocarbon formation evaluation services, specialist well services and related analytical testing.
- ALS Industrial - provides the energy, resources and infrastructure sectors with testing, inspection and asset care services.
- Reward Distribution - distribution of non-food consumables to the healthcare, building services, hospitality and leisure industries. This segment was divested subsequent to period end and as a result is disclosed as a discontinued operation.

ALS Limited and its subsidiaries

Condensed notes to the consolidated interim financial report

For the half year ended 30 September 2014

6. Segment reporting (continued)

<i>In millions of AUD</i>	Revenue		Contribution		Segment margin*		Assets		Liabilities	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<i>Continuing Operations</i>										
ALS Minerals	182.0	232.1	35.4	63.0	19.5%	27.1%	646.7	677.0	54.8	61.7
ALS Life Sciences	276.1	272.3	50.2	53.5	18.2%	19.6%	637.4	612.7	75.4	75.5
ALS Energy	152.3	90.9	16.8	22.0	11.0%	24.2%	842.4	785.7	41.3	54.0
ALS Industrial	99.9	89.3	16.4	13.7	16.5%	15.3%	220.5	205.2	24.2	25.2
Total Continuing Operations	710.3	684.6	118.8	152.2			2,347.0	2,280.6	195.7	216.3
<i>Discontinued Operations</i>										
Reward Distribution**	58.8	60.1	1.3	1.3	2.2%	2.2%	34.0	35.4	11.9	11.8
Total Reportable Segments	769.1	744.7	120.1	153.5			2,381.0	2,316.0	207.6	228.1

* Segment margin is calculated as segment contribution as a percentage of segment revenue.

** The Reward Distribution segment was divested subsequent to 30 September 2014 (refer note 7).

Reconciliation of reportable segment profit

<i>In millions of AUD</i>	2014	2013
Contribution from reportable segments	120.1	153.5
Unallocated amounts:		
Acquisition costs	-	(1.7)
Amortisation of intangibles	(6.0)	-
Net financing costs	(16.6)	(9.7)
Write-down of discontinued operations	(2.2)	-
Net foreign exchange gains/(losses)	0.8	3.8
Other corporate expenses	(12.8)	(11.9)
Consolidated profit before income tax (incl. discontinued operations)	83.3	134.0

ALS Limited and its subsidiaries

Condensed notes to the consolidated interim financial report

For the half year ended 30 September 2014

7. Discontinued operations

In October 2014 the Group sold its Reward Distribution operating segment.

Information attributable to discontinued operations is as follows:

In millions of AUD

	2014	2013
Discontinued operations		
Revenue	58.8	60.1
Amortisation and depreciation	(0.3)	(0.3)
Other Expenses	(57.2)	(58.5)
Results from operating activities	1.3	1.3
Income tax expense	(0.4)	(0.3)
Results from operating activities, net of income tax	0.9	1.0
Write-down of discontinued operations	(2.2)	-
Income tax credit on write-down of discontinued operations	0.4	-
	(0.9)	1.0
Basic earnings per share from discontinued operations	(0.3)c	0.2c
Diluted earnings per share from discontinued operations	(0.3)c	0.2c

8. Assets and liabilities held for sale

At 30 September 2014 the Reward Segment was stated at fair value less costs to sell and comprised the following assets and liabilities.

In millions of AUD

	2014
Trade and other receivables	14.3
Inventories	16.6
Other assets	1.1
Property, plant and equipment	1.1
Deferred tax assets	0.9
Assets held for sale	34.0
Trade and other payables	(8.9)
Loans and borrowings	(0.2)
Income tax payable	(0.1)
Employee benefits	(2.7)
Liabilities held for sale	(11.9)

ALS Limited and its subsidiaries

Condensed notes to the consolidated interim financial report

For the half year ended 30 September 2014

9. Loans and borrowings

In millions of AUD

	30 September 2014	31 March 2014
Current Liabilities		
Bank loans	116.9	113.2
Finance lease liabilities	1.4	2.3
	118.3	115.5
Non-current liabilities		
Bank loans	10.6	13.6
Long term notes	775.4	733.7
Finance lease liabilities	1.9	2.4
	787.9	749.7

Bank loans

Funding available to the Group from undrawn facilities at 30 September 2014 amounted to \$143.4 million (March 2014: \$140.9 million). In October 2014, the Group entered into three-year, multi-currency debt facility agreements with five Australian and international banks amounting to USD240 million (AUD 275 million). These facilities replace the previous bank debt arrangements which were due to mature in November 2014.

Long term notes

The Company's controlled entities ALS Group General Partnership and ALS Canada Ltd have previously issued long term, fixed rate notes to investors in the US Private Placement market which remain unpaid at balance date. All loan notes have total fixed interest coupons ranging between 3.40% - 4.79% and bullet maturity dates repayable at various intervals between December 2017 and July 2022.

The weighted average interest rate (incorporating the effect of interest rate contracts) for all bank loans and long term notes at balance date is 3.5%.

10. Dividends

The following dividend was declared and paid by the Company during the half year:

In millions of AUD

	2014	2013
Final 2014 dividend paid 2 July 2014 (2 July 2013)	78.9	92.8

Since 30 September 2014, directors have declared a partly franked (10%) interim dividend of 11 cents per ordinary share, amounting to \$43.8 million payable on 19 December 2014. The dividend is payable on all ordinary shares. The financial effect of this dividend has not been brought to account in the financial report for the period ended 30 September 2014.

ALS Limited and its subsidiaries

Condensed notes to the consolidated interim financial report

For the half year ended 30 September 2014

11. Acquisitions of businesses and subsidiaries

<i>In millions of AUD</i>	Interest Acquired	Date acquired	Consideration
Half year ended 30 September 2014			
Ellington & Associates Inc.	100%	April 2014	11.2
Other acquisitions during the period	100%	June 2014	10.0
			<u>21.2</u>
Half year ended 30 September 2013			
Reliance Group	100%	May 2013	12.4
Earth Data Pty Ltd	100%	July 2013	21.5
Reservoir Group	100%	August 2013	470.1
			<u>504.0</u>

If the current period acquisitions had occurred on 1 April 2014, management estimates that Group revenue would have been \$770.3m and net profit would have been \$69.1m. The acquisition of Ellington & Associates Inc. has been integrated into the ALS Energy segment.

Ellington & Associates Inc.'s net assets at acquisition date	Recognised values*
<i>In millions of AUD</i>	2014
Property, plant and equipment	0.5
Trade and other receivables	1.6
Cash and cash equivalents	1.2
Trade and other payables	(0.1)
Current tax liabilities	(0.7)
Net identifiable assets and liabilities	2.5
Goodwill on acquisition*	8.7
Consideration paid, satisfied in cash	11.2
Cash (acquired)	(1.2)
Net cash outflow	<u>10.0</u>

* The acquisition of Ellington & Associates was completed during April 2014. Accordingly, the accounting for this acquisition has been completed on a provisional basis. Further analysis will be performed to determine the existence of any fair value adjustments, including identifiable intangible assets acquired as part of the acquisition.

Directly attributable transaction costs of \$7,000 were included in administration and other expenses in the profit and loss statement. In the period to 30 September 2014 Ellington & Associates Inc. contributed revenue totalling \$5,200,000 and contributed net profit of \$250,000 to the consolidated net profit for the period.

Ellington & Associates Inc. was acquired for the purpose of enhancing the global service reach of the Group's existing Energy operations. The goodwill recognised on acquisition is attributable mainly to skills and technical talent of Ellington & Associates Inc.'s workforce and the synergies expected to be achieved from integrating the acquired operations into the Group's existing business. The goodwill is not expected to be deductible for income tax purposes.

ALS Limited and its subsidiaries

Condensed notes to the consolidated interim financial report

For the half year ended 30 September 2014

11. Acquisitions of businesses and subsidiaries (continued)

Other acquirees' net assets at acquisition date <i>In millions of AUD</i>	Recognised values*	Recognised values**
	2014	2013
Property, plant and equipment	0.9	60.4
Identifiable intangible assets	-	61.5
Inventories	-	17.5
Trade and other receivables	1.1	57.0
Other current assets	1.0	12.3
Cash and cash equivalents	0.5	14.4
Trade and other payables	(1.0)	(40.2)
Deferred tax liabilities	(0.1)	(10.9)
Current tax liabilities	-	(6.9)
Other non-current liabilities	-	(0.4)
Interest bearing loans and borrowings	(2.3)	(147.7)
Net identifiable assets and liabilities	0.1	17.0
Goodwill on acquisition	9.9	487.0
Total consideration payable	10.0	504.0
Share issued (5,750,418 shares at \$8.60 per share)	-	(49.5)
Contingent consideration not yet paid	-	(4.3)
Consideration paid, satisfied in cash	10.0	450.2
Cash (acquired)	(0.5)	(14.4)
Net cash outflow	9.5	435.8

* The accounting for these other acquisitions has been completed on a provisional basis. Further analysis will be performed to determine the existence of any fair value adjustments, including identifiable intangible assets acquired as part of the acquisition.

** The comparatives disclose all 2013 acquisitions for the period, and are restated for the finalisation of the acquisition accounting for Reservoir Group, Earth Data Pty Ltd, and Reliance Group.

The goodwill recognised on acquisition is attributable mainly to skills and technical talent of the acquired business's workforce and the synergies expected to be achieved from integrating the acquired operations into the Group's existing business. The goodwill is not expected to be deductible for income tax purposes.

Directly attributable transaction costs of nil (2013: \$1.7m) were included in administration and other expenses in the profit and loss statement.

ALS Limited and its subsidiaries

Condensed notes to the consolidated interim financial report

For the half year ended 30 September 2014

12. Share-based payments

Performance-hurdle rights and service-based rights granted

During the period the Group granted performance-hurdle and service-based rights under its Long Term Incentive (LTI) plan which is designed as a retention and reward tool for high performing personnel. Under the plan key employees may be granted conditional rights to receive ordinary shares in the Company at no cost to the employees (or in limited cases to receive cash-settled awards).

The concept of service-based rights was introduced for the first time during the current period to reflect market practice in new diversified industries into which the Group has invested recently. The only condition attaching to such rights is that an employee must remain employed by the Group until vesting date. As no performance hurdles attach to these rights, the number of rights issued to an individual employee is significantly less than the number of performance-hurdle rights that would otherwise be issued to an employee of similar standing.

The terms and conditions of rights granted during the current and prior periods are set out below:

	Half year ended 30 Sept 2014	Half year ended 30 Sept 2013
Equity-settled		
Date of grant	29 July 2014	30 July 2013
Number of performance-hurdle rights	391,675	179,320
Weighted average fair value at date of grant of performance-hurdle rights	\$5.40	\$5.74
Testing date for performance hurdles	31 March 2017	31 March 2016
Number of service-based rights	97,976	-
Weighted average fair value at date of grant of service-based rights	\$6.52	n/a
Vesting date and testing date for service condition	1 July 2017	1 July 2016
Cash-settled		
Date of grant	29 July 2014	30 July 2013
Number of performance-hurdle rights	45,174	35,398
Weighted average fair value at date of grant of performance-hurdle rights	\$5.40	\$5.74
Testing date for performance hurdles	31 March 2017	31 March 2016
Number of service-based rights	21,434	-
Weighted average fair value at date of grant of service-based rights	\$6.52	n/a
Vesting date and testing date for service condition	1 July 2017	1 July 2016

The fair value of services received in return for all rights is based on the fair value of the rights granted measured using Binomial Tree (EPS and EBITDA hurdles and service condition) and Monte-Carlo Simulation (TSR hurdle) valuation methodologies.

Vesting conditions in relation to performance-hurdle rights:

Employees must remain employed by the Group until vesting date. The rights vest only if Earnings Per Share ("EPS"), relative EBITDA margin ("EBITDA") or relative Total Shareholder Return ("TSR") hurdles are achieved by the Company over the specified performance period. 25 percent of each employee's rights are subject to EPS measurement, 25 percent are subject to EBITDA measurement and 50 percent are subject to the TSR measurement.

Vesting condition in relation to service-based rights:

Employees must remain employed by the Group until vesting date.

ALS Limited and its subsidiaries

Condensed notes to the consolidated interim financial report

For the half year ended 30 September 2014

13. Events subsequent to balance date

The Group entered into three-year, multi-currency debt facility agreements with five Australian and international banks amounting to USD240 million (AUD 275 million) in October 2014. These facilities replace the previous bank debt arrangements which were due to mature in November 2014.

The Company divested the Reward Distribution hospitality supplies segment in October 2014. The sale will generate approximately \$22 million in proceeds for the Group. The segment has been disclosed as a discontinued operation in the interim profit and loss statement and its assets and liabilities are classified as “held for sale” in the interim balance sheet. The Group has recorded a write-down of \$1.8 million after tax in relation to the divestment. Refer notes 7 and 8 to the financial report.

Other than the matters referred to above, there has not arisen in the interval between the end of the half year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

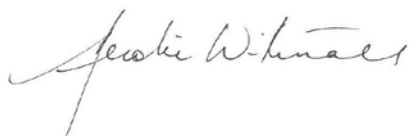
ALS Limited and its subsidiaries

Directors' declaration

In the opinion of the directors of ALS Limited ("the Company"):

1. The financial statements and notes set out on pages 7 to 21, are in accordance with the *Corporations Act 2001* including:
 - a) giving a true and fair view of the Group's financial position as at 30 September 2014 and of its performance, as represented by the results of its operations and cash flows for the half year ended on that date: and
 - b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Nerolie Withnall
Chairman

Brisbane
24 November 2014



Greg Kilmister
Managing Director

Brisbane
24 November 2014



Independent auditor's review report to the members of ALS Limited

We have reviewed the accompanying interim financial report of ALS Limited (the Company), which comprises the consolidated interim balance sheet as at 30 September 2014, the consolidated interim profit and loss statement, consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the half-year period ended on that date, notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year period.

Directors' responsibility for the interim financial report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 September 2014 and its performance for the half-year period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of ALS Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of ALS Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 September 2014 and of its performance for the half-year period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

Simon Crane
Partner

Brisbane
24 November 2014



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of ALS Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year period ended 30 September 2014 there have been:

- (a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

A handwritten signature in black ink, appearing to read 'Simon Crane', written over a horizontal line.

Simon Crane
Partner

Brisbane
24 November 2014