

6 June 2016

Dear Shareholder

### ALS Rejection of Non-Binding Indicative Proposal

On Thursday 2 June 2016, ALS Limited ("ALS" or the "Company") announced that it had received an indicative, non-binding and highly conditional proposal from Advent International and Bain Capital to acquire all of the shares in ALS for a cash consideration of \$5.30 per ALS share ("the Proposal").

Your Board carefully reviewed the Proposal with our advisers and concluded that the opportunistic approach significantly undervalues the Company. Consequently your Board unanimously decided to **REJECT** the Proposal.

It is worth highlighting that the indicative price of \$5.30 per share:

- does not recognise the fundamental value inherent in the global leadership position of many of the Company's service streams;
- implies a premium of 22.3% to the 1 month Volume Weighted Average Price (VWAP) which is significantly below the Australian market average for transactions of this nature;
- represents a multiple of 2017 EV/EBITDA which is materially below the average trading multiple for global peers in the Testing Inspection Certification (TIC) sector; and
- represents a multiple of 2016 EV / EBITDA which is materially below the most recent comparable transaction in the sector, the sale of LGC in December 2015.

ALS is a world-class company with a platform that is strongly positioned to benefit from the positive trends in Life Sciences business and leverage the upturn in the cycle for its Minerals business.

The Life Sciences business, which now accounts for 46% of ALS's revenue, grew revenue by 14% in FY 2016 and has demonstrated a Compound Annual Growth Rate (CAGR) of 16.6% since 2010. We expect to continue to see strong growth in this business over the coming years.

Whilst commodity-based industries generally face near term headwinds, ALS has maintained geographical scale and market position in its cyclical businesses to provide leverage and outperformance as the cycle recovers.

The Company has consulted with a number of its major shareholders and received strong support for the Board's decision to reject the Proposal.

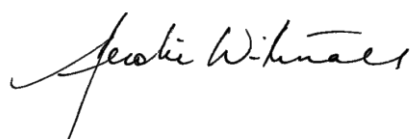
Your Board remains committed to maximising value for shareholders and will consider all options available to achieve that objective.

The Board notes that shareholders do not need to take any action regarding the Proposal.

You can find a copy of the release that was put out to the ASX along with our results for the year which were announced last week, and presentation for investors on our website [www.alsglobal.com](http://www.alsglobal.com). You can check the website for any updates.

Thank you for your continued support.

Yours sincerely



**Nerolie Withnall**  
Chairman

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