



MINERALS @ SGS

DERICK GOVENDER – EXECUTIVE VICE PRESIDENT

INVESTORS DAYS, 29-30 OCTOBER 2015

WHEN YOU NEED TO BE SURE

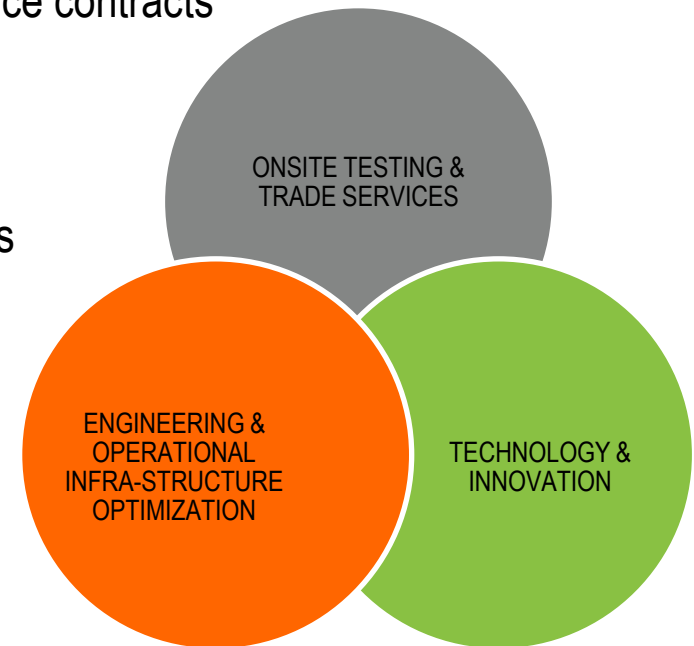




- 2015 conditions similar to 2014
- Major producers and mid-tier groups face difficult trading conditions
- Impacts all service providers
- Yo-yo effect of commodity pricing + uncertain growth projections = unpredictable forecasting
- Speculation an increasingly important driver

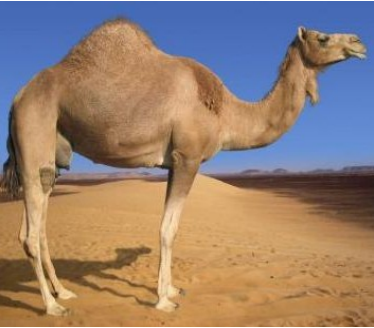
- Continued solid performance in trade and inspection services
- Onsite laboratory business the perennial strong performer:
 - Largest service provider added 7 onsite labs in 2015 with 4 builds becoming operational in 2016
 - New coal central laboratory at Richards Bay South Africa
- Industry's leading pit-to-port service provider
- Key factors:
 - Strategic location of service operations
 - Ability to rapidly ramp up or scale down operations

- Declining metal pricing: operators will seek solutions to optimize operations
- SGS is well-placed to respond:
 - Technical resources
 - Existing engagements via onsite service contracts
- New technology and innovation:
 - Hyperspectral core services
 - Rare earth elements pilot plant studies





- Plant and engineering services remain strategically key
- Bateman Projects acquisition:
 - Diversifying portfolio and increasing value
 - Expands our studies services capability across major commodities
 - Increased, early access to mine and plant projects with design and engineering services



- Challenges continue:
 - Decline of major commodity pricing
 - Reduced growth in major economies
- Monitoring all operations and adapt accordingly – ramp up or scale down
- Engaging with clients to examine new services and new technology – adding value





SGS