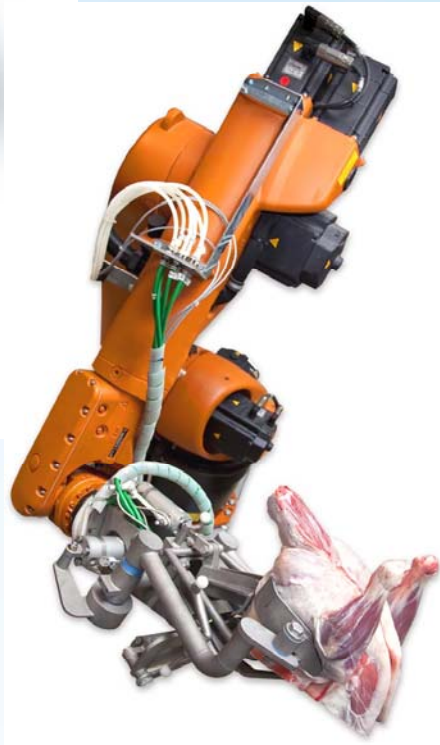




Investment Adviser Update

October 2012

Products



Key Markets

Scott currently operates in five market segments:

Appliance Systems	Meat Processing	Industrial Automation	Sample Preparation (Mining)	High Temperature Superconductors
<ul style="list-style-type: none"> ■ 100% export ■ Worldwide (mainly North America, Asia and Europe) ■ 5 + systems per year ■ Project values range up to NZ\$20m ■ Preferred supplier to most of the major global appliance companies 	<ul style="list-style-type: none"> ■ Predominantly NZ and Australia ■ 3 – 5 projects per year with project values of up to NZ\$10m ■ Substantial R&D in areas that have traditionally been difficult to achieve automated solutions 	<ul style="list-style-type: none"> ■ Predominantly NZ and Australia ■ Multiple industries – non specialised ■ Largely robotic ■ Incubator for future specialisation 	<ul style="list-style-type: none"> ■ Worldwide in approximately 100 countries ■ 30 agents globally ■ Historically – standard, off the shelf solutions (ring mills, crushes), then combined individual units together into automated solutions ■ Growth from developing automation solutions using in-house skill and combining with XRF Scientific 	<ul style="list-style-type: none"> ■ High temperature superconductor electromagnets ■ Worldwide ■ Multiple industries – non specialised ■ Magnets supplied to original equipment manufacturers (OEM's) ■ Ongoing R&D for new products and applications

Scott Service International

Corporate Snapshot

Structure

- Shares on issue: **40,689,189**
- Share price: **\$2.11**
- Market cap: **\$86 million**

Directors

- Stuart McLauchlan – Chairman & Independent Director
- Mark Waller – Independent Director
- Graham Batts – Independent Director
- Chris Staynes – Independent Director
- Chris Hopkins – Managing Director

Group Leadership Team

- Chris Hopkins – CEO
- Greg Chiles – CFO
- Graham Johnston – GM Sales & Marketing
- Grant Bunting – COO

Major Shareholders

- | | |
|--|--------|
| • New Zealand Central Securities Depository Limited | 15.17% |
| • Oakwood Securities Limited | 13.22% |
| • Russell John Field & Anthony James Palmer (J I Urquhart A/C) | 12.38% |
| • Investment Custodial Services | 3.02% |
| • JB Were (NZ) Nominees Ltd | 2.60% |
| • Southern Capital Ltd | 1.25% |



2012 Key Facts

- ▲ Revenue up 19% on 2011 to \$64m
 - ▲ Mining +20%
 - ▲ Appliances +6%
 - ▲ Meat processing -13%
 - ▲ Industrial Automation +400%
 - ▲ Electromagnets +33%
- ▲ 86% export
- ▲ 8.0 cents per share annual dividend fully imputed
- ▲ Strong balance sheet with no debt
- ▲ Products and services sold in 83 countries
- ▲ Research & development expenditure in excess of \$8m

2012 Key Drivers

- ▲ Strong revenue growth led by the mining sector
- ▲ Growth through robust preferred supplier and partner relationships
- ▲ New products and technologies from ongoing R&D
- ▲ Blue Chip customers with a shift to automation
- ▲ Meat processing equipment sales into Brazil, Australia and New Zealand
- ▲ X-ray analysis of carcasses development with potential in the global beef and pork industries
- ▲ Industrial Automation projects – plastic recycling and dairy automation
- ▲ Integration of recent acquisitions and cross fertilisation

Outlook

- ▲ Continued strong market position in Appliance Systems, Meat Processing and Sample Preparation (Mining) industries underpinned by new products.
- ▲ Further expansion of activity in Australia with:
 - ▲ XRock Automation – our Joint Venture with XRF Scientific Ltd
 - ▲ Integrated Conveyor Systems Ltd
- ▲ X-Ray technology application to Pork and Beef (Australia & USA)
- ▲ Commercialisation of the HTS-110 product range
- ▲ Development and launch of Dairy automation project
- ▲ Development of revenue models such as leases and per unit charge
- ▲ Growth through acquisitions and internal activities driven by R&D
- ▲ Forward Workload – Appliances, Mining, Meat processing and Plastic recycling
- ▲ Implementation of Scott's Lean Six Sigma programme

Key Issues

- ▲ Value of the NZD
- ▲ Direction of the Global Mining Industry
- ▲ Success of Scott R&D
- ▲ Success finding and integrating acquisitions that add value



Thank You & Question Time

October 2012