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MEDIA & ASX ANNOUNCEMENT **21 August 2014**

Efficiency initiatives in FY14 set to enhance SAI's future performance

Sydney, Australia, 21 August 2014. SAI Global Limited (ASX: SAI) today announced a turnaround in statutory net profit after tax attributable to shareholders of $35.3 million, up from a loss of $43.2 million in the previous corresponding period (pcp). Underlying[1] net profit, excluding significant items, was $45.0 million, an increase of 6.3% over the pcp.

The improved underlying results underscore expected further gains as a range of identified efficiency measures continue to be implemented.

Significant items for FY14 comprise costs of $13.8 million (before tax), relating predominantly to specific operational efficiency initiatives, CEO transition and other senior management changes. Excluding these significant items, underlying EBITDA for FY14 increased 3.3% to $107.1 million.

Revenue continues to grow, up 10.3% to $527.7 million and 5.4% in constant currency terms. Net cash inflows from operating activities were $80.5 million, up 11.1% on FY13. Net cash inflows before significant items were $88.8 million, up 17.7% on the pcp.

The directors have declared a final dividend of 8.5 cents per share, 45% franked. This brings the total dividends for the year to 15.5 cents, up 3.3% compared to last year. The final dividend will be paid on 26 September 2014. The record date is 2 September 2014.

Executive Chairman, Mr Andrew Dutton said: "Operationally, the business has ended the year in better shape, but the Board and Management are clear that there is more work to be done and thus greater opportunity for upside."

"The financial result for FY14 reflects the initial steps taken to address the inefficiency from siloed business and cost structures resulting from the Company's expansion by acquisitions over recent years."

"We are confident that with a continued focus, the benefits of these actions will result in improved operational leverage in FY15 and we expect further savings going into FY16 as we replace legacy platforms and continue to streamline the Company's operating structure," Mr Dutton said.

"The SAI staff are energised and supportive of the changes the Company is making, especially given the events and distractions around external investor interest and the process to engage with interested parties which commenced in May this year."

"We remain actively engaged with a number of parties involved in the expression of interest process. We will keep the market advised as appropriate," said Mr Dutton.

The Information Services division saw revenue and EBITDA growth of 10.6% and 10.3% respectively, at a constant margin across the division of 26.2%. The Compliance division delivered revenue growth of 8.9% and a marginal increase in EBITDA compared with FY13. The Assurance Services division reported revenue growth of 10.6%, with a 6.4% uplift in EBITDA.

1. The underlying basis is an unaudited non-IFRS measure that, in the opinion of the Directors, is useful in understanding and appraising the Company's underlying performance. The underlying basis excludes significant charges associated with impairment charges, acquiring and integrating new businesses, and costs associated with any significant restructuring within the business. Ernst & Young, the Company's auditor, have undertaken procedures to confirm that the information used and presented by the Directors in determining the underlying results is consistent with the Company's financial records and also applied on a comparatively consistent basis.

KEY FINANCIALS:

Sales revenue	$527.7 million	Up 10.3%
EBITDA as reported	$93.3 million	Down 7.3%
Underlying EBITDA	$107.1 million	Up 3.3%
Statutory net profit after tax	$35.3 million	Turnaround from FY13 loss of $43.2 million
Underlying net profit after tax	$45.0 million	Up 6.3%
Net operating cash inflows	$80.5 million	Up 11.1%
Statutory EPS	16.8 cents	FY13: loss per share of 20.9 cents
Underlying EPS	21.4 cents	Up 4.4%
Final dividend	8.5 cents, 45% franked	8.2 cents, fully franked
Total dividends	15.5 cents, 71% franked	Up 3.3% from 15 cents, fully franked

Information Services

A successful year in Information Services saw revenue and EBITDA growth of 10.6% and 10.3% respectively, at a constant margin across the division of 26.2%. This division comprises “Standards and Technical Information” and “SAI Global Property”.

The Standards and Technical Information business grew revenue by 9.6%, a significantly improved performance compared with the 1.1% growth achieved in the prior period. The result reflected a focus on selling subscription services versus sales of single standards. Accordingly, annuity revenue has increased and now represents 73% of revenue. EBITDA margins reduced slightly due to increased sales of international content, which require the payment of a higher royalty rate.

In keeping with the group’s strategy to provide higher value content services and move the business from transactional to subscription to solution sales, Standards and Technical Information released i2i Participate. This is a content management tool enabling clients to create internal standards, policies and guidelines in a secure on-line environment and integrated with external standards. The platform led to a new, exclusive contract with The British Retail Consortium, a solution to facilitate the management of, and access to, their business critical information.

The Property business achieved revenue growth of 11.1% reflecting the increased mortgage services business flowing from the ANZ and Commonwealth Bank (CBA) contracts. The first-half of FY14 saw Property assume Bankwest’s entire mortgage processing. This transition was completed by September 2013. The success of this process led to the subsequent transition of CBA’s Western Australian settlement services, which went live in February 2014. HSBC Australia also outsourced its mortgage services business to SAI in March 2014, and this has gone live in August 2014.

$ million	**FY14**	FY13[1]	**Change**
Revenue	**244.2**	220.8	**10.6%**
EBITDA	**63.9**	57.9	**10.3%**
EBITDA Margin (%)	**26.2%**	26.2%	**0.0%**

1. The FY13 comparative revenue and EBITDA figures for Information Services and Compliance Services have been restated to reflect the transfer of the alerts and newsfeed business from Compliance to Information Services with effect from 1st July 2013. The impact is an increase and reduction in the revenue and EBITDA of Information Services and Compliance Services respectively of revenue of $6,070k and EBITDA of $3,300k.

Compliance Services

The Compliance division delivered revenue growth of 8.9% and a marginal increase in EBITDA compared with FY13. On a constant currency basis, revenue declined 1.5% and EBITDA by 10.6%. The division’s performance reflected a number of factors, including:

- Growth in sales of governance, risk and compliance (GRC) software, fuelled by SAI Global's 2012 acquisition of Compliance 360;
- Improved retention rates in compliance learning solutions, including the renewal of the business's three largest customers;
- Foreign exchange gains flowing from the weakening of the Australian dollar against the US dollar, British pound and Euro.

These factors were offset by the legacy technology failure in 2012 that adversely impacted both new sales and the renewal of existing contracts in the learning business. This flowed through to reduced levels of deferred revenue carried forward from prior periods, as a result of the then decline in renewals and sales.

The division achieved key FY14 strategic initiatives designed to accelerate growth. One of the most significant is the development of the next-generation learning platform as a module on the C360 system. Contributing to maintaining the group's competitive advantage and improving efficiency, this initiative is scheduled for first release in calendar 2015.

The GRC software and compliance learning businesses were integrated globally, reducing duplication and enabling systems to be implemented consistently across the businesses. These units are now managed functionally on a worldwide basis across sales/marketing and operations under new senior appointments.

The EHS business continues to be impacted by reduced economic activity in key sectors, particularly Australian mining, posting reduced revenue compared to FY13. However, the business saw an improved EBITDA contribution through efficiency measures taken in early FY14 and a number of new business wins.

The business's core strategy centres on leveraging the existing Compliance 360 system to create the most comprehensive "compliance system of record" in the industry. The market is rapidly consolidating from regional and point solutions to deeply integrated capabilities across all parts of the customer's compliance program needs. SAI Global is now well-positioned.

$ million	**FY14**	FY13[1]	**Change**
Revenue	**93.0**	85.4	**8.9%**
EBITDA	**25.0**	24.8	**1.2%**
EBITDA Margin (%)	**26.9%**	29.0%	**(2.1%)**

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Assurance Services

The Assurance Services division achieved revenue growth of 10.6% to $192.9 million. Revenue growth on a constant currency basis was 4.0%.

This result reflected the full year impact of the acquisitions of QPRO and the supply chain certification services business of Steritech in the prior period. Growth in the global food businesses, particularly in Asia, was partially offset by low growth in the certification businesses together with a disappointing fourth quarter for the Australian Learning business, where revenue was 7% down on the previous year.

Overall EBITDA was up by 6.4% to $33.2 million at a margin of 17.2%, compared to 17.9% in the pcp. This reduction in EBITDA margin resulted from lower than expected sales in the first-half. However, the margin trend improved considerably in the second-half, when EBITDA margins of 19.3% were achieved, compared to 18.8% in the same second-half period in FY13.

SAI's share of the global retail-agri-food market continues to grow and the Company has secured a number of new client contracts.

The roll out of a common global business system platform has progressed well during FY14 with the Asia region and part of the EMEA business now operational on one platform.

Priorities for FY15 include the continued roll out of the new business system platform; expansion of a business excellence program, which has delivered encouraging results in Australia, to other regions to drive improved efficiency; and selling learning content into global markets, particularly the Company's expanding online portfolio.

$ million	FY14	FY13	Change
Revenue	**192.9**	174.5	**10.6%**
EBITDA	**33.2**	31.2	**6.4%**
EBITDA Margin (%)	**17.2%**	17.9%	**(0.7%)**

Acquisitions

In September 2013 IQMS Management Systems Ltd was acquired in the UK. This acquisition adds scale to the UK training business and will provide a platform through which to market SAI's global training assets. Consideration for the acquisition was A$2.3 million.

Expressions of Interest Process

On 26th May 2014 SAI announced that it had received an unsolicited, indicative, conditional and non-binding proposal from Pacific Equity Partners Pty Limited to acquire 100% of the Company through a recommended scheme of arrangement for an indicative price in the range of $5.10 to $5.25.

On 2nd June 2014 the Board announced that the Company had been approached by a number of other parties also expressing interest in SAI and its businesses and that the Board had determined that it was in the best interests of shareholders to conduct a formal process to review its strategic options.

The Company has responded diligently and prudently to all information requests. At the date of this announcement the process is continuing.

Outlook for FY15

Improved profitability is expected across each of SAI's operating divisions in FY15. SAI expects Information Services and Assurance Services to grow revenue and EBITDA at improved operating margins and Compliance Services to report an increase in EBITDA from flat revenue in FY15.

Investor Inquiries

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