Appendix 4E

Preliminary Final Report
Year ending 30 June 2011

Name of entity:

SAI Global Limited

ABN	Financial year ended (current period)	Financial year ended (previous period)
67 050 611 642	**30 June 2011**	**30 June 2010**

2. Results for announcement to the market

The following information is to be read in conjunction with the Financial Statements for the year ended on 30 June 2011, which form part of this Appendix 4E.

				A$'000
Revenues from ordinary activities (including interest income)	up	9.1%	to	428,740
Net profit after tax from ordinary activities for the period attributable to members	up	32.9%	to	44,806
Net profit for the period attributable to members	up	32.9%	to	44,806

Brief explanation of any of the figures reported above:

The figures reported are in accordance with International Accounting Standards.

The growth in revenue reflects contributions from acquisitions made both in the current and prior periods, together with organic growth in existing businesses. For more details please refer to the attached Financial Statements.

Dividends	**Amount per security**	**Franked amount per security**
Final dividend	8.0 cents	8.0 cents
Previous corresponding period	7.0 cents	7.0 cents

Record date for determining entitlements to the dividend:

29 August 2011

Payment date of the dividend:

23 September 2011

Ex-dividend date:

23 August 2011

3. Earnings per share

	Current period	**Previous period**
Earnings per share (cents per share)	23.1	21.5

4. Net tangible assets

	Current period	**Previous period**
Net tangible assets per security (cents per share)	(85.5)	(96.3)

A large proportion of the Company's assets are intangible in nature, relating to goodwill and identifiable intangible assets acquired through business combinations. These assets are excluded from the calculation of net tangible assets per security, which results in the negative outcome above. Net assets per share at 30 June 2011, including intangible assets, were 164.2 cents per share compared to 133.3 cents per share at 30 June 2010.

5. Control gained / lost over entities

Details of entities over which control has been gained or lost during the period.

Name of, or nature of, businesses acquired	Date of gain of control	Estimated contribution to entity's profit from ordinary activities (AUD'000)
Integrity Interactive Corporation	10 September 2010	4,781[1]
Advancing Food Safety Pty Limited	30 June 2011	NA

1. Note that due to the degree of integration of the acquired Integrity Interactive business with SAI Global's existing Compliance Services businesses, it is not possible to be definitive about the exact contribution this acquisition contributed to the entity's overall result. The figure disclosed above is therefore an estimate of the after tax contribution, including the after tax impact of significant transaction and integration charges associated with the acquisition of $2,332k.

6. Dividend reinvestment plans

Dividend Reinvestment Plan

Shareholders may elect to have some or all of their shareholding participate in the Dividend Reinvestment Plan (DRP).

In the operation of the DRP for any dividend, the Company may, in its discretion, either issue new shares or cause existing shares to be acquired on-market for transfer to shareholders who participate in the DRP. Shares issued or transferred are free of brokerage, commission and stamp duty costs, and rank equally with existing SAI Global Limited shares. Directors have determined that for this dividend, new shares will be issued to the participants of the DRP. Shares will be allotted or transferred at a price which is equal to the arithmetic average of the daily volume weighted average market price less a discount of 2.5% (rounded to the nearest cent) of all SAI Global Limited shares sold on the Australian Securities Exchange during the ten days commencing two business days after the Record Date for payment of the relevant dividend.

The Directors have also determined that for this dividend, no limit applies to the number of shares that can be issued to any shareholder in the DRP. Application for participation in the DRP must be made on a duly completed and executed DRP Notice.

Last date of receipt of a DRP election notice	**29 August 2011**

7. Associates and joint ventures

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to net profit / (loss) (where material)	
	Current period	Previous corresponding period	Current period A$'000	Previous corresponding period A$'000
Telarc SAI Limited	25%	25%	27	25

8. Foreign entities

The results of foreign entities are presented in accordance with International Accounting Standards.

9. Audit or review status

Audit or review status

This report is based on accounts to which one of the following applies:

- [x] **The accounts have been audited**
- [ ] **The accounts have been subject to review**
- [ ] **The accounts are in the process of being audited or subject to review**
- [ ] **The accounts have not yet been audited or reviewed**

The remaining information required by Appendix 4E is contained in the attached Financial Statements.

SAI GLOBAL
INFORM. INSPIRE. IMPROVE.

SAI GLOBAL LIMITED

Financial Statements
Year Ended 30 June 2011

FY11 CHAIRMAN'S REPORT

SAI has continued to grow and develop its businesses

I am pleased to report that SAI Global has continued to develop and grow its businesses during the past twelve months and has delivered another record result. This is a pleasing outcome that reinforces the overall resilient nature of the Company's businesses at a time when the global economy struggles to shake off the after effects of the global financial crisis and ensuing economic downturn.

Net profit attributable to SAI Global's shareholders has grown from $33.7 million in FY10 to $44.8 million in FY11, up 32.9%. This result reflects the following factors:

- Robust underlying organic growth across our Compliance Services, Assurance Services and non-property Information Services businesses

- A contribution from the acquisition of Integrity Interactive which we acquired in September 2010

These positive factors were offset to some extent by the following trading headwinds and significant charges:

- A reduced contribution from the Property Services business within the Information services division, which relies to a large extent on the volume of property transactions. FY11 has seen the number of settlements handled by the business reduce by around 15% in FY11 compared to FY10 which benefitted from the post GFC economic stimulus measure in the form of the first home owners' grant

- The stronger Australian dollar which has appreciated markedly against the US dollar, the British Pound and the Euro, three currencies in which SAI earns a growing proportion of its revenues

- $4.9 million of significant charges were incurred in respect of transaction and integration costs relating to the Integrity acquisition, together with professional fees incurred as a result of receiving an unsolicited offer for one of the Company's divisions which failed to progress to completion

Sales revenue across the Company's operations has grown from $392.2 million to $427.1 million, representing year-on-year growth of 8.9%. This revenue growth translated into growth in EBITDA (earnings before interest, tax, depreciation and amortisation) of $95.8 million, up 25.8% from the $76.1 million achieved in FY10.

As noted above, included in the EBITDA of $95.8 million is $4.9 million of significant charges in respect of transaction and integration costs, plus advisory, legal and taxation fees incurred following receipt of an unsolicited offer for one of the Company's divisions. The offer was incomplete and therefore did not proceed. The Board remains committed to assessing any offer for the Company's assets on its merits, with particular focus on acting in the best interests of our shareholders.

If the impact of these significant charges is excluded from the result, the Company achieved underlying growth in EBITDA of 32.3% to $100.7 million.

The acquisition of Integrity Interactive

The acquisition of Integrity Interactive, which was completed on 10 September 2010, has transformed the Compliance Services business by bringing together two of the foremost players in the provision of ethics training and awareness courseware. The price paid of US$170 million reflected the quality of the earning stream acquired and the robust growth outlook for businesses that provide compliance related services.

The acquisition not only provided increased scale to the compliance business but, together with SAI's existing business, also saw the business achieve a leadership position in ethics training, thereby fulfilling a major strategic goal on the journey to elevating "SAI Global" to an internationally recognised brand in the provision of compliance services.

The purchase price was funded by an underwritten share placement and rights issue of approximately A$130 million and new debt facilities of approximately US$60 million.

The compliance sector continues to benefit from the constantly changing regulatory environment. Boardroom awareness of compliance and risk management obligations has been heightened by both the introduction of new legislation and punitive remedies for non-compliance, and the need to protect valuable brands from the fallout associated with regulatory failures.

Diversity

During the period the ASX Corporate Governance Council revised its Corporate Governance Principles to include a number of recommendations relating to gender diversity. These recommendations and SAI's response are set out in the Corporate Governance section of the Annual Report

SAI Global values diversity and aims to create a vibrant and inclusive workplace, reflective of the communities in which it operates. Equal opportunity is at the core of the Company's People Strategy as the Board believes a diverse workforce is critical for SAI's business to attract and retain the most talented people.

In particular, the Board is convinced that gender diversity in leadership positions facilitates different and more innovative thinking, more informed decision-making and ultimately better business outcomes.

Management

The Chief Executive Officer, Tony Scotton and his senior management team, supported by the hard work of all of our staff, continue to focus on growing returns for shareholders by building on the foundations we have put in place since we listed in 2003.

On behalf of the Board I would like to thank Tony, his management team and all of SAI's employees for their contribution to another record result.

Dividend

The Board has resolved to increase the final dividend from 7.0 cents to 8.0 cents per share, fully franked. The final dividend takes the total dividend for the year to 14.3 cents, up 11.7%. This represents a payout ratio of approximately 60% of earnings per share in accordance with our current policy. The final dividend will be paid on 23 September 2011.

The Board intends to continue to declare dividends at around 60% of earnings per share so that the Company retains the ability to take advantage of strategic business development opportunities without frequent recourse to the debt and equity markets.

Outlook

The Board remains committed to growing the value of the three divisions, all of which continue to play a key part in satisfying the broader compliance and workflow needs of our customers. It is envisaged that this growth will continue to come from a combination of organic growth, strategic acquisitions and partnering.

The Australian dollar remains strong against major currencies. A stronger Australian dollar is detrimental to the Company's revenue whereas a weaker dollar increases the value of the Company's foreign currency revenues. The Company's capital structure is designed to limit the impact of large fluctuations in exchange rates on net profit through the use of natural hedges.

The Board continues to see exciting opportunities across each of the Company's divisions as borne out by the recent contract awarded to the Property Services business by The Australian and New Zealand Banking Group (ANZ) to provide national settlement services. In addition, the Compliance Services business is developing a product suite to address issues posed by the UK Bribery Act which came into effect on 1 July 2011, and the Assurance Services division is experiencing strong growth in its food business in North America and the UK, including in the food retail space.

The Board expects to report growth in revenue, profit, earnings per share and fully franked dividends in FY12.

Robert Wright
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

We have delivered another record result, expanded margins, and continued the transformation of SAI's business

I am again pleased to report that SAI has continued to perform well in FY11, delivering another record result.

The statutory results for FY11compared with FY10 are summarised below:

- Sales Revenue up 8.9% to $427.1 million
- EBITDA up 25.8% to $95.8 million
- NPAT up 32.9% to $44.8 million
- Earnings per share up 7.4% to 23.1 cents

Solid underlying organic growth in FY11has been boosted by the inclusion of the results of Integrity Interactive since mid September 2010 to produce the results shown above.

Underlying organic growth achieved across our businesses was generally robust with constant currency revenue growth at or above expectation. The property business, which only has operations in Australia, was unable to repeat the excellent performance of FY10 because a depressed property market resulted in the volume of property transactions, on which this business depends, being lower than that experienced in FY10. FY10 was particularly strong as a result of the impact of the first home owner's grant.

The results above include the impact of three significant charges which collectively have reduced EBITDA and NPAT by $4.9 million and $3.2 million respectively. These charges relate predominantly to transaction and restructuring charges associated with the acquisition of Integrity Interactive and are explained in more detail in the Directors' Report. In assessing the underlying performance of the business it is useful to back out the impact of these "abnormal" charges. If this is done the underlying results are as follows:

- EBITDA up 32.3% to $100.7 million
- NPAT up 42.4% to $48.0 million
- Earnings per share up 14.9% to 24.7 cents

The growth in earnings per share of 14.9%, relative to the 42.4% increase in NPAT, reflects the new shares issued to part fund the acquisition of Integrity Interactive. This strong underlying performance reflects the continuing solid demand for our products and services despite major economies struggling to establish real growth momentum in the aftermath of the recession which followed the global financial crisis.

Although the Australian economy is relatively strong, underpinned by the resources sector, this has a consequential impact on interest rates which has contributed to the Australian dollar being at record highs against the US dollar. With an increasing portion of SAI's earnings sourced from offshore the strong Australian dollar has had an adverse impact on our results which are reported in Australian dollars. We have a policy of not trying to second guess the future direction of exchange rates so we do not attempt to actively manage our foreign exchange risk through the use of derivative instruments. Instead, we make use of natural balance sheet hedges which reduce the impact of movements in foreign exchange rates on net profit after tax, and therefore earnings per share.

The FY11 results would have been even stronger had we not had the detrimental impact of the higher Australian dollar.

Operational Focus

Throughout FY11 our focus has been on executing our strategy across each of our three divisions in a disciplined manner and continuing the transformation of the business from its largely domestic publishing and assurance origins into an international business with strong growth drivers underpinned by attractive defensive characteristics. Our broad strategic objectives continue to be:

- *Transforming the Information Services business from a predominantly distribution business, heavily reliant on the Publishing Licence Agreement (PLA) with Standards Australia, into a content diversified, added value workflow business.*

- *Establishing Compliance Services as a high growth segment of our overall business, through the development of superior products and services and the achievement of market share leadership positions in key product and market sectors.*

- *Transforming the Assurance Services business from a domestic business to a global leader, initially through geographic expansion but more recently, through technology solutions and establishing capability beyond certification.*

- *Supporting business strategies through focussing on improving our core capabilities in finance, governance, technology and people management.*

I am pleased to report that we have continued to make significant headway in addressing these strategic priorities.

Of particular note is the acquisition of Integrity Interactive (“Integrity”) in September 2010. This was a transformational event for the Compliance Services division and, in conjunction with our existing business, firmly established SAI Global as a leader in the ethics training and awareness e-learning space on an international basis.

Integrity has a strong presence in North America and an established presence in Europe. Its operations are complementary to SAI’s strong presence in the Asia Pacific region and existing UK and North American compliance businesses.

Integrity helps global corporations measure, manage and mitigate the risks of ethics and compliance failures. It has partnered with leading global companies to develop, design and implement best practice ethics and compliance programs with the aim of improving employee performance, protecting brand image, and reducing legal risks. Integrity's solutions include advisory services, training and communications, certification and disclosure and workflow management tools which collectively inform, encourage and monitor ethical behaviour by employees and business partners.

Integrity's content library includes courses covering hundreds of compliance topics. They are available in a wide variety of delivery formats. Integrity has modified its courses and communications to account for regionalised legal content, cultural norms and local languages. The Integrity Interactive Advisory Panel comprises some 27 ethics and compliance experts around the world. The company currently provides its services in over 40 languages.

The acquisition of Integrity enhanced SAI's value proposition by:

- Providing scale to the compliance services business and positioning SAI as a leading provider of compliance and ethics learning solutions
- Creating a compliance services business with revenues at FY11 exchanges rates of A$79.9M, and EBITDA margins in excess of 40%
- Providing access to a broader and deeper multilingual course library
- Adding a significant annuity book of revenue
- Expanding relationships with multinational clients

The integration process proceeded very smoothly and we were able to secure the US$7 million in annualised cost synergy benefits that we identified during our due diligence review.

On 30 June 2011, SAI acquired Advancing Food Safety Pty Limited (AFS), a provider of training services to the Australian and New Zealand food industry for $1.5 million.

I am delighted to welcome the management and staff from Integrity and AFS to the SAI Global team.

As noted above the Compliance Services division reported FY11 revenue, excluding other income, of A$79.9 million. This division did not exist at the time SAI listed in December 2003, first emerging through the acquisition of the Easy i group in the UK in 2005. The establishment and growth of this division, with its strong demand drivers, blue chip customer base and largely annuity income streams, has been a major element in the transformation of SAI Global since listing.

At the time of listing in December 2003 SAI Global had two businesses with strong domestic market positions:

- A publishing business that had a single exclusive distribution agreement (Publishing License Agreement) with Standards Australia which was profitable but offered limited scope for growth

- An assurance business with a strong local market position that was vulnerable to competitors able to deliver services internationally

Since listing we have implemented a number of strategic initiatives aimed at developing a long-term and sustainable business model. These initiatives can be broadly summarised as follows:

- Reducing the reliance on the Publishing License Agreement (PLA) through product and geographic diversification, moving into the property information vertical, and developing workflow solutions across both the standards and property businesses

- Improving the competitiveness of the assurance business through expanded geographic capability and a move into higher growth sectors such as food

- Adding a compliance services business to increase the overall organic growth profile of the group

These initiatives have collectively transformed the business and in doing so have largely addressed the inherent strategic weaknesses facing the company on listing. Through this process we have:

- Reduced the reliance on the PLA from circa 29% of revenue on listing to circa 9% of revenue in FY11

- Increased the inherent organic revenue growth profile across the business from 3% - 4% on listing to 7%+ today

- Increased the EBITDA margin across the business from 16.8% in FY04 to a current run rate of circa 25%

In short, we have created a solid platform for growth in attractive market niches whilst retaining proven defensive characteristics.

Operational Performance

Information Services:

Our Information Services division provides business critical information and workflow solutions. The information it provides takes the form of internationally and locally based Standards, legislation, property information and bibliographical databases. This information is collated, enhanced and presented to customers in a format that is easy to use and readily accessible. It is also fed into larger processes such as our conveyancing and lending workflow solutions used predominantly by lawyers and banks.

As noted earlier the results of this division were adversely impacted by a reduced revenue and EBITDA contribution from the Australian based property business. The property business saw revenue and EBITDA reduce by 5.1% and 15.8% respectively compared to the prior year. The reduced contribution from the property business reflects the significant drop in the number of properties changing hands in Australia throughout FY11 compared with the economic stimulus fuelled levels experienced in FY10. The property business had an improved second half relative to FY10 with revenue and EBITDA only down marginally at 3.4% and 2.3% respectively compared to the corresponding period.

Due to the relative size of the property business the division's overall revenue was down 2.2% (0.1% on a net revenue basis) and EBITDA was down 2.6%, both reductions also reflecting the adverse impact of the stronger Australian dollar. The EBITDA margin reduced marginally from 25.3% to 25.2%. The margins in the global standards business remained strong at 56.5% (56.2% in the corresponding period) despite the impact of the lower margin sales of the Pressure Vessel Code.

As noted above, a high proportion of the property related revenue relates to the recovery of the charges levied by the various authorities involved in providing property searches and associated certificates. Measuring the EBITDA margin relative to net revenue provides a more appropriate indication of the division's underlying profitability trend. Measured on this basis the property services' EBITDA margin contracted to 35.7%, down from 40.0% achieved in the corresponding period. The Information Services division as a whole achieved an EBITDA margin of 45.8% on net revenue, up from 42.9% in the corresponding period.

Notwithstanding the lower volumes experienced by the property business work has continued on refining business processes and upgrading the service offering. These improvements resulted in expanded margins and were instrumental in the business being awarded a national settlement services contract with The Australian and New Zealand Banking Group (ANZ), which was announced on 18 July 2011.

In relation to the standards business, we are now half way through the initial 15 year term of the Publishing License Agreement (PLA) with Standards Australia, which is due to end in December 2018. Under the PLA, Standards Australia has granted SAI a worldwide licence to publish, distribute, market and sell Australian Standards. SAI has the option to extend the PLA for a further period of 5 years, until December 2023, subject to the agreement being amended to reflect market terms at the time.

When the Company listed in December 2003 revenue associated with the PLA accounted for approximately 29% of revenue and an even greater proportion of the Company's operating profit. The growth initiatives that SAI has taken since 2003 has seen the contribution from the PLA revenue reduce to approximately 9% in FY11.

Compliance Services:

SAI Global provides an extensive range of solutions and services in the areas of compliance, regulation, ethics, risk management and corporate governance solutions including:

- Advisory services
- Information in the form of newsfeeds, alerts and databases covering key compliance and regulatory topics
- Governance, risk and compliance (GRC) solutions that catalogue, monitor, update, notify and manage a Company's operational GRC needs
- An extensive library of award-winning e-learning courseware delivered largely through the web and supported by a learning management system providing both audit and compliance learning management capability
- Whistleblower and related case management and incident reporting services

The Compliance business achieved strong growth during the period reflecting both above trend organic growth and nine and a half months' contribution from Integrity Interactive. Despite the adverse impact of the stronger Australian dollar, revenue grew by 71.5% over the corresponding period to $79.9 million and EBITDA, before significant charges, grew by 199.8% to $34.3 million. EBITDA margins before significant charges expanded to 42.9%, up from the 24.5% achieved in the corresponding period, reflecting the operating leverage of the expanded business. Due to the extent of the integration of the Integrity business with the existing business it is not possible to be definitive around the split of revenue growth between that which is purely organic and that which is related purely to the acquisition of Integrity. However, we estimate that the business grew on a constant currency organic basis in excess of the top end of our expected range of 8% to 12%.

Assurance Services:

Our assurance business provides organisations and their stakeholders with the confidence that their critical business processes are operating effectively in support of planned objectives.

Improved trading conditions over the year saw organic revenue grow by 6.7% on a constant currency basis. Overall revenue growth was 4.0% at actual exchange rates after taking into account the impact of acquisitions undertaken in FY10.

The division delivered EBITDA growth in excess of 20% on a constant currency basis buoyed by a strong uplift in the performance of the standards training business, which had been adversely impacted in FY10 by the economic downturn.

Overall the division reported EBITDA growth of 20.8% and saw the EBITDA margin expand from 15.7% to 18.3%.

The value of our assessment and certification services continues to be enhanced by the "five ticks" StandardsMark, a widely recognised brand associated with safety and quality. This brand provides a competitive advantage in Australia and remains one of the key reasons for the consistently strong performance of this business. The brand is also gaining recognition in SAI's newer markets through a policy of co-branding the StandardsMark with newly acquired brands.

Emerging Opportunities

We are seeing a number of exciting opportunities emerge across all of our divisions which will potentially underpin our growth forecasts over the next two to three years.

In Information Services:

In the Information Services division we have continued to invest in the Property Services business. This investment has taken the form of upgrading the leadership team, rationalising processes and fully integrating our Melbourne based information brokerage operation with the Espreon business. The combined business has recently been relaunched under the banner of "SAI Global Property".

We have also continued to invest in our Property Services technology platforms and, in particular, in the banking workflow product suite. As noted above, the investments we have made contributed to SAI being awarded a contract to provide national mortgage settlement services for ANZ, subject to finalisation of contract terms. SAI currently provides settlement services to ANZ in Queensland and Western Australia and we expect to commence providing services to ANZ under the new contract in additional States in early calendar 2012, with national coverage to be achieved by August 2012. We expect full incremental annual revenue of circa A$10M per annum to be recognised from the financial year 2013 onwards.

The fact that a leading financial institution such as ANZ has chosen SAI is testament to the dedication, professionalism and capability of the Property Services team, and firmly establishes SAI as the leading provider of outsourced mortgage related services to the Australian banking sector.

We are currently exploring opportunities to expand the services we provide to ANZ beyond those included in the new contract, as well as continuing to engage with other domestic banks with a view to expanding this business further.

In Compliance Services:

The Compliance Services division continues to see opportunities emerging from the introduction of new legislation and regulations that necessitate corporates around the world continually reviewing and upgrading their corporate governance and compliance frameworks.

The new UK Bribery Act ("Act") which came into effect on 1 July 2011 is providing demand for advisory services and risk assessments. SAI has developed a risk assessment methodology targeted at the opportunity provided by this Act.

The Act introduces a new corporate offence of failure to prevent bribery. A company falls within the jurisdiction of the Act if it carries on "a business or part of a business" in the UK. The Act is far reaching, and, as contrasted with other bribery laws, applies to commercial as well as government bribes and need not directly involve the UK business.

The opportunity for SAI stems from the fact that the Bribery Act specifically states that a company has a defence if it has "adequate procedures" in place to mitigate the risks it faces. The UK Ministry of Justice has issued guidance which sets out what might constitute “adequate procedures” and has done so by reference to six principles, which are summarised below:

- Action taken to manage the risks should be proportionate to the risks faced and to the size of the business

- There should be “top level” commitment as those at the top of an organisation are in the best position to ensure the organisation conducts business without bribery

- There should be an assessment of the bribery risks an organisation might face

- Knowing exactly who an organisation is dealing with through adequate due diligence processes can help to protect an organisation from taking on people who might be less than trustworthy

- Communication of policies and procedures to staff and to others who perform services enhances awareness and helps to deter bribery by making clear the basis on which an organisation does business

- There should be monitoring and review processes in place as the risks faced and the effectiveness of procedures may change over time

The range of SAI’s compliance products and services means that we are well placed to assist companies in addressing the risks and procedural needs posed by the UK Bribery Act.

The anti-bribery legislation in the United States is the Foreign Corrupt Practices Act. Recently there has been a noticeable increase in the enforcement of this Act through increased fines for non-compliance.

In August 2009, President Barack Obama initiated a comprehensive review of the current US export control system, calling for fundamental reform. Although the United States has one of the most robust export control systems in the world, the US Government has decided that it must be updated to address the changing economic and technological landscape.

These developments in the United States are also expected to provide opportunities for SAI.

In Assurance Services:

Whilst we have continued to experience growth in our established food safety related services, particularly in the United States, we are seeing a greater trend of assurance requirements being driven by two key groups:

- *Multi-national food manufacturers* are exerting power and influence on the primary producers of raw materials (packaging and ingredients) for their branded products.

- *Retailers* which are offering higher margin self-branded products through their retail outlets which are arguably of a comparable standard to many recognised brand names. This is enabling the retailers to increasingly dictate terms around supply and also demand higher standards and compliance from their key suppliers.

The consolidation of retailers and multi-national food manufacturers and their desire to protect their brands through oversight of their supply chains, provides additional growth opportunities for SAI's Assurance Services business on a global basis.

In 2010 we acquired the UK-based Foodcheck which operates in the food retail space. The combination of Foodcheck's capability together with our broader food safety and agriculture expertise is enabling us to leverage some significant relationships with major multinational retailers and manufacturers. In particular, we are able to offer a broad, technology-enabled, assurance programme that meets their increasing need for guaranteed product quality and safety. These services enable our customers to better manage risk across their supply chains through greater levels of visibility, transparency and control.

We expect these developments to generate further robust growth across the entire food business, specifically in the EMEA, Americas and Asia regions.

SAI has a number of exciting opportunities for growth across each of its divisions. It is therefore important that we take steps to make sure that we can take advantage of these opportunities to the maximum extent possible. To this end we will be making an investment in new people and technology throughout the next twelve months which is expected to result in the company not experiencing the operating leverage in FY12 that it has achieved in FY11, but which will position the company very well for growth in FY13 and beyond.

Finally, I would like to thank the whole SAI Global team for their hard work and continued commitment to executing the Company's strategy and growing value for our shareholders.

Tony Scotton
Chief Executive Officer

Corporate Governance

1. INTRODUCTION

This statement describes SAI Global's corporate governance framework, policies and practices as at 17 August 2011.

2. FRAMEWORK AND APPROACH

The Board's approach to corporate governance is based on a set of values and behaviours that underpin day-to-day activities, provide transparency and protect stakeholder interests.

This approach includes a commitment to excellence in governance standards which the Board sees as fundamental to the sustainability of SAI Global's business and performance. It includes monitoring local and global developments in corporate governance and assessing their implications.

3. THE BOARD OF DIRECTORS

A) The Membership, Expertise and Experience of the Board

Details of the Board and the experience of its members are included in the Directors' Report and the Company website www.saiglobal.com

B) The Role and Responsibilities of the Board

The Board is accountable to shareholders for the performance of SAI Global and has formalised its roles and responsibilities in the Corporate Governance Policy. This is available on the SAI Global website.

In summary these responsibilities include:

- To enhance shareholder value.
- To review and, if considered appropriate, approve the strategic direction of the Company, as detailed annually in the rolling three year strategic plan and the annual operating plan which includes the budget for the ensuing financial year.
- To monitor Management's performance and implementation of strategy.
- To review and, if considered appropriate, approve budgets and strategic operational targets and review performance against them, initiating corrective action where required.
- To review and, if considered appropriate, adopt periodic financial statements and approve their release to ASX.
- To review and, if considered appropriate, approve dividend policy.
- To review and, if considered appropriate, approve the capital structure of the Company.
- To review and, if considered appropriate, approve policies on key issues including risk management, external and internal compliance and control and codes of conduct.
- To appoint, and when required, remove the Chief Executive Officer and evaluate his or her ongoing performance against pre-determined criteria.
- To ratify the appointment and, where appropriate, removal of the Chief Financial Officer and Company Secretary.
- To review and, if considered appropriate, approve the Company's remuneration policy in order

to ensure that executive remuneration is fair and reasonable and that its relationship to corporate and individual performance is well defined.

- To review and, if considered appropriate, approve the total emoluments of the Chief Executive Officer and his or her direct reports.
- To review and, if considered appropriate, approve succession plans for the Chief Executive Officer and his or her direct reports.
- To review the structure and composition of the Board and Board Committees to ensure that the Board adds value and is of a size and composition to adequately discharge its responsibilities.
- To test Management assertions and to require the Board to be kept fully informed of operational, financial and strategic initiatives.
- To review and ratify systems of risk management and internal compliance and control, codes of conduct and legal compliance.
- To monitor OHS issues in the SAI Global group and to consider OHS reports and information
- To recommend the appointment of the external auditor and to oversee the audit process and review audit reports.
- To require and monitor systems for keeping key stakeholders informed in a timely and meaningful fashion.

C) Board Composition

The Board determines its composition in accordance with the Company's Constitution and needs of good governance and efficiency. The minimum number of Directors is three and the maximum is twelve. The Board is currently comprised of five Non-Executive Directors and one Executive Director.

D) Selection and Role of the Chairman

The Chairman is selected by the Board from the Non-Executive Directors. The Chairman's role includes:

- Leadership of the Board, for the efficient organisation and conduct of the Board's function.
- Briefing Directors in relation to issues arising between Board meetings.
- Encouraging the effective contribution of all Directors.
- Promoting constructive and respectful relations between Board members and between the Board and Management.
- Liaising with shareholders
- Committing the time necessary to discharge the role effectively. In that context the number of other roles, and the associated time commitment are taken into account.

The current Chairman, Robert Wright has been an independent Non-Executive Director since 2003 and Chairman since February 2008.

Details are included in the Corporate Governance Policy, a copy of which is available from the Company's website.

E) Independence of Directors

The Board assesses Directors against the criteria established by the ASX Corporate Governance Council to ensure they are in a position to exercise independent judgment. Directors are considered independent if they are independent of Management and free from any relationship that could materially interfere with, or could reasonably be perceived to interfere with independent judgment.

A "material interest" of a Director is defined as:

- Having control of, or association with, more than 2 1/2% of issued shares in SAI Global Limited, or
- Having control of, or association with, a principal of a supplier of goods or services where that supply in total represents more than 10 % of the organisation's total supply to all parties of those goods or services.

Each Non-Executive Director provides an annual attestation of his or her interests and independence.

The Board has formed the view that all of the Non-Executive Directors are independent.

F) Conflicts of Interest of Directors

Any Director who considers that he/she has a conflict of interest in a matter before the Board must disclose that conflict, and, if necessary withdraw from any discussion on that matter, and not vote on that matter.

G) Meetings of the Board

The Board schedules 8-10 meetings a year and in addition will meet as necessary to deal with specific matters.

The Chairman and Chief Executive Officer establish meeting agendas to ensure adequate coverage of strategic, financial and risk areas.

Directors are encouraged to participate and to exercise their independent judgment.

Management attends meetings by invitation and provides specific presentations on key business units or activities as requested by the Board.

Non-Executive Directors regularly allocate time during scheduled Board meetings to meet without Management present so that they can discuss issues appropriate to such a forum.

Meetings held and attended by each Director during the period are set out in the Directors' Report.

H) Succession Planning

The Board actively considers succession planning and monitors the skills and experience required to execute the strategic plans of the Company. The Board is also responsible for the succession planning for the role of Chief Executive Officer.

I) Review of Board and Management Performance

The Board has in place a procedure for the Chairman to review the overall performance of the Board, Board Committees, and individual Directors including the Chief Executive Officer. The results of these reviews are discussed with individual Directors and Committee Chairs.

J) Nomination and Appointment of New Directors

Recommendations for nominations of new Directors are made by the Board. Nominees are assessed against criteria including background, experience, professional skills, personal qualities and whether these attributes will augment the existing Board.

If a new Director is appointed other than at the Annual General Meeting, that Director will stand for election by shareholders at the next Annual General Meeting. Shareholders will be provided with all relevant information on candidates for election.

Any new Director appointed to the Board is required to undergo appropriate induction training to familiarise himself or herself with the business and issues before the Board.

K) Retirement and Re-election of Directors

The Company's Constitution requires that, with the exception of the Chief Executive Officer, one third (rounded down) of Non-Executive Directors retire each year, and that the maximum time that each Director can serve in any single term is three years. Directors who retire by rotation, being eligible, may offer themselves for re-election by shareholders at the Annual General Meeting. The Board will evaluate the contribution of retiring Directors prior to endorsing their candidature.

The Board Corporate Governance Policy suggests that three terms of three years would be considered a reasonable maximum period of tenure for a Director.

No policy on compulsory retirement age has been adopted by the Board at this time.

L) Board Access to Information and Advice

Directors receive regular detailed financial and operational reports and have unrestricted access to Company records and information. The Group General Counsel and Company Secretary provides ongoing advice on such issues as corporate governance and the Company's Constitution and the law. Non-Executive Directors have access to, and meet with, Management and may consult or request additional information from any member of staff.

Where necessary and with the prior consent to the expenditure, the Board, Board Committees and individual Directors may seek independent professional advice at the Company's expense to assist them to fulfill their responsibilities.

M) Directors' Remuneration

Non-Executive Directors receive no payments other than their Directors' fees, superannuation guarantee contributions, and reasonable expenses. Directors are not entitled to a payment or benefit on retirement other than their minimum superannuation guarantee.

4. BOARD COMMITTEES

A) Board Committees and Membership

There are currently two Committees of the Board. The powers and procedures of the Committees are governed by the Company's Constitution and Committee Charters. The Committees' membership and Directors' attendance records are set out in the Directors' Report.

Other committees may be formed from time to time to consider specific matters of importance that do not fall within the remit of constituted Committees.

B) Committee Charters

The roles and responsibilities of each Committee are set out in the Committee Charter which is available in the corporate governance section of the Company's website.

C) Committee Procedures

The Board Committees meet as programmed by the Board and as required by the Committee Chair. All Directors can attend any Committee Meeting and receive Committee papers and reports. Committee Chairs report to the Board meeting following the Committee meeting. Management is invited to attend Committee meetings as required.

Committee members are chosen for their skills and experience and other qualities they can bring to the Committee. The performance of each Committee is evaluated as a part of the overall Board and Directors' performance review.

D) Audit & Risk Committee

The Audit and Risk Committee is responsible for all matters relating to the integrity of financial statements, overview of risk management policy and procedures, the performance of external audit and internal audit, legal compliance and compliance with ethical standards, and oversight of related communication with stakeholders.

The Committee is comprised of three Non-Executive Directors who satisfy the criteria of independence. The members of the Committee have financial expertise, experience of the industry sector and general commercial experience.

E) Remuneration Committee

Details are provided in the Remuneration Report on pages 17 to 50.

F) Nomination Committee

Due to the current size of the Board the functions that would ordinarily be delegated to a Nomination Committee are performed by the Board itself.

5. ETHICAL AND RESPONSIBLE DECISION-MAKING

A) Code of Conduct and Principles for Doing Business

SAI Global is committed to ensuring that the highest standard of law abiding and ethical conduct is practised by its Directors and employees. SAI's "Code of Business Conduct" sets out the Board's expectations for business conduct which is encompassed by the guiding principle that all Directors and employees treat others, including customers, shareholders, business prospects, suppliers and each other with the same honesty, respect and consideration that they themselves would expect to receive.

SAI also has a range of internal guidelines, communications and training processes and tools, including an online learning module entitled "Integrity Matters", which apply to and support our Code of Business Conduct.

In addition to the Code of Business Conduct and Principles, SAI also has a number of key policies to manage compliance and human resource requirements.

B) Conflicts of Interest

SAI has a conflicts of interest framework for managing actual and perceived conflicts of interest.

C) Fit and Proper Person Assessments

SAI assesses the fitness and propriety of Directors and also of employees who perform specified roles.

D) Concern Reporting and Whistleblowing

Under our Whistleblower Policy, employees are encouraged to raise any concerns of activities or behaviour that may be unlawful or unethical. Concerns may include suspected breaches of the Code of Business Conduct and any internal policy or regulatory requirement.

Employees can raise possible wrongdoings on an anonymous basis through either of SAI's internal or external whistleblower reporting mechanisms; logging their report onto an internal reporting system ("Listen up").

Concerns raised are investigated in a matter that is fair, objective and affords natural justice to all people involved. If the investigation shows that wrongdoing has occurred, processes are changed as appropriate, and action taken in relation to employees who have behaved incorrectly. Where illegal conduct has occurred, this may involve reporting the matter to relevant authorities.

Any issues raised are reported to the Audit and Risk Committee at its scheduled meetings.

E) Securities Trading

Directors and all employees are restricted from dealing in SAI Global Limited shares if they possess inside information. They are also prohibited from passing on inside information to others who may use that information to trade in securities. In addition, Directors and any employees, who, because of their seniority or the nature of their position, may have access to material non-public information about SAI, are subject to further restrictions, including only trading in permitted windows following the annual and half year profit announcements and the Annual General Meeting.

The mechanisms used to manage and monitor SAI's obligations include:

- The insider trading provisions of our policy, which prohibits any dealing in any securities where a Director or employee has access to inside information that may affect the price of those securities.
- Restrictions limiting the periods in which the Directors and certain senior employees can trade in SAI Global Limited shares (Trading Windows).
- Requiring Directors and senior employees to notify their intention to trade during those Trading Windows and confirm that they have no inside information.
- Monitoring the trading of SAI Global Limited securities by Directors and senior employees.
- Trades by Directors of SAI securities are notified to ASX within five business days as required under the ASX Listing Rules.
- Employees are forbidden to enter into hedging arrangements in relation to their unvested employee shares or securities, whether directly or indirectly.

6. DIVERSITY

SAI Global values diversity and aims to create a vibrant and inclusive workplace, reflective of the communities in which it operates.

Equal opportunity is at the core of the Company's People Strategy as the Board believes a diverse workforce is critical for SAI's business to attract and retain the most talented people.

In particular, the Board is convinced that gender diversity in leadership positions facilitates different and more innovative thinking, more informed decision-making and ultimately better business outcomes.

The Board is committed to the new ASX Corporate Governance Council's gender diversity principles and has set a target to increase the proportion of women in senior management roles at SAI Global (defined as employees in levels C1, C2, where the CEO is level C), from 28% at the end of FY11 to between 35% and 40% by the end of FY16.

In support of this target The Board has reviewed the Company's approach to Equal Opportunities and agreed with Management the following specific actions aimed at increasing the proportion of females in management:

1) An annual pay gap analysis to ensure there is no systemic bias in salaries.
2) The introduction of a requirement that at least one female be included on each shortlist for vacant positions at levels C1 and C2
3) The promotion of greater flexibility in terms of when work is conducted, where it is conducted and how it is conducted. This will include:

- flexible hours working,
    - increased part-time opportunities.
    - working outside of traditional office hours.
    - weekend working where it suits employees.
- more working from home
    - where the job permits, working from home
    - increased opportunities to split work between home and office
- increased job sharing
    - shared management roles
    - shared front line roles

The Board has also set a target of increasing the proportion of female Non-Executive Directors from 20% at the end of FY11 to 40% at the end of FY14.

At the end of FY11 49.7% of the SAI's global workforce was female.

7. AUDIT, GOVERNANCE AND INDEPENDENCE

A) Audit, Governance and Independence

Best practice in financial and audit governance is changing with the introduction of new and revised Accounting Standards. The Board is committed to producing true and fair financial reports which comply with applicable accounting rules and policies, and to ensuring that the external auditors are independent and serve shareholder interests by ensuring they can access and form an opinion on the Company's true financial position.

The Board has established a process and policy for the selection of an external auditor which is available on the Company's website.

The selection of auditors takes into account key criteria including audit approach and methodology, internal governance processes, global resources, key personnel and cost.

B) Audit Service and Assurance

The auditor will provide audit and audit related services that are consistent with their role as auditors. This will include the following:

- Assurance to shareholders as to the integrity of the half-year and full-year financial statements;
- Assurance as to the integrity of the relevant statutory accounts; and
- Attendance at the Annual General Meeting.

C) Non-audit Services

The Company has a general policy of not employing the auditor for significant non-audit assignments. Specifically, the auditor is not employed in relation to any financial due diligence work on potential acquisitions.

D) Precluded Services

Where the auditor could ultimately be required to express an opinion on its own or a related entity's work or there is a threat, or perceived threat, to the auditor's independence, such services will not be undertaken as this may conflict with the role of external auditor. The precluded services are detailed in the selection policy and any recommendation to provide a precluded service requires an estimation of the risk materiality of the proposed engagement to be assessed.

The underlying intention is that non-audit services be limited to retrospective not prospective matters.

E) Annual Review

This External Auditor Policy is reviewed on an annual basis by the Audit & Risk Committee.

F) Rotation of External Audit Partners and Review of Audit Function

In line with current legislation, the Company requires the audit partner and review partner of its external auditors to rotate every 5 years. In addition, the Audit and Risk Committee will from time to time review the audit function and recommend to the Board whether a tender process should be undertaken.

8. CONTROLLING AND MANAGING RISK

A) Risk Management Framework

SAI Global recognises that risk management is an integral part of good management practice. Risk management is an essential element in achieving business goals and deriving benefits from market opportunities.

B) Policy

The Company is committed to managing risk in a manner appropriate to achieve its strategic objectives.

The Company will keep investors informed of material changes to the Company's risk profile through its periodic reporting obligations and ad hoc investor presentations

The Company reviews and reports annually on its compliance with the ASX Corporate Governance Principles and Recommendations, which include Principle 7 relating to risk management and the internal control framework.

C) Framework

SAI Global applies the principles in Australia/New Zealand Standard AS/NZS ISO31000:2009 Risk Management in identifying, assessing, monitoring and reviewing risks.

Risk identification, assessment and treatment are part of the annual business planning process. Risk assessment is undertaken by Management and reviewed by the Board.

Risk assessment is conducted using risk matrices, taking existing controls into consideration.

Risk treatment options are considered in determining the suitable risk treatment strategy. Planned actions supporting the strategy are recorded in an on-line risk management tool identifying responsibilities and time lines. Risk treatment options include:

- Avoid the risk;
- Reduce the likelihood of the occurrence;
- Reduce the consequences;
- Transfer the risk (mechanisms include insurance arrangements); or
- Retain the risk.

Management monitors and reviews existing risks. It is the responsibility of Management to ensure that risk records are kept up to date.

A report of key risks with progress of risk treatment implementation is reviewed by Management regularly. The key risk report is also made available to the Audit and Risk Committee for review.

To further assist in managing risks that may arise internally and externally with customers, the Company (excluding the Assurance business) utilizes ISO9001:2008 *Quality Management System* which was independently audited during the year by SIRIM QAS International Sdn. Bhd. (SIRIM), an accredited certification body.

The Company's Assurance business manages its risks by ensuring compliance with relevant standards - ISO/IEC 17021 (Audit and Certification of Management Systems), ISO/ IEC 17020 (Performing Inspections), ISO/IEC Guide 65 (Product Certification), ISO/IEC17025 (Accreditation of Laboratories), appropriate accreditation procedures, and any additional specifier requirements in specialist areas, such as food (BRC, SQF, for example).

The Assurance business is subjected to periodic, independent audits by the relevant accreditation bodies, against SAI's registered/ approved scope in accordance with the above referenced standards. Accreditations held include:

- Standards Council of Canada (SCC)
- Ente Italiano di Accreditamento (Italian National Accreditation Body) (Accredia)
- Comite Francais d'Accreditation (COFRAC of France)
- Accreditation Body of Indonesia (Komite Akreditasi Nasional) (KAN)
- Joint Accreditation System of Australia and New Zealand (JAS-ANZ)
- Korea Accreditation Board (KAB)
- Spanish Accreditation Entity (Entidad Nacional de Acreditacion (ENAC)
- Mexican Accreditation Entity (Entidad Mexicana de Acreditacion) (EMA)
- United Kingdom Accreditation Service (UKAS)
- ANSI-ASQ National Accreditation Board (ANAB)
- American National Standards Institute (ANSI)
- National Association of Testing Authoritie (NATA)
- International Accreditation New Zealand (ANZ)
- IAOB (the International Automotive Oversight Bureau based in USA)
- ANFIA (the Italian National Association of the Automobile Industry)
- Accreditation Services International (ASI) (Forestry Stewardship Council programs)

In addition, the business undertakes its own internal audits, the performing of which is a requirement of the accreditation procedures.

D) Responsibility and Authority

Risk management is the responsibility of all staff.

Management is responsible for monitoring and reviewing the risk register for completeness, continued relevance of risk assessment, effectiveness of risk treatment plan and timeliness of implementation of risk treatment actions, taking into account changing circumstances.

The Board oversees the establishment and implementation of the Company's risk management framework and reviews the effectiveness of that system bi-annually.

The Audit and Risk Committee oversees the operation of the risk management system and assesses its adequacy. The Committee monitors the internal policies for identifying and determining key risks to which the Company is exposed.

Management, in addition to its general and specific responsibilities, is responsible for providing to the

Internal Auditor any assistance required to execute the Board Committee approved internal audit plan.

The Chief Executive Officer and the Chief Financial Officer provide a half-yearly statement to the Board in writing that the Company's internal compliance and control system is operating efficiently and effectively in all material respects.

E) Internal Compliance and Control

In addition to the risk management framework, the Company has an internal compliance and control system based on the following:

- An internal audit program approved by the Audit and Risk Committee; and
- A financial reporting control system which aims to ensure that financial reporting is both accurate and timely.

SAI Global has a number of control processes to ensure that the information presented to Management and the Board is both accurate and timely. The control processes include, among other things:

- Annual audit and half-year review by the external auditor;
- Planned review by internal auditors of the quality and effectiveness of internal processes, procedures and controls; and
- Monthly review of financial performance compared to budget and forecast.

In accordance with Section 295A of the Corporations Act 2001, the Chief Executive Officer and the Chief Financial Officer provide a half-yearly statement to the Board, in writing, that the Company's financial reports present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with relevant Accounting Standards; and that this statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

The Audit and Risk Committee is responsible for recommending the appointment of the internal auditor and approving the annual internal audit plan. The internal audit function is independent of the external auditor and has direct access to the Chairman of the Board and Chairman of the Audit and Risk Committee.

Internal Audit reports that identify deviation from Company policies are directed to Management for action and to the Audit and Risk Committee for information or further action.

F) Assessment of Effectiveness

Internal audit provides independent assurance to the Audit and Risk Committee of the effectiveness of the Company's risk management and internal compliance and control system through regular reviews of internal controls, operation of the risk management framework and the quality management system.

The Audit and Risk Committee is responsible for reviewing and analyzing the effectiveness of the risk management framework, the internal compliance and control systems and reports on the same to the Board, no less than annually or at such intervals as determined by the Board.

ASX Principle		Reference	Compliance
Principle 1: Lay solid foundations for management and oversight. Companies should establish and disclose the respective roles and responsibilities of Board and management			
1.1	Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions	3B	Comply
1.2	Companies should disclose the process for evaluating the performance of senior executives	Directors' Report, 3I	Comply
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1	3	Comply
Principle 2: Structure the Board to add value. Companies should have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties			
2.1	A majority of the Board should be independent directors	3E	Comply
2.2	The Chairperson should be an independent director	3D	Comply
2.3	The roles of Chairperson and Chief Executive Officer should not be exercised by the same individual	3D	Comply
2.4	The Board should establish a Nomination Committee	4F	Function performed by the Board
2.5	Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors	3B,3I	Comply
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2	Directors' Report, 3	Comply
Principle 3: Promote ethical and responsible decision-making. Companies should actively promote ethical and responsible decision making			
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to		

	maintain confidence in the company's integrity	5	Comply
	• the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders	5	Comply
	• the responsibility and accountability of individuals for reporting and investigating reports of unethical practices	Code of Business Conduct/ Website	Comply
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements forthe Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them	6	Comply
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them	6	Comply
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board	6	Comply
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3	5,6	Comply
Principle 4: Safeguard integrity in financial reporting. Companies should have a structure to independently verify and safeguard the integrity of their financial reporting			
4.1	The Board should establish an Audit Committee	4D	Comply
4.2	The Audit Committee should be structured so that it	4D	Comply
	• consists only of non-executive directors	4D	Comply
	• consists of a majority of	4D 4D	Comply Comply

	independent directors • is chaired by an independent chair, who is not chair of the Board • has at least three members		
4.3	The Audit Committee should have a formal charter	Website	Comply
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4	Directors' Report, 4A, Website	Comply
Principle 5: Make timely and balanced disclosure Companies should promote timely and balanced disclosure of all material matters concerning the company			
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies	Website	Comply
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5	Website	Comply
Principle 6: Respect the rights of shareholders Companies should respect the rights of shareholders and facilitate the effective exercise of those rights			
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy	Website	Comply
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6	Website	Comply
Principle 7: Recognise and manage risk Companies should establish a sound system of risk oversight and management and internal control			
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of	8	Comply

	those policies		
7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	8	Comply
7.3	The Board should disclose whether it has received assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	8	Comply
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	8	Comply
Principle 8: Remunerate fairly and responsibly Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.			
8.1	The Board should establish a Remuneration Committee	4E	Comply
8.2	The remuneration committee should be structured so that it; • consists of a majority of independent directors • is chaired by an independent director • has at least three members	Directors' Report	Comply
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors	Directors' Report	Comply

	and senior executives		
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8	Directors' Report	Comply

Note 1. Reference refers to the relevant sections of this Corporate Governance Statement or the Directors' Report

SAI GLOBAL LIMITED

Directors' Report

Your Directors present their report on SAI Global Limited and the entities it controlled at the end of, or during, the year ended 30 June 2011.

Directors

The following persons were Directors of SAI Global Limited during the whole of the financial year and up to the date of this report:

Robert Wright	(Chairman)
Tony Scotton	(Chief Executive Officer)
Anna Buduls	
Peter Day	
Andrew Dutton	
Joram Murray AM	

Principal activities

During the year the principal activities of the consolidated entity consisted of:

Information Services:

- Distributing technical and business information such as Standards, legislation other technical information
- Providing internally developed intellectual property such as bibliographic databases and property certificates
- Providing conveyancing, lending and other workflow solutions

Compliance Services:

- Advisory services
- Providing newsfeeds, alerts and databases covering key compliance and regulatory topics
- Providing governance, risk and compliance (GRC) solutions that catalogue, monitor, update, notify and manage a company's operational GRC needs
- Providing an extensive library of web-based learning and awareness solutions, supported by a learning management system providing both audit and compliance learning management capability
- Whistleblower and related case management and incident reporting services

Assurance Services:

- Assessing system and product conformity to international and locally based Standards, supported by one of the most widely recognizable symbols of excellence and assurance in Australia, the "five ticks" StandardsMark
- Providing a suite of services across the food value chain, from agricultural production through to the point of sale or service, aimed specifically at

managing risks within the supply chain and improving the quality, safety and security of food products

- Providing tools for improving critical business processes
- Providing Standards related training and business improvement solutions

Review of operations

Consolidated result

The SAI Group has continued to grow during FY11, achieving robust growth in revenue and profitability despite the adverse impacts of the stronger Australian dollar and reduced transaction volumes in the Property Services business. The growth was largely driven by a strong result from the Compliance Services business which saw excellent organic growth overlaid with the contribution from the acquisition of Integrity Interactive which occurred in September 2010.

Sales revenue across the Group increased from $392.2 million to $427.1 million, up 8.9%. This increase included the positive impact of owning Integrity Interactive for nine and a half months through to 30 June 2011. The Group achieved earnings before interest, tax, depreciation and amortisation (EBITDA) of $95.8 million, an increase of 25.8% over FY10. During the period the Group incurred significant charges of $4.9 million relating primarily to the acquisition of Integrity Interactive. Details of these charges are set out below. EBITDA, before the negative impact of the significant charges was $100.7 million, an increase of 32.3% over FY10.

The significant charges referred to above are summarised below:

$'000s	**FY11**	FY10
Transaction charges relating to the acquisition of Integrity Interactive	(1,976)	-
Integration and restructuring charges relating to the acquisition of Integrity Interactive	(1,847)	-
Other significant charges	(1,123)	-
Significant charges before tax	**(4,946)**	**-**
Income tax credit applicable to significant charges	1,737	-
Significant charges after income tax	**(3,209)**	**-**

Net profit attributable to the shareholders of SAI Global Limited was $44.8 million which represents an increase of 32.9% over the corresponding amount last year. The operating result of the Group attributable to shareholders before the impact of the significant charges was $48.0 million. This represents an increase of 42.4% over the result for the corresponding period.

Statutory earnings per share increased from 21.5 cents to 23.1 cents, up 7.4%. Earnings per share before the impact of the significant charges increased by 14.9% to 24.7 cents.

Further details relating the performance of the business are provided later in this report.

Summary financials

The summary financial analysis below shows the results both on the statutory basis and on an underlying basis compared to the results from the prior year. The underlying basis excludes the impact of the significant charges noted above. There were no significant charges in FY10.

	Statutory			Underlying[1]		
$'000	**FY11**	FY10	Change	**FY11**	FY10	Change
Sales revenue	**427,115**	392,228	8.9%	**427,115**	392,228	8.9%
Other income	**2,367**	776		**2,367**	776	
	429,482	393,004	9.3%	**429,482**	393,004	9.3%
Less: direct costs	**192,377**	189,717	1.4%	**192,377**	189,717	1.4%
Gross profit	**237,105**	203,287	16.6%	**237,105**	203,287	16.6%
Less: overheads	**141,312**	127,144	11.1%	**136,365**	127,144	7.3%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**95,793**	76,143	25.8%	**100,740**	76,143	32.3%
Less: depreciation	**12,067**	11,864	1.7%	**12,067**	11,864	1.7%
Less: amortisation of acquired intangible assets	**11,667**	7,670	52.1%	**11,667**	7,670	52.1%
Earnings before interest and tax (EBIT)	**72,059**	56,609	27.3%	**77,006**	56,609	36.0%
Less: net financing costs	**11,700**	8,847	32.2%	**11,700**	8,847	32.2%
Add: share of net profits of associated companies	**27**	25		**27**	25	
Net profit before income tax	**60,386**	47,787	26.4%	**65,333**	47,787	36.7%
Less: income tax	**15,379**	12,592	22.1%	**17,117**	12,592	35.9%
Net profit after income tax	**45,007**	35,195	27.9%	**48,216**	35,195	37.0%
Profit is attributable to:						
Equity holders of SAI Global Limited	**44,806**	33,725	32.9%	**48,015**	33,725	42.4%
Minority interests	**201**	1,470	(86.3%)	**201**	1,470	(86.3%)
	45,007	35,195	37.0%	**48,216**	35,195	37.0%

1. Excludes significant charges

Margin analysis:	**Underlying[1]**		
	FY11	FY10	**Change**
Gross profit	**55.5%**	51.8%	**3.7%**
EBITDA	**23.6%**	19.4%	**4.2%**
EBITDA on net revenue	**29.6%**	25.3%	**4.3%**
EBIT	**18.0%**	14.4%	**3.6%**
Cost to income ratio	**79.4%**	83.6%	**(4.2%)**
Effective tax rate	**26.2%**	26.4%	**(0.2%)**

1. Excludes significant charges

Sales revenue increased by 8.9% over the corresponding period, driven by the favourable impacts of organic growth and the contribution from acquisitions, which were offset to some extent by the adverse impact of the stronger Australian dollar which has appreciated significantly over the period relative to the US Dollar, the Euro and British Pound. Compliance Services and Assurance Services both achieved robust organic growth in constant currency terms, the former performing ahead of expectations and the latter returning to trend growth rates of between 6% and 8%. Information Services was adversely impacted by declining property transaction volumes which saw the Property Services revenue decline by 5.1% compared to the corresponding period. The non-property related Information Services businesses achieved above trend (4% to 6%) organic revenue growth in constant currency terms, driven by improved conditions in Australia and sales of the Pressure Vessel Code in the UK and North America. These factors, together with the impact of the stronger Australian dollar, collectively resulted in a 2.2% decline in the Information Services revenue in FY11 compared to the corresponding period.

Gross profit increased by 16.6%, with the gross margin expanding from 51.8% to 55.5% predominantly as a result of the impact of the expanded, higher margin, Compliance Services business.

EBITDA before the impact of the significant charges also grew strongly, up 32.3% compared to the corresponding period, driven by the contribution from Integrity and the associated cost synergies achieved, together with net organic growth across the other businesses. The underlying EBITDA margin expanded to 23.6%, up from 19.4% in the corresponding period, again reflecting the operating leverage and cost synergy impacts of merging Integrity Interactive into SAI's existing Compliance Services business. Similarly, the underlying EBITDA margin on net revenue, which eliminates the distorting impact of "pass through" revenue in the Property Services business, increased from 25.3% to 29.6%. The calculation of net revenue is explained further in the section on the Information Services division below. The EBITDA outcome by division is analysed further below.

Operating cash inflows before significant charges and other acquisition related costs were up 14.6% to $59.7 million compared to the corresponding period.

The increase in the depreciation charge in FY11 results from three main factors:

- the impact of the Integrity acquisition in FY11, plus the annualised impact of acquisitions completed in FY10;

- depreciation of the expenditure incurred in developing new products in the Compliance Services division and investment in technology initiatives across all of the divisions, offset by

- the translation impact of the stronger Australian dollar compared to the corresponding period

The depreciation charge relative to revenue has reduced marginally to 2.8% in FY11 (3.0% in FY10).

The charge for the amortisation of identifiable intangible assets, recognised in businesses combinations, increased by 52.1% in FY11. These assets relate to the assessed cost of acquisition of publishing license agreements, customer relationships and contracts, product delivery platforms and intellectual property. This increase reflects the impact of acquiring Integrity, offset to some extent by a reducing charge in relation to older acquisitions together with the impact of the stronger Australian dollar.

Earnings before interest, tax and the impact of significant charges increased by 36.0% to $77.0 million, up from $56.6 million in the prior period. The underlying EBIT margin expanded from 14.4% to 18.0%.

Net financing charges increased by 32.2% which reflects the impact of the new borrowings of US$60 million raised to part fund the acquisition of Integrity, offset to some extent by the impact on the stronger Australian dollar on the Group's interest expense on borrowings denominated in foreign currencies. Net debt at 30 June 2011 stood at $169.4 million, up from $145.4M at 30 June 2010. The company continues to operate comfortably within its debt covenants.

The underlying effective tax rate across the Group's operations was broadly consistent with FY10 at 26.2%, down 0.2%.

Business combinations

In August 2010 SAI acquired 100% of Integrity Interactive ("Integrity"), a leading US based compliance and ethics solutions provider for USD 170 million.

Obtaining a leading position in at least one compliance services solution set has been a major strategic focus for SAI for some time, and bringing together two of the foremost players in the training and awareness space goes a long way to achieving this.

This acquisition enhances SAI's value proposition in a number of ways, including by:

- Providing scale to the compliance services business and positioning SAI as a leading provider of compliance and ethics learning solutions
- Providing access to a broader and deeper multilingual course library

- Adding a significant annuity book of revenue
- Expanding relationships with multinational clients

Integrity has a strong presence in North America and an established presence in Europe. Its operations are complementary to SAI's strong presence in the Asia Pacific region and existing UK and North American compliance businesses. Integrity is headquartered in Waltham, Massachusetts and maintains offices in London, Brussels and Hartford, Connecticut.

Integrity helps global corporations measure, manage and mitigate the risks of ethics and compliance failures. It has partnered with global companies to develop, design and implement best practice ethics and compliance programs with the aim of improving employee performance, protecting brand image, and reducing legal risks. Integrity's solutions include advisory services, training and communications, certification and disclosure and workflow management tools which collectively inform, encourage and monitor ethical behaviour by employees and business partners.

Integrity's content library includes courses covering hundreds of compliance topics which are available in a wide variety of formats. Integrity has modified its courses and communications to account for regionalised legal content, cultural norms and local languages. The Integrity Interactive Advisory Panel comprises some 27 ethics and compliance experts around the world. The company currently provides its services in over 40 languages.

On 30 June 2011, SAI acquired Advancing Food Safety Pty Limited (AFS), a provider of training services to the Australian and New Zealand food industry for $1.5 million. AFS is a Registered Training Organisation (RTO). AFS was established over 20 years ago and in that time has built a reputation as the leader in Food Safety training for the Food Industry. This acquisition ensures that SAI Global is able to provide a more comprehensive service to clients in the food industry, building on their existing reputation as a global leader in Food Safety System Certification and the compliance management of supply chains.

Further details about these acquisitions are set out in the Chairman's and Chief Executive Officer's reports. The financial aspects and impact of these acquisitions are set out in note 35.

<u>Review of divisional performance</u>

A summary of the divisional revenues and earnings together with related commentary, is set out below:

$'000	Segment sales revenue			Segment EBITDA		
	FY11	**FY10**	**Change**	**FY11**	**FY10**	**Change**
Information Services	**193,599**	197,930	**(2.2%)**	**48,850**	50,134	**(2.6%)**
Compliance Services	**79,902**	46,589	**71.5%**	**34,265**	11,430	**199.8%**
Assurance Services	**155,384**	149,401	**4.0%**	**28,376**	23,483	**20.8%**
	428,885	393,920	**8.9%**	**111,491**	85,047	**31.1%**
Eliminations	**1,770**	1,692	**4.6%**			
	427,115	392,228	**8.9%**	**111,491**	85,047	**31.1%**
Less: Corporate Services				**10,751**	8,904	**20.7%**
Segment EBITDA before significant charges				**100,740**	76,143	**32.3%**
Less: Depreciation and amortisation				**23,734**	19,534	**21.5%**
Add: Share of net profits of associates				**27**	25	**8.0%**
Segment result before significant charges				**77,033**	56,634	**36.0%**

Overview

Operationally, the Company has performed well in FY11, delivering another record result. A combination of the impact of acquisitions and continued organic growth, offset by the impact of a stronger Australian dollar, has generated an increase in revenue from the operating businesses of 8.9% to $428.9 million, and an increase in EBITDA of 31.1% to $111.5 million. These results include a nine and a half months' contribution from Integrity which has been consolidated from its effective acquisition date of 10 September 2010.

Information Services

Despite an improved performance by the non-property related Information Services businesses, which achieved organic revenue growth of 7.7%, the results of the division were adversely impacted by a reduced revenue and EBITDA contribution from the Property Services business, which saw revenue and EBITDA reduce by 5.1% (5.8% on a net revenue basis) and 15.8% respectively. The reduced contribution from Property Services reflects the significant drop in the number of properties changing hands throughout FY11 compared with the economic stimulus fuelled levels experienced in FY10. The non-property businesses benefitted from sales of the Pressure Vessel Code, albeit at low margins.

Overall the division's revenue was down 2.2% (2.0% on a net revenue basis) and EBITDA down 2.6%, both reductions also including the adverse impact of the stronger Australian dollar. The EBITDA margin reduced marginally from 25.3% to 25.2%. The margins in the non-property businesses remained strong at 56.5% (56.2% in the corresponding period) despite the impact of the lower margin sales of the Pressure Vessel Code.

As noted above, a high proportion of the property services revenue relates to the recovery of the charges (“pass through” revenue) levied by the various authorities involved in providing property searches and related certificates. Measuring the EBITDA margin relative to net revenue provides a more appropriate indication of the division’s underlying profitability trend. Measured on this basis the property services’ EBITDA margin contracted to 35.7%, down from 40.0% achieved in the corresponding period. The division as a whole achieved an EBITDA margin of 45.8% on net revenue, down from 47.1% in the corresponding period.

Notwithstanding the lower volumes experienced by the Property Services business work has continued on refining business processes and upgrading the service offering. These improvements were instrumental in the business being awarded a national settlement services contract with The Australian and New Zealand Banking Group (ANZ), which was announced on 18 July 2011.

The general environment for the sale of standards has been steadily improving in line with the gradual improvements in economic conditions. The operating focus for the non-property businesses has been on advancing business development through establishing relationships with trade associations, government agencies and other standards organizations to broaden our distribution reach, focusing on larger accounts, particularly in the oil, gas and energy verticals.

Compliance Services

The Compliance Services division has been transformed during FY11 through the acquisition of Integrity Interactive which not only added significant scale to the compliance business, but also delivered, in combination with our legacy business, a market leading position in the provision of ethics training and awareness courseware.

The Compliance business achieved strong growth during the period reflecting both above trend organic growth together with the nine and a half months’ contribution from Integrity Interactive. Despite the adverse impact of the stronger Australian dollar, revenue grew by 71.5% over the corresponding period to $79.9 million and EBITDA, before significant charges, grew by 199.8% to $34.3 million. EBITDA margins before significant charges expanded to 42.9%, up from the 24.5% achieved in the corresponding period, reflecting the operating leverage of the expanded business.

Operating focus has been on the integration of Integrity Interactive with the Compliance Americas and Compliance EMEA groups. The expected annualised synergy benefits from the acquisition of US$7 million have been achieved as a result of strong oversight by the Compliance leadership team. The new learning management system (LMS) was completed and customer implementations commenced in January 2011. The new LMS has proven to be instrumental in retaining and winning customer commitments.

The new UK Bribery Act which came into effect on 1 July 2011 is providing demand for advisory services and risk assessments. A risk assessment methodology targeted at the opportunity provided by the bribery and corruption legislation has been developed and is being deployed. This methodology together with our new gift and entertainment registry solution are being well received by clients and are working successfully as a door opener for our broader service offering across training, awareness, and governance, risk and compliance. The value proposition associated with a new product suite to assist companies in addressing the issues arising from the introduction of the bribery and corruption legislation set the stage for the continued growth of the compliance business.

Assurance Services

The Assurance Services division saw growth rates increase back to trend through a strong recovery in standards training, solid performances across our Asia businesses, expansion of our Product Services capability and ongoing growth in our food, medical, safety and environmental products.

Revenue grew by 4.0% to $155.4 million despite the adverse impact of the stronger Australian dollar. Constant currency revenue growth was 9.9%. EBITDA grew by 20.8% to $28.4 million with the EBITDA margin expanding to 18.3%, up from 15.7% in the corresponding period through improved operational efficiencies at the gross margin line and better leveraging of the overhead base on higher revenues, most significantly in the standards training business.

The business continues to grow its food safety business, most significantly in the Americas, whilst expanding its capabilities in the key retail sector following the acquisition of Foodcheck in the UK.

Harmonising the global operational approach and business systems continues to be a priority, as the business seeks to establish competitive advantage through tailored services offerings and superior technology driven services.

Capital Management

The strengthening Australian dollar has seen the Company's net gearing ratio decrease to 34.1% at 30 June 2011, down from 40.7% at 30 June 2010. This is below the Board's current medium-term target net gearing ratio of between 40% and 50%. The calculation of the Company's net period end gearing ratio is set out below:

$M	**30 June 2011**	30 June 2010
Interest bearing debt	**221.7**	179.4
Cash resources	**52.3**	33.5
Net debt	**169.4**	145.9
Equity (net assets)	**326.8**	212.7
Capital Resources	**496.2**	358.6
Gearing (net debt divided by net debt plus equity)	**34.1%**	**40.7%**

The consideration for the acquisition of Integrity was satisfied through a combination of approximately A$130 million of new equity and new borrowing facilities of approximately US$60 million.

The new equity was raised at an issue price of $3.60 per new share through a 1 for 7.2 accelerated non-renounceable pro-rata entitlement offer of approximately A$80 million and a placement of approximately A$50 million.

The institutional component of the equity raising was completed on 23 July 2010 and successfully raised approximately A$117 million. New Shares issued under the Institutional Offer were allotted on 6 August 2010 and commenced trading on a normal settlement basis on the ASX on the same day. The new shares ranked pari passu with existing shares.

The retail component of the entitlement offer closed on 13 August 2010 and raised approximately A$13 million.

Where practicable, the debt component of acquisition funding is denominated in the currency of the jurisdiction in which the acquisition predominantly resides, thereby providing a natural hedge against currency movements. The Group does not undertake hedging activities in relation to its projected foreign currency earnings.

The Group finished the period with cash reserves of $52.3 million, interest-bearing debt of $221.7 million and shareholders' funds of $334.1 million. The Group's cash reserves at $52.3 million are in excess of normal working capital requirements. At this stage the excess funds have not been applied to reduce borrowings as the Company continues to assess potential acquisition opportunities. However, should no acquisitions materialise in the medium term the excess funds will be applied to reduce borrowings.

During the year the company was able to secure five year bank funding when rolling over near term maturities. This has seen the average debt maturity profile expand to 2.6 years. The Group has no core corporate debt maturing until September 2012, when facilities totalling US$48 million mature. The remaining debt matures between March 2013 and June 2016.

The book value of the Group's net assets has been adversely impacted by the strengthening of the Australian dollar relative to the US Dollar, the British Pound and the Euro. This has seen the book value of the net assets in these jurisdictions reduce on translation into Australian dollars and this reduction is reflected in the movement in the foreign currency translation reserve, which has finished the year in deficit of $74.5 million compared with a deficit of $28.0 million at 30 June 2010.

The Directors remain comfortable with the capital structure of the Group and the current gearing levels which are appropriate given the earnings and cash flow profile of the Group's businesses. The underlying interest cover, measured as EBITDA divided by interest expense, over FY11 was 7.6, down slightly from 8.1 in FY10.

Dividends

Dividends paid to shareholders during the financial year were as follows:

	$'000
Final ordinary dividend for the year ended 30 June 2010 of 7.0 cents per share paid on 22 September 2010	13,718
Interim ordinary dividend for the year ended 30 June 2011 of 6.3 cents per share paid on 28 March 2011	12,477

In addition to the above dividend, since the end of the financial year, the Directors have declared the payment of a final ordinary dividend of 8.0 cents per share to be paid on 23 September 2011 out of retained profits at 30 June 2011.

The total dividends paid and payable in respect of the year ended 30 June 2011 are 14.3 cents per share, up 11.7% from the 12.8 cents paid in respect of the year ended 30 June 2010. The total number of shares on issue at 30 June 2011 was 199,434,794, up from 159,581,559 at 30 June 2010, an increase of 25%. The increase in the number of shares relates predominantly to the equity components of the consideration to acquire Integrity, with the balance relating to vested share rights.

Based on the expected number of shares on issue, total dividends declared in respect of the year ended 30 June 2011 are expected to be $28.4 million, up 24.0% from the $22.9 million declared in respect of the year ended 30 June 2010.

Going forward, the Directors expect dividend growth from current levels, having regard to future business conditions and opportunities, the level of retained earnings and the cash flow requirements of the Company. The Board currently intends to declare dividends at around 60% of reported earnings per share so that the Company retains the ability to take advantage of strategic business development opportunities without frequent recourse to the debt and equity markets.

To encourage greater participation in the Company's dividend reinvestment plan, the Directors have maintained a 2.5% discount to the VWAP calculation in determining the price at which shares taken in lieu of a cash dividend are issued.

Significant changes in the state of affairs

Other than the various matters noted above, there have been no other significant changes in the state of affairs of the Company.

Matters subsequent to the end of the financial year

The Group continues to explore acquisition opportunities with a number of parties. Appropriate announcements to the Australian Securities Exchange will be made at the time any Group company enters into a material binding sale and purchase agreement with any party.

Other than matters referred to previously in this report, the Directors are not aware of any matter or circumstance which has arisen that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

Likely developments and expected results of operations

Disclosure of information relating to the future developments of the Group's operations which would not, in the opinion of the Directors, be prejudicial to the interests of the Company is contained in the Chairman's and Chief Executive Officer's reports.

Environmental regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory at the date of this report.

Information on Directors

Robert Wright BCom FCPA. Chairman and Non-Executive Director.

Experience and expertise
Over 30 years of financial management experience. Has held a number of Chief Financial Officer positions including Finance Director of David Jones Limited.

Other current Directorships
Australian Pipeline Limited
Super Retail Group Limited (Non-Executive Chairman)
RCL Group (formerly Babcock and Brown Residential Land Partners Group) (Non-Executive Chairman)
APA Ethane Limited (Non-Executive Chairman)

Former Directorships in last three years
Dexion Limited

Special responsibilities
Chairman of the Board

Interests in shares (direct and related) as at 30 June 2011
40,052 shares in SAI Global Limited, comprising 23,034 held by the Director and 17,018 shares held on the Director's behalf by the Trustee of the SAI Global Deferred Tax Employee Share Plan.

Tony Scotton BEng., Grad.Dip. Food Technology. Chief Executive Officer.

Experience and expertise
Many years of general management experience across a broad range of manufacturing and distribution businesses, most recently as Managing Director and Chairman of the Construction Products Division of Pacifica Group. Has managed several business disposals, acquisitions and integrations and is experienced in establishing and managing international businesses.

Other current Directorships
A number of SAI Global Limited controlled entities
Telarc SAI Limited (A New Zealand company in which SAI Global Limited has a 25% equity interest)

Former Directorships in last three years
None

Special responsibilities
Chief Executive Officer

Interests in shares (direct and related), performance share rights (PSRs) and Options as at 30 June 2011
536,002 shares in SAI Global Limited, 336,126 PSRs and 432,128 Options

Anna Buduls BA, MCom Non-Executive Director

Experience and expertise
Experience in journalism, investment banking (particularly mergers and acquisitions), investor relations and 17 years as a non-executive director across a range of industries

Other current Directorships
Centro Properties Group
Centro Retail Trust Limited
Foreign Investments Review Board
Beyond Empathy (Non-Executive Chairman)
Tramada Holdings Pty Limited (Chairman)

Former Directorships in last three years
Hamilton James & Bruce
Macquarie Generation

Special responsibilities
Member, Audit & Risk Committee
Member, Remuneration Committee

Interests in shares (direct and related) as at 30 June 2011
40,769 shares in SAI Global Limited, comprising 37,962 shares held by the Director and 2,807 shares held on the Director's behalf by the Trustee of the SAI Global Deferred Tax Employee Share Plan

Joram ("John") Murray AM LLB, B Ec, FAIB. Non-Executive Director.

Experience and expertise
Has extensive background in the construction, financial investment, superannuation, property development and hotel industries.

Other current Directorships
Construction and Building Industry Superannuation ("Cbus")
Cbus property Pty Ltd

Former Directorships in last three years
Australian Super Developments Pty Ltd
Hotel Leisure and Tourism Trust
Mitchell Centre Nominees Pty Ltd
Building Professionals Board
Parkland Group Pty Ltd
Bayview Gardens Pty Ltd
Lindfield Gardens Pty Ltd
Peninsular Gardens Pty Ltd
Frances Park (Darwin) Pty Ltd

Special responsibilities
Chairman of Remuneration Committee
Member, Audit & Risk Committee

Interests in shares (direct and related) as at 30 June 2011
29,669 shares in SAI Global Limited

W Peter Day LLB, MBA, FCA, FCPA, FTIA, GAICD. Non-Executive Director.

Experience and Expertise
Over 30 years of financial and general management experience. Has held a number of Chief Financial Officer positions including CFO for the global packaging group Amcor Limited.

Other current directorships
Ansell Limited
Orbital Corporation Limited
Centro Retail Trust Limited
Accounting Professional & Ethical Standards Board
Central Gippsland Region Water Corporation
Multiple Sclerosis Australia Limited and related entities

Former directorships in the last 3 years
Nil

Special responsibilities
Chairman of Audit & Risk Committee

Interests in shares (direct and related) as at 30 June 2011
11,389 shares in SAI Global Limited

Andrew Dutton BSC, FCA, FCPA, FTIA, GAICD. Non-Executive Director.

Expertise and Experience
Has held a number of senior executive roles in general management, finance and marketing in international organisations.

Other current directorships
A number of VMware controlled entities
I
Former directorships in the last 3 years
Computer Associates Italy, France and Belgium

Special responsibilities
Member, Remuneration Committee

Interest in shares (direct and indirect) as at 30 June 2011
3,000 shares in SAI Global Limited

Company Secretary

The Company Secretary is Ms Hanna Myllyoja BA LLB, Grad Dip Leg Prac., who also occupies the position of Group General Counsel. Ms Myllyoja was appointed to the position of Company Secretary in March 2006. Prior to this appointment, Ms Myllyoja had been employed for over 9 years as Legal Counsel for the entities that then comprised the SAI Global Group. Prior to joining SAI Global Ms Myllyoja was employed as a solicitor in private practice.

Meetings of Directors

The numbers of meetings of the Company's Board of Directors and of each Board Committees, held during the year ended 30 June 2011, and the numbers of meetings attended by each Director were:

Directors	**Full meetings of Directors**		**Audit & Risk Committee**		**Remuneration Committee**	
	Number held	**Number attended**	**Number held**	**Number attended**	**Number held**	**Number attended**
Robert Wright	16	16	5	5*	5	5*
Tony Scotton	16	16	5	5*	5	5*
Anna Buduls	16	15	5	5	5	5
Joram Murray AM	16	15	5	5	5	5
W Peter Day	16	15	5	5	5	5*
Andrew Dutton	16	16	5	2*	5	5

* Attended by invitation

REMUNERATION REPORT

The Remuneration Report is set out under the following main headings:

1. The Remuneration Committee
2. Principles used to determine the nature and amount of remuneration
3. Details of remuneration
4. Service agreements
5. Share based compensation
6. Additional information

The information provided in this Remuneration Report has been audited as required by section 308 (3C) of the Corporations Act 2001.

1. The Remuneration Committee

The Remuneration Committee (the Committee) operates under the delegated authority of SAI Global's Board of Directors. The Committee's charter is available on SAI Global's internet site www.sai-global.com.

The Committee is comprised solely of Non-Executive Directors, being Joram Murray AM (Chairman), Anna Buduls, and Andrew Dutton.

The Committee met 5 times during the year, with Joram Murray AM, Anna Buduls and Andrew Dutton attending all meetings. Robert Wright attended all meetings in his capacity as Chairman of the Board. Other Directors also attended meetings ex-officio or by invitation.

The Committee's primary responsibility is to assist the Board in fulfilling its corporate governance and oversight responsibilities with respect to**:**

- Annually reviewing the recommendations of management for remuneration adjustments, with the objective of ensuring that such remuneration is likely to promote the value of the organization in the long-term, and that the overall remuneration is both adequate and reasonable in comparison with industry and other benchmarks.

- Recommending adjustments to the Chief Executive Officer's (CEO) remuneration package (incorporating the short-term and long-term incentive components), based on achievement of performance objectives and developing appropriate objectives for both the short-term and long-term.

- Reviewing (in conjunction with the CEO), the remuneration policy and practices for the senior executive team.

- Reviewing and recommending approval of all equity-based remuneration plans.

- Considering and recommending adjustments to Directors' (including the Chairman's), remuneration taking into account whether such remuneration reasonably reflects the responsibilities, time and risks inherent in being an effective director.

- Proposing any changes necessary to its charter.

The Committee has the resources and authority appropriate to discharge its duties and responsibilities, including the authority to engage external professionals, on terms it determines appropriate, without seeking approval of the Board. SAI Global engaged external advisors on matters relating to remuneration and cultural vitality. All information relevant to matters being considered by the Committee has been made available to its members. Members of the Committee did not separately and independently retain any advisors during the year.

The table below lists those advisors who were retained during the year. All advisors are independent and were engaged solely on the basis of their competency in the relevant field.

Advisor	**Services Provided**
PricewaterhouseCoopers	• Calculation of the volume weighted average price of shares in SAI Global Limited during the 5 days immediately preceding the offer to executives of equity based long-term incentives. • Calculation of the fair value of options and performance share rights, granted under the Company's Executive Long-Term Incentive Plan, approved by shareholders at the Annual General Meeting held on 20th October 2006, for the purpose of calculating the value of share based remuneration.
Ernst & Young	• Executive compensation benchmarking
Hudson Talent Management	• Cultural vitality survey
Morningstar, Orient Capital	• Calculation of the total shareholder return achieved by SAI Global Limited compared to the S&P/ASX 200 Index, for the purpose of determining whether performance hurdles have been met.

2. Principles used to determine the nature and amount of remuneration

The Board recognises that SAI Global's performance is dependent on the quality of its people. To successfully achieve its financial and operating objectives, SAI Global must be able to attract, retain and motivate skilled executives dedicated to the interests of shareholders.

(i) SAI Global's remuneration principles

The objective of the Company's executive reward framework is to ensure that reward for performance is competitive and appropriate for the results delivered. The framework seeks to align executive reward with achievement of strategic objectives and the creation of value for shareholders.

The Board seeks to ensure that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage / alignment of executive compensation
- Transparency
- Capital management
- Legislation relating to Director and Executive Remuneration

In particular, to ensure that:

- Competitive remuneration arrangements are provided to attract, retain and motivate executive talent
- A portion of executives' rewards is linked to performance in creating value for shareholders
- There is full legal compliance with disclosure requirements for executive remuneration.
- A cap is maintained on the amount of performance share rights (PSRs) and options over ordinary shares (options) that can be issued to avoid adverse dilutionary effects on other shareholders.

The Board and the Committee also recognise that although remuneration is a major factor in recruiting and retaining talented and effective people, other factors play a substantial role, including SAI Global's corporate reputation, the quality of its executive leadership team, its ethical culture and business values, and the Company's other human resources policies and practices.

(ii) Remuneration structure

The remuneration structure for senior management comprises policies and programs under two general categories: fixed and variable.

- Fixed remuneration is made up of base salary, post employment (retirement) and other benefits.

- Variable remuneration, consisting of an annual short-term incentive and long-term incentives, is tied to performance, is at risk, and is related to both financial and non-financial performance indicators. The long-term incentives are currently provided by way of the SAI Global Executive Long-Term Incentive Plan, which is explained further below.

The remuneration structure is designed to strike an appropriate balance between fixed and variable remuneration. To accomplish this, the Committee considers, in addition to the performance of individual executives, external benchmarking data. After review, the Committee determines the fixed remuneration for the CEO, reviews the CEO's recommendations for the senior executive team, and determines parameters for variable remuneration.

All remuneration received by the CEO and the senior executive team is detailed in section 3 of this report.

(iii) Fixed remuneration

Fixed remuneration is determined by reference to appropriate benchmark information, taking into account an individual's responsibilities, performance, qualifications and experience. The broad objective is to pitch fixed remuneration at median market levels. The benchmark used in relation to the year ended on 30th June 2011 was a sub-group of companies listed on the Australian Securities Exchange with market capitalisations and revenues that were between 50% to 200% of SAI Global's market capitalisation and run rate revenue, as of April 2010.

For the year ended 30 June 2011, the base salary of SAI Global's CEO was between the 25th percentile and median. His total remuneration for the year was between median and the 75th percentile.

Fixed remuneration is structured as a package, which may be delivered as a mix of cash and other benefits, such as the provision of a motor vehicle, at the executive's discretion.

There are no guaranteed fixed remuneration increases in the CEO's or senior executives' employment contracts.

(iv) Variable remuneration

The Committee and the Board believe that well designed and managed short-term and long-term incentive plans are important elements of remuneration, providing tangible incentives for executives to strive to improve SAI Global's performance both in the short–term and long-term for the benefit of shareholders.

The proportion of total remuneration which may be received in variable form varies between senior SAI Global executives and takes into account individuals' responsibilities, performance and experience.

In general terms, the Committee applied the following broad principles in relation to the year ended 30th June 2011:

- Total remuneration for every “fully effective” member of the senior executive team will be pitched between median and the 75th percentile.

- Short-term incentive opportunities are pitched at between 35% and 60% of fixed remuneration for executives who were members of the Executive Committee for the entire financial year.

- Short-term incentives only become payable if pre-determined financial targets are achieved. 75% of the short-term incentive component is earned on achievement of financial targets, with the remainder based on achieving key strategic non-financial outcomes. However, the element relating to non-financial outcomes can only be earned if the financial targets are achieved or exceeded. An uncapped element is also available for the CEO and the members of the Executive Committee for performance above agreed targets.

- Long-term incentives are generally pitched between median and the 75th percentile.

(v) Short-term incentive plan

Under the short-term incentive (STI) plan, performance is measured across a number of financial and non-financial key performance indicators that are directly linked to the Company’s business plan and strategy. The non-financial key performance indicators are agreed between the CEO and individual members of the senior executive team at the beginning of each financial year and reviewed by the Committee. Financial key performance indicators include Group cash earnings per share and return on funds employed. “Cash earnings per share” for the purposes of the short-term incentive plan is calculated by adjusting statutory earnings per share for the after tax impacts of the amortisation of intangible assets, the charge for equity based remuneration and the impact of any separately disclosed significant charges or credits.

Non-financial key performance indicators are tailored for each executive and aligned with aspects of the business plan that are within the control of each executive.

For the year ended 30 June 2011, the targeted STI opportunity for the CEO was $435,000, representing 60% of his fixed remuneration. The STI opportunity for the other members of the senior executive team ranged from 35% to 50% of fixed remuneration.

Members of the Executive Committee are eligible for an uncapped element of variable remuneration. To qualify for this, additional financial targets must be achieved, at which time the eligible executives become entitled to a percentage of the “over target” earnings. For the year ended 30 June

2011, the Executive Committee did not qualify for uncapped STI (In 2010 $287,736 in uncapped STI was paid).

Uncapped STI does not become payable until 105% of the cash earnings per share target has been achieved. Uncapped STI is calculated by establishing how much cash is generated over and above that necessary to achieve the maximum level on the cash earnings per share key performance indicator, referred to above, including cash generated from acquisitions. This cash is split into $500K tranches, with each tranche progressively attracting 2%, 4%, 6%, 8% and 10% attribution to a bonus pool. Once the 10% level is reached the 10% attribution is applied to all additional cash generated thereafter. This pool is distributed to members of the Executive Committee in proportion to their Fixed Remuneration. For example, if an Executive Committee member's Fixed Remuneration represents 7% of the total of Executive Committee member's Fixed Remuneration, he/she will receive 7% of the pool.

(vi) Long-term incentive plan

At the Company's annual general meeting held on the 20th October 2006, the Company's Executive Long-Term Incentive Plan (Plan) and a UK Sub Plan (Sub Plan) were approved by shareholders. All long-term incentives granted in the year ending 30th June 2011 were granted under these plans. Both plans contain a prohibition on any participant engaging in any hedging arrangements in relation to any unvested incentive granted under the plans, or purporting to do so.

During the year ending 30th June 2011, The Remuneration Committee proposed and the Board agreed amendments to the Executive Long-Term Incentive Plan. These amendments will apply to all grants of Long-Term Incentives made post 30th June 2011.The effect of the amendments is as follows:

- For Participants whose employment is terminated for an approved reason, such as being made redundant or resigning due to ill health, the Participant will retain all of their Incentives upon termination, unless otherwise determined by the Board, so that those Participants effectively remain in the Plan.
- Those Incentives will then vest to the extent that the relevant Vesting Conditions are satisfied at the end of the relevant vesting period. This means that the Board will be able to assess performance and vesting at the normal time, rather than having to assess how many Incentives should vest on an ad hoc basis.
- The Board will have discretion to reduce the number of Incentives to be retained, such as by reducing those Incentives on a pro-rata basis to reflect the proportion of the vesting period for which the Participant remained an executive. The Board intends making such pro-rata reductions, other than in exceptional circumstances. The Board will also have discretion to accelerate vesting of Incentives even where the Vesting Conditions have not been satisfied. This is only expected to

occur in exceptional circumstances, for example, this may be appropriate where a Participant resigns due to ill health and may only have a short period to live, when the Board may consider it appropriate to accelerate the vesting of their Incentives.

- To provide flexibility for Participants who remain in the Plan after ceasing employment, the Company will be able to satisfy Incentives either in shares or by the payment of a cash amount.
- Upon a change of control, rather than all Incentives automatically vesting, Incentives will vest on a pro-rata basis having regard to the extent to which the Board determines that relevant Vesting Conditions have been satisfied and the proportion of the vesting period that has elapsed at the time of the change of control, unless otherwise determined by the Board.

The Board intends seeking Shareholder approval for the amendments to the Plan at the annual general meeting to be held on 21st October 2011. At the same meeting the Board will also be seeking Shareholder approval for amendments to the UK Sub-Plan that will effect the same changes to the Sub Plan as are proposed for the Plan. Subject to Shareholders giving approval, all future grants of Long-Term Incentives will be subject to the amendments.

When recommending Long-Term Incentive grants, The Committee obtains advice as to the appropriate face value and dollar amounts to be applied to the long-term components of executives' annual remuneration packages. The dollar amount is granted as Long-Term Incentives according to the preference expressed by the recipient, in one of the following forms:

Either 100% Performance Share Rights (PSRs) or 33.3% PSRs and 66.6% Options over Ordinary Shares in SAI Global Limited (Options) or 66.6% PSRs and 33.3% Options.

To determine how many PSRs each eligible executive will receive, the dollar amount to be granted as PSRs is divided by the volume weighted average price (VWAP) of SAI Global shares for the last 5 trading days before the offer date. To determine how many Options each eligible executive will receive, the dollar amount to be granted as Options is divided by the undiscounted Black Scholes value of an Option, where the Option exercise price is determined as the VWAP of SAI Global shares for the last 5 trading days before the offer date.

PSRs and Options are granted for no consideration, but only vest on the achievement of performance hurdles.

Each grant of PSRs and Options made to the CEO and members of the Executive Committee may vest over a five-year period with up to one third available to vest three years from the commencement of the financial year in which they were granted, a further third, four years from the commencement of the financial year in which they were granted and the remainder, five years from the commencement of the financial year in which they were granted. Any PSRs or Options that do not vest on the first date they become eligible to vest are carried forward and may vest on a subsequent vesting date. PSRs or Options that have not vested five years after the grant date, lapse.

PSRs and Options carry no voting or dividend rights.

Once vested, holders of PSRs become entitled to one ordinary share in SAI Global Limited, issued or purchased on market, for each vested PSR held. Once vested, holders of Options become entitled to purchase one ordinary share in SAI Global Limited, at the Option price, for each vested Option held.

Performance hurdles are attached to any PSRs and Options granted. In relation to the grant dated 5th November 2010, for the purpose of applying performance hurdles, each grant of PSRs and each grant of Options is divided into two equal parts. One half is subject to a total shareholder return (TSR) performance hurdle and the other half to an earnings per share (EPS) hurdle.

<u>The TSR performance hurdle</u>

On each vesting date the TSR of ordinary shares in SAI Global Limited over the vesting period is independently measured. If the TSR is less than the 50th percentile of the TSR of shares listed in the S&P/ASX 200 Index, over the same period, none of the PSRs or Options eligible to vest will vest.

If the TSR equals the 50th percentile of the S&P/ASX 200, 50% of the PSRs or Options eligible to vest will vest.

If the TSR is greater than the 75th percentile of the S&P/ASX 200, all of the PSRs or Options eligible to vest will vest.

For TSR outcomes between the 50th and 75th percentile, 2% of the PSRs or Options eligible to vest will vest, for each percentile, the TSR of ordinary shares in the Company, exceeds the 50th percentile of the S&P/ASX 200.

<u>The EPS performance criteria</u>

On each vesting date, the compound EPS growth of ordinary shares in the Company over the vesting period is calculated.

If the compound EPS growth achieved over the period, is less than 8% per annum, none of the PSRs or Options eligible to vest will vest. If the compound EPS growth is equal to 8%, 30% of the PSRs or Options eligible to vest will vest. For compound EPS growth outcomes between 8% and 15% per annum, 5% of the PSRs or Options eligible to vest will vest, for each half percent of EPS compound growth above 8% per annum.

At any one time, the maximum number of shares over which Options may be issued under the Executive Incentive Plan must not exceed 7,160,285 and the maximum number of shares on issue or which may be used under the Executive Incentive Plan or any other employee share plan, must not exceed 5% of the total issued share capital of the Company at any one time on a fully diluted basis.

CEO long-term incentives

For the year ended 30 June 2010, the long-term component of the CEO's remuneration package, on a face value basis, was set at $435,000. The share price of SAI Global shares used in determining the PSR grant to the CEO was $4.40, resulting in the allocation of 98,864 PSRs. (The CEO chose to receive the long-term component of his remuneration package as 100% PSRs). The grant was approved by shareholders at the annual general meeting held in October 2010. These PSRs only vest on the achievement of the performance hurdles noted above.

(Vii) Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the directors. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board also receives the advice of independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market.

The Chairman's fees are determined independently to the fees of Non-Executive Directors based on competitive roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration. Non-Executive Directors and the Chairman do not receive performance share rights or options.

The Chairman's remuneration is inclusive of committee fees while Non-Executive Directors who chair or are a member of a committee receive additional yearly fees.

Non-Executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $600k. The current fee pool was last reviewed at the annual general meeting held in October 2005. The Board intends proposing an increase in the Directors' Fee Pool to $800,000 at the Company's annual general meeting to be held on 21st October 2011. Details of the Board's proposal will be included in the Notice of Meeting to be issued in September ahead of the Company's Annual General Meeting to be held on 21st October 2011.

The Board has resolved that no retirement allowances will be paid for any Non-Executive Directors including the Chairman in line with recent guidance on Non-Executive Directors' remuneration.

3. Details of remuneration

Details of the remuneration of the key management personnel (as defined in AASB 124 Related Party Disclosures) of SAI Global Limited and the SAI Global Limited Group are set out in the following tables.

The key management personnel of the SAI Global Limited Group (the consolidated entity) includes the Directors as set out in the Directors' Report and members of the senior executive team (the Executive Committee as per the table below), who are not Directors. The top 5 remunerated executives of the consolidated entity were Messrs. Scotton, Wyszkowski, Richardson, Jouppi and Jones.

Name	Position	Employer
Brett Lenthall	Group Chief Information Officer	SAI Global Limited
Hanna Myllyoja	General Counsel and Company Secretary	SAI Global Limited
Duncan Lilley	Head of Assurance Europe and Asia Pacific Assurance	SAI Global Limited
Geoff Richardson	Chief Financial Officer	SAI Global Limited
Chris Jouppi	Head of Assurance Americas	QMI SAI Canada Limited
Andy Wyszkowski	Global Head Publishing and Compliance	SAI Global Inc.
Andrew Jones	Group Director Human Resources	SAI Global Limited
Peter Mullins	Executive General Manager Property Services	SAI Global Limited

The short-term incentives are dependent on the satisfaction of performance conditions as set out in the section headed "short-term incentive plan" above. Other benefits consist primarily of company vehicles and parking.

The share-based remuneration is calculated in accordance with AASB 2, Share Based Payments. The calculations of these amounts take into account the fair value of the PSRs and Options at grant date. The performance hurdles relating to the vesting of PSRs and Options are set out above in the section headed "long-term incentive plan".

Key management personnel of the SAI Global Limited Group

2011	Short-term benefits			Post-employment		Share-based in accordance with AASB2	Total
Name	Cash salary and fees	Short-term incentive	Non-monetary benefits[2]	Super-annuation	Termination benefits	PSRs/ Options[1]	
	$	$	$	$	$	$	$
Non-Executive Directors							
Robert Wright (Chairman)	165,138	-	-	14,862	-	-	180,000
Anna Buduls	87,156	-	-	7,842	-	-	94,998
Andrew Dutton	82,569	-	-	7,431	-	-	90,000
Peter Day	91,743	-	-	8,257	-	-	100,000
Joram Murray AM	91,743	-	-	8,257	-	-	100,000
Sub-total	**518,349**	**-**	**-**	**46,649**	**-**	**-**	**564,998**
Executive Director							
Tony Scotton (Chief Executive Officer)	668,013	366,803	5,358	50,051	-	302,002	1,392,227
Executives							
Brett Lenthall	301,246	98,259	5,358	23,015	-	66,075	493,953
Duncan Lilley	322,608	118,801	-	15,198	-	81,497	538,104
Geoff Richardson	385,210	157,472	14,557	15,198	-	106,555	678,992
Andrew Jones	341,286	108,172	-	15,199	-	66,179	530,836
Hanna Myllyoja	283,975	88,680	5,358	15,212	-	49,423	442,648
Andy Wyszkowski[3]	477,053	174,367	14,038	13,739	-	117,035	796,232
Chris Jouppi[4]	350,135	136,212	6,835	26,260	-	37,484	556,926
Peter Mullins[5]	309,074	63,771	-	46,758	-	36,867	456,470
Total	**3,956,949**	**1,312,537**	**51,504**	**267,279**	**-**	**863,117**	**6,451,386**

1. Non-Executive Directors do not receive PSRs or Options
2. Includes items such as a company vehicle and parking
3. Andy Wyszkowski is based in the USA and all remuneration amounts with the exception of his short-term incentive and share based payments have been translated into Australian dollars at the average exchange rate for the year of 1.06. His short-term incentive has been translated into Australian dollars at the year-end exchange rate 1.0595. His share based payments are calculated in Australian Dollars
4. Chris Jouppi is based in Canada and all remuneration amounts with the exception of his short-term incentive and share based payments have been translated into Australian dollars at the average exchange rate for the year of 1.0372. His short-term incentive has been translated into Australian dollars at the year-end exchange rate 1.0346. His share based payments are calculated in Australian Dollars
5. Peter Mullins joined SAI Global's Executive Management Team on 3rd August 2010. However, the above entries relate to his full year remuneration.

In the above table the values quoted for share-based payments (i.e., PSRs and Options) are determined in accordance with the applicable Accounting Standards, which require that the values of the PSRs and Options are determined at grant date and recognised over the relevant vesting period. The values presented do not represent the amounts the individuals receive as this depends on the proportion of the awards that vest and the share price when the awards vest and the underlying shares are sold.

The table below replicates the table above save for the data relating to PSRs and Options. In the table below the value attributed to PSRs and Options is the potential realisable cash value of the PSRs and Options that were eligible to vest as of 30th June 2011 and did vest (Cash Value). The Cash Value is calculated using a 5 day Volume Weighted Average Price (VWAP)of Ordinary Shares in SAI Global Limited over the 5 days up to and including 30 June 2011. The Cash Value assumes that on 30 June 2011 vested PSRs converted to shares and vested Options were exercised by paying the exercise price, and that the shares acquired were sold at the VWAP**.** Holders of vested Options may exercise them after 30th June 2011 and the illustration in the table below is not intended to infer that any of the Options that vested have been exercised**,** or that shares acquired on conversion of PSRs or exercise of Options have been sold**,** as of the date of this report. A comparison table relating to the year ended 30th June 2010, calculated on the same basis, is shown below:

2011	Short-term benefits			Post-employment		Share-based Cash Value	Total
Name	Cash salary and fees	Short-term incentive	Non-monetary benefits[2]	Super-annuation	Termination benefits	PSRs/ Options[1]	
	$	$	$	$	$	$	$
Non-Executive Directors							
Robert Wright (Chairman)	165,138	-	-	14,862	-	-	180,000
Anna Buduls	87,156	-	-	7,842	-	-	94,998
Andrew Dutton	82,569	-	-	7,431	-	-	90,000
Peter Day	91,743	-	-	8,257	-	-	100,000
Joram Murray AM	91,743	-	-	8,257	-	-	100,000
Sub-total	**518,349**	**-**	**-**	**46,649**	**-**	**-**	**564,998**
Executive Director							
Tony Scotton (Chief Executive Officer)	668,013	366,803	5,358	50,051	-	551,202	1,641,427
Executives							
Brett Lenthall	301,246	98,259	5,358	23,015	-	172,091	599,969
Duncan Lilley[3]	322,608	118,801	-	15,198	-	187,928	644,535
Geoff Richardson	385,210	157,472	14,557	15,198	-	296,452	868,889
Andrew Jones	341,286	108,172	-	15,199	-	180,790	645,447
Hanna Myllyoja	283,975	88,680	5,358	15,212	-	92,378	485,603
Andy Wyszkowski[3]	477,053	174,367	14,038	13,739	-	286,967	966,164
Chris Jouppi[4]	350,135	136,212	6,835	26,260	-	-	519,442
Peter Mullins[5]	309,074	63,771	-	46,758	-	-	419,603
Total	**3,956,949**	**1,312,537**	**51,504**	**267,279**	**-**	**1,767,808**	**7,356,077**

1. Non-Executive Directors do not receive PSRs or Options
2. Includes items such as a company vehicle and parking
3. Andy Wyszkowski is based in the USA and all remuneration amounts with the exception of his short-term incentive and share based payments have been translated into Australian dollars at the average exchange rate for the year of 1.06. His short-term incentive has been translated into Australian dollars at the year-end exchange rate 1.0595. His share based payments are calculated in Australian Dollars
4. Chris Jouppi is based in Canada and all remuneration amounts with the exception of his short-term incentive and share based payments have been translated into Australian dollars at the average exchange rate for the year of 1.0372. His short-term incentive has been translated into Australian dollars at the year-end exchange rate 1.0346. His share based payments are calculated in Australian Dollars
5. Peter Mullins joined SAI Global's Executive Management Team on 3rd August 2010. However, the above entries relate to his full year remuneration.

Key management personnel of the SAI Global Limited Group (continued)

2010	Short-term benefits			Post-employment		Share-based in accordance with AASB2	Total
Name	Cash salary and fees	Short-term incentive	Non-monetary benefits[2]	Super-annuation	Termination benefits	PSRs/ Options[1]	
	$	$	$	$	$	$	$
Non-Executive Directors							
Robert Wright (Chairman)	137,615	-	-	12,385	-	-	150,000
Anna Buduls	73,394	-	-	6,606	-	-	80,000
Andrew Dutton	73,394	-	-	6,606	-	-	80,000
Peter Day	80,275	-	-	7,225	-	-	87,500
Joram Murray AM	80,275	-	-	7,225	-	-	87,500
Sub-total	**444,953**	**-**	**-**	**40,047**	**-**	**-**	**485,000**
Executive Director							
Tony Scotton (Chief Executive Officer)	569,362	421,098	5,358	50,000	-	189,766	1,235,584
Executives							
Brett Lenthall	267,705	131,688	5,358	29,659	-	26,406	460,816
Duncan Lilley[3]	310,420	113,148	-	14,477	-	30,218	468,263
Geoff Richardson	334,936	195,762	30,860	14,475	-	44,380	620,413
Andrew Jones	308,947	142,222	-	14,463	-	27,207	492,839
Hanna Myllyoja	255,032	117,291	5,358	14,468	-	27,912	420,061
Andy Wyszkowski[4]	472,932	275,845	-	20,519	-	44,345	813,641
Chris Jouppi[5]	352,175	160,369	-	16,884	-	9,098	538,526
Total	**3,316,462**	**1,557,423**	**46,934**	**214,992**	**-**	**399,332**	**5,535,143**

1. Non-Executive Directors do not receive PSRs or Options
2. Includes items such as a company vehicle and parking
3. As a result of his temporary resident status Duncan Lilley additionally received $39,550 in Living Away From Home Allowance (LAFHA). This amount is included in his cash salary and fees.
4. Andy Wyszkowski is based in the USA and all remuneration amounts with the exception of his short-term incentive have been translated into Australian dollars at the average exchange rate for the year of 0.8823. His short-term incentive has been translated into Australian dollars at the year-end exchange rate 0.8567.
5 Chris Jouppi is based in Canada and all remuneration amounts with the exception of short- term incentives have been translated into Australian Dollars at the average exchange rate for the year of 0.9325. His short term incentive has been translated into Australian Dollars at the year-end rate of 0.8862

2010	Short-term benefits			Post-employment		Share-based Cash Value	Total
Name	Cash salary and fees	Short-term incentive	Non-monetary benefits[2]	Super-annuation	Termination Benefits	PSRs/ Options[1]	
	$	$	$	$	$	$	$
Non-Executive Directors							
Robert Wright (Chairman)	137,615	-	-	12,385	-	-	150,000
Anna Buduls	73,394	-	-	6,606	-	-	80,000
Andrew Dutton	73,394	-	-	6,606	-	-	80,000
Peter Day	80,275	-	-	7,225	-	-	87,500
Joram Murray AM	80,275	-	-	7,225	-	-	87,500
Sub-total	**444,953**	**-**	**-**	**40,047**	**-**	**-**	**485,000**
Executive Director							
Tony Scotton (Chief Executive Officer)	569,362	421,098	5,358	50,000	-	243,322	1,289,140
Executives							
Brett Lenthall	267,705	131,688	5,358	29,659	-	64,738	499,148
Duncan Lilley[3]	310,420	113,148	-	14,477	-	77,474	515,519
Geoff Richardson	334,936	195,762	30,860	14,475	-	119,616	695,649
Andrew Jones	308,947	142,222	-	14,463	-	75,092	540,724
Hanna Myllyoja	255,032	117,291	5,358	14,468	-	30,167	422,316
Andy Wyszkowski[4]	472,932	275,845	-	20,519	-	61,318	830,614
Chris Jouppi[5]	352,175	160,369	-	16,884	-	-	529,428
Total	**3,316,462**	**1,557,423**	**46,934**	**214,992**	**-**	**671,727**	**5,807,538**

1. Non-Executive Directors do not receive PSRs or Options
2. Includes items such as a company vehicle and parking
3. As a result of his temporary resident status Duncan Lilley additionally received $39,550 in Living Away From Home Allowance (LAFHA). This amount is included in his cash salary and fees.
4. Andy Wyszkowski is based in the USA and all remuneration amounts with the exception of his short-term incentive have been translated into Australian dollars at the average exchange rate for the year of 0.8823. His short-term incentive has been translated into Australian dollars at the year-end exchange rate 0.8567.
5 Chris Jouppi is based in Canada and all remuneration amounts with the exception of short-term incentives have been translated into Australian Dollars at the average exchange rate for the year of 0.9325. His short term incentive has been translated into Australian Dollars at the year-end rate of 0.8862

The relative proportions of remuneration that are linked to performance and those that are fixed, for the year ending 30th June 2011 and the previous year, are as follows:

Name	Fixed Remuneration 2011 %	Fixed Remuneration 2010 %	At Risk - STI 2011 %	At Risk - STI 2010 %	At Risk - LTI 2011 %	At Risk - LTI 2010 %
Executive Director						
Tony Scotton (Chief Executive Officer)	**52**	51	**26**	34	**22**	15
Executives						
Brett Lenthall	**67**	66	**20**	29	**13**	6
Duncan Lilley	**63**	69	**22**	24	**15**	6
Geoff Richardson	**61**	61	**23**	32	**16**	7
Andrew Jones	**67**	66	**20**	29	**13**	6
Andy Wyszkowski	**63**	61	**22**	34	**15**	5
Hanna Myllyoja	**69**	65	**20**	28	**11**	7
Chris Jouppi	**69**	69	**24**	30	**7**	2
Peter Mullins	**78**	N/A	**14**	N/A	**8**	N/A

4. Service agreements

Remuneration and other terms of employment of the CEO and other key management personnel are formalised in employment agreements or service contracts. Each of these agreements provide for the provision of performance related incentives, car allowance and participation in the Performance Share Rights Plan. Other major provisions of the agreements relating to remuneration are set out below. There are no termination benefits other than those noted below.

Tony Scotton, Chief Executive Officer

- Contract may be terminated by the Company with six months' notice.
- Base salary, inclusive of superannuation for the year ended 30 June 2011 of $725,000 to be reviewed annually by the Remuneration Committee.

Brett Lenthall, Group Chief Information Officer

- Contract may be terminated by the company with six months' notice.
- Base salary, inclusive of superannuation for the year ended 30 June 2011 of $330,000, to be reviewed annually by the CEO.

Geoff Richardson, Chief Financial Officer

- Contract may be terminated by the company with six months' notice.

- Base salary, inclusive of superannuation for the year ended 30 June 2011 of $415,000 to be reviewed annually by the CEO.

Duncan Lilley, Head of Assurance Europe and Asia Pacific

- Contract may be terminated by the company with six months' notice.
- Base salary, inclusive of superannuation for the year ended 30 June 2011 of $338,000 to be reviewed annually by the CEO.

Andrew Jones, Group Director Human Resources

- Contract may be terminated by the company with six months notice.
- Base salary, inclusive of superannuation for the year ended 30 June 2011 of $357,000 to be reviewed annually by the CEO.

Andy Wyszkowski, Global Head – Publishing and Compliance

- Contract may be terminated by the company with six months' notice.
- Base salary of $US450,000 for the year ended 30th June 2011 to be reviewed annually by the CEO.

Hanna Myllyoja, General Counsel and Company Secretary

- Contract may be terminated by the company with six months' notice.
- Base salary of $305,000 for the year ended 30th June 2011 to be reviewed annually by the CEO.

Chris Jouppi, Head Of Assurance Americas

- Contract may be terminated by the company with six months' notice.
- Base salary of $CAD340,000 for the year ended 30th June 2011 to be reviewed annually by the CEO.

Peter Mullins, Executive General Manager, Property Services

- Contract may be terminated by the company with six months' notice.
- Base salary of $357,420 for the year ended 30th June 2011

5. Share based compensation

Performance share rights (PSRs)

PSRs are issued under the SAI Global Executive Performance Share Rights Plan which is described in section 2 above.

The terms and conditions of each grant of PSRs affecting remuneration in this, the previous or future reporting periods are as follows:

Grant Date	Expiry Date	Exercise Price	SAI Global share price used in determining allocations	Assessed fair value per PSR at grant date	Dates vesting
3-Nov-06	1-Jul-11	Nil	$3.51	$1.41	• Up to 33.3% on 1 July 2008; • Up to 66.6% on 1 July 2009 less any vested on 1 July 2008; • Up to 100% on 1 July 2010 less any vested up to 1 July 2009. • Up to 100% on 1 July 2011 less any vested up to 1 July 2010.
3-Nov-06	1-Jul-11	Nil	$3.51	$1.41	• Up to 33.3% on 1 July 2009; • Up to 66.6% on 1 July 2010 less any vested on 1 July 2009; • Up to 100% on 1 July 2011 less any vested up to 1 July 2010.
14-Feb-07	1-Jul-11	Nil	$3.91	$1.49	• Up to 33.3% on 1 July 2009; • Up to 66.6% on 1 July 2010 less any vested on 1 July 2009; • Up to 100% on 1 July 2011 less any vested up to 1 July 2010
9-Nov-07	1-Jul-12	Nil	$2.99	$1.39	• Up to 33.3% on 1 July 2010; • Up to 66.6% on 1 July 2011 less any vested on 1 July 2010; • Up to 100% on 1 July 2012 less any vested up to 1 July 2011
18-Jul-08	1-Jul-13	Nil	$2.29	$1.12	• Up to 33.3% on 1 July 2011; • Up to 66.6% on 1 July 2012 less any vested on 1 July 2011; • Up to 100% on 1 July 2013 less any vested up to 1 July 2012
7-Nov-08	1-Jul-13	Nil	$2.49	$1.45	• Up to 33.3% on 1 July 2011; • Up to 66.6% on 1 July 2012 less any vested on 1 July 2011; • Up to 100% on 1 July 2013 less any vested up to 1 July 2012
6-Nov-09	1-Jul-14	Nil	$3.44	$2.05	• Up to 33.3% on 1 July 2012; • Up to 66.6% on 1 July 2013 less any vested on 1 July 2012; • Up to 100% on 1 July 2014 less any vested up to 1 July 2013
19-Feb-10	1-Jul-14	Nil	$3.73	$3.19	• Up to 33.3% on 1 July 2012; • Up to 66.6% on 1 July 2013 less any vested on 1 July 2012; • Up to 100% on 1 July 2014 less any vested up to 1 July 2013
5-Nov-10	1-Jul-15	Nil	$4.40	$3.46	• Up to 33.3% on 1 July 2013; • Up to 66.6% on 1 July 2014 less any vested on 1 July 2013; • Up to 100% on 1 July 2015 less any vested up to 1 July 2014

Details of PSRs over ordinary shares in the Company provided as remuneration to key management personnel of the Group are set out below. When vested, each performance share right is convertible into one ordinary share of SAI Global Limited. Further information on performance share rights is set out in note 42 to the financial statements.

	Number of PSRs granted during the year		Number of PSRs vested during the year	
Name	**FY11**	**FY10**	**FY11**	**FY10**
Executive Director:				
Tony Scotton	98,864	72,711	49,103	25,295
Executives:				
Geoff Richardson	42,443	32,894	20,438	11,817
Brett Lenthall	26,250	20,698	11,249	1,061
Duncan Lilley	34,568	28,357	13,706	983
Andrew Jones	28,398	21,954	15,080	1,947
Andy Wyszkowski	16,749	21,543	6,555	-
Chris Jouppi	35,031	14,109	-	-
Hanna Myllyoja	24,261	18.662	6,762	8,986
Peter Mullins	32,493	32,373	-	-

Details of ordinary shares in the Company provided as a result of the exercise of performance share rights by key management personnel are set out below:

Name	Number of ordinary shares issued on exercise of PSRs during the year	
	FY11	FY10
Executive Director:		
Tony Scotton	49,103	25,259

Name	Number of ordinary shares issued on exercise of PSRs during the year	
	FY11	FY10
Executives:		
Geoff Richardson	20,438	11,817
Brett Lenthall	11,249	1,061
Duncan Lilley	13,706	983
Andrew Jones	15,080	1,947
Hanna Myllyoja	6,762	8,986
Andy Wyszkowski	6,555	-

Options over ordinary shares (Options)

Options are issued under the SAI Global Executive Incentive Plan and the UK Sub-Plan. The terms and conditions of each grant of Options affecting remuneration in this, the previous or future reporting periods are as follows:

Grant Date	Expiry Date	Exercise Price	SAI Global share price used in determining allocations	Assessed fair value per Option at grant date	Dates vesting
3-Nov-06	3-Nov-16	$3.51	$3.51	$0.70	• Up to 33.3% on 1 July 2009; • Up to 66.6% on 1 July 2010 less any vested on 1 July 2009; • Up to 100% on 1 July 2011 less any vested up to 1 July 2010. • Up to 66.6% on 1 July 2010 less any vested on 1 July 2009; • Up to 100% on 1 July 2011 less any vested up to 1 July 2010.
14-Feb-07	14-Feb-17	$3.91	$3.91	$0.74	• Up to 33.3% on 1 July 2009; • Up to 66.6% on 1 July 2010 less any vested on 1 July 2009; • Up to 100% on 1 July 2011 less any vested up to 1 July 2010.
9-Nov-07	9-Nov-17	$2.99	$2.99	$0.68	• Up to 33.3% on 1 July 2010; • Up to 66.6% on 1 July 2011 less any vested on 1 July 2010; • Up to 100% on 1 July 2012 less any vested up to 1 July 2011.
18-Jul-08	18-Jul-18	$2.29	$2.29	$0.54	• Up to 33.3% on 1 July 2011; • Up to 66.6% on 1 July 2012 less any vested on 1 July 2011; • Up to 100% on 1 July 2013 less any vested up to 1 July 2012.
7-Nov-08	7-Nov-18	$2.49	$2.49	$0.64	• Up to 33.3% on 1 July 2011; • Up to 66.6% on 1 July 2012 less any vested on 1 July 2011; • Up to 100% on 1 July 2013 less any vested up to 1 July 2012.
6-Nov-09	6-Nov-16	$3.44	$3.44	$0.81	• Up to 33.3% on 1 July 2012; • Up to 66.6% on 1 July 2013 less any vested on 1 July 2012; • Up to 100% on 1 July 2014 less any vested up to 1 July 2013.
5th-Nov-10	5th-Nov-17	$4.40	$4.40	$1.14	• Up to 33.3% on 1 July 2013; • Up to 66.6% on 1 July 2014 less any vested on 1 July 2013; • Up to 100% on 1 July 2015 less any vested up to 1 July 2014.

Details of Options over ordinary shares in the Company provided as remuneration to key management personnel of the Group are set out below. When vested each option confers on the option holder the right to purchase one ordinary share of SAI Global Limited at the quoted exercise price. Further information on options is set out in note 43 to the financial statements.

Name	Number of Options granted during the year		Number of Options vested during the year	
	FY11	FY10	**FY11**	FY10
Executive Director:				
Tony Scotton	-	115,087	71,854	10,224
Executives:				
Brett Lenthall	-	32,761	34,165	6,368
Duncan Lilley	-	44,884	36,561	5,961
Geoff Richardson	-	52,065	69,060	14,022
Andrew Jones	-	34,749	22,026	2,921
Chris Jouppi	-	89,597	-	-
Andy Wyszkowski	133,869	136,801	37,335	-
Hanna Myllyoja	-	29,539	3,704	-
Peter Mullins	-	-	-	-

6. Additional information

Relationship between remuneration and company performance

Other than the PSRs and Options that vested on the termination or resignation of employees, the following tranches of PSRs were eligible to vest during the year ended 30 June 2011:

1. All unvested PSRs granted on 3rd November 2006 to executives and managers of the Company who are not members of SAI Global's Executive Management Team.

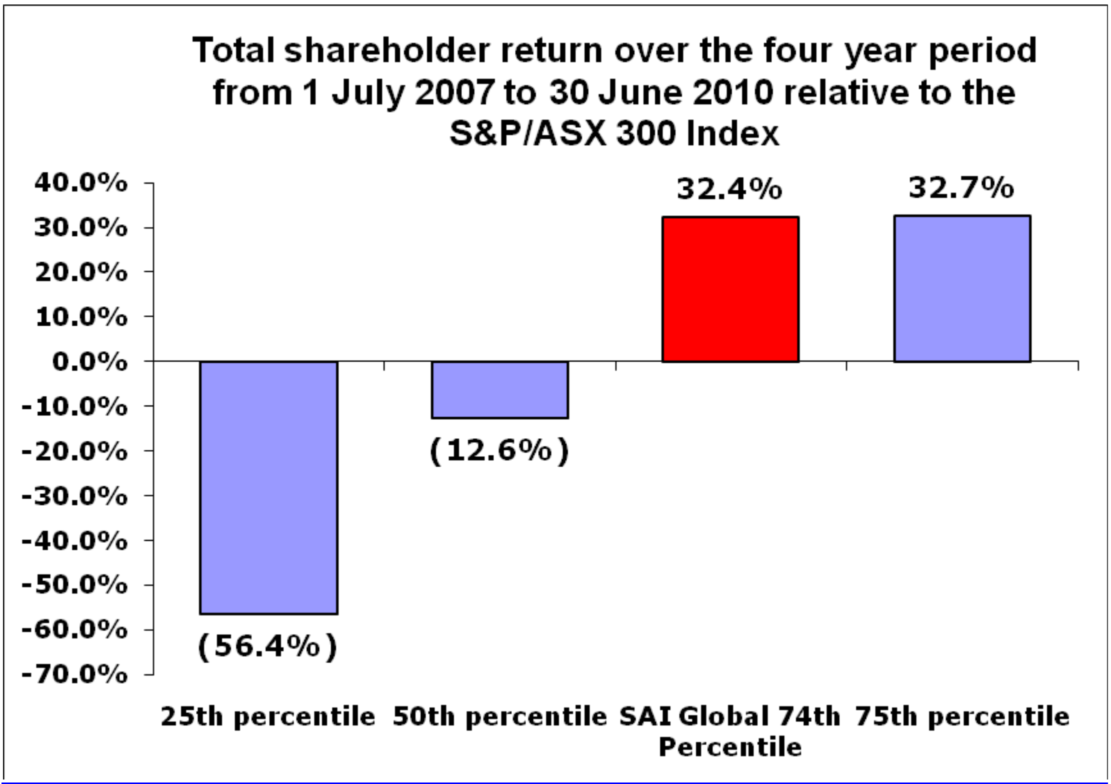
2. The unvested balance of the first tranche plus the second tranche of the PSRs and Options granted on 3rd November 2006 to members of SAI Global's Executive Management Team.

3. The first tranche of the PSRs and Options granted on 9th November 2007 to members of SAI Global's Executive Management Team and other executives and managers of the Company.

1. *All unvested PSRs granted on 3rd November 2006 to executives and managers of the Company who are not members of SAI Global's Executive Management Team*

These PSRs were eligible to vest on 1 July 2010 provided the performance hurdles had been satisfied over the vesting period, being the three year period from 1 July 2006 to 30 June 2010.

The TSR achieved over the vesting period as shown in the graph below was 32.35% which placed SAI Global Limited at the 74th percentile of companies in the S&P/ASX300 Index over the vesting period. Consequently, all of the PSRs eligible to vest did vest.

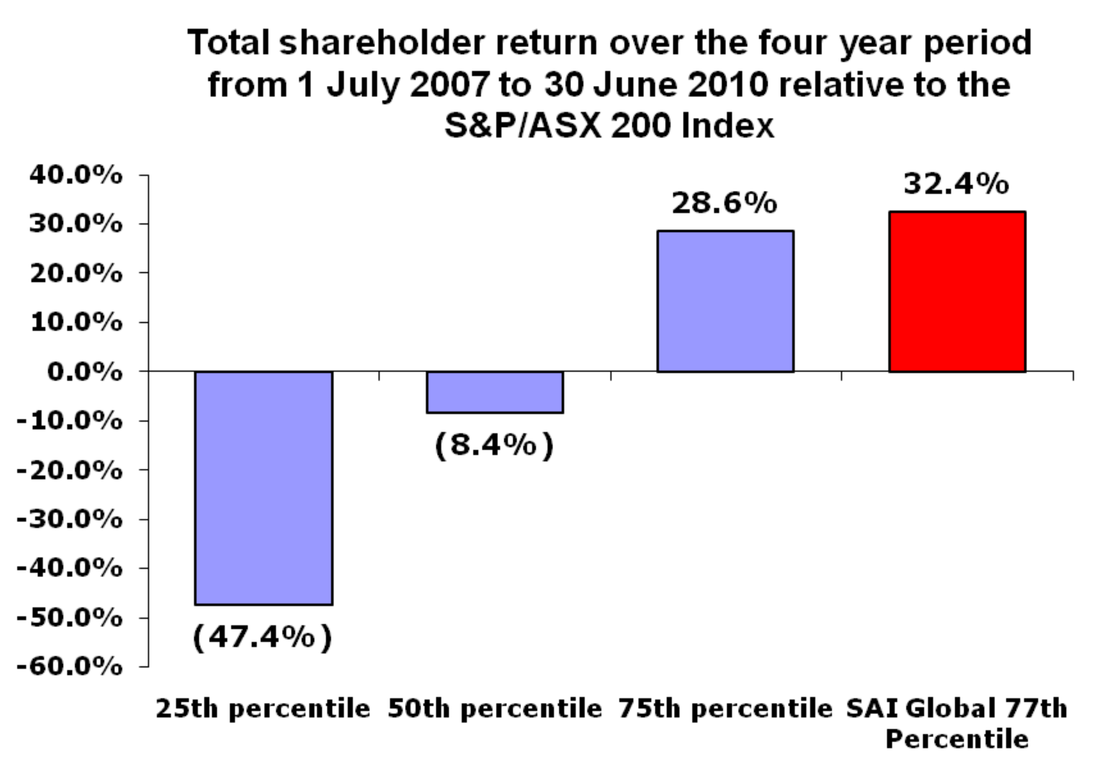


2. *The unvested balance of the first tranche plus the second tranche of the PSRs and Options granted on 3rd November 2006 to members of SAI Global's Executive Management Team.*

These PSRs and Options were eligible to vest on 1 July 2010 provided the performance hurdles had been satisfied over the vesting period, being the three year period from 1 July 2006 to 30 June 2010.

The TSR achieved over the vesting period as shown in the graph below was 32.35% which placed SAI Global Limited at the 77th percentile of companies in the S&P/ASX200 Index over the vesting period. Consequently 85% of the PSRs/Options, subject to TSR performance criteria that were eligible to vest, did vest

The compound EPS growth over the vesting period was 14.5%. Consequently 95% of the PSRs and Options, subject to EPS performance criteria that were eligible to vest, did vest.

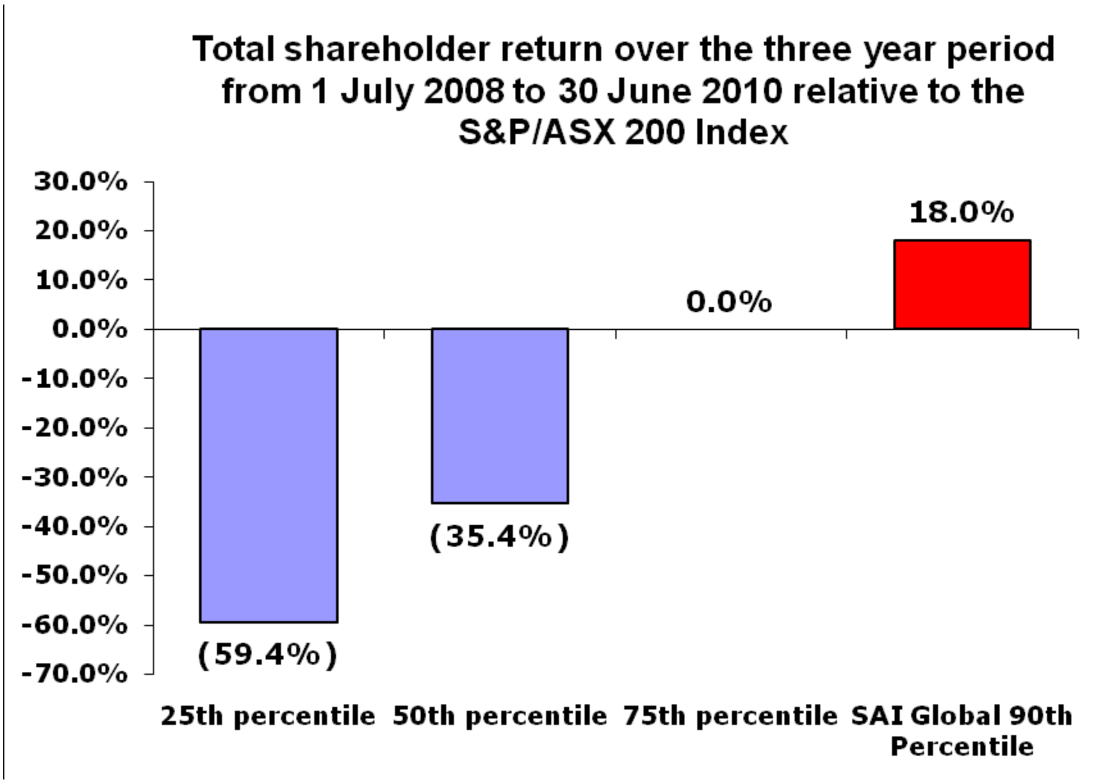


3. *The first tranche of the PSRs and Options granted on 9th November 2007 to members of SAI Global's Executive Management Team and other executives and managers of the Company*

These PSRs, were eligible to vest on 1 July 2010 provided the performance hurdles had been satisfied over the vesting period, being the three year period from 1 July 2007 to 30 June 2010.

The TSR achieved over the vesting period as shown in the graph below was 18% which placed SAI Global Limited at the 90th percentile of companies in the S&P/ASX200 Index over the vesting period. Consequently all of the PSRs/Options subject to TSR performance criteria that were eligible to vest, did vest.

The compound EPS growth over the vesting period was 18%. Consequently all of the PSRs/Options, subject to EPS performance criteria that were eligible to vest, did vest.



Subsequent to the end of the financial year, on 1 July 2011 the following tranches of PSRs and Options became eligible to vest:

1 The unvested balance of the first and second tranches plus the third tranche of the PSRs and Options granted to members of SAI Global's Executive Management Team on 3rd November 2006.

2 The unvested balance of the first tranche plus the second tranche of PSRs and Options granted on 9 November 2007.

3 The first tranche of the PSRs and Options granted on 18th July 2008 and on 7th November 2008

1. *The unvested balance of the first and second tranches plus the third tranche of the PSRs and Options granted to members of SAI Global's Executive Management Team on 3rd November 2006*

These PSRs and Options were eligible to vest on 1 July 2011 provided the performance hurdles had been satisfied over the vesting period, being the three year period from 1 July 2006 to 30 June 2011.

The TSR achieved over the vesting period was 63% which placed SAI Global Limited at the 84th percentile of companies in the S&P/ASX200 Index over the vesting period. Consequently all of the PSRs/Options, subject to TSR performance criteria that were eligible to vest, did vest.

The compound EPS growth over the vesting period was 13.07%. Consequently, 80.7% of the PSRs/ Options, subject to EPS performance criteria that were eligible to vest, did vest.

1. *The unvested balance of the first tranche plus the second tranche of PSRs and Options granted on 9 November 2007*.

These PSRs and Options were eligible to vest on 1 July 2011 provided the performance hurdles had been satisfied over the vesting period, being the three year period from 1 July 2007 to 30 June 2011.

The TSR achieved over the vesting period was 46% which placed SAI Global Limited at the 93rd percentile of companies in the S&P/ASX200 Index over the vesting period. Consequently all of the PSRs/Options, subject to TSR performance criteria that were eligible to vest, did vest.

The compound EPS growth over the vesting period was 15.24%. Consequently, all of the PSRs/Options, subject to EPS performance criteria that were eligible to vest, did vest.

3. *The first tranche of the PSRs and Options granted on 18th July 2008 and on 7th November 2008*

These PSRs and Options were eligible to vest on 1 July 2011 provided the performance hurdles had been satisfied over the vesting period, being the three year period from 1 July 2008 to 30 June 2011.

The TSR achieved over the vesting period was 130% which placed SAI Global Limited at the 99th percentile of companies in the S&P/ASX200 Index over the vesting period. Consequently all of the PSRs/Options, subject to TSR performance criteria that were eligible to vest, did vest.

The compound EPS growth over the vesting period was 29.65%. Consequently, all of the PSRs/Options, subject to EPS performance criteria that were eligible to vest, did vest.

Cash short-term incentives, PSRs and Options

For each short-term incentive and grant of PSRs and Options included in the tables above, the percentage of the available short-term incentive or grant that was paid, or that vested, in the financial year, and the percentage that was forfeited because the person did not meet the service and performance criteria is set out below. No part of the short-term incentive is payable in future years.

The PSRs granted during the 2006/07 the 2007/08 the 2008/09 the 2009/10 and the 2010/11 financial years vest over 5 years. None of the PSRs vest unless the vesting conditions are satisfied. Since no PSRs will vest if the conditions are not satisfied, the minimum value of the rights yet to vest is “nil”. The maximum value of PSRs yet to vest has been determined as the amount of the grant date fair value of the performance share rights that is yet to be expensed.

The Options granted during the financial years ending on 30th June 2007, 30th June 2008, 30th June 2009, 30th June 2010 and 30th June 2011 respectively, vest over a maximum of 5 years, with vested Options granted in years ending 30th June 2007, 2008 and 2009 lapsing 10 years from the date they were granted and vested Options granted in the years ending 30th June 2010 and 30th June 2011 lapsing 7 years from the date they were granted. No Options will vest if the vesting conditions are not satisfied, hence the minimum value of the Options yet to vest is "nil". The maximum value of the Options yet to vest has been determined as the amount of the grant date fair value of the Options that is yet to be expensed.

	Short-term incentives* *excluding uncapped element		**Performance share rights (PSRs)**					
Name	**Paid**	**Forfeited**	**Year granted**	**Vested**	**Forfeited**	**Financial years in which PSRs may vest**	**Minimum total value of grant yet to vest**	**Maximum total value of grant yet to vest**
	%	%		%	%		$	$
Tony Scotton	84.3	15.7	2006/07	12.8	-	2009/10	Nil	-
				47.9	-	2010/11	Nil	-
				35.9	3.4	2011/12	Nil	-
			2007/08	33.3	-	2010/11	Nil	-
				33.3	-	2011/12	Nil	-
						2012/13	Nil	25,730
			2008/09	33.3	-	2011/12	Nil	-
						2012/13	Nil	34,752
						2013/14	Nil	41,629
			2009/10			2012/13	Nil	35,820
						2013/14	Nil	41,539
						2014/15	Nil	44,937
			2010/11			2013/14	Nil	96,836
						2014/15	Nil	97,799
						2015/16	Nil	101,015
Brett Lenthall	85.1	14.9	2006/07	12.8	-	2009/10	Nil	-
				47.9	-	2010/11	Nil	-
				35.9	3.4	2011/12	Nil	-
			2007/08	33.3	-	2010/11	Nil	-
				33.3	-	2011/12	Nil	-
						2012/13	Nil	7,709

			2008/09	33.3	-	2011/12	Nil	-
						2012/13	Nil	9,164
						2013/14	Nil	10,870
			2009/10			2012/13	Nil	10,197
						2013/14	Nil	11,049
						2014/15	Nil	11,996
			2010/11			2013/14	Nil	25,712
						2014/15	Nil	25,967
						2015/16	Nil	26,821
Geoff Richardson	84.3	15.7	2006/07	12.8	-	2009/10	Nil	-
				47.9	-	2010/11	Nil	-
				35.9	3.4	2011/12	Nil	-
			2007/08	33.3	-	2010/11	Nil	-
				33.3	-	2011/12	Nil	-
						2012/13	Nil	12,743
			2008/09	33.3	-	2011/12	Nil	-
						2012/13	Nil	14,560
						2013/14	Nil	17,270
			2009/10			2012/13	Nil	16,205
						2013/14	Nil	17,902
						2014/15	Nil	19.509
			2010/11			2013/14	Nil	41,572
						2014/15	Nil	42,954
						2015/16	Nil	44,509
Duncan Lilley	78.1	21.9	2006/07	12.8	-	2009/10	Nil	-
				47.9	-	2010/11	Nil	-
				35.9	3.4	2011/12	Nil	-
			2007/08	33.3	-	2010/11	Nil	-
				33.3	-	2011/12	Nil	-
						2012/13	Nil	10,937
			2008/09	33.3	-	2011/12	Nil	-
						2012/13	Nil	9,720
						2013/14	Nil	11,529
			2009/10			2012/13	Nil	13,945
						2013/14	Nil	15,133
						2014/15	Nil	16,435
			2010/11			2013/14	Nil	33,859

						2014/15	Nil	34,196
						2015/16	Nil	35,320
Andy Wyszkowski	82.1	17.9	2007/08	33.3	-	2010/11	Nil	-
				33.3	-	2011/12	Nil	-
						2012/13	Nil	7,136
			2008/09	33.3	-	2011/12	Nil	-
						2012/13	Nil	9,170
						2013/14	Nil	10,876
			2009/10			2012/13	Nil	10,613
						2013/14	Nil	11,500
						2014/15	Nil	12,486
			2010/11			2013/14	Nil	16,405
						2014/15	Nil	16,569
						2015/16	Nil	17,113
Hanna Myllyoja	83.1	16.9	2007/08	33.3	-	2010/11	Nil	-
				33.3	-	2011/12	Nil	-
						2012/13	Nil	2,832
			2008/09	33.3	-	2011/12	Nil	-
						2012/13	Nil	8,084
						2013/14	Nil	9,589
			2009/10			2012/13	Nil	9,914
						2013/14	Nil	9,962
						2014/15	Nil	10,816
			2010/11			2013/14	Nil	23,763
						2014/15	Nil	24,000
						2015/16	Nil	24,789
Andrew Jones	86.6	13.4	2006/07	12.82	-	2009/10	Nil	-
				47.89	-	2010/11	Nil	-
				35.9	3.4	2011/12	Nil	-
			2007/08	33.3	-	2010/11	Nil	-
				33.3	-	2011/12	Nil	-
						2012/13	Nil	8,496
			2008/09	33.3	-	2011/12	Nil	-
						2012/13	Nil	9,720
						2013/14	Nil	11,529
			2009/10			2012/13	Nil	10,815
						2013/14	Nil	12,542

						2014/15	Nil	13,568
			2010/11			2013/14	Nil	27,815
						2014/15	Nil	28,092
						2015/16	Nil	29,016
Chris Jouppi	92.1	7.9	2009/10			2011/12	Nil	6,951
						2012/13	Nil	7,531
						2013/14	Nil	8,177
			2010/11			2013/14	Nil	34,312
						2014/15	Nil	34,654
						2015/16	Nil	35,793
Peter Mullins	44.6	55.4	2009/10			2011/12	Nil	21,763
						2012/13	Nil	24,102
						2013/14	Nil	26,211
			2010/11			2013/14	Nil	31,826
						2014/15	Nil	32,143
						2015/16	Nil	33,200

Name	Year granted	Vested[1]	Forfeited	Financial years in which Options may vest	Minimum total value of grant yet to vest	Maximum total value of grant yet to vest
		%	%		$	$
Tony Scotton	2006/07	12.8	-	2009/10	Nil	-
		47.9	-	2010/11	Nil	0
		35.9	3.4	2011/12	Nil	0
	2007/08	33.3	-	2010/11	Nil	0
		33.3		2011/12	Nil	0
				2012/13	Nil	13,818
	2008/09	33.3	-	2011/12	Nil	0
				2012/13	Nil	20,074
				2013/14	Nil	24,119
	2009/10	-	-	2012/13	Nil	20,429
				2013/14	Nil	23,701
				2014/15	Nil	25,643
Brett Lenthall	2006/07	12.8	-	2009/10	Nil	
		47.9	-	2010/11	Nil	0
		35.9	3.4	2011/12	Nil	0
	2007/08	33.3	-	2010/11	Nil	0
		33.3		2011/12	Nil	0
				2012/13	Nil	4,162
	2008/09	33.3	-	2011/12	Nil	0
				2012/13	Nil	5,587
				2013/14	Nil	6,690
	2009/10	-	-	2012/13	Nil	5,816
				2013/14	Nil	6,308
				2014/15	Nil	6,849
Geoff Richardson	2006/07	12.8	-	2009/10	Nil	
		47.9	-	2010/11	Nil	0
		35.9	3.4	2011/12	Nil	0
	2007/08	33.3	-	2010/11	Nil	0
		33.3		2011/12	Nil	0
				2012/13	Nil	6,844
	2008/09	33.3	-	2011/12	Nil	0
				2012/13	Nil	8,875
				2013/14	Nil	10,628
	2009/10	-	-	2012/13	Nil	9,242
				2013/14	Nil	10,224
				2014/15	Nil	11,143
Duncan Lilley	2006/07	12.8	-	2009/10	Nil	
		47.9	-	2010/11	Nil	0
		35.9	3.4	2011/12	Nil	0
	2007/08	33.3	-	2010/11	Nil	0
		33.3		2011/12	Nil	0
				2012/13	Nil	5,910
	2008/09	33.3	-	2011/12	Nil	0

				2012/13	Nil	5,925
				2013/14	Nil	7,095
	2009/10	-	-	2012/13	Nil	7,949
				2013/14	Nil	8,637
				2014/15	Nil	9,383
Andy Wyszkowski	2007/08	33.3	-	2010/11	Nil	
		33.3		2011/12	Nil	0
				2012/13	Nil	15,331
	2008/09	33.3	-	2011/12	Nil	0
				2012/13	Nil	22,426
				2013/14	Nil	26,854
	2009/10	-	-	2012/13	Nil	24,284
				2013/14	Nil	26,339
				2014/15	Nil	28,599
				2013/14	Nil	42,798
				2014/15	Nil	43,399
				2015/16	Nil	44,885
Hanna Myllyoja	2007/08	33.3	-	2010/11	Nil	
		33.3		2011/12	Nil	0
				2012/13	Nil	1,521
	2008/09	33.3	-	2011/12	Nil	0
				2012/13	Nil	4,928
				2013/14	Nil	5,901
	2009/10	-	-	2012/13	Nil	5,244
				2013/14	Nil	5,687
				2014/15	Nil	6,175
Andrew Jones	2006/07	12.8	-	2009/10	Nil	
		47.9	-	2010/11	Nil	0
		35.6	3.4	2011/12	Nil	0
	2007/08	33.3	-	2010/11	Nil	0
		33.3		2011/12	Nil	0
				2012/13	Nil	4,562
	2008/09	33.3	-	2011/12	Nil	0
				2012/13	Nil	5,925
				2013/14	Nil	7,095
	2009/10	-	-	2012/13	Nil	6,168
				2013/14	Nil	7,156
				2014/15	Nil	7,742
Chris Jouppi	2009/10	-	-	2012/13	Nil	15,905
				2013/14	Nil	17,250
				2014/15	Nil	18,731

Share-based compensation: PSRs and Options

Further details relating to PSRs and Options as required by the Corporations Act are set out below:

Name	A Remuneration consisting of PSRs/Options %	B Value at grant date $	C Value at vesting date $	D Value at lapse date $
Tony Scotton	22	342,564	244,479	-
Geoff Richardson	16	147,065	120,473	-
Duncan Lilley	15	119,778	64,812	-
Andrew Jones	13	98,399	75,447	-
Brett Lenthall	13	90,956	65,173	-
Andy Wyszkowski	15	210,646	61,735	-
Hanna Myllyoja	11	84,064	30,267	-
Chris Jouppi	7	121,382	-	-
Peter Mullins	8	112,588	-	-

A[1]= The percentage of the value of remuneration consisting of PSRs/options, based on the value of PSR's/options exercised during the year.

B= The value at grant date calculated in accordance with AASB 2 *Share-based Payment* of PSRs granted during the year as part of remuneration.

C= The value at exercise date of PSRs/options that were granted as part of remuneration and vested during the year, being the intrinsic value of PSR's/options at that date.

D= The value at lapse date of PSRs/options that were granted as part of remuneration and that lapsed during the year because a vesting condition was not satisfied. The value is determined at the time of lapsing but assuming the condition was satisfied.

1. The percentage is calculated by reference to the remuneration tables set out on page 27, which assigns a value to PSRs/Options for remuneration purposes based on fair value. PSRs are allocated to executives on the basis of the face value of SAI Global's shares at grant date and not fair value. Options are allocated to executives on the basis of an undiscounted Black Scholes valuation of an Option which ignores the performance criteria.

Shares under PSRs

Unissued ordinary shares of SAI Global Limited under PSRs at the date of this report are as follows:

Date PSRs granted	Expiry date	Issue price of shares	Number under PSR
3-Nov-06	1-Jul-11	Nil	0
14-Feb-07	1-Jul-11	Nil	0
9-Nov-07	1-Jul-12	Nil	105,274
18-Jul-08	1-Jul-13	Nil	264,352
7-Nov-08	1-Jul-13	Nil	68,273
6-Nov-09	1-Jul-14	Nil	544,445
19-Feb-10	1-Jul-14	Nil	32,373
5-Nov-10	1-Jul-15	Nil	609,517
Total shares under performance share rights			1,624,234
Maximum permitted under Executive Incentive Plan			9,978,502

Unissued ordinary shares of SAI Global Limited under Options at the date of this report are as follows:

Date Options granted	Expiry dates	Exercise Price	Number under Options
3-Nov-06	3-Nov-16	$3.51	0
14-Feb-07	14-Feb-17	$3.91	0
9-Nov-07	9-Nov-17	$2.99	639,890
18-Jul-08	18-Jul-18	$2.29	1,054,370
7-Nov-08	7-Nov-18	$2.49	144,837
9 Nov-09	9 Nov-16	$3.44	535,483
5-Nov-10	5 Nov-17	$4.40	133,869
Total shares under options			2,508,440
Maximum permitted under Executive Incentive Plan			7,160,285

Shares issued on the vesting of PSRs and the vesting and exercise of Options

The following ordinary shares of SAI Global Limited were issued during the year ended 30 June 2011 on the vesting of PSRs and the vesting and exercise of Options in accordance with the terms of the SAI Global Executive Performance Share Rights Plan and the SAI Global Executive Incentive Plan.

Date PSRs granted	Issue price of shares	Number of shares issued
3-Nov-06	Nil	121,054
14-Feb-07	Nil	3,675
9-Nov-07	Nil	128,042
18-Jul-08	Nil	22,010
7-Nov-08	Nil	0
9-Nov-09	Nil	7,267
19-Feb-10	Nil	0
5-Nov-10	Nil	5114
Total shares issued		287,162

Date Options Granted	Option Price	Number of shares issued
3-Nov-06	$3.51	0
14-Feb-07	$3.91	0
9-Nov-07	$2.99	101,908
18-Jul-08	$2.29	78,562
7-Nov-08	$2.49	0
9-Nov-09	$3.44	0
5-Nov-10	$4.40	0
Total shares issued		180,470

Since the end of the financial year the following ordinary shares of SAI Global Limited were issued on the exercise of PSRs/Options granted under the SAI Global Executive Performance Share Rights Plan and the SAI Global Executive Incentive Plan.

Date PSRs granted	Issue price of shares	Number of shares issued
3-Nov-06	Nil	34,039
14 Feb 07	Nil	2,753
9 Nov 07	Nil	105,272
18 Jul 08	Nil	134,438
7-Nov-08	Nil	34,136
9-Nov-09	Nil	0
19-Feb-10	Nil	0
5-Nov-10	Nil	0
Total Shares issued	Nil	310,638

Date Options Granted	Option Price	Number of shares issued
3-Nov-06	$3.51	Nil
14-Feb-07	$3.91	Nil
9-Nov-07	$2.99	14,337
18-Jul-08	$2.29	19,945
7-Nov-08	$2.49	Nil
9-Nov-09	$3.44	Nil
5-Nov-10	$4.40	Nil

Insurance of officers

During the financial year, SAI Global Limited paid a premium to insure the Directors, secretary and senior management of the Company and its operations.

Under its Constitution, and to the extent permitted by law, the Company indemnifies each Director, alternate Director or executive officer (and any person who has previously served in that capacity) against any liability or cost incurred by the person as an officer of the Company or a related body corporate of the Company. This includes but is not limited to liability for negligence or costs incurred in defending proceedings in which judgement is given in favour of the person or in which the person is acquitted. The indemnity may be extended to other officers or the auditor at the discretion of the Directors.

Following the Company's listing on the Australian Stock Exchange in December 2003, the Company entered into deeds of access and indemnity with each of the Directors which protects Directors acting as Directors during their terms of office and after their resignation (except where an individual engages in a lack of good faith, wilful misconduct, gross negligence and fraud).

Under the deed, the Company has agreed to:

- take out a Directors' and officers' insurance policy for the benefit of the Directors (except and to the extent permitted by law);
- maintain the policy while the Director is a Director of the company or a related body corporate of the company, and for 7 years thereafter;
- give Directors access to Board papers if the Director is required to defend a claim or a potential claim against the Director for the term of office of the Director and for a period of 7 years after the Director's resignation date.

No amount has been paid under any of these indemnities during the financial year ended 30 June 2011.

Non-audit services

The Company has a general policy of not employing the auditor for significant non-audit assignments. Specifically, the auditor is not employed in relation to any financial due diligence work on potential acquisitions.

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important. An example of this would be assistance with the preparation of workers' compensation returns or taxation advice.

Details of the amounts paid or payable to the auditor (Ernst & Young) for audit and non-audit services provided during the year are set out below.

The Directors have considered the position and, in accordance with the advice received from the Audit and Risk Committee, are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor.

- None of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the Company or jointly sharing economic risks and rewards.

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 54.

	Consolidated	
	FY11	FY10
	$	$
During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:		
Assurance Services		
1. Audit services		
PricewaterhouseCoopers Australian firm:		
Audit and review of financial reports and other audit work under the Corporations Act 2001	**-**	672,824
Ernst & Young Australian firm		
Audit and review of financial reports and other audit work under the Corporations Act 2001	**596,000**	-
Total remuneration for audit services	**596,000**	672,824
2. Other assurance services		
PricewaterhouseCoopers Australian firm:		
Acquisition related services	**-**	70,000
Ernst & Young Australian firm:		
Taxation advisory[1]	**828,395**	-
Taxation compliance	**575,697**	-
Executive compensation benchmarking	**46,350**	-
Total remuneration for non-audit services	**1,450,442**[2]	70,000

1. In addition to the amounts stated above, Ernst & Young was also paid $330,448 in relation to taxation advisory services on the acquisition of Integrity Interactive prior to their appointment as auditors at the AGM on 22 October 2010.

2. Ernst & Young also provided taxation advisory, taxation compliance and executive compensation benchmarking services in FY10, prior to their appointment as auditors at the AGM on 22 October 2010.

Rounding of amounts to nearest thousand dollars

The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' report and financial statements. Amounts in this report and the accompanying financial report have been rounded to the nearest thousand dollars, unless indicated to the contrary.

This report is made is made in accordance with a resolution of the Directors.

Robert Wright
Chairman

Tony Scotton
Chief Executive Officer

Sydney
17 August 2011

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Auditor's Independence Declaration to the Directors of SAI Global Limited

In relation to our audit of the financial report of SAI Global Limited for the financial year ended 30 June 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Christopher George
Partner
17 August 2011

Consolidated statement of comprehensive income for the year ended 30 June 2011

	Note	2011 $'000	2010 $'000
Revenue	5	428,739	392,842
Other income	6	2,367	776
		431,106	393,618
Share of net profits of associates accounted for using the equity method	36	27	25
Expenses			
Employee benefits expense	7	128,372	117,064
Depreciation and amortisation expense	7	23,734	19,534
Finance costs	7	13,324	9,461
Other expenses	7	205,317	199,797
		370,747	345,831
Profit before income tax expense		60,386	47,787
Income tax expense	8	15,379	12,592
Profit for the year		45,007	35,195
Other comprehensive income			
Changes in the fair value of cash flow hedges, net of tax		702	(51)
Exchange differences on translation of the net assets of foreign operations		(47,455)	(12,421)
Other comprehensive income for the year, net of tax		(46,753)	(12,472)
Total comprehensive income for the year		(1,746)	22,723
Profit is attributable to:			
Owners of SAI Global Limited		44,806	33,725
Non-controlling interests		201	1,470
		45,007	35,195
Total comprehensive income for the year is attributable to:			
Owners of SAI Global Limited		(1,947)	21,253
Non-controlling interests		201	1,470
		(1,746)	22,723
Earnings per share attributable to the shareholders of SAI Global Limited:			
Basic (cents per share)		23.1	21.5
Diluted (cents per share)		23.0	21.5

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

SAI Global Limited

Consolidated statement of financial position as at 30 June 2011

	Note	2011 $'000	2010 $'000
ASSETS			
Current assets			
Cash assets and cash equivalents	9	**52,339**	33,493
Trade and other receivables	10	**93,720**	78,475
Current tax receivable	20	**4,206**	-
Inventories	11	**726**	805
Total current assets		**150,991**	112,773
Non-current assets			
Investments accounted for using the equity method	12	**674**	675
Plant and equipment	15	**29,870**	26,886
Deferred tax assets	16	**11,834**	17,672
Intangible assets	17	**502,306**	366,445
Total non-current assets		**544,684**	411,678
Total assets		**695,675**	524,451
LIABILITIES			
Current liabilities			
Trade and other payables	18	**109,023**	99,356
Borrowings [1]	19	**1,941**	941
Current tax liabilities	20	**1,101**	5,704
Provisions	21	**6,890**	6,142
Total current liabilities		**118,955**	112,143
Non-current liabilities			
Borrowings [2]	22	**218,507**	178,437
Deferred tax liabilities	23	**23,817**	9,891
Provisions	24	**3,035**	3,595
Derivative financial instruments	14	**2,389**	4,281
Retirement benefit obligations	25	**2,157**	3,444
Total non-current liabilities		**249,905**	199,648
Total liabilities		**368,860**	311,791
Net assets		**326,815**	212,660
EQUITY			
Contributed equity	26	**360,632**	220,702
Reserves	27(a)	**(93,707)**	(49,121)
Retained profits	27(b)	**58,921**	40,311
Capital and reserves attributable to the shareholders of SAI Global Limited		**325,846**	211,892
Non-controlling interest	28	**969**	768
Total equity		**326,815**	212,660

The above statement of financial position should be read in conjunction with the accompanying notes.

[1] Current borrowings are net of $570k of facility establishment costs
[2] Non-current borrowings are net of $689k of facility establishment costs

SAI Global Limited

Consolidated statement of changes in equity for the year ended 30 June 2011

	Attributable to shareholders of SAI Global Limited				
	Contributed Equity	Reserves	Retained earnings	Non-controlling interests	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2010	220,702	(49,121)	40,311	768	212,660
Total comprehensive income for the year	**-**	**(46,753)**	**44,806**	**201**	**(1,746)**
Transactions with shareholders in their capacity as shareholders:					
Contributions of equity, net of transaction costs	139,930	-	-	-	139,930
Dividends provided for or paid	-	-	(26,196)	-	(26,196)
Movement in share based payments reserve	-	2,167	-	-	2,167
Balance at 30 June 2011	**360,632**	**(93,707)**	**58,921**	**969**	**326,815**
Balance at 1 July 2009	201,339	(18,590)	25,190	4,164	212,102
Total comprehensive income for the year	**-**	**(12,472)**	**33,725**	**1,470**	**22,723**
Transactions with shareholders in their capacity as shareholders:					
Contributions of equity, net of transaction costs	19,363	-	-	-	19,363
Dividends provided for or paid	-	-	(18,604)	-	(18,604)
Movement in share based payments reserve	-	1,158	-	-	1,158
Non-controlling interest on acquisition of subsidiary	-	(19,216)	-	(4,866)	(24,082)
Balance at 30 June 2010	**220,702**	**(49,121)**	**40,311**	**768**	**212,660**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

SAI Global Limited

Consolidated statement of cash flows for the year ended 30 June 2011

	Note	2011 $'000	2010 $'000
Cash flows from operating activities			
Receipts from customers		**444,254**	429,475
Payments to suppliers and employees		**(357,529)**	(354,906)
Interest received	5	**1,624**	614
Interest paid	7	**(13,324)**	(9,461)
Income taxes paid		**(15,371)**	(13,602)
Net cash inflow from operating activities before significant charges and acquisition related costs		**59,654**	52,120
Acquisition related costs		**(74)**	(624)
Net cash inflow from operating activities before significant charges		**59,580**	**51,496**
Cash outflow impact of significant charges[1]		**(4,946)**	-
Net cash inflow from operating activities	31	**54,634**	51,496
Cash flows from investing activities			
Payments for purchase of controlled entities (net of cash acquired)		**(198,408)**	(22,876)
Payments for plant and equipment	15	**(5,132)**	(5,829)
Payments for capital work in progress	15	**(11,570)**	(7,659)
Earn-out payments for acquisitions		**(1,868)**	-
Net cash outflow from investing activities		**(216,978)**	(36,364)
Cash flows from financing activities			
Transactions with non-controlling interests	45	**-**	(12,362)
Proceeds from borrowings		**72,368**	34,159
Repayments of borrowings		**(1,309)**	(9,418)
Dividends paid	30	**(12,293)**	(13,197)
Proceeds from issue of shares		**130,000**	-
Share issue costs paid		**(4,927)**	-
Net cash outflow from financing activities		**183,839**	(818)
Net increase in cash and cash equivalents		**21,495**	14,314
Cash and cash equivalents at the beginning of the financial year		**33,493**	20,114
Effects of exchange rate changes on cash and cash equivalents		**(2,649)**	(935)
Cash and cash equivalents at the end of the year	9	**52,339**	33,493

[1] Cash outflow impact of significant charges is comprised of:

	2011	2010
Acquisition related transaction charges	(1,976)	-
Integration and restructuring charges	(1,847)	-
Other significant charges	(1,123)	-
	(4,946)	-

The above cash flow statement should be read in conjunction with the accompanying notes.

Contents of the notes to the financial statements

Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of SAI Global Limited and its subsidiaries.

(a) Basis of preparation

This general purpose financial statement has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, AASB Interpretations and the Corporations Act 2001.

Certain amounts have been restated in the Statement of Financial Position to ensure consistent disclosure with the current year classification.

Compliance with IFRS

The consolidated financial statements of SAI Global Limited and its subsidiaries also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value.

Critical accounting estimates

The preparation of financial statements in conformity with International Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of SAI Global Limited ("company" or "parent entity") as at 30 June 2011 and the results of all subsidiaries for the year then ended. SAI Global Limited and its subsidiaries together are referred to in this financial statement as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. (Refer to note 1 (h)).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provided evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group applies a policy of treating transactions with minority interests as transactions with equity owners of the Group. For purchases from minority interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposal to non-controlling interests are also recorded in equity.

Note 1. Summary of significant accounting policies

(i) Subsidiaries (continued)

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income and statement of financial position respectively. Investments in subsidiaries are accounted for at cost in the individual financial statements of SAI Global Limited.

(ii) Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer to note 36).

The Group's share of its associate's post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's statement of comprehensive income, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iii) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity holders of the group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interest and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of SAI Global Limited.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments.

Note 1. Summary of significant accounting policies

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is SAI Global Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when they are deferred in equity as qualifying cash flow hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit and loss are recognised in the statement of comprehensive income as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investments are repaid, a proportionate share of such exchange differences is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Note 1. Summary of significant accounting policies

(e) Revenue recognition (continued)

Revenue is recognised for the major business activities as follows:

(i) Information Services

Information Services provides services that are subscription in nature such as annual subscription fees and online subscriptions where subscribers have access to download Standards from the Internet or access to information databases for the duration of the subscription. This revenue is deferred and brought to account over the life of the subscription.

One-time sales of Standards are brought to account at the time the sale is made.

Property Services
The revenue for the rendering of services is recognised when it can be estimated reliably and by reference to the stage of completion of the transaction at the reporting date. All of the following conditions should be satisfied to prove that the transaction can be reliably estimated:

(a) the amount of revenue can be reliably measured;
(b) it is probable that the economic benefits associated with the transaction will flow to the entity;
(c) the stage of completion of the transaction at the reporting date can be measured reliably; and
(d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(ii) Compliance Services

Compliance services provides an extensive range of solutions and services in the areas of compliance, regulation, ethics, risk management and corporate governance solutions.

- Advisory services
- Newsfeeds, alerts and databases covering key compliance and regulatory topics
- Providing governance, risk and compliance (GRC) solutions that catalogue, monitor, update, notify and manage a company's operational GRC needs
- Providing an extensive library of award winning learning and awareness solutions delivered largely through the web and supported by a learning management system providing both audit and compliance learning management capability
- Whistleblower and related case management and incident reporting services.

Revenue associated with perpetual licenses is recognised in full on issue of the invoice where there is no, or only minimal, customisation of the software required.

Where customisation of the software is required, the part of the contract value that relates to the customisation work is deferred and brought to account on delivery of the customised product to the customer.

Revenue associated with multi-year subscriptions or licences is brought to account over the period to which the subscription or license relates.

Revenue associated with multi-year licenses is recognised in equal annual amounts over the period of the license. In the first year of the license a portion of the revenue is recognised in the month the contract commences in recognition of the front loading of the costs associated with delivering the services to the customer. The remaining portion of the first year revenue is recognised on a straight line basis over the remaining eleven months of the year.

(iii) Assurance Services

The company performs services in relation to its certification business and charges an annual license fee. This fee is deemed to be earned over the licensing period to which it relates. The part of the license fee relating to the unexpired period is deferred. Fees for audit services are brought to account on completion of the audit.

Assurance Services derives part of its revenue from holding educational seminars. Fees paid by clients to attend educational seminars are recognised at the completion of the seminar. Seminar fees received in advance are deferred and recognised in the statement of comprehensive income in the month the seminar is held. Consulting revenue is brought to account as services are performed.

(iv) Other income

All other income is recognised on an accruals basis. Royalties on Standards are brought to account as the Standards are sold.

(v) Dividends

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

Note 1. Summary of significant accounting policies

(f) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that these differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that is relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Companies within the group may be entitled to claim special tax deductions for investments in qualifying assets (investment allowances). The group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

Tax consolidation legislation

SAI Global Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation as of 1 July 2005.

The head entity, SAI Global Limited, and the controlled entities in the tax consolidated Group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone tax payer in its own right. In addition to its own current and deferred tax amounts, SAI Global Limited also recognises the current tax liabilities and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Details about the tax funding agreement are disclosed in note 8.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Note 1. Summary of significant accounting policies

(g) Leases

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the lease property or, if lower, the present value of the minimum lease payment. The corresponding rental obligations, net of finance charges, are included in other short-term and long term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on straight-line basis over the period of the lease.

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. The respective lease assets are included in the statement of financial position based on the nature.

(h) Business Combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-exisiting equity interest in the subsidiary. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference directly in the statement of comprehensive income as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. The difference between the face value of the deferred consideration and its present value is expensed as a finance cost on an effective interest rate method from the date of exchange to the anticipated date of payment of the deferred consideration.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Note 1. Summary of significant accounting policies

(i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against other expenses in the profit or loss.

(l) Inventories

Finished goods (hard copy Standards, printed legislation and labels and training materials) are stated at the lower of cost and net realisable value. Costs are assigned to inventories by the specific identification method.

(m) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

At reporting date, all of the Group's derivatives are designated as hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in note 14. Movements in the hedging reserve in shareholder's equity are shown in note 27. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income within other income or other expenses.

Note 1. Summary of significant accounting policies

(m) Derivatives and hedging activities (continued)

Amounts accumulated in equity are reclassified to the statement of comprehensive income in the periods when the hedged item affects comprehensive income (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the statement of comprehensive income within 'finance costs'. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in the statement of comprehensive income within 'sales'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in the statement of comprehensive income as cost of goods sold in the case of inventory, or as depreciation or impairment in the case of fixed assets.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in comprehensive income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to comprehensive income.

(n) Plant and equipment

Plant and equipment includes furniture and fittings, hardware, computers and motor vehicles. These are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repairs and maintenance expenses are charged to the statement of comprehensive income during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1 (i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Depreciation is calculated using the straight-line method to allocate costs or revalued amounts, net of their residual values, over estimated useful lives of 3 to 5 years.

(o) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments (note 17a).

(ii) Trademark

The trademark is the "5 Tick" Standards Mark. Based on an analysis of all of the relevant factors, the directors believe that there is no foreseeable limit to the period over which the Trademark asset is expected to generate net cash inflows for the entity and therefore consider that this asset has an indefinite life. As such the trademark is not amortised.

(iii) Research and development

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the statement of comprehensive income as an expense when it is incurred.

Expenditure on development activities, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if the product or service is technically and commercially feasible and adequate resources are available to complete development. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services and direct labour. Other development expenditure is recognised in the statement of comprehensive income as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit, generally being three years.

Note 1. Summary of significant accounting policies

(o) Intangible assets (continued)

(iv) Publishing license agreements

Publishing license agreements are carried at cost, or assessed fair value if acquired as part of a business combination, less accumulated amortisation. Publishing licence agreements are amortised over their assessed useful lives on a straight line basis, which is over twenty years.

(v) Customer relationships and contracts

Customer relationships and contracts are the assessed values of the customer relationships and specific contracts for supply of goods and services that exist at the date of acquisition. A discounted cash flow valuation methodology is employed. In valuing customer relationships, consideration is given to historic customer retention and decay statistics, projected future cash flows and appropriate capital charges. Customer contracts take into account projected cash flows to the end of the contract period.

Customer relationships are amortised over their assessed useful lives using a sum-of-the-digits methodology derived from decay factors which are determined by a review of customer retention metrics. Customer related contracts are amortised over the period to the end of the current life of the asset on a sum-of-the-digits basis. The remaining average life of customer relationships is 8.5 years.

(vi) Product delivery platforms

Product delivery platforms are carried at cost, or assessed fair value if acquired as part of a business combination, less accumulated amortisation.

Development expenditure on product delivery platforms is amortised over 5 years. The amortisation factors are based on an adjusted sum-of-the-digits basis as follows: year 1, 25%; year 2, 23%; year 3, 20%; year 4, 17%; and year 5, 15%.

(vii) Intellectual property

Intellectual property is carried at cost, or assessed fair value if acquired as part of a business combination, less accumulated amortisation. This balance includes separately identifiable assets such as e-learning courseware, bibliographic databases and document libraries.

Intellectual property is amortised on a straight-line basis over its assessed useful life. This is generally 3 years.

(viii) IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employee's time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from 3-5 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Note 1. Summary of significant accounting policies

(q) Borrowings (continued)

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(r) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(s) Provisions

Provisions are measured at the present value of management's best estimates of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(t) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than twelve months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Retirement benefit obligations

The Group has both defined contribution and defined benefit superannuation plans.

The defined contribution plans receive fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. All contributions made by the Group to an employee defined contribution superannuation fund are recognised as an expense when they become payable. The employees of the parent entity are all members of defined contribution plans.

The defined benefit pension plan provides defined lump sum benefits based upon years of service and final average salary. A liability or asset in respect of the defined benefit superannuation plan is recognised in the statement of financial position and is measured at the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation funds assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based upon expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

A Group company also operates a post retirement life insurance and medical benefit plan which is now closed to new members. A liability in respect of this plan is recognised in the statement of financial position and is measured at the present value of the obligation at the reporting date. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency, that match, as closely as possible, the estimated future cash outflows.

Actuarial gains and losses from experience adjustments and changes in actuarial assumptions are recognised in the statement of comprehensive income in the period in which they occur.

Past service costs are recognised immediately in income, unless the changes to the superannuation fund are conditional on the employee remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

Note 1. Summary of significant accounting policies

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the SAI Global Executive Performance Share Rights Plan and the Employee Share Plan.

Shares/Performance Share Rights

The fair value of performance share rights granted under the SAI Global Executive Performance Share Rights Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period in which employees become unconditionally entitled to the shares.

The fair value at grant date is independently determined using a Monte-Carlo simulation-based model that takes into account the exercise price, the term, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the performance rights, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the performance rights.

The fair value of the performance rights granted excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the Group revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of comprehensive income with a corresponding adjustment to equity.

(v) "At risk" incentives

A liability for employee benefits in the form of "at risk" incentives is recognised in accrued expenses when it is deemed to have been earned at reporting date, and at least one of the following conditions is met:

- there are formal measures for determining the amount of the benefit and the amounts to be paid are determined before the time of completion of the financial statement, or
- past practice gives clear evidence of the amount of the obligation. Liabilities for "at risk" incentives are expected to be settled within two months of balance date and are measured at the amounts expected to be paid when they are settled.

(u) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

If the Group reacquires its own equity instruments, for example, as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(v) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at reporting date.

(w) Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the company, by the weighted average number of ordinary shares outstanding during the period, adjusted for any bonus elements in ordinary shares issued during the period.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of ordinary shares assumed to have been issued for no consideration in relation to outstanding performance share rights.

(x) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate.

Note 1. Summary of significant accounting policies

(x) Financial guarantee contracts (continued)

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(y) Investments and other financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 10) in the statement of financial position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available for sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

(z) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(aa) Rounding of amounts

The company is a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statement have been rounded off in accordance with the Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(ab) New accounting standards and AASB Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below:

Note 1. Summary of significant accounting policies

(ab) New accounting standards and AASB Interpretations (continued)

(i) AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013)

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:
- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

(ii) AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011)

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a "related party" to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Group.

Note 1. Summary of significant accounting policies

(ab) New accounting standards and AASB Interpretations (continued)

(iii) AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013)

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:
- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The following entities are required to apply Tier 1 reporting requirements (ie full IFRS):
- for-profit private sector entities that have public accountability; and
- the Australian Government and state, territory and local governments.

Since the Group is a for-profit private sector entity that has public accountability, it does not qualify for the reduced disclosure requirements for Tier 2 entities.

AASB 2010–2 makes amendments to Australian Accounting Standards and Interpretations to give effect to the reduced disclosure requirements for Tier 2 entities. It achieves this by specifying the disclosure paragraphs that a Tier 2 entity need not comply with as well as adding specific "RDR" disclosures.

(iv) AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011)

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Group.

(v) AASB 2009–14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011)

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

This Standard is not expected to impact the Group.

(vi) AASB 2010–4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011)

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project.

- clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
- making sundry editorial amendments to various Standards and Interpretations.

This Standard is not expected to impact the Group.

(vii) AASB 2010–5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011)

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

Note 1. Summary of significant accounting policies

(ab) New accounting standards and AASB Interpretations (continued)

(viii) AASB 2010–6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011)

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.
This Standard is not expected to impact the Group.

(ix) AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013)

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

As noted above, the Group has not yet determined any potential impact on the financial statements from adopting AASB 9.

(x) AASB 2010–8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012)

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.
The amendments are not expected to impact the Group.

(xi) AASB 2010–9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011)

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time.

This Standard is not expected to impact the Group.

(xii) AASB 2010–10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009–11 & AASB 2010–7] (applies to periods beginning on or after 1 January 2013)

This Standard makes amendments to AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9, and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

[The amendments to AASB 2009–11 will only affect early adopters of AASB 2009–11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010–7.]

This Standard is not expected to impact the Group.

Note 1. Summary of significant accounting policies

(ab) New accounting standards and AASB Interpretations (continued)

(xiii) IFRS 10: Consolidated Financial Statements (applies to periods beginning on or after 1 January 2013)

IFRS 10 establishes a new control model that applies to all entities. It replaces parts of IAS 27 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and SIC-12 *Consolidation – Special Purpose Entities.*

The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control.

This is not expected to impact the Group.

(xiv) IFRS 11: Joint Arrangements (applies to periods beginning on or after 1 January 2013)

IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly- controlled Entities – Non-monetary Contributions by Ventures.* IFRS 11 uses the principle of control in IFRS 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method.

This is not expected to impact the Group.

(xv) IFRS 12: Disclosure of Interests in Other Entities (applies to periods beginning on or after 1 January 2013)

IFRS 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.

This is not expected to impact the Group.

(xvi) IFRS 13: Fair Value Measurement (applies to periods beginning on or after 1 January 2013)

IFRS 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under IFRS when fair value is required or permitted by IFRS. Application of this definition may result in different fair values being determined for the relevant assets.

IFRS 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.

The changes are not expected to materially impact the Group.

Note 1. Summary of significant accounting policies

(ac) Parent entity financial information

The financial information for the parent entity, SAI Global Limited, disclosed in note 44 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for at cost in the financial statements of SAI Global Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) Tax consolidation legislation

SAI Global Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, SAI Global Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, SAI Global Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate SAI Global Limited for any current tax payable assumed and are compensated by SAI Global Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to SAI Global Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(iii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

Note 2. Financial risk management

The Group's activities expose it to a variety of financial risks. These risks are market, foreign exchange risk, cash flow interest rate risk, credit risk and liquidity risk.

The Group's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Group. The Group may use derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures.

Risk management is carried out by a central finance department, located in Head Office under the guidance of the Chief Financial Officer, and under policies approved by the Board.

Note 2. Financial risk management

(i) Market Risk

(a) Foreign exchange and translation risk

Foreign exchange risk arises from future commercial transactions, and recognised assets and liabilities denominated in a currency that is not the entity's functional currency.

The Group operates internationally and is exposed to translation risk arising from exposures to overseas jurisdictions predominantly the US dollar, Canadian dollar, British pound and the Euro.

The Group manages the translation risk through the use of natural hedges. This is achieved by funding the debt component of the consideration for foreign acquisitions in the currency that best matches the currency of the underlying net assets acquired.

At 30 June 2011 the Group had not entered into any derivative instruments for the purposes of managing foreign exchange risk. The Group does not currently hedge projected earnings streams in foreign currencies.

The Group's exposure to foreign currency risk at the reporting date, expressed in Australian dollars, was as follows:

			2011		
	USD	**CAD**	**EURO**	**GBP**	**Other**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Cash	**1,548**	**630**	**2,581**	**-**	**611**
Trade receivables	**1,487**	**-**	**2,830**	**-**	**411**
Trade payables	**153**	**-**	**128**	**-**	**-**

			2010		
	USD	CAD	EURO	GBP	Other
	$'000	$'000	$'000	$'000	$'000
Cash	719	186	2,054	-	952
Trade receivables	695	244	1,399	71	132
Trade payables	110	93	13	-	1

The books of account for each of SAI Global's foreign operations are maintained in each jurisdiction's local currency. For the purposes of preparing the Group's consolidated financial information, each foreign operation's financial results and statements of financial position are translated into Australian dollars using the applicable foreign exchange rates, being the average rate for the period for the statement of comprehensive income, and the period end rate for the statement of financial position items. A translation risk therefore exists on translating the financial statements of SAI Global's foreign operations into Australian dollars for the purposes of reporting consolidated Group financial information. As a result, volatility in foreign exchange rates can impact both the Group's net assets through movements in the foreign currency translation reserve, and the reported net profit for the period.

The following sensitivity table is based on the foreign currency risk exposures in existence at the reporting date relative to the reporting date rates of USD 1.06 (2010: 0.86), GBP 0.66 (2010: 0.57), EUR 0.74 (2010: 0.70), and CAD 1.03 (2010: 0.90). For the period ended on, and as at, 30 June 2011, the impact on post tax profit and equity following reasonably possible changes to movements in foreign currencies, with all other variables held constant, are illustrated in the table below:

		Net profit Profit/(loss)		**Other equity (Debit)/credit**	
		2011	2010	**2011**	2010
		$'000	$'000	**$'000**	$'000
If USD was 10% stronger/ (weaker) relative to all other currencies	+ / -	**288**	130	**-**	-
If GBP was 10% stronger/ (weaker) relative to all other currencies	+ / -	**-**	7	**-**	-
If EUR was 10% stronger/ (weaker) relative to all other currencies	+ / -	**528**	344	**-**	-
If CAD was 10% stronger/ (weaker) relative to all other currencies	+ / -	**63**	34	**-**	-
If other currencies were 10% stronger/ (weaker) relative to all other currencies	+ / -	**102**	108	**-**	-

Note 2. Financial risk management (continued)

(b) Cash flow and fair value interest-rate risk

The Group's interest-rate risk arises from long-term borrowings. Borrowings at variable interest rates expose the Group to cash flow interest-rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk.

The Group's borrowings are denominated in either Australian dollars, US dollars or British pounds, depending on the assets they are funding.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally the Group raises long-term borrowings at floating rates and swaps them into fixed rates which are lower than those available if the Group borrowed at fixed rates directly. Under the interest rate swaps, the Group agrees with other parties (the Group's bankers) to exchange, at specified intervals, (mainly quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

The Board's policy is to hedge interest rates in accordance with the lenders requirements. As at the reporting date, the Group had the following variable rate borrowings and interest rate swap contracts outstanding:

	30-Jun-11		30-Jun-10	
	Weighted average Interest rates	**Balance**	Weighted average interest rates	Balance
	%	**$'000**	%	$'000
Bank Loans	**5.55%**	**221,706**	5.82%	179,378
Interest rates swaps (notional principal amounts)	**5.44%**	**(139,647)**	5.59%	(139,764)
		82,059		39,614

With regards to cash flow interest rate risk, the following table presents the impact on profit and equity after income tax from a reasonably possible adverse/favourable movement in interest rates of +/- 100 basis points from the year end rates with all other variables held constant.

	Net profit Profit/(loss)		**Other equity (Debit)/credit**	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000
If interest rates were 100 basis points lower with all other variables constant	**821**	396	**2,608**	(803)
If interest rates were 100 basis points higher with all other variables constant	**(821)**	(396)	**(2,559)**	788

(c) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement for disclosure purposes.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives and investments in unlisted subsidiaries) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

As of 1 July 2009, SAI Global Limited has adopted the amendment to AASB 7 *Financial Instruments: Disclosures* which requires disclosure of fair value measurements by level of the following fair value hierarchy:

(a) quoted prices (unadjusted) in active markets for identical liabilities (level 1);

(b) inputs other than quoted prices included within level 1 that are observable for the liability, either directly (as prices) or indirectly (derived from prices) (level 2), and

(c) inputs for the liability that are not based on observable market data (level 3).

The following table present the group's liabilities measured and recognised at fair value at 30 June 2011:

Note 2. Financial risk management (continued)

(c) Fair value estimation (continued)

At 30 June 2011	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Net settled (Interest Rate Swap)	-	(2,389)	-	(2,389)

At 30 June 2010	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Net settled (Interest Rate Swap)	-	(4,281)	-	(4,281)

(ii) Credit risk

Credit risk arises from cash and cash equivalents on deposit with third parties, derivative financial instruments and deposits with banks, as well as credit exposures to customers, including outstanding receivables and committed transactions.

The Group has no significant concentrations of credit risk. In addition, the Group has policies that limit the amount of credit exposure to any one financial institution. Refer to note 10 for further details of receivables: not yet due; past due but not impaired; impaired receivables and maximum exposure to credit risk.

(iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves and the availability of committed credit facilities to meet the Group's liabilities as and when they fall due.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows. In addition, the Group maintains a gearing policy commensurate with the Group's strong operational net cash inflows.

The Group seeks to stagger the maturity profile of its liabilities, in particular its debt funding, and ensure an appropriate maturity time line is maintained. The Groups seeks to renegotiate the maturity of individual loans ahead of the maturity date falling due.

The Group had access to the following undrawn borrowing facilities at the reporting date:

Financing arrangements

	2011 $'000	2010 $'000
Floating rate		
Total Facilities: Bank overdraft and bill facility	252,618	211,562
Used at reporting date: Bank overdraft and bill facility	221,706	179,378
Unused at reporting date: Bank overdraft and bill facility	30,912	32,184

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities and net settled derivative financial instruments into relevant maturity groupings based upon the remaining period to the contractual maturity date at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 30 June 2011

	Less than 1 year	1-5 years	Over 5 years	Total contractual cash flows	Carrying Amount of liabilities
	$'000	$'000	$'000	$'000	$'000
Non-derivatives					
Non-interest bearing (trade and other payables)	109,023	-	-	109,023	109,023
Variable rate	5,635	72,654	-	78,289	82,059
Fixed rate (hedged borrowings)	8,878	167,457	-	176,335	139,647
Total non-derivatives	123,536	240,111	-	363,647	330,729
Derivatives					
Net settled (interest rate swaps)	2,015	6,107	-	8,122	2,389
Total non-derivatives and derivatives	125,551	246,218	-	371,769	333,118

Note 2. Financial risk management (continued)

At 30 June 2010

	Less than 1 year	1-5 years	Over 5 years	Total contractual cash flows	Carrying Amount of liabilities
	$'000	$'000	$'000	$'000	$'000
Non-derivatives					
Non-interest bearing (trade and other payables)	106,736	-	-	106,736	106,736
Variable rate	20,092	23,020	-	43,112	39,615
Fixed rate (hedged borrowings)	53,707	98,688	-	152,395	139,763
Total non-derivatives	180,535	121,708	-	302,243	286,114
Derivatives					
Net settled (interest rate swaps)	3,421	2,069	-	5,490	4,281
Total non-derivatives and derivatives	183,956	123,777	-	307,733	290,395

The Group regards its capital resource base as consisting of:

1. Equity capital contributed by shareholders
2. Retained earnings
3. Other capital reserves that may arise from time to time
4. Debt funding

The first three items are collectively shown as "Capital and reserves attributable to the members of SAI Global Limited" in the statement of financial position.
Debt funding is shown as either a current or non-current liability depending upon the maturity date.
The objectives, policies and processes for managing capital are summarised below:

Objectives

The key objective of the Group's capital management strategy over the medium term is to achieve growth in earnings per share whilst maintaining an appropriate mix of equity and debt.

Other objectives include:

- Ensuring that the company maintains sufficient liquidity at all times to meet its financial obligations as and when they fall due
- Maintaining a prudent gearing ratio so as not to expose the Group to excessive liquidity or interest rate risk
- Achieving annual growth in dividends
- Growing the Group's return on equity (ROE) ratio

Policies

The Group uses debt to gear the statement of financial position with a view to increasing the returns to shareholders and lowering the overall cost of capital resources.

The providers of the debt finance impose certain capital related covenants on the Group. The company continues to operate within these covenants.

The Board currently has an internal target gearing ratio of between 40% and 50%, measured as net debt as a proportion of net debt plus shareholders' funds. The Board may increase or decrease this target from time to time depending on specific circumstances or opportunities.

The Group's dividend policy, which has a direct impact on the level of retained earnings, is to grow dividends from current levels, having regard to future business conditions and opportunities, the level of retained earnings and the cash flow requirements of the Group.

The Group's accounting policies which may result in the creation of certain capital reserves from time to time are set out in note 1, in particular:

- note 1(d) Foreign currency translation
- note 1(t)(iv) Share-based payments
- note 1 (m) Derivative and hedging activities

Note 2. Financial risk management (continued)

Processes

All of the Group's capital management polices are reviewed periodically by the Board.

Compliance with the externally imposed capital covenants is confirmed monthly by Management and the calculations are formally reported to the Board on a monthly basis and to Banks on a quarterly basis.

The capital implications of acquisitions are considered on a case by case basis as part of due diligence reviews.

At 30 June 2011 the gearing ratio was 34.1% and below the Board's medium-term target gearing ratio of 40-50%.

Calculation of the gearing ratio is summarised below:

	Consolidated	
	2011	2010
	$'000	$'000
Total borrowings	**221,706**	179,378
Less: cash and cash equivalents	**(52,339)**	(33,493)
Net debt (A)	**169,367**	145,885
Total equity (B)	**326,815**	212,660
Total capital (A)+(B)	**496,182**	358,545
Gearing Ratio (A)/(A+B)	**34.1%**	40.7%

During 2011 the Group complied with all of the external capital covenants imposed as a result of its debt funding arrangements.

Note 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial effect on the Group and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group's operations, and in particular business combinations, necessitate making estimates and assumptions concerning the future. The resulting accounting estimates may, by definition, not equal the related actual outcomes. The estimates and assumptions that could potentially result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of goodwill and identifiable intangible assets

The Group tests whether goodwill and indefinite life intangible assets have suffered any impairment on an annual basis, in accordance with the accounting policy stated in note 1(i). The recoverable amounts of cash-generating units have been determined based primarily on value-in-use calculations. These calculations require the use of assumptions which are set out in note 17.

Amortising intangibles

These assets are amortised over their assessed useful lives in accordance with the accounting policy stated in note 1(o). If there is an indication that the value of these assets has become impaired during the reporting period an impairment test is undertaken and any resulting loss taken to the statement of comprehensive income. These calculations require the use of assumptions which are set out in note 17. To date no such impairment losses have been recognised.

(ii) Purchase price allocation exercise on business combinations

The price paid for acquired entities is allocated between the fair values of net assets acquired. Net assets acquired include identifiable intangible assets such as customer relationships and contracts, intellectual property, and product delivery platforms. Unless they are deemed to have an indefinite life, these intangible assets are amortised over their assessed useful lives which results in a charge to the statement of comprehensive income. Both the initial value assigned to intangible assets and the period over which they are amortised have a direct impact on the Group's reported result for the period. Independent valuations are obtained where intangible assets values are likely to be significant. Useful lives are determined on an entity-by-entity and asset-by-asset basis with reference to past experience and future projections.

Note 3. Critical accounting estimates and judgements (continued)

The purchase price allocation for acquisitions made in 2011 is outlined in note 35.

(iii) Recognition of tax losses

Tax losses are recognised as tax assets where it is deemed probable that they will be recovered in future periods. At 30 June 2011, the Group had recognised assets in respect of tax losses amounting to $1,562,000 (note 16). Should future trading profits not generate sufficient taxable income to utilise the tax losses some or all of these assets may need to be written off in future periods.

(b) Critical judgements in applying the entity's accounting policies

(i) Tax base of indefinite life intangible

Management has determined that the intangible assets with indefinite life will be realised through sale rather than use as such no deferred tax liability is recognised in relations to these assets.

4. Segment information

Business segments

Management has determined the operating segments based on the reports reviewed by the Board and senior executive team that are used to make strategic decisions.

The consolidated entity is organized on a global basis into the following business units by product and service type:

Information Services

- Distributing technical and business information such as Standards, legislation other technical information
- Providing internally developed intellectual property such as bibliographic databases and property certificates
- Providing conveyancing, lending and other workflow solutions

Compliance Services

- Advisory services
- Providing newsfeeds, alerts and databases covering key compliance and regulatory topics
- Providing governance, risk and compliance (GRC) solutions that catalogue, monitor, update, notify and manage a company's operational GRC needs
- Providing an extensive library of web-based learning and awareness solutions, supported by a learning management system providing both audit and compliance learning management capability
- Whistleblower and related case management and incident reporting services

Assurance Services

- Assessing system and product conformity to international and locally based Standards, supported by one of the most widely recognisable symbols of excellence and assurance in Australia, the "five ticks" Standards Mark
- Providing a suite of services across the food value chain, from agricultural production through to the point of sale or service, aimed specifically at managing risks within the supply chain and improving the quality, safety and security of food products
- Providing tools for improving critical business processes
- Providing Standards related training and business improvement solutions

Corporate Services
Provides company secretarial, legal, financial, information technology, human resource management, investor and public relations and internal audit services to the group, and central management services to the business units.

Note 4. Segment information

The segment information provided to the Board and Executive Committee for the year ended 30 June 2011 is as follows:

Year ended 30 June 2011	Information Services **$'000s**	Compliance Services **$'000s**	Assurance Services **$'000s**	Corporate Services **$'000s**	Eliminations **$'000s**	Consolidated **$'000s**
Sales revenue	193,599	79,902	155,384	-	(1,770)	427,115
Other income	985	137	1,287	(42)	-	2,367
Segment revenue	**194,584**	**80,039**	**156,671**	**(42)**	**(1,770)**	**429,482**
Less: direct costs	(107,946)	(14,854)	(71,168)	(179)	1,770	(192,377)
Gross margin	**86,638**	**65,185**	**85,503**	**(221)**	**-**	**237,105**
Less: overheads	(34,126)	(29,130)	(49,555)	(23,554)	-	(136,365)
Less: corporate allocations	(3,662)	(1,790)	(7,572)	13,024	-	-
Segment earnings before interest, tax, depreciation and amortisation (EBITDA), before significant charges	**48,850**	**34,265**	**28,376**	**(10,751)**	**-**	**100,740**
Less: depreciation	(2,703)	(5,482)	(1,719)	(2,163)	-	(12,067)
Less: amortisation of intangible assets	(4,276)	(6,372)	(1,019)	-	-	(11,667)
	41,871	**22,411**	**25,638**	**(12,914)**	**-**	**77,006**
Share of net profits/(losses) of associates and joint venture partnership accounted for using the equity method	-	-	27	-	-	27
Segment result before significant charges	**41,871**	**22,411**	**25,665**	**(12,914)**	**-**	**77,033**

	Note	
a) Reconciliation of segment revenue		
Segment revenue		429,482
Interest income		1,624
Total revenue		**431,106**
b) Reconciliation of segment result		
Segment result before significant charges		77,033
Significant charges		
Acquisition related transaction charges		(1,976)
Integration and restructuring charges		(1,847)
Other significant charges		(1,123)
		(4,946)
Interest income	5	1,624
Interest expense	7	(13,324)
Profit for the period before income tax expense		**60,386**

c) Segment revenue by geographical location

Asia Pacific	277,012
North America	90,409
UK and Europe	52,413
Asia, Middle East, Russia	9,648
Total Segment Revenue	**429,482**

Note 4. Segment information

The segment information provided to the Board and Executive committee for the year ended 30 June 2010 is as follows:

Year ended 30 June 2010	Information Services $'000s	Compliance Services $'000s	Assurance Services $'000s	Corporate Services $'000s	Eliminations $'000s	Consolidated $'000s
Sales revenue	197,930	46,589	149,401	-	(1,692)	392,228
Other income	708	(265)	151	182	-	776
Segment revenue	**198,638**	**46,324**	**149,552**	**182**	**(1,692)**	**393,004**
Less: direct costs	(110,901)	(11,036)	(69,404)	(118)	1,692	(189,767)
Gross margin	**87,737**	**35,288**	**80,147**	**64**	**-**	**203,237**
Less: overheads	(34,433)	(22,338)	(48,494)	(21,829)	-	(127,094)
Less: corporate allocations	(3,170)	(1,520)	(8,170)	12,860	-	-
Segment earnings before interest, tax, depreciation and amortisation (EBITDA)	**50,134**	**11,430**	**23,483**	**(8,905)**	**-**	**76,143**
Less: depreciation	(2,324)	(5,600)	(1,655)	(2,285)	-	(11,864)
Less: amortisation of intangible assets	(5,021)	(1,563)	(1,086)	-	-	(7,670)
	42,789	**4,267**	**20,742**	**(11,190)**	**-**	**56,609**
Share of net profits/(losses) of associates and joint venture partnership accounted for using the equity method	-	-	25	-	-	25
Segment result	**42,789**	**4,267**	**20,767**	**(11,190)**	**0**	**56,634**

a) Reconciliation of segment revenue

	Note	
Segment revenue		393,004
Interest income		614
Total revenue		**393,618**

b) Reconciliation of segment result

Segment result		56,634
Interest income	5	614
Interest expense	7	(9,461)
Profit for the period before income tax expense		**47,787**

c) Segment revenue by geographical location

Asia Pacific	268,481
North America	69,885
UK and Europe	46,096
Asia, Middle East, Russia	8,542
Total Segment Revenue	**393,004**

5. Revenue

	2011 $'000	2010 $'000
Sales revenue		
Sale of goods	24,815	25,828
Services [1]	398,259	363,030
	423,074	388,858
Other revenue		
Royalties received	4,041	3,370
Interest income	1,624	614
	5,665	3,984
Total revenue	428,739	392,842

[1] Includes property "pass through" revenue of $87,040k (2010: $91,452k)

6. Other income

	2011 $'000	2010 $'000
Foreign exchange gain/(losses)	418	(234)
Other	1,949	1,010
Total other income	2,367	776

7. Expenses

	2011 $'000	2010 $'000
Profit before income tax includes the following specific net gains and expenses:		
Expenses		
Cost of providing services	68,810	65,578
Property service disbursements	87,215	91,452
Administration costs	13,998	12,634
Promotional costs	3,413	2,917
Lease costs - minimum lease payments	14,564	12,970
Other expenses from ordinary activities	17,317	14,246
Total other expenses before significant charges	205,317	199,797
Employee benefits expenses	128,372	117,064
Loss on disposal of plant and equipment	3	3

7. Expenses (continued)

	Note	2011 $'000	2010 $'000
Depreciation of plant and equipment	15	12,067	11,864
Amortisation:			
Publishing licence agreement	17	1,591	1,591
Customer relationships and contracts	17	8,108	3,860
Product delivery platforms	17	348	1,326
Intellectual property	17	1,620	893
Total amortisation		11,667	7,670
Total depreciation and amortisation		23,734	19,534
Other charges against assets:			
Provision for impairment - trade receivables		473	877
Inventory provision/(reversal)		78	(37)
		551	840
Finance costs:			
Interest and finance charges paid/payable		13,324	9,461
		13,324	9,461

8. Income tax expense

	Note	2011 $'000	2010 $'000
(a) Income tax expense			
Current tax		19,399	14,750
Deferred tax		(4,101)	(605)
Over provided in prior years		81	(1,554)
		15,379	12,592
Deferred income tax expense/(income) included in income			
Decrease/(increase) in deferred tax assets	16	(1,400)	678
(Decrease)/increase in deferred tax liabilities	23	(2,701)	(1,283)
		(4,101)	(605)

8. Income tax expense

	2011 $'000	2010 $'000
(b) Numerical reconciliation of income tax expense to prima facie tax payable.		
Profit before income tax expense	60,386	47,787
Tax at the Australian tax rate of 30% (2010: 30%)	18,116	14,336
Tax effect of amounts which are not deductible/(taxable) in		
Entertainment	40	56
Employee Share Plan costs	579	408
R&D Additional Claim	(968)	(629)
Income tax loss not brought to account	377	62
Other non-taxable items / (deductions)	(785)	137
	17,359	14,370
Under/(over)provision from prior year	80	(1,553)
Tax effect of different foreign tax rates and other	31	(225)
Prior year losses not recognised now recouped	(2,091)	-
Income tax expense	15,379	12,592
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity		
Net deferred tax - (credited) directly to equity	1,050	(74)
	1,050	(74)
(c) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	2,285	9,937
Potential benefit @ US tax rate of 39%	891	3,875

Unused tax losses relate to controlled entities in the United States.

(d) Tax consolidation legislation

SAI Global Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 July 2005. The entities in the tax consolidated group have entered into a tax sharing agreement which, in the opinion of the Directors, limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, SAI Global Limited.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate SAI Global Limited for any current tax payable assumed and are compensated by SAI Global Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to SAI Global Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognized in the wholly owned entities financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of the financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax installments. The funding amounts are recognised as current intercompany receivables or payables.

9. Current assets - Cash assets and cash equivalents

	2011 $'000	2010 $'000
Cash at bank and on hand	**51,087**	32,227
Deposits at call	**1,252**	1,266
	52,339	33,493

(a) Interest rate risk exposure

The Group's and the parent entity's exposure to interest rate risk is discussed in note 2.

10. Current assets - Trade and other receivables

	2011 $'000	2010 $'000
Trade receivables	**74,987**	66,266
Less: Provision for impairment of receivables	**(2,333)**	(2,786)
	72,654	63,480
Prepayments	**10,828**	8,464
Accrued income	**9,350**	4,942
Advances to employees	**44**	75
Other receivables	**844**	1,514
	93,720	78,475

(a) Impaired receivables

As at 30 June 2011 current trade receivables of the Group with a nominal value of $2,333,000 (2010: $2,786,000) were impaired. The amount of the provision was $2,333,000 (2010: $2,786,000).

Movements in the provision for impaired receivables are as follows:

	2011 $'000	2010 $'000
Opening balance	**(2,786)**	(2,763)
Provision for impairment recognised during the year as an expense	**(473)**	(877)
Receivables written off during the year as uncollectible	**1,178**	856
Impact of acquisitions and foreign currency movements	**(252)**	(2)
Closing balance	**(2,333)**	(2,786)

The creation and release of the provision for impaired receivables has been included in "Other expenses" in the statement of comprehensive income. Amounts charged to the impairment account are generally written off when all avenues for collection have been exhausted and there is no expectation of recovering additional cash.

(b) Not yet due

	2011 $'000	2010 $'000
Due within current trading terms	**52,823**	47,372
	52,823	47,372

10. Current assets - Trade and other receivables (continued)

(c) Past due but not impaired

At 30 June 2011 a portion of the receivables balance was past due but not considered impaired. No specific collection issues have been identified with these receivables. The ageing of these receivables is as follows:

	2011 $'000	2010 $'000
Less than 3 months (as due date ageing)	**15,191**	11,104
Over 3 months overdue	**6,973**	7,790
	22,164	18,894

(d) Foreign exchange and interest rate risk

Information about the Group's and the parent entity's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in note 2.

(e) Fair value and credit risk

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the fair value of receivables.

Refer to note 2 for more information on the risk management policy of the Group and the credit quality of the entity's trade receivables.

11. Current assets - Inventories

	2011 $'000	2010 $'000
Finished goods at cost	**774**	909
Less: provision for obsolescence	**(48)**	(104)
	726	805

(a) Inventory expense

Inventories recognised as expense during the year ended 30 June 2011 amounted to $3,449,538 (2010: $3,701,000). There was no write off of inventories for the year (2010: $nil).

12. Non-current assets - Investments accounted for using the equity method

	Note	2011 $'000	2010 $'000
Shares in associates	36	**674**	675
		674	675

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost by the parent entity (refer to note 44).

13. Non-current assets - Other financial assets

	Note	2011 $'000	2010 $'000
Shares in associates	36	**674**	675
Less: provision for impairment		**-**	-
		674	675

These financial assets are carried at cost less any provisions for impairment.

14. Derivative financial instruments

	Note	2011 $'000	2010 $'000
Interest rate swap contracts - cash flow hedges	(a)(i)	**(2,389)**	(4,281)
Total non-current derivative financial instrument (liabilities)/assets		**(2,389)**	(4,281)

The gain or loss from remeasuring the derivative financial instruments at fair value is recognised in other comprehensive income and deferred in equity in the hedging reserve, to the extent that the hedge is effective. It is reclassified into profit or loss when the hedged interest expense is recognised. In the year ended 30 June 2011 a profit of $2,424,000 was reclassified into profit or loss (2010: profit of $1,643,000) and included in finance costs. There was no hedge ineffectiveness in the current or prior year.

The notional amount is $138,796,000 (2010: $134,355,000) denominated in USD, GBP and AUD.

(a) Instruments used by the Group

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest rates in accordance with the Group's financial risk management policies (refer to note 2).

(i) Interest rate swap contracts - cash flow hedges

Bank loans of the Group currently bear an average variable interest rate of 5.50% (2010: 5.82%). It is policy to protect part of the loans from exposure to fluctuations in interest rates. Accordingly, the Group has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.
Swaps currently in place cover approximately 68% (2010: 89%) of the variable loan principal outstanding and are timed to expire as each loan repayment falls due. The fixed interest rates range between 1.15% and 5.5% (2010: 2.91% and 5.24%) and the variable rates are between 2.20% and 3.00% above the LIBOR rate which at reporting date was 0.25% (2010: 0.43%) for USD, 0.83% (2010: 0.70%) for GBP and 4.89% (2010: 4.88%) for AUD.

The contracts require settlement of net interest receivable or payable each 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt. The contracts are settled on a net basis.

The gain or loss from remeasuring the hedging instruments at fair value is deferred in equity in the hedging reserve, to the extent that the hedge is effective, and reclassified into the statement of comprehensive income when the hedged interest expense is recognised. In the current and prior years no amounts were reclassified into the statement of comprehensive income. There was no hedge ineffectiveness in the current or prior year.

(b) Risk exposures

Information about the Group's and the parent entity's exposure to credit risk, foreign exchange and interest rate risk is provided in note 2.

15. Non-current assets - Plant and equipment

	2011 $'000	2010 $'000
Plant and equipment - at cost	**81,979**	68,926
Less: Accumulated depreciation	**(58,159)**	(48,521)
	23,820	20,405
Capital work in progress	**6,050**	6,481
	29,870	26,886

A reconciliation of the carrying amount of plant and equipment at the beginning and end of the current financial year is set out below:

	Note	2011 $'000	2010 $'000
Carrying amount at beginning of period		**20,405**	19,519
Additions		**5,132**	9,454
Transfer from capital work in progress		**12,001**	1,338
Transfer to Intangibles		**(2,542)**	-
Disposals		**(3)**	(297)
Additions through acquisition of entities	35	**3,139**	1,236
Depreciation charge	7	**(12,067)**	(11,864)
Foreign currency exchange movements		**(2,245)**	1,019
Carrying amount at end of period		**23,820**	20,405

A reconciliation of the carrying amount of capital work-in-progress at the beginning and end of the current financial year is set out below:

	2011 $'000	2010 $'000
Carrying amount at beginning of period	**6,481**	3,784
Additions	**11,570**	4,035
Transfer to plant and equipment	**(12,001)**	(1,338)
Carrying amount at end of period	**6,050**	6,481

Capital work in progress consists mainly of information technology related projects in progress.

16. Non-current assets - Deferred tax assets

	Note	2011 $'000	2010 $'000
The balance comprises temporary differences attributable to:			
Amounts recognized in profit or loss			
Accruals		**129**	735
Employee benefits		**2,388**	2,338
Provision for doubtful debts		**231**	220
Provision for stock obsolescence		**14**	17
Fixed assets		**1,504**	665
Tax losses		**1,562**	6,090
Share issue expenses		**184**	6
Retirement benefit obligations		**738**	1,079
Cost of takeover offers		**253**	385
Interest expense limitation		**3,170**	3,759
Foreign exchange		**2,174**	25
Other timing differences		**694**	1,802
Net deferred tax assets		**13,041**	17,121
Amounts recognized directly in equity			
Cash flow hedges		**410**	1,694
		410	1,694
Total deferred tax assets		**13,451**	18,815
Set-off of deferred tax liabilities pursuant to set-off	23	**(1,617)**	(1,143)
Net deferred tax assets		**11,834**	17,672
Deferred tax assets to be recovered within 12 months		**9,975**	10,365
Deferred tax assets to be recovered after more than 12 months		**3,476**	8,450
		13,451	18,815

Movements	Tax Losses $'000	Interest expense limitation $'000	Employee benefits $'000	Other $'000	Total $'000
At 30 June 2010	6,090	3,759	2,338	6,628	18,815
(Charged)/Credited to the statement of comprehensive income	-	129	50	1,221	1,400
(Charged)/Credited to equity	-	-	-	(1,166)	(1,166)
Foreign exchange	(725)	(718)	-	(307)	(1,750)
Adjustments in respect of deferred income tax in previous years	-	-	-	(45)	(45)
Utilisation of losses	(3,803)	-	-	-	(3,803)
At 30 June 2011	**1,562**	**3,170**	**2,388**	**6,331**	**13,451**

17. Non-current assets - Intangible assets

	2011 $'000	2010 $'000
Goodwill		
At cost	**415,953**	299,892
Identifiable intangible assets		
Trademark	**16,100**	16,100
Publishing Licence Agreement	**31,955**	31,956
Less: Accumulated amortisation	**11,980**	10,390
	19,975	21,566
Customer relationships and contracts	**51,578**	35,259
Less: Accumulated amortisation	**21,827**	14,722
	29,751	20,537
Product delivery platforms	**8,439**	8,946
Less: Accumulated amortisation	**8,076**	8,257
	363	689
Intellectual property (courseware, databases)	**25,302**	11,942
Less: Accumulated amortisation	**5,138**	4,281
	20,164	7,661
Total identifiable intangible assets	**86,353**	66,553
Total Intangible assets	**502,306**	366,445

A reconciliation of the carrying amount of intangible assets at the beginning and end of the current financial year is set out below.

		2011 $'000	2010 $'000
Goodwill			
Opening net book amount		**299,892**	291,384
Additions			
- Acquisition of Integrity Interactive Corporation	35	**180,937**	-
- Acquisition of Cintellate Pty Limited		**-**	14,666
- Acquisition of Foodcheck Limited		**-**	5,715
- Acquisition of Enertech Australia Pty Limited		**-**	3,866
- Other business combinations		**257**	4,359
Adjustments to goodwill arising on prior year acquisitions		**(67)**	(19)
Re-translation of goodwill denominated in foreign currencies		**(65,066)**	(20,079)
Closing net book amount		**415,953**	299,892

17. Non-current assets - Intangible assets (continued)

	Note	2011 $'000	2010 $'000
Trademark - Assurance Services Division			
Opening net book amount at 1 July 2010 and closing net book value at 30 June 2011		**16,100**	16,100

The Directors have determined that the trademark has an indefinite life as there is no finite or contractual term and is therefore not amortised. The trademark is subjected to a annual impairment test.

	Note	2011 $'000	2010 $'000
Publishing licence agreement			
Opening net book amount at 1 July		**21,566**	23,157
Additions		**-**	-
Amortisation charge		**(1,591)**	(1,591)
Closing net book amount at 30 June		**19,975**	21,566
Customer relationships and contracts			
Opening net book amount at 1 July		**20,537**	23,520
- Acquisition of Cintellate Pty Limited		**-**	2,031
- Acquisition of Integrity Interactive Corporation	35	**21,833**	-
- Other acquisitions		**463**	-
Revaluation of assets denominated in foreign currency		**(4,974)**	(1,154)
Amortisation charge		**(8,108)**	(3,860)
Closing net book amount at 30 June		**29,751**	20,537
Product delivery platforms			
Opening net book amount at 1 July		**689**	2,102
- Capitalisation to existing products		**116**	-
Revaluation of assets denominated in foreign currency		**(94)**	(87)
Amortisation charge		**(348)**	(1,326)
Closing net book amount at 30 June		**363**	689
Intellectual property			
Opening net book amount at 1 July		**7,661**	9,670
- Acquisition of Integrity Interactive Corporation	35	**14,342**	-
- Other business combinations		**-**	7
- Capitalisation to existing products		**96**	-
- Transfer from Plant & Equipment		**2,542**	
Revaluation of assets denominated in foreign currency		**(2,857)**	(1,123)
Amortisation charge		**(1,620)**	(893)
Closing net book amount at 30 June		**20,164**	7,661
Total identifiable intangible assets		**86,353**	66,553
Total intangible assets		**502,306**	366,445

Amortisation of $11,667,000 (2010: $7,670,000) is included in depreciation and amortisation expense in the statement of comprehensive income.

17. Non-current assets - Intangible assets (continued)

(a) Impairment tests for goodwill

Goodwill is calculated and allocated to cash-generating units (CGUs) into which acquired businesses are integrated.

Integration activities undertaken post acquisition will generally result in the nexus between individual legal entities and the business being broken. This is increasingly the case where global management structures are introduced and businesses are operated on a global basis rather than legal entity basis.

A summary of the goodwill and indefinite life intangible assets by cash generating unit is set out below:

	2011 $'000	2010 $'000
Cash generating unit (CGU) or groups of CGUs		
Information Services (excluding Property Services)	**79,011**	87,105
Property Services	**27,115**	26,976
Compliance Services Division	**237,840**	101,906
Assurance Services Division	**71,987**	83,905
Total	**415,953**	299,892
Trademark - SAI Global Limited (Assurance Services)	**16,100**	16,100

The recoverable amount of a CGU is determined primarily on a value-in-use calculation and secondly based on estimated net selling prices. Value-in-use calculations use cash flow projections based on financial budgets prepared by management and approved by the Board for the next three years. Cash flows for years four and five are extrapolated using the estimated growth rates stated below. After five years a terminal growth rate is assumed and a terminal value-in-use value calculated. The terminal growth rates used do not exceed the average growth rates that the business has experienced and are generally lower than the short-term growth rates assumed.

(b) Key assumptions used for value-in-use calculations

	5 yr EBITDA CAGR		Terminal Growth rates		Pre-tax Discount rates	
CGU	2011 %	2010 %	2011 %	2010 %	2011 %	2010 %
Information Services Division (excluding Property Services)	**6.70**	5.50	**3.00**	3.00	**15.10**	15.14
Property Services	**8.00**	7.20	**3.00**	3.00	**15.80**	16.00
Compliance Services Division	**11.90**	14.70	**3.50**	3.50	**15.40**	16.00
Assurance Services Division	**8.90**	7.80	**3.00**	3.00	**15.60**	15.29

In performing the value-in-use calculations for each CGU, the company has applied post-tax discount rates to discount the forecast future attributable post tax cash flows. The equivalent pre-tax discount rates are disclosed above.

The discount rate has remained fairly consistent because there was minimal change in mix of capital resources employed as compared to the prior year.

At 30 June 2011 the assessed value-in-use for each CGU exceeded the carrying amounts of the goodwill and no impairment loss has been recognised.

The changes in assumptions are based upon differing business risk profiles and revisions to actual and forecast business performance.

With regard to the assessment of the value in use of the CGUs, management believe that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

18. Current liabilities - Trade and other payables

	2011 $'000	2010 $'000
Trade payables	**16,991**	13,582
Accrued expenses	**31,171**	33,047
Deferred revenue	**60,861**	52,727
	109,023	99,356

Revenue is deferred in accordance with the policy set out in note 1(e).

19. Current liabilities - Borrowings

	2011 $'000	2010 $'000
Short-term borrowings	**1,941**	941

(a) Risk exposure

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in note 2.

20. Current tax liabilities /(receivable)

	2011 $'000	2010 $'000
Income tax receivable	**(4,206)**	-

Balance relates to refundable tax instalments

	2011 $'000	2010 $'000
Income tax liability	**1,101**	5,704

21. Current liabilities - Provisions

	Note	2011 $'000	2010 $'000
Lease provision	(a)	**227**	158
Employee benefits	(b)	**6,663**	5,984
		6,890	6,142

(a) Lease provision

Provision was made on acquisition for the unavoidable lease payments relating to properties (or parts thereof) currently leased but not occupied.

(b) Movements in provision

Movements in each class of provision during the financial year, other than employee benefits see note 24.

22. Non-current liabilities - Borrowings

	2011 $'000	2010 $'000
Bank loans (unsecured)	**218,507**	178,437

(a) Risk exposure
Information about the Group's and parent entity's exposure to interest rate and foreign currency changes is provided in note 2.

(b) Fair value
The carrying amounts approximates the fair values of the borrowings at reporting date.

23. Non-current liabilities - Deferred tax liabilities

	Note	2011 $'000	2010 $'000
The balance comprises temporary differences relating			
Work in progress not invoiced		**314**	227
Plant and equipment		**2,932**	1,143
Intangible assets		**21,664**	8,963
Cash flow hedges		**-**	115
Other timing differences		**524**	586
		25,434	11,034
Set-off of deferred tax liabilities pursuant to set-off provisions	16	**(1,617)**	(1,143)
Net deferred tax liabilities		**23,817**	9,891
Deferred tax liabilities to be settled within 12 months		**314**	543
Deferred tax liabilities to be settled after 12 months		**25,120**	10,491
		25,434	11,034

Movements	Plant and equipment $'000	Intangible assets $'000	Other $'000	Total $'000
At 30 June 2010	1,143	8,963	928	11,034
Charged/(Credited) to the statement of comprehensive income	**1,030**	**(3,435)**	**(296)**	**(2,701)**
Charged/(Credited) to equity	**-**	**-**	**(116)**	**(116)**
Acquisition of subsidiary	**824**	**17,832**	**715**	**19,371**
Adjustments in respect of deferred income tax in previous years	**-**	**-**	**(13)**	**(13)**
Foreign exchange movement	**(65)**	**(1,697)**	**(379)**	**(2,141)**
At 30 June 2011	**2,932**	**21,663**	**839**	**25,434**

24. Non-current liabilities - Provisions

	2011 $'000	2010 $'000
Lease provision	**362**	901
Employee benefits	**2,673**	2,694
	3,035	3,595

Movements in current and non-current provisions other than provisions relating to employee benefits, are set out below:

Opening balance	**1,059**	1,453
(Credited)/charged to the statement of comprehensive	**(331)**	(430)
Foreign currency exchange movements	**(139)**	36
Closing balance	**589**	1,059
Current	**227**	158
Non-current	**362**	901
	589	1,059

25. Non-current liabilities - Retirement benefit obligations

Statement of financial position amounts - Superannuation Plans

Superannuation Plans
All employees of the Group are entitled to benefits from a Group superannuation plan on retirement, disability or death. The Group operates both defined contribution and defined benefit pension plans.
The defined contribution plans receive fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions.

	2011 $'000	2010 $'000
Employer contributions	**7,822**	8,105

In addition to these Superannuation Plans, QMI-SAI Canada Limited also has a post retirement medical and life plan outlined in paragraph (b).

		2011 $'000	2010 $'000
Net statement of financial position asset - Pension Plan	(a)	**(303)**	(154)
Net statement of financial position liability - Medical Plan	(b)	**2,460**	3,598
		2,157	3,444

(a) Defined Benefit Pension Plan

(i) The amounts recognised in the statement of financial position are determined as follows:

	2011 $'000	2010 $'000
Present value of the defined benefit obligation	**(7,021)**	(7,226)
Fair value of defined benefit plan assets	**7,324**	7,380
Unrecognised past service costs	**-**	-
Net asset in the statement of financial position	**303**	154

The Group has no legal obligation to settle a year-end liability with an immediate contribution or additional one off contributions. The Group intends to continue to contribute to the defined benefit section of the plan in line with the actuary's latest recommendations.

25. Non-current liabilities - Retirement benefit obligations (continued)

(ii) Categories of plan assets

	2011 $'000	2010 $'000
Equity	2,930	2,938
Fixed income	4,358	4,428
Cash & Short Term Deposits	36	14
Total	7,324	7,380

(iii) Reconciliations - Defined benefit pension plan

	2011	2010
Reconciliation of the present value of the defined benefit obligation:		
Balance at the beginning of the year	7,226	6,684
Current service cost	216	256
Interest cost	375	404
Actuarial (gains) and losses	166	(99)
Employee contributions	107	117
Benefits paid	(82)	(384)
Foreign exchange movements	(987)	248
Balance at the end of the year	7,021	7,226
Reconciliation of the fair value of the defined benefit assets:		
Balance at the beginning of the year	7,380	6,218
Expected return on plan assets	450	455
Actuarial gains	96	221
Employee contributions	107	117
Contributions by Group companies	387	497
Benefits paid	(82)	(384)
Foreign exchange movements	(1,014)	256
Balance at the end of the year	7,324	7,380

(iv) Amounts recognised in statement of comprehensive income - Defined benefit pension plan

The amounts recognised in the statement of comprehensive income are as follows:

	2011	2010
Current service cost	216	256
Interest cost	375	404
Expected return on plan assets	(450)	(455)
Actuarial (gains) and losses	70	(320)
Total included in employee benefits expense	211	(115)
Actual return on plan assets	546	676

(v) Principal actuarial assumptions

The principal actuarial assumptions used (expressed as weighted averages) were as follows:

Superannuation Plans

	2011 %	2010 %
Expected long-term rate of return on plan assets	6.00%	6.50%
Discount rate	5.25%	5.50%
Future salary increases	2.75%	2.75%

25. Non-current liabilities - Retirement benefit obligations (continued)

The expected rate of return on assets has been based on historical and future expectations of returns for each of the major categories of asset classes as well as the expected and actual allocation of plan assets to these major categories. This resulted in the selection of a 6.0% rate of return gross of tax.

(b) Statement of financial position amounts - Post Retirement Medical and Life Plan

(i) The amounts recognised in the statement of financial position are determined as follows:

	2011 $'000	2010 $'000
Present value of the defined benefit obligation	**2,460**	3,598
Fair value of defined benefit plan assets	**-**	-
Net liability in the statement of financial position	**2,460**	3,598

The Group has no legal obligation to settle this liability with an immediate contribution or additional one off contributions. The Group intends to continue to contribute to the post retirement medical and life plan in line with the actuary's latest recommendations.

(ii) Reconciliations - Post Retirement Medical and Life Plan

Reconciliation of the present value of the Post Retirement Medical and Life Plan

	2011 $'000	2010 $'000
Balance at the beginning of the year	**3,598**	3,355
Current service cost	**218**	282
Interest cost	**200**	217
Actuarial (gains) and losses	**(1,095)**	(355)
Benefits paid	**(16)**	(26)
Foreign exchange movements	**(445)**	125
Balance at the end of the year	**2,460**	3,598

(iii) Amounts recognised in statement of comprehensive income - Post Retirement Medical and Life Plan

The amounts recognised in the statement of comprehensive income are as follows:

	2011 $'000	2010 $'000
Current service cost	**218**	282
Interest cost	**200**	217
Actuarial gains	**(1,095)**	(355)
Total included in employee benefits expense	**(677)**	144

(iv) Principal actuarial assumptions

The principal actuarial assumptions used (expressed as weighted averages) were as follows:

	2011 %	2010 %
Discount rate	**5.25%**	5.75%
Health care trend rate - other medical and dental	**5.00%**	5.00%
Health care trend rate - drug rate	**8.50%**	9.00%
Future salary increases	**2.75%**	3.00%

25. Non-current liabilities - Retirement benefit obligations (continued)

(v) Sensitivity analysis - Medical cost trend rates

	2011 $'000	2010 $'000
Sensitivity of Amounts Reported for Health Care Plans		
- Effect on total service cost and interest costs - 1% increase (annual)	**62**	125
- Effect on total service cost and interest costs - 1% decrease (annual)	**(48)**	(93)
- Effect on Postretirement Benefit Obligation - 1% increase (annual)	**417**	875
- Effect on Postretirement Benefit Obligation - 1% decrease (annual)	**(332)**	(664)

(vi) Employer contributions

Employer contributions to the defined benefit section of the plan are based on recommendations by the plan's actuary. Actuarial assessments are made every 3 years and the last assessment was made as at 1 January 2011.

Total employer contributions expected to be paid by Group for the year ending 30 June 2012 are $221,000 (2011: $435,000).

26. Contributed equity

	Note	2011 $'000	2010 $'000
Share capital			
Ordinary shares	(a)	**360,632**	220,702

Movements in ordinary share capital

Details	Number of shares	Issue price	$'000
Opening balance at 1 July 2010	159,581,559		**220,702**
Shares issued under the exercise of Performance Share Rights	281,551	Nil	**-**
Exercise of options over shares	101,908	$ 2.99	**305**
Exercise of options over shares	78,562	$ 2.29	**180**
Exercise of options over shares	79,535	$ 4.04	**321**
Shares issued under the Entitlement Offer and the Placement	36,111,140	$ 3.60	**130,000**
Shares issued under dividend reinvestment plan	1,732,231	$ 4.09	**7,085**
Shares issued under dividend reinvestment plan	1,468,308	$ 4.64	**6,813**
Shares issuance costs			**(4,774)**
Closing balance at 30 June 2011	199,434,794		**360,632**

26. Contributed equity (continued)

Movements in ordinary share capital

Details	Number of shares	Issue price	$'000
Opening balance at 1 July 2009	153,794,246		**201,467**
Shares issued under the exercise of Performance Share Rights	2,509	Nil	**-**
Exercise of options over shares	8,520	$2.49	**21**
Shares issued under the exercise of Performance Share Rights	6,553	Nil	**-**
Shares issued under the exercise of Performance Share Rights	195,045	Nil	**-**
Shares issued under dividend reinvestment plan	919,695	$3.32	**3,053**
Shares issued for the acquisition of Cintellate Pty Ltd on 22 October 2009	416,120	$3.40	**1,415**
Shares issued for the acquisition of Espreon Limited on 18 December 2009	3,316,754	$3.54	**11,741**
Shares issued under the Employee Share Plan and UK Share Incentive Plan	105,823	$3.76	**398**
Shares issued under the exercise of Performance Share Rights	23,910	Nil	**-**
Shares issued under dividend reinvestment plan	647,389	$3.63	**2,350**
Exercise of options over shares	28,375	$2.99	**85**
Exercise of options over shares	35,196	$2.29	**81**
Shares issued under the exercise of Performance Share Rights	46,216	Nil	**-**
Exercise of options over shares	14,286	$2.99	**43**
Exercise of options over shares	20,922	$2.29	**48**
Closing balance at 30 June 2010	159,581,559		220,702

(a) Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of SAI Global Limited in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. At 30 June 2010 all shares were fully paid.

(b) Information relating to long-term incentive plans, including details of rights issued under the plans, are set out in the remuneration report section of the Directors' Report.

27. Reserves and retained profits

	2011 $'000	2010 $'000
(a) Reserves		
Share-based payments reserve	**4,990**	2,823
Foreign currency translation reserve	**(75,750)**	(28,295)
Hedging reserve - cash flow hedges	**(3,731)**	(4,433)
Transactions with non-controlling interests	**(19,216)**	(19,216)
	(93,707)	(49,121)

Movements:

Share-based payments reserve:

	2011 $'000	2010 $'000
Opening balance	**2,823**	1,665
Performance share rights and options expense	**2,167**	1,158
Closing balance	**4,990**	2,823

Foreign currency translation reserve:

	2011 $'000	2010 $'000
Opening balance	**(28,295)**	(15,874)
Currency translation differences arising during the year	**(47,455)**	(12,421)
Closing balance	**(75,750)**	(28,295)

Hedging reserve - Cash flow hedge:

	2011 $'000	2010 $'000
Opening balance	**(4,433)**	(4,382)
Revaluation (decrease)/increase arising during the year on interest rate swaps (net of tax)	**702**	(51)
Closing balance	**(3,731)**	(4,433)

Transactions with non-controlling interests:

	2011 $'000	2010 $'000
Opening balance	**(19,216)**	-
Acquisition of additional ownership in Espreon Ltd	**-**	(18,672)
Compulsory acquisition of remaining ownership in Espreon Ltd	**-**	(515)
Acquisition of remaining ownership in EFSIS France	**-**	(29)
Closing balance	**(19,216)**	(19,216)

(b) Retained profits

	Note	2011 $'000	2010 $'000
Opening balance		**40,311**	25,190
Net profit for the year		**44,806**	33,725
Dividends	30	**(26,196)**	(18,604)
Closing balance		**58,921**	40,311

(c) Nature and purpose of reserves:

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value at grant date of performance share rights and options issued over the relevant vesting period.

Foreign currency translation reserve

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in note 1(d)(iii). The reserve is recognized in the statement of comprehensive income when the net investment is no longer controlled.

Hedging reserve - cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognized directly in equity, as described in note 1(m). Amounts are recognized in the statement of comprehensive income when the associated hedged transaction affects comprehensive income.

28. Non-controlling interest

	2011 $'000	2010 $'000
Interest in:		
Share capital	214	214
Retained profits	755	554
	969	768

29. Earnings per share

	2011 Cents	2010 Cents
Basic earnings per share (cents)	23.1	21.5
Diluted earnings per share (cents)	23.0	21.5
Profit attributable to the ordinary equity holders of the company used in calculating earnings per share ($'000)	44,806	33,725
Weighted average number of shares used as the denominator in calculating basic earnings per share	194,161,630	156,999,683
Adjustments for calculation of diluted earnings per share:		
Performance share rights and options	364,765	39,496
Weighted average number of shares used as the denominator in calculating diluted earnings per share	194,526,395	157,039,179

The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 42.

30. Dividends

	2011 $'000	2010 $'000
Ordinary shares		
Final dividend for the year ended 30 June 2009 of 5.8 cents per share paid on 22 September 2009 100% franked based on tax paid @30%		
Cash paid to shareholders	-	6,339
Dividend reinvestment plan	-	3,055
	-	9,394
Interim dividend for the year ended 30 June 2010 of 5.8 cents per share paid on 26 March 2010 100% franked based on tax paid @30%		
Cash paid to shareholders	-	6,858
Dividend reinvestment plan	-	2,352
	-	9,210
	-	18,604
Final dividend for the year ended 30 June 2010 of 7.0 cents per share paid on 22 September 2010 100% franked based on tax paid @30%		
Cash paid to shareholders	6,631	-
Dividend reinvestment plan	7,087	-
	13,718	-

30. Dividends (continued)

	Consolidated 2011 $'000	2010 $'000
Ordinary shares		
Interim dividend for the year ended 30 June 2011 of 6.3 cents per share paid on 28 March 2011 100% franked based on tax paid @30%		
Cash paid to shareholders	5,662	-
Dividend reinvestment plan	6,816	-
	12,478	-
	26,196	-

Dividends not recognised at year end

In addition to the above dividends, since the year end the Directors have declared the payment of a final dividend of 8.0 cents per share (2010 - 7.0 cents), 100% franked based on tax paid at 30%. The aggregate amount of the declared dividend expected to be paid on 23 September 2011 out of retained profits at 30 June 2011, but not recognised as a liability at year end, is	15,966	11,171

Franked dividends

The final dividends declared after 30 June 2011 will be franked out of existing franking credits.

Franking credits available for subsequent financial years including payment of FY11 final dividend, based on a tax rate of 30% (2010: 30%)	8,372	6,796

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
(a) franking credits that will arise from the payment of the amount of the provision for income tax,
(b) franking credits that will arise from the payment of dividends recognised as a liability at the reporting date, and
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

The dividend declared by the Directors since year end but not recognised as a liability at year end, will reduce existing and future franking credits by $6,842,402 (2010: $4,787,447).

31. Reconciliation of profit after income tax to net cash inflow from operating activities.

	Note	2011 $'000	2010 $'000
Profit from ordinary activities after related income tax		44,806	33,725
Depreciation and amortisation	7	23,734	19,534
Non-cash employee benefits expense - share based		2,166	1,556
Charge for provision for impairment of trade receivables	7	473	877
(Gain)/loss on disposal of plant and equipment		3	3
Share of (profit) / loss of associates and joint ventures not received as dividends or distributions		(27)	(25)
Net exchange differences		610	343
Changes in operating assets and liabilities, net of effects from purchase of controlled entity:			
Decrease/(increase) in receivables		(20,562)	1,880
(Increase)/decrease in inventories		45	(20)
(Increase)/decrease in deferred tax balances		15,653	(2,998)
(Increase)/decrease in other operating assets		(7,316)	(4,394)
Increase in trade creditors		(4,034)	2,562
(Decrease)/increase in income tax payable		(8,916)	(1,664)
Increase/(decrease) in other provisions		(3,782)	419
(Decrease)/increase in deferred revenue		11,781	(302)
Cash flow from operating activities		54,634	51,496

32. Financial guarantees

The parent entity and certain wholly owned subsidiaries are parties to a deed of cross guarantee in respect of the loans.

SAI Global Limited, Anstat Pty Limited, Espreon Pty Limited, Enertech Australia Pty Limited and Cintellate Pty Ltd are parties to a deed of cross guarantee as detailed in note 37.

In accordance with the policy detailed in note 1(x), the above guarantees have been stated at their fair value.

No liability was recognised by the consolidated entity in relation to these guarantees, as the fair value of the guarantees is insignificant.

33. Commitments

	2011 $'000	2010 $'000
(a) Capital commitments		
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	566	337
Later than one year but not later than 5 years	-	608
	566	945
(b) Lease commitments		
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	7,484	9,726
Later than one year but not later than 5 years	21,871	25,628
Later than 5 years	3,400	5,058
	32,755	40,411
Representing:		
Minimum lease payments relating to non-cancellable operating leases	32,755	40,411

The Group leases various offices and warehouses under non-cancellable operating leases expiring with 2 to 7 years, have various terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

34. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Note	Country of Incorporation	Class of shares	Equity holding[1] 2011 %	Equity holding 2010 %
Excel Partnership Inc.		USA	Ordinary	100	100
SAI Global Inc.		USA	Ordinary	100	100
SAI Global Mexico S de RL		Mexico	Ordinary	100	100
PT SAI Global Indonesia		Indonesia	Ordinary	100	100
PT Kema Registered Quality		Indonesia	Ordinary	100	100
QAS India (PVT)		India	Ordinary	100	100
SAI Global Certification Services Pty Ltd		Australia	Ordinary	100	100
CRS Registrars Inc		USA	Ordinary	100	100
SAI Global US Holdings Inc		USA	Ordinary	100	100
SAI Global UK Holdings Limited (previously Easy i Holdings Limited)		UK	Ordinary	100	100
ILI Holdings Limited		UK	Ordinary	100	100
SAI Global Compliance Limited (previously Easy i Limited)		UK	Ordinary	100	100
Easy i Media Limited		UK	Ordinary	100	100
Simulus Multimedia Limited		UK	Ordinary	100	100
Easy i Inc		USA	Ordinary	100	100
Anstat Pty Limited[2]		Australia	Ordinary	100	100
ILI Limited		UK	Ordinary	100	100
London Information (Rowse Muir)		UK	Ordinary	100	100
Bidmile		UK	Ordinary	100	100
SAI Global Assurance Services Limited (previously EFSIS Limited)		UK	Ordinary	100	100
SAI Global UK Limited (previously Central Certification Service Limited)		UK	Ordinary	100	100
ILI Infodisk Inc.		USA	Ordinary	100	100
ILI Production Limited		UK	Ordinary	100	100
SAI Global Japan Co. Ltd		Japan	Ordinary	60	60
Certificazioni Torinesi S.R.L (Certo)		Italy	Ordinary	100	100
Controlli Torinesi Prodotti e Processi S.R.L. (Contop)		Italy	Ordinary	100	100
Certo Tunisie S.arl		Italy	Ordinary	65	65
Compliance and Ethics Learning Solutions Corporation (Midi)		USA	Ordinary	100	100
QMI - SAI Canada Limited		Canada	Ordinary	100	100
The GCS Certification Co., Limited		Korea	Ordinary	70	70
Espreon Limited[2]		Australia	Ordinary	100	100
CQC-SAI Management Technologies (Beijing) Co., Ltd		China	Ordinary	70	70
Cintellate Pty Ltd[2]		Australia	Ordinary	100	100
Enertech Australia Pty Limited[2]		Australia	Ordinary	100	100
Foodcheck Limited		UK	Ordinary	100	100
SAI Global New Zealand Ltd		New Zealand	Ordinary	100	100
SAI Global (Cyprus) Holdings Limited		Cyprus	Ordinary	59	59
SAI Global Eurasia Limited		Russia	Ordinary	59	59
SAI Global Australia Pty Limited		Australia	Ordinary	100	-
SAI Global GP		USA	Ordinary	100	-
SAI Global CIS US GP		USA	Ordinary	100	-
Integrity Interactive Corporation [3]	35	USA	Ordinary	100	-
Software Impressions Inc. [3]	35	USA	Ordinary	100	-
NV Integrity Interactive Europe SA [3]	35	Belgium	Ordinary	100	-
Cistera Limited		Hong Kong	Ordinary	100	-
SAI Global CIS UK Limited		UK	Ordinary	100	-
SAI Global Czech s.r.o		Czech Republic	Ordinary	100	-
SAI Global Certification Services s.r.o		Czech Republic	Ordinary	100	-
Advancing Food Safety Pty Ltd [4]	35	Australia	Ordinary	100	-

[1]The proportion of ownership interest is equal to the proportion of voting power held.
[2]This subsidiary has been granted relief from the necessity to prepare financial statements in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission. For further information refer to note 37.
[3] The Integrity Interactive group of companies were acquired on 10th September 2010.
[4] Advancing Food Safety Pty Ltd was acquired on 30 June 2011.

35. Business Combinations

During the financial year the businesses noted below were acquired. The operating results of these businesses have been included in the consolidated statement of financial performance from the date of acquisition.

2011

(a) Summary of acquisition

Integrity Interactive Corporation

On the 10th of September 2010, Compliance and Ethics Learning Solutions Corporation, a subsidiary of SAI Global Limited acquired the share capital of Integrity Interactive Corporation for USD170M plus adjustments for net assets including cash, which brought the total cash outlay to USD180.1M (AUD $203.6M).

The business is a US based Compliance and Ethics solutions provider.

The consolidated statement of comprehensive income includes sales revenue and net profit after tax for the year ended 30 June 2011 of $28.1M and $8.2M (before the impact of significant items) respectively, as a result of the acquisition of Integrity Interactive Corporation. Had the acquisition of Integrity Interactive Corporation occurred at the beginning of the reporting period, the consolidated statement of comprehensive income would have included revenue and profit of $33.7M and $9.8M respectively.

Details of the provisional fair value of assets and liabilities acquired are as follows:

		$'000
	Provisional at 30 June 2011	Provisional at 31 Dec 2010
Purchase consideration:		
Cash paid	**203,600**	203,600
Less: Provisional fair value of net identifiable assets acquired	**22,663**	17,790
Goodwill	**180,937**	185,810

The goodwill is attributable to market penetration, potential for growth, and the business synergies expected to arise after the acquisition.

(b) Purchase consideration

	$'000
Cash consideration	**203,600**
Less: cash acquired	**6,692**
Cash consideration net of cash acquired	**196,908**

(c) Assets and Liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

		$'000
	Acquiree's carrying amount	**Provisional Fair Value**
Cash	**6,692**	**6,692**
Trade and Other Receivables	**9,032**	**9,032**
Fixed Assets	**3,139**	**3,139**
Other Assets	**7,745**	**7,745**
Indefinite life intangibles - goodwill	**62,211**	**-**
Intangible Assets	**15,106**	**-**
Intangibles - customer relationships	**-**	**21,833**
Intangibles - intellectual property	**-**	**14,342**
Deferred Tax Liability	**(6,338)**	**(20,446)**
Liabilities	**(21,543)**	**(2,905)**
Deferred Revenue	**(16,769)**	**(16,769)**
	59,275	**22,663**

Other business combinations

On 30 June 2011, SAI Global Limited acquired the business of Advancing Food Safety Pty Ltd for $1.5M.
The business is a provider of training in the food industry in Australia and New Zealand.
The provisional accounting for this business has not yet been finalised.

Prior Period Acquisitions

There were no changes in the provisional acquisition accounting for acquisitions made in 2010.

36. Investments in associates

(a) Carrying amounts

Information relating to associates is set out below.

Name of company	Ownership	2011 $'000	2010 $'000
Unlisted			
Telarc SAI Global Limited (i)	25%	674	676
		674	676

(i) Telarc SAI Limited is an assurance services provider and is incorporated in New Zealand.

	2011 $'000	2010 $'000
(b) Movements in carrying amounts		
Carrying amount at the beginning of the financial year	676	721
Share of net profits after income tax	27	25
Dividends Received	(29)	(45)
Write-off of investment value (i)	-	(25)
Carrying amount at the end of the financial year	674	676
(c) Share of associates' profits or losses		
Net profit before income tax	27	25
Net profit after income tax	27	25

(d) Summarised financial information of associates

	Group's share of:			
	Assets $'000	Liabilities $'000	Revenues $'000	Profit/(loss) $'000
2011				
Telarc SAI Limited	455	202	1,293	27
	455	202	1,293	27

	Group's share of:			
	Assets $'000	Liabilities $'000	Revenues $'000	Profit/(loss) $'000
2010				
Telarc SAI Limited	872	630	1,497	25
	872	630	1,497	25

	2011 $'000	2010 $'000
(e) Share of associates' expenditure commitments, other than for the supply of inventories		
Lease commitments	103	103
	103	103

No associated entities had any capital commitments as at 30 June 2011.

(f) Contingent liabilities of associates

No associated entities had any contingent liabilities at 30 June 2011.

37. Deed of cross guarantee

SAI Global Limited, Anstat Pty Limited, Cintellate Pty Limited, Enertech Australia Pty Limited and Espreon Limited are parties to a deed of cross guarantee under which each company guarantees the debts of the other. By entering into the deed, the wholly-owned entity has been relieved from the requirement to prepare a financial statement and a directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

(a) Condensed consolidated statement of comprehensive income and a summary of movements in consolidated retained profits

The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by SAI Global Limited, they also represent the 'Extended Closed Group'.

Set out below is a condensed consolidated statement of comprehensive income and a summary of movements in consolidated retained profits for the year ended 30 June 2011 of the Closed Group consisting of SAI Global Limited, Anstat Pty Limited, Cintellate Pty Limited, Enertech Australia Pty Limited and Espreon Limited.

	2011 $'000	2010 $'000
Consolidated statement of comprehensive income		
Profit before income tax		
Sale of goods	18,825	19,021
Services	247,463	247,181
Other income	3,170	2,711
Total revenue from continuing operations	269,458	268,913
Expenses from continuing operations		
Employee benefits expense	25,451	24,983
Depreciation and amortisation expenses	7,919	7,523
Finance costs	5,912	3,447
Other expenses	191,795	189,856
	231,077	225,809
Profit before income tax expense	38,381	43,104
Income tax expense	12,966	13,963
Profit for the year	25,415	29,141

(b) Condensed statement of financial position

Set out below is a consolidated statement of financial position as at 30 June 2011 of the Closed Group consisting of SAI Global Limited, Anstat Pty Limited, Cintellate Pty Limited, Enertech Australia Pty Limited and Espreon Limited.

	2011 $'000	2010 $'000
ASSETS		
Current assets		
Cash and cash equivalents	22,388	16,960
Trade and other receivables	112,250	73,109
Inventories	584	571
Total current assets	135,222	90,640
Non-current assets		
Investments in controlled entities	377,769	247,403
Plant and equipment	19,217	14,798
Derivative financial instruments	-	382
Deferred tax assets	4,852	4,658
Intangible assets	68,968	70,184
Total non-current assets	470,806	337,425
Total assets	606,028	428,065
LIABILITIES		
Current liabilities		
Trade and other payables	55,730	56,678
Current tax liabilities	3,220	5,885
Provisions	5,383	5,642
Total current liabilities	64,333	68,205
Non-current liabilities		
Borrowings	89,537	56,741
Derivative financial instruments	136	-
Deferred tax liabilities	2,585	1,796
Provisions	2,242	2,112
Total non-current liabilities	94,500	60,649
Total liabilities	158,833	128,854
Net assets	447,195	299,211

37. Deed of cross guarantee (continued)

EQUITY		
Contributed equity	**418,926**	278,997
Reserves	**5,353**	3,457
Retained profits	**22,916**	16,758
Total equity	**447,195**	299,211

38. Related party transactions

(a) Parent entity

The ultimate parent entity of the Group is SAI Global Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 34.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 41.

(d) Transactions with related parties

The were no transactions with related parties.

(e) Terms and conditions

Outstanding balances are unsecured and repayable in cash.

39. Contingencies

Contingent liabilities

The group had contingent liabilities at 30 June 2011 in respect of:

Guarantees
Cross guarantees given by SAI Global Limited, Anstat Pty Limited, Cintellate Pty Limited, Enertech Australia Pty Limited and Espreon Limited as described in note 37. No deficiencies of assets exist in any of these companies.
No material losses are anticipated in respect of any of the above contingent liabilities.

Litigation
The litigation referred to in Note 40 in the prior year Annual Report relating to claims by Reckon Limited was fully resolved during the period ended 30 June 2011.

40. Events occurring after the reporting date

Other than matters referred to previously in this report, the Directors are not aware of any matter or circumstance which has arisen that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

41. Key management personnel disclosures

(a) Key management personnel compensation

	2011	2010
	$	$
Short-term employee benefits	5,320,990	4,920,819
Post-employment benefits	267,279	214,992
Termination benefits	-	-
Share-based payments	863,117	399,332
	6,451,386	5,535,143

Detailed remuneration disclosures are provided in the Remuneration Report section of the Directors' Report on pages 17 to 50.

(b) Performance share rights and option holdings of key management personnel

The table below summarises the holdings of performance share rights granted to the key management personnel.

Name	Holdings at 1 July 10	Granted	Exercised	Lapsed	Holdings at 30 June 11	Vested and exercisable at 30 June 11
Executive directors:						
Tony Scotton	286,670	98,864	49,408		336,126	-
Executives:						
Brett Lenthall	80,046	26,250	11,297		94,999	-
Geoff Richardson	132,010	42,443	20,543		153,910	-
Duncan Lilley	97,259	34,568	13,752		118,075	-
Andrew Jones	90,725	28,398	15,168		103,955	-
Andy Wyszkowski	71,504	16,749	6,555		81,698	-
Hanna Myllyoja	55,336	24,261	6,762		72,835	-
Chris Jouppi	14,109	35,031	-		49,140	-
Peter Mullins	32,373	32,493	-		64,866	-

Footnotes:

1. No performance share rights are vested and unexercisable at the end of the year.

The table below summarises the holdings of options granted to the key management personnel.

Name	Holdings at 1 July 10	Granted	Exercised	Lapsed	Holdings at 30 June 11	Vested and exercisable at 30 June 11
Executive directors:						
Tony Scotton	432,128	-	-	-	432,128	82,079
Executives:						
Brett Lenthall	157,057	-	-	-	157,057	40,533
Geoff Richardson	280,573	-	16,667	-	263,906	66,415
Duncan Lilley	180,266	-	-	-	180,266	36,561
Andrew Jones	137,008	-	11,111	-	125,897	13,836
Andy Wyszkowski	423,420	133,869	-	-	557,289	37,335
Hanna Myllyoja	79,022	-	-	-	79,022	3,704
Chris Jouppi	89,597	-	-	-	89,597	-
Peter Mullins	-	-	-	-	-	-

41. Key management personnel disclosures (continued)

(c) Shareholdings of key management personnel

The table below summarises the movements in holdings of shares in SAI Global Limited held by the key management personnel and their personally related entities. There were no shares granted during the reporting period as compensation other than those upon the vesting of Performance Share Rights (PSRs). The company does not stipulate share ownership targets for the key management personnel.

Name	Holdings as at 1 July 2010	Received on vesting of performance share rights	Other Changes	Holdings at 30 June 2011
Non-Executive Directors:				
Robert Wright	33,001	-	7,051	**40,052**
Anna Buduls	36,140	-	4,629	**40,769**
Joram Murray AM	21,197	-	8,472	**29,669**
Peter Day	10,000	-	1,389	**11,389**
Andrew Dutton	-	-	3,000	**3,000**
Executive Directors:				
Tony Scotton	423,010	49,408	63,584	**536,002**
Executives:				
Brett Lenthall	16,061	11,297	(48)	**27,310**
Geoff Richardson	3,728	20,453	6,263	**30,444**
Hanna Myllyoja	23,584	6,762	5,275	**35,621**
Andrew Jones	1,947	15,168	(17,115)	-
Duncan Lilley	983	13,752	(17)	**14,718**
Andy Wyszkowski	-	6,555	(2,163)	**4,392**
Peter Mullins	-	-	-	-
Chris Jouppi	-	-	-	-

Footnote:
1. Non-Executive Directors are not eligible to receive performance share rights

(d) Other transactions with key management personnel

There have been no other transactions with key management personnel other than those disclosed in the Directors' Report.

42. Share-based payments

(a) Summary of SAI Global's share based payment plans

SAI Global has a number of share based payment plans as follows:

- Executive Incentive Plan
- UK Sub-Plan to Executive Incentive Plan
- Performance Share Rights Plan
- Employee Share Plan
- Deferred Tax Employee Share Plan
- SAI Global UK Share Incentive Plan

(b) Executive Incentive Plan

The Executive Incentive Plan was approved by shareholders at the Company's Annual General Meeting held on the 20th October 2006. This plan forms part of SAI Global's overall remuneration strategy and is a vehicle under which long-term incentives are annually granted to those executives selected by the Board to participate.

Plan description

The plan provides the Board with the flexibility to offer long-term incentives to executives considered to have the most influence on SAI Global's business performance, as either:

- Options over ordinary shares in SAI Global Limited
- Performance Share Rights
- Performance Shares

42. Share-based payments (continued)

An option over an ordinary share in SAI Global Limited (Option) is an opportunity to purchase one fully paid ordinary share in the Company at a date in the future, at a price determined at the time the Option is granted, provided specific performance criteria, determined by the Board, have been met.

A Performance Share Right (PSR) is a right to acquire one fully paid ordinary share in SAI Global Limited provided specific performance criteria, determined by the Board, have been met.

A Performance Share is an ordinary share in the Company, held by a trustee for the benefit of the executive to whom it was granted, with such rights and performance criteria attached, as determined by the Board.

During the year ended 30th June 2011 Options and PSRs were issued to the Chief Executive Officer and other Members of SAI Global's Executive Committee (EXCO) under the plan. Each grant was subject to vesting periods and performance criteria. In relation to the Options and PSRs granted during the year, the following vesting periods and performance criteria applied.

Vesting Periods

Each grant of PSRs and Options may vest over a five-year period with up to one third available to vest three years from the commencement of the financial year in which they were granted, a further third, four years from the commencement of the financial year in which they were granted and the remainder five years from the commencement of the financial year in which they were granted. Any PSRs or Options that do not vest on the first date they become eligible to vest are carried forward and may vest on a subsequent vesting date. PSRs or Options that have not vested five years after the grant date lapse.

Performance Criteria

For the purpose of applying performance criteria, each grant of PSRs and each grant of Options is divided into two equal parts. One half is subject to a Total Shareholder Return (TSR) performance criterion and the other half to an Earnings per Share (EPS) criterion.

The TSR performance hurdle

On each vesting date the TSR of ordinary shares in SAI Global Limited over the vesting period in independently measured. If the TSR is less than, the 50th percentile of the TSR of shares listed in the S&P/ASX 200 Index, over the same period, none of the PSRs or Options eligible to vest will vest.
If the TSR is at the 50th percentile 50% of the PSRs and Options eligible to vest will vest.
If the TSR is greater than the 75thth percentile of the S&P/ASX 200, all of the PSRs or Options eligible to vest will vest.
For TSR outcomes between the 50th and 75th percentile, pro rata vesting will occur.

The EPS performance criteria

On each vesting date, the compound EPS growth of ordinary shares in the Company over the vesting is calculated.

If the compound EPS growth achieved over the period, is less than 8% per annum, none of the PSRs or Options eligible to vest will vest. If the compound EPS growth is equal to 8%, 30% of the PSRs or Options eligible to vest will vest. For compound EPS growth outcomes between 8% and 15% per annum, 5% of the PSRs or Options eligible to vest will vest, for each half percent of EPS compound growth above 8% per annum.

(c) UK Sub-Plan to Executive Incentive Plan

The UK sub-plan to the Executive Incentive Plan was approved by shareholders at the Company's Annual General Meeting held on the 20th October 2007.

The sub-plan forms part of SAI Global's overall remuneration strategy and is a vehicle under which long-term incentives are annually granted to those executives domiciled for tax purposes in the United Kingdom, who are selected by the Board to participate.

Plan description

The plan provides the board with the ability to issue Options over ordinary shares in SAI Global Limited (as defined above) to executives who are domiciled in the United Kingdom for tax purposes, in a tax effective manner.

During the year ended 30 June 2011 no options were issued under the UK Sub-Plan to key management personnel.

42. Share-based payments (continued)

Options and Performance Share Rights Granted

Set out below are summaries of options and PSRs rights granted under all plans.

2011

Performance Share Rights

Grant date	Expiry date	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year
		Number	Number	Number	Number	Number
3 November 2006	3 November 2011	158,339	-	121,054	-	37,285
14 February 2007	14 February 2011	6,690	-	3,675	-	3,015
9 November 2007	9 November 2012	342,304	-	128,042	3,716	210,546
18 July 2008	18 July 2013	432,594	-	22,010	7,282	403,302
7 November 2008	7 November 2013	102,410	-	-	-	102,410
9 November 2009	9 November 2014	592,445	-	30,704	7,267	554,474
19 February 2010	19 February 2014	32,373	-	-	-	32,373
5th November 2010	5th November 2015	-	626,900	8,860	5,114	612,926
		1,667,155	626,900	314,345	23,379	1,956,331

Options

Grant date	Expiry date	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year
		Number	Number	Number	Number	Number
3 November 2006	3 November 2016	261,652	-	-	-	261,652
14 February 2006	14 February 2017	46,512	-	-	-	46,512
9 November 2007	9 November 2017	761,426	-	101,908	5,291	654,227
18 July 2008	18 July 2013	1,163,338	-	78,562	10,461	1,074,315
7 November 2008	7 November 2018	144,837	-	-	-	144,837
9 November 2009	9 November 2016	535,483	-	-	-	535,483
5th November 2010	5th November 2017	-	133,869	-	-	133,869
		2,913,248	133,869	180,470	15,752	2,850,895

2010

Performance Share Rights

Grant date	Expiry date	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year
		Number	Number	Number	Number	Number
3 November 2006	3 November 2011	298,967	-	136,931	3,697	158,339
14 February 2007	14 February 2011	7,673	-	983	-	6,690
9 November 2007	9 November 2012	360,912	-	15,015	3,595	342,304
18 July 2008	18 July 2013	483,223	-	20,669	29,960	432,594
7 November 2008	7 November 2013	102,410	-	-	-	102,410
9 November 2009	9 November 2014	-	627,888	27,357	8,086	592,445
19 February 2010	19 February 2014	-	32,373	-	-	32,373
		1,253,185	660,261	200,955	45,338	1,667,155

42. Share-based payments (continued)
Options

Grant date	Expiry date	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at the end of the year Number
3 November 2006	3 November 2016	261,652	-	-	-	261,652
14 February 2006	14 February 2017	46,512	-	-	-	46,512
9 November 2007	9 November 2017	816,346	-	42,661	12,259	761,426
18 July 2008	18 July 2013	1,245,168	-	56,118	25,712	1,163,338
7 November 2008	7 November 2018	144,837	-	-	-	144,837
9 November 2009	9 November 2016	-	535,483	-	-	535,483
		2,514,515	535,483	98,779	37,971	2,913,248

Fair value of options granted

The assessed fair value at grant date of options granted during the year ended 30 June 2011 was 110 cents per option. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 30 June 2011 included:

(a) expected price volatility of the company's shares: 30%
(b) expected dividend yield: 3.44%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

(e) Employee Share Plan

A scheme under which shares may be issued by the company to employees for no cash consideration was created prior to the listing of the company in December 2003.

Under the scheme, eligible employees may be offered up to $1,000 worth of fully-paid ordinary shares in SAI Global Limited for no cash consideration. Each share issued under the plan ranks equally with other shares.

Shares issued under the plan cannot be disposed of, dealt with or have any security interest granted over them by an eligible employee 3 years from the date they are issued under the plan (the trading lock).

The plan complies with current Australian tax legislation, enabling permanent employees, domiciled in Australia for tax purposes, to have up to $1,000 of free shares, in respect of an employee share scheme, excluded from their assessable income.

The plan contains provisions to adjust the number of shares held by eligible employees under the plan (before the expiry of the 3 year trading lock period referred to above) to take into account the effect of any capital reconstruction, rights issue or bonus issue.

The number of shares issued to participants in the scheme is the offer amount divided by the weighted average price at which the company's shares are traded on the Australian Securities exchange during the five trading days immediately before the date of the offer.

UK domiciled employees eligible for shares, are issued their entitlement through the SAI Global UK Share Incentive Plan (refer to paragraph (g)).

	2011 Number	2010 Number
Shares issued under the plan to participating employees	**87,817**	90,484

(f) Deferred tax employee share plan

The introduction of the Deferred Tax Employee Share Plan was approved by shareholders at the company's annual general meeting in October

Directors and eligible employees are invited to elect to contribute part of their pre-tax base salary or fees to the Plan in order to acquire ordinary shares in the Company, subject to limits established by the Board from time to time. In addition, up to 100% of any short-term incentive or commission payments may be contributed to the plan to purchase shares.
At the discretion of the Board, the Company may add an amount to an employee's contributions to purchase more shares for the employee's benefit. To date, no matching contributions have been made.

42. Share-based payments (continued)

Employees receive any dividends on the shares, and the company pays all administration and brokerage costs payable when shares are bought on behalf of participants. Participants are responsible for the costs, and any tax consequences, associated with selling or transferring shares. Shares are bought on market.

	2011 Number	2010 Number
Shares purchased under the plan	-	-

(g) SAI Global UK Share Incentive plan

The introduction of this plan was approved by shareholders at the company's annual general meeting in October 2007. The Share Incentive Plan will enable the company to deliver benefits to UK domiciled employees that are broadly similar to benefits provided to other employees, but modified to the extent required for the benefits to be delivered tax efficiently in accordance with applicable tax legislation in the United Kingdom.

	2011 Number	2010 Number
Shares purchased under the plan	8,014	7,606
Shares issued under the plan to participating employees (refer (e))	14,650	15,339

(h) Expenses arising from share based payment transactions

Total expenses arising from share-based payment transactions recognized during the period as part of employee benefit expense were as follows:

	2011 $'000	2010 $'000
Options and Performance Share Rights granted under Long Term Incentive Plans	1,685	1,556
Shares issued under the Employee Share plan	481	-
	2,166	1,556

43. Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2011	2010
(a) Assurance Services		
Audit services		
PricewaterhouseCoopers Australian firm:		
Audit and review of financial statements and other audit work under the Corporations Act 2001	-	672,824
Ernst & Young Australian firm:		
Audit and review of financial statements and other audit work under the Corporations Act 2001	596,000	-
Total remuneration for audit services	596,000	672,824
Other assurance services		
PricewaterhouseCoopers Australian firm:		
Taxation advisory	-	70,000
Ernst & Young [2] Australian firm:		
Taxation advisory [1]	828,395	-
Taxation compliance	575,697	-
Remuneration benchmarking	46,350	-
Total remuneration for other assurance services	1,450,442	70,000

[1] In addition to the amounts stated above, Ernst & Young was also paid $330,448 in relation to taxation advisory services on the acquisition of Integrity Interactive prior to their appointment as auditors at the AGM on 22 October 2010.

[2] Ernst & Young also provided tax advisory, taxation compliance and executive compensation benchmarking services in FY10, prior to their appointment as auditors at the AGM on 22 October 2010.

44. Parent entity financial information

(a) Summary financial information
The individual financial statements for the parent entity show the following aggregate amounts:

	Parent 2011 $'000	2010 $'000
Statement of financial position		
Current assets	**27,099**	58,659
Total assets	**506,161**	338,773
Current liabilities	**18,568**	33,075
Total liabilities	**110,389**	92,266
Net Assets	**395,772**	**246,507**
Shareholders' equity		
Issued capital	**360,631**	220,702
Reserves		
Cashflow hedges	**(95)**	267
Share based payments	**5,110**	2,944
Foreign currency translation	**26**	(137)
Retained earnings	**30,100**	22,731
	395,772	**246,507**
Profit and loss for the year	**21,037**	15,836
Total comprehensive income	**20,866**	15,902

(b) Guarantees entered into by the parent entity

The parent entity has provided financial guarantees in respect of banks loans of subsidiaries, refer to Note 19 and Note 22 for further details of financing facilities.

In addition, there are cross guarantees given by SAI Global Limited as described in Note 37. No deficiencies of assets exist in any of these companies.

No liability was recognised by the parent or consolidated entity in relation these guarantees, as the fair value of the guarantees is immaterial.

45 Transactions with Non-Controlling Interests

There were no transactions with non-controlling interests in 2011.

	2011 $'000	2010 $'000
Carrying amount of non-controlling interests acquired	-	4,811
Consideration paid to non-controlling interests	-	(23,483)
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity	-	(18,672)

	2011 $'000	2010 $'000
Carrying amount of non-controlling interests acquired	-	104
Consideration paid to non-controlling interests	-	(619)
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity	-	(515)

30 June 2011

In the Directors' opinion:

(a) the financial statements and notes set out on pages 55 to 119 are in accordance with the Corporations Act 2001, including:

i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

ii. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2011 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in Note 37 will be able to meet any obligations or liabilities to which they are, or may become, subject to by virtue of the deed of cross guarantee described in Note 37.

(d) Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001* .

This declaration is made in accordance with a resolution of the Directors.

Robert Wright
Chairman

Tony Scotton
Chief Executive Officer

Sydney

17 August 2011

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Independent auditor's report to the members of SAI Global Limited

Report on the financial report

We have audited the accompanying financial report of SAI Global Limited, which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Opinion

In our opinion:

1. the financial report of SAI Global Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the financial position of SAI Global Limited at 30 June 2011 and of their performance for the year ended on that date; and

   ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the remuneration report

We have audited the Remuneration Report included in pages 17 to 50 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of SAI Global Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Christopher George
Partner
Sydney
17 August 2011