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## **SAI's COMPLIANCE SERVICES BUSINESS RECEIVES A SIGNIFICANT BOOST THROUGH THE ACQUISITION OF INTEGRITY INTERACTIVE**

Sydney, 22 July 2010: SAI Global Limited (ASX: SAI) today announced that it has entered into an agreement to acquire 100% of Integrity Interactive, a leading US based Compliance and Ethics solutions provider. The agreement is subject to US anti-trust clearance.

On announcing this significant acquisition, SAI Global's Chief Executive Officer, Mr Tony Scotton, said "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". He added "a robust growth outlook underpinned by strong demand drivers and annuity style revenue streams continue to make the compliance services sector very attractive for SAI. Integrity Interactive's strong presence in North America and its established presence in Europe complement SAI's strong presence in the Asia Pacific region and existing UK and North American compliance businesses".

This acquisition enhances SAI by:

- Providing scale to the compliance services business and positions SAI as a leading provider of compliance and ethics learning solutions
- Creating a compliance services business with Pro-Forma FY10 revenues in excess of A\$80M, 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

### **Overview of Integrity Interactive**

Integrity Interactive 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 that improve employee performance, protect brand image, and reduce legal risks. The comprehensive solutions combine strategic advisory services, training and communications, certification and disclosure and workflow management tools to inform, encourage and monitor ethical behaviour by employees and business partners.

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

Integrity Interactive is headquartered in Waltham, MA and maintains offices in London, Brussels and Hartford, CT.

## Financial Impact

SAI expects mid to high single digit adjusted EPS accretion (pre non-recurring charges) in FY11. Mid to high single digit adjusted EPS accretion is forecast in FY12.

## Acquisition Funding

SAI has agreed to pay US\$170M for 100% of Integrity Interactive, representing an EV/EBITDA multiple of approximately 8x, based on Pro-Forma FY10 EBITDA post the impact of expected cost synergies. The pre synergy multiple is approximately 11.8x based on Pro-Forma FY10 EBITDA.

The acquisition will be funded through a combination of:

- **Equity:** 1 for 7.2 accelerated non-renounceable pro-rata entitlement offer to raise approximately A\$80 million and an institutional placement to raise A\$50 million, together the offer (the “**Offer**”)
- **Debt:** New borrowing facilities of approximately US\$60M

## Equity Raising

SAI Global is seeking to raise approximately A\$130 million of new equity through the Offer at an issue price of A\$3.60 per New Share. The Offer is fully underwritten by Macquarie Capital Advisers Limited and will comprise:

- A 1 for 7.2 accelerated non-renounceable pro-rata entitlement offer (“**Entitlement Offer**”) to raise approximately A\$80 million; and
- An institutional placement (“**Placement**”) to raise approximately A\$50 million.

The issue price of A\$3.60 per New Share represents a:

- 9.5% discount to the last closing price on 21 July 2010
- 7.9% discount to the theoretical ex-rights entitlement price<sup>1</sup> (“**TERP**”)

The Entitlement Offer will be conducted on the basis of 1 new SAI Global fully paid ordinary share (“**New Shares**”) for every 7.2 existing SAI Global ordinary shares (“**Shares**”) held at 7:00pm (AEST) on Tuesday, 27 July 2010 (“**Record Date**”). The Entitlement Offer comprises an offer to institutional investors (“**Institutional Entitlement Offer**”) of approximately A\$64 million and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms (“**Retail Entitlement Offer**”). Eligible Retail Shareholders may apply for additional shares in the event of any shortfall in the Retail Entitlement Offer.

The entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable. This means that SAI Global shareholders who do not take up their entitlements or who are not eligible to be offered entitlements will not receive any value for those entitlements and their equity interests in SAI Global will be diluted.

For the Institutional Entitlement Offer, New Shares equal in number to those not taken up by SAI Global’s eligible institutional shareholders and those which would otherwise have been offered to ineligible institutional shareholders will be offered for subscription to eligible institutional shareholders and selected institutional investors through a volume bookbuild process at the offer price of A\$3.60 per New Share.

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1. TERP calculation is based on New Shares expected to be issued under both the Placement and the Entitlement Offer

The Institutional Placement to raise approximately A\$50 million will be conducted in conjunction with the Institutional Entitlement Offer.

Eligible Retail Shareholders are those holders of Shares who:

- are registered as a holder of Shares as at 7.00pm (AEST) on Tuesday, 27 July 2010 (Record Date);
- as at the Record Date, have a registered address in Australia or New Zealand;
- are not in the United States, not a “U.S. Person” (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”)) (“**U.S. Person**”) or not acting for the account or benefit of a U.S. Person;
- are not an institutional shareholder (whether or not eligible to participate under the Institutional Entitlement Offer); and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

The Retail Entitlement Offer is not being extended to any SAI Global shareholder outside Australia and New Zealand. The key dates for the Offer are outlined below:

<b>Event</b>	<b>Date</b>
Commence trading halt and open Placement and Institutional Entitlement Offer	Thursday, 22 July 2010
Close Placement and Institutional Entitlement Offer	Friday, 23 July 2010
Shares recommence trading on ASX	Monday, 26 July 2010
Record date to determine right to participate in the Entitlement Offer	7.00 pm, Tuesday, 27 July 2010
Retail Entitlement Offer opens	Thursday, 29 July 2010
Settlement of New Shares under the Placement and Institutional Entitlement Offer	Thursday, 5 August 2010
Issue of New Shares under the Placement and Institutional Entitlement Offer	Friday, 6 August 2010
Normal trading of New Shares issued under the Placement and Institutional Entitlement Offer expected to commence on ASX	Friday, 6 August 2010
Retail Entitlement Offer closes	5:00 pm, Friday, 13 August 2010
Issue of New Shares under the Retail Entitlement Offer	Monday, 23 August 2010
Normal trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX	Tuesday, 24 August 2010

Note: The above timetable is indicative only and subject to change. SAI Global reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), the Australian Securities Exchange (“ASX”) Listing Rules and other applicable laws. In particular, SAI Global reserves the right to extend the closing date of the offers, to accept late applications either generally or in particular cases or to withdraw the offers without prior notice. The commencement of quotations of New Shares is subject to confirmation from ASX. All references are to Australian Eastern Standard Time (“AEST”).

### Shareholder enquiries

Retail shareholders who have questions regarding the Retail Entitlement Offer should call the SAI Global Shareholder Information Line on 1300 654 848 (local call cost within Australia) or +61 2 8280 7161 (from outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday during

the Retail Entitlement Offer period, or consult their stockbroker, accountant or other independent professional adviser.

**About SAI Global** ( [www.saiglobal.com](http://www.saiglobal.com) )

SAI Global provides organizations around the world with information services and solutions for managing risk, achieving compliance and driving business improvement.

SAI Global provides aggregated access services to standards, handbooks, legislative and property publications; and audits, certifies and registers your product, system or supply chain. SAI Global facilitates good governance and awareness of compliance, ethics and policy issues and provides training and improvement solutions to help individuals and organizations succeed.

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**Important Information**

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This announcement has been prepared for publication in Australia and may not be released or distributed in the United States or to "U.S. Persons" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") ("**U.S. Persons**")). This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or to any person that is, or is acting for the account or benefit of, a U.S. Person. The New Shares described in this announcement have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons except in transactions exempt from, or not subject to, the registration of the U.S. Securities Act and other applicable securities laws.

Forward-looking statements contained in this announcement are subject to significant risks, uncertainties, assumptions, contingencies and other factors (many of which are outside the control of, and unknown to, SAI Global and its officers, employees, agents or associates), which may cause the actual results or performance to be materially different from any future result so performed, expressed or implied by such forward looking statements. There can be no assurance or guarantee that actual outcomes will not differ materially from these statements.