

CITI Australian Investment Conference

26 October 2010

ASX Code: SAI





Disclaimer

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Agenda

- **Corporate Overview & Brief History**
- **Strategic Intent**
- **Technology as a Key Strategic Enabler**
- **Business Mix**
- **Investment Features and Performance**
- **Integrity Interactive Acquisition**
- **Outlook**



Corporate Overview & Brief History



Corporate Overview

- Listed on ASX in December 2003
- Approximately 198 million shares on issue
- Market capitalisation of (approx) \$A860 million as at 18 October 2010
- Board of five non-executive directors plus CEO
- Offices in 25 countries across Asia-Pacific, Europe and North America
- 1,535 employees, circa 50% offshore



Brief History

- **SAI Global listed in December 2003 with two business assets that had strong domestic market positions:**
 - A publishing business that had a single exclusive distribution agreement (PLA) with Standards Australia which was profitable but offered limited scope for growth.
 - An assurance business that had a strong local market position but was vulnerable to competitors able to deliver services internationally
- **Since listing SAI has:**
 - Reduced reliance on the PLA through product and geographic diversification
 - Improved the competitiveness of the assurance business through expanded geographic capability
 - Added a compliance services business to drive organic growth



Brief History

- Much of the strategic development of the business has occurred through acquisition which has brought diverse cultures, systems and processes to the organisation
- Over the last two years much work has been done on refining business strategies and enhancing capability through improved policies, process, systems and management capability
- Today we have three global businesses: Information Services, Compliance Services and Assurance Services, collectively delivering annual EPS growth exceeding 15%
- The recent economic downturn has reinforced the underlying strength of SAI's business model, and SAI is well positioned to benefit as the global economic recovery gathers pace



Information Services

Provides need to know information and work flow solutions on standards, technical requirements and regulation, with a growing focus on selected verticals including property, workplace health and safety and environmental sustainability:

- **Distribution:**
Print, electronic download, subscriptions
- **Databases:**
Standards, technical information, USA procurement.
- **Workflow solutions:**
Standards, logistics, property information brokerage and related workflow solutions



Compliance Services

Provides products and services that facilitate the end to end management of an organisation's regulatory obligations from the provision of up to date information, process and incident management software and on-line compliance courseware:

- **Advisory services**
- **Content:**
Regulatory databases, news feeds, alerts
- **Compliance and regulatory management:**
GRC platform, Board information, Cintellate
- **Training and awareness:**
Online courseware delivered through an LMS
- **Review and feedback:**
Hot line service (whistleblower)
- **Related consulting**



Assurance Services

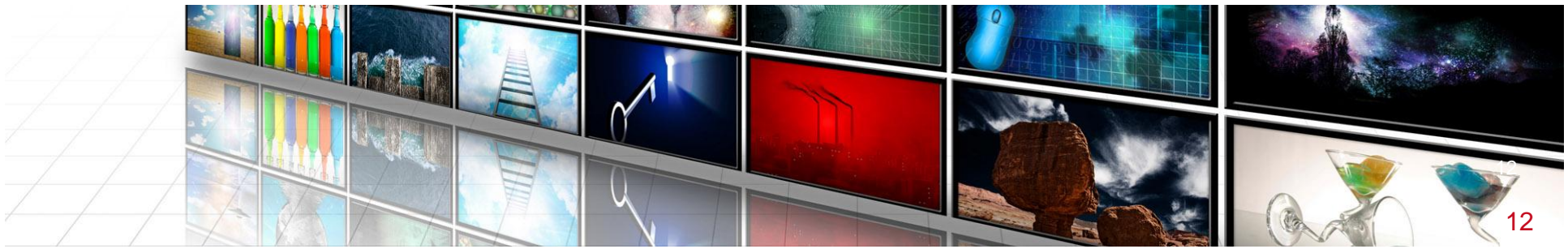
Provides system and related conformity assessment services (based on national and international standards) and related training services:

- **Management system:**
ISO 9000 and various derivatives (focus on process stability)
- **Product certification:**
Assesses conformity to local and international standards
- **Food safety:**
Supply chain management and hygiene inspections
- **Standards training:**
Supporting certification activities





Strategic Intent



Strategic Intent

- Continue to provide embeddable workflow solutions enabled by leading edge technology
- Achieve greater scale and leading market positions that leverage our product development spend
- Continue to proactively pursue accretive acquisitions to supplement organic growth
- Optimise our resources (technology, intellectual property, management talent, etc.) across Information and Compliance Services
- Recognise synergies within Property Services and scale the business to respond to new opportunities in this space
- Leverage our technology platforms which will increasingly become the key strategic enabler for delivering market leading products and services



Information & Compliance Services

3 year vision:

To be seen as a leading provider of critical technical and regulatory information and embedded solutions that ensure compliance with obligations and business continuity:

- **Compliance and Information Services integrated into single business**
- **End to end product technology suite fully integrated**
- **A recognised leader in sales effectiveness**
- **A recognised leader in the quality of products and services**
- **Consistently gaining market share organically from competitors**



Property Services

3 year vision:

Cemented market leadership position in Australia for property information brokerage and related workflow solutions:

- Banking workflow and national conveyancing workflow platforms completed and deployed
- Improved market share for information services in NSW and other States to reflect market share achieved in Victoria
- Increased market share for end-to-end outsourced mortgage processing work flow solutions
- Evaluated and, if attractive, moved on opportunities outside Australia
- Evaluated and, if attractive, moved into related market sectors



Assurance Services

3 year vision:

Continue to build value through enhanced business model and selective acquisitions:

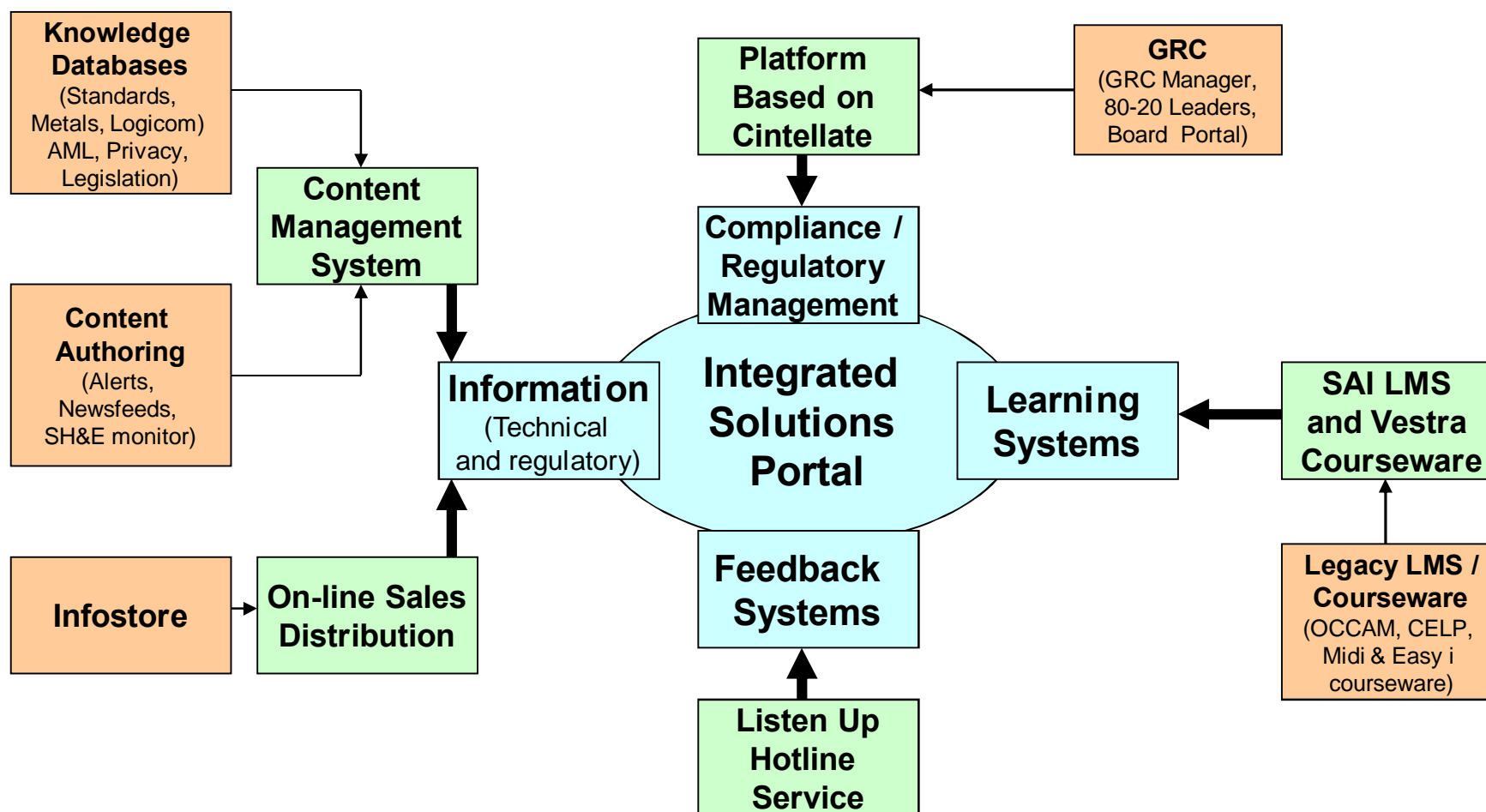
- Global operating platform implemented
- Achieved effective customer segmentation and associated solutions, delivering higher than market growth rates at the top end, a low cost solution at the bottom end
- Established a credible presence in Brazil, Chile and Argentina, and a presence in Continental Europe that is bigger than in the UK
- Broadened the product certification offering, including testing capability to ensure long-term sustainability
- Evaluated “deep dive” option into certain verticals and, if attractive, implementation of strategy commenced



Technology as a Key Strategic Enabler

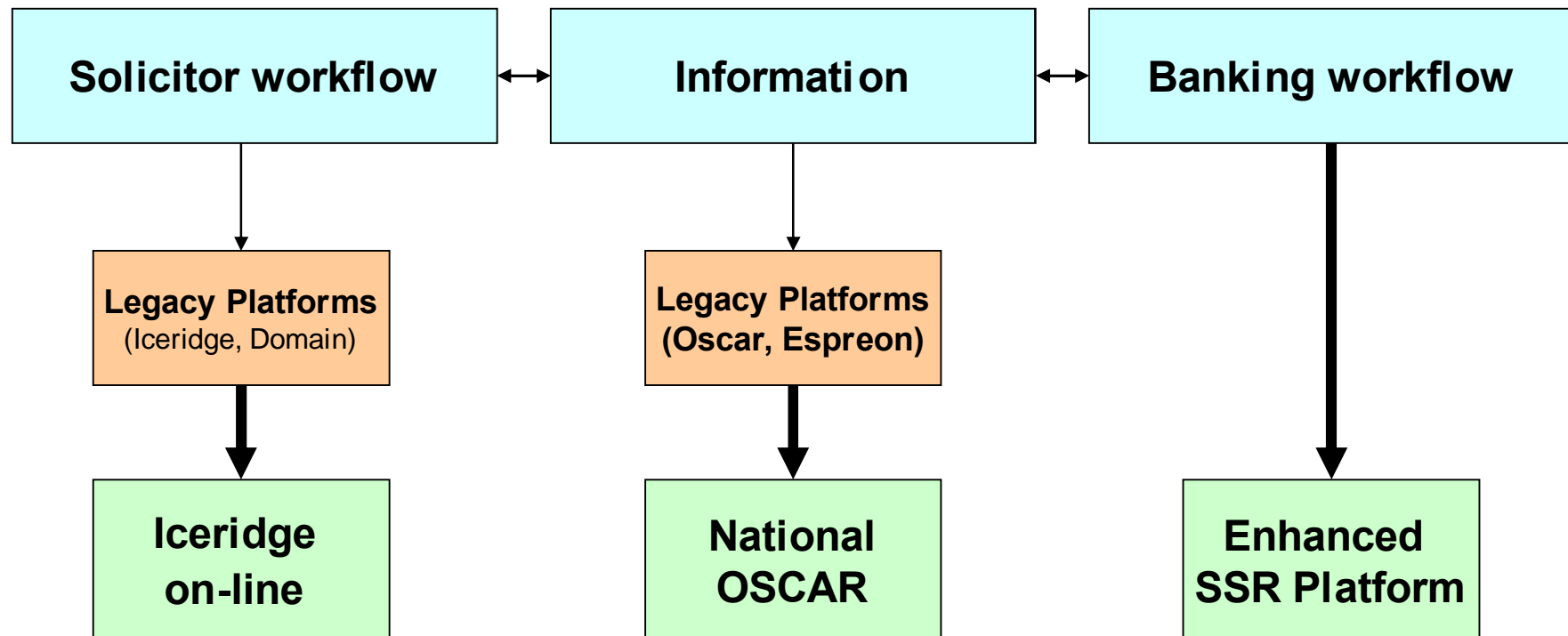


Information & Compliance Services Technology



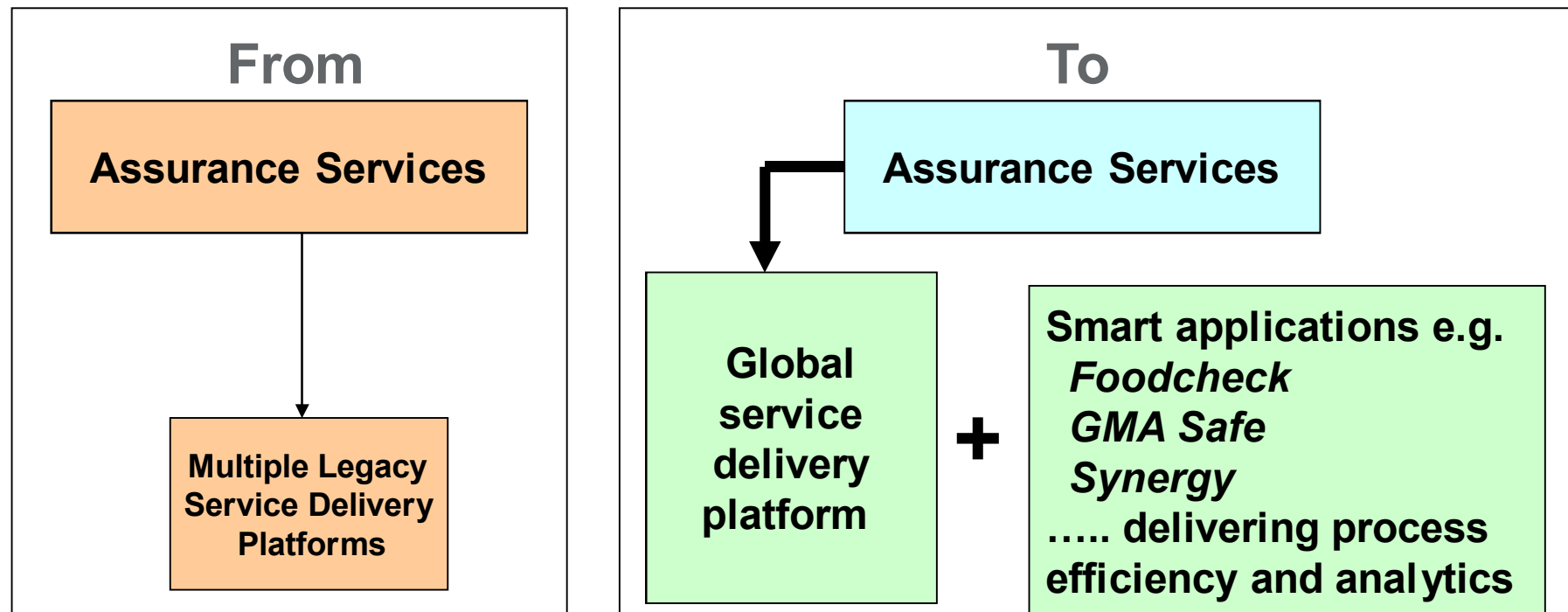


Property Services Information and Workflow





Assurance Services Emerging Technology



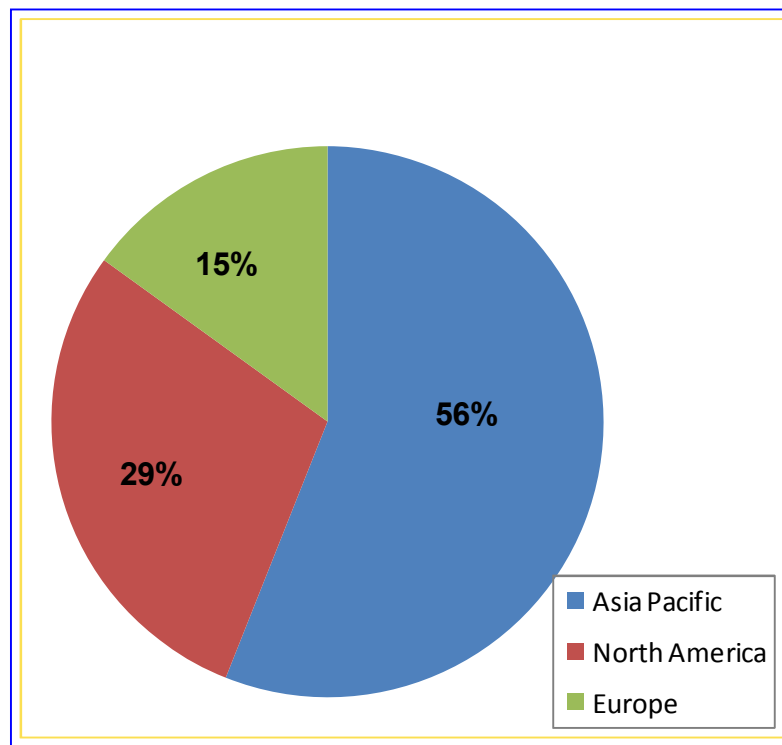


Business Mix

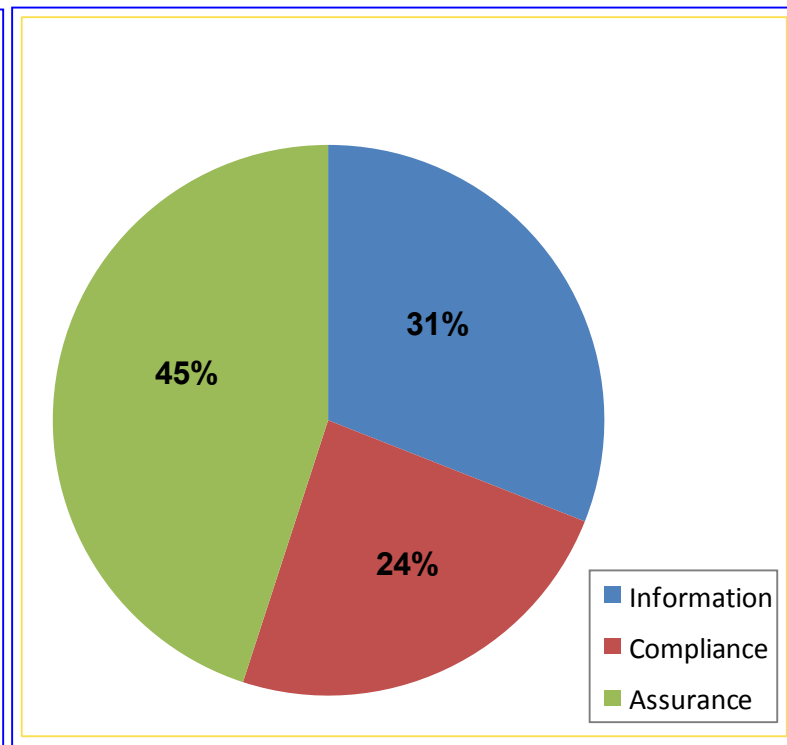


Business Mix – Revenue

Geographic



Business



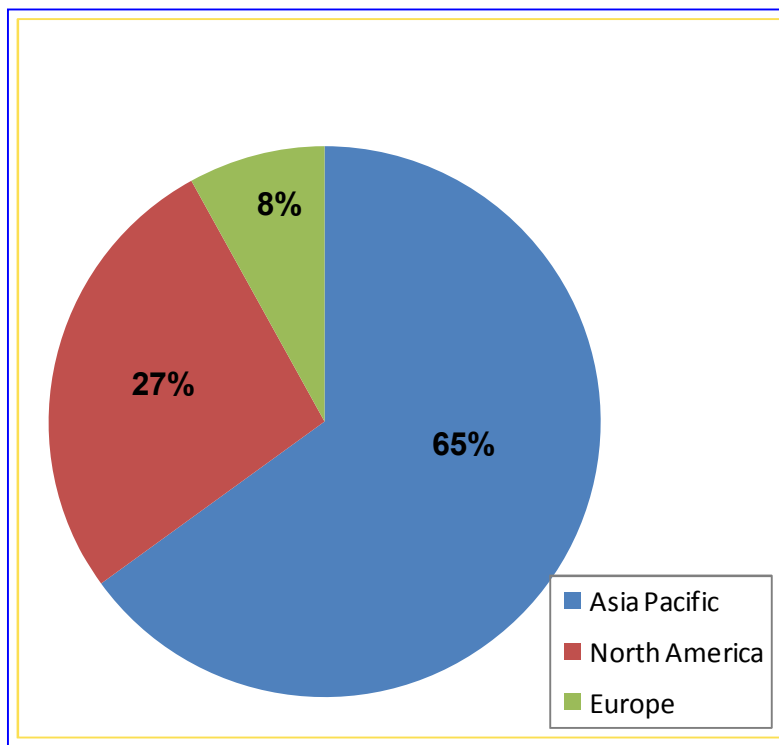
1. Based on net revenue. Net revenue excludes the revenue which relates to the recharging of customers for fees levied on SAI by providers of searches and certificates to the property services business



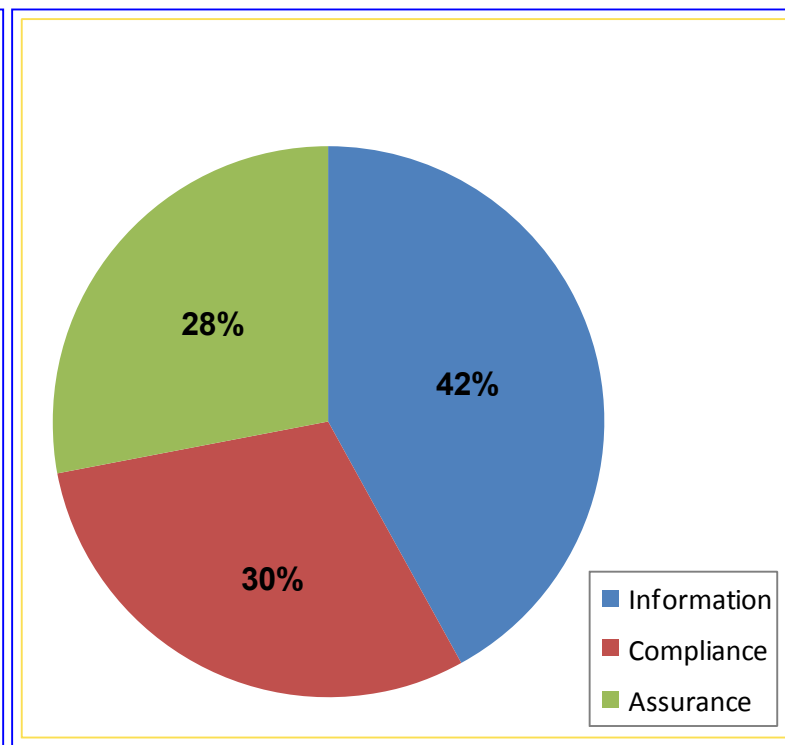
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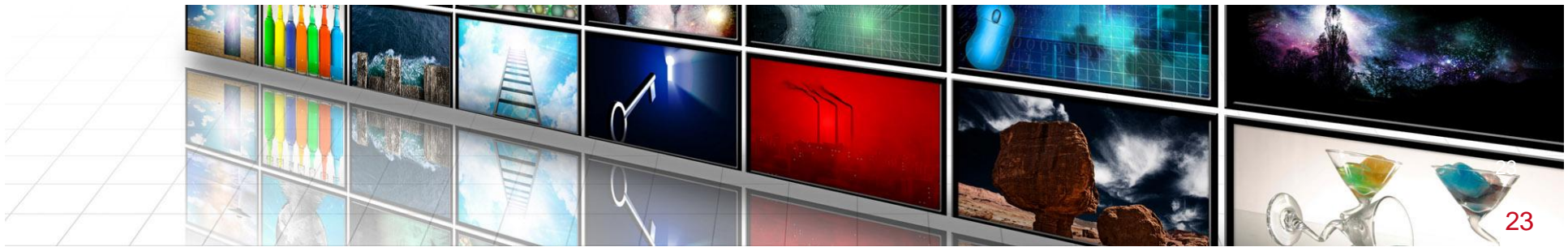
Business Mix – EBITDA

Geographic

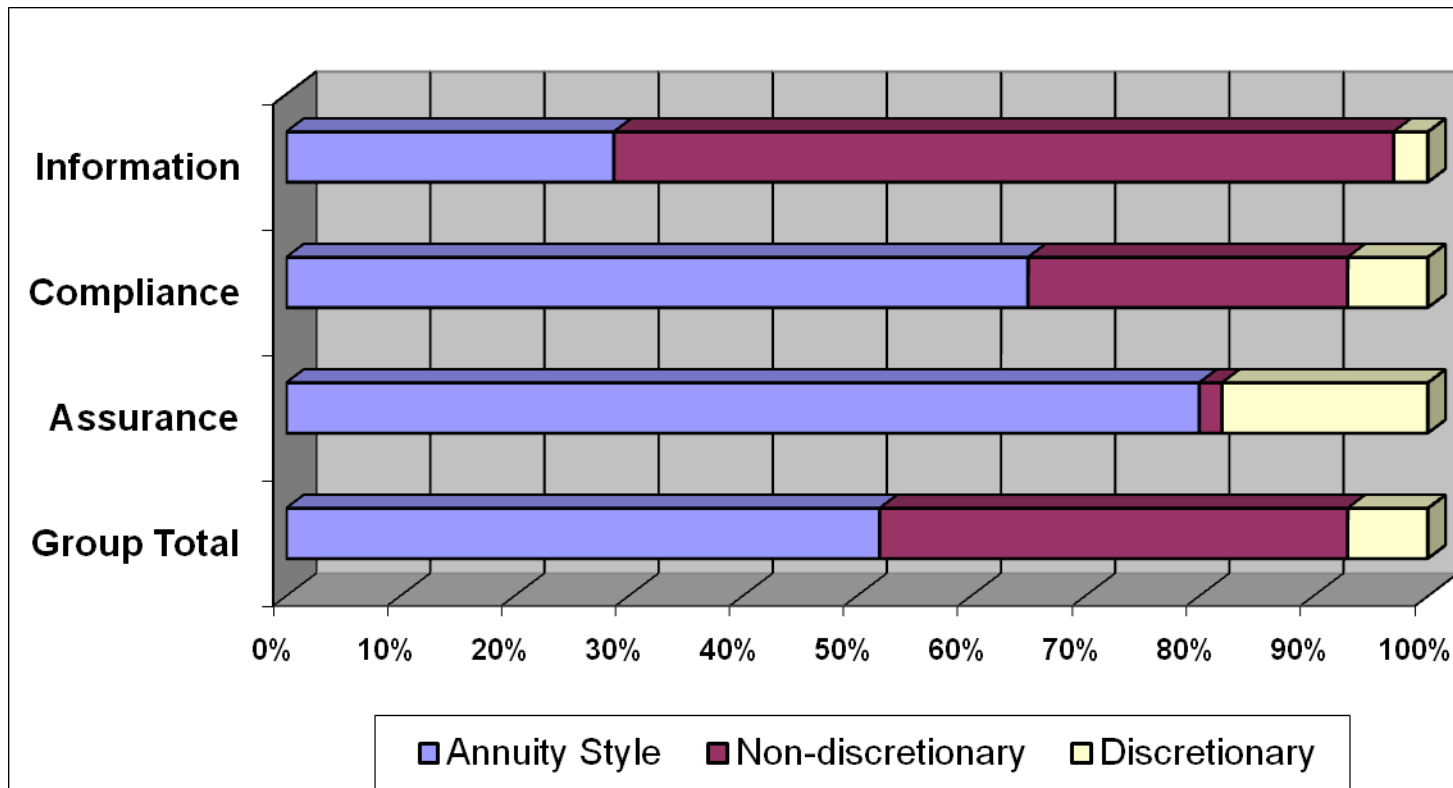


Business





Nature of Revenue Streams



- Annuity style
- Non-discretionary
- Discretionary

= subscription arrangement or renewable contracts exist with SAI
 = “must have” products and services for customers
 = neither annuity nor non-discretionary revenue



Investment Features and Performance



Growth Drivers

- **Strong industry demand drivers**
- **Increasing exposure to higher growth products, geographic markets and business sectors**
- **Increasing competitiveness provides opportunity for market share growth**
- **Industry consolidation providing acquisition opportunities**



Defensive Characteristics

- Regulatory demand drivers – not a discretionary spend for corporates
- High proportion of annuity or non-discretionary revenue streams
- Key exclusive agreements
- Leading market position and brand in Australia underpin performance
- Business model resilience to economic slowdowns – demonstrated in 2009



Growth History

- 5yr Gross Revenue CAGR 29.9%
- 5yr Net Revenue CAGR 23.2%
- 5yr EBITDA CAGR 31.7%
- 5yr EPS CAGR 13.3%
- EBITDA margins grown from 16.7% in 2004 to 25.3% in 2010*
- Increasing organic revenue growth rates from 2-4% in 2004 to 6-8% currently

* Based On Net Revenue



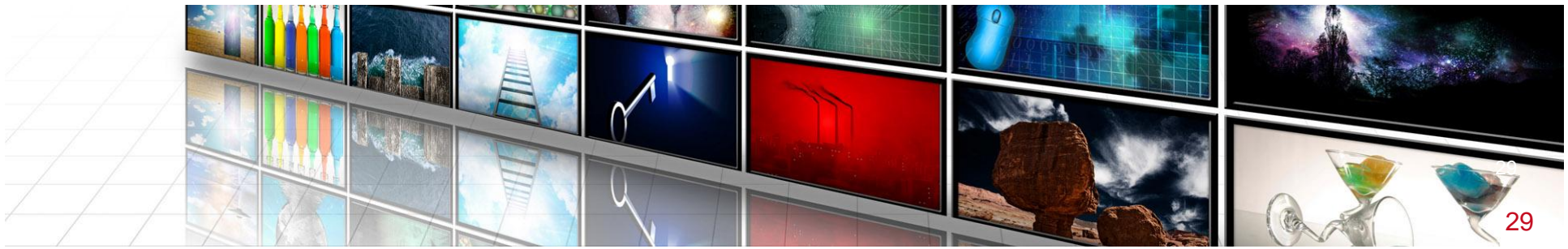
Growth Outlook

Medium-term Organic Growth and Margin Expectations:

	Growth	Margin ¹
Information Services	6% - 8%	45% - 50% ²
Compliance Services	8% - 12%	40%+
Assurance Services	5% - 7%	16% - 18%

1. EBITDA

2. Based on net revenue



Integrity Interactive Acquisition



Integrity Interactive Acquisition

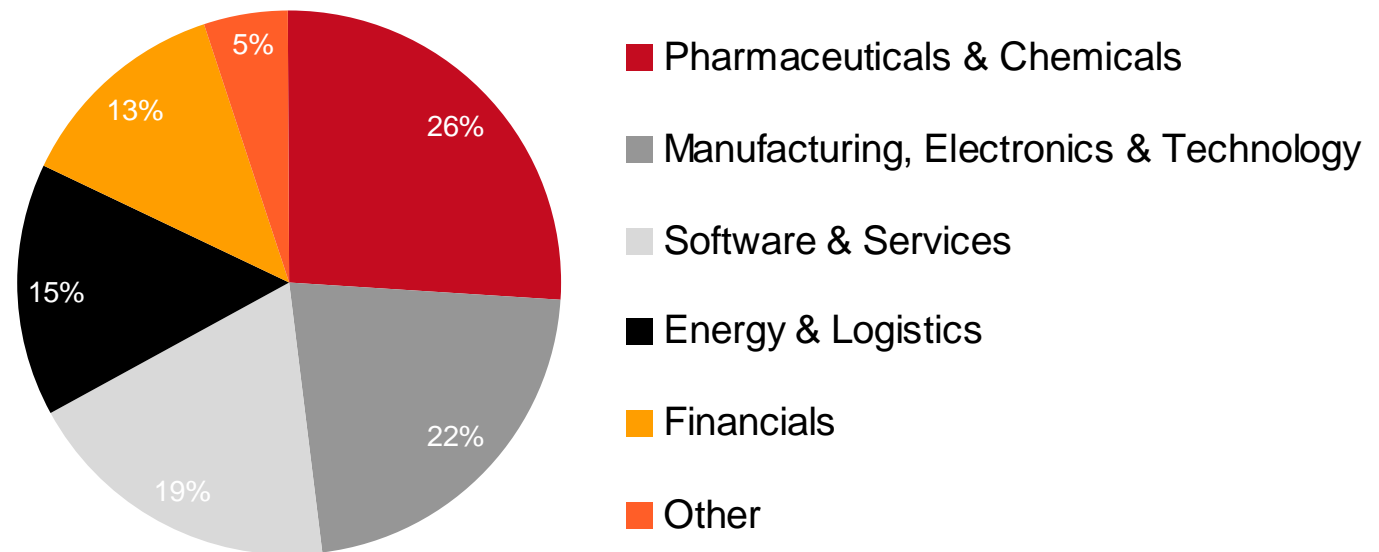
- Transaction creates a leading compliance and ethics solutions provider
- Strengthens relationships with a broad range of clients across multiple industries and geographies
- Brings together European/ Asian and leading North American players
- Leverages the complementary strengths of SAI and Integrity
- Opportunity for revenue synergies



Integrity Interactive Acquisition

Industry breakdown of customer base

- Integrity's roster of over 250 blue chip customers includes 14 of the Fortune 100 and 59 of the Fortune 500
- The 10 largest customers accounted for approximately 25% of revenue in 2009





Integrity Interactive Acquisition

- Integration is proceeding to plan
- A review of the organisational structure has been completed and most of the duplicated positions have been eliminated
- Management integration has occurred
- On track to deliver first year business case cost synergy benefits
- No surprises have emerged



Outlook



Outlook

- First quarter trading results met our expectations, despite the stronger Australian dollar
- Property transaction volumes have declined more than anticipated so we currently anticipate Property Services being relatively flat compared to FY10, which included the benefit from economic stimulus
- The stronger Australian dollar is providing some headwinds particularly on our US denominated earnings
- Overall, adjusting for the impact of exchange rates, our full year expectations remain unchanged



Questions?