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# Annual General Meeting

Sydney

ASX Code: SAI

26 October 2007



# Agenda

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1. Chairman's Report
2. Chief Executive's Report
3. Resolutions
4. Other Business
5. Questions and Answers

## Financials Statements & Reports

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- *I move the Financial Report, Directors' Report and independent Auditor's Report for SAI and its controlled entities for the year ended 30 June 2007 thereon be received*



# 1. Chairman's Report

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George Edwards  
Chairman



## Growth and Development

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- Achieved both organic and acquisitive growth
- Assessed acquisitions with the principle criteria being:
  - Ensuring their fit within the value chain
  - Acquiring assets for a fair value
  - Filling gaps in our geographic coverage; and
  - Impacting positively on cash earnings per share

# Acquisitions

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- Finalised three acquisitions:
  - Certificazioni Torinesi S.R.L. (“Certo”)
  - Compliance and Ethics Learning Solutions Corporation (“Midi”)
  - Reporting Officers On-line Resource (“ROOR”)
- Two-to-three acquisitions a year for the past 5 years
- Joint ventures completed in China, New Zealand and Japan
- SAI is now a truly global company



## Progress Report

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- Net profit for the year of \$18.8 million, up 34.1% on 2005-06
- Revenues (excluding other income) for the year totalled \$212.8 million
- Earnings per share of 13.1 cents on an expanded capital base



# Management Changes

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- Significant managerial change
- Greater alignment of costs and revenue
- Under new management of Tony Scotton

# Strategy

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- Strategy conference in the United Kingdom
- Reaffirmed the intent to:
  - Grow Publishing, Compliance and Assurance businesses both organically and through acquisitions
  - Assess potential acquisitions
  - Renew our focus on effectively managing our cost base

## Dividend

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- Increased final dividend per share to 5.8 cents franked to 85%, up 7.4% from 5.4 cents last year
- Final dividend paid on 20 September 2007
- Intent for total dividend paid per annum to continue to increase
- Dividends franked to the maximum extent possible, taking into account that our main revenue growth is now in the northern hemisphere



## Conclusion

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- We remain optimistic about global industry trends
- Continuation of the underlying growth in earnings, supplemented by the impact of acquisitions
- Generate real returns to shareholders



## 2. Chief Executive Officer's Report

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Tony Scotton  
Chief Executive Officer



## Introduction

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- 2006-07 was a solid year
- Overview of last year's business performance
- Update on our strategy
- The result was delivered followed organic and acquisitive growth across the businesses



## Publishing Division

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- Excellent financial outcome for the Publishing division
- Revenue grew by 42.4% to \$75.5 million
- EBITDA grew by 52.5% to \$24.0 million
- EBITDA margins expanded to 31.8%
- Integration of content into a single webshop
- Appointment of a Global Head of the Publishing division
- The ability to deliver solid revenue and profit growth



## Compliance Division

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- Assist organizations managing their compliance obligations
- Solid organic growth and two acquisitions
- Integration and sales resource challenges
- Revenue increased by 55.0% to \$26.0 million
- EBITDA increased by 52.8% to \$5.4 million
- EBITDA margins 20.8%
- Deliver leading edge compliance solutions in key markets and business sectors



## Assurance Services

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- Appointment of a Global Head of Assurance
- Focus on integrating acquired assets and servicing the food, OHS and product certification sectors
- Build a leading global scale assurance business
- Revenue grew by 31.9% to \$89.4 million
- EBITDA grew by 27.0% to \$13.2 million
- Acquisitions to fill geographic gaps and outlook remains good with solid revenue and profit growth expected



## Professional Services

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- Management reorganization with the division moved under Assurance Services
- EBITDA margins improved from 5.9% to 7.8%
- Weaker conditions in North America led to a revenue decline of 3.1%
- EBITDA grew by 28.4% to \$1.7million
- Australian business performed strongly
- Developing our on-line capabilities

## In Summary

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- Solid company performance
- Total revenue up 33.1% to A\$212.8 million
- EBITDA up 43.7% to A\$43.2 million
- Core businesses provide a strong platform for continued revenue and profit growth
- Continue to develop the businesses organically and through acquisition



## Going Forward

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- We will drive the company forward by:
  - Delivering on our stated business strategy
  - Focusing on customer service
  - Investing in developing our global team
  - Effectively managing our cost base
- Deliver enhanced value to shareholders

## First Quarter Performance/2007-08 Outlook

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- Reforecast the outlook following a difficult first quarter for some businesses, particularly the USA
- In total we are running behind forecasts
- Publishing and Assurance are on track
- Australian Compliance performing strongly but UK and USA trading below forecasts
- Australian Professional Services performing well but USA struggling from poor demand



## First Quarter Performance/2007-08 Outlook

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- Working to reduce our cost base
- Identified A\$3.0 million in annualized cost savings, to be completed in the first half but the benefits will not be seen until the second half
- Full year profit after tax, and after the cost of restructuring, in-line with last year
- First half results significantly below last year, after accounting for A\$2-3 million in restructuring costs



# Conclusion

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Thank you for your support

## 3. Item 2 - Remuneration Report

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- To consider and, if thought fit, to pass the following advisory resolution:

*That the Remuneration Report be adopted.*

## Item 3 – Re-election of Anna Buduls

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- The resolution is:

*That Anna Buduls, who retires in accordance with the Company's Constitution and offers himself for re-election is re-elected as a non-executive director of SAI.*

## Item 4 – Re-election of Robert Wright

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- The resolution is:

*That Robert Wright, who retires in accordance with the Company's Constitution and offers himself for re-election is re-elected as a non-executive director of SAI.*

## **Item 5 – Approval of issue of Performance Share Rights and Options to Anthony Scotton**

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- With reference to the Company's Executive Incentive Plan approved by shareholders at the Annual General Meeting in 2006 ("the Plan") and the matters set out in the Explanatory Statement, to consider and, if thought fit, to pass the following ordinary resolution:

*That the grant of performance share rights and options to acquire shares in SAI to Anthony Scotton under the Plan as described in the Explanatory Statement is approved for all purposes including for the purpose of Listing Rule 10.14*



## **Item 6 – Adoption of Share Incentive Plan (“SIP”) for employees in the United Kingdom**

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- To consider and, if thought fit, to pass the following resolution:

*That the Directors of the Company be authorized to adopt a SIP as described in the Explanatory Statement to enable it 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. This authorization is to apply for all purposes including for the purpose of ASX Listing Rule 7.2 Exception 9 and Section 260C(4) Corporations Act, United Kingdom*



## 4. Other Business

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## 5. Questions & Answers

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# Annual General Meeting

Sydney

ASX Code: SAI

26 October 2007

**26 October 2007**

**SAI Global Limited (ASX: SAI)  
Annual General Meeting**

**Order of Proceedings**

***Introduction***

Good morning Ladies and Gentlemen. Welcome to this Annual General Meeting of SAI Global Limited for 2007.

A quorum is present. I declare the meeting open.

Let me begin by introducing the Directors. [*Introduce each one present, make apologies for those not.*]

I also advise shareholders that we have invited the media to be present at this meeting and the meeting is being webcast. Representatives of our share registry, Link Market Services Limited, and our Auditors, PricewaterhouseCoopers, are also present.

Following the formal business of the meeting there will be an opportunity for you to join directors and members of the management team for light refreshments.

Today our items of business include presenting to you the Financial Statements and Reports, and five matters in respect of which we seek your approval. These matters are: the Remuneration Report, re-election of Ms Buduls and Mr Wright as directors, who retire by rotation and offer themselves for re-election, issue of Performance Share Rights and Options to Tony Scotton, Chief Executive Officer and the adoption of Share Incentive Plans "SIP" for employees in the United Kingdom. An Explanation of these matters was given in the Explanatory Statements accompanying the Notice of Meeting.

In considering the Financial and Statutory Reports, I and the Chief Executive Officer, Tony Scotton, will present a review of operations over the last year. While there is no requirement for shareholders to approve these reports, management and the Auditor are present and may be questioned concerning the reports and conduct of the audit.

Ladies and Gentlemen, the Notice of Meeting, dated 17 September 2007 was forwarded to all shareholders on or about that date. Copies of the Notice are available, and if there are no objections, I propose the Notice of Meeting to be taken as read.

Would someone care to second the motion?

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Thank you

When shareholders vote, on this and subsequent motions, can you please raise your yellow card. If there are any shareholders eligible to vote at this meeting who have not received their yellow card, please see Link at the registration desk outside. Those present holding a red (non-voting) card are able to speak at the meeting but are not eligible to vote, those present holding a blue (visitor) card are not eligible to vote or speak at the meeting.

All those in favour of the motion please raise their yellow card.

All those against please raise their yellow card.

I declare the motion carried.

***Item 1 – Financial and other reports***

I now move the Financial Statements of the Company for the year ended 30 June 2007, together with the directors' declaration and the directors' and Auditor's reports thereon be received.

I propose these be taken as read unless there is any objection.

I will now address shareholders

**Address by Mr. George Edwards, Chairman  
SAI Global Limited  
Annual General Meeting  
26 October 2007**

The main purpose of my address is to provide a brief overview of the past financial year and to comment on other significant events.

I will ask Tony Scotton as CEO to speak in more detail on the operations of the Company over the last year and to comment briefly on the performance to date during the 2007/2008 year. Following Mr. Scotton presentation we will address the five matters and I will make remarks on each as we deal with them. After we have dealt with these matters the Board would be happy to answer any questions you might have.

## **Growth and Development**

SAI Global Limited is a unique company in terms of the mix of business units it has. Your Board remains focused on growing each of the publishing, compliance and assurance businesses both organically and through acquisition and partnering. We achieved both organic and acquisitive growth this year with the level of organic growth in some divisions encouraging. We have continued to assess potential acquisitions in each of our business areas, with the principle criteria being:

- > Ensuring their fit within our value chain;
- > Acquiring assets for fair value;
- > Filling the gaps in our geographic coverage; and
- > Impacting positively on cash earnings per share.

## **Acquisitions**

During the year we finalized three acquisitions, which met these criteria. The first was Certificazioni Torinesi S.R.L. ("Certo") in Italy, a leading assurance provider to the motor vehicle industry, on 18 September 2006 (for A\$7.1million). The second was Compliance and Ethics Learning Solutions Corporation ("Midi") in USA, on 19 January 2007 (for US\$45 million). The third was the asset known as Reporting Officers On-line Resource (ROOR), a web-based service that helps anti-money laundering (AML) professionals track and monitor the latest news and information, on 4 June 2007, for GBP 215,000. These three acquisitions were in line with our growth strategy, which has seen us average around two-to-three transactions a year for the past five years. During the year we also completed joint venture agreements in China and New Zealand. In China we partnered with the government-backed China Quality Certification Centre (CQC), the largest assurance provider in that country. In New Zealand we merged our operations with Telarc Limited, a crown entity and the largest assurance provider in that market, to own 25% of Telarc SAI Limited.

SAI Global Limited should now be regarded as a global company, rather than an Australian company with international offices. This can prove to both a challenge and an opportunity for staff.

## **Progress Report**

Our financial performance was satisfying. Net profit for the year was \$18.8 million, up 34.1% on 2005-06. Revenues (excluding other income) for the year totaled \$212.8 million, representing a significant year-on-year growth of 33.1%. Earnings per share of 13.1 cents, was up 4.8% from 2005-06, and cash earnings was up 1.7%, to 17.6 cents per share, on an expanded capital base.

## **Management Changes**

Since the release of the Annual Report for 2006-07 to shareholders your company has undergone significant managerial change with the Chief Executive Ross Wraith leaving the business and executive committee members Terry Hancock and David Middleton announcing their resignations. On behalf of the Board I would like to thank them for their contributions over a number of years. The board looks forward to a greater alignment of costs and revenue under the new management headed by Tony Scotton.

## **Strategy**

At our recent strategy conference in the United Kingdom the Board reaffirmed its intent to grow each of the publishing, compliance and assurance businesses, both organically and through acquisition. We continue to assess a number of potential acquisitions in these three areas with the principle criteria being to ensure that they represent value for our shareholders, fit within our value chain and help to establish critical mass in each geographic region. We have also placed a renewed focus on effectively managing our cost base.

## **The Dividend**

The result allowed the Board to increase the final dividend per share to 5.8 cents 85% franked, up 7.4% from 5.4 cents last year. The final dividend was as paid on 20 September 2007. Dividends will be franked to the maximum extent possible, taking into account that our main growth in revenue is now in the northern hemisphere.

## **Conclusion**

We remain optimistic about global industry trends for our businesses. We plan to continue to build our global reputation as a leading applied information services business and to focus on delivering better business solutions to our clients, while continuing to generate real returns for our shareholders.

Finally, I would like to thank my colleagues on the Board for their continuing contributions and support and I congratulate Tony Scotton, his senior management team, and all staff, on what has been a solid year for SAI Global Limited and its shareholders.

I would now like to call on Mr. Tony Scotton the Chief Executive Officer of SAI Global Limited to address the meeting.

**Address by Mr. Tony Scotton, Chief Executive Officer**  
**SAI Global Limited**  
**Annual General Meeting**  
**26 October 2007**

Good morning, ladies and gentlemen.

As you have just heard from the Chairman, and thanks to the efforts of all our staff around the world, SAI Global had another solid year in 2006-07.

I would like to take this opportunity to give you an overview of last year's business performance and update you on our strategy.

Our result was delivered on the back of organic and acquisitive growth across our businesses.

### **Publishing Division**

A full 12 months contribution from acquisitions, coupled with strong organic growth from the existing business resulted in an excellent financial outcome for the Publishing division.

Revenue for the year grew by 42.4% to \$75.5 million and EBITDA by 52.5% to \$24.0 million. EBITDA margins expanded to 31.8%. These results were underpinned by strong organic growth in the Property Information and Standards Publishing businesses.

We are focused on developing a one-stop source of global technical and business information, including Standards and legislation. The integration of content acquired in North America, Europe and Australia into a single web shop will offer our on-line customers a wider range of technical and regulatory information. We plan to complete the integration before the end of the calendar year.

To coordinate the division's growth strategy, we appointed a Global Head of Publishing based in the Northern Hemisphere. He is focused on capitalizing on untapped opportunities for our publishing services in North America and Europe. We remain confident that the Publishing division has the ability to continue to produce solid revenue and profit growth.

### **Compliance Division**

SAI's strategy is to offer products and services to assist organizations in managing their compliance obligations in a cost effective manner. The second year for our compliance division was encouraging, with solid organic growth and two acquisitions. We also carried out a significant restructuring process, leading to the establishment of an integrated global division.

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Divisional integration and challenges in finding sufficient quality sales resources in the first half resulted in some loss in sales momentum in the second half. Despite these challenges, the division's revenue and profit, grew strongly.

Revenue for the year increased by 55.0% to \$26.0 million and EBITDA by 52.8% to \$5.4 million, with EBITDA margins finishing at 20.8%.

We will continue to deliver leading edge compliance solutions in key markets and business sectors that will benefit existing and new customers.

### **Assurance Services**

Following the appointment of Duncan Lilley as Global Head of Assurance, the operational focus was on integrating recently acquired assets. Business growth was largely driven our food, occupational health and safety and product certification sectors.

Our strategy for this business remains to continue to build a leading global scale assurance business.

During the year we enhanced our core business and extended our global capability with a number of initiatives including:

- > The acquisition of Certo in Europe;
- > The merger of our New Zealand operations with Telarc; and
- > The investment in joint venture companies in China and Japan.

Revenue grew by 31.9% to \$89.4 million and EBITDA by 27.0% to \$13.2 million. This was driven by continued organic growth and the inclusion of acquisitions.

We continue to look for acquisitions that will allow us to fill in gaps in our geographic coverage and allow us to better service our multi-national accounts. The outlook for the division remains good with continued solid revenue and profit growth expected.

### **Professional Services Division**

Following a management reorganization that saw the division moved under Assurance Services, we have seen an improvement in EBITDA margins over the last twelve months from 5.9% to 7.8%.

While revenue declined by 3.1% for the period, EBITDA grew by 28.4% to \$1.7 million. The result was characterized by the Australian business's strong performance and weaker conditions and currency impacts in North America.

Looking ahead, the focus is on developing our online capabilities and growing the recurring revenue base.

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## **In Summary**

The 2006/2007 results reflect a solid company performance with total revenue up by 33.1% to A\$212.8 million, EBITDA up 43.7% to A\$43.2 million and cash earnings per share up 1.7% to 17.6 cents.

Our core businesses provide a strong platform for continued revenue and profit growth. We will continue to develop these businesses both organically and where warranted through acquisitions.

## **Going Forward**

We will drive the company forward by:

- Delivering on our stated business strategy
- Focusing on customer service
- Investing in developing our global team
- Effectively managing our cost base

We have a great portfolio of assets and with our renewed focus on better servicing our customers and managing the cost base we expect to deliver enhanced value to shareholders.

## **First Quarter Performance/2007-08 Outlook**

We now have the results for the first quarter of this financial year and have reforecast the outlook rest of the financial year.

Generally, the first quarter has been a difficult one for some of our businesses, particularly in the USA. In total we are running behind our forecasts.

- Publishing and Assurance are on track.
- The Australian Compliance business is performing strongly but the business in the United Kingdom and the USA is trading below forecasts
- The Australian Professional Services business is performing well but the business in the USA is struggling from poor demand
- We are working to reduce our cost base and have identified A\$3.0 million in annualized cost savings. The action required to yield these savings will be completed in the first half but the benefits will not be seen in results until the second half.
- Full year profit after tax, and after the cost of restructuring, is now expected to be in-line with last year. The first half results will be significantly below last year after accounting for restructuring costs which are expected to be between A\$2-3million.

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## Conclusion

Finally, I would like to thank my fellow Board members for their support and guidance during the year and all 930 members of the SAI Global team for their commitment and contribution.

Thank you, ladies and gentlemen, for your continued support.

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Thank you Tony

## **Ordinary Business**

I will now move to other matters of ordinary business as outlined in the Notice of Meeting.

Before the vote is taken for each item, I will announce the total number of valid proxies for that item and the manner in which they have been directed. These figures will be as at the closing time for receipt of proxies, which was 7pm, Wednesday 24<sup>th</sup> October 2007. These figures may be varied if a shareholder who submitted a proxy is attending the meeting and revoked their proxy.

## **Item 2 - Remuneration Report**

The Remuneration Report has been forwarded and shareholders are invited to comment on the report. Are there any comments? (*Allow reasonable opportunity for comment.*)

Thank you for comments/If there is no further comment I will put the resolution.

**The resolution is "that the company Remuneration Report required by s.300A of the Corporations Act, as contained in the Directors' Report for the year ended 30th June 2007 be approved."**

Is there any discussion on the resolution? If not I put the motion that the Remuneration Report be approved.

The total number of valid proxy votes exercisable in respect of this item of business is **91,513,100**. Of these **90,288,848** have been directed to vote for the resolution, **586,301** against, **72,164** abstain and **565,787** allow the proxy to exercise their discretion.

Those in favour of the resolution, please raise your yellow card.

Those against?

I declare the motion carried/ lost

***Election of Directors***

As advised, the Company Constitution requires that one third of Directors retire by rotation at each Annual General Meeting. By lots drawn to establish this rotation, Anna Buduls and Robert Wright retire and offer themselves for re-election. Details of Directors seeking election were forwarded and the Board **recommends** their re-elections. The motions to appoint each Director will be put separately.

**Item 3 - The resolution is that Anna Buduls who retires in accordance with the Company's Constitution and offers herself for re-election is re-elected as a director of SAI.**

Do I have a proposer for this resolution?

Thank you.

Do I have a seconder? Thank You.

Before opening this to discussion, I would like to remind you the Board recommends Anna Buduls' election, and I call on her to say a few words.

*[Short statement by Anna in support of his candidature.]*

Thank you Anna. Is there any discussion on the resolution? If you have a question, please raise your card and a roving microphone will be passed to you. Before asking the question, please state your name and affiliation.

If there is no (further) discussion, I will put the motion to approve the election of Anna Buduls as a director of the company.

The total number of valid proxy votes exercisable in respect of this item of business is **92,130,256**. Of these **90,738,695** have been directed to vote for the resolution, **598,006** against, **43,989** abstain and **749,566** allow the proxy to exercise their discretion.

Those in favour of the resolution, please raise your yellow card.

Those against?

I declare the motion carried/ lost.

**Item 4 - The resolution is that Robert Wright, who retires in accordance with the Company's Constitution and offers himself for re-election as a director of SAI is re-elected as a director of SAI.**

Do I have a proposer for this resolution?

Thank you.

Do I have a seconder?

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Thank you.

Before opening this to discussion, I would like to remind you the Board recommends Robert Wright's election, and I call on him to say a few words.

*[Short statement by Robert in support of his candidature.]*

Thank you Robert. Is there any discussion on the resolution?

If there is no (further) discussion, I will put the motion to approve the election of Robert Wright as a director of the company.

The total number of valid proxy votes exercisable in respect of this item of business is **92,130,256**. Of these **90,801,563** have been directed to vote for the resolution, **539,604** against, **39,523** abstain and **749,566** allow the proxy to exercise their discretion.

Those in favour of the resolution, please raise your yellow card.

Those against?

I declare the motion carried/ lost.

***Item 5 – Issue of Performance Share Rights and Options to Tony Scotton***

**With reference to the Company's Executive Incentive Plan approved by shareholders at the Annual General Meeting in 2006 ("the Plan") and the matters set out in the Explanatory Statement. To consider and, if thought fit, to pass the following ordinary resolution:**

**That the grant of performance share rights and options to acquire share in SAI to Anthony Scotton under the Plan as described in the Explanatory Statement is approved for all purposes including for the purpose of Listing Rule 10.14.**

Do I have a proposer for this resolution?

Thank you.

Do I have a seconder?

Thank you.

Is there any discussion on the resolution?

If there is no (further) discussion, I will put the motion to approve the Issue of Performance Share Rights and Options to Tony Scotton.

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The total number of valid proxy votes exercisable in respect of this item of business is **91,631,437**. Of these **77,282,773** have been directed to vote for the resolution, **12,557,238** against, **1,484,323** abstain and **307,103** allow the proxy to exercise their discretion.

Those in favour of the resolution, please raise your yellow card.

Those against?

I declare the motion carried/ lost.

***Item – 6 Adoption of Share Incentive Plan (“SIP”) for employees in the United Kingdom.***

**To consider and, if thought fit, to pass the following ordinary resolution:**

**That the Directors of the Company authorized to adopt a SIP as described in the Explanatory Statement to enable it 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. This authorization is to apply for all purposes including the purpose of ASX Listing Rule 7.2 Exception 9 and Section 260C(4) Corporations Act, United Kingdom.**

Do I have a proposer for this resolution?

Thank you.

Do I have a seconder?

Thank you.

Is there any discussion on the resolution?

If there is no (further) discussion, I will put the motion to approve this item of business.

The total number of valid proxy votes exercisable in respect of this item of business is **91,614,713** of these **90,232,160** have been directed to vote for the resolution, **254,531** against, **820,050** abstain and **307,972** allow the proxy to exercise their discretion.

Those in favour of the resolution, please raise your yellow card.

Those against?

I declare the motion carried/ lost.

***Other Business***

I note we [**have/have not**] received any questions by email or by mail.

Are there any matters of a general nature those present (or in contact) wish to raise?

***Closure***

There being no further business ladies and gentlemen, I declare the Annual General Meeting of SAI Global Limited closed.

Finally, I would like to thank you for your attendance today and for your support as shareholders. I invite you to join us for tea and coffee and some light refreshment.

-ENDS-

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