



## **SAI'S Compliance Strategy Gathers Momentum with U.S. Acquisition**

**January 12, 2007**

**Princeton, New Jersey, January 12, 2007** - SAI Global Limited (ASX: SAI) has executed a binding agreement to acquire the entire share capital in Compliance and Ethics Learning Solutions Corporation, which trades as Midi.

On announcing the strategic acquisition, SAI Global's Chief Executive, Ross Wright, said the move further drives the development and expansion of SAI's high growth compliance business. "Through its strong US operation and client base, Midi services blue chip organizations in North America, directly complementing SAI's existing solutions delivered through its Easy i and Lawlex businesses in Europe, North America and Australasia."

The Acquisition:

- adds significant scale to SAI's compliance business, particularly in the critical North American market
- enhances divisional and group revenue streams; the Midi business model operates primarily on a long term annuity basis
- offers a comprehensive course catalogue in the compliance and ethics space with major global corporations as key subscribers
- is a good strategic fit with SAI's existing compliance businesses, providing synergy opportunities and a solid platform for growth
- further establishes SAI Global as a leading international solutions provider in the fast growing compliance space.

According to Mr Wright: "Midi is SAI Global's fifth acquisition in North America and firmly establishes our business model in this market. Strategically, Midi provides the necessary scale and growth potential to SAI's compliance business making it a leading global player in what is still a highly fragmented market. The demand for compliance, risk and regulation solutions continues to grow very strongly."

"Importantly, the acquisition significantly increases the size of SAI's compliance services division and provides an enhanced blue chip business base in the world's largest compliance market."

In welcoming the transaction the Chief Executive of Midi, Tom Parry, said: "As part of the SAI Global Compliance Division, we look forward to presenting a broader set of compliance and ethics solutions to our clients. The deal with SAI will immediately expand our offerings to our clients in terms of global support, an expanded courseware library, and additional compliance and risk management tools. Future product and services enhancements will be accelerated as a result of having development teams in North America, Europe and Australia."

## **Overview of Midi**

Midi is one of the leading North American compliance, ethics learning, and communications businesses. Based in the USA, its business has been underpinned by changing and increased compliance requirements and stakeholder expectations of ethical business conduct especially in the United States. More stringent specification of compliance communication and training under the Federal Sentencing Guidelines, Sarbanes-Oxley, and various other regulatory requirements, and a plethora of well documented continuing compliance and regulatory failures have continued to reinforce market demand.

The business has a comprehensive library of code of conduct and compliance training courses, together with refresher and supporting programs. Course content is supported by the Midi Ethics and Legal Advisory Board, a group of leading lawyers and ethics experts that maintain, develop, and refresh courses and content. The library approach allows customers to subscribe to a complete solution package on a renewable license basis, generating an increasing stream of annuity style income. The courses use leading edge video streaming technology and instructional design methodology to deliver high quality courseware in multiple languages.

The existing key management of Midi will remain with the business.

## **SAI Global Compliance**

SAI Global now provides an extensive range of solutions and services in the areas of compliance, regulation, ethics and risk management, its offer includes:

- news feeds and alerts on key compliance and regulatory topics
- enterprise compliance and risk management solutions
- an extensive library of learning and awareness solutions delivered largely through the web
- learning solutions supported by a Learning Management System providing both audit and compliance learning management capability

SAI Global's Head of Compliance, Terry Hancock, said: "The USA is by far the largest market for Compliance, both because of its size and regulatory mindset. The acquisition of Midi will help SAI to capitalize on this, and by combining the global expertise that sits within the Easy i and Lawlex businesses, SAI is now one of the world's leading global compliance providers."

## **Acquisition Funding**

The acquisition purchase price of US\$45 million has been funded through a combination of new bank debt and existing cash resources and the transaction is due to complete on January 19, subject to customary closing conditions.

## **Financial Impact**

In earnings per share terms, the impact of the acquisition is anticipated to be negligible for the six months ending on 30 June 2007, be moderately accretive in FY08 and strongly accretive in FY09.

## **Investor Briefings and Webcast**

Investor briefings will be held in Sydney and Melbourne on the 15 and 16 of January respectively.

- January 15 – Sydney – 12 noon - The InterContinental Hotel, Heritage Room, Level 1
- January 16 – Melbourne – 10am – The Grand Hyatt, Boardroom

A link to the webcast can be found at [www.saiglobal.com](http://www.saiglobal.com)

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