MOVE THE WORLD
With The Power to Know®

Overview and 2014 Annual Report
Our world continues to evolve in ways we couldn’t have imagined even five years ago. The amount of data in the “digital universe” is doubling every other year, creating the raw material that fuels the Information Age we live in. SAS’ Analytics software helps you discover knowledge hidden in this data – knowledge that moves our world and our lives forward.

SAS’ roots began in managing and analyzing large amounts of data. As the analytics market expands, SAS still leads the way. In 2014, we experienced a record 39th consecutive year of growth and profitability, with US$3.09 billion in revenues.

Our company continues to provide the most advanced analytics software on the market. Our commitment to invest heavily in research and development has never wavered. Our key areas of investment include high-performance analytics, data visualization and exploration, data management, customer intelligence, security intelligence, fraud solutions, and risk management. And we aim to be the premier analytics platform for Hadoop.

The high performance and exceptional accuracy of SAS solutions make us a perfect match for the demands of cloud computing. SAS continues to invest in cloud technologies through new cloud offerings, cloud enablement of existing offerings, partnerships with cloud providers, and global expansion of SAS Cloud Analytics. With growing privacy concerns, we understand the need to keep data local, and we are expanding our cloud infrastructure around the world. As always, we continue to recruit new talent to support all these efforts.

To address the analytics skills gap, we are providing analytics training through major universities and via our own SAS Analytics U. We offer students and teachers free and low-cost options for accessing SAS software and training.

I am deeply proud that SAS has once again been honored as one of the world’s best workplaces and an environmentally responsible organization. Striving to be a great company helps us attract and retain great people who are inspired to develop great software.

Today, SAS delivers advanced thinking and leading-edge analytics that help organizations drive innovation and continue to make the best and fastest decisions possible.

I hope you share our excitement about our company’s future and the opportunities we all have to use THE POWER TO KNOW® to move our world.

Sincerely,

Jim Goodnight
CEO of SAS
Find Insights That Make a Difference – Anywhere, Anytime

Exploding mobile usage, the Internet of Things, social media, cybersecurity, scientific exploration … the sources and uses of data are making headlines and rapidly evolving. SAS helps businesses, governments and academic institutions transform this big data into value through critical technologies, including advanced analytics, data visualization and exploration, customer intelligence, security intelligence/fraud detection, risk management and data management. These technologies are key components of SAS industry solutions, which help our customers make better, faster decisions from their data, wherever and whenever they want.

SAS works with traditional and cutting-edge infrastructures to help customers gain the best insights from their data – achieving the performance, availability and accuracy they require anywhere at any time.

- Hadoop: SAS can run within Hadoop, as well as access Hadoop as a standard data source. Running SAS in Hadoop uses the power of Hadoop clusters to deliver answers more quickly.
- SAS® Grid Computing: provides SAS customers with a high-availability, fault-tolerant environment that supports efficient resource allocation, prioritization and scheduling.

Fast, Accurate and Customized

SAS examines the biggest data stores and the fastest-flowing data streams. And analyzes them in minutes, seconds, even subseconds.

Business analysts, developers and data scientists all use SAS differently. So we offer choices with the latest SAS High-Performance Analytics. Business users can graphically explore data on their own, and deliver reports on tablets or dashboards. Analytics experts can dig deeper into intuitive web-based interfaces, where they can generate code automatically or write it directly. Everyone has the power they need. Every decision, automated or not, is fact-based.
Improving Your Customer Relationships

SAS helps you improve relationships with your customers by pairing analytical science with the art of marketing. Today, organizations are using SAS to deliver customer experiences that boost profitability while slashing marketing costs in health care, retail, banking, hotels, sports and other industries. Among others using analytics to advance their businesses:

- A Dignity Health-SAS collaboration built a cloud-based, big data analytics platform to optimize patient treatment.
- Macy’s enriched its online shopping experience and increased overall profitability.
- Lenovo analyzed call-center and social media data to reduce warranty costs 10 to 15 percent and improve product quality and customer satisfaction.
- Staples expanded marketing revenue and reduced customer attrition, generating a striking 137 percent ROI.
- The NBA’s Orlando Magic used analytics to enhance the fan experience on game day, while improving marketing to season-ticket holders.

Helping People Around the World

Throughout the world, SAS software is making a difference for people in myriad ways - helping manage scarce emergency resources, preventing child abuse and fatalities, and improving survival rates after cardiac arrest.

- The International Organization for Migration improved its Typhoon Haiyan relief efforts using SAS Visual Analytics to identify sites with the greatest need.
- A SAS expert’s testimony to a federal commission highlighted our research for the Florida Department of Children and Families that helps anticipate and prevent abuse and neglect tragedies.
- Wake County (North Carolina) Emergency Medical Services System used analytics to modify cardiac arrest guidelines, saving 100 lives in a single year.

Fighting Fraud, Better Risk Management

SAS helps banks and government agencies to detect and fight fraud and better manage risk. Among the organizations worldwide doing this:

- HM Revenue & Customs in the UK recovered $10.4 billion in unpaid tax revenues.
- The Special Tax Inspectorate in Belgium has nearly eradicated so-called “carousel” fraud, ultimately saving $1.2 billion and reducing losses by 98 percent.
- Risk managers at Denmark’s Danske Bank make faster, more accurate decisions on its capital and portfolios.
SAS provides solutions and technologies that empower you to make faster, forward-looking decisions, solve today’s complex problems and capitalize on tomorrow’s opportunities. Our industry-leading analytics software delivers timely insights for taking strategic action and driving impact.

**Many Easy Ways to Get SAS®**

Business users want solutions that are available anytime/anywhere, and that are flexible enough to meet the changing demands of the marketplace. IT departments require security, stability and performance. We have prioritized flexible deployment options to satisfy the varied and dynamic needs of both our business and IT customers.

The SAS platform supports a broad range of deployment environments and data sources with the flexibility designed to address any customer challenge:

- Continued support for on-site deployment of SAS on customer-owned or hosted hardware.
- **SAS Cloud Analytics** - the fastest growing segment of our business - provides customers with global access to:
  - *Enterprise Hosting* - in these deployments, the analytic environment is created, managed and maintained by SAS.
  - *Software-as-a-Service* (SaaS) - for self-service access to analytic offerings in the SAS Cloud.
  - Remote managed software services.
- **Public Cloud Deployment** - for access to SAS technology through partners like Amazon Web Services.

**Partners Extend SAS® to More Users**

We partner with companies that specialize in hardware, platforms, system integration, consulting and SAS application development. Whether building a better library, improving operations on the casino floor or extending to new environments like Hadoop, our partners’ expertise ensures we meet the dynamic needs of our customers. To that end, SAS has a new partnership with Arrow Electronics, a global distributor, to give companies more options and flexibility in how they implement SAS software.

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Customer Partnerships Fuel Innovation
Our customers are the engines driving SAS software development. Their input – from our customer advisory boards, SAS software ballots and SAS user community feedback – ensures we’re solving real business needs. In turn, we provide award-winning free support and training that keeps them connected with us and each other.

Connect and Collaborate With Peers
SAS users share a vibrant online community where they exchange extensive SAS knowledge or look for expert help. Thousands of practitioners participate in SAS users group activities, where they enjoy presentations, hands-on workshops and access to SAS experts.

Commitment to Growing Analytic Talent
Our global academic initiatives include free SAS software, university partnerships and engaging online user communities that support the next generation of SAS users. SAS Analytics U is a resource for users of the free SAS University Edition and SAS OnDemand for Academics. Whether you’re a teacher, professor, student, academic researcher or independent learner, we offer anyone in a teaching and learning environment free and low-cost options for accessing our world-class analytics software.

Engineering the Future With Advanced Analytics
Analysts – Gartner, Forrester, IDC and others – confirm it. So do 30-plus vendor ranking reports worldwide that place SAS in the top quartile. Through faster, more accurate decisions, SAS Analytics is helping companies be more profitable, transparent and secure.

- “SAS has proven to define the spirit of practical innovation.”
  - KMWorld, “100 Companies That Matter in Knowledge Management”

- “The new SAS solution is paving the way for banks to improve regulatory compliance.”
  - IDC Financial Insights

- “SAS is one of the best-kept secrets among enterprise fraud solution providers.”
  - Aite Group, Enterprise Fraud Management: Still Evolving After All These Years
How Great Culture + Great People = Great Software

Trust. SAS Is Built on It.
We believe when companies treat people as if they make a difference, they will make a difference. We trust our people to do their jobs and make decisions. Whether it’s helping a customer resolve challenges or teaming with a partner to develop new products, we encourage innovation and reward team efforts.

Free to Focus on the Job
The investments we make in employee health, well-being and work-life balance make it easier for employees to do their jobs well. SAS, in turn, maintains exceptional retention rates – with turnover far below the industry average. That loyalty means customers benefit from the knowledge of and relationships with experienced, committed employees.

Engaged in Our World
Our corporate responsibility efforts center on preparing for the future. SAS supports a host of education initiatives promoting science, technology, engineering and math. Our environmental efforts incorporate the best design, engineering, materials and technology available, from recycling and energy usage to building and remodeling efforts. We follow green building standards for all design, construction and renovation projects.

We have customers in 139 countries at more than 75,000 sites.
SAS software is used by 93 of the top 100 companies in the 2014 Fortune Global 500® list.
Employees worldwide at year-end 2014: 13,741

Great Place to Work® Awards
15 COUNTRIES
Australia, Belgium, Brazil, Canada, China, Finland, France, Germany, Greece, Mexico, Netherlands, Poland, Portugal, United Kingdom, United States

2 MULTINATIONAL
SAS World Headquarters, Europe
Our 39th Consecutive Year of Growth

Growing customer demand for cloud analytics and data visualization propelled SAS’ revenue growth, up 5.1 percent in constant currency (2.3 percent US dollars), to $3.09 billion in 2014.

SAS Cloud Analytics revenue grew 24 percent worldwide in 2014, as more than 400 customers in 70 countries wanted cloud technology for rapid access to analytics solutions. Adoption of SAS Visual Analytics continued to surge with revenue increasing by 12 percent. Introduced two years ago, the product is now licensed at nearly 3,400 customer sites.

Other high-growth product suites included high-performance analytics, customer intelligence, data management and fraud management solutions.

Growth Transcends Borders and Industries

SAS revenue grew globally, particularly in Asia Pacific and the Americas. Financial services, government, insurance, communications, manufacturing, retail, health care and life sciences continue to lead SAS revenue by industry. Government organizations led revenue growth with a 23 percent jump. Life sciences followed closely with a 21 percent revenue increase.

Annual Revenue 1976 - 2014

SAS achieved record revenue of US$3.09 billion, up 2.3 percent over 2013.

Revenue Percentages by Industry

- Banking: 26%
- Government: 15%
- Services: 11%
- Insurance: 10%
- Life Sciences: 7%
- Communications: 7%
- Manufacturing: 6%
- Health Care: 6%
- Retail: 5%
- Energy and Utilities: 3%
- Education: 3%
- Capital Markets: 3%

23% Revenue Reinvested in Research & Development.

No. 1 Advanced and Predictive Analytics as Ranked by IDC.

SAS Cloud Analytics Revenue Growth 24%.


Revenue Percentages by Region

- Americas: 49%
- Asia Pacific: 38%
- Europe, Middle East and Africa: 13%

*Totals 102% due to rounding
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