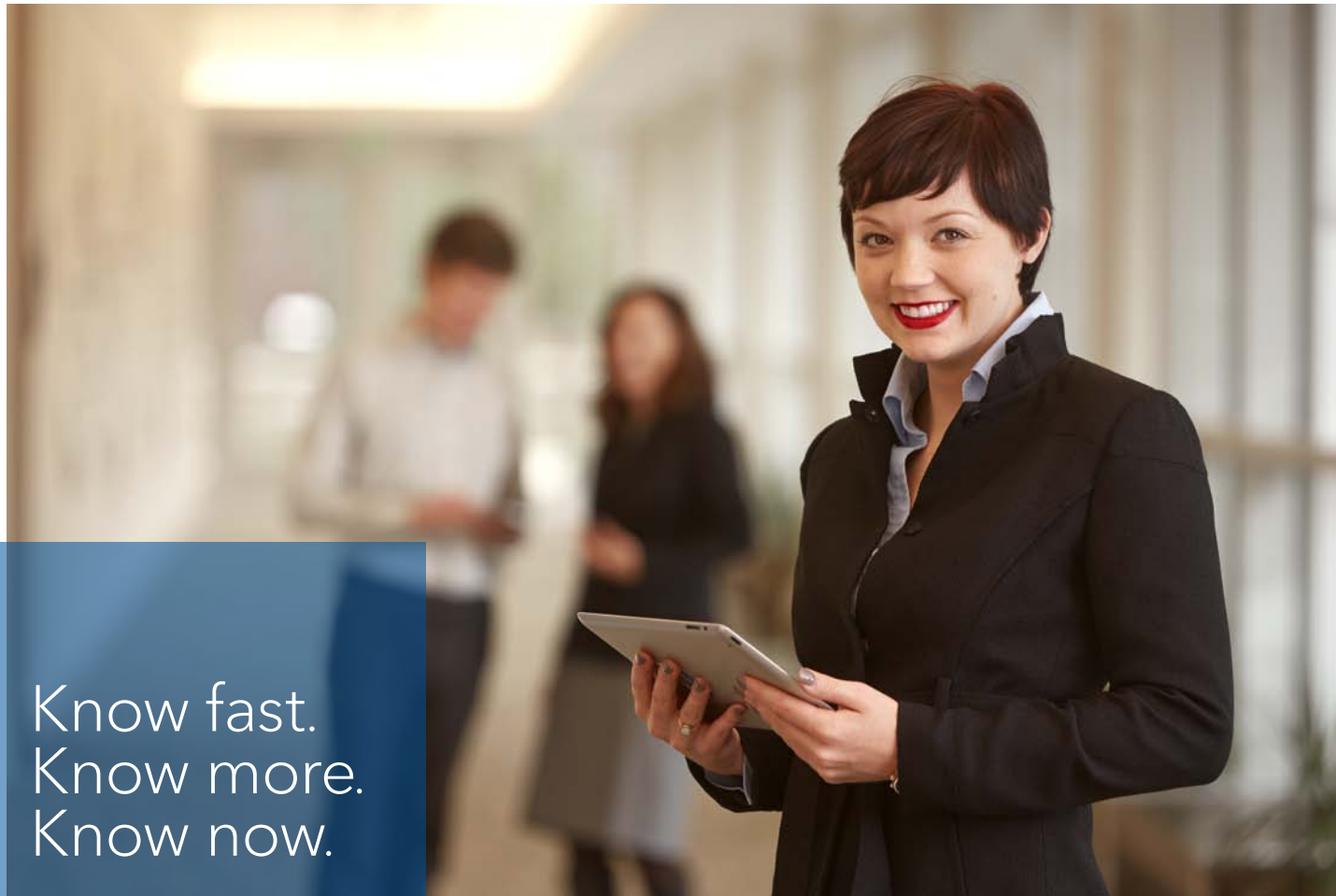


SAS Overview
and Annual Report | 2013



Know fast.
Know more.
Know now.

From the CEO

SAS® software with advanced analytics turns data about customers, financials, operations and more into meaningful information.



“The amount of data pouring in is so vast, it’s impossible to analyze quickly enough to make a difference in day-to-day decisions without a high-performance analytics infrastructure. Over the last two years, we’ve delivered groundbreaking analytics technology that unlocks the value in all this data.”

Jim Goodnight, CEO of SAS

Our philosophy today is the same as the day SAS began – add value for our customers. After 38 years, we’re still helping customers solve difficult problems. In 2013, SAS continued its history of being privately held and debt free, while growing total revenue to US\$3.02 billion. This financial independence lets us focus on delivering [world-class solutions](#) with a long-term view of success as partners with our customers.

Around the world, organizations sought to capitalize on their big data. Revenue from business intelligence spiked on the popularity of [SAS® Visual Analytics](#), new data visualization software that brings business threats and opportunities into sharp focus. Revenue growth was double-digit for cloud solutions that fight fraud and financial crimes, manage risk, improve customer relationships and help develop safe, effective new drugs.

SAS corporate responsibility efforts continued to center on preparing our people and our business for the next generation.

- We support [education](#) through products and services that improve teaching, learning and administration.
- Our efforts to be [environmentally responsible](#) help us reduce costs, grow new markets and responsibly meet the expectations of customers, government and the public.
- SAS is recognized worldwide – at global, regional and local levels – for being a [great workplace](#).

In 2014, we anticipate continued growth in [data management](#), [data visualization](#), [industry-specific solutions](#) and [SAS® Cloud Analytics](#), as more companies look to cloud-based solutions to unlock the benefits of complex analyses. We also see 2014 as a year when people invest even more in new technologies, such as Hadoop, to handle big data. As that trend grows, we believe SAS will be the go-to analytics partner for uncovering insights from that data.

Thank you for trusting SAS to address your most challenging business problems.

Sincerely,
Jim Goodnight, CEO of SAS

The Way We Live Matters, Both on and off the Job

The work we do makes a difference.

We have an empowering management philosophy that encourages us to take risks. We have proven that an inspiring workplace makes creativity thrive. Our strength comes from our culture, which is rich in diverse people, talent and ideas. Collectively, this passion drives innovative solutions that solve the most complex customer problems.

We know our commitment to our workplace culture is smart business. The investments we make in employee health, well-being and work-life balance yield dedicated people who are committed to SAS for the long term. The SAS turnover rate is far below the industry average, resulting in consistency and long-term relationships for SAS customers.



World-Renowned Culture

SAS is recognized worldwide – at global, regional and local levels – for being a great workplace.

In 2013, we continued our strong tradition of offering unprecedented challenges, opportunities and support for employees.

The SAS offices below were among the top workplaces recognized by Top Employers Institute and Great Place to Work, including on GPTW's World's Best Multinational Workplaces list.

Australia	Greece	Portugal
Belgium	India	Russia
Brazil	Italy	South Africa
Canada	Malaysia	Spain
China	Mexico	Switzerland
Europe	Norway	United Kingdom
France	Poland	United States
Germany		

At our new office building in Sweden, beehives on the sedum-covered green roof provide natural honey for the on-site cafeteria. Pim Bendt from local company Bee Urban tends approximately 180,000 bees in three hives. During the cold temperatures of Sweden's winter, the bees huddle in a ball and slowly rotate, creating friction and warmth. The bees pollinate an area averaging three kilometers in every direction, ensuring local flora can reproduce. To collect one gram of honey, each bee works for five days to visit up to 50,000 flowers.

Photo credit: David Mehr



We're Consciously Engaged in the World Around Us

We give back to our communities through donations of money, time and resources to vital causes like education.

To equip the 21st-century workforce, SAS supports a host of initiatives promoting science, technology, engineering and math (STEM). SAS® Curriculum Pathways® digital resources are available at no cost to teachers and students around the world.

SAS provides free access to software for higher education instruction and research, and supports numerous advanced degrees and more than 50 certificate programs in analytics and related fields. New SAS education initiatives in 2014 will augment those programs to multiply talent.

Our goal is to grow and maintain a successful business while protecting our natural resources. That's why our environmental efforts seek to incorporate the best design, engineering, materials and technology available, from recycling to energy usage to building and remodeling business facilities.

We follow green-building standards for the design, construction and renovation of all our buildings. This year, we achieved LEED® certification for an office renovation in Sao Paulo, Brazil; an existing office building at our Cary, NC, headquarters; and for SAS Sweden's newest office building.

Employee statistics at year-end 2013

Worldwide employees **13,764**

Total increase in workforce **3.5%**

What We Do

“Data is like money – important for what can be accomplished with it. If you don’t analyze your data, you’re throwing away a very valuable resource.”

Jim Goodnight, CEO of SAS



Solve Today’s Problems, Maximize Tomorrow’s Opportunities

As the leader in business analytics software and services, SAS transforms your data into insights that give you a fresh perspective on your business.

SAS solves real-world problems like combating fraud in [financial services](#), expediting drugs to market in [life sciences](#) and identifying cross-sell opportunities in [retail](#). SAS addresses challenges facing every industry, such as increasing the value of customer relationships and managing risk – all through [industry and cross-functional solutions](#) that reflect our domain expertise.

Our software addresses these complex business issues using a foundation based on three key capabilities: [data management](#), [analytics](#) and [business intelligence](#).

And using your data to make decisions has never been faster – even in times of exploding data volumes and growing complexity. With [SAS High-Performance Analytics](#), you no longer have to wait days to process

big data. Now you can analyze it in minutes or seconds. What would you do with all the time you save using big data analytics?

We make business analytics easy to use and to understand, so you can take action. For example, data visualization with [SAS Visual Analytics](#) transforms the way you explore and analyze data. You can spot patterns, identify opportunities for further analysis and convey visual results immediately via Web reports or iPad® and Android tablets. Every decision maker in your organization can access and use our fast, accurate predictive analytics.

We are successful when our customers are successful. That’s why we help them deploy and access SAS in ways that work best for them. We offer flexible options like private clouds, enterprise hosting, running on a grid, running in Amazon’s Web services, and more.

Partnering Yields Results

SAS works closely with partners to address growing data management needs of more and more companies. The adoption of the open-source Hadoop framework is helping data scientists, business analysts and executives transform big data into knowledge and bottom-line results. Because many SAS customers like the open-source Hadoop architecture to handle big data, SAS support for Hadoop spans the entire data-to-decision process. Several new SAS products for Hadoop will launch in 2014. Additionally, SAS and its partners help customers explore data visually by simply pointing and clicking with SAS Visual Analytics.

For fast answers to your toughest questions, get **THE POWER TO KNOW®** on the go with SAS Visual Analytics.

Possibilities. Opportunities. Discoveries. Advancements in analytic technologies make the unimaginable possible.

What We Offer

SAS® Products and Solutions

Make faster, forward-looking decisions with SAS products and solutions. SAS provides solutions and technologies that empower you to solve today's complex problems and capitalize on tomorrow's opportunities. Our industry-leading advanced analytics delivers timely insights for taking strategic action and driving impact.

SAS extends focused solutions into targeted markets to further support analytically driven customers through its JMP division and Integrated Decisions & Systems Inc. (IDeaS™), a wholly-owned subsidiary.



We are dedicated to your long-term success. We provide consulting, education, 24/7 support around the world, publications, community connections and more.



“Investments in innovation offer the highest returns. They require, however, long-term commitment and patience, and some investments don’t pay off. But when you innovate, you uncover answers – big and small – that can propel your company forward.”

Thomas H. Davenport, author of *Big Data at Work: Dispelling the Myths, Uncovering the Opportunities*

Data Is More Than Facts and Figures

It’s the lifeblood of any business. We’re poised and ready to help companies invest in their innovations. As the leader in analytics, SAS helps organizations turn data about customers, performance, financials and more into information they can use.

How are we making a difference?

- Local government – [Wake County Emergency Medical Services System](#) (US) decreased emergency response times.
- Utilities – [Old Dominion Electric Cooperative](#) (US) reduced rates four times in a year through better energy forecasting.
- Health care – [The Department of Orthopedic Surgery at Lillebælt Hospital](#) (Denmark) found a way for surgeons to spend more time with patients.

- Insurance – [Generali Hellas](#) (Greece) increased levels of customer service.
- Financial services – [Creditreform](#) (Germany) improved quality and forecasting accuracy in millions of credit ratings each day.
- Banking – [Local Government Federal Credit Union](#) (US) shrunk data prep from days to minutes to make sense of economic trends.
- Communications – [Telecom Italia](#) (Italy) improved customer service performance.

New Insights Change the Way You Think About Analytics

Our website visitors want to know about hot topics like big data and Hadoop – where the industry is going and what people are talking about. So we created a new [Insights Center](#) that features articles, white papers, thought leadership and other great resources.

With SAS Visual Analytics, lightning-fast insights are within everyone’s reach. Mobile business intelligence lets you easily access and explore dashboards and reports from your mobile devices, anytime and anywhere. And with mobile tethering, you can explore reports even when there’s no Internet connectivity.

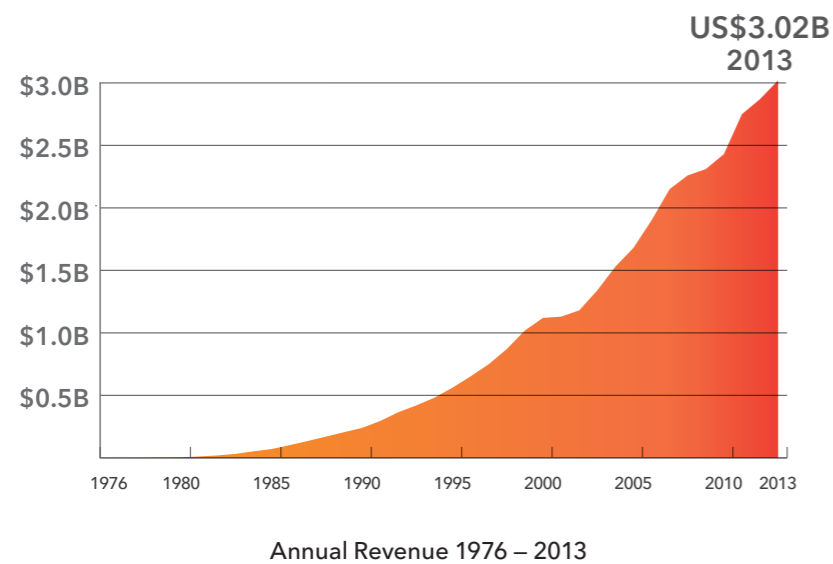
Our 38th Year of Growth

SAS continued to dominate the advanced analytics market in 2013¹, even as large competitors entered the space. With another consecutive year of profitable growth, SAS revenue grew around the world as organizations accepted the reality of big data and sought to capitalize on it.

The big data visualization tool SAS Visual Analytics quickly found traction after its 2012 launch. It was hailed by analysts as customers embraced the value of easy, self-service data exploration. It is now licensed at more than 1,500 sites worldwide.

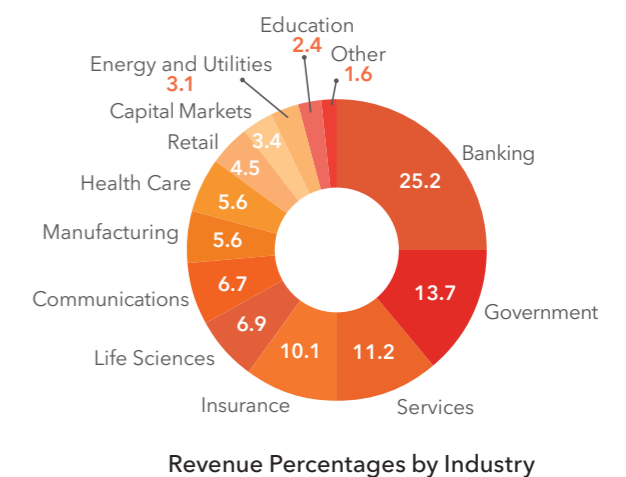
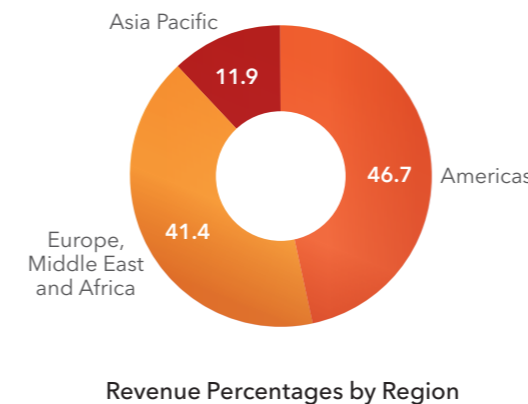
Organizations looking to stop fraud fueled a 44 percent jump in sales of fraud prevention and security intelligence solutions. Revenue from cloud-based offerings, SAS Cloud Analytics, jumped 20 percent as pharmaceutical companies prepared for an onslaught of new regulations, businesses sought to understand customer preferences, and state and local governments worked to stamp out fraud. Revenue from all industries grew, including an 18 percent increase in the energy and utilities sector, 17 percent in health care and 16 percent in capital markets.

¹ IDC's *Worldwide Business Analytics Software 2013-2017 Forecast and 2012 Vendor Shares* report.



SAS achieved record revenue of US\$3.02 billion in 2013, up 5.2 percent over 2012.

We invested 25 percent of 2013 revenue into research and development, which demonstrates our commitment to innovation and customer service.



The Executive Briefing Center at SAS headquarters in Cary, NC, is LEED certified Platinum. In keeping with our focus on energy efficiency and intelligent power sourcing, it features solar thermal and photovoltaic panels; energy-saving, high-efficiency exterior glass; a rainwater capture system and a rooftop garden.

SAS transforms the
way the world works.
We give people
The Power to Know.®



Connect With Us

Learn more:

Website

sas.com

Insights Center

sas.com/insightscenter

Corner Office Blog

blogs.sas.com/corneroffice

SAS Customer Support

support.sas.com



twitter.com/SASsoftware



facebook.com/SASsoftware



linkedin.com/company/SAS



youtube.com/SASsoftware



plus.google.com/+SASsoftware



sas.com/rss

To contact your local SAS office, please visit: sas.com/offices

SAS and all other SAS Institute Inc. product or service names are registered trademarks or trademarks of SAS Institute Inc. in the USA and other countries. ® indicates USA registration. Other brand and product names are trademarks of their respective companies. Copyright © 2014, SAS Institute Inc. All rights reserved. 106254_S114785.0314

