

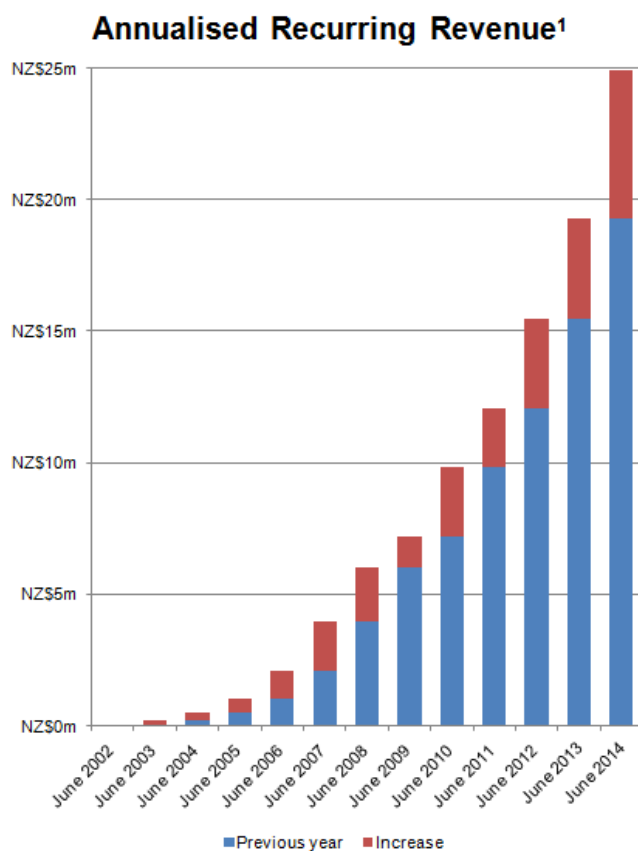
SLI Systems reports strong FY 2014 revenue growth; demand remains robust.

Annualised recurring revenue (ARR¹) rises 29.4%, unaudited operating revenue in line, losses and cash favourable to forecast.

Christchurch, New Zealand – July 28, 2014 – [SLI Systems](http://SLI.NZ) (SLI.NZ) reports strong growth in operating revenue as e-commerce businesses worldwide continue to recognise the power of its enhanced website search solutions to drive significant sales growth.

Unaudited operating revenue for the 12 months to 30 June 2014 is \$22 million; in line with our forecast at the time of our initial public offering (IPO) in May of last year.

Annualised Recurring Revenue (ARR¹) as at 30 June 2014 rose 29.4% to \$25 million from the \$19 million as at 30 June 2013². This is slightly short of the \$26 million we forecast at the IPO.



SLI Systems CEO Shaun Ryan said: “We are pleased with the progress we have made this year. We are in line with our operating revenue target. Our ARR was 96.3% of what we forecast but our loss was smaller than forecast because of delays in building up the sales and marketing teams at the rate we expected.

“Revenue has benefited from the good progress we have made recruiting large e-commerce sites, which take longer to engage but generate higher average monthly revenue and provide an outstanding opportunity to showcase SLI’s capabilities to a greater number of this type of customer. As we signaled at the half-year, this means that we have achieved our revenue with 510 customers at 30 June 2014 compared to the 580 that we had forecast.

“Our technology continues to deliver value to our customers well ahead of competing solutions. Our customer retention rate over the year remains strong at 90%, largely in line with our IPO forecast of 91% and our historical retention rates.

“We have taken steps to reinforce our recruitment and sales training capabilities. Our marketing team is now up to full strength and we are beginning to see the benefits of the increased marketing activity.

“We continue to prudently manage the capital we raised last year. Our cash position and operating loss are favourable to our forecast, due to a deferral of planned expenditure on marketing and sales headcount hires.

“We continue to look forward to the 2015 financial year with confidence in our ability to take advantage of the operating resources we have built during the year and the significant opportunities we see for the business,” Mr Ryan said.

SLI Systems will report its audited results for the year to 30 June 2014 on 26 August 2014.

Connect with SLI Systems:

Twitter – twitter.com/slisystems

Facebook – facebook.com/slisystems

LinkedIn – linkedin.com/company/sli-systems

FOR MORE INFORMATION:

New Zealand
Richard Inder
Merlin Consulting

United States
Eileen Elam
SLI Systems

+64 21 645 643
richard@merlinconsulting.co.nz

+1 408 459 6248
media.relations@slj-systems.com
www.twitter.com/sljsystems

¹Annualised Recurring Revenue (ARR) is calculated based on the subscription revenue generated from the existing customer base in the reference month and then annualised. ARR is calculated based on the exchange rates at that time. When ARR is presented for a historical time series all points are calculated on a constant currency basis. This is a non-GAAP financial performance measure used internally by SLI as a basis for its expected forward revenue. ARR does not account for changes in behaviour of customers. The constant exchange rate provides SLI with a better understanding of the business' underlying performance over time. ARR only includes revenue from SLI's customers for its Learning Search and related products and its Site Champion product. For the Site Champion component of ARR it is necessary to apply judgement to mitigate the effects of one-off events that impact the base month revenue of the calculation.

²ARR numbers are calculated at constant exchange rates as used in the IPO Investment Statement

About SLI Systems

SLI Systems (SLI.NZ) enables the world's leading e-commerce retailers to accelerate sales by connecting shoppers with the products they're most likely to buy. With offerings that include site search, navigation, merchandising, mobile, product recommendations and user-generated SEO, SLI Systems is the most chosen cloud-based site search provider to Internet Retailer Top 1,000 retailers. The company's patented technology continuously learns from the actions of visitors to deliver the most relevant results possible. Whether via PC, tablet or phone, a site powered by SLI Systems delivers the kind of satisfying search experience that increases conversion rates, secures brand loyalty and results in higher order values. SLI Systems operates on five continents. For more information, visit: www.slj-systems.com.