



Announcement to Shareholders and the ASX

SAUNDERS ANNOUNCES GUIDANCE FOR FY18 FULL YEAR FINANCIAL RESULT

Sydney – Tuesday, 29 May 2018

Saunders International Ltd (ASX:SND) (**Saunders** or **Company**) provides guidance for the FY18 full year financial result.

Revenue for FY18 is expected to be in the range of \$75 to \$80 million. Earnings Before Interest Taxes, Depreciation and Amortisation (**EBITDA**) is expected to be in the range of plus or minus \$1 million.

The disappointing EBITDA result is a consequence of financial underperformance in the Engineering and Construction division, principally driven by a Victorian project where poor site operational and productivity issues have resulted in delays and cost overruns. The Company has given a larger than normal EBITDA guidance range because, at this date, there is a significant value of unapproved variations and unsettled claims.

Saunders senior management have intensified their overview and strengthened the site management team to ensure that this project is completed efficiently and are implementing improved systems and resources to manage all projects going forward.

The Saunders balance sheet remains strong with no interest bearing debt. The Statement of Financial Position in the unaudited management accounts at 30 April 2018 shows net assets of approximately \$26 million.

For further information, please contact:

Mark Benson
Managing Director & Chief Executive Officer
Saunders International Limited
(02) 9792 2444

About Saunders International Limited

Saunders International is a multi-disciplined and integrated engineering and construction business. It is one of Australia's most experienced companies specialising in the design, construction and maintenance of bulk liquid storage facilities. The Saunders Civilbuild business specialises in the design and construction of bridges for road and rail infrastructure and manufactures a range of precast concrete products. It has constructed more than 200 bridges over its 40+ year history. The Saunders Group also provides a range of specialised design, construction and maintenance services for bulk liquid, industrial, marine and road and rail infrastructure.