



APPENDIX 4E

and

FULL YEAR FINANCIAL REPORT
30 JUNE 2014



Saunders International Limited

A.B.N. 14 050 287 431

RESULTS FOR ANNOUNCEMENT TO THE MARKET

This report is for the financial year ended 30 June 2014 and the previous corresponding period is the financial year ended 30 June 2013.

Result for announcement to the market

A\$000

Revenue from ordinary activities	Up 14.6%	69,359
Profit from ordinary activities after tax attributable to members	Up 10.2%	6,375
Net profit for the period attributable to members	Up 10.2%	6,375
Amount per security and franked amount per security of final dividend	4 cents fully franked	
Record date for determining entitlements to dividends	5 September 2014	
Dividends payment date	22 September 2014	

Net Tangible Assets

Net tangible assets per share is 23.32 cents (2013: 19.56 cents).

Additional Information

Other information required for the Appendix 4E is contained in the attached Financial Report for the year ended 30 June 2014.



Announcement to Shareholders and the ASX

SAUNDERS ANNOUNCES FY2014 FINANCIAL RESULT

Sydney –Wednesday 20 August 2014

Saunders International Limited (“Saunders” or “the Company”) (ASX:SND) today published its Financial Report for the year to 30 June 2014.

The net profit after tax was \$6.4million, a 10% improvement on the prior year (FY2013: \$5.8m). This improved result was achieved on Revenue of \$69.4 million, an increase of 15% from the prior year (FY2013: \$60.5m).

Earnings per share were 8.1 cents, a 10% increase on FY2013 (7.4cps).

Cash flows from operating activities were \$9.5 million, an 86% increase on FY2013 (\$5.1m).

New contracts secured in the first half of the 2014 financial year contributed to a strong second half as several of these contracts were completed within the financial year. Growth was achieved in both design and construct and maintenance activities.

The Saunders balance sheet at year end remained strong with a cash balance of approximately \$18.2 million (approx. 23 cents per share). The Company has no interest bearing debt. The Statement of Financial Position shows a 16% increase in Net Assets to \$19.2m (FY2013: \$16.5m).

Outlook

The strong second half has provided good momentum for the 2015 financial year. The backlog at 30 June 2014 of \$28 million was reasonable but approximately 28% less than the backlog of \$39 million at 30 June 2013. Although this lower backlog is expected to have a negative impact on first half revenues, tendering activity remains relatively strong. The value of the live tenders (yet to be awarded) at 30 June 2014 was \$57 million. This is 50% greater than the prior year value of \$38 million. Converting these tenders to contracts, albeit in a competitive environment, would contribute to a strong second half.

The Company operates mainly in the Oil and Gas sector that is currently undergoing significant structural change. The announced closures of the Shell and Caltex refineries in Sydney and the BP refinery in Brisbane is expected to impact the Company's revenues from maintenance activities at these refineries. However, these refineries are planning to embark on programs to modify existing tank farms and convert them to fuel import and storage terminals. The Company expects to generate significant revenue from this going forward.

Additionally and partly as a consequence of these closures, independent bulk liquid storage terminal operators are actively planning expanded storage facilities throughout Australia. Several of these operators are multinationals and relatively new to Australia. This expansion will require new tankage which is also expected to provide opportunities for the Company in the coming years.



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Dividend

The Directors declare a final dividend of 4 cents per share, fully franked, payable on 22 September 2014. The full year dividend of 6 cents per share is a 20% increase on FY2013 (5 cps). The record date for determining entitlements is 5 September 2014. The Directors have determined that the Dividend Reinvestment Plan will not be activated for this dividend.

Attachments

Appendix 4E
Financial Report

For further information, please contact:-

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About Saunders International Limited

Saunders specialises in the design, construction and maintenance of steel bulk liquid storage tanks and associated infrastructure and services a variety of “blue chip” clients ranging from multinational oil, gas and mining companies to water authorities.