



INNOVATION | EXCELLENCE | GROWTH

ANNUAL GENERAL MEETING

18 NOVEMBER 2015

| BOARD OF DIRECTORS & KEY MANAGEMENT



TIM BURNETT

Chairman



MARK BENSON

Managing Director / Chief Executive Officer



GREG FLETCHER

Non-Executive Director



MALCOM McCOMAS

Non-Executive Director



ROBERT PATTERSON

General Manager - Commercial



IAN McLOUGHLIN

General Manager - Construction & Maintenance



DAVID GRIFFITHS

Business Development Manager



SHARON VELTMAN

Chief Financial Accountant

| AGENDA

CHAIRMAN'S ADDRESS

P3 - 4

MANAGING DIRECTOR'S ADDRESS

P5 - 24



| CHAIRMAN'S ADDRESS

I would like to take this opportunity to thank you as fellow shareholders for your continued support of Saunders during this past year. I will comment briefly on the financial result for the year ended 30 June 2015. Mark Benson, the Managing Director will comment in more detail. It is my view that Saunders delivered a solid financial result considering the challenging market conditions that were experienced in FY15.

The decline in commodity prices fostered economic uncertainty across our customer base. Our customers and their customers delayed and deferred capital expenditure plans and reduced operational expenditure. These market conditions influenced the decrease in revenue that Saunders reported in FY15. Saunders experienced a downturn in the pace of award of new contracts. In the later part of the year, we observed an increase in competition for tank design and construction projects because the lack of new projects in the resources infrastructure sector has funnelled a wider spectrum of competitors to those projects which are being tendered.

I am very pleased that our strong safety culture and robust management systems have seen us continue to deliver significantly improved safety performance and I credit John Power and his management team for the excellent outcome during FY15.

The company ended the year in a strong financial position with cash and cash equivalents of close to \$18 million and there is no interest bearing debt. The total dividend for the year was 6 cents per share fully franked.



MR TIMOTHY BURNETT
Chairman

*I wish to thank all of the
company's employees for
their commitment & great effort
during the past year.*

| CHAIRMAN'S ADDRESS

This strong financial position will allow us to continue on our strategy to strengthen our Engineering, Procurement, Construction capability and to diversify our facilities maintenance customer base to counter the decline in the refinery maintenance business.

Earlier in FY15, John Power indicated his intention to retire from the role of Managing Director of Saunders. After a comprehensive search, Saunders announced on 7 April 2015 that it would appoint Mark Benson as the new Managing Director and he commenced in that role on 5 October 2015.

I would like to thank John Power for his contribution to the company and its shareholders. John has served the company and shareholders as Managing Director with distinction for the last 10 years. As Managing Director he was pro-actively involved in the IPO process that led to the ASX listing in 2007 and he has been pivotal in the significant growth in revenue and profitability that Saunders has experienced since then. John has led the safety culture and process to achieve excellent safety outcomes for our employees and he has grown Saunders capability in Engineering, Procurement, Construction and Maintenance over a sustained period. I wish to thank him on behalf of all employees, past and present and our shareholders.

I welcome Mark Benson to Saunders. Mark brings a track record in successfully managing and growing engineering, construction and maintenance businesses that provide services to the power, oil and gas, petro-chemical, mining sectors and infrastructure.

This experience will be very valuable as Saunders seeks to grow the scope of its tankage design, construction and maintenance business and to leverage off its excellent reputation and expertise to increase the range of services it can provide to a growing customer base.

David Smart retired from the Saunders board on 30 June 2015. David was a Director of Saunders for more than 7 years, joining the board during its IPO phase prior to its ASX listing in December 2007. He was a well informed and insightful participant to board discussions and deliberations throughout his time as a Director. On behalf of the board, the company and the shareholders, I would like to thank him for his very valuable contributions.

I welcome Greg Fletcher to the board as a Non-Executive Director, effective 1 July 2015. His 30 years of experience as a Chartered Accountant followed by 6 years of experience as a Company Director will provide a valuable dimension to the board of Saunders as it seeks to increase returns for shareholders by growing its core business and capitalising on other opportunities as they emerge.

In conclusion, I wish to thank my fellow Director's and on behalf of the board, I wish to thank all of the company's employees for their commitment and great effort during the past year.

MANAGING DIRECTOR'S ADDRESS

I would like to join with Tim and extend a warm welcome to the Saunders International AGM and my first Managing Director's presentation.

As Tim has mentioned, Saunders has delivered a solid performance in challenging market conditions.

Our ability to meet the challenge in the difficult economic conditions and deliver a strong financial performance in a more competitive market demonstrates that Saunders is a dynamic company and can react to the changing landscape.



MARK BENSON
Managing Director /
Chief Executive Officer

I would like to join Tim and extend a warm welcome to the Saunders International Annual General Meeting and my first Managing Director's presentation.

| OUR PEOPLE

Safety

- Our Total Injury Frequency Rate (TIFR) reduced 50%
- Introduced MYOSH safety management software system
- 7 years LTI & MTI free at our Kwinana Refinery Site in WA
- No LTI's in any division for the year

Workforce

- Average workforce around 150 (125-185)
- Apprentices = 4
- Female workforce = 10%

Our people are the distinguishing difference in our success on all our projects. Our long tradition of self performing these projects with our own permanent workforce continues to drive innovation and excellence at all levels of Saunders.

Our strong safety culture and robust management systems have continued to deliver great safety outcomes on all sites and projects. On behalf of the board I would like to thank all our people and congratulate them for their efforts and achievements this year, and we understand that in challenging economic times it is difficult for everyone.



Saunders BP Kwinana team recently achieved seven years recordable incident free. To mark the occasion the team were presented with a safety award during a BBQ with the Refinery Manager.

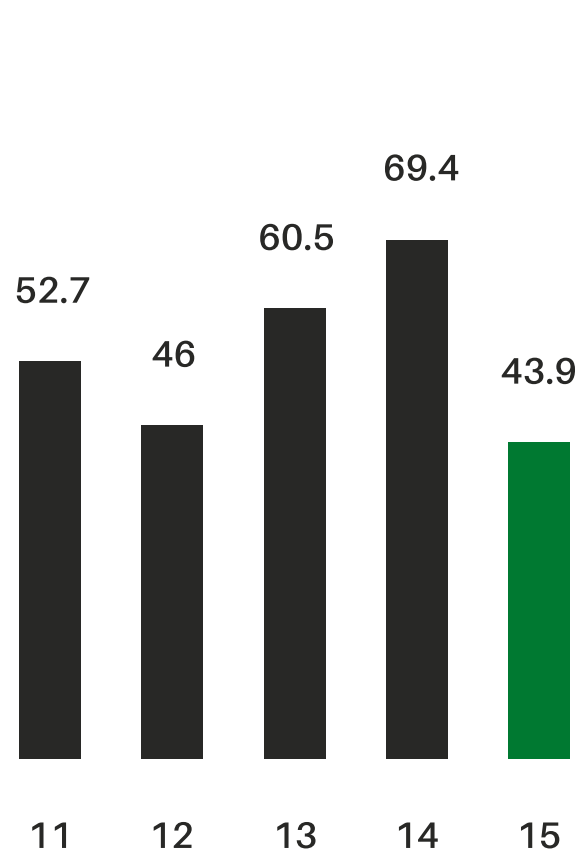
| OUR PEOPLE

Saunders Topping Out Ceremony

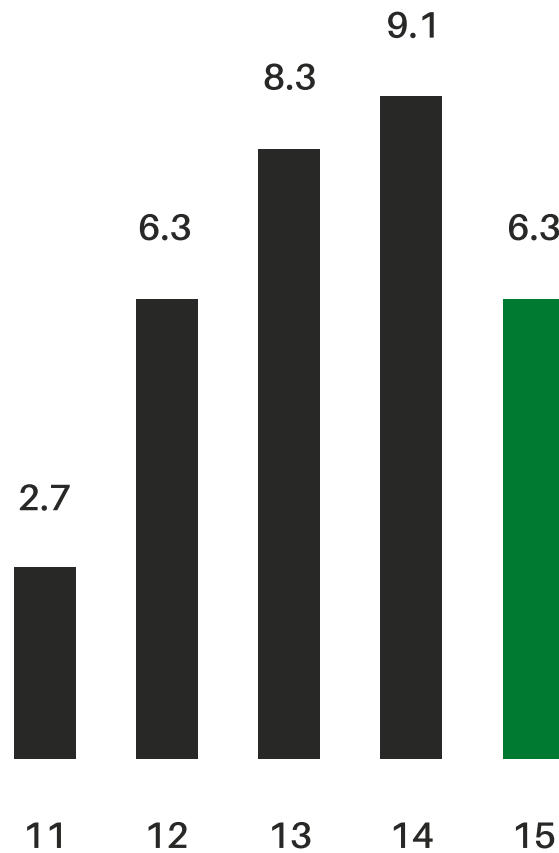
At Saunders, we have a tradition that once we reach roof high on a construction project with no injuries we place a tree on the roof & get a team photo to celebrate the milestone & achievement.

| OPERATING RESULTS

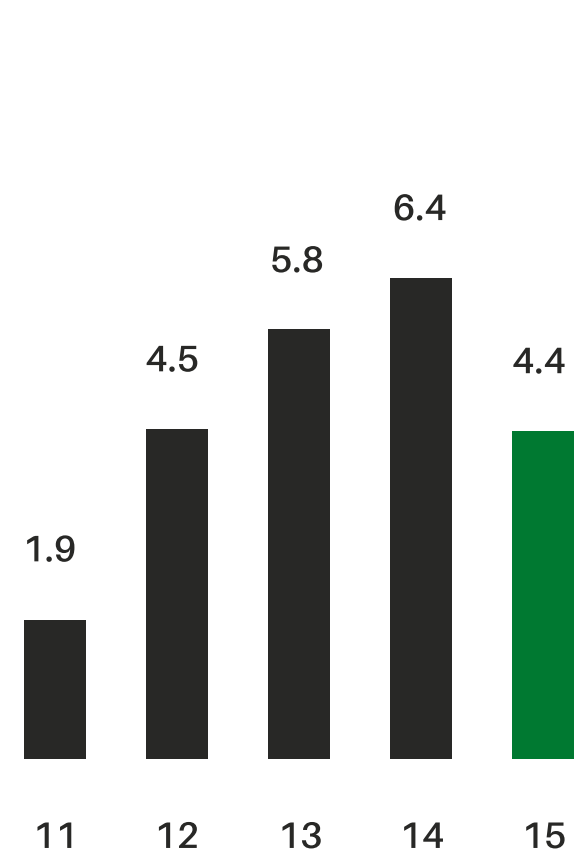
REVENUE - \$M



NPBT - \$M



NPAT - \$M

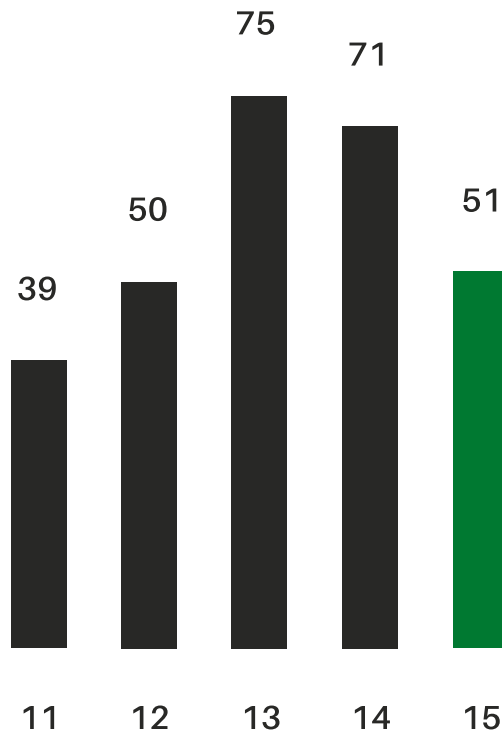


| FINANCIAL PERFORMANCE

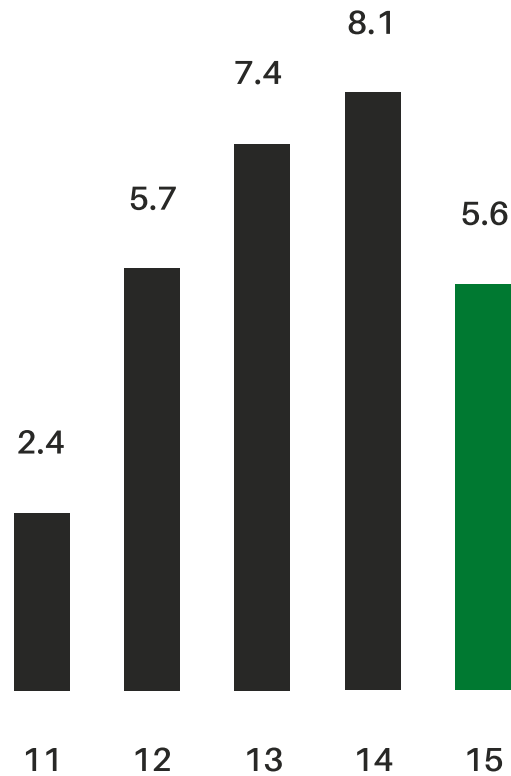
	30 JUNE 2015 \$,000	30 JUNE 2014 \$,000
Revenue	43,945	69,359
Net profit before tax	6,324	9,106
Net profit after tax	4,431	6,375
Net profit %	10%	9%
Return on equity	23.5%	33%
Earnings per share	5.6 cents	8.1 cents

| SHAREHOLDER RETURNS

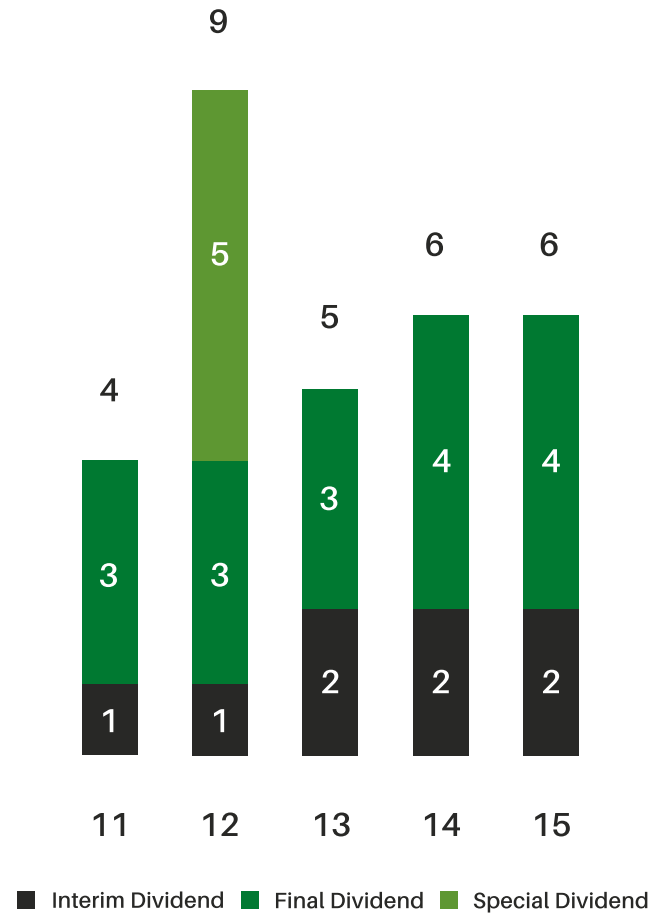
MARKET CAPITALISATION - \$M



EARNINGS PER SHARE - CENTS



DIVIDENDS - CENTS PER SHARE



| HIGHLIGHTS FY15

- Safety performance continues to improve with our **TIFR down to 50%**
- Environmental AS14001:2004 **Accreditation**
- **Winning** three of the largest tank construction & maintenance projects in 2014 - 2015, in a competitive market:
 - **Stolthaven, Newcastle**
 - **Port Bonython Fuels, South Australia**
 - **BP Bulwer Terminal Conversion**
- **Investment & innovation** in new welding equipment & techniques which will see us even more productive in the future



| REVIEW OF OPERATIONS

Sydney Water Minchinbury

| MAINTENANCE DIVISION

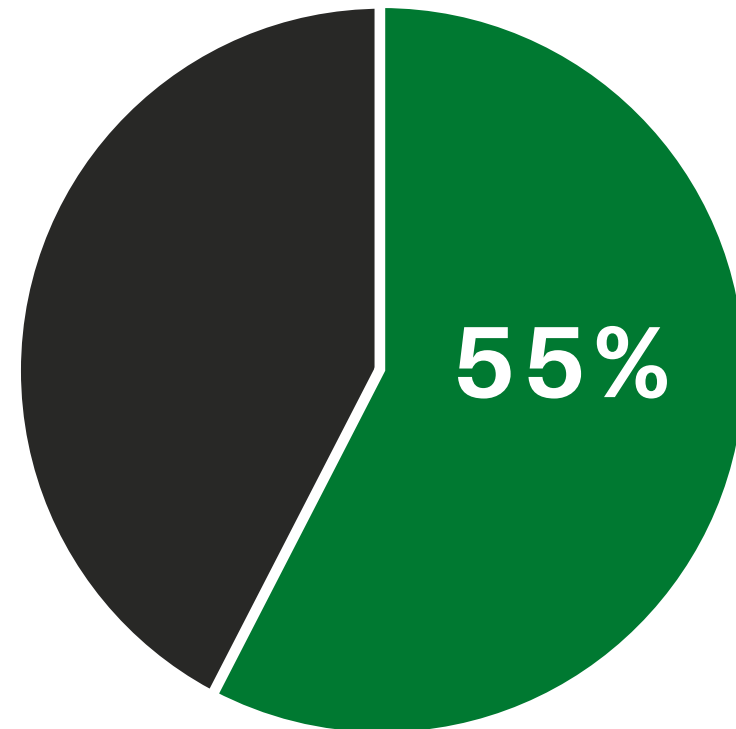
FY15 Revenue \$23M

Performance Highlights

- BP Bulwer terminal conversion
- Viva Clyde terminal conversion
- Kwinana refinery maintenance
- Executed general maintenance work for current clients
- Operating in multiple states NSW, QLD, WA, VIC & SA

Opportunities

- Diversify into general maintenance work, remediation & industrial services
- Turnaround & shutdown maintenance work



| ENGINEERING & CONSTRUCTION DIVISION

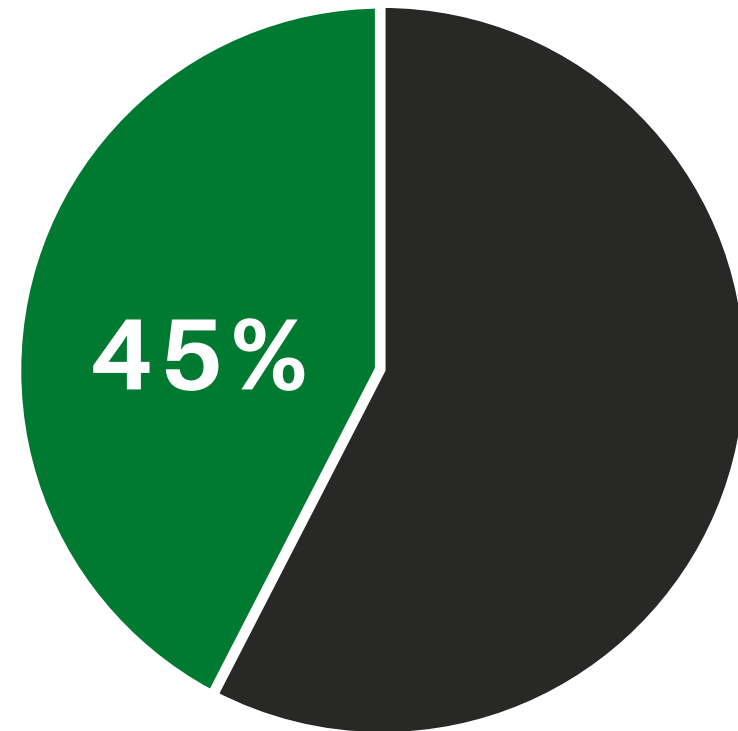
FY15 Revenue \$20M

Performance Highlights

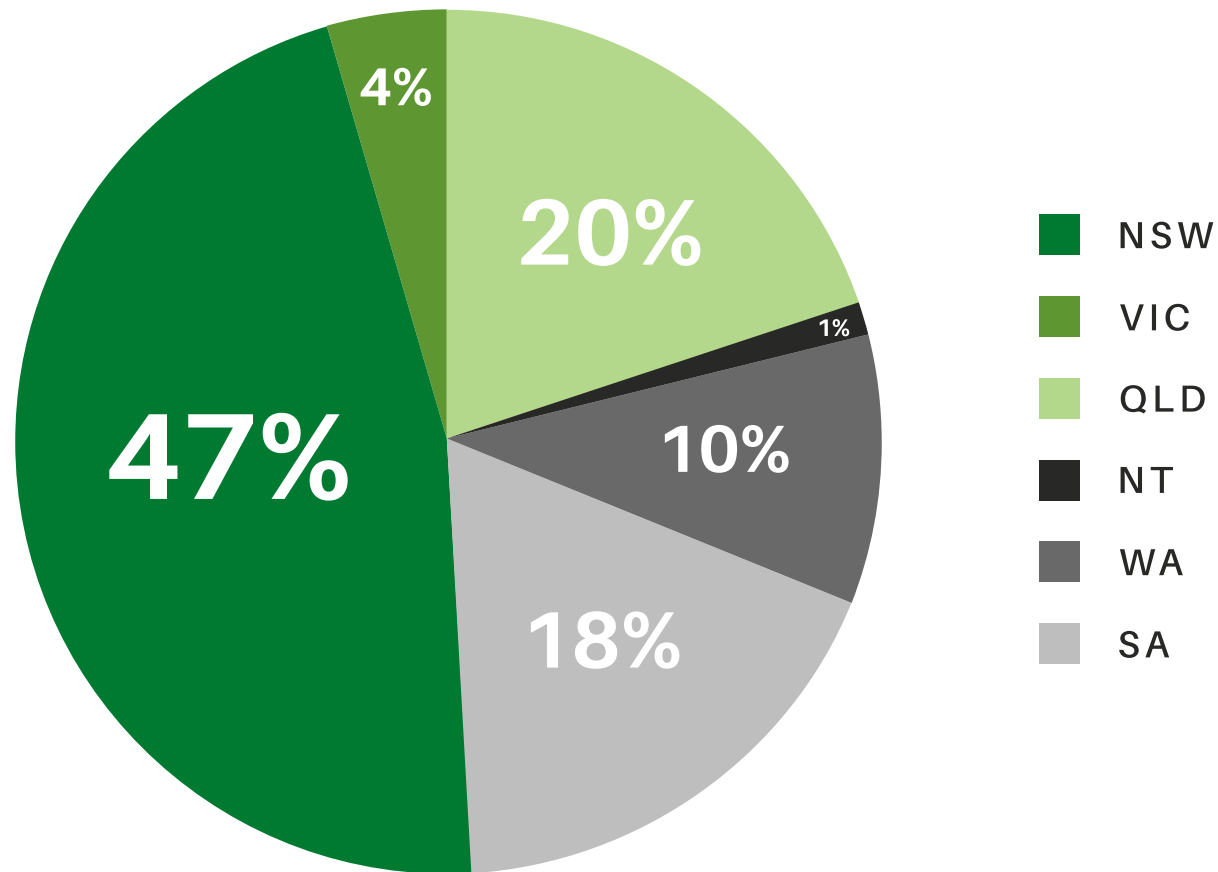
- Stolthaven Newcastle terminal
- Port Bonython Fuels terminal
- Operating in multiple states NSW, QLD, SA

Opportunities

- New terminal construction
- Expansion of existing terminals
- Value add projects through our EPC capabilities
- Diversify into structural, mechanical & piping (SMP) work



| GEOGRAPHICAL REVENUE DISTRIBUTION



| KEY PROJECTS



| STOLTHAVEN NEWCASTLE

Stolthaven Diesel Storage Facility Stage 2

- 2 - off 36.0m dia x 17.6m high
- Column supported cone roof diesel tanks

| PORT BONYTHON SOUTH AUSTRALIA

Port Bonython Fuels Terminal Project

- 3 - off 42.0m dia x 20.4m high
- Column supported cone roof diesel tanks

| BP BRISBANE TERMINAL CONVERSION

BP Bulwer Island Tank Refurbishment & Upgrade Project

- 4 x dome roof tanks in various sizes
- 1 x cone roof tank
- Requiring inspection, scope, refurbishment, testing & painting

| REFINERY MAINTENANCE



Saunders have project management and execution teams carrying out term maintenance contracts on a number of refinery and brownfield sites around the country including:-

- Mobil, Altona
- BP, Bulwer Island
- BP, Kwinana
- Caltex, Lytton
- Santos, Cooper Basin
- Caltex, Kurnell
- Viva, Clyde
- Miscellaneous brownfield sites

| STRATEGY

Strategic Objectives

- Build the foundation for future growth
- Provide direct services to clients as an EPC contractor (Engineer, Procurement, Construction) & multi discipline project execution
- Diversify our engineering & construction business
- Pursue structural mechanical & piping opportunities (SMP)
- Diversify the maintenance business & expand our presence in new markets

How will we achieve this

- Organic growth (Increase internal resources)
- Pursue joint venture opportunities
- Acquisition

| OUTLOOK

In our market guidance earlier in the week, we informed you that the pace of contract awards has been slower than anticipated. We have operated and continue to operate in a highly competitive cycle and the work in hand has been won in this environment and this will see moderation in our margins for the first half.

Our work in hand at the end of the first quarter is approximately \$22 million. Tendering activity remains strong and the value of live tenders (yet to be awarded) is approximately \$105 million, which is 55% up on the previous corresponding quarter. The pipeline of projects yet to be tendered also remains strong at over \$115 million (FY15 1st quarter \$81 million).

If we are successful in winning a reasonable share of these tenders throughout the next 6 months, we expect the second half to be an improvement on the first half of FY16.

Overall, our company is in good health with a strong cash balance and no debt, and we are well positioned to take advantage of upcoming opportunities.



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