

6 September 2017

PLACEMENT AND UNDERWRITTEN RIGHTS ISSUE

Saunders International Limited (**Saunders** or **the Company**) is pleased to announce that it has successfully completed a placement to institutional investors of 5.5 million new shares at \$0.50 each to raise a gross amount of \$2.75 million (**Placement**). The Placement received strong support from existing institutional shareholders as well as new institutional and sophisticated investors. Shares, the subject of the Placement, are expected to be issued on or about 14 September 2017.

Saunders confirms that the Placement shares will be issued under the Company's existing Listing Rule 7.1 capacity and accordingly no shareholder approval will be required for the issue of those shares.

Saunders also announces a fully underwritten non-renounceable pro rata rights issue offering eligible shareholders the opportunity to subscribe for 1 new fully paid ordinary share (**New Share**) for every 8 fully paid ordinary shares (**Shares**) at an issue price of \$0.50 per New Share (**Rights Issue** or **Offer**).

Approximately 11.6 million New Shares will be offered to eligible shareholders under the Rights Issue to raise approximately \$5.8 million before costs. The Offer is fully underwritten by Taylor Collison Limited (**Underwriter**).

The Rights Issue will be offered to all shareholders with registered addresses in Australia and New Zealand (**Eligible Shareholders**) who hold shares as at 7pm on Friday 15 September 2017 (**Record Date**). This will include holders of Shares issued pursuant to the Placement. Fractional entitlements will be rounded up to the nearest whole number of New Shares. New Shares will rank equally with the Shares already on issue and the Company will apply to the ASX for quotation of the New Shares.

New Share entitlements not taken up by Eligible Shareholders will form part of a Top-Up Facility and may be allocated by the Company at its discretion to Eligible Shareholders who apply for additional New Shares under the Top-Up Facility or to the Underwriter. There is no guarantee that Eligible Shareholders who apply under the Top-Up Facility will receive any New Shares in excess of their entitlement.

The Offer price of \$0.50 per Share represents a:

- 12% discount to the closing price of Company's Shares on 1 September 2017, which was \$0.57;
- 15% discount to the volume weighted average price in respect of the last 5 days on which trades in Saunders took place (being the period 23 August – 1 September 2017 inclusive)¹, which was \$0.588; and
- 11% discount to the theoretical ex-rights price (TERP) of \$0.562.

Following completion of the Placement and the Rights Issue, Saunders will have approximately 104.3 million Shares on issue. Trading in the New Shares is expected to commence on Tuesday 17 October 2017.

The Placement and the Offer are being made pursuant to an offer document and a notice to be issued pursuant to Section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) respectively. These will be lodged with ASX on or about 8 September 2017 and will be available on ASX's company announcement platform at www.asx.com.au and at www.saundersint.com

¹ Adjusted for the 1.0 cent per share dividend to which Saunders shares were entitled prior to 1 September 2017

Funds raised under the Placement and the Offer will enable the Company to hold the cash reserves required for its ongoing initiatives over the medium term and will be used to:

- replenish the cash used for the acquisition of and the provision of working capital in the recently acquired Civilbuild business (**Civilbuild**) (approx. \$6 million);
- provide working capital for new business growth (approx. \$1 million);
- fund capital expenditure to upgrade existing plant and equipment and to facilitate the geographical expansion of Civilbuild (approx. \$1 million); and
- pay the costs of the Placement and the Offer (approx. \$0.5 million)

The proposed timetable for the Rights Issue is as follows*:

Event	Date
Announcement of Offer	Wednesday, 6 September 2017
Lodgment of Appendix 3B, Offer Document and Cleansing Notice with ASX	Friday, 8 September 2017
Dispatch of notices to Shareholders informing them of the Offer	Monday, 11 September 2017
Shares quoted on ex-entitlement basis	Thursday, 14 September 2017
Record Date for determining Entitlements	7pm, Friday 15 September 2017
Offer opens – dispatch of Offer Document and Acceptance Form	Tuesday, 19 September 2017
Closing Date	5pm, Monday, 9 October 2017
Shares quoted on deferred settlement basis	Tuesday, 10 October 2017
Company notifies the ASX of under-subscriptions	Wednesday, 11 October 2017
Allotment and issue of New Shares	Monday, 16 October 2017
Trading of New Shares on ASX expected to commence	Tuesday, 17 October 2017
Dispatch of holding statements	Wednesday, 18 October 2017

**Dates are indicative only and are subject to change. Saunders reserves the right, subject to the ASX Listing Rules and the Corporations Act, to amend this indicative timetable. For example, Saunders reserves the right to extend the Closing Date, accept late applications under the Offer (either generally or in particular cases) and to vary the Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the issue of New Shares under the Offer. The last date to extend the Closing Date is Wednesday 4 October 2017. Saunders will consult with the Underwriter in relation to any change to this indicative timetable and any such change will require the consent of the Underwriter.*

The Directors reserve the right not to proceed with the whole or part of the Offer at any time prior to allotment and issue of the New Shares. In that event, any payments received for Applications will be returned in full without interest.

Eligible Shareholders registered on the Record Date will receive a copy of the Offer document, together with instructions on how and when to apply for New Shares under the Offer and a personalised Acceptance Form specifying each Eligible Shareholder's entitlement.

The Offer document will include full details of the Rights Issue, the underwriting and the use of funds, and Eligible Shareholders should read it carefully.

If you require further information, please contact the Company Secretary Steven Dadich on +61 2 9929 4177.

The Company encourages all Eligible Shareholders to participate in the Offer.

Steven Dadich
Company Secretary

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.