



Cardno Limited Business Presentation

Morgans Breakfast
June 2014

Presenter:
Michael Renshaw (CEO)

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1

Cardno
Overview

2

10 Years on
the ASX

3

Strategy and
Global Peers

4

Leveraging our
expanding Global
Footprint

“Cardno’s vision is
to be a **world leader**
in the provision of
professional services
to improve the
physical and social
environment. ”



1

Cardno Overview

Overview of Cardno

- > Cardno (ASX:CDD) is a professional infrastructure and environmental services company
- > Comprise a team of leading professionals who plan, design, manage and deliver sustainable projects and community programs
- > Three primary regions: Americas, Australia & New Zealand, and Rest of World
- > Employs around 8,200 staff in over 300 offices working on projects in more than 85 countries
- > Commenced operations in 1945 in Brisbane, Australia
- > An ASX200 company with a market capitalisation around \$A1.1 billion
- > Delivered nine consecutive years of NPAT growth

PEOPLE

8,200

OFFICES

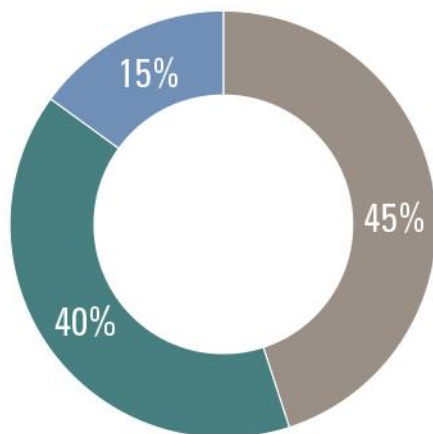
300

COUNTRIES

85

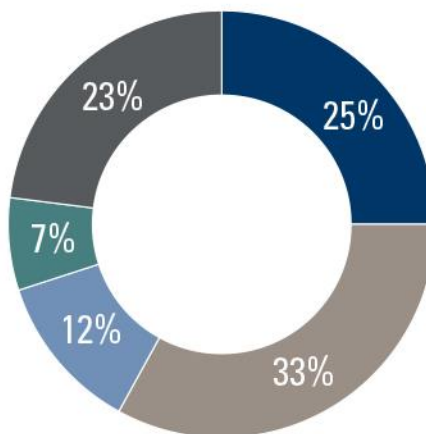
Cardno Business Snapshot

SERVICES



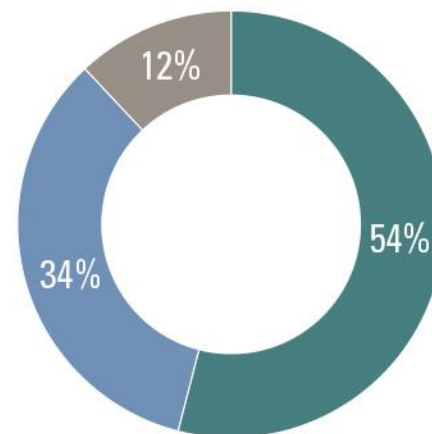
- Engineering Survey & Planning
- Environment & Natural Resources
- Social Infrastructure, Economics & Software

MARKETS



- Oil & Gas
- Government
- Contractors
- Resources
- Other Private

SEGMENTS



- Americas
- Australia & New Zealand
- Rest of World

Note: Based on 1HY2014 Fee Revenue with pro forma adjustment for Cardno PPI

1

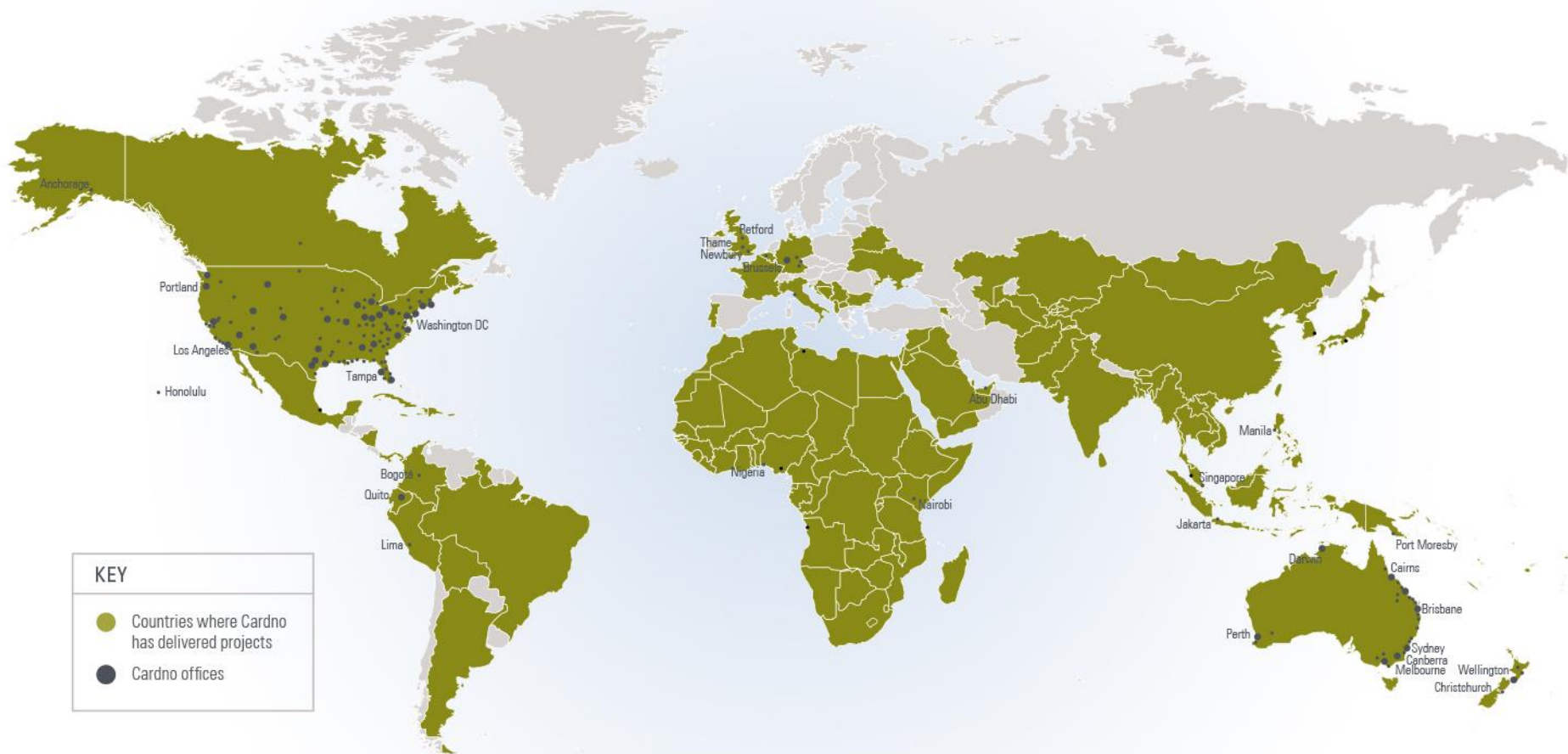
Core Business Model

- > Primary disciplines of engineering, planning, survey, environmental sciences, construction materials testing and social infrastructure delivery
- > Involved in all areas of a project life cycle:



- > Strong capabilities in environmental consulting and community engagement combined with extensive global experience are key differentiators
- > 85% of staff are professionals and technical staff with a simple line management structure
- > Vast majority of work from quality long-term clients and repeat business
- > Risk mitigation through market, service and client diversification
- > Negligible construction risk, no equity in projects

Cardno Global Footprint



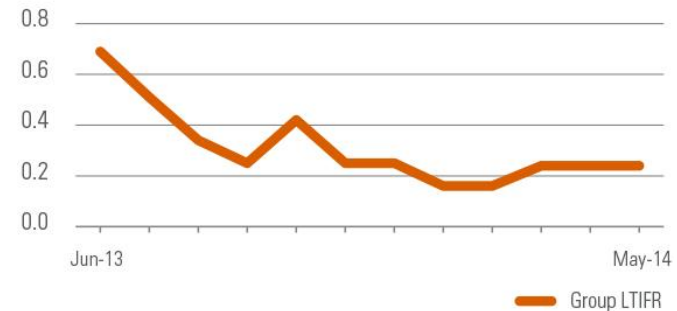
Safety Performance is a Key Competitive Advantage



Continued improvement in our Lost Time Injury Frequency Rate and Total Recordable Injury Frequency Rate. Zero Harm program responsive to changing needs of the business and clients, and provides managers and staff with resources to fulfill their roles and responsibilities with strong commitment to safety.

The Americas have reported 15 months without a Lost Time Injury.

GROUP LTIFR*



Cardno LTIFR* at the end of May 2014:

- > **0.24** per million man-hours
(**0.05** per two hundred thousand person-hours - US equivalent)

* Lost Time Injury Frequency Rate

1

Cardno Success Factors

- > Market leading service provider
- > Highly diversified operating revenues
- > High quality customer base and strong client relationships
- > Flexible operating cost base
- > Proven ability to execute M&A strategy
- > High volume of contracts and robust project pipeline
- > Successful track record of cross-selling services
- > Low risk contract structure
- > Highly experienced board and management team



"Fastest growing firm in North America three years in a row."



#10 in the Top 100 Pure Designers in the US, within the ENR Top 500 Design Firms

#35 in the Top 150 Global Design Firms, within the ENR Top 225 International Design Firms



"Winner of client service awards."



2

10 Years on the ASX

2

10 Year Milestones



Cardno on track for global purchases

James McCullough

AFTER completing the Commonwealth Games athletics track in Melbourne, Brisbane in-



2004

Firm debuts on ASX, trading as CDD on May 20 (IPO \$1 share)

- > Staff numbers at 500, revenue at \$64.8million
- > Initial market capitalisation \$35m

2005

Expands internal project capabilities in foreign aid assistance with addition of Cardno ACIL and Cardno Agrisystems

2006

- > **10th merger** since listing with addition of Cardno Grogan Richards in Victoria, Australia
- > Gross revenue exceeds \$100m

2007

Primary entrance to United States with the addition of Cardno WRG (Oregon) and Cardno EMG (Virginia)

- > Staff numbers exceed 2,500

2008

- > **20th merger** since listing with addition of Cardno Ecology Lab (NSW Australia)
- > Expands US infrastructure capabilities with addition of Cardno TBE same day as Lehman Brothers collapse
- > Gross revenue exceeds \$400m

2009

- > Staff numbers exceed 3,500

10 Year Milestones continued

Cardno eyes slick opportunity in crisis

Liam Walsh

INFRASTRUCTURE services group Cardno is spending up to \$25 million to move out US environmental markets, with anticipation of securing work triggered by the catastrophic Gulf of Mexico oil spill.

Yesterday's acquisitions of two US environmental consultancies also mean Brisbane-based Cardno's revenue base will swing more heavily to North America than Australia New Zealand.

Geographic split

Region	Percentage
South America	41%
UK/Europe/Africa	7%
North America (up from 32%)	48%
Australia	3%



2010

Environmental leadership credentials attained with addition of Cardno ERI, Cardno ENTRIX and Cardno JFNew

- > Significant engagement on the Gulf of Mexico Oil Spill

2011

- > **30th merger** since listing with addition of Cardno Lane Piper (Victoria, Australia)
- > Gross revenue exceeds \$800m
- > Staff numbers exceed 5,000

2012

Cardno added to the ASX200

- > Merged with 1600-person Cardno ATC in USA
- > **40th merger** with Cardno Caminosca brings South America expansion

2013

Achieved 9th year of record profits

- > Gross revenue exceeds \$1billion
- > ZweigWhite fastest growing firm in North America three years in a row
- > Australian Export Award winner

2014

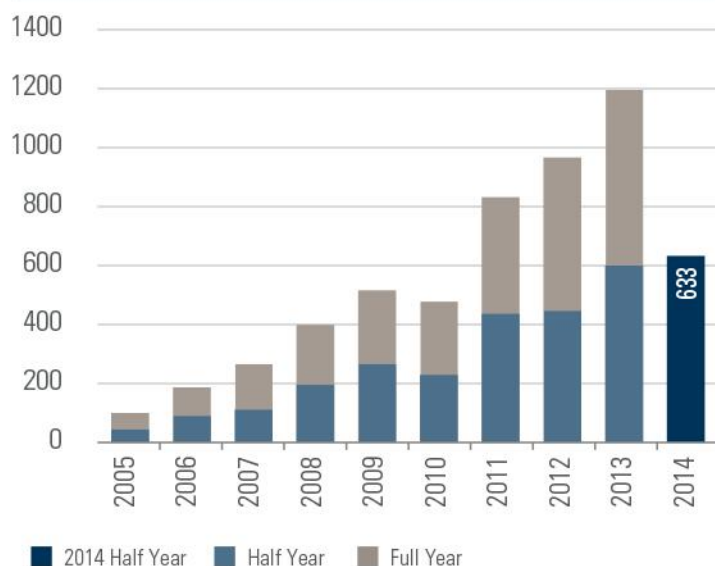
10th year as an ASX listed entity

- > **45th merger** with Cardno PPI augments material oil and gas capabilities
- > Staff numbers exceed 8,000 staff

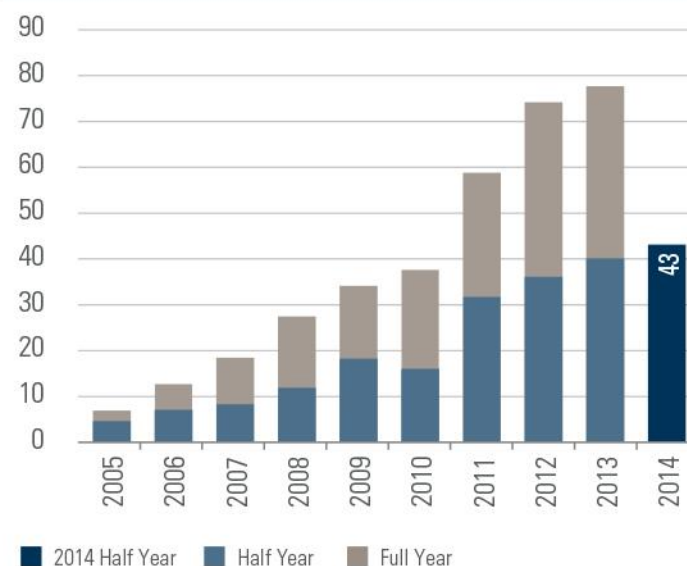
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Strong Historical Financial Performance

GROUP REVENUE (A\$m)



NET PROFIT AFTER TAX (A\$m)



Delivered CAGR revenue growth of 38.2% (8.4% organic growth) over the past 10 years.



3

Strategy and Global Peers

Strategy Driven Company

“One Cardno, One Vision”

A 5 year Strategic Planning cycle

2010-2015 Plan Theme: “One Cardno, One Vision”

Focus of the plan is to:

- > Grow Cardno significantly through to 2015
- > Increase benefits from ongoing integration
- > Foster cross selling and increase profile
- > Optimise overhead costs
- > Ambitious growth targets

2015-2020 Plan Theme: “Vision 20/20”

- > Becoming a top 20 global engineering firm
- > Development of the new 2020 Plan underway



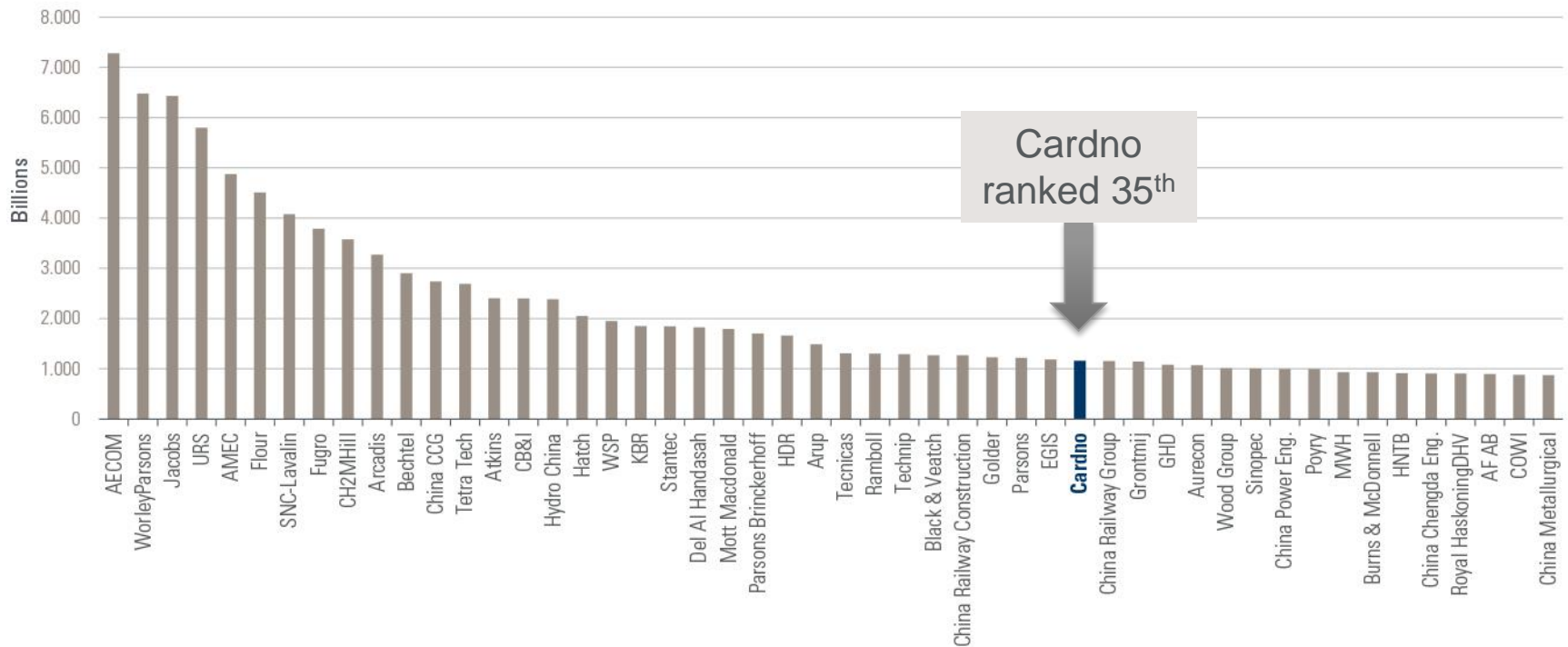
Key Strategic Elements

- > Combine organic growth with disciplined approach to M&A to become a world leader in our industry
- > Build recurring revenue streams and organic growth through cross-selling and leveraging strategic clients
- > “Grow Cardno” campaign to strengthen our focus on organic expansion
- > Strong focus on improving operational efficiency and effectiveness
- > Sustain historically high retention of principals
- > Foster/encourage employee shareholding to incentivise performance and align interests of employees and shareholders
- > Continue diversification strategy – both geographical and market sectors
- > Conservative balance sheet and strong cash flows



Becoming a Global Engineering & Consulting Firm

ENR "TOP 50 GLOBAL DESIGN FIRMS"



Source: ENR Top 150 Global Design Firms 2013 (using 2012 reported total design revenue)

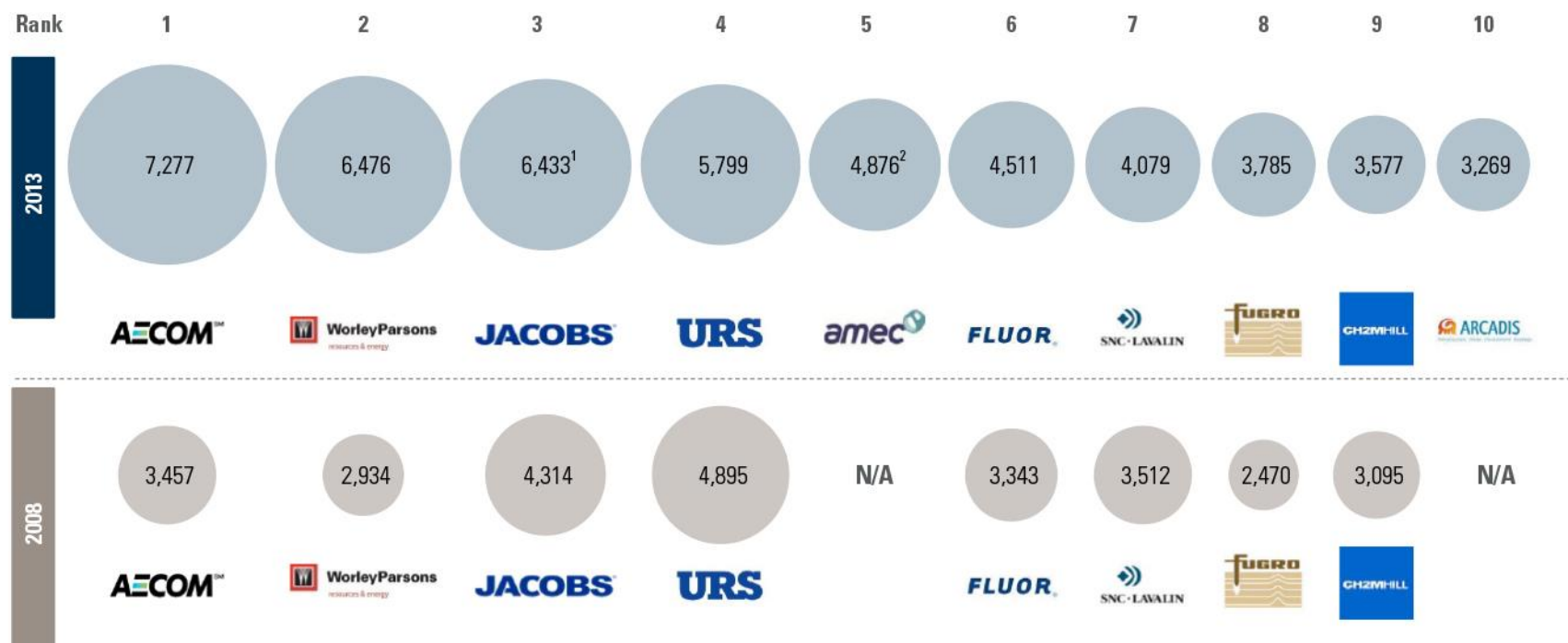
Note: Rankings adjusted pro forma for SKM and Shaw Group Acquisitions by Jacobs and CB&I respectively

3

Industry Consolidation Continues to Accelerate

ENR "TOP 150 GLOBAL DESIGN FIRMS"—TOP 10

Bubble size denotes "total design revenue"



Source:
ENR

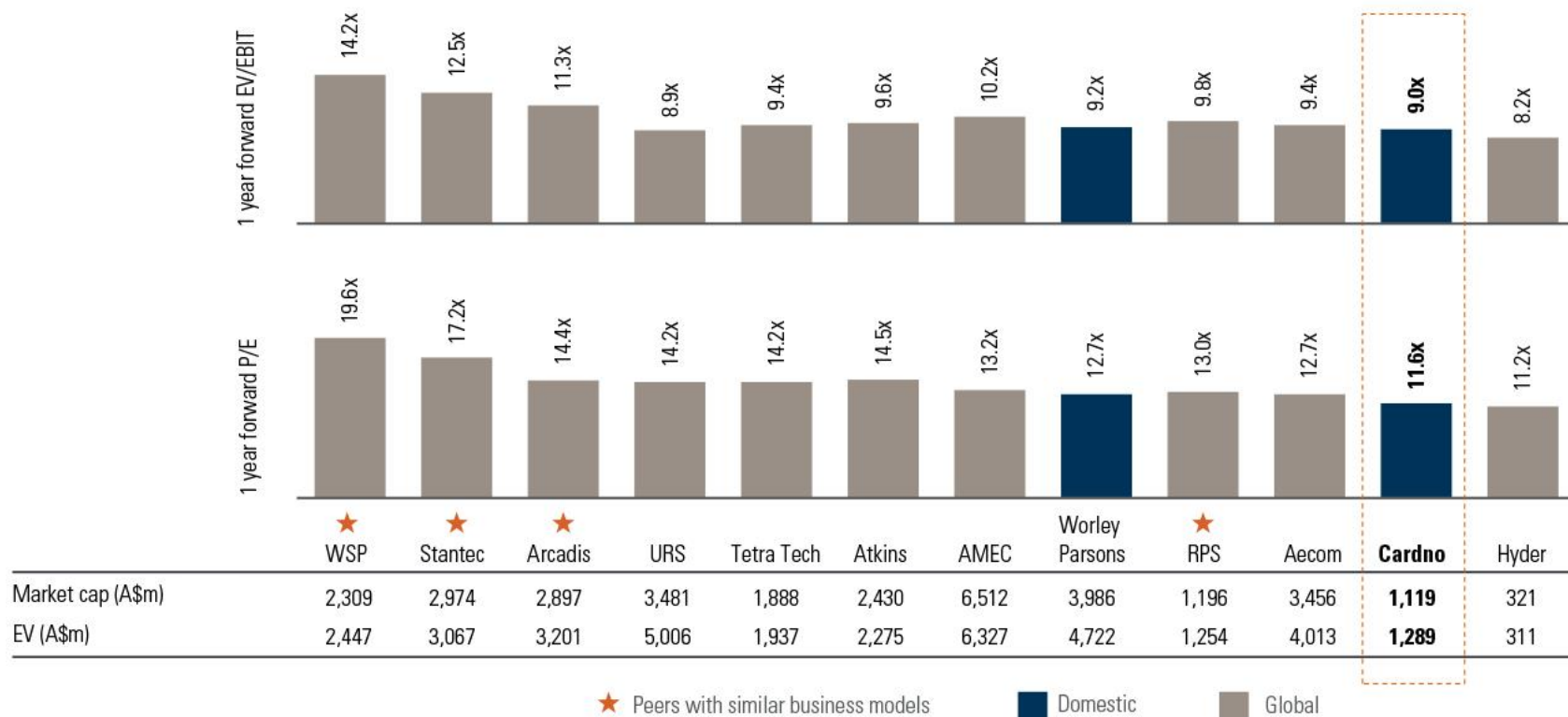
Notes:

1 Pro forma for SKM acquisition

2 Pre-Foster Wheeler acquisition

3

Comparable Global Peers



Source: Datastream, Company filings
As at 21 May 2014



4

Leveraging our expanding Global Footprint

Overview of Cardno's International Development Business

- > Currently working in 103 countries
- > Manage physical and social infrastructure projects in a range of sectors including health, law & justice, economic growth, governance and education

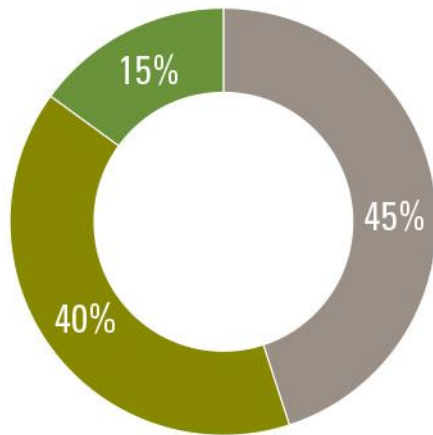


- | | | | |
|--|---|---|--|
| > Australia's Education Partnership with Indonesia | > Uganda Private Health Support Program | > Second Phase of Libyan Security project | > Road Maintenance and Rehabilitation Project in PNG |
| > Australian Africa Partnership Facility | > Development of Communities through Intensive Agriculture in Timor Leste | > Mozambique Regional Gateway Programme | > Unconventional Oil and Gas Resource Potential and Policy in Mongolia |

4

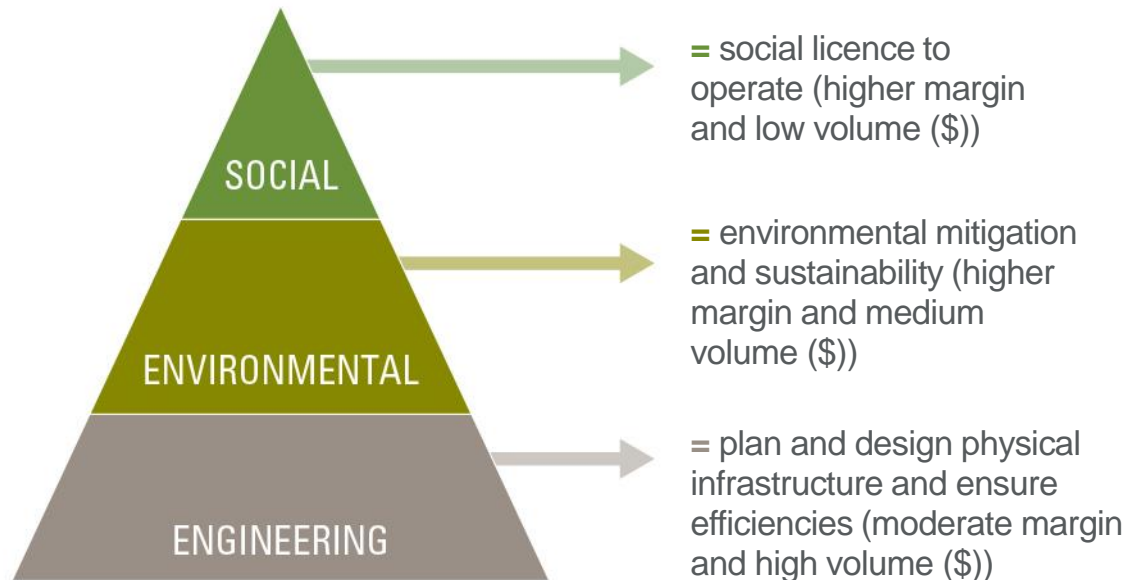
Major Infrastructure Project Requirements

SERVICE SPLIT

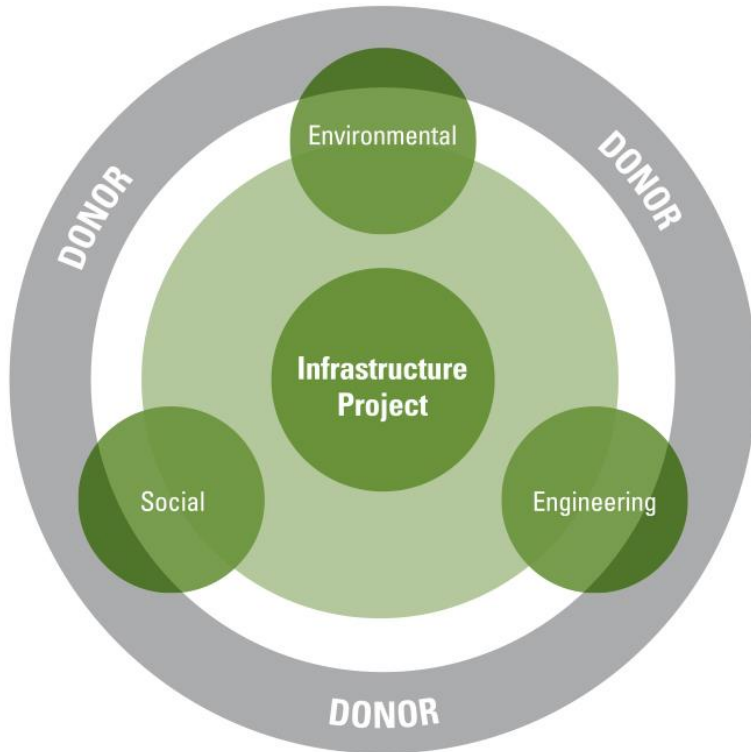


- Engineering Survey & Planning
- Environment & Natural Resources
- Social Infrastructure, Economics & Software

PROJECT REQUIREMENTS



- > Increasing requirement of major international projects to address key social, environmental and energy challenges.
- > Competitive advantage of providing all three services in-house.



Potential for Public/Private Partnerships
with International aid agencies

SOCIAL

- > Social impact assessment
- > Develop and implement social management plans that include community engagement programs that also benefit the client

ENVIRONMENTAL

- > Establish environmental baseline
- > Environmental impact assessment
- > Develop and implement environmental management plans including monitoring and remediation services

ENGINEERING

- > Planning
- > Design
- > Site supervision
- > Asset Management

4

Project Examples



SOCIAL

- > Labour study for Rio Tinto in Mozambique
- > Social management services for Tullow Oil in Kenya
- > Social management services for Barrick Gold in PNG

ENVIRONMENTAL

- > Environmental management services for Tullow Oil in Kenya
- > EIS/EMP Eolic Park at Baltra Island (Galapagos Islands)
- > EIS/EMP Tarapoa Field – Ecuador

ENGINEERING

- > Engineering services to Exxon Mobil in PNG
- > Port Planning & Engineering Services to Ports America in Honduras, Mexico, and Indonesia
- > Electrical engineering services to Endeavour Mining's Agbaou Gold Mine, Ivory Coast

“ Cardno’s vision is to be a **world leader** in the provision of professional services to improve the physical and social environment. ”



Sleeping **ROUGH** for homelessness



HERE'S
HOW **YOUR**
DONATION
CAN HELP:



\$50

can provide a meal
and educational
resource for a
disadvantaged child.



\$100

can help ensure a
family keeps its
power on this winter.



\$200

provides emergency
accommodation and
food to a family
in crisis.



\$500

could relocate and
establish a homeless
person into one of the
Society's homeless
accommodation services.



\$1,000

would pay the rent
for a family facing
eviction from
their home.

June 19 2014

CAN YOU HELP? For further information and
to donate, please visit www.ceosleepout.org.au