

# Appendix 4E

## Preliminary final report

### Full year ended 30 June 2014

Introduced 01/01/03 Origin: Appendix 4B Amended 17/12/10, 01/01/12.

#### CARDNO LIMITED

#### ABN 70 108 112 303

- The information contained in this report is for the full year ended 30 June 2014 and the previous corresponding period 30 June 2013.

- Results for announcement to the market**

				<b>\$'000</b>
2.1	Revenue from Ordinary Activities	up/down	9.6% to	\$1,309,597
2.2	Profit (loss) from ordinary activities after tax attributable to members	up/down	0.6% to	\$78,134
2.3	Net profit (loss) for the period attributable to members	up/down	0.6% to	\$78,134
2.4	<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>	
	Interim dividend	19.0 cents	19.0 cents	
	Final dividend	17.0 cents	17.0 cents	
2.5	Record date for determining entitlements to the dividend		12 September 2014	
2.6	A detailed analysis of the financial performance of Cardno is set out in the Financial Review and Operations Review Sections of the Annual Report. The Directors report that Cardno achieved a financial result for the year ended 30 June 2014 that was broadly in line with the result achieved in FY2013 in far less favourable conditions.			

Highlights of Cardno's financial performance are as follows:

- > Cardno delivered a net profit after tax of \$78.1 million for FY2014. This was a 0.6 per cent increase over FY2013.
- > Revenue of \$1,309.6 million was up 9.6 per cent on FY2013. This was mainly due to contributions of new merger partners as organic growth declined on the prior year by 8.3 per cent. The organic revenue decline reflects the variable market conditions in which Cardno has been operating.
- > Cardno achieved a record EBITDA of \$141.7 million in FY2014 which is an increase of 2.7 per cent compared to that achieved in FY2013 of \$138.0 million. The increase in revenue is not flowing fully through to the bottom line and as a result EBITDA margins on fee revenue declined from 15.5 per cent in FY2013 to 14.7 per cent in FY2014. This decline in margin is due to difficult market conditions, changes in business mix and increased merger and restructuring costs.

- 2.6
- > Basic earnings per share (EPS) was 52.04 cents, a reduction of 5.5 per cent from the FY2013 results of 55.09 cents per share. EPS was impacted by the increased number of shares on issue following equity raised and issued for major acquisitions and the broadly flat financial performance of the Group.
  - > Cardno achieved a solid operating cash flow of \$84.6 million despite the 11.6 per cent decrease on the \$95.7 million generated in FY2013. This result however is 8.3 per cent higher than the FY2014 NPAT of \$78.1 million demonstrating Cardno's strong cash conversion capability.
  - > Cardno's balance sheet remains healthy with a net debt-to-equity ratio of 28.8 per cent including cash of \$85.9 million at 30 June 2014. Net debt to EBITDA was 1.6 times.
  - > The Board has declared a final dividend of 17 cents per share (100 per cent franked) to be paid on 10 October 2014 to all shareholders registered on 12 September 2014. With the interim dividend of 19.0 cents per share (100 per cent franked) in April 2014, this will result in a full year dividend of 36 cents per share (100 per cent franked), which is equal to that delivered in FY2013.

**3. Net tangible assets per security with the comparative figure for the previous corresponding period.**

Current period	7.35 cents
Previous corresponding period	1.73 cents

**4. Control gained over entities having material effect**

Entity	Completion Date	Effective Control Date
Haynes Whaley Associates, Inc	9 October 2013	8 October 2013
PPI Group	14 March 2014	1 March 2014
IT Transport Limited	14 April 2014	1 April 2014

**Loss of control of entities having material effect**

N/A

**5. Final Dividends (distributions)**

Date the dividend (distribution) is payable 10 October 2014

**Amount per security**

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend			
- Current year	17.0 cents	100%	N/A
- Previous year	18.0 cents	100%	N/A

The Board has declared a final dividend which is 100% franked and will continue to prudently distribute as many Franking Credits as possible.

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<sup>+</sup> See chapter 19 for defined terms.

**6. Dividends or distribution reinvestment plans**


The Dividend Reinvestment Plan (DRP) enables shareholders to reinvest all or part of their dividends into Cardno shares at a price determined by the volume weighted average price for the five days immediately preceding and including the dividend record date. Shares issued through the DRP are fully paid and rank equally with existing fully paid ordinary shares.

**7. Details of aggregate share of profits (losses) of associates and joint venture entities**

Not applicable.

**8. Australian Accounting Standards are utilised when compiling the report.**

**9. The accounts have been audited and are not subject to dispute or qualification.**

Signed:  ..... Date: 19/08/2014  
Michael Pearson  
Company Secretary

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+ See chapter 19 for defined terms.