

Appendix 4E

Preliminary final report

Full year ended 30 June 2015

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

CARDNO LIMITED

ABN 70 108 112 303

1. The information contained in this report is for the full year ended 30 June 2015 and the previous corresponding period 30 June 2014.

2. **Results for announcement to the market**

				\$'000
2.1	Revenue from Ordinary Activities	up/down	9.0% to	\$1,426,916
2.2	Profit (loss) from ordinary activities after tax attributable to members	up/down	35.6% to	\$50,284
2.3	Net profit (loss) for the period attributable to members	up/down	285.9% to	(\$145,168)
2.4	Dividends (distributions)	Amount per security	Franked amount per security	
	Interim dividend	13.0 cents	13.0 cents	
	Final dividend	7.0 cents	7.0 cents	
2.5	Record date for determining entitlements to the dividend		8 September 2015	
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's result for the year ended 30 June 2015 experienced a significant decline from FY2014 due to challenging markets in Australia and the United States.			

Highlights of Cardno's financial performance are as follows:

- > Cardno delivered a net operating profit after tax (NOPAT) of \$50.3 million for FY2015. This was a 35.6 per cent decrease from FY2014. Net loss after tax, after the inclusion of a post-tax non-cash impairment charge of \$195.5 million, was \$145.2 million. The impairment charge is associated with the reduced carrying value of our business in the United States and the write down of part of the Ecuadorian business which is being held for sale.
- > Gross revenue of \$1,426.9 million was up 9.0 per cent on FY2014. This was mainly due to full year contributions of FY2014 merger partners. Organic revenue declined for the second year in a row as long term major projects in Australia and the United States wound down without similar engagements to replace them.

+ See chapter 19 for defined terms.

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- 2.6 cont'd
- > Cardno achieved an EBITDA of \$108.4 million in FY2015 which is a decrease of 23.5 per cent compared to the record EBITDA achieved in FY2014. The steeper percentage decline in EBITDA versus fee revenue reflects the lower margins earned as Cardno transitioned off higher margin longer term projects in both Asia Pacific and the Americas. In addition, the businesses experienced higher restructure and redundancy costs as management responded to changes in market demands.
 - > Basic earnings per share (EPS) was negative 88.32 cents per share as a result of the impairment charges recognised. Excluding these impacts the operating earnings per share was positive 30.59 cents. This operating result is a decrease of 41.2 per cent over FY2014.
 - > Cardno achieved an operating cash flow of \$48.1 million which represents a solid result at 96 per cent of NOPAT. This result however represents a 43.1 per cent decrease on FY2014.

The Board has declared a final dividend of 7 cents per share (100 per cent franked) to be paid on 2 October 2015 to all shareholders registered on 8 September 2015. With the interim dividend of 13 cents per share (100 per cent franked) in April 2015, this will result in a full year dividend of 20 cents per share (100 per cent franked), which is a 44.4 per cent decrease to that delivered in FY2014.

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

Current period	0.75 cents
Previous corresponding period	7.35 cents

4. Control gained over entities having material effect

Entity	Completion Date	Effective Control Date
N/A		

Loss of control of entities having material effect

N/A

5. Final Dividends (distributions)

Date the dividend (distribution) is payable 2 October 2015
Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend			
- Current year	7.0 cents	100%	N/A
- Previous year	17.0 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.

⁺ 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. The Board has determined to amend the DRP to permit the price of shares to be calculated on the volume weighted average price during the five trading days following the dividend record date. Shares issued through the DRP will be issued at a 2.5% discount and are fully paid and rank equally with existing fully paid ordinary shares.

The last date for election under the Dividend Reinvestment Plan will be 10 September 2015.

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:


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Michael Pearson
Company Secretary

Date: 18/08/2015

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