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CARDNO LIMITED
2016 HALF-YEAR RESULTS PRESENTATION

February 2016

PRESENTERS:
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Topics

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01

PERFORMANCE REVIEW

01 Results Highlights

The 'half-year' EBITDA is within the November market guidance range but below prior year performance.

KEY ITEMS OF NOTE:

> Stabilisation of Asia Pacific Region performance following the slow down of investment in the resource sector compared to the prior 12 months

> Americas Region performance is effected by the continued decline in our Oil & Gas, Natural Resources and Latin America markets, as well as one-off costs associated with the restructuring and cost out programs that are underway

> Backlog remains strong at almost 12 months of revenue

> Financial covenants met and significant improvement in operating cash flow

> Significant gains made towards implementing the actions associated with the October Strategic Review

(1) Net Loss after Tax of $53.6 million. In November 2015, Cardno sold a 1,350 person operation (Cardno ATC) in the US. This business is classified as "held for sale" and a discontinued operation during the reporting period. The Net Loss after Tax reflects the reported loss of this operation combined with the associated non-cash impairment charge.

H1 FY16

	Reported	Percent change year on year
Gross Revenue	$597.0m	▲ 2.6%
Fee Revenue	$424.8m	▲ 0.1%
EBITDA	$29.3m	▼ 53.1%
EBITDA from continuing and discontinuing operations	$23.6m*	▼ 62.7%
Net Profit after Tax	($53.6m)(1)	▼ 270.1%
Net Profit after Tax from continuing operations	$5.5m	▼ 82.8%
Backlog	$845.3m	▼ 2.6%
Cash Flow	$26.1m	▲ 2779.6%

* Basis for November guidance of $23-25 million EBITDA.

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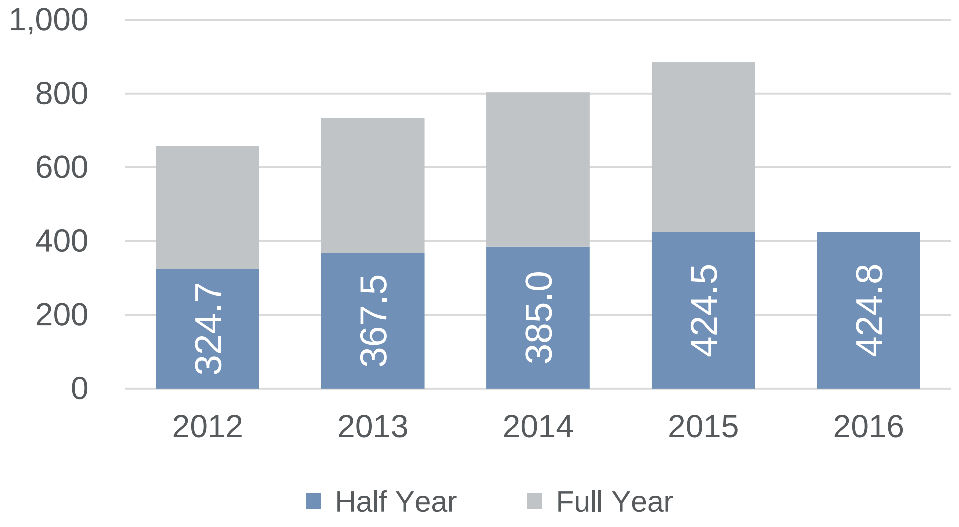
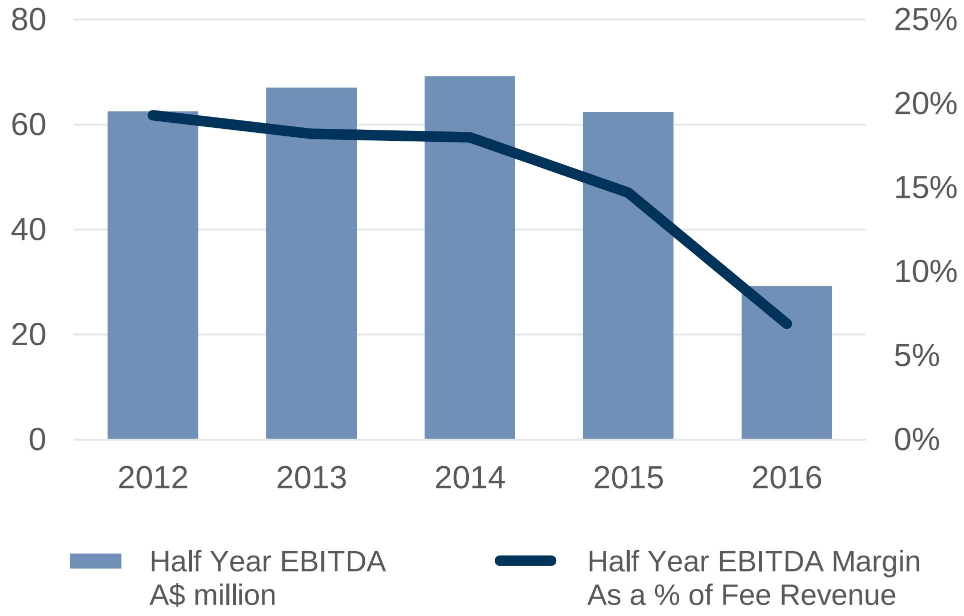
01 Cardno Performance - Continuing Operations (see note 1 page 4)

GROUP FEE REVENUE FROM CONTINUING OPERATIONS

A$ million



EBITDA vs EBITDA MARGIN



Half-year group fee revenue from continuing operations is broadly in line with the prior year. This is due in part to a favourable exchange rate on translation of the US earnings, with the Australian dollar significantly weakened compared to the prior comparative period.

EBITDA from continuing operations of $29.3 million is down on prior year by 53.1%. EBITDA margin deterioration is reflective of continued margin pressures, ineffective cost structure across the Group and restructuring costs.

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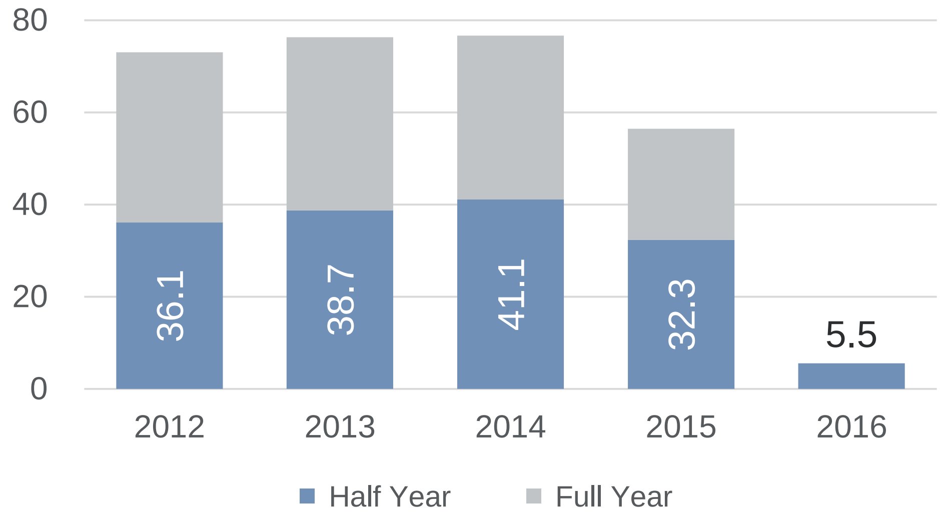
01 Cash and Earnings - Key Results

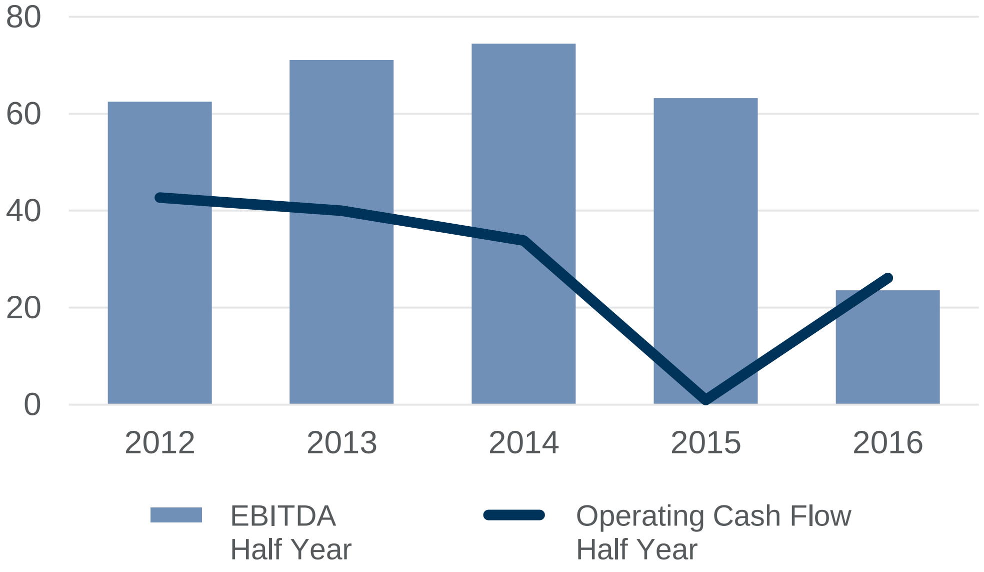
NET OPERATING PROFIT AFTER TAX FROM CONTINUING OPERATIONS

A$ million



EBITDA vs OPERATING CASH FLOW

A$ million



Net Operating Profit After Tax from continuing operations decline of 83.0% reflects the deterioration in the Americas Region trading performance combined with one off costs of restructure and takeover defence.

Strong cash conversion rate reflecting an improved focus on working capital management and cash receipts with an improvement in DSO days.

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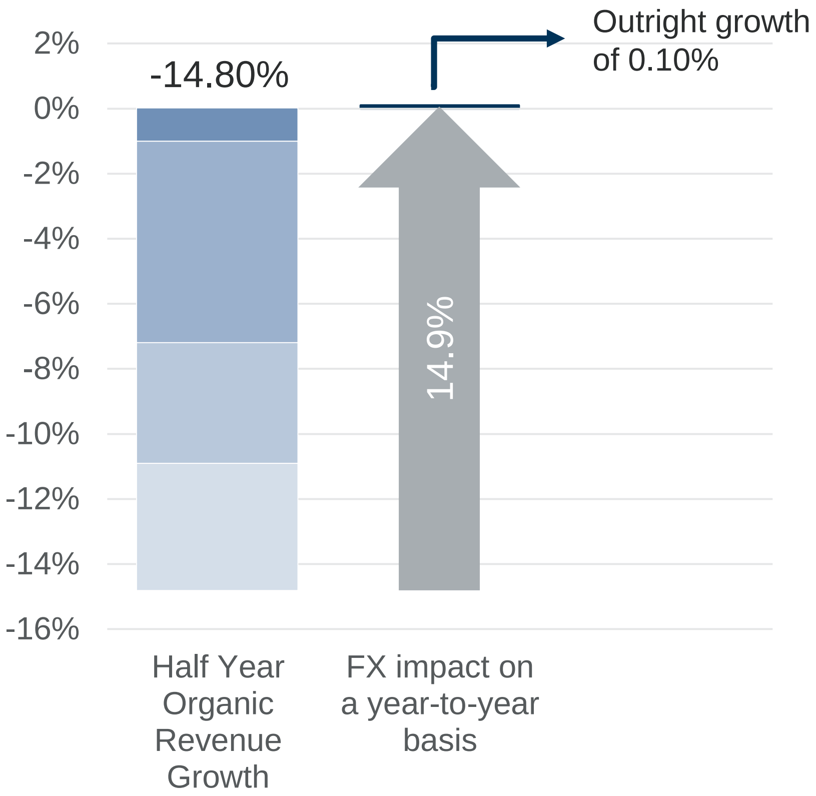
01 Cardno 2015 FY Highlights - Revenue

- While total revenue in the first half has increased by 2.6% ($582 to $597 million). FX has been the major driver. After accounting for FX total revenue has actually shrunk by 9.8%.
- Similarly fee revenue is flat year on year ($424.5 to $424.8 million) but after FX adjustments it has shrunk by 14.8%.
- The majority of the revenue decline was associated with our work in the Oil & Gas and Latin America market sectors

FEE REVENUE: ORGANIC FEE REVENUE BRIDGE TO OUTRIGHT GROWTH H1 FY15



ORGANIC REVENUE SNAPSHOT

First half organic revenue decline -14.8%

- -1.0% - Asia Pacific Region (continued slow down in resources sector not fully offset by improvements in Infrastructure, Urban and International Development)
- -6.2% - Continued downturn within the Oil & Gas and Latin Americas divisons in America due to low commodity prices
- -3.7% - Decrease due mainly to work reductions associated with environmental restoration activities at two major Oil & Gas clients in Americas within other divisions in the Americas
- -3.9% - Organic revenue decline in the balance of the Americas business

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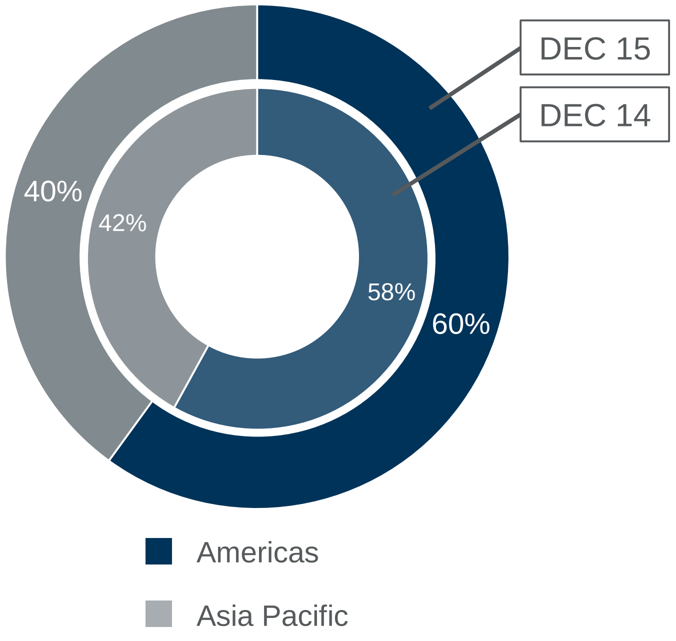
01 Fee Revenue Analysis

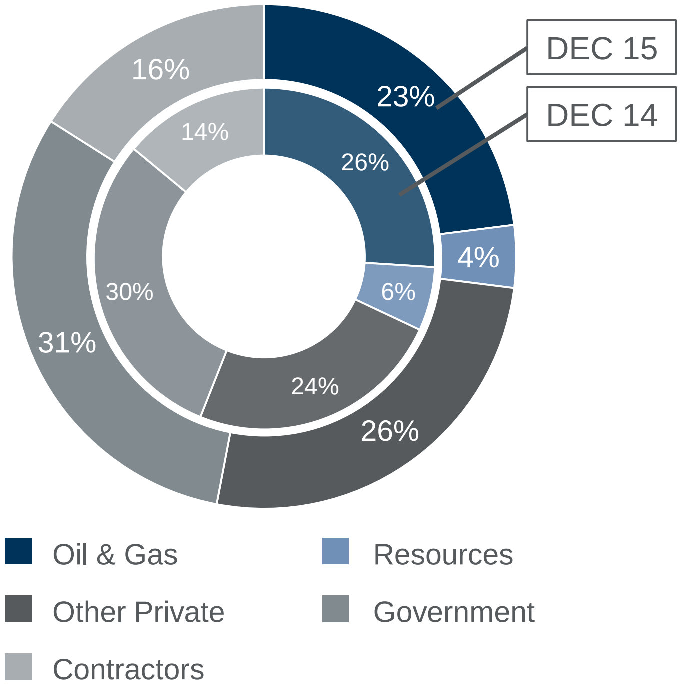
GROUP FEE REVENUE BY **SEGMENT**

H1 FY16 vs H1 FY15



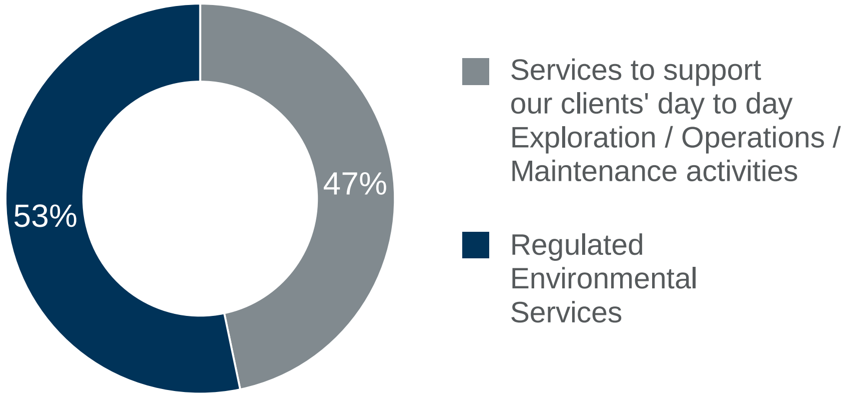
GROUP FEE REVENUE BY **MARKET**

H1 FY16 vs H1 FY15



- Over the last year we have increased our exposure in the Americas Region and decreased our exposure to the Oil & Gas and Natural Resources markets.
- Over half of our Oil & Gas and Natural Resources work is providing services to assist our clients meet their environmental regulatory requirements as opposed to exploration or day to day operations/maintenance activities

GROUP FEE REVENUE DISTRIBUTION FOR OIL & GAS AND NATURAL RESOURCES



Note: Fee revenue is presented on a continuing operations basis.

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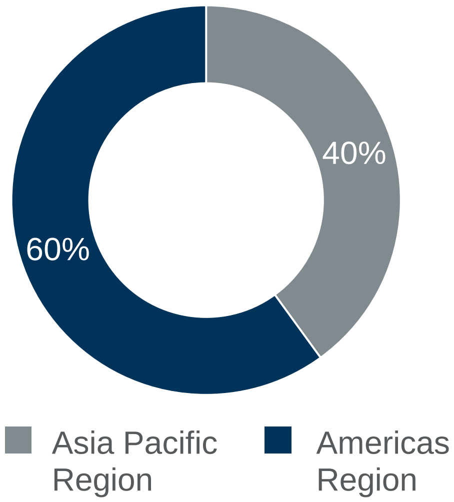
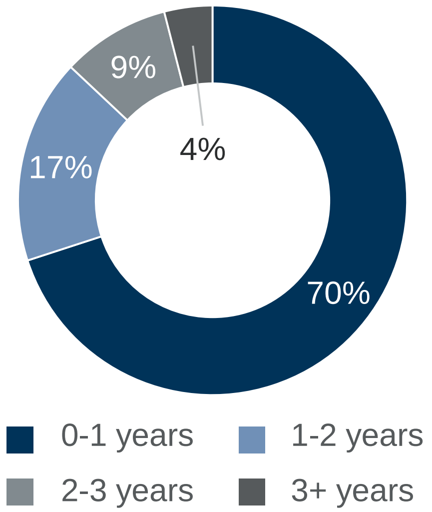
01 Cardno 2015 FY Highlights - Backlog

- 60% of our backlog now resides in Americas and overall our accessible backlog remains healthy with 87% being available over the next two years
- The non Oil & Gas divisions in Americas continue to replenish backlog in spite of the ongoing restructuring and divestiture activities and the slow down of business with our Oil & Gas clients that we serve in the non Oil & Gas divisions

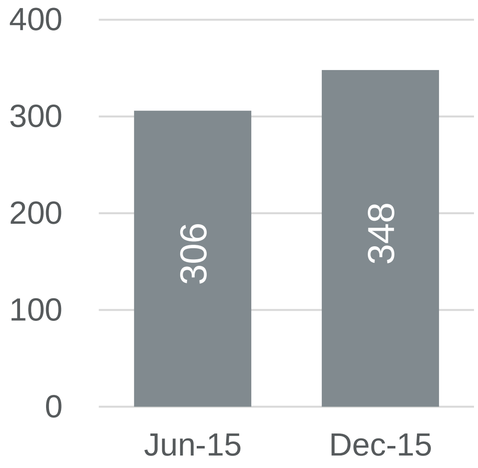
BACKLOG FROM CONTINUING OPERATIONS H1 FY16



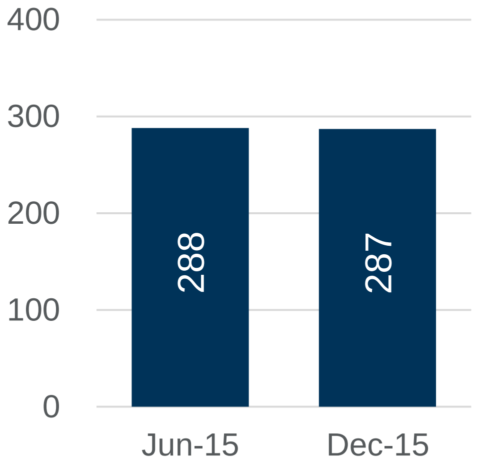
TIMING OF BACKLOG H1 FY16



ASIA PACIFIC BACKLOG
A$ million



AMERICAS BACKLOG
(excl Latin America and the Oil & Gas divisions)
US$ million

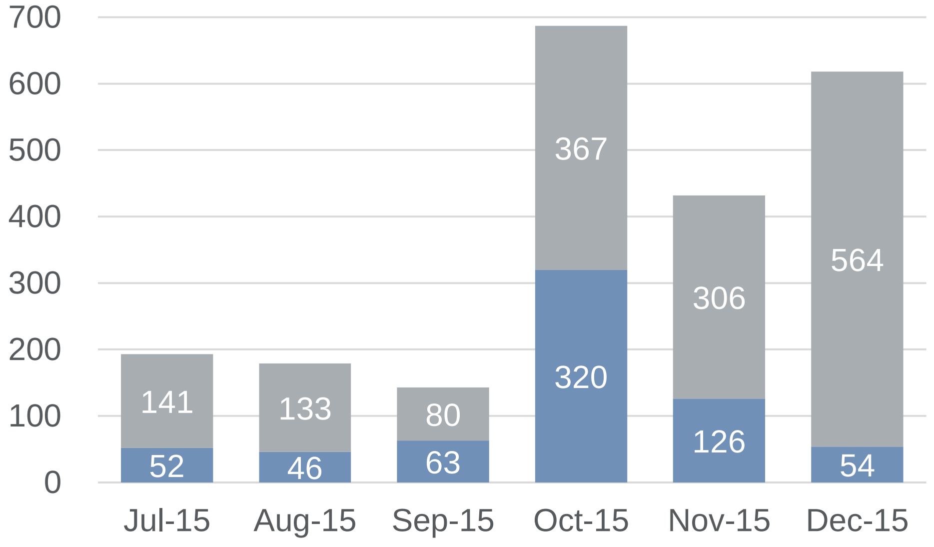


01 Safety Performance

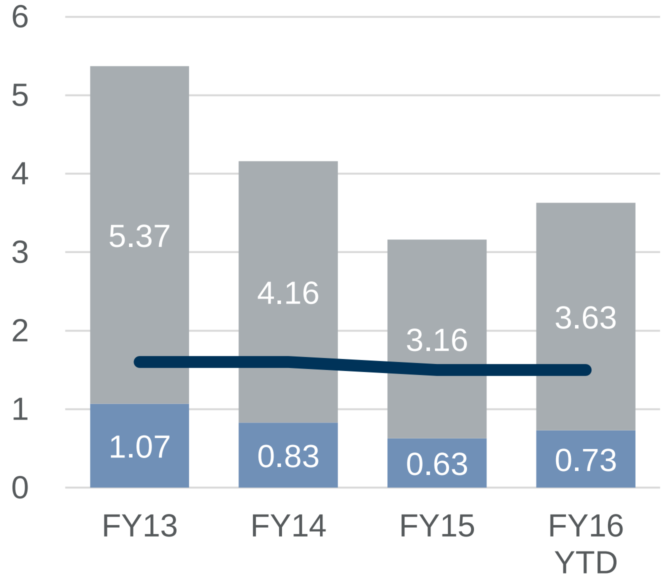
After three years of continuous improvement in our safety performance our TRIFR has increased over the last six months. While the results are still better than industry averages this trend is unacceptable and as evidenced by the data shown below we have implemented a call to action across our entire global operations.

Cardno ZERO HARM EVERY JOB. EVERY DAY.

GROUP MONTHLY NEAR MISSES & HAZARDS



GROUP TRIFR*



Cardno ***Total Recordable Injury Frequency Rate (TRIFR)** at the end of FY15:

3.63 per million person-hours

0.73 per two hundred thousand person-hours
- US equivalent

Industry average performance based on US equivalent

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01 Progress Against Strategic Review

The actions outlined in our Strategic Review have commenced with the following progress being made:

GETTING OUR FINANCIAL HOUSE IN ORDER

> On track to reduce overhead costs by over $20 million
> Significant improvement in working capital management
> $78 million equity raise completed

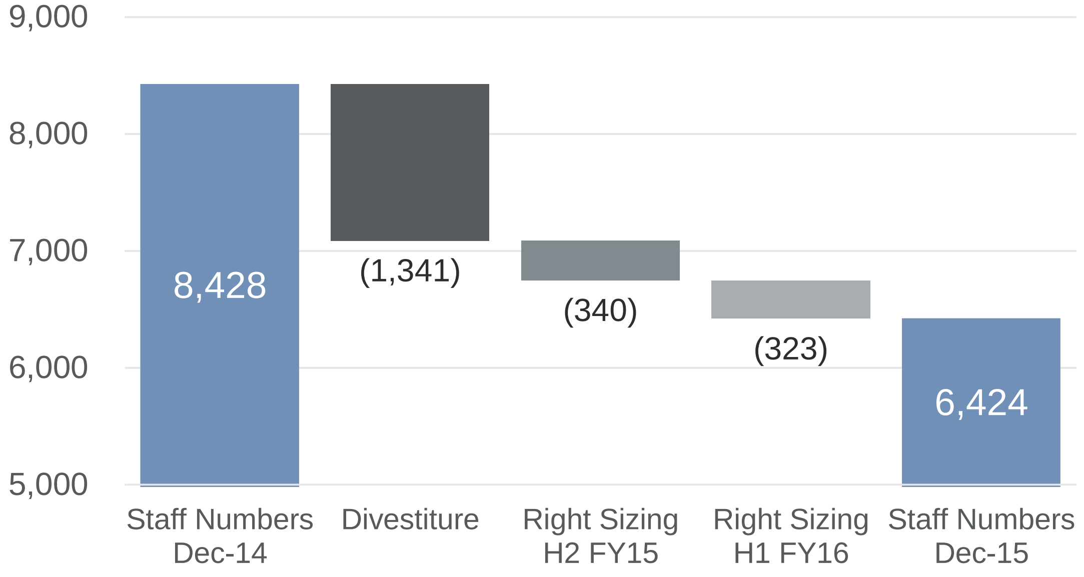
BALANCING THE PORTFOLIO

> Divested ATC (1,350 people and 70 offices)
> Put in place a new General Manager in Americas as well as a new CFO in Americas, both with significant experience in their core markets

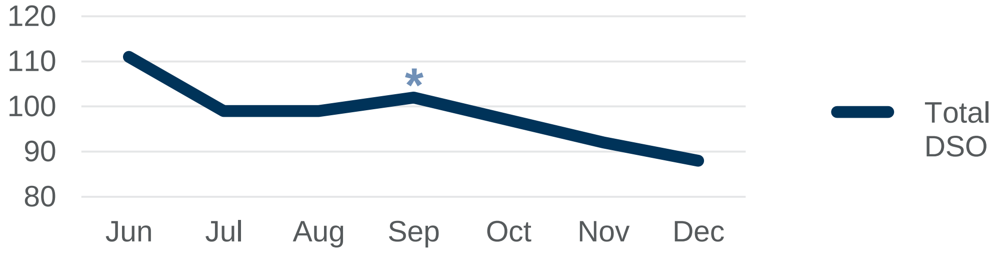
FOCUSING OUR INVESTMENTS IN THE RIGHT PLACES

> Hired and empowered a General Manager Strategic Business Development
> Began implementation of a new global business planning process that is focusing all business units on actions aligned with our strategic review and organic growth opportunities
> Began implementation of our strategic client care program that aligns our top executives with our top 10 clients globally

STAFF REDUCTIONS (People)



DSO IMPROVEMENT H1 FY16 (Days)



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02

DETAILED FINANCIAL REVIEW

02 Half-Year 2016 Financial Highlights

(A$ Millions)	2015 1H15	2015 2H15	2015 FY	2016 1H16	1H16 Change Versus 1H15	1H16 Change Versus 2H15	Change 1H16 v 1H15
Backlog	887.5		851.5	864.5	(23.0)	-	(2.6%)
Continuing Operations							
Total Revenue from operations	582.1	632.0	1,214.1	597.0	14.9	(35.0)	2.6%
Fee revenue	424.5	460.7	885.2	424.8	0.3	(35.9)	0.1%
EBITDA	62.5	52.1	114.6	29.3	(33.2)	(22.8)	(53.1%)
EBITDA margin	14.7%	11.3%	12.9%	6.1%	(8.6%)	(5.2%)	(53.1%)
Profit before tax	45.1	28.9	74.0	9.1	(36.0)	(19.8)	(79.9%)
Net profit after tax	**32.3**	**24.1**	**56.4**	**5.5**	**(26.8)**	**(18.6)**	**(82.8%)**
Discontinued Operations							
Loss from discontinued operations	(0.8)	(5.4)	(6.2)	(59.1)	(58.3)	(53.7)	(7317.4%)
Impairment of goodwill and write down (net of tax)	-	(195.4)	(195.4)	-	-	195.4	-
Profit/(loss) for the period	**31.5**	**(176.7)**	**(145.2)**	**(53.6)**	**(85.1)**	**123.1**	**(270.1%)**
Net operating cash flow	0.9	47.2	48.1	26.1	25.2	(21.1)	2799.6%
Basic earnings per share from continuing operations (cents)	19.73	14.68	34.41	3.16	(16.57)	(11.52)	(84.0%)

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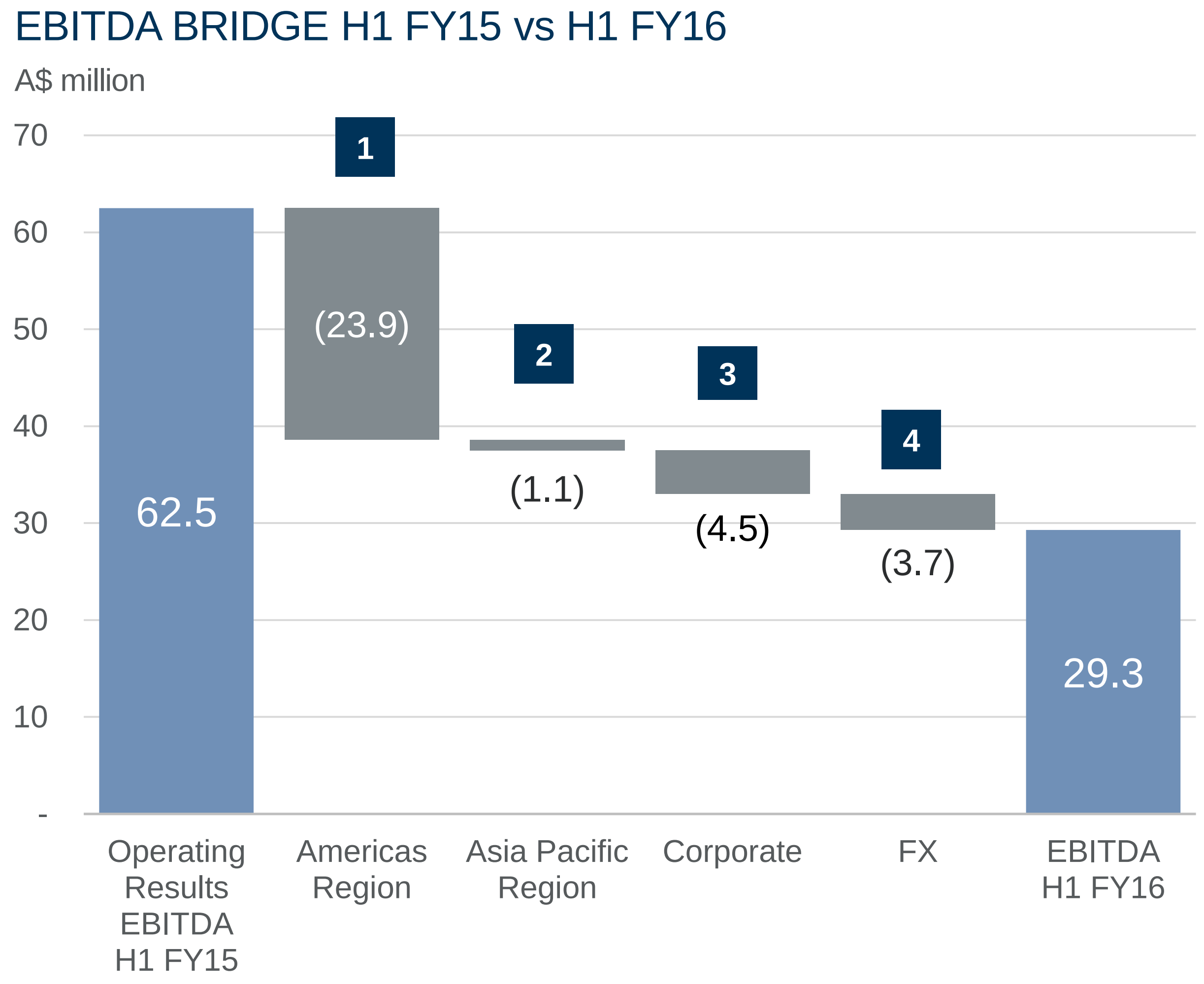
02 EBITDA Bridge - H1 FY15 vs H1 FY16



1. Please refer to slide 17 for a full explanation of the Americas variance
2. Although exhibiting a slight decline compared to H1 FY15 the Asia Pacific Region has stabilised offsetting the reduction in resource related work with increased infrastructure work and expansion in the materials testing operation and IDA projects
3. Corporate costs movement is due to a change in allocation of executive costs in FY16 and include increased costs associated with takeover defence
4. Net FX impact on year to year basis

02 Debt and Liquidity

Key Metrics	H1 FY16	FY2015
Interest Cover (times)	8.4	13.9
Net Debt/EBITDA Ratio *(Leverage)*	2.2	2.9
Agreed Leverage Ratio (ALR)(1)	1.9	2.6
Bank Facility Utilisation	29%	43%
Average Cost of Debt	1.90%	1.74%
Average Maturity (yrs)	6.1	6.6
Gross Debt to Equity	49.2%	59.2%
Net Debt to Equity	23.3%	46.5%

Key Metrics	H1 FY16	FY2015
Term Debt and Working Capital Facilities	672.9	651.9
Less:		
Long Term Notes(2)	(205.3)	(194.5)
Bank Debt Utilised	(132.8)	(196.9)
Bank Guarantees	(4.7)	(1.6)
Total Debt	**(342.8)**	**(393.0)**
Available Facilities	330.3	258.9
Plus: Cash	182.1	84.8
Total Liquidity	512.0	343.7

1. Cardno has met all financial covenants at 31 December 2015
2. December's closing cash on hand is Cardno's highest reported statutory balance notwithstanding the inclusion of the capital raising proceeds
3. Cardno made deferred payments owing to Cardno PPI and Cardno HWA in early January 2016. Had these been paid in December 2015 the adjusted ALR would be 2.2

(1) According to our lending agreements the agreed leverage ratio (ALR) must be maintained below 3.0. The ALR for debt covenant purposes, averages the impact of FX rate changes over the prior 12 months rather than using the spot rate to revalue net debt at year end.

(2) Excludes fair value hedge adjustment.

Covenant Metrics	Covenant Requirement	Actual H1 FY16
Interest Cover (times)	>3.0	8.4
Agreed Leverage Ratio (times)	<3.0	1.9
Equity (AUD)	>444.5m	702.4m

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02 Operating Segment Performance - Americas

(A$ Millions)	2015 1H15	2015 2H15	2015 FY	2016 1H16	1H16 Change Versus 1H15	1H16 Change Versus 2H15	Change 1H16 v 1H15
Fee revenue	244.9	279.0	523.9	250.3	5.4	(28.7)	2.2%
EBITDA	33.9	28.8	62.7	12.4	(21.5)	(16.4)	(63.5%)
EBITDA margin	13.9%	10.3%	12.0%	5.0%	(8.9%)	(5.3%)	(64.2%)
Backlog	580.7		546.0	516.1	(64.6)	-	(11.1%)
Backlog (excluding 'PPI' and Latin America)	363.9		373.3	392.7	28.8	-	7.9%

(US$ Millions)	2015 1H15	2015 2H15	2015 FY	2016 1H16	1H16 Change Versus 1H15	1H16 Change Versus 2H15	Change 1H16 v 1H15
Fee revenue	222.8	220.4	443.2	182.8	(40.0)	(37.6)	(18.0%)
EBITDA	30.9	22.7	53.6	9.1	(21.8)	(13.6)	(70.7%)
EBITDA margin	13.9%	10.3%	12.1%	5.0%	(8.9%)	(5.3%)	(64.2%)
Backlog	476.2		421.0	377.0	(99.2)	-	(20.8%)
Backlog (excluding 'PPI' and Latin America)	298.4		287.9	286.9	(11.5)		(3.9%)

The **Americas Region** comprises 3,400 staff who deliver professional expertise and services to government and private sector clients across North and South America, enhancing performance in markets such as environment, transportation, energy and resources, land, buildings, management services and international development assistance.

Note: 'PPI' is a division within the Americas Region that is dedicated to providing services solely to Oil & Gas clients.

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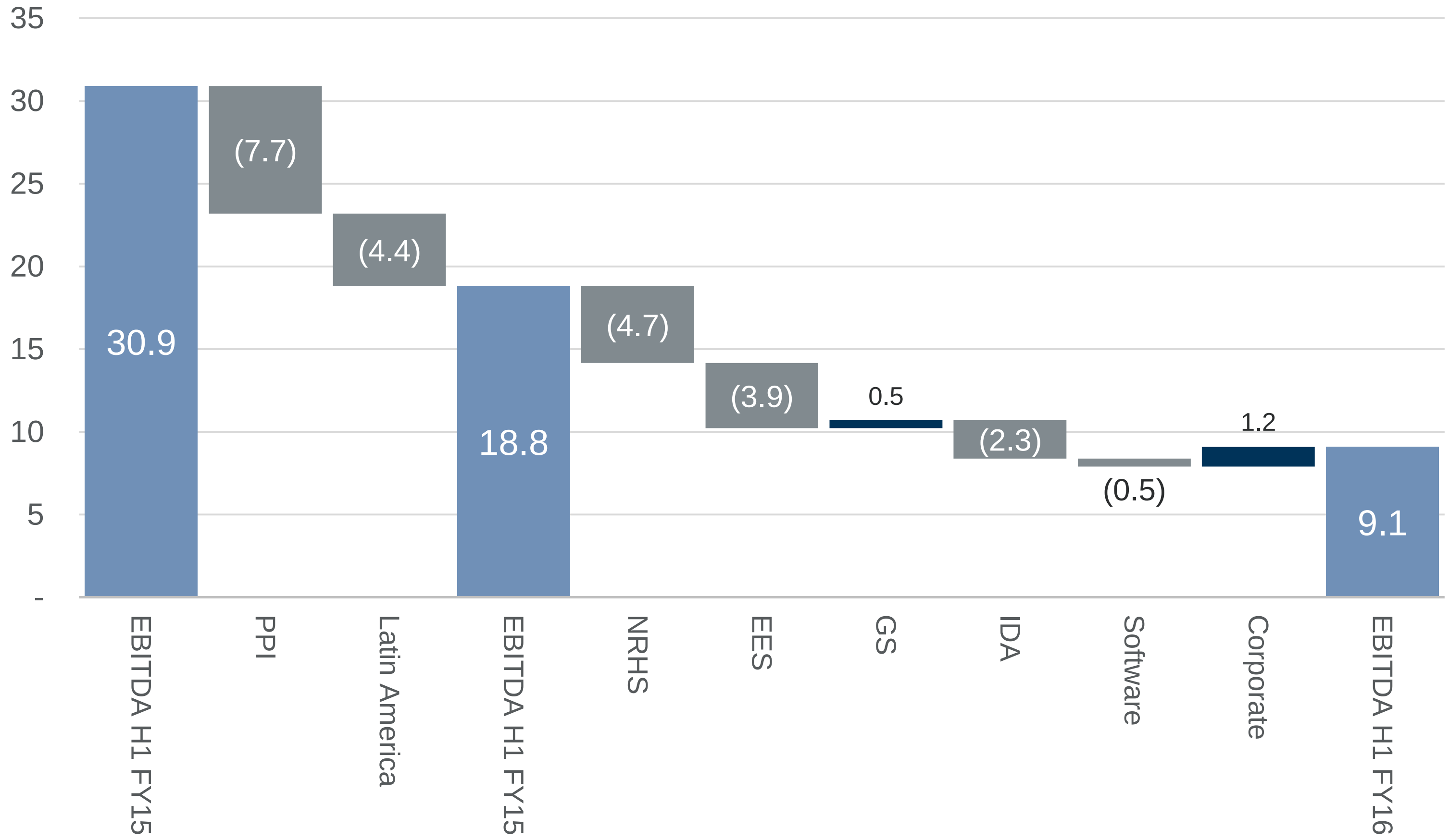
02 EBITDA - H1 FY15 v H1 FY16

AMERICAS EBITDA BRIDGE H1 FY15 vs H1 FY16

US$ million



Over 40% of the reduction in Americas EBITDA is driven by the continued slowing of exploration and new development activities in the Oil & Gas (our PPI work) and Latin America market sectors

Roughly 50% of the remaining drop in EBITDA is associated with our NHS work. This reduction is driven by the inability to replace two unusually large projects with revenue streams of similar value

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02 Operating Segment Performance - Asia Pacific

(A$ Millions)	2015 1H15	2H15	FY	2016 1H16	1H16 Change Versus 1H15	2H15	Change 1H16 v 1H15
Fee revenue	179.5	181.7	361.2	174.6	(4.9)	(7.1)	(2.8%)
EBITDA	24.7	23.3	48.0	23.6	(1.1)	0.3	(4.4%)
EBITDA margin	13.8%	12.8%	13.3%	13.5%	(0.3%)	0.7%	(1.7%)
Backlog	307.6		305.5	348.4	40.8	-	13.3%

The **Asia Pacific** Region comprises 3,000 staff providing services in civil, structural, water, environmental, coastal, bridge, geotechnical, subsurface utility, traffic and transport engineering, as well as environmental science, surveying, landscape architecture, construction materials testing, planning and asset management and international development assistance.

Note: The organizational structure change on 1 July 2015 and therefore the above figures include Emerging Markets Asia Pacific which has been merged with the former Australia & New Zealand Region to become the Asia Pacific Region.

COMMENTARY

> Backlog for the Region has increased since June 2015 largely through obtaining a multi-year materials testing contract and new projects or extensions of existing contracts in the IDA operations in the Pacific and Asia

> Fee revenue in the Region is still being impacted by the lack of investment in the resources and mining sector however this is partly being offset by increased public sector infrastructure work particularly in NSW and increased projects in the IDA operations

> Margins have improved since June 2015 as a result of a change in project mix and a focus on cost reductions as set out in the Strategic Review

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03

OUTLOOK

03 Outlook and Conclusion

While we are pleased that we have been able to deliver an EBITDA result for the H1 FY16 that is in line with the guidance we gave last November ($23-25 million) we are not content with the result. Accordingly we continue to rationalise our business model and cost structure while making key investments in areas that can help us offset some of the impacts of the continued downturn in the Oil & Gas and Natural Resources markets and the slowdown in the Chinese economy.

Thank you

For more information

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