

Appendix 4E

Preliminary final report

Full year ended 30 June 2013

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 2013 and the previous corresponding period 30 June 2012.

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

				\$'000
2.1	Revenue from Ordinary Activities	up/down	23.8% to	\$1,195,352
2.2	Profit (loss) from ordinary activities after tax attributable to members	up/down	4.7% to	\$77,639
2.3	Net profit (loss) for the period attributable to members	up/down	4.7% to	\$77,639
2.4	Dividends (distributions)			
		Amount per security	Franked amount per security	
	Interim dividend	18.0 cents	12.6 cents	
	Final dividend	18.0 cents	18.0 cents	
2.5	Record date for determining entitlements to the dividend		13 September 2013	

- 2.6 The Directors are pleased to report that Cardno achieved a record financial result for the year ended 30 June 2013. Highlights of Cardno's financial performance are as follows:

- > Net profit after tax was \$77.6 million for FY2013, a 4.7 per cent increase over FY2012.
- > Revenue for the Group was \$1,195.4 million, a 23.8 per cent increase on the \$965.8 million generated in FY2012. Revenue growth is largely attributed to the contributions of the merger partners acquired during the second half of FY2012 and FY2013.
- > Cardno achieved an EBITDA of \$135.3 million in FY2013 which is an increase of 5.1 per cent compared to \$128.7 million in FY2012. The increase in revenue did not flow through to Cardno's EBIT results. Adverse market conditions resulted in a reduction to Cardno's EBIT margins from 15.8 per cent in FY2012 to 12.6 per cent in FY2013.
- > Basic earnings per share was 55.1 cents per share, a reduction of 10.8 per cent from 61.7 cents per share in FY2012, reflecting the lower than anticipated organic net profit growth combined with an increase in the weighted average number of shares on issue.
- > Cardno had strong operating cash flow of \$95.7 million in FY2013 reflecting a significant increase on FY2012 of 31.8 per cent.

+ See chapter 19 for defined terms.

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- 2.6 > Cardno's balance sheet remains strong with a debt to equity ratio of 38.2 per cent and cash of \$90.6 million at 30 June 2013.
- > The Board has declared a final dividend of 18 cents per share (100 per cent franked) taking the full year dividend to 36 cents per share for the year (85 per cent franked). The Board has determined that it will prudently distribute as much Franking Credit as possible but that as the impact of the Group's international profit contribution expands, the Franking Credits may naturally decline.

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

Current period	1.73 cents
Previous corresponding period	32.22 cents

The decrease in Net Tangible Assets per security of 94.6% on last year is directly related to the decrease in Net Tangible Assets for the year of 94.4%. The decrease in Net Tangible Assets is due to Intangible assets increasing by 24.9% to \$630 million while Total Net Assets increased 15.2% to \$632 million. The increase in Intangibles is directly related to the seven mergers and acquisitions completed during the year as well as the impact of the weakening AUD. Total Net Assets is impacted by higher levels of debt up 21.5% to \$242 million directly related to acquisitions and the weakening AUD.

4. Control gained over entities having material effect

Entity	Completion Date	Effective Control Date
Marshall Miller & Associates Inc	3 July 2012	1 July 2012
EM-Assist Inc	3 July 2012	1 July 2012
Better Technical Options Ltd	24 August 2012	1 August 2012
Hard & Forester Pty Ltd	31 October 2012	1 October 2012
ChemRisk LLC	10 December 2012	1 December 2012
Caminosca S.A.	22 April 2013	1 December 2012
Geotech Material Testing Services Pty Ltd	13 February 2013	1 February 2013

Loss of control of entities having material effect

N/A

5. Final Dividends (distributions)

Date the dividend (distribution) is payable 11 October 2013

Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend			
- Current year	18.0 cents	100%	N/A
- Previous year	18.0 cents	70%	N/A

While the Board has declared a final dividend which is 100% franked and will continue to prudently distribute as much Franking Credit as possible, Franking Credits in future years may naturally decline as the Group's international profit contribution expands.

⁺ 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: 20/08/2013
Michael Pearson
Company Secretary

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