

CARDNO FORECASTS FY13 PROFIT OF \$73 MILLION TO \$77 MILLION

Cardno Limited (ASX: CDD) expects to report a Net Profit After Tax (NPAT) of between \$73 million and \$77 million for the year ending 30 June 2013, compared to \$74.1 million for the 2012 financial year.

Subject to finalisation of full year NPAT in this range, the Board advises shareholders that the final dividend is expected to be in line with the 18 cent per share dividend paid in the previous corresponding period.

Commenting on the full year forecast Cardno Managing Director, Mr Andrew Buckley said:

"The geographic and discipline diversity of Cardno's global businesses continues to underpin the company's performance by reducing risk and volatility of earnings. However, Cardno is not immune to challenging conditions in its major markets. Economic conditions continue to affect demand for our services worldwide.

As noted by others in our sector, there continues to be a general lack of confidence in the Australian environment that is resulting in delays to investment decisions and projects. It is clear that the mining sector, from which Cardno derives around 10% of its revenue, has slowed with non-essential work halted and other expenditure delayed. Similarly, infrastructure delivery is down from previous years, with State Governments and Local Authorities not committing to significant infrastructure expenditure in the current climate. While there are early signs of a pickup in residential construction, this has not yet flowed through to Cardno's businesses in Australia.

In the United States, whilst we are seeing an improvement in the demand for private sector infrastructure services, this growth has been slow and has been offset by flatter public sector and defence spending as a result of the Federal Government sequestration and slower activity on the Gulf of Mexico work, especially in the March quarter.

As a result, we have seen a degree of deterioration in levels of work and margins since our half year update. This has affected our businesses in most of our global markets. Signs that levels of work in other market segments would improve in the March quarter to offset these weaknesses did not materialise. Following our April results it has become apparent that the improvement in the fourth quarter is not expected to fully offset third quarter performance. Accordingly Cardno continues to match resource levels to market demands for our services.

All of our Divisions are currently trading profitably. We believe that our financial performance in difficult market conditions demonstrates the robustness of Cardno's business model. At the end of the March quarter, year to date fee revenue growth is up over 30% including revenue growth achieved through the recently completed mergers with Cardno Caminosca (Ecuador), Cardno Chemrisk (USA) and Cardno GMTS (WA). In this financial year these will only be part year contributors. All of these businesses are performing in line with our expectations at time of acquisition.

We are optimistic that expected GDP growth in Australia and the United States will translate into increasing demand for our services into the 2014 financial year. In particular, we believe that the lowering of interest rates in Australia together with a strengthening market in the US will result in an upturn in housing development and associated infrastructure. "

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About Cardno: Cardno is an ASX 200 listed professional infrastructure and environmental services company, with specialist expertise in the development and improvement of physical and social infrastructure for communities around the world. Cardno's team includes leading professionals who plan, design, manage and deliver sustainable projects and community programs. Cardno is an international company, listed on the Australian Securities Exchange [ASX: CDD]. www.cardno.com.