

ASX Statement & Media Release

29 August 2016

CARDNO ANNOUNCES FY2016 RESULTS

Professional infrastructure and environmental services consultancy Cardno Limited (ASX: CDD) today announced EBITDA from continuing operations of AUD \$42.3 million for FY2016, in line with the guidance of \$40 to \$45 million issued in May of this year.

As part of this announcement, the company reported a net loss after tax including discontinued operations of \$176.0 million, driven by a post-tax non cash impairment charge of \$154.3 million associated and a loss from discontinued operations (net of tax) of \$46.6M associated with the divestiture of Cardno ATC (ATC) and Cardno PPI's Engineering and Construction Services (ECS) business. Continuing operations generated a net profit after tax of \$7.5 million.

Full year to 30 June 2016	FY 2016 (A\$m)	Restated* FY 2015 (A\$m)
Gross Revenue from continuing operations	1,196.5	1,185.9
EBITDA from continuing operations	42.3	111.9
NOPAT from continuing operations **	7.5	54.9
Loss from discontinued operations	(46.6)	(60.9)
Profit/(Loss) for the period	(176.0)	(245.1)
Operating Cash Flow	56.4	48.1
EPS – basic (cents)	(71.51)	(131.02)

* Refer to note 12 of the accompanying Cardno Ltd Appendix 4E 2016 Preliminary Final Report for details of the restatement

** Net Operating Profit after Tax, is a non-IFRS term which reflects the operating position of the business prior to impairment adjustments

Over the past 12 months:

- Performance in the Asia Pacific region stabilised, despite the impact of a continued slowdown in mining and resources, and oil and gas sectors.
- Performance challenges continue in the US due to previous senior leadership and Board decisions.
- Net cash from operating activities grew to \$56.4 million (up from \$48.1 million in FY15) reflecting a strong focus on working capital management.
- Backlog for core operations grew in both the Asia Pacific (from AUD\$268 million to AUD\$293 million) and in the America's (from US\$288 million to US\$295 million).
- All financial covenants were met and the net debt decreased from \$311.3 million to \$49.6 million over the past 12 months as a result of 2 capital raisings, asset sales and a focus on working capital management.
- ATC (a US testing related business) and ECS (a US oil and gas construction related business) were sold.

Consistent with the guidance provided in February 2016, there was no final dividend declared for the year ended 30 June 2016, as the company's focus continues to be on capital and balance sheet management.

Cardno Chairman Michael Alscher said:

"The new board has a strong sense of confidence in Cardno staff and the skills and projects we deliver on behalf of our clients. The quality of our work and the projects we deliver are second to none and we should be proud of what we achieve. That said, as a board, we consider the operating structure and previous strategic decisions of the company, which has culminated in the company's recent financial performance, as not appropriate for the future.

"Our goal is to create an organisation that can execute quickly with a strong sense of accountability, with decision making at the divisional and business unit level. We aim to empower management and staff to meet the challenges set by our clients and thrive in the markets we operate in".

– ENDS –

For all media enquiries please contact:

Jackie McPhee, Cardno Corporate Marketing Manager, T: +61 7 3369 9822

About Cardno: Cardno is a 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.