

ASX Statement & Media Release

22 June 2016

CARDNO COMPLETES RETAIL ENTITLEMENT OFFER

Cardno Limited (**Cardno** or **Company**) today announced the completion of the retail component of its fully underwritten 1 for 1.07 pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**). Key highlights:

- > **Retail component of the Entitlement Offer (Retail Entitlement Offer) completed raising approximately A\$67 million**
- > **Institutional component of the Entitlement Offer (Institutional Entitlement Offer) completed on Monday, 6 June 2016 raising approximately A\$26 million**

Under the Retail Entitlement Offer, Cardno received valid applications from eligible retail shareholders (including applications for additional new shares) for approximately 127 million new shares. The resulting shortfall after allocation of additional new shares will be allocated to the sub-underwriters. Approximately 17 million new shares will be allocated to Crescent as a sub-underwriter. Crescent's relevant interest in Cardno will increase to approximately 45.0%¹ (based on its holding of approximately 215.4 million shares) as a result of its take-up as sub-underwriter. Cardno expects Crescent will file a Notice of change of interests of substantial holder shortly after allotment in which it will confirm its voting power and relevant interest. Final allocations under the Retail Entitlement Offer are subject to reconciliation and audit processes currently being conducted by Cardno's share registry.

Closing of the Retail Entitlement Offer represents successful completion of the final stage of Cardno's approximately A\$92.5 million equity raising, announced on Thursday, 2 June 2016. The proceeds from the Entitlement Offer will be used to reduce Cardno's debt and lower the leverage ratio.²

Cardno's Chairman, Mr Michael Alscher said: "We are grateful for the support of our shareholders during this capital raising. The new Board's directive to see the Company move to a lower level of debt and a debt structure more flexible and consistent with the Company's operations, positions the business to begin to regain its focus towards organic growth".

The settlement date for new shares under the Retail Entitlement Offer is expected to be on Friday, 24 June 2016. New shares taken up under the Retail Entitlement Offer are expected to be issued on Monday, 27 June 2016 and commence trading on the ASX on Tuesday, 28 June 2016.

Shareholder enquiries

Retail shareholders who have any questions about the Retail Entitlement Offer should consult with their broker, legal, financial or other professional adviser. Retail shareholders can also call the Cardno Entitlement Offer Information Line on 1300 784 103 within Australia or +61 3 9415 4137 outside Australia from 8:30am to 5:00pm (Sydney time) Monday to Friday during the Entitlement Offer Period.

¹ Including shares held by a custodian for FSS Trustee Corporation, an associate of Crescent, Crescent's voting power in Cardno will increase to 46.7%.

² Cardno has a covenant in its debt facilities which requires it to have a net debt / EBITDA ratio of below 3.0x. For the purposes of the covenant calculation, net debt is calculated as the aggregate of all interest bearing liabilities less cash equivalents, translated into AUD at the average exchange rate for the preceding twelve months. EBITDA is calculated as the consolidated profit before tax, calculated after adding back finance costs, depreciation and amortisation. It excludes EBITDA from any subsidiary acquired or disposed of in the preceding twelve months as well as any significant items, equity accounted profits and losses, and unrealised gains and losses on revaluation of assets.

Important notices

Important information and disclaimer

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

This announcement has been prepared by Cardno Limited (ACN 108 112 303). No other party other than Cardno has authorised or caused the issue, lodgement, submission, despatch or provision of this announcement, or takes responsibility for, or makes or purports to make any statement, representations or undertakings in this announcement.

This announcement may not be released or distributed in the United States.

This announcement does not constitute an offer to sell, or solicitation of an offer to buy, any securities in the United States or Canada. The shares to be offered or sold in the Entitlement Offer have not been, nor will be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**) or under the securities law of any state or other jurisdiction of the United States or Canada.

Accordingly, the shares may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act, or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities. The shares may also be sold into Canada, except to "accredited investors" only.

Forward looking statements

This announcement contains forward looking statements and comments about future matters. Forward looking statements can generally be identified by the use of words such as "may", "will", "should", "could", "expect", "intend", "predict", "plan", "propose", "forecast", "estimate", "target", "anticipate", "likely", "believe", "continue", "objectives", "outlook", "guidance", "potential" or words or other expressions of similar effect.

Forecasts on, indications of, and guidance or outlook on, future earnings, financial ratios, financial position or performance are also considered forward looking statements. The forward looking statements are not guarantees or predications of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Cardno, its directors and management, and may involve significant elements of subjective judgement and assumptions as to the future events, which may or may not be correct. Refer to "Risk Factors" in Section 6 of the Prospectus released to the ASX on 2 June 2016 for a summary of certain general and specific risks that may affect Cardno.

There can be no assurance that the actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from those expressed in the statements contained in this announcement. Undue reliance should not be placed on these forward looking statements. These forward looking statements are based on information available to Cardno as of the date of this announcement.

None of Cardno or its officers, employees or agents makes any representation, assurance, guarantee or warranty as to the accuracy or likelihood or fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statements. Except as required by law or regulations (including the ASX Listing Rules) Cardno undertake no obligation to update the financial forecasts or any other forward looking statements.

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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