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Companies Announcement Office  
Australian Securities Exchange

## STRATEGIC REVIEW POSITIONS CARDNO FOR PROFITABLE GROWTH

The Board of Cardno Ltd (ASX: CDD) has approved implementation of the outcomes of a Strategic Review that will put the Company on track for a return to profitable growth with top quartile EBITDA margins.

The approval follows the completion of a broad-ranging review of the Company's global operations conducted by Cardno CEO and Managing Director Richard Wankmuller.

At a presentation in Sydney today, Mr Wankmuller said that three strategic priorities will be his primary focus. These priorities are designed to maximise the underlying performance of the business and shift its focus to where the potential for profitable growth is greatest over the next three years

The priorities highlighted by the review are to:

- **Get Cardno's financial house in order** - by reducing net debt and improving earnings. The review identifies a range of short and medium term actions that will reduce working capital by at least A\$60 million by 31 December 2015. It also identifies improvement in earnings by reducing overheads by A\$20 million on an annualised basis, with A\$10 million cost savings in FY16. The Board expects these steps will enable Cardno to comply with its covenants at 31 December 2015.
- **Get the platform right** - by improving the resiliency of the company by ensuring its business is spread across different client sectors, by expanding Cardno's capabilities into areas of strong potential growth, such as the environmental market in Australia and engineering services sector in the USA, and by divesting businesses that are not core to the Company's future.
- **Focus investments in the right places** – by concentrating on 10 strategic geographic areas, 10 key multinational clients, and 10 strategic opportunities Cardno will give focus to its business development endeavours which should enable it to drive sustainable organic growth at rates in excess of those achieved by the overall industry.

"Cardno is a great international professional services business, driven by two main economic engines in Australia and the USA. Our strengths are our people, our demonstrated safety record and our commitment to excellence," Mr Wankmuller said.

"Our underlying business is sound, with a growing backlog of work, and the Company's revenue growth has been impressive. However Cardno's organic growth has been steadily shrinking in recent years and margins have eroded," he added.

“The initiatives I announce today will move Cardno on to a more structured, analytical and disciplined path to business growth. Our plan is to work within specific growth markets and regions and to pursue targeted business opportunities rather than simply react to market opportunities as they arise.

“As always, Cardno will remain client-focussed. Our clients demand responsiveness and consistency with regard to service as well as reliable quality project delivery. These Cardno attributes will only become stronger as we build the business in the years ahead.”

The presentation materials can be accessed via the Cardno website:  
[www.cardno.com.au/InvestorCentre/Webcasts](http://www.cardno.com.au/InvestorCentre/Webcasts)

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**About Cardno:** Cardno is an ASX200 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](http://www.cardno.com).