

**CHAIRMAN'S ADDRESS BY JOHN MASSEY
Annual General Meeting – 22 October, 2009**

Cardno achieved another record profit for our shareholders in the 2009 financial year despite the very adverse global economic circumstances in which we found ourselves.

The Board's strategy of diversifying Cardno's operations through acquisitions and growth across multiple geographic regions and disciplines has helped us to reduce the impact of these difficult conditions.

This strategy has also positioned Cardno well to capitalise on new markets and cross-selling opportunities as global conditions start to improve.

The period of adverse conditions which we have been experiencing has effectively "stress tested" Cardno and the business model we have been pursuing since our listing in 2004. Achieving our record profit is testimony to the success of our strategy.

It is also important to note that it is the inherent organic growth of our global operations which has been critical to our performance in the last year.

For the record and as you are aware, revenue increased by 29.3% to \$515.8 million and net profit after tax increased by 24.4% to \$34.15 million.

The Directors resolved to pay a fully franked final dividend of 14 cents per share which, with the interim dividend of 14 cents per share, resulted in a record full year dividend of 28 cents, 3.7% above last year's total of 27 cents.

I am also pleased to report that the company's balance sheet is strong with low gearing and low net debt. Cardno had strong operating cash flow of \$38.6 million and had cash of \$65.8 million at 30 June 2009.

Cardno's balance sheet position was further strengthened by the raising of \$16.7 million during the year through the Share Purchase Plan.

At this time last year, as the global financial crisis started and no one could confidently forecast the depth or length of the crisis, the Board determined that there was a need to preserve cash.

We also determined to suspend discussions with potential acquisition targets because we expected strategic opportunities would emerge as the economy started to improve.

Funds on hand will prove invaluable for Cardno's future growth and will allow us to take advantage of acquisition opportunities as they occur.

We are now ready to re-engage with prospective partners and I note that we are in active discussions across the broad geographic scope of our operations. We are also considering acquisitions to strengthen the disciplines which Cardno offers in its suite of professional services.

None of these opportunities has been concluded yet but we are confident that during this financial year we will be able to return to our successful growth through acquisition strategy which will further boost our strong underlying organic growth in the future.

The Board continues to function effectively with sound processes and controls in place for our business.

CARDNO LIMITED

ACN 108 112 303



The Board determined that our current geographic reach and the expected growth of our operations required a single global auditor. After a competitive tendering process, it is proposed to appoint KPMG as our new auditor, subject to shareholder approval later in this meeting. This appointment follows the agreement of ASIC to the resignation of our current auditor, WHK Horwath whom the Board thanks for its contribution over many years.

As far as remuneration is concerned, I trust that all shareholders agree with the necessity to fairly, adequately and competitively incentivise Cardno's key staff.

I note that the Board's Remuneration Committee has consulted extensively with independent consultants, corporate governance advisers and most importantly our major shareholders in developing a new approach to the long term incentives for our Executive Directors and Senior Executives.

This has resulted in our recommending that shareholders approve a new plan involving the issue of rights to key senior executives based on individual performance and the performance of the company over a period of time.

These rights will have vesting rules including a sliding scale Earnings Per Share hurdle and a Total Shareholder Return hurdle based on a comparison with peer companies.

I acknowledge our clients without whom we would not earn revenue nor have a successful business. We appreciate your ongoing support in continuing to recognise Cardno as your source for the broad range of professional services which we offer.

I also acknowledge Cardno's skilful and committed people, ably led by Andrew Buckley, without each of whom our excellent performance simply would not occur.

We are proud of our people and their achievements speak for themselves.

We do remain committed to performing well and being successful for our shareholders as we have shown this year despite the difficult prevailing conditions.

We appreciate your continuing investment, interest and support of Cardno and we will all be working hard to ensure an ongoing strong and healthy Cardno well into the future.

John C. Massey
Chairman, Cardno Limited

22 October, 2009