



CARDNO LIMITED

CHAIRMAN'S ADDRESS ANNUAL GENERAL MEETING – 28 OCTOBER, 2005

Ladies and Gentlemen, this has been a year in which Cardno has established its credentials as a listed company with a skill for managing growth and delivering returns to shareholders.

The successful growth strategy of previous years continued in 2005 with revenues increasing by 56% and after tax profits increasing by 67%.

Two strategic engineering mergers were completed early in the financial year when we welcomed BSD based in Western Australia, and Lawson Treloar on the East Coast, to the Cardno family. In August, 2005, we also welcomed the traffic and transport planning specialists, now Cardno Eppell Olsen.

In a significant development, we acquired ACIL in May 2005 which has positioned Cardno as a leading supplier of professional services to the world-wide development assistance market.

\$33 million was successfully raised from the issue of Convertible Notes primarily to fund this acquisition.

After the end of the year we announced the acquisition of Agrisystems which is in the same business as ACIL and based in the United Kingdom. The Cardno International engineering business is in the process of being merged with the ACIL business to form a single, major and dynamic International entity with significant growth prospects and cross selling opportunities.

Cardno greatly exceeded the forecasts contained in the 2004 Prospectus for our Initial Public Offering (IPO) which made for an excellent first full operating year for the newly listed Cardno.

The annual dividend of 14 cents per share also compares favourably with the IPO forecast of 11 cents per share.

This dividend combined with the appreciation of the value of Cardno shares traded on the ASX has resulted in the Total Shareholder Return from Cardno during its first year as a listed entity being very positive and rewarding for our shareholders.

The Board is functioning effectively and has sound processes in place for undertaking its important responsibilities.

Dick Kell recently decided to retire from the Board and I formally acknowledge Dick's contribution to Cardno during his more than 40 years involvement.

I particularly recognise Dick's role as Chairman in the period leading to and through the IPO which is a testimony to his leadership skills and I am sure Dick will always be proud of the achievements during his tenure on the Board.

At the last AGM, I introduced Ian Johnston and foreshadowed his appointment as a Non Executive Director which subsequently occurred on 1 November, 2004. Ian also became Chairman of the Audit Committee and his extensive experience in financial markets has already made a major contribution to our activities.

As part of the ACIL acquisition, Stephen Moss was appointed a Director on 2 August, 2005. We welcome Stephen's involvement as he adds his skills and experience to the Board.

I acknowledge Cardno's professional and committed staff without whom our excellent performance simply could not occur. We are proud of our people and their achievements speak for themselves.

This outstanding last year of achievement sets the bar high for the current year but the Board remains committed to another successful year of performance and growth.

We also appreciate the support and interest of our shareholders as we strive to deliver ongoing shareholder value.

John Massey
Chairman

28 October 2005