

**CHAIRMAN'S ADDRESS
PRESENTED BY JOHN MASSEY**

**Annual General Meeting
Thursday, 26 October, 2006**

Ladies and Gentlemen, this has been another very good year in which Cardno has consolidated its position as a leading professional services firm and strengthened its reputation as a listed company with proficiency for managing growth and delivering strong returns to shareholders.

The successful growth strategy continued this year with revenues increasing by 86.5% and after tax profits increasing by 82.4%.

Five strategic acquisitions were successfully completed during the financial year and another one has already been completed so far this year. The Managing Director will elaborate on these acquisitions shortly but I note that each represents an important addition to the Cardno Group.

Shareholders will have noted the broadening focus involved in the adoption of our new vision for Cardno "to be a world leader in the provision of professional services for the improvement of physical and social infrastructure".

Our successful growth this year and the significant Australian and International opportunities available to us in our pipeline, in both physical and social infrastructure, endorse the achievability of this aggressive vision as a realistic one for Cardno to pursue.

As you are aware, the Directors resolved to pay a fully franked final dividend of 10 cents per share which was, in fact, paid two weeks ago.

Added to the interim dividend of 9 cents per share paid in April, the total dividend of 19 cents per share paid during 2006 represents a significant increase (35.7%) on last year's total dividend of 14 cents per share which, combined with the appreciation in value of Cardno shares traded on the ASX, has resulted in a very positive total return for our shareholders this year.

We recently announced that we are introducing a Dividend Reinvestment Plan (DRP) which will provide shareholders with an opportunity to build their holding in Cardno over time.

Shares will be issued in the DRP calculated on the 5 day VWAP immediately preceding and including the record date for each dividend payment. Full details will be forwarded to shareholders well in advance of the next dividend payment.

The Board continues to function effectively with sound processes in place for our current business as well as to properly and professionally consider opportunities for the future as we strive to fulfil our vision.

We continually review our performance to ensure we are providing the leadership and guidance needed by our growing company. It is expected that there will be a matching evolution in the composition of the Board over time.

Ron Fisher, our long-standing Chief Financial Officer and Director retired on 6 July and we welcomed his successor Jeff Forbes who has had an extensive career including most recently his similar role with the listed company, Highlands Pacific.

CARDNO LIMITED

ACN 108 112 303



I acknowledge Cardno's professional and committed staff, ably led by Andrew Buckley, without each of whom our excellent performance could not occur. We are proud of our people and their achievements speak for themselves.

This year of achievement again sets the bar even higher for the current year but the Board remains committed to another successful year of performance and growth.

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

John C. Massey
Chairman, Cardno Limited

26 October, 2006