

**CHAIRMAN'S ADDRESS BY JOHN MASSEY**  
**Annual General Meeting – 25 October, 2007**

Ladies and Gentlemen, this has been another record year in which Cardno reinforced its position as a leading provider of physical and social infrastructure services 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 42% to \$265 million and after tax profits increasing by 46% to \$18.5 million including a one-off tax benefit of \$900,000.

Cardno now has 45 offices worldwide and the international expansion has seen staff numbers approaching 2,600 of whom about half are employed outside Australia.

Eight strategic acquisitions were successfully completed during the 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 all acquisitions were earnings per share positive and continue to operate successfully and profitably.

Australian and international business conditions continue to offer strong opportunities for Cardno which will facilitate the continuation of our growth strategy of combining organic growth with acquisition opportunities across the world.

As you are aware, the Directors resolved to pay a fully franked final dividend of 12.5 cents per share which was, in fact, paid three weeks ago.

Added to the interim dividend of 10 cents per share paid in April, the total dividend of 22.5 cents per share paid during 2007 represents a solid increase on last year's total dividend of 19 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.

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.

During the year the Board's composition continued its transition towards a greater representation of Non-Executive Directors with the appointment of General Peter Cosgrove AC, MC.

General Cosgrove has an incredibly broad range of experiences, including his demonstrated abilities in leadership, logistics, project management, developing countries and geopolitical activities, which are invaluable as Cardno continues its growth strategy in Australia and internationally.

As expected when he was appointed, Peter has already demonstrated the breadth of his experience and he is complementing the strong contributions and skills of the other Directors.

During the year, the size of the Board was reduced by one Executive Director and a further reduction will occur with Jim Verco, a longstanding Executive Director, retiring at the conclusion of this AGM.

Jim has made an outstanding contribution to the Cardno group. His involvement with Cardno group companies dates back over 29 years, joining Cardno itself in 1999 with the merger between Cardno and MBK of which Jim was Managing Director.

I warmly acknowledge Jim's diligent and collegial involvement in the Board activities which will be missed.

Jim has accepted the Board's invitation to Chair the new Management Operational Risk Committee and also to join the restructured Board Audit and Risk Committee as a non Director member which will result in our having Jim's ongoing contribution.

The Board has commissioned an external adviser to assist in identifying and appointing another Non-Executive Director with appropriate skills and experience to complement the Board's current composition.

We are undertaking this process in a disciplined manner with strict specifications for the person we are seeking as a future Director.

The evolution of the Board to include more Non-Executive Directors has resulted in the recommendation to shareholders to increase the annual aggregate remuneration for Non-Executive Directors.

The proposed new amount was recommended by an independent, external adviser and was determined to be in line with other companies of a similar size, complexity and an expanding business outside Australia. I note the Board does not intend to allocate the full amount immediately.

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 acknowledge Cardno's professional and committed staff, 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.

This year of record 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

25 October, 2007