

CHAIRMAN'S ADDRESS BY JOHN MASSEY

Annual General Meeting – 21 October, 2010

I am pleased to report that Cardno delivered a record profit of \$37.60 million for our shareholders despite the adverse global economic circumstances prevailing through the 2010 financial year.

This is our sixth successive record profit and earnings per share growth since our listing in 2004 with total shareholder returns in the period reaching over 400%.

I am also pleased that Cardno performed strongly through the global financial crisis demonstrating the success of our strategy of diversifying operations through acquisitions and growth across multiple geographic regions and disciplines.

As a result of this performance, the Board declared an increased and record full year dividend of 29 cents per share with the fully franked final dividend of 15 cents per share paid to our shareholders on 15 October.

We had strong operating cash flow of \$46.75 million, an increase of 21% over the previous year, and had cash of \$56.28 million at 30 June, 2010.

Cardno's balance sheet remains strong with low net debt. In August, we successfully completed a 1 for 6 Rights Issue which raised \$49 million and I acknowledge with appreciation the very strong support from our shareholders.

Our growing international presence and capabilities in a broad range of sectors continue to position Cardno to capitalise on new markets and cross-selling opportunities across the company.

You are probably aware that we announced on Tuesday that the new financial year has started very well for Cardno with our first half net profit expected to be up between 81% and 93% over the corresponding half last year.

Our Managing Director will provide the details shortly but I note that we made four acquisitions during the year.

Two of them are headquartered in America and both in the highly strategic and growing environmental consulting market, while in Australia we acquired two specialist and strategically valuable businesses.

Cardno now has more than 3,800 staff worldwide operating out of 150 offices.

The Board has functioned effectively with sound processes and controls in place for our business.

The composition of the Board continues to evolve with our Deputy Chairman and Executive Director, Graham Tamblyn retiring from the Board today.

Graham commenced with Cardno as a graduate engineer in 1973, more than 37 years ago, and became an Associate Director in 1982.

Graham was appointed a Director in 1987 and has therefore been on the Board in its various iterations for 23 years. He has made an outstanding contribution both to the Board and Cardno generally, including serving as Chief Executive for some years.

We acknowledge with great appreciation the wisdom, collegiality and value which Graham has added to Cardno throughout his career.

We also warmly welcome Graham's ongoing involvement with the Cardno group as an important and widely recognised leader, particularly in urban development engineering.

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 again this year with our record profit despite the difficult prevailing conditions.

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

John C Massey
Chairman, Cardno Limited

21 October, 2010