



December 2010 Half Year Results

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-  Highlights
-  Financial overview
-  Operations overview
-  Strategy and outlook

***“Cardno’s vision is to be a world leader
in the provision of professional services
to improve the physical and social environment”***



Half Year Highlights

- Record first half profit of \$31.7m up by 98% on previous corresponding period (pcp)
- Record EBITDA of \$55.7m up 122% on pcp
- Earnings per share (EPS) up 63% to 31 cents
- Dividends up to record 17 cents, 70% franked
- Strong cash flow \$39.8 million up 134% on pcp.
- Strong balance sheet - net debt / equity: 11.6%
- Strong first half reflecting:
 - contribution from new merger partners
 - significant contribution from the oil spill in the U.S
 - improving conditions across the business
- Organic Growth for half year is 23.8% on pcp

Cardno's underlying dynamics

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- Strong geographic and sector diversification lowers risk and maximises growth
 - Consistent growth of profits and shareholder returns
 - Record profit and EPS growth every year since listing in 2004
 - Consistent strong dividend growth
 - Strong critical mass of professional IP world-wide
 - Successful M & A strategy
 - Successful cross-selling + organic growth
 - Robust forward project pipeline (WIH) \$502m
(down from last half due to currency movement)



Cardno
Shaping the Future

“Strong cash flow, low debt and an even stronger balance sheet”

Financial review

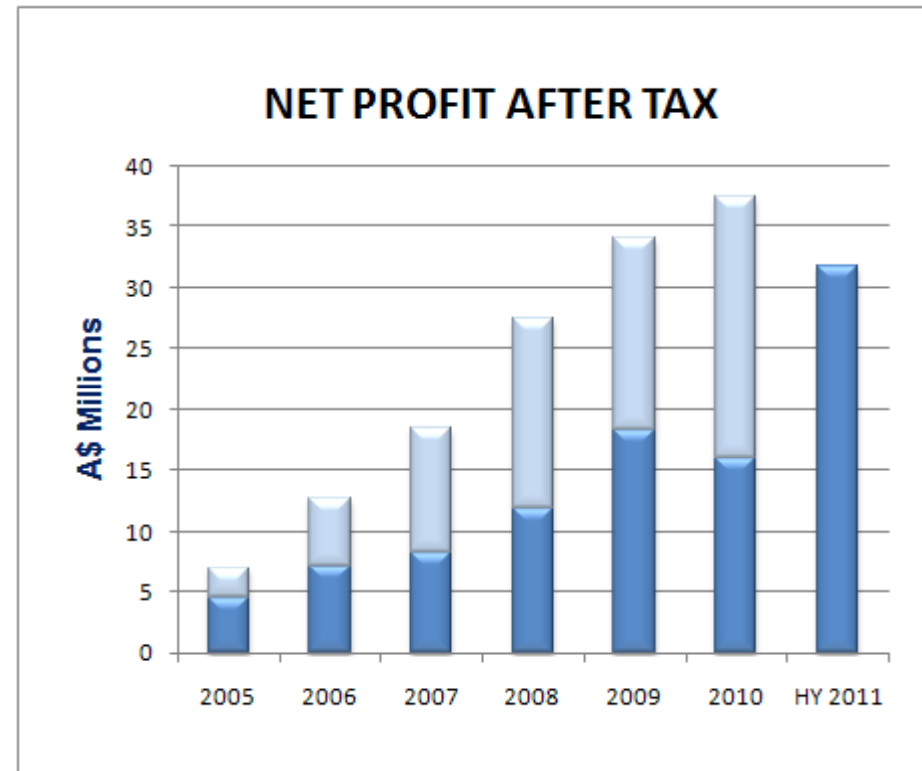
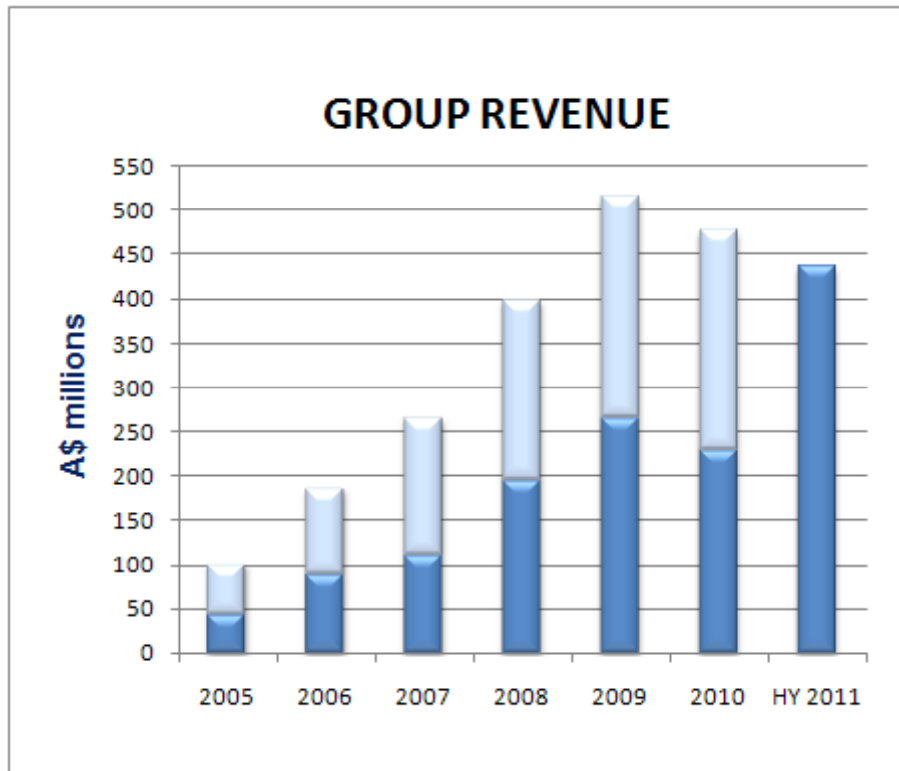
December 2010 Half Year financial highlights

	HY2011 \$m	HY 2010 \$m	% Change
Revenue from operations	436,375	228,621	↑ 91%
Fee revenue	289,471	173,821	↑ 67%
EBITDA	55,689	25,038	↑ 122%
EBITDA margin (%)	19.24%	14.40%	
Net profit before tax	47,423	19,183	↑ 147%
Net profit after tax	31,717	16,051	↑ 98%
Basic earnings per share (cents)	31.00	18.97	↑ 63%
Net operating cash flow	39,830	17,021	↑ 134%
EBITDA interest coverage	26.58	17.45	
Dividends per share (cents)	17.0	14.0	↑ 21%
Total assets	630,944	450,485	
Total liabilities	288,194	184,546	
Total equity	342,750	265,939	

Operating Segment Performance

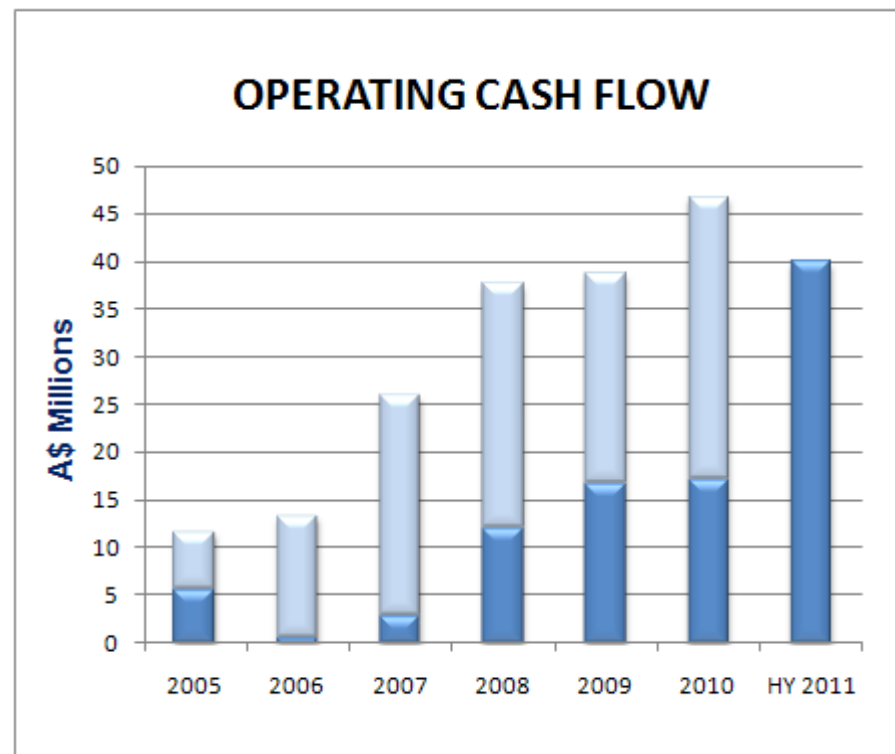
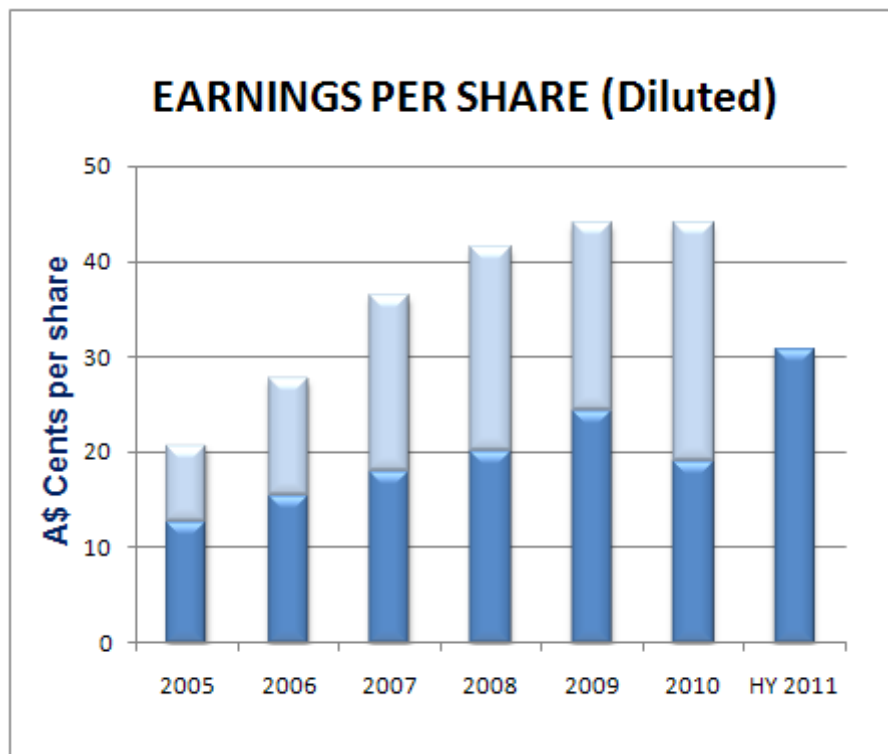
	Australia & NZ		Americas & Software		IDA	
	HY10	HY11	HY10	HY11	HY10	HY11
Fee revenue (\$000's)	101,111	119,483	31,125	132,951	40,811	35,892
Recoverable expenses (\$000's)	4,897	7,066	17,090	111,412	32,813	28,427
Total revenue	106,008	126,549	48,215	244,363	73,624	64,319
EBIT	15,917	16,324	2,223	32,787	2,140	1,627
Fee revenue margin	15.74%	13.66%	7.14%	24.66%	5.24%	4.53%

7 Year Performance History



Full Year
 Half Year

7 Year Performance History



Full Year
 Half Year



“Growth horizon strong – both organically and through value adding acquisitions”

Operations Review

Cardno's Core Business Segments

Australia/NZ

Half year revenue: \$126m
(up from \$105m)

- Building & Property
- Coastal, Ocean & Marine
- Environmental
- Management Services
- Mining, Resources & Energy
- Transportation
- Urban Development
- Water & Wastewater

Americas & Software

Half year revenue: \$244m
(up from \$48m)

- Building & Property
- Coastal, Ocean & Marine
- Environmental
- Management Services
- Mining, Resources & Energy
- Transportation
- Urban Development
- Water & Wastewater

International Development Assistance

Half year revenue: \$64m
(down from \$72m)

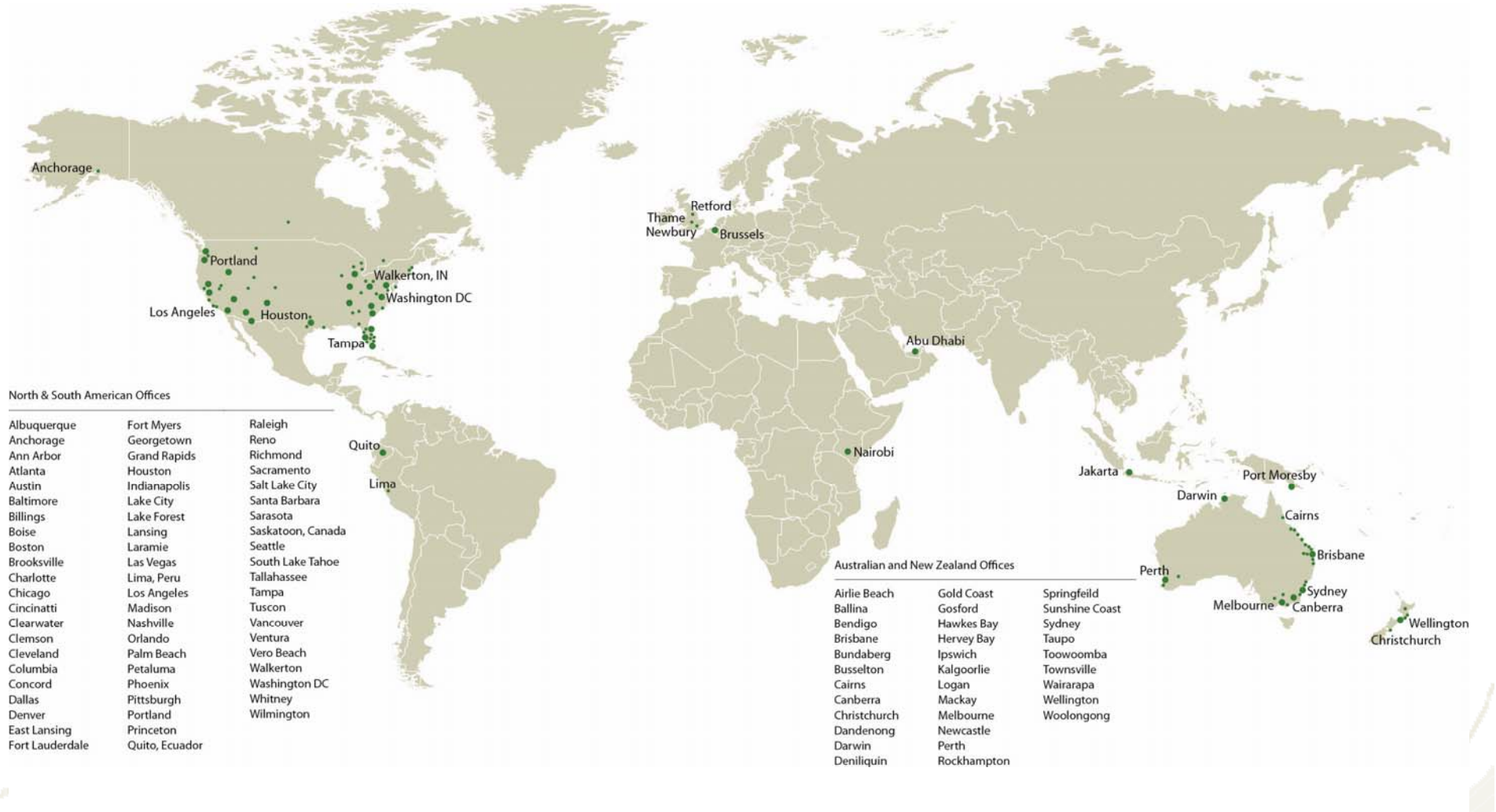
- **Emerging Market Services**
- Health & HIV/Aids
- Law and Justice
- Education
- Natural Resource Management
- Financial Sector
- Tourism Sector



Core businesses

-  Globally integrated professional services business with more than 4,000 people in 150 offices
-  Approximately 85% of staff are professionals and fee earning personnel
-  Primary disciplines of diverse engineering and management services, environmental sciences, CMT, social infrastructure delivery
-  Focus on developing and improving physical and social infrastructure for private and public sectors
-  Focus on Environmental Consulting markets is delivering strong growth

Expanding globally



Global Presence





Creating shareholder value

- EPS up 63% on pcp
(20.8% CAGR past 6 years to June 2010)
- Strong dividend at 17 cents, 70% franked
- Dividend up 21% on pcp
(18.4% CAGR past 6 years to June 2010)
- Total shareholder return since 2004 more than 600%
- Expanding through strong balance sheet and low net debt
- Low risk and proven growth strategy
- M & A prices paid are not too high
- Acquisitions are immediately EPS accretive

Large Project Wins – December 2010 HY

- Northern Link Tunnel (Legacy Way)
- Africa Partnerships
- Indonesia Partnership for de-centralisation
- PNG Electoral Support
- Major California Oil and Gas Environmental remediation
- Serbia Economic Assistance
- China Trade









Total gross revenue added is \$200m



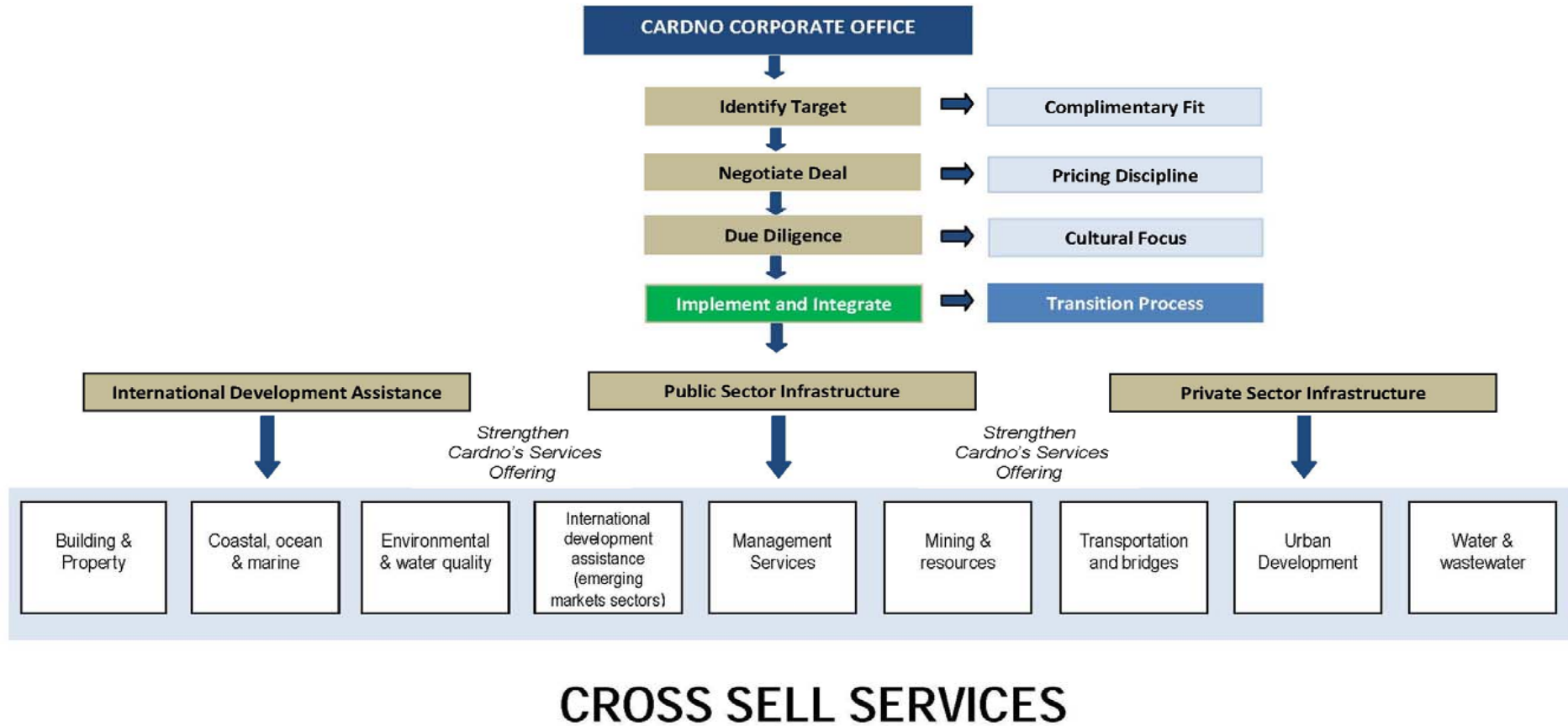
Strategy & Outlook



Growth strategy

-  Harness organic growth and M & A's to become world leader in infrastructure
-  Leverage recurring revenue streams through cross selling
-  Focus on strengthening core disciplines through strategic acquisitions and organic growth
-  Sustain historically high retention of principals
-  Foster / encourage high employee shareholding ($\approx 50\%$) to incentivise performance
-  Maintain risk-adverse balance between major and smaller projects

M & A Flow Chart





Cardno's competitive strengths

- M&A strategy that works
- Retention of key people
- Business unit and division structure is supportive to the business and attractive to merger partners
- Successful track record of cross selling services to generate organic growth
- Diversity of earnings across business sectors, clients and geographic locations mitigates risk and optimises growth opportunities
- Focus on maintaining balanced mix between short-term smaller projects and larger long-term projects
- Strong balance sheet to fund growth
- Significant strengthened presence in high growth global environmental services



Future outlook

- Public Infrastructure spending remains healthy
- Private sector expenditure shows growth in most regions
- International Development Assistance markets are stable and Cardno expects improved second half
- Opportunities to grow both by acquisition and organically through focus on growth sectors
- Merger & Acquisition opportunities in Australia and U.S. are under active consideration
- Cardno is well placed with cash and low gearing
- Second half FY11 to be robust due to improving conditions
- Second half profit to be slightly weaker than first half due to lower activity on oil spill

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