



Cardno

Shaping the Future

FULL YEAR RESULTS 2006/07

“GLOBAL INFRASTRUCTURE”

Presentation by:

Andrew Buckley, Managing Director

Jeff Forbes, Chief Financial Officer



Full Year 2006/07 Highlights

Performance

- Revenue increased by 42.1% to \$265.3 million
- Net profit after tax increased by 45.8% to \$18.47 million
- Earnings per share increased by 31.2% to 36.29 cents
- Eight acquisitions completed during the year, including expansion to U.S. & N.Z.
- Acquisitions added \$53.1 million to 2007FY revenues and around \$145m on a full year basis
- Final dividend of 12.5 cents payable in October
- Full year dividend of 22.5 cents up 18.4% on last year
- Market capitalisation - \$420m
- Grown to 2400 people from 1400 a year ago

Full Year 2006/07 Highlights (cont'd)

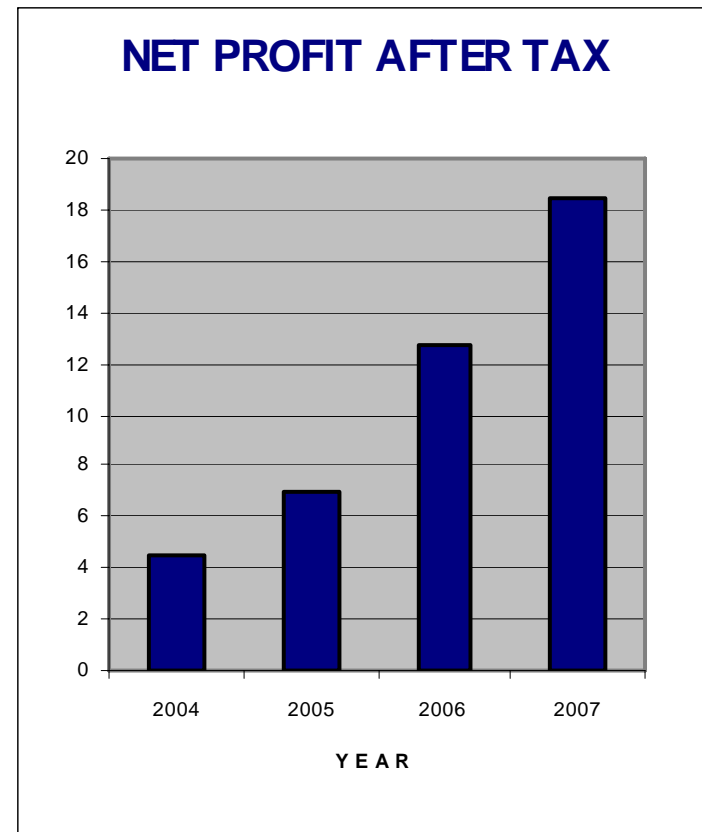
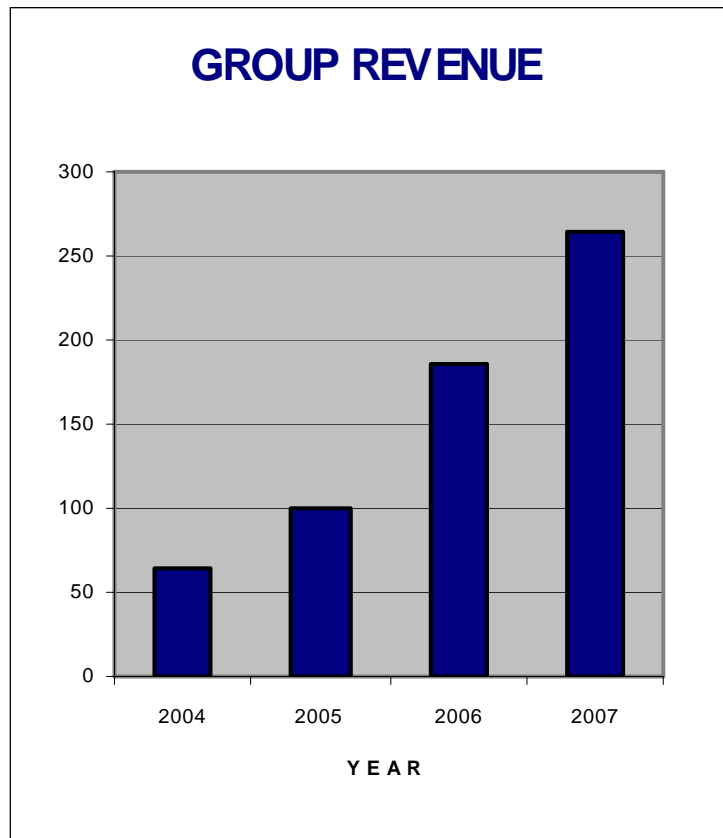
Mergers & Acquisitions

- Five acquisitions in Australia, four based on geography and one new discipline (Landscape Architecture)
- Three new partners are overseas, two in U.S.A. and one in New Zealand
- Integration of new partners is ongoing
- Achieved diversification objective
- Acquisitions provide platforms for future growth

Markets

- Australian infrastructure market remains very strong
- World economy is strong, physical infrastructure requirements are growing
- Global Development Assistance market also growing

4 Year Performance History



Projects

Gateway Bridge Duplication, Old, Aust



PNG Electoral Support Program, PNG



Whitby Development, Wellington, New Zealand

Gold Coast Desalination Plant, Gold Coast, Old, Aust



Al Anbar Workers City, Dubai, UAE



Sacramento Water Resources, California, USA



Land Titling & Economic Restructuring Project, Afghanistan

Cabela's, Retail Store, Glendale, Arizona, USA



Core Business

Cardno delivers a diverse range of professional services in physical and social infrastructure development

Physical Infrastructure:

- Building and Property
- Coastal, Ocean and Marine
- Environment and Water Quality
- Urban Development
- Management Services
- Transport & Traffic
- Water and Wastewater
- Geotechnical
- Planning G.I.S.
- Landscape Architecture

Social Infrastructure:

- Law and Justice
- Health
- Governance
- Education
- Rural Development
- Natural Resource Management
- Institutional Strengthening
- HIV / AIDS
- Post Conflict
- Finance and Economics

Location of Operations



● Permanent Cardno group offices

Strategy and Competitive Advantage

▪ **Growth and Diversification via Merger / Acquisition Strategy**

Cardno has developed a merger and acquisition strategy that works:

- Complementary businesses with new geographical and/or skills coverage
- Minimal overlap with existing businesses
- Focus on retention of staff
- Effective acquisition process with robust due diligence
- Focus on adding value through cross selling for organic growth

▪ **Continuous Integration of New Partners**

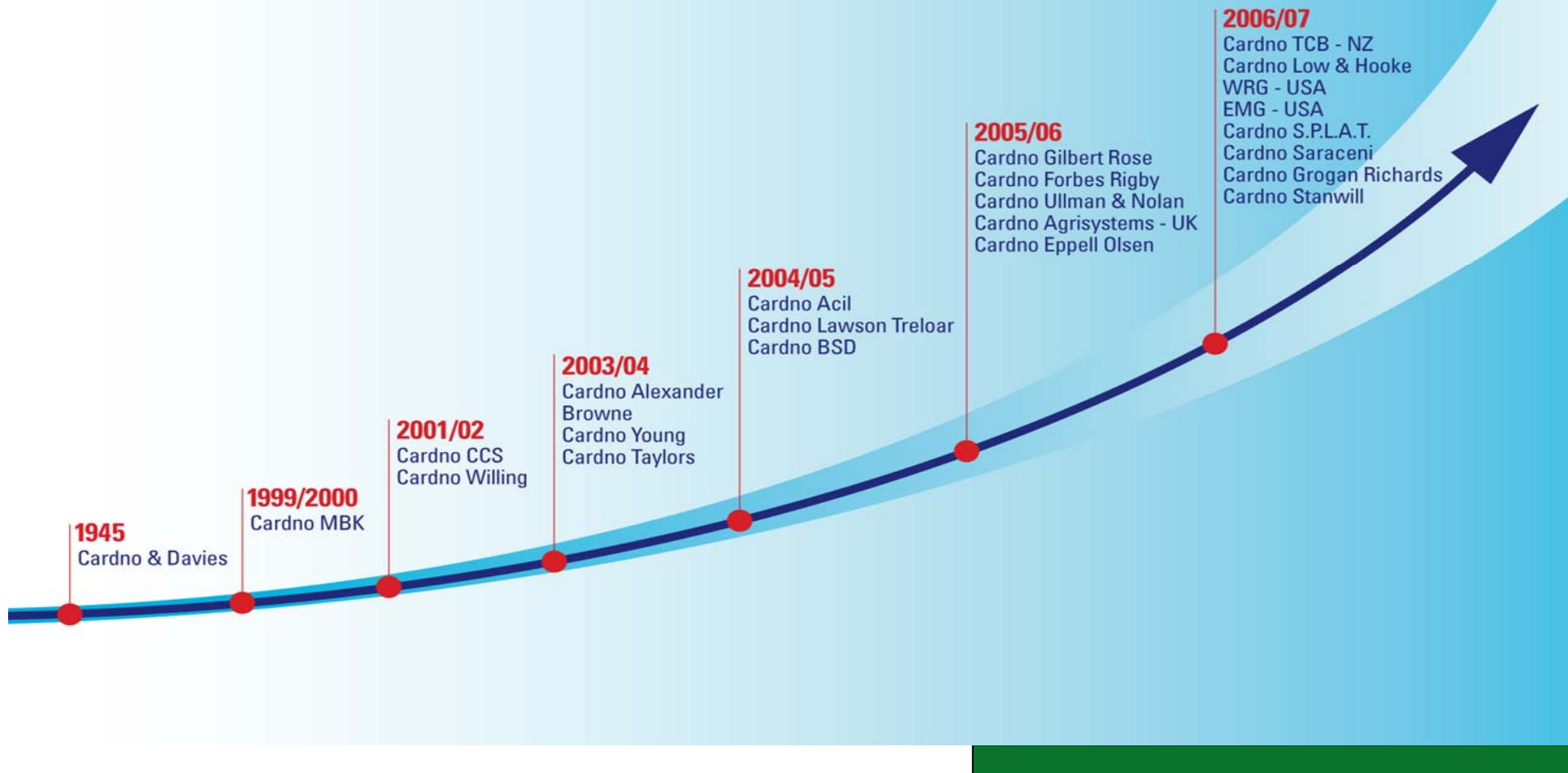
- Brand integration
- Accounting and job cost integration
- Focus on knowledge sharing and cross sell

▪ **Business Unit and Division Structure**

Cardno's strategy is to focus our Business Units on groups of clients with the objective of developing strong, long lasting client relationships and a high proportion of repeat business.

MERGER/ACQUISITION HISTORY

Record of successful mergers and acquisitions



Recent Acquisitions

EMG - USA

- Emerging Markets Group - MBO from Deloitte in 2004
- Undertakes social infrastructure projects in developing countries
- Washington D.C. base, offices in London and Brussels
- Major clients – USAID, MCC, DFID, E.C.
- US\$50m revenue, 350 people

WRG Design - USA

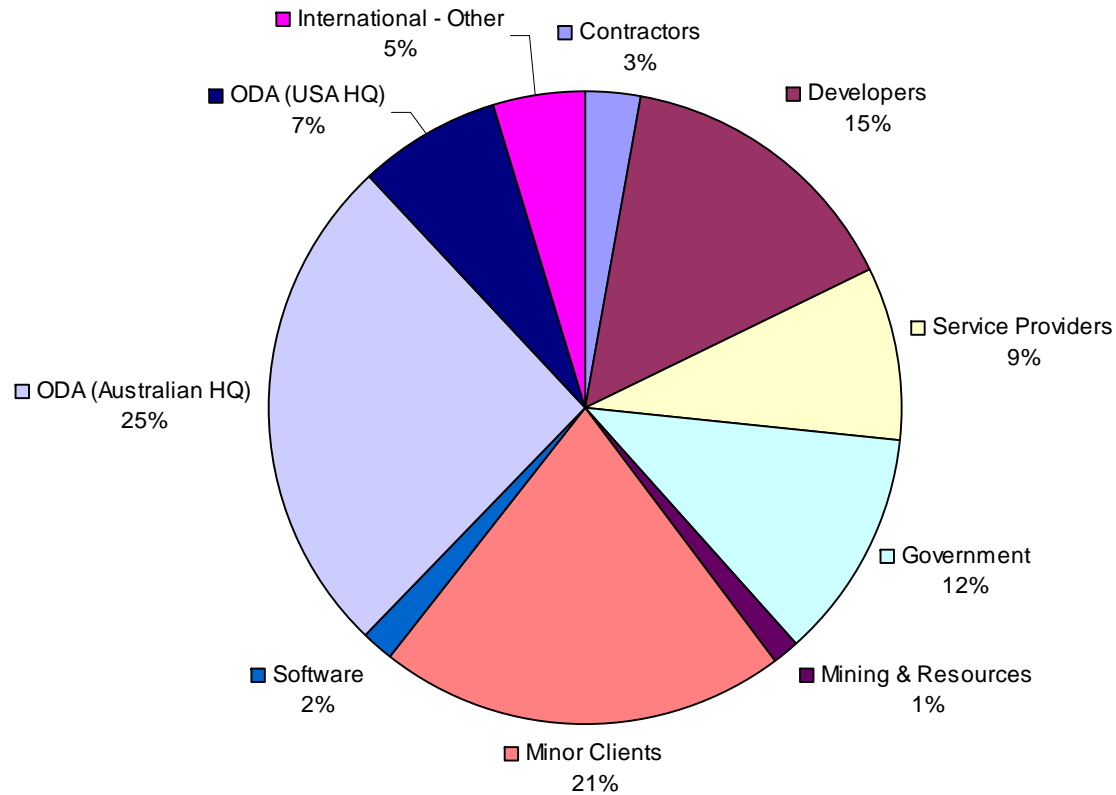
- Provides physical infrastructure services – planning, surveying, engineering, landscape architecture
- Offices at Portland, OR (headquarters); Boise, ID; Sacramento, CA; Las Vegas, NV; Phoenix, AZ; Charlotte, NC.
- US\$45m revenue, 380 people

Cardno TCB – New Zealand

- Provides physical infrastructure services – planning, surveying, engineering, civil
- 6 New Zealand offices, Wellington headquarters
- 80 year track record, solid market presence
- A\$9m revenue, 110 people

Source of Fee Revenue

As a proportion of total fees earned for 2006/07



* Note: Approximation based on fees from services and sale of goods

ODA is Official Development Assistance including fees earned from work managed from Australian or USA Headquarters

"International Other" represents fees earned from off-shore projects for non-ODA clients

"Minor clients" represents fees earned from all clients that generated less than \$100,000 in fees during 2007FY

"Software" represents the revenue generated by XP Software related income during 2007FY

Remaining segments represent fees earned from major Australian based clients i.e. a client that generated \$100,000 or more in fees during 2007FY

Board of Directors



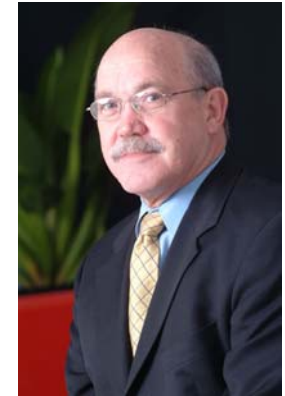
Chairman & Non-Executive Director
John Massey, *BCom, CPA, FAICD (Life), FAIM*



Managing Director
Andrew Buckley, *BE (Hons), FIEAust, FAICD, CPEng, RPEQ*



Non-Executive Director
Gen Peter Cosgrove (Retd) AC, MC
ndc(Ind), issc psc(US), Dip Mil Stud, MAICD



Non-Executive Director
Ian Johnston, *DipCM, ASIA, ACIS, FAICD*



Deputy Chairman & Executive Director
Graham Tamblin, *Dip CE, MIEAust, CPEng, FAICD, RPEQ*



Executive Director, Chief Financial Officer and Company Secretary
Jeff Forbes, *BCom, MAICD, MAusIMM*

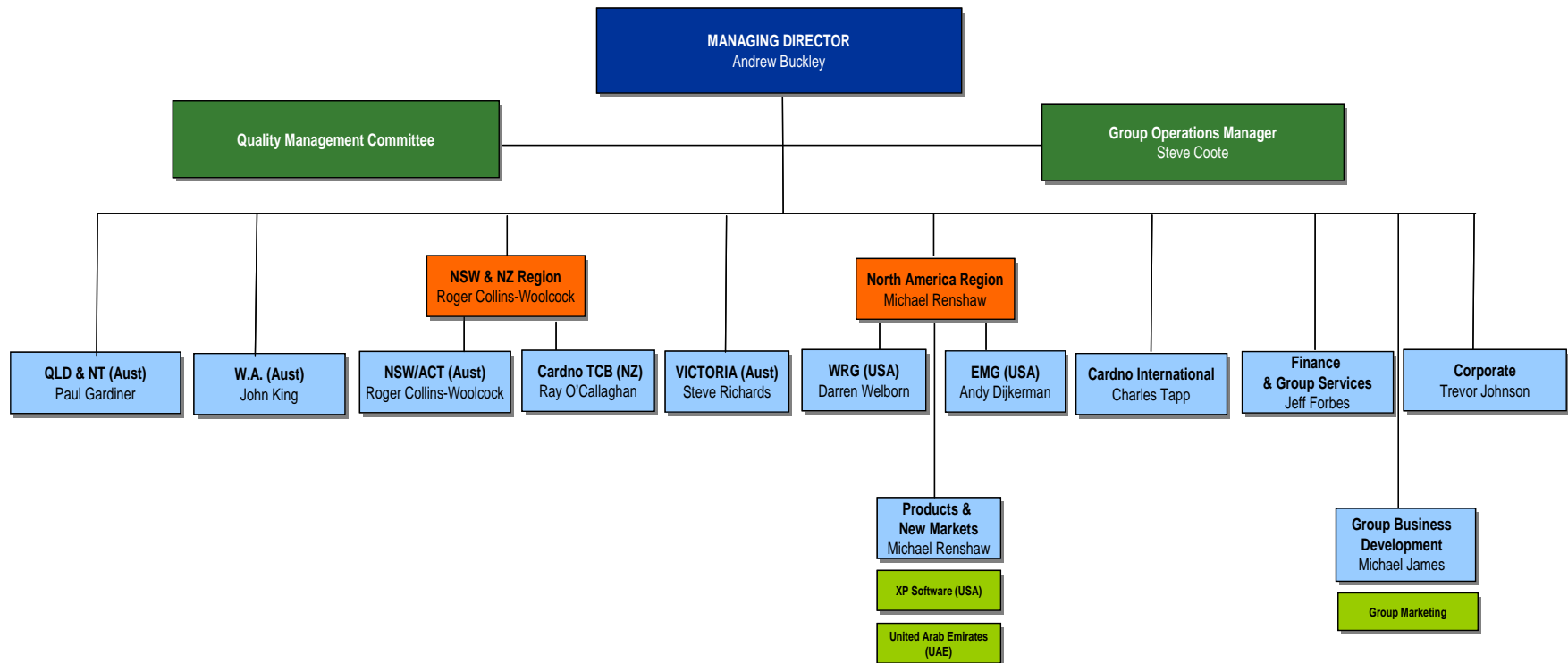


Executive Director
Dr Trevor Johnson, *BE, MEngSc, PhD, MIEAust, CPEng, RPEQ, MAICD*



Executive Director
James Verco, *BE, MEngSc, FIEAust, CPEng, FAICD*

Cardno Group – Management Structure



Shareholder Value

- Share price growth
 - \$1.00 listing price in May 2004 to \$7.25 at 31/8/07

- Dividend payable
 - 12.5 cents final dividend payable 5 October 2007, up from 10 cents in October 2006
 - Full year dividend at 22.5 cents up from 19 cents for the 2006 year

- Capital Management
 - Net debt is comfortable at \$43.8m, Net Debt to Equity ratio of 39%
 - Continuous review of funding options

Full Year 2006/07 Results - Comparison

	Consolidated for the 30 June Years	
	As at 30 Jun 2007 \$'000	As at 30 Jun 2006 \$'000
Total Revenue	265,303	186,753
Less Recoverables & Other	54,057	36,880
Fee Revenue	211,246	149,873
Earnings before interest expense, tax and amortisation (EBITA)	27,297	21,996
Amortisation of intangibles	159	314
Earnings before interest expense and tax (EBIT)	27,138	21,652
Interest expense	2,103	3,527
Net profit before tax	25,035	18,125
Income tax expense	6,567	5,462
Net profit after tax	18,468	12,663
Earnings per Share - basic	37.29	31.37
Earnings per Share – diluted	36.29	27.67
Dividend per Share	22.5	19.0

Full Year June 2007 Balance Sheet

	June 2007 \$'000	June 2006 \$'000
Total Current Assets	133,855	70,358
Total Non-Current Assets	132,858	66,303
TOTAL ASSETS	266,713	136,661
Total Current Liabilities	124,928	47,053
Total Non-Current Liabilities	30,535	43,354
TOTAL LIABILITIES	155,463	90,407
NET ASSETS	111,250	46,254
FINANCIAL RATIOS		
Current Ratio ¹	1.07	1.50
Gearing Ratio ²	.22	.48
Debt to Equity Ratio ³	1.40	1.95
Note 1: The Current Ratio is Current Assets ÷ Current Liabilities Note 2: The Gearing Ratio is Long Term Liabilities ÷ (Shareholders Equity + Long Term Liabilities) Note 3: The Debt to Equity Ratio is Total Liabilities ÷ Shareholders Equity		

Statement of Cash Flows

	As at 30 Jun 2007 \$'000	As at 30 Jun 2006 \$'000
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	25,822	13,357
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	(62,895)	(16,222)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	36,868	(25,847)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD	(205)	(28,712)
CASH AND CASH EQUIVALENTS AT 1 JULY	15,679	44,391
CASH AND CASH EQUIVALENTS AT 30 JUNE	15,474	15,679

Future Outlook

- Major infrastructure requirements especially in Queensland and Western Australia
- International development / aid market growing, Cardno leadership is strong
- Strategy is to continue organic and acquisition growth
- Strategy is also to maximise benefits from new markets in U.S. & N.Z.
- Acquisition integration is ongoing and provides opportunity for growth
- Merger and acquisition pipeline remains healthy

Cardno v S&P / ASX 300 and Small Ordinaries From Jul 06 – Sept 07



Conclusion

- A leading Australian infrastructure services company operating over 60 years
- Global infrastructure markets are strong
- Strong growth profile coupled with an attractive dividend yield
- Diversity of earnings across a number of business sectors and geographic locations
- New growth fronts in U.S. in Physical Infrastructure and Social Infrastructure
- Opportunities for further growth are substantial