



**Cardno**

Shaping the Future



# CARDNO LIMITED

Fund Raising Presentation  
November 2007

*“Cardno’s vision is to be a world leader in the provision of professional services for the improvement of physical and social infrastructure.”*

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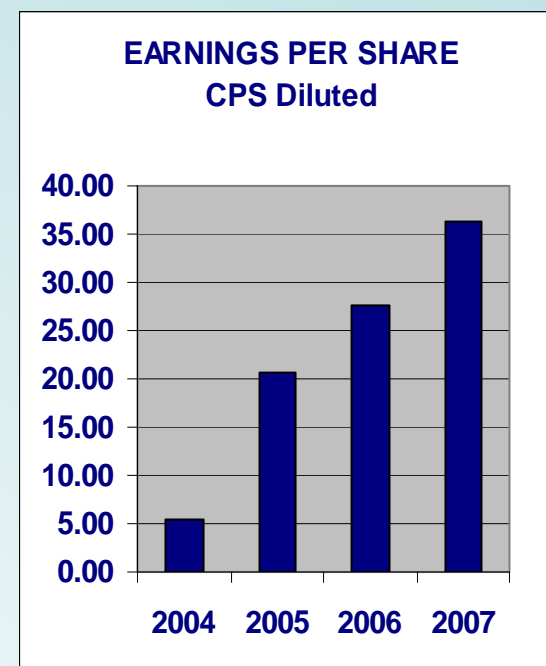
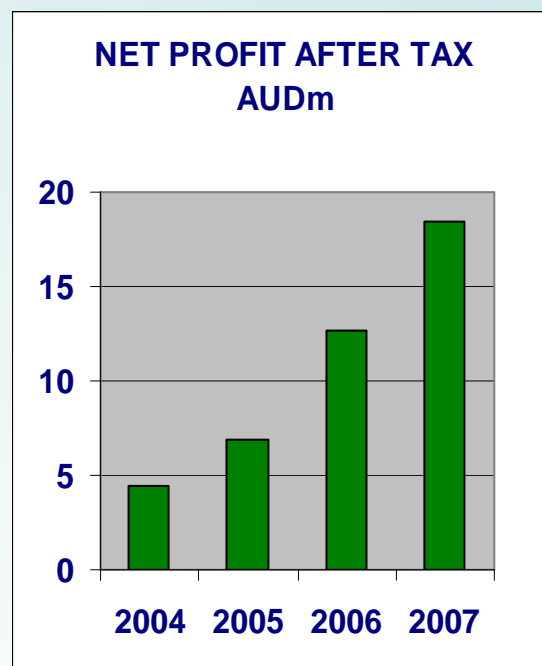
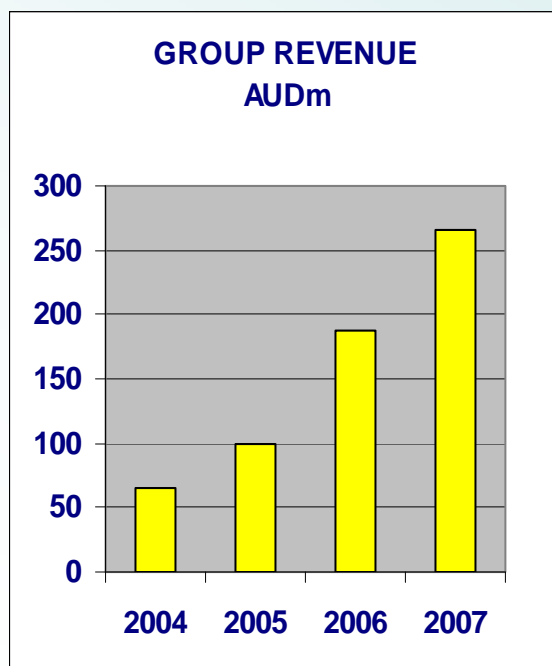
## Executive Summary

- Operating track record extending back over 60 years
- Strong historical revenue and earnings growth
- Around 2,600 employees in more than 45 offices both in Australia and overseas
- A diversity of earnings across a number of business sectors, clients, and geographical locations
- Eight acquisitions in 2006/07, two in U.S., one in N.Z. increasing diversification
- Cardno Buckland acquired September 2007 increasing exposure to the resources sector
- Strong results for June 2007 Financial Year
- Net profit after tax increased by 45.8% to \$18.47 million in 2006/07
- Strategy to grow company organically and by acquisition to continue
- Currently looking to raise circa \$50 million to increase acquisition capacity

## Cardno Limited – Security Details

- Listed on ASX May 2004 @ \$1.00 – (ASX Code: CDD)
- Shares closed at \$7.60 and convertible notes at \$7.40 on 12 November 2007
- Market capitalisation as at 12 November - \$442.96 million
- 58.214 million shares on issue and 1.614 million convertible notes
- Top 20 shareholders hold 38%; Top 50 shareholders hold 55%
- Largest shareholder is Perpetual Trustees approximately 10%
- Executive Directors hold around 10%
- Staff hold around 60% of shares pre-placement

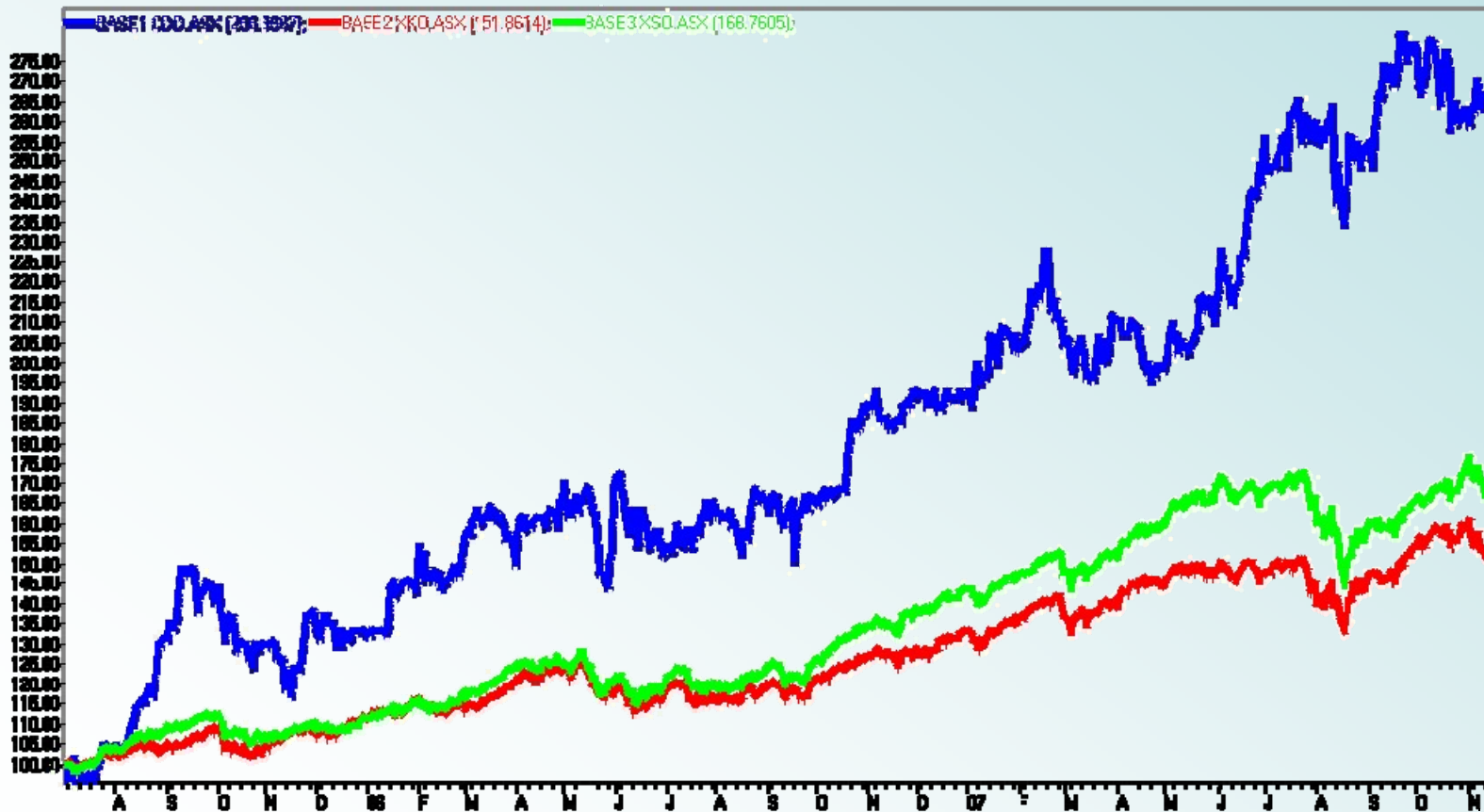
## 4 Year Performance History





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## Cardno v S&P / ASX 300 and Small Ordinaries From Jul 05 – Nov 07



## Cardno's Opportunity

- Cardno is well positioned in strategic growth sectors for both organic and acquisitive growth
  - Australian Infrastructure
  - Global Infrastructure
  - Social Infrastructure
  - Expansion into Resources Sector
- Risk mitigation via client, market sector and geographic diversification and leverage base through cross-selling on growing services
- Proven track record in successful implementation of acquisitions

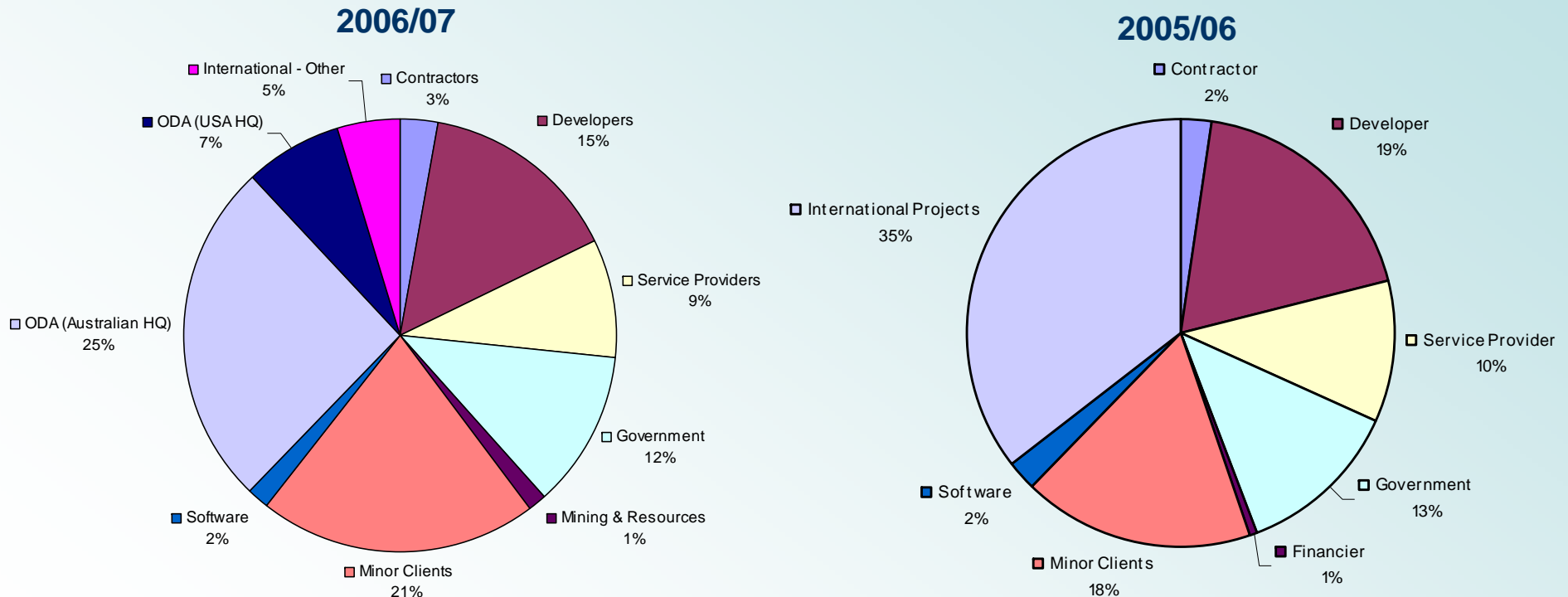
## Operating Outlook - Infrastructure

- Exposure to strong Physical Infrastructure markets
  - Queensland
  - Western Australia
  - New South Wales / Victoria – poised for recovery
  - United Arab Emirates
  - Gateway Bridge Duplication, Gold Coast Desalination Plant
- Social Infrastructure
  - Growing Development Assistance expenditure in Australia, U.S., U.K., and Europe
  - Ability to leverage off global representation
  - Major projects in over 60 countries

# Operating Outlook – Risk Mitigation

- Diversity of clients, market sectors and geographical coverage

Source of Fee Revenue - as a proportion of total fees earned



\* 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 Australian 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



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## Operating Outlook – Acquisition Capability

Successful acquisition track record

- Strategy
- Opportunity
- Discipline
- Cultural Alignment
- Price Competitiveness
- Staff Loyalty – cash and shares mix



## Capital Raising

|                             |   |
|-----------------------------|---|
| <b>Type of Transaction</b>  | Placement of new shares to domestic and international institutions and sophisticated investors to be followed by an SPP   |
| <b>Size</b>                 | Approximate size of A\$40.8m – A\$43.2m (6.0m shares) based on the bookbuild range to be followed by a Share Purchase Plan  |
| <b>Pricing</b>              | Price range of A\$6.80 – A\$7.20 (shares are issued pari passu)<br>5.2% - 10.5% discount to close on 12 November 2007 (A\$7.60)<br>Final price will be determined at the close of the bookbuild |
| <b>Selling Restrictions</b> | Placement shares offered to institutions and sophisticated investors in Australia, Asia, United Kingdom and United States   |
| <b>Use of Proceeds</b>      | The net proceeds of the Placement and SPP will strengthen Cardno's capacity and flexibility to pursue its acquisition and growth strategy and allow reduction in the debt facility.             |
| <b>Lead Manager</b>         | ABN AMRO Morgans Limited  |

## Fund Raising Details

| Detail  | Million         |
|---|-----------------|
| Share Placement*                                  | \$40.8 - \$43.2 |
| Share Purchase Plan**                             | \$6.4 - \$10.6  |
| Funds Raised                                      | \$47.2 - \$53.8 |
| Net Debt 30 September 2007                        | \$53.7          |
| Net Debt after Fund Raising                       | \$6.5 – (\$0.1) |
| *Based on 6 million shares \$6.80 - \$7.20        |                 |
| ** 30% - 50% of shareholders (4,241 shareholders) |                 |
| <b>Shares on Issue:</b>                           |                 |
| 12 November 2007                                  | 58.3            |
| - Placement                                       | 6.0             |
| - SPP   | 0.9 – 1.5       |
| Total Shares on Issue                             | 65.2 – 65.8     |

## Fund Raising Rationale

The net proceeds of the Placement and SPP will strengthen Cardno's capacity and flexibility to pursue its acquisitions and growth strategy and allow it to reduce its current debt facility while broadening Cardno's shareholder base.

## Timetable

| <b>Indicative Timetable (all times are Brisbane time)</b> |   |
|---|---|
| <b>Trading Halt</b>                                       | Tuesday 13 November – Wednesday 14 November |
| <b>Institutional bids due</b>                             | By 10.00am Wednesday 14 November            |
| <b>Allocations advised</b>                                | By 1.00pm Wednesday 14 November             |
| <b>Placement confirmations and CARD Forms returned</b>    | By 5.00pm Wednesday 14 November             |
| <b>Placement announced</b>                                | By 9.00am Thursday 15 November 2007         |
| <b>Cardno resumes trading</b>                             | Thursday 15 November 2007                   |
| <b>SPP record date</b>                                    | Friday 23 November 2007                     |
| <b>Placement settlement (T+3)</b>                         | Tuesday 20 November 2007                    |
| <b>Quotation of placement shares</b>                      | Wednesday 21 November 2007                  |
| <b>Dispatch of SPP documentation</b>                      | Wednesday 28 November 2007                  |
| <b>SPP closes</b>   | Monday 17 December 2007                     |
| <b>Allotment and issue of SPP shares</b>                  | Monday 24 December 2007                     |
| <b>Quotation of SPP shares</b>                            | Friday 28 December 2007                     |

*These dates are indicative only and subject to change*

## 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 and funds raised will increase capacity