

HALF YEAR RESULTS DECEMBER 2007



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December 2007 Half Year Highlights



Performance

- Revenue increased by 76% to \$195million for the half year
- Net profit after tax increased by 44% to \$11.9 million
- Earnings per share (diluted) increased by 21% to 19.59 cents
- Half year dividend up 30% to 13 cents payable in March (record date 14 March 2008)
- Cardno Buckland acquisition completed during the half year, increasing resources sector penetration
- \$65m raised through Placement and SPP
- Capital raising provides warchest for acquisitions and improves liquidity
- Grown to 2600 people from 1600 a year ago
- Recent acquisition of Bowler Geotechnical adds a further 230 people and expected 2008 FY EBIT of \$10m (annualised)



December 2007 Half Year Highlights (contd)



Mergers & Acquisitions

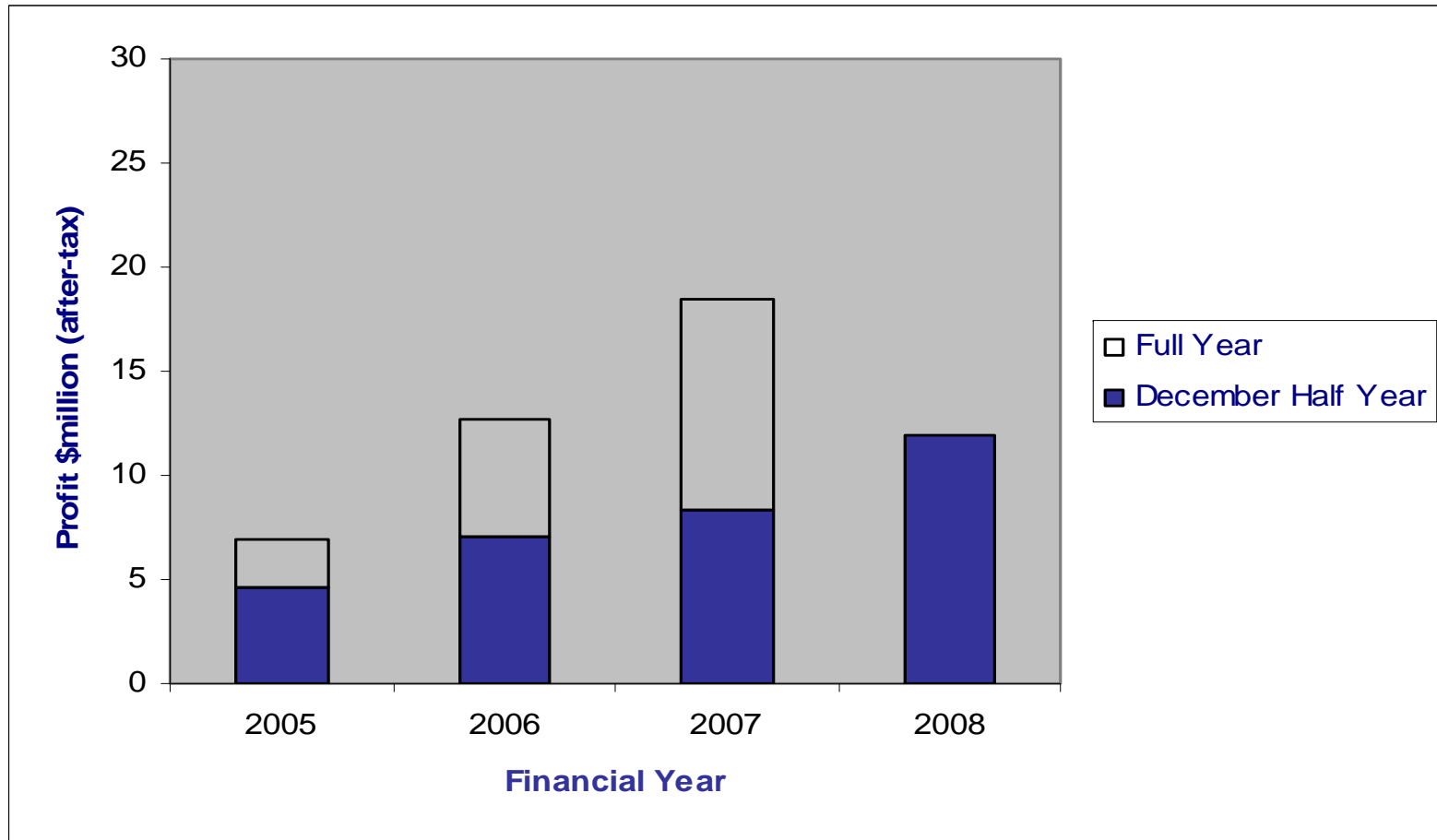
- Acquisition of Cardno Buckland adds resources capability in structural engineering
- Post December acquisition of Bowler Geotechnical adds new capability, \$35m in revenue and \$10m EBIT (annualised) with an effective date of 1 January 2008
- Cardno Bowler and Cardno Buckland give significant cross sell opportunities in locations across Australia

Markets

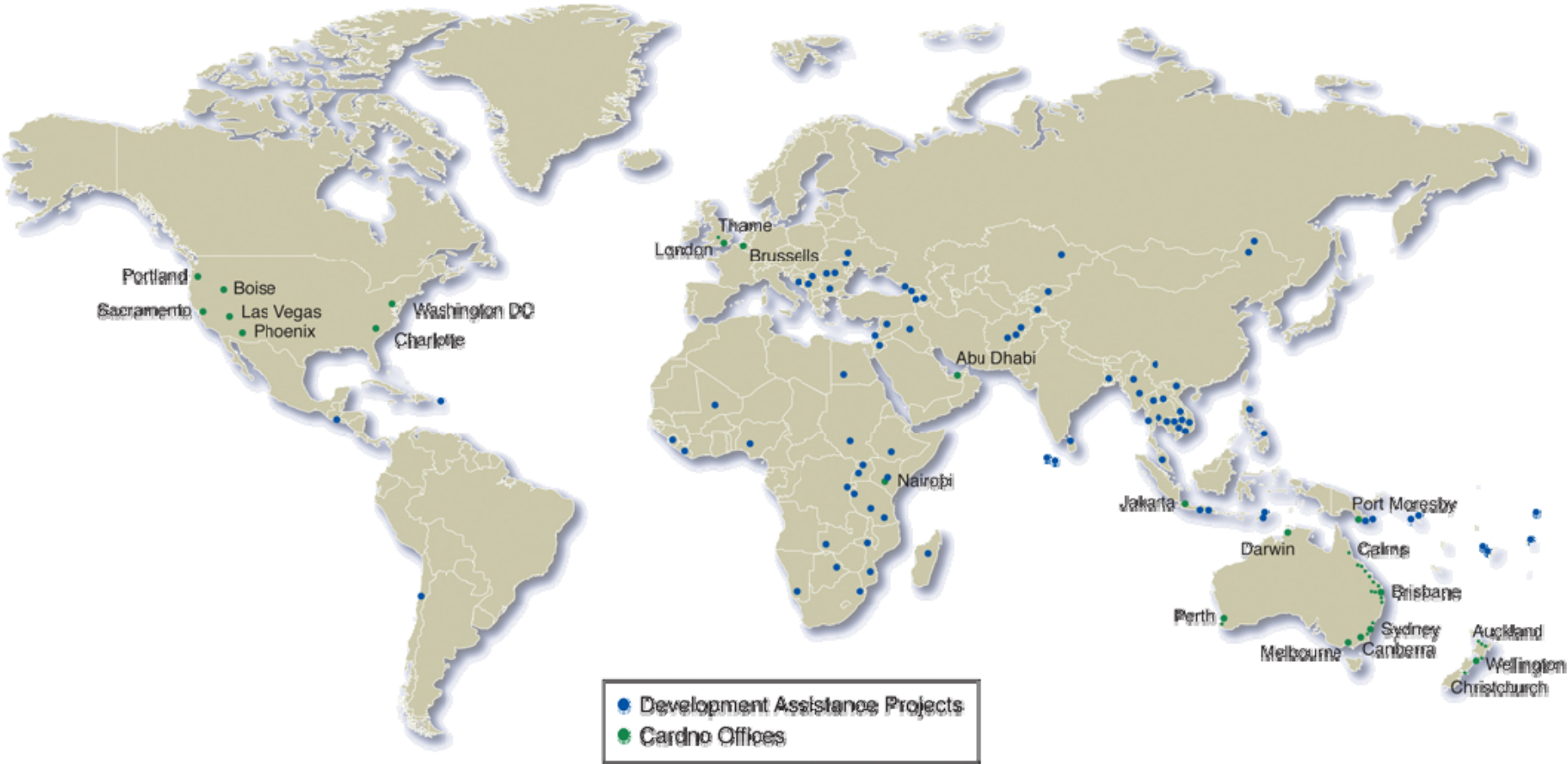
- Australian infrastructure market remains very strong
- World economy remains strong, despite U.S. slowdown
- Global Development Assistance market also growing – Australian Federal Government has committed to grow ODA funding



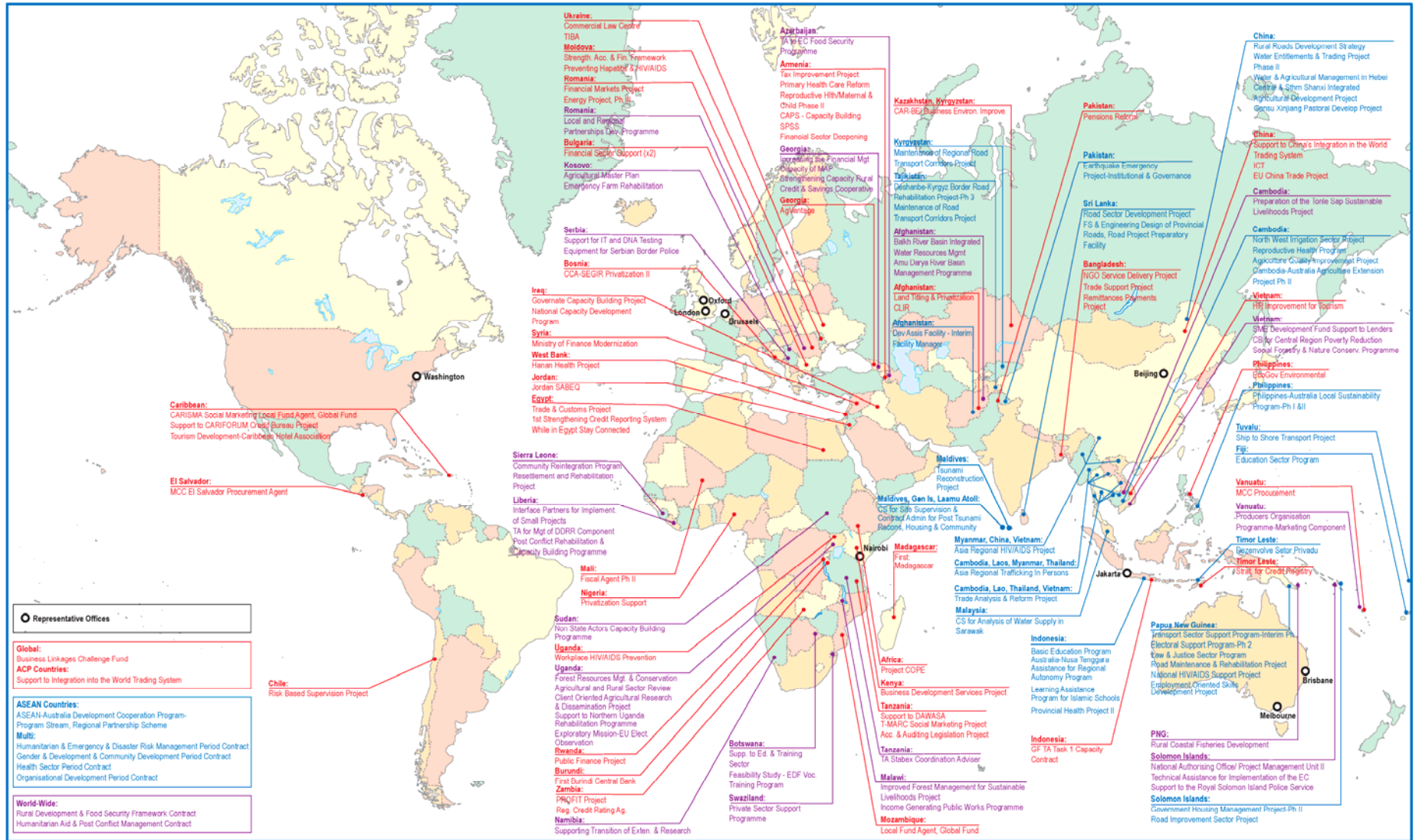
Profit Growth – 2005 to 2008



Global Presence



Current Project Locations for Cardno Acil, Cardno Agrisystems and Emerging Markets Group



Last Updated: September, 2007 periodically by Cardno Acil - DTP

● Cardno Acil Projects

● Cardno Agrisystems Projects

● EMG Projects

Australian Projects



Bale, Port Douglas, Qld



Port Geographe, WA



Gateway Bridge Duplication, Qld



Rail Bridge over Murrumbidgee River, Wagga Wagga, NSW
Reproduced with permission of Arenco, Construction Contractor for the project.



Gold Coast Desalination Plant, Gold Coast, Qld



Yandicoogina Mine 36 Mtpa, W.A.



12 Apostles Visitor Amenity Centre, Port Campbell, Vic



International Projects



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



NGO Service Delivery Program, Bangladesh



Al Anbar Low Cost Housing, UAE



Second Provincial Road Improvement Project, Sri Lanka



Community Reintegration Program, Sierra Leone



Whitby Development, Wellington, New Zealand



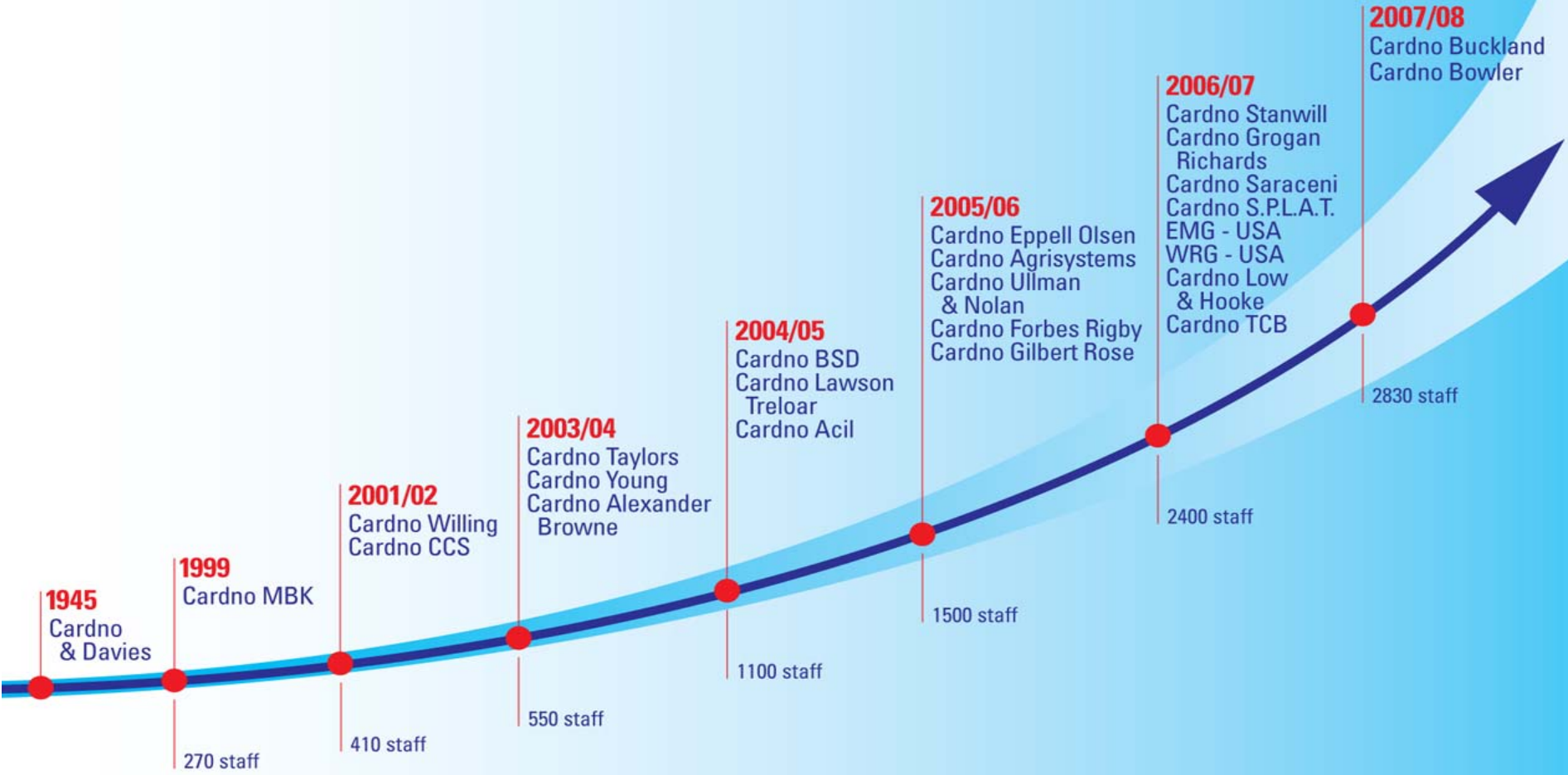
Land Titling & Economic Restructuring Project, Afghanistan



Merger / Acquisition History



Record of successful mergers and acquisitions



New Acquisition



Bowler Geotechnical

- Cardno Bowler is a geotechnical consulting and materials testing business
- 230 people, 16 permanent labs, 16 mobile labs largely in Queensland, New South Wales and Victoria
- Purchase price \$44.7 million, around 50/50 cash and shares
- Key owners / management are staying and taking Cardno shares
- 2008FY expected annualised revenue \$35m
- 2008FY expected annualised EBIT \$10m
- Effective date 1 January 2008
- Significant cross selling opportunities with Cardno offices



December 2007 Results - Comparison



Consolidated for the 31 December Half Years		
	Dec 2007 \$'000	Dec 2006 \$'000
Total Revenue	195,754	111,077
Less Recoverables & Other	(39,691)	(19,734)
FEE REVENUE	156,063	91,343
Earnings before interest expense, tax and amortisation (EBITA)	20,708	14,020
Amortisation	1,450	1,278
Earnings before interest expense and tax (EBIT)	19,258	12,742
Interest expense	2,086	1,288
Net profit before tax	17,172	11,454
Income tax expense	5,257	3,168
NET PROFIT AFTER TAX	11,915	8,286
Earnings per Share - basic (impact of conversion of convertible notes)	20.01	17.86
Earnings per Share – diluted	19.59	16.15
Dividend per Share	13.00	10.00



December 2007 Results – Margin Comparison



	Half year Dec 2007	Half Year June 2007
Fees from Services and Sale of Goods (\$000's)	\$156,063	\$119,903
EBIT (\$000's)	\$19,258	\$14,396
Profit Before Tax (\$000's)	\$17,172	\$13,581
Net Profit (\$000's)	\$11,915	\$10,182
EBIT Margin	12.3%	12.0%
PBT Margin	11.0%	11.3%
Net Profit Margin	7.6%	8.5%



December 2007 Balance Sheet



	Dec 2007 \$'000	Jun 2007 \$'000
Total Current Assets	191,895	133,855
Total Non-Current Assets	136,481	132,858
TOTAL ASSETS	328,376	266,713
Total Current Liabilities	124,475	124,928
Total Non-Current Liabilities	18,647	30,535
TOTAL LIABILITIES	143,122	155,463
NET ASSETS	185,254	111,250
FINANCIAL RATIOS		
Current Ratio	1.54	1.07
Gearing Ratio	0.09	0.22
Debt to Equity Ratio	0.77	1.40
<p>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</p>		



Operating Outlook - Infrastructure

- Exposure to strong Physical Infrastructure markets
 - Queensland
 - Western Australia
 - New South Wales / Victoria – improving markets
 - 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



Cardno's Strategy



- Cardno is well positioned in strategic growth sectors for both organic and acquisitive growth
 - Australian Infrastructure
 - Global Infrastructure
 - Development Assistance and Social Infrastructure
 - New cross-selling opportunities
- Risk mitigation via client, market sector and geographic diversification
- Proven track record in successful implementation of acquisitions
 - Target companies with complementary fit
 - Retain key people with cash and share mix
 - Integrate brand and back office functions
 - Cross-selling for strategic upside



Conclusion

- A leading Australian infrastructure services company operating over 60 years
- Global infrastructure markets are strong, despite U.S. slowdown
- Strong growth profile coupled with an attractive dividend yield
- Diversity of earnings across a number of business sectors and geographic locations
- Cardno Bowler acquisition expected to add \$10m EBIT (annualised)
- New growth fronts in Australian and International markets
- Opportunities for further growth are substantial and more funding capacity available



APPENDIX



Introduction to Cardno Limited



- Operating track record extending back over 60 years
- Strong historical revenue and earnings growth
- Around 2830 employees in more than 60 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 Bowler and Cardno Buckland acquired in 2007/2008 adding around \$40m in revenue and more than \$10m in EBIT on an annualised basis
- Strong results for December 2007 Half Year
- Net profit after tax for the half year increased by 44% to \$11.9m
- Placement and SPP successfully completed in December 2007 raising \$65m
- Strategy to grow company organically and by acquisition to continue



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 Engineering & Testing
- Planning, G.I.S.
- Landscape Architecture
- Resources Structures

Social Infrastructure:

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



4 Year Performance History

