

HALF YEAR RESULTS DECEMBER 2008

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December 2008 Half Year Highlights

Performance

- Revenue increased by 36% to \$266m.
- EBITDA up by 41% to \$33.1m.
- Net profit after tax increased by 53% to \$18.3m.
- Earnings per share increased by 21% to 24.17 cents.
- Half year dividend of 14 cents payable 25th March.
- Three acquisitions completed since June 30.
- Balance sheet strong, net debt at \$56m (22% net debt:equity). Debt matures June 2011.
- Operating cash flow strong at \$16.7m, cash on hand at December \$47m.
- No asset impairment, rigorously tested.



December 2008 Half Year Highlights

Mergers & Acquisitions

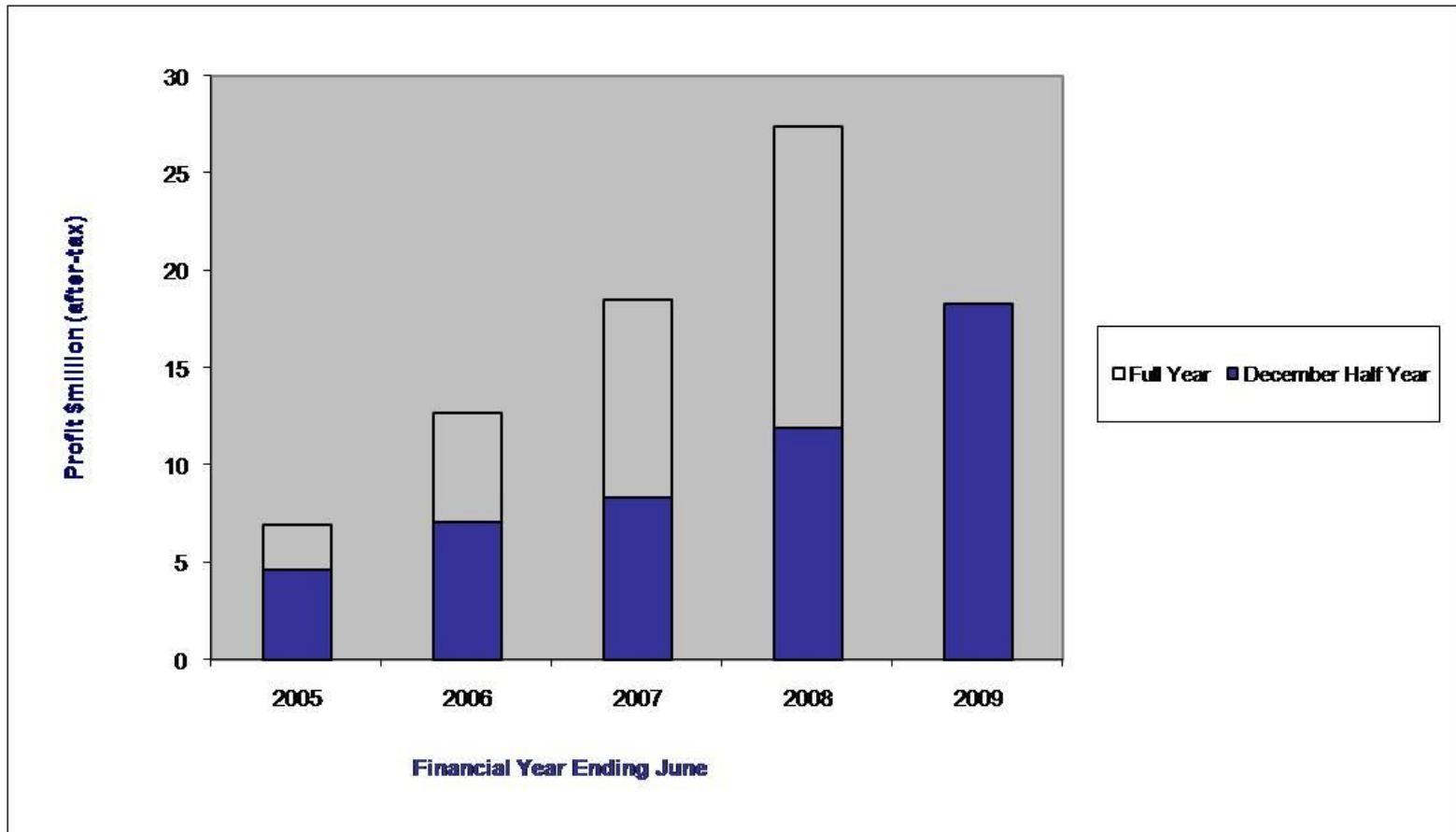
- Acquisition of The Ecology Lab (marine and freshwater ecology consultants), Spectrum Survey & Mapping (survey & mapping consultants).
- Acquisition of Florida based TBE adds new capability, US\$60m in revenue and US\$6.5m EBIT (annualised) with an effective date of 15 September 2008.
- Our recent acquisitions give significant cross sell opportunities in locations across Australia and the United States.

Markets

- World economic growth has slowed significantly.
- Australian and US Public sector infrastructure markets remain sound boosted by stimulus packages.
- Private sector has slowed, especially in urban development.
- International Development Assistance market opportunities remain strong.



Profit Growth – 2005 to 2009





Cardno Approach to Economic Downturn

- Cardno diversity mitigates risk, and not exposed to project and construction risk.
- Balance sheet is strong with a net debt of only \$56m.
- Continued focus on efficiency, cost staff resources and cash management.
- Focus on cross selling and integration to improve revenue performance.
- Positioned well to take advantage of Australia and U.S.A. stimulus packages.
- Merger & Acquisition activity has slowed, but opportunities are expected to present at lower multiples.
- SPP to bolster funds ready for growth opportunities that arise.

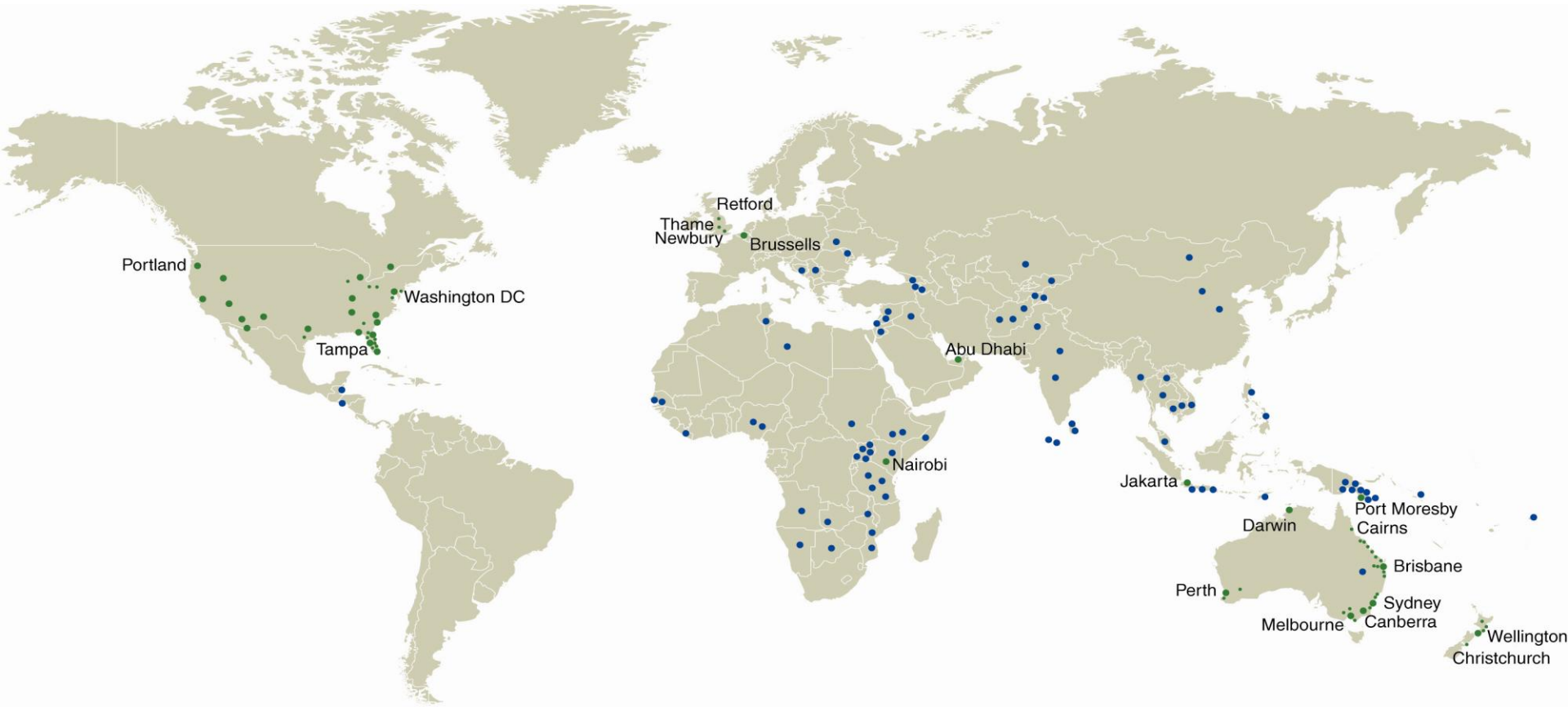


Share Purchase Plan (SPP)

- SPP to raise up to A\$20m.
- Shareholders can participate up to \$10,000 (ASIC & ASX waivers obtained).
- SPP record date 13 March 2009, closes 3rd April 2009.
- SPP Price lower of \$2.80 per share or 7.5% discount to 5 day VWAP up to and including 3rd April 2009.
- Funds to be used to position Cardno to take advantage of growth and acquisition opportunities, and keep gearing low.



Cardno
Shaping the Future



Global Presence

- Development Assistance Projects
- Cardno Offices

Projects



*Healthcare Project,
India*



*Phu My Bridge, Ho Chi Minh City,
Vietnam*



*Mater Children's Hospital,
Brisbane*



*Foreshore Management Plan Project,
Western Australia*



*WinDes Software Project
Stonebridge Park, England*



*Subsurface Utility Engineering, JFK International Airport,
United States*



*Agriculture Quality Improvement
Project, Cambodia*



*Featherstone Street, Wellington,
New Zealand*



Recent Acquisitions – Post June 2008

The Ecology Lab

- Sydney based marine and freshwater ecology consultants, \$2.8m in annual revenue.
- Cardno Ecology Lab has a broad client base including all levels of government and major Australian corporations.
- Projects involve ecological assessments of marine, coastal and freshwater ecosystems, and skills are readily cross sold with existing Cardno environmental work.

Spectrum Survey & Mapping

- Perth and Kalgoorlie based survey and mapping consultants, \$7m in annual revenue.
- Cardno Spectrum Survey are specialist surveyors in open cut and underground mine survey, GPS survey, engineering and cadastral survey, and mapping.
- Extends Cardno's services capability in the resources sector and complements existing survey capability in Mackay (Qld.), New Zealand (Cardno TCB) and U.S.A. (WRG).



Recent Acquisitions – Post June 2008

TBE Group Inc.

- Cardno acquired Florida based TBE Group Inc. on 15 Sept 2008.
- TBE is a 450 person U.S. based infrastructure services firm predominantly servicing the transport infrastructure sector.
- Expected annualised revenue US\$60m and expected annualised EBIT US\$6.5m.
- Revenue is primarily generated from the public sector infrastructure market.
- The acquisition is consistent with Cardno's stated strategy of international diversification and growth.
- The acquisition is Earnings Per Share accretive.
- Strong order book and will benefit from the U.S. Federal Government stimulus package.



Merger/Acquisition History

Record of successful mergers and acquisitions





December 2008 Results – Comparison

Consolidated for the 31 December Half Years

| | Dec 2008 \$'000 | Dec 2007 \$'000 |
|---|--------------------|--------------------|
| Total Revenue | 265,557 | 195,754 |
| Less Recoverables & Other | (70,929) | (39,691) |
| FEE REVENUE | 194,628 | 156,063 |
| Earnings before interest expense, tax, depreciation and amortisation (EBITDA) | 33,056 | 23,390 |
| Depreciation & Amortisation | 5,330 | 1,450 |
| Earnings before interest expense and tax (EBIT) | 27,726 | 19,437 |
| Interest expense | 3,905 | 2,265 |
| Net profit before tax | 23,821 | 17,172 |
| Income tax expense | 5,565 | 5,257 |
| NET PROFIT AFTER TAX | 18,256 | 11,915 |
| Earnings per Share - basic (impact of conversion of convertible notes) | 24.17 | 20.01 |
| Earnings per Share – diluted | 24.16 | 19.59 |
| Dividend per Share | 14.00 | 13.00 |



December 2008 Results – Margin Comparison

| | Half year Dec 2008 | Half Year Dec 2007 |
|--|-----------------------|-----------------------|
| Fees from Services and Sale of Goods (\$000's) | \$194,628 | \$156,063 |
| EBITDA (\$000's) | \$33,056 | \$23,390 |
| EBIT (\$000's) | \$27,780 | \$19,615 |
| Profit Before Tax (\$000's) | \$23,821 | \$17,172 |
| Net Profit (\$000's) | \$18,256 | \$11,915 |
| EBITDA Margin | 17.0% | 15.0% |
| EBIT Margin | 14.3% | 12.5% |
| PBT Margin | 12.2% | 11.00% |
| Net Profit Margin | 9.4% | 7.6% |



December 2008 Balance Sheet

| | Dec 2008 \$'000 | Jun 2008 \$'000 |
|--|--------------------|--------------------|
| Total Current Assets | 227,624 | 187,387 |
| Total Non-Current Assets | 272,064 | 196,457 |
| TOTAL ASSETS | 499,688 | 383,844 |
| Total Current Liabilities | 143,789 | 105,501 |
| Total Non-Current Liabilities | 104,689 | 60,277 |
| TOTAL LIABILITIES | 248,398 | 165,778 |
| NET ASSETS | 251,290 | 218,066 |
| FINANCIAL RATIOS | | |
| Current Ratio ¹ . | 1.58 | 1.78 |
| Gearing Ratio ² . | 0.29 | 0.22 |
| Debt to Equity Ratio ³ . | 0.41 | 0.27 |
| <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 Debt / Shareholders Equity</p> | | |



Statement of Cash Flows

| | As at 31 Dec 2008 \$'000 | As at 31 Dec 2007 \$'000 |
|--|-----------------------------|-----------------------------|
| Net Cash Provided By/(Used In) Operating Activities | 16,666 | 12,045 |
| Net Cash Provided By/(Used In) Investing Activities | (51,995) | (7,255) |
| Net Cash Provided By/(Used In) Financing Activities | 24,990 | 44,348 |
| Net Increase/(Decrease) In Cash and Cash Equivalents Held | (10,339) | 49,138 |
| Cash And Cash Equivalents At 1 July 2008 | 52,624 | 15,474 |
| Cash And Cash Equivalents At 31 December 2008 | 42,285 | 64,612 |



Operating Outlook - Infrastructure

■ Physical Infrastructure markets

- Public Sector infrastructure markets remain sound.
- Australian Federal Government stimulus package is positive.
- U.S.A. Federal Government stimulus packages are positive.
- Rest of the world, public sector markets are sound.
- Private Development markets are generally slow, especially in U.S. and N.Z.

■ Social Infrastructure Markets

- Growing Development Assistance opportunities in Australia, U.S., U.K., and Europe.
- Clients include AusAID, USAID, World Bank, Asia Development Bank, European Union, DFID (UK)
- Ability to leverage off global representation.
- Major projects in over 60 countries.



Cardno's Strategy

- Cardno is well positioned in strategic growth sectors ready for both organic and acquisitive growth as economies recover.
 - Australian Infrastructure
 - Global Infrastructure
 - International 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 and International infrastructure services company operating over 60 years.
- Public Sector Infrastructure markets and development assistance markets remain sound, difficult conditions in private sector development markets.
- Strong history of growth in revenue, profits and E.P.S.
- Attractive dividend yield.
- Mitigation of risk through diversity of earnings across a number of business sectors and geographic locations.
- Strong balance sheet with low net debt.
- Strong operating cash flow and \$47m cash on hand.
- Opportunities for further growth expected.



Cardno's Vision

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



Appendix A – SPP Key Dates



| | | |
|------------------------|--|---|
| Record Date | The date on which Cardno Limited determines eligible shareholders. | 7:00pm (Sydney time) Friday, 13 March 2009 |
| Opening Date | Share Purchase Plan opens. SPP documentation is despatched to shareholders. | Tuesday, 17 March 2009 |
| Closing Date | Share Purchase Plan closes. Applications must be received by 5:00pm Brisbane time. | Friday, 3 April 2009 |
| Allotment & Issue Date | Allotment and issue of SPP shares. | Tuesday, 14 April 2009 |
| Despatch Date | Transaction confirmation advices despatched to shareholders. | Friday, 17 April 2009 |
| Quotation Date | Quotation of SPP shares on the Australian Securities Exchange | Monday, 20 April 2009 |

(NB. Dates are indicative only and Cardno retains the right to vary these dates without advance notice)